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North Oakland Medical Centers shuts doors

Doctors' group can't make a deal to buy it

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Oakland County's oldest hospital – the 336-bed North Oakland Medical Centers – closed Tuesday, after a doctors' group trying to buy the Pontiac hospital failed to find financing to complete the deal.

The decision shocked the hospital's 800 workers hoping for a last-minute solution and forced the transfer of several dozen patients to the city's two other hospitals.

Another issue: What will happen to the large hospital, with 440,000 square feet, at 461 W. Huron St?

"We don't want to see vacant buildings in Pontiac," said Jack Weiner, president and CEO of St. Joseph Mercy Oakland, in Pontiac.

Weiner hopes the City of Pontiac or a nonprofit agency would buy the building and convert it into a one-stop health and community center, much like a program that took over the closed Samaritan Hospital in Detroit several years ago.

North Oakland, the second urban hospital to close in two years in metro Detroit, is another example of how urban hospitals struggle against newer, highly competitive hospitals and a growing burden of serving patients without insurance or inadequate coverage. All three Pontiac hospitals have been struggling as the city loses residents and insured patients to other outlying Oakland County communities.

Detroit Riverview Hospital, part of the St. John Health system, closed in 2007 because of failing finances and a growing burden of caring for people without adequate insurance.

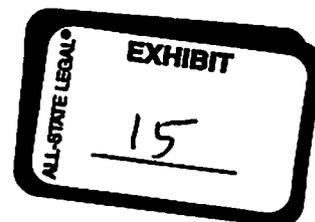
Larry Horwitz, president of the Economic Alliance for Michigan, a labor and business coalition, said the closing "makes it even more important for the other two Pontiac hospitals to expand their prior efforts to serve the residents of central Pontiac."

St. Joseph has reopened a closed hospital wing, with about 30 beds, and is talking about expanding care at a clinic it funds that serves the uninsured and underinsured, Weiner said.

POH Medical Center, renamed after it was bought last year by the Flint-based McLaren Health System, will pick up care of Oakland County prisoners that North Oakland had handled, in a contract with the sheriff's office, said Pat Lamberti, president and CEO of POH.

North Oakland, founded in 1910, admitted 5,600 patients last year, but averaged only 68 patients a day last year, down from 87 a day in 2006, state hospital occupancy data show.

An additional 34,600 people received care last year at the hospital's outpatient facilities and another 38,400 people were treated in its emergency department, the hospital said.



Losing patients over the last decade, the hospital fell behind in more than \$2 million in bond payments to the City of Pontiac and filed for Chapter 11 bankruptcy in August. After Pontiac officials declined to forgive nearly \$2.3 million in bond debts, North Oakland's potential buyers, led by Rochester Hills urologist Dr. Anil Kumar, sought more help from McLaren Healthcare of Flint.

McLaren already had given North Oakland \$2.75 million earlier this year to keep the hospital open and was considering another \$2.25-million contribution, said Kevin Tompkins, vice president of marketing for McLaren. Still, the doctors' group needed to find other credit to complete the deal and "the economy ... created a situation that made it impossible to secure the kind of money it needed," Lamberti said.

A bigger issue ahead for Pontiac is whether POH stays in Pontiac. McLaren wants to add a hospital to a large medical campus it is building in Clarkston, but would need legislative approval to get around Certificate of Need laws to move POH's 338 beds to Clarkston. Now, state rules prohibit transfer of those beds more than 2 miles away.

Both Pontiac hospitals, as well as Beaumont Hospitals, Royal Oak, and Crittenton Hospital Medical Center, Rochester Hills, participated in job fairs at North Oakland on Monday and Tuesday. But while there may be jobs for doctors, nurses and other health care professionals, many worried that the hospital's lowest-paid employees might have a hard time finding a job.

"There are no jobs for me," said Beatrice Hernandez, a 30-year employee and medical records analyst. "My classification has been outsourced."

Dona Alexander, a housekeeper at the hospital, said she and others in her department have looked for work but can find only part-time jobs that pay less, she said.

Pablo Sanchez, a 32-year employee who became chief of security and chairman of the hospital's emergency disaster system said, spent the day saying goodbye to a staff he said was second to none. He was born at the hospital as were his four children.

"In all these years, we've planned for every disaster but this one," Sanchez said. He hugged Beth Escoto, the hospital's most senior registered nurse, with 36 1/2 years at North Oakland. She is moving to Tennessee and doesn't expect trouble finding work. She worries about her patients.

"This hospital had a mission to treat people others didn't care for," Escoto said.

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