

**Good Samaritan Hospital:
Serving the Body, Mind, and Spirit
for Thirty-Six Years**

An Essay

Presented to
the California Pioneers
of Santa Clara County

by

Kristina Ravo

2040 Jonathan Avenue
San Jose, CA 95125

(408) 448-3725

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Introduction

In the last half-century, most new hospitals in California have been started as proprietary institutions or with a financial guarantee provided by a tax base, a religious denomination, or a major gift or endowment. The Good Samaritan Hospital of Santa Clara Valley, however, has had none of this security. It stands as an outstanding example of individuals and groups responding to a community need and is a living monument to those whose faith and responsibility have translated a need into action.

During the 1950's, there was a need in West San Jose for a new hospital. And, yet not JUST a hospital. The founders of The Good Samaritan Hospital gave selflessly of time, talent, and money to establish a hospital facility dedicated to the entire person – body, mind, and spirit. Thus, the spirit of The Good Samaritan Hospital as it exists today reflects dedication on the part of volunteers, contributors, medical-dental staff and employees. After over twenty years of persistence and planning, a non-profit hospital was finally built in 1965, in West San Jose.

Trials and Tribulations

“Good Samaritan Hospital is truly the American success story, consisting of dreams, coordinated energy, and active community participation,” said Dr. James W. Weatherholt.¹

In the late 1940's many residents of the West Santa Clara Valley identified an increasing need for a hospital in the West section of the Santa Clara Valley. This cry for a hospital from residents led to the formation of the West Valley Hospital District. The largest hurdle for this committee was obtaining financial assistance. Twice in the next ten years the committee tried unsuccessfully to obtain State-Federal building funds and accomplish its tasks- to open a hospital in the West Santa Clara Valley, so the committee was dissolved.

In 1957, there were three major hospitals in San Jose: San Jose Hospital (now known as San Jose Medical Center), O'Connor Hospital and Santa Clara County Hospital (now known as Valley Medical Center). San Jose Hospital and O'Connor were private hospitals and Santa Clara County was the county hospital. In the spring and summer of 1957, San Jose Hospital, was being impacted with patients which was becoming intolerable; however, O'Connor Hospital was not as stressed. O'Connor rarely admitted more than the allotted bed capacity despite overwhelming demand for beds for patients.² San Jose Hospital, on the other hand, was very cooperative and sensitive to desperate situations. They put patients in every corridor, niche, and waiting room.

In early September 1958, Dr. James W. Weatherholt, a specialist in Obstetrics and Gynecology, consulted with some of his Episcopal medical colleagues. He proposed

¹ James W. Weatherholt, M.D, January 11, 1983.

² Ibid.

that the Episcopal Diocese of California build a hospital in the area. Dr. Weatherholt and Reverend John Haverland (then the pastor of St. Mark's Episcopal Church in Santa Clara), had lunch at the San Jose Swim and Racquet Club to discuss the possibility of the hospital where Rev. Haverland received the idea favorably.

Reverend Haverland subsequently referred Dr. Weatherholt to Bart Murdock, the pastor of Trinity Church and the chairman of the committee for social services for the Episcopal Diocese of California. In October of 1958, Reverend Murdock and Dr. Weatherholt met at St. Mark's in Santa Clara where they discussed the need and possible sources of support.³

In early 1959, Bart Murdock presented the idea of the hospital to Bishop James Pike. The bishop agreed to go to San Jose and to meet with a group of Episcopal doctors on April 17, 1959.⁴ At that meeting he related that the Episcopal Diocese of California did not have the financial resources to build a hospital in San Jose; however, he and the Diocese would support it in every other possible way. Pike also stated that he would give \$1,000 to fund the hospital in the early stages.⁵

Gavin Cullen (General Manager of IBM), Fred Oehler (District Manager American Trust Company), Bob Thomas (American Trust Company), Donald Stewart M.D. (pediatrician), Leon P. Fox M.D., and Les Magoon M.D. were recruited to serve as the steering committee along with Bart Murdock, Reverend Ward McCabe (who replaced Reverend Haverland), and Dr. Weatherholt. The Steering Committee met weekly during the spring of 1959. It recruited and contacted a number of physicians and community

³ Ibid.

⁴ Ibid.

⁵ Ibid.

citizens in an effort to solicit their help, gave talks to neighborhood organizations, women's church groups, and other gatherings, and were happy to receive as little as \$100.⁶

Tom Blanchard, M.D., was an influential and financially well off San Jose general practitioner. He joined the Steering Committee in the winter of 1959. He also promised \$200,000 or possibly equity in a pear orchard that he owned at the southeast corner of Steven's Creek and Winchester Boulevards (now Courtesy Chevrolet and Town and Country Shopping Center.)⁷ Unfortunately there was one flaw in Blanchard's grandiose promise. A buyer had an option to pick up the property later that year and of course did. Blanchard also never delivered the \$200,000 he had promised.⁸

In the fall of 1959, the Steering Committee was informed that a Methodist group (with Bob Barton as chairman) had been formed in the late spring of 1959, and was travelling the same road the Steering Committee was bumping along. The steering team contacted Bob Barton and discussed the idea of joining the two groups for increased breath of support and vigor. Bishop Pike was once again contacted and a meeting was set up at the First Methodist Church at Fifth and Santa Clara Streets in the late fall of 1959.⁹ Bishop Pike and the two Steering Committees met that night. They agreed that it would be best if the two groups were combined, thus forming one Steering Committee. Committee Members were selected from each group. Bob Barton was named the chairman. Romain Swedenberg (pastor of the Los Gatos Methodist Church) along with other Methodist members joined the committee. The original Steering Committee

⁶ Ibid.

⁷ Ibid.

⁸ Ibid.

⁹ Ibid.

included Gavin Cullen, Fred Oehler, Bart Murdock, Ward McCabe, Leon Fox, James Weatherholt, and several others.¹⁰ At that point Don Stewart dropped out of the steering committee to rejoin at a later date. Others soon joined to eventually form the twenty-three member governing board and Bill Mauel replaced Fred Oehler on the board at that time.

Reverend James Strayer, an important and influential Methodist minister at Calvary Methodist Church, finally gave them his blessing. His support gave a real community boost at an important time in the Steering Committee's early career. The committee met weekly at noon at either the Old St. Claire Hotel or the De Anza Hotel. Its momentum seemed to plateau for a time in 1960 and Henry Oldenkammp was called to rescue the project, which he did.¹¹

In the late fall of 1959, a noon meeting was called in the De Anza Hotel El Capitan Room to officially put a name on the project that was hopefully going to qualify for State and Federal support. Several names were proposed, but the parable of the Good Samaritan seemed to fit best for the philosophical concept of the type of hospital project that was being attempted.¹² Thus, the Good Samaritan Hospital of Santa Clara Valley was chosen as the name.

The Inception

In 1960, the committee applied for a grant of Hill-Burton funds to construct a major regional hospital in the West Santa Clara Valley. The application was made to the Hospital Council of California through the Bureau of Hospitals in Berkeley, California.

¹⁰ Ibid.

¹¹ Ibid.

¹² Ibid.

The San Jose district ranked thirteenth on the Hill-Burton priority list, but money was expected to be available for grants that year.¹³ All funds were to be distributed on a basis of priority by the Bureau of Hospitals.¹⁴ Hill-Burton grants were to be allocated on July 22, (also given to O'Connor Hospital, San Jose Hospital, and Santa Clara County Hospital). Hill-Burton funds were supplied in amounts of up to two-thirds for the construction cost of philanthropic, non-profit hospitals and the Federal government supplied one-half of the funds allocated with the other half supplied by the state.¹⁵

Robert Barton was the president of the governing board at Good Samaritan in 1960. Representing the board of trustees he said,

We have an excellent opportunity to build an outstanding non-profit hospital to further serve the needs of Santa Clara Valley. This project represents a challenge to the entire community. All of our existing hospitals are now filled to capacity. With the rapid growth of the valley, medical surveys show that within five years we will be short more than 1,000 beds of serving the medical needs of our people. For these reasons, we are hopeful that the Hospital Council will see fit to grant us part of the funds necessary to establish the Good Samaritan Hospital.¹⁶

Dean Price, A.I.A, prepared the preliminary architectural plans, cost estimates and applications. Reverend William B. Murdock said, "It is time for the people of Santa Clara Valley to recognize that the need for an additional hospital is most urgent. Our existing hospitals are simply not adequate to take care of our people because of the population increases that are taking place."¹⁷

In 1961, Henry A. Oldenkamp became the president of the Good Samaritan

¹³ "New Hospital Asks for Funds," Cambrian Weekly News, June 16, 1960.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Ibid.

Hospital board of Trustees. Three prominent San Jose business leaders, Fred J. Fletcher (partner in Fletcher-Smythe motor Co.), Fred J. Oehler (VP of Wells Fargo-American Trust Co.), and Gavin Cullen (General Manager of San Jose IBM plant), were appointed as Steering Committee heads to direct the fundraising program. Commissioner Marc Maran suggested the hospital's officials look to sources of nurses such as local colleges and junior colleges to head off a staffing shortage. It was not too early to start seeking potential staff nurses (then planning to open late 1964 or early 1965).

In 1961, the State Bureau of Hospitals accepted an application for \$3,120,000 of State and Federal aid.¹⁸ A balance of the money had to be raised by the end of the year through campaigns and mortgage financing. The Good Samaritan application for Hill-Burton money was to be acted upon in September 1961.

Mr. Oldenkammp was confident that the hospital would receive 3.3 million dollars from the federal Hill-Burton grant.¹⁹ Nearly two million dollars more was to be raised by subscription from West Valley doctors, industry, and the populace of the area and the remaining one-half million dollars was to be a short-term loan.²⁰ The Board's action to approve the report was drawn up on the proposal by the county Hospital Commission. On May 22, 1961, the Board of Supervisors added its endorsement to the proposal for Good Samaritan. At the time the endorsements carried no official significance, but could be used to bolster its bid for 3.3 million dollars in Hill-Burton funds.²¹

The Good Samaritan group was awarded a 3.5 million-dollar grant in State and

¹⁸ "Good Samaritan Hospital Fund Drive Chiefs Named," San Jose Mercury News, March 19, 1961, p. 27.

¹⁹ "County Commission Backs Proposed Los Gatos Hospital," Daily Palo Alto Times, May 10, 1961, p. 13.

²⁰ Ibid.

²¹ "Board Okays New Hospital," San Jose Mercury News, May 23, 1961, p. 36.

Federal funds in mid-October of 1961, toward the construction of the facility.²² The condition of the grant required local funds to have been raised to qualify for allocation and to prove the community wanted a hospital, with a deadline of February 19, 1962. Failure to meet the deadline would have resulted in the allocations diverted to other areas that met the requirements.²³ The allocation of funds was made by the Governor's advisory Hospital Council, a result of a two day special hearing in Los Angeles during which thirty-one applicants throughout the state applied for a share of \$15,824,278 available for distribution under the Hill-Burton Act.²⁴ The Hill-Burton grant boosted Good Samaritan Hospital's capital assets to \$5,575,235 combining State-Federal allocation, a committed private mortgage loan, and funds contributed by the community.²⁵

The total projected cost of Good Samaritan Hospital of Santa Clara Valley was estimated to be \$6,466,285.²⁶ Good Samaritan's building fund drive pushed up towards the million-dollar mark in December 1961, bringing the total up to 922,000 dollars (60% of the total goal necessary to build the proposed 225-bed community hospital).²⁷ However, \$578,000 was yet to be raised to reach the \$1,500,000 quota by December 21, 1961.²⁸

The hospital plans were finally approved in August 1962, by the State Bureau of Hospitals and by the Santa Clara County Hospital Commission. Directors filed with state requests for Hill-Burton loans amounting to \$3,596,784.²⁹ Future plans called for

²² "Good Samaritan Hospital Nears Million Dollars," Cambrian Weekly News, December 21, 1961.

²³ Ibid.

²⁴ Ibid.

²⁵ "Good Samaritan Gets \$3,505,456 Grant: State-Federal Funds Alloted," Times-Observer, October 20, 1961, p. 1.

²⁶ Ibid.

²⁷ Cambrian Weekly News, Op. Cit., December 21, 1961.

²⁸ Ibid.

development of acreage surrounding the hospital's tract into a modern, medical complex complete with professional offices, a convalescent hospital and residential units. The development was to be privately financed and not part of the hospital's program.

The 200 bed, non-profit hospital was to be located in the West Valley region. The site of the hospital was to be near the intersection of San Jose- Los Gatos Road and National Avenue, a short distance from Route 17 and the proposed West Valley Freeway. The chosen site was twenty acres beginning in the Los Gatos-Campbell area and was approved in August of 1961. The late W.W. Lester Sr. formerly owned part of the tract of land and so an agreement for transfer of the site was reached with members of the Lester family.³⁰ Santa Clara County Hospital Commission approved the project and the State Bureau of Hospital representatives indicated preference of the twenty-acre site because of its central location and easy accessibility to all traffic. Construction was expected to start in early 1963 and expected to be completed by late 1964.

The Vision

In August of 1941, Henry A. Oldenkammp said, " Our central county faces a real critical shortage of hospital beds, considerably below the accepted minimum standard established by the State Bureau of Hospitals for a region which has experienced an unusual population growth."³¹ The new Good Samaritan Hospital could relieve the stress of hospital bed shortages.

Good Samaritan Hospital was to start out with general and maternity beds on the

²⁹ "20-Acre Hospital Site Selected in Los Gatos-Campbell Area," Daily Palo Alto Times, August 23, 1961, p. 38.

³⁰ "Good Samaritan Hospital to Be Here," Cambrian Weekly News, August 24, 1961, p. 1.

³¹ "Good Samaritan Hospital Fund Drive Chiefs Named," San Jose Mercury News, March 19, 1961, p. 27.

ground floor and was to have higher floors for more specialized care. In time Good Samaritan Hospital would be expanded to an ultimate of 400 beds with the inclusion of psychiatric units suggested by Dr. Robert Loehr, a San Jose surgeon on the county commission. The additional psychiatric unit was to have twenty-five beds devoted to specialized short-term mental care. There would also be a facility to include all modern ancillaries such as radiology, diagnostic laboratories, and physical therapy. The hospital was to include the services of surgical (130 beds combined with medical), medical (130 beds combined with surgical), maternity (forty beds), pediatric (thirty beds), and short-term mental health (twenty-five beds).³²

In 1962, General Electric Company Atomic Power and Motor Divisions gave Good Samaritan Hospital building funds \$28,498.³³ The employees of the two divisions raised \$14,249. General Electric Company offered to match the employees' contributions up to \$15,000.³⁴

Foster and Kleiser Sign Company donated a "future site" sign, which was approved by the County Planning Commission. The billboard had to be renewed every six months during the planning/construction period.³⁵

The lowest bidder for the contractor was the San Francisco construction firm of Rothschild, Raffin, and Weirick. A contract was expected to be awarded by the hospital's board of trustees on March 15, 1963, and the construction contract was signed within thirty days with construction beginning ten days later.³⁶ The eight-story structure

³² "Good Samaritan Hospital Fund Nears Million Dollars," Cambrian Weekly News, December 21, 1961. And "Good Samaritan Gets \$3,505,456 Grant: State-Federal funds Alloted," Times-Observer, October 20, 1961, p. 1.

³³ Cambrian Weekly News, January 18, 1962, p. 1.

³⁴ Ibid.

³⁵ Ibid.

³⁶ "Good Samaritan Hospital Opens Bids," Palo Alto/Peninsula Times-Tribune, March 11, 1963.

was to rise on orchard land and expected to open in 1965 according to Floyd A. Sorensen, administrator of Good Samaritan Hospital of Santa Clara Valley.³⁷ The hospital was eventually to be expanded to 450 beds.

The site dedication and groundbreaking ceremonies for Good Samaritan Hospital of Santa Clara Valley were conducted on April 24, 1963. The dedication litany was led by two representatives of Christian groups, Rev. Herbert W. Neale (San Jose District superintendent for Methodist church) and Rev. David Graham (Dean of County Episcopal Church), which had helped spearhead community efforts to establish a non-profit hospital. At the dedication, small gold shovels with Good Samaritan Hospital labels on them were distributed.

The Birth

A three-day open house of the new Good Samaritan Hospital was held on September 22, 1965 (Friday - Sunday). A new street was cut into the orchard between Elester Drive and the Intersection of South Bascom and National Avenues for the location, 15825 Samaritan Drive.

The eight-floor tower structure was designed around a core, containing nursing service units with duplications at each level. With no nursing bed farther than sixty-five feet from the unit, patient rooms were on the perimeter of the second through sixth floors so each had an outside view.³⁸ A psychiatric unit and two more floors could be added to the tower bringing an additional 225 beds to Good Samaritan Hospital.³⁹ Though

³⁷ "Good Samaritan Groundbreaking Ceremonies," Cambrian Weekly News, April 24, 1963.

³⁸ "Preview of Good Samaritan Hospital Slated This Weekend: 225-Bed Facility to Open," Cupertino Courier, September 8, 1965, p. 5.

³⁹ Ibid.

Christian-oriented, Good Samaritan Hospital had one criterion for patient admission-- medical need-- as specified by the patient's physician or dentist.⁴⁰ The patient rooms on the psychiatric unit also had outside views built around an enclosed patio and living room designed and decorated for informal living.

A formal dedication was scheduled to be held after completion of the chapel, of which work was slated to start in late September of 1965. Approximately 400 physicians and dental surgeons were on the hospital's charter medical and dental staff and the Chief of Staff was Jack P. Covert, M.D.

Good Samaritan was formally dedicated May 15, 1966, with services open to the public.⁴¹ The floors were as follows: the basement and first floor were diagnostic, treatment, and administrative departments, the second floor was obstetrics, the third through fifth floors were medical-surgical, the sixth floor was pediatrics, and the seventh floor was mechanical.⁴²

In August of 1967, the average daily patient census was about 196.⁴³ A total of 6,079 patient days of care had gone by and 266 babies were born in August alone.⁴⁴ A total of 1,003 patients had been treated in emergency.⁴⁵

Phase II Expansion

In 1972, Phase II of Good Samaritan Hospital began. Phase II was an expansion to provide needed space for the expansion of ancillary services. It would include

⁴⁰ Ibid.

⁴¹ "Good Samaritan Dedicated May 15th," Cambrian Weekly News, April 20, 1966, p. 2.

⁴² "Donna Burchard: 2nd Generation Executive Housekeeper," The Executive Housekeeper, August 25, 1966, p. 15.

⁴³ "Good Samaritan Hospital to Blow Out Second Candle," San Jose Mercury News, September 20, 1967, p. 62.

⁴⁴ Ibid.

⁴⁵ Ibid.

enhancements in radiology, physical medicine, and lab sections. It also allowed several new medical service programs to begin. A diagnostic and treatment center and an in-and-out surgery center were to open in mid-July.⁴⁶ Acute care for distressed infants was to be opened in early 1974.⁴⁷ Phase II made it possible to cut two-week scheduling lead-time or surgery to a few days.⁴⁸ The surgery suite expanded from six to ten operating rooms and in-and-out surgery center would relieve some pressure as well. A new Intensive Care Unit and Coronary Care Unit each with a twenty-two-bed capacity were also scheduled to open. The Intensive Care Unit was adjacent to the post-operative recovery room to permit anesthesiologists and surgeons to respond quickly to emergency situations. All rooms in cardiac care were to be made visible from the nursing station, have outside access for recovering patients, and the patients could be monitored by the nurses with telemetry equipment while outdoors.⁴⁹

When Phase II was completed in 1975, it doubled the floor space and added 139 patient beds, which brought the bed capacity to 400.⁵⁰ The four-story addition expanded the twenty-five existing departments and added facilities for new patient services. The new Cardiac Catheterization Lab marked the completion of the Cardiac-Diagnostic Center. Cardiac Catheterization procedures provided detailed information on coronary circulation- the most accurate diagnostic tool in assessment of heart disease at that time. It provided a variety of other services, which aided the physician in assessing heart and vascular conditions. The additional Special Infant Care Unit was equipped with eight

⁴⁶ "Hospital Plans Open House: Good Samaritan Doubles Its Floor Space," Palo Alto/Peninsula Times Tribune, June 27, 1973.

⁴⁷ Ibid.

⁴⁸ Ibid.

⁴⁹ Ibid.

⁵⁰ "Good Samaritan Doubles Hospital Space," San Jose Mercury News, January 26, 1975, p. 9C.

bassinets and was set up to care for babies born sick or distressed. It housed four infant monitoring units with the capability of continual monitoring of vital health signs by specially trained nursing personnel. About 225 babies were born each month.⁵¹ An In-and-out Surgery Center was added featuring two operating rooms and a co-bed recovery facility for minor, outpatient procedures. In-and-out surgery allowed a patient who needed minor surgery to check in for two-six hours on an outpatient basis. An Ophthalmic Diagnostic and Surgery Center was another addition due to the completion of Phase II. It included a new operating suite and a new diagnostic exam room that housed many sophisticated instruments.

Good Samaritan was the first hospital in Santa Clara Valley to provide a full spectrum of psychiatric services.⁵² The psychiatric unit was a closed community, twelve-bed locked unit which opened along with Phase II. The two open therapeutic units of twenty-four and fourteen beds each were to provide psychiatric patients a continuity of care that previously had not been available. There were forty-nine psychiatrists on staff and each patient had his own psychiatrist. The department treated patients twelve years old or older, Youth and seniors were placed in a peer group environment to speed therapy.⁵³ Patients were given a complete physical examination when they were admitted. Another thing Good Samaritan offered beginning in 1978, was RV hook-ups equipped with sewer, water, and electrical hook-ups in the parking lot for patients and their families.

⁵¹ Ibid.

⁵² "San Jose Hospital to Offer Full Range of Mental Care," Palo Alto/Peninsula Times-Tribune, October 20, 1976.

⁵³ Ibid.

Changes in Times

Due to the growing population in the South Valley, Good Samaritan and Wheeler Hospital of Gilroy planned to construct a 100-bed South Valley Inter-Community Hospital called the Good Samaritan Health Care System (Wheeler was to become a convalescent facility), in 1984. Good Samaritan, San Jose, and Wheeler formed a single parent organization called Health Dimensions. South Valley was to be a part of it when it opened in 1987. Wheeler Hospital was affiliated with Good Samaritan in 1983, working together to build South Valley Hospital and become a replacement for Wheeler Hospital that would then be used for other health related purposes.⁵⁴

A New Challenge

Heart Surgery infections caused a sudden halt in heart surgery at Good Samaritan Hospital in 1994. Eight heart surgery patients came down with bacterial infections that doctors could not trace. Due to kidney failure rather than the infection, one patient died.⁵⁵ The cause of the infection was found to be the Serratia bacteria, which spread through surgical instruments rather than person to person. The State Department of Health Services, Center for Disease Control, Stanford University, and UC Berkeley all assisted in the investigation. The Heart Surgery program subsequently shut down until the cause of the infections was found.

Initially, the heart surgery infections were blamed on the ordinary tap water. When patients were given a sponge bath after an operation, some water from bathing

⁵⁴ "Three Hospitals Form Parent Organization in Efficiency Move," Palo Alto/Peninsula Times-Tribune, December 29, 1984.

⁵⁵ "Infections Halt Heart Surgery at Good Samaritan," San Francisco Chronicle, October 11, 1994.

leaked under bandages into the wound. The Serratia bacteria that caused the infection is spread through water or the equipment used. None of the bacteria was found when the water was tested, but tap water could change daily. Investigators believed the water was contaminated at the time of the infections and therefore continued to investigate.

The heart surgery infections were eventually traced to an employee and may not have come from tap water.⁵⁶ A soap dispenser at an employee's home was found to have the Serratia bacteria. Although person-to-person contact was not the usual means of transmittal, this was the only positive test for the bacteria. The worker did not use regular antiseptic soap at the hospital due to allergic reaction, and the other soap used was not effective against Serratia.⁵⁷ The latex gloves used could have had big enough holes to pass bacteria and the artificial fingernails worn by the employee were harder to clean than regular nails. Bathing patients right after surgery removed the betadine solution which was used as an anti-bacterial, thus allowing the infection to enter. Out of the sites tested for the bacteria 700 showed to be positive.⁵⁸ A policy and procedure was implemented not to wash patients right after surgery, resulting in no further cases. The investigation was then closed because of no further cases of the Serratia bacteria.

Effects of Managed Care

In October 1994, Good Samaritan faced a new challenge. There had been a backlog of 18,000 unpaid physician bills, and 8-9 million dollars lost on a \$305,000,000 budget expected in 1995, which was hoping to break even.⁵⁹ The management consultant

⁵⁶ "Hospital Infections Traced to Employee," San Jose Mercury News, December 20, 1994.

⁵⁷ Ibid.

⁵⁸ Ibid.

found a lot of problems such as duplicate payments, wrong payments, and lots of unanswered phone calls. The first six months of the reform was dedicated to reducing the claims backlogs and the next six months was to be spent in improving organization of medical care which could mean consolidation of departments.⁶⁰

Due to financial losses, deep cuts were expected in staff programs in 1995. Good Samaritan Hospital had lost twelve million dollars in six months and it was a possibility that it could lose one of the three hospitals in the Good Samaritan Health Care (Good Samaritan, San Jose, and South Valley.)⁶¹ The hospital was pressured to provide care at lower prices as a result of health plans paying less and with an increase in patients, but less money per patient. Managed care was blamed for part of the problem as well as Health Management Organizations for the older patients.⁶² Managed care programs paid hospitals a set annual and for each patient rather than paying for every test or procedure. This system forced providers to be more efficient and to cut costs to compete for better contracts. This rise of managed care had been forcing hospitals to close or consolidate. For the nine months ending March 31, 1995, the four-hospital system lost 20.4 million dollars and Moody's, the investment rating service, downgraded Good Samaritan's bonds to Ba, a below-investment grade.⁶³ No layoffs of staff were predicted. Good Samaritan had cut budgets for the past two years, but was still losing money. In March 1995, it was decided that none of the three hospitals would be closed, although downsizing would occur. Departments and services were to be combined and the

⁵⁹ *Ibid.*

⁶⁰ "Good Samaritan Expected to Survive Budget Cuts," *San Jose Mercury News*, March 3, 1995.

⁶¹ "Hospital Group In Trauma," *San Jose Mercury News*, February 14, 1995.

⁶² *Ibid.*

⁶³ "Three Firms Want Good Samaritan Hospitals," *San Jose Mercury News*, September 2, 1995, p. 1B.

decision to change from an old-fashioned hospital to a modern managed-care system was made. This decision stripped Good Samaritan Hospital's infrastructure.

The Good Samaritan Health Systems needed to cut \$45,000,000 from its 1996 budget, which was necessary to make the system break even while lowering the price for healthcare for consumers.⁶⁴ Good Samaritan Hospital losses stemmed from flat, or in some cases, down payment coming from heavy insurers, determined to cut their cost. For the first three months of 1995, the system lost \$11.3 million- double the rate of losses for the previous six months.⁶⁵ With declining financial fortunes, doctors were being told they were responsible and if they exceeded the budget, they were liable for the difference out of their own pockets. Good Samaritan Hospital was predicted to probably merge or sell to a larger system because cutting costs internally would not be enough to cure the financial losses with four possible candidates: Columbia/ HCA, Tenet Health Care, Catholic Healthcare West, and Sutter Health.

In 1995, Good Samaritan Health Systems weighed bids by three companies interested in acquiring its four-hospital non profit chain. The three companies were Sutter Health (non-profit based in Sacramento), Columbia/HCA (for profit based in Nashville), and Tenet Health Care (for profit based in Santa Monica).⁶⁶

In 1995, Good Samaritan was acquired by Columbia/HCA Healthcare Corp. of Nashville, Tennessee, to bring financial relief to the troubled Good Samaritan Health Systems, which went into a tailspin from declining revenues and mounting costs. Columbia/HCA, known as a lean operator, could spark healthcare price-cutting in the

⁶⁴ "\$45 Million Cut for Good Sam? Cutbacks to Managed Care," San Jose Mercury News, March 31, 1995, p. 1B.

⁶⁵ "Good Sam Gropes For a Life Raft: Merger Plans/ Selling Out," San Jose Mercury News, June 8, 1995, p. 1B.

⁶⁶ San Jose Mercury News, Op Cit. September 2, 1995, p. A17.

South Bay.⁶⁷ Good Samaritan Hospital then went from non-profit to for-profit.

Columbia's belief that, "Hospitals can tend to the sick while turning a profit," came forth in 1996. Nationally, Columbia was hit hard in spring 1997, by reports that it was under investigation for possible Medicare fraud in at least three states, a revelation that had become ammunition for communities opposing the company attempt to buy local hospitals. In 1997, since bought by Columbia/HCA, patients, doctors, and nurses complained that the same patient care was no longer given including use of bathroom and changing of the bed linen. Company officials attributed some of the dissatisfaction to public fallout from federal Medicaid fraud investigations. Columbia officials said patient complaints were an outgrowth of the financial squeeze from HMOs/managed-care plans and the massive changes the company made to rescue the financially crippled Good Samaritan system, Santa Clara County's second largest health care system. Patient care became different because of overburdened nurses due to cuts in staff.⁶⁸ Housekeeping and administrative were the only services that could be cut without directly influencing patient care.⁶⁹ A shortage of critical care nurses in the Bay Area also affected the patient care.

Stability for Good Samaritan Hospital

Presently in the year 2001, it has been at least five years since Columbia bought Good Samaritan Health Systems. Since 1997, there has not been much media coverage

⁶⁷ "Three Area Hospitals to Join High Chain Good Samaritan Hospital Sold," San Jose Mercury News, September 19, 1995, p. 9A.

⁶⁸ "Columbia Sacrifices Personal Touch in Patient Care," San Jose Mercury News, September 22, 1997, back page.

⁶⁹ Ibid.

regarding Good Samaritan Hospital, but it continues to have internal challenges as would all companies striving to improve.⁷⁰ Today, Good Samaritan has 432 beds and has approximately 1,000 physicians and more than 2,000 employees.⁷¹ The hospital continues to serve its mission- helping people in mind, body, and spirit.

Planned Future Growth

Good Samaritan Hospital continues to strive to improve patient service and create a better care environment. Project 35 is to create a 75,000 square foot women's center, demonstrating its success as "the best place to have a baby in the Bay Area."⁷² Project 35 will also increase in neonatal intensive care beds, postpartum beds, newborn nursery beds, general medical/surgical beds, and a number of private patient rooms.

Conclusion

After twenty years of trials and tribulations, the people's cry for a West Valley Hospital was established in 1965. With changing times and the arrival of the present-day health care industry, the much-needed West Valley Hospital, Good Samaritan Hospital of the Santa Clara Valley, has adapted with the times. The adaptation is controversial since Good Samaritan Hospital went from a non-profit to a for-profit facility, but the spirit of Good Samaritan Hospital remains- providing quality care to its patients as well as helping people in mind, body, and spirit.⁷³

⁷⁰ Good Samaritan Hospital Staff, Susie H. Ravo R.N.C. Patient Care Manager SON Unit, February 21, 2001.

⁷¹ Ibid.

⁷² Ibid.

⁷³ Ibid.

Appendix

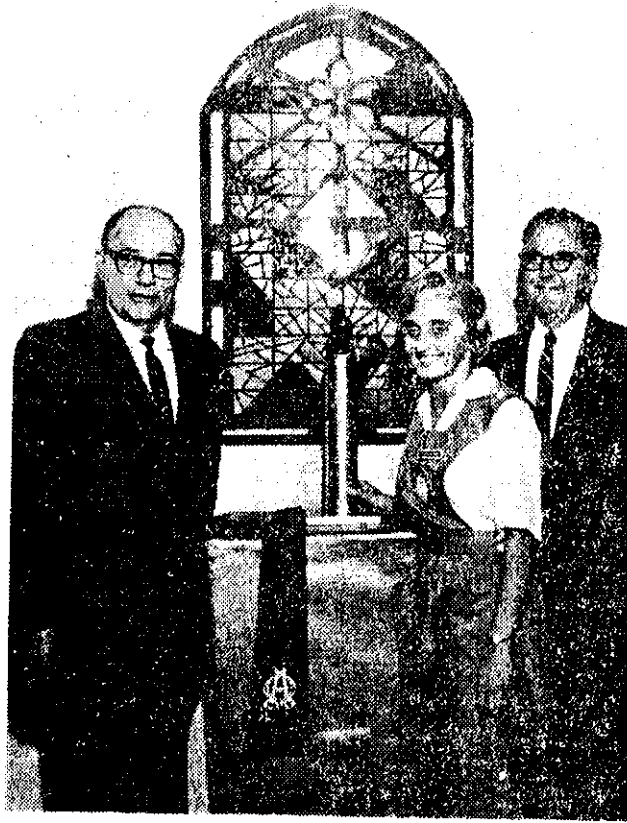
Page 22: San Jose Mercury News, April 25, 1963, p. 62.

Page 23: "Good Samaritan Hospital Marks First Anniversary," San Jose Mercury News, September 22, 1966, p. 21.

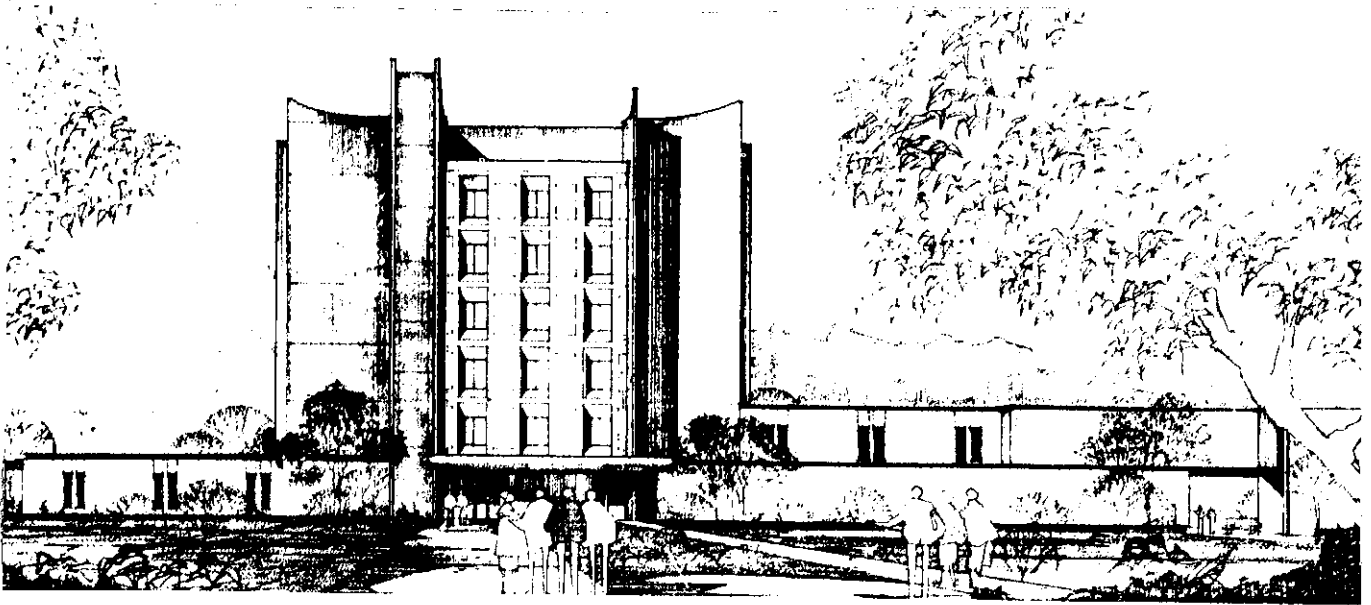
Page 23: Sketch of Good Samaritan Hospital in 1965



HOSPITAL START — Officials of Good Samaritan Hospital held a sort of Lilliputian ground-breaking at the S. Bascom and National avenue site yesterday. The end result will be anything but small, however, when the \$6,500,000, 225-bed structure is finished. Wielding miniature shovels are (left to right) Floyd Sorensen, hospital administrator, Marianne Smith, daughter of a hospital auxiliary member, and Mrs. Gilbert Andrews of Sunnyvale, president of the auxiliary. Construction began immediately.



HOSPITAL ANNIVERSARY—Good Samaritan Hospital of Santa Clara Valley is one year old. Here, with chaplain's candle are, from left, Floyd A. Sorensen, administrator; Mrs. James W. Weatherholt, Auxiliary president; William H. Mauel, board of trustees president.



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Willow Glen High School
Advisor: Mrs. Kathryn C. Philp