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Hospitals in Madison turf war

HMA challenges St. Dominic's plans

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A clash between health-care titans for the pocketbooks of Madison County is framed by some as a struggle between the haves and have-nots.

The conflict pits Health Management Associates against St. Dominic Health Systems, two longtime rivals.

"Some would have you believe that this fight is about medical care," said Karl Banks, a Madison County supervisor. "But I believe it's about medical dollars."

Whatever it is, it could get very "contentious," said Dr. Alton Cobb, who was the state's longtime health officer until 1993.

"Hospitals like to locate in a good-income area because they make money there," he said. "It's a very competitive area in southern Madison County."

South Madison County is where nonprofit St. Dominic, owned by the Illinois-based Catholic Dominican Sisters, is seeking approval to relocate 71 beds from its Jackson hospital - specifically, east of I-55 at the proposed site of the Reunion Parkway interchange north of Madison.

Opposing the move is private, Florida-based HMA, which operates the area's River Oaks Healthcare system, including what is currently called Madison County Medical Center in Canton.

A state Department of Health analysis recommends St. Dominic's proposal be rejected.

Among the reasons: It constitutes the construction of a new facility rather than a relocation; and the State Health Plan formula shows the county needs 33.5 beds - half of what it has already.

But the state health officer could overrule the staff after a certificate of need hearing that began last week; and that decision could be appealed as far as the U.S. Supreme Court. The hearing is expected to last several more days.

For now, the county has one hospital - and HMA wants it to stay that way.

"They're blocking us," said Paul Arrington, vice president of St. Dominic. "The people of Madison County are crying out for a another hospital. We're on the side of the people."

St. Dominic has a history of trying to block HMA as well.

St. Dominic and Baptist Medical Center in Jackson teamed to prevent HMA from moving its Madison County Medical Center to the north campus of Central Mississippi Medical Center on Ridgewood Road in Jackson.

Later, St. Dominic challenged the relocation of MCMC, losing a court fight and an appeal before dropping its opposition.

In September, HMA finally broke ground on a 67-bed replacement facility for MCMC, renamed Madison River Oaks. It will be located on the Nissan Parkway near I-55, about six miles southwest of MCMC's present site.

The new site will be more accessible to residents of south Madison County, including Madison and Ridgeland - people who are more likely to have health insurance than residents farther north.

This is essential to Madison River Oaks, said Charles Haley of Canton, once a member of the Madison County Medical Center board.

"A hospital going broke isn't going to help anybody," he said. "I remember how many nonpaying patients we had at (MCMC) in the north when I was on the board.

"I believe that by going to the interstate, HMA will be able to stay open if they got Madison and Ridgeland customers in the mix.

"Otherwise, I'm afraid the north part of the county might be without a hospital eventually. I don't see how two hospitals could make it."

Davis Richards, CEO of MCMC/Madison River Oaks, said St. Dominic's move would "have a significant impact on the success of our new hospital. ...

"Right now, we have a very high Medicaid and Medicare population," resulting in low reimbursement rates, he said.

"And some of the people we serve have no insurance. They have little or no income. They pay what they can, which is often very limited.

"We will continue to serve that population, but when we invested \$42 million in our new hospital, the plan was to be able to compete for the business in south Madison County as well."

St. Dominic's Arrington cited Department of Health statistics proving his hospital in Jackson already serves Medicaid and Medicare patients.

A sampling of 2,131 Madison County patients discharged from Jackson-area hospitals from January 2007 through January 2008 shows that 37.6 percent were on Medicare and 14.4 percent on Medicaid at St. Dominic.

The numbers for Madison County Medical Center: 13.9 percent, Medicare; 30.7 percent, Medicaid.

The figures also show St. Dominic had 10 times as many Madison County patients with commercial insurance as MCMC: 167 to 16.

Still, St. Dominic supporters say most numbers are on their side, especially county population: more than 90,000 and growing.

"To say we have enough hospital beds for this community, I can't imagine anyone making a statement so wild," Madison Mayor Mary Hawkins Butler said.

"Shame on anyone, shame on them, if they are against this hospital. We don't oppose HMA, but we believe people should have a choice."

St. Dominic had the chance to take over Madison County Medical Center in 2001 after a cutback in Medicaid reimbursements almost forced MCMC to close.

County supervisors asked area hospitals to take it over. St. Dominic was among those that declined. Eventually, HMA stepped in and signed a 40-year lease on the facility, assuming a \$9 million debt.

"HMA saved the taxpayers \$9 million," Banks said. "They've lived up to every commitment they've made to Madison County."

"I hope this (certificate of need) hearing plays out very short, very sweet, and they tell St. Dominic where to go."

But it's not hard to find a Madison County resident who supports St. Dominic.

Sarah Lofton of Madison said she and her family have to go to "five different clinics" for their medical needs.

"I'd like to have a hospital nearby that has everything," she said.

Canton resident Bessie Brim, 76, said she'd rather have two hospitals.

"One may be better than the other one. And Madison isn't as far as Jackson."

Taking the middle road is Dr. Luke Lampton, state Board of Health chairman.

"If there is significant interest for St. Dominic to locate in Madison, we need to make changes in the State Health Plan for that to happen."

"As it is now, if St. Dominic doesn't meet the requirements of the plan, no matter how good a proposal it is, no matter how much the public supports it, it won't be approved, because that's not how the process works."