

# Valley Times (Pleasanton, CA)

## HOSPITAL SYSTEM SOUNDS CODE RED

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**SARAH LAVENDER SMITH**

**Caption:** Photo - Richard Herington, left, president and chief executive officer of ValleyCare Health System, listens to Judge Hugh Walker, chairman of the ValleyCare board, speak at a news conference in October to announce layoffs and service reductions (Tomas Ovalle/Times); Sidebar - ValleyCare Chronology.

The ValleyCare Health System is a financially sick institution, and its caretakers are offering two different prognoses for recovery.

The prevailing wisdom says that cost-cutting measures adopted two months ago put the system's two hospitals in Pleasanton and Livermore on track toward financial stability, and in the long run the institution will thrive.

The second opinion says the prescription—a mix of layoffs, service consolidation and accounting improvements—represented too little, too late, and the institution's survival remains uncertain.

Frustration and impatience with the hospital's slow progress prompted two directors to resign in the past two months. The directors who remain are operating with a sense of urgency due to a grim balance sheet projecting a potential \$8 million loss this fiscal year.

Asked to describe the board's morale, board member Dr. Robert Boroff chuckled and then cleared his throat.

"I think everyone is behind the administration and what they're trying to do, but there are certain board members who are skeptical and you have to be," he said. "This is the life or death of the hospital. Until I see a year or two of black ink, I'm going to be looking at it very carefully."

The 35-year-old independent hospital system is struggling through a pivotal period that will determine whether it can become profitable and maintain high-quality care at a time when insurance companies increasingly call the shots and hospitals everywhere are forming alliances to strengthen their place in the market.

Municipal Court Judge Hugh Walker, chairman of the ValleyCare board, is confident the board will do what it takes to stay in business without compromising patient care.

"I have a high confidence level. I think we're on target. We are going in the right direction and are going to be able to turn this ship around," Walker said.

### Messy accounting problem

Shorter patient stays and lower reimbursement levels from insurance companies have put every hospital under financial pressure. But at ValleyCare, the current administration inherited two special challenges: a messy accounting problem that saps significant revenues, and a community opposed to consolidating the two facilities.

Longtime Livermore resident Ted Wieskamp, one of the board members to resign, said he lost confidence in the hospital leadership.

"I don't believe they're moving fast enough, and I don't think they're taking serious actions to really solve this issue. I can't stand by and watch them pause and meditate so much. I don't think there's any question the hospital is in jeopardy," said Wieskamp, a retired Lawrence Livermore Laboratory electrical engineer. He served on the board 11 1/2 years and retired Oct. 18. Dot Svets, who retired in late September, echoed his frustration. "In the 2 1/2 years I was on the board, it seems we were not improving our position at all. We changed administrations, and we had hoped it would start straightening out, and we hired consultants, and things just didn't move as fast as I would want it. But they are moving now, and I hope this movement will continue to be successful," she said.

The problem, according to Svets and others, is that no one knew the extent of ValleyCare's financial problems until Chief Financial Officer Richard Derby came on board in July although Wieskamp maintains "the handwriting has been on the wall for some time."

Derby scrutinized the financial picture and gave the board a startling reality check: The two hospitals, which posted a \$1.7 million loss in fiscal year 1995, faced an \$8 million gap this year.

"We were losing money at an alarming rate, but nobody could put their finger on it to tell the board, let alone the community, how much we were really losing. Nobody had a handle on the money. It kept everybody frustrated," said Svets. "Derby has worked very, very hard and got that information to the board."

### Tough decision delayed

President and CEO Richard Herington wishes additional cost-cutting measures were adopted several years ago.

Tough decisions were delayed in 1994 while ValleyCare pursued a possible merger with John Muir Medical Center in Walnut Creek, which ValleyCare corporate members voted down in early 1995. Then ValleyCare's former chief executive officer resigned in March, leaving the system without a leader until Herington took over in December 1995. The new chief financial officer began working seven months later.

"When people criticize me for not moving faster, my comment is that until a few months ago no one really understood the consequences of running the organization as we've been running it," Herington said. "I don't think there was a sense of urgency until about September. I can't change the past; all I can do is move as quickly as possible."

Herington said he will know by next spring whether that pace is quick

enough. In early 1997 he said the board will see "if we do have a future as an independent or if we must seek an affiliation of some type."

The administration announced a plan Oct. 1 to reduce the deficit to \$4 million this year and break even by the end of fiscal year 1998. Central to the plan is eliminating acute care services at Valley Memorial Hospital in Livermore and consolidating them at ValleyCare Medical Center in Pleasanton.

An urgent care center, 30-bed skilled nursing facility, 14-bed psychiatric unit for seniors and some outpatient services such as lab work and X-rays are all that will remain at the Livermore facility after Jan. 1.

#### Staff reductions

The administration believes it can save \$3.2 million annually by eliminating vacant jobs, laying off 21 people and reconfiguring some positions.

Herington said 11 people have been laid off so far in administration, housekeeping and other support positions. Some nurse positions will be replaced by nurse aides or emergency medical technicians, he said, but, in general, positions directly related to patient care will not be affected.

As for the billing problem, "They're doing a better job. The problem is not 100 percent fixed."

The problem goes back several years and at its simplest level is two-fold, Herington explained. First, patients and their insurance companies have been undercharged because caregivers and administrators made mistakes while using a confusing code system required by insurance companies. If a procedure is not properly coded, the insurance company will not reimburse the hospital for the expense.

Second, various snafus caused the administration to be chronically late in billing and collecting the charges. Bills took 60 percent to 75 percent longer to process than bills at an average hospital, Herington said. The board of directors contracted with a consulting team to reduce the delays. The situation has improved but is still not competitive with other hospitals, Herington said.

Once the problem is fixed, he said the hospital system can capture about \$1.1 million more in revenues annually.

#### Costs are too high

Herington said many people zeroed in on the accounting problem as the biggest problem facing the system and they hoped that curing it would solve the financial troubles. "As it turns out, that's not the entire answer. Our costs are too high, and we have to fix both sides," he said.

But the hospital system has to do much more than break even. "We're just trying to stabilize now. That's phase one. Phase two is to grow," he said.

ValleyCare plans to aggressively market its outpatient services and attempt to capture more doctor referrals. But some believe it's increasingly apparent that to grow and expand its market clout, ValleyCare will need the help of a partner.

Board member David Mertes is on a committee actively looking at options for forming alliances or possibly merging with other health care systems. The

key issue for the board and for residents is how to give up ValleyCare's independence without giving up local control and a commitment to maintaining the facilities in the valley.

"There are lots of ways to create networks and alliances where you would maintain the integrity of the local corporate membership and integrity of the local hospital system," he said.

ValleyCare is governed by 3,200 members who financially support the hospital with a \$500 membership fee. Many of the members helped build the systems' first hospital in Livermore in 1961.

#### Position of strength

Members voted down the merger with John Muir primarily because it would have eliminated the members' right to elect the board of directors. They also feared the Walnut Creek-based system would curtail or even eliminate health care services in the valley.

Board member Boroff and others said ValleyCare must get its financial house in order so it can negotiate with potential partners from a position of strength. "I don't think we're going to be able to survive independently. Everyone is looking for someone (to merge with) in this atmosphere," he said.

Livermore resident Bob Baltzer, a ValleyCare member who closely follows the board's actions, was deeply disappointed to see the emergency room close at the Livermore hospital, followed by an elimination of all routine medical and surgical care there. He also led the opposition against the merger with John Muir. Now, however, he just wants to make sure the full-service Pleasanton hospital stays in business and continues to offer top-notch care. "Go ahead and do what's necessary financially and in this area of alliances, mergers, whatever. The major thing we want to do is keep good medical care in the valley," Baltzer said. "The things that have gone before are history, and there's nothing we can do to go back and change them. This is a time when people in the valley should get together behind the hospital and support it any way they can."

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## **Valley Times (Pleasanton, CA)**

### **GROWTH PACE ACCELERATES IN N. LIVERMORE**

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**SARAH LAVENDER SMITH**

**Caption:** Photo - Shirley Lavigne, here standing in the barn of her Scenic Avenue home (Doug Duran/Times); Map - North Livermore growth (Joni Martin/Times).

LIVERMORE Scenic Avenue is no longer home to Shirley Lavigne, her three horses and seven chickens.

Friends of Lavigne, 74, helped her move out of her home of 30 years this weekend and into a friend's house on Mines Road. She sold her 5 acres to a developer, and soon her home and barn along with most of the ramshackle ranch houses in this neighborhood east of Vasco Road will be demolished.

"We enjoyed it here lots of memories here. I hate to see the barn go down, even more than the house," she said. "Livermore isn't Livermore anymore. I used to ride my horses all over the streets out here."

Lavigne's husband died nine years ago, "and I was running so low on money, I sold to Kaufman & Broad. I'm in the midst of this turnover now I call it a new chapter."

The land around Lavigne's old place is turning over and entering a new chapter. Lavigne lived smack in the middle of a flurry of construction activity, and part of her feels glad she left before a new house blocks her view of Brushy Peak.

When Livermore residents think of North Livermore growth, they tend to think of the tentative plan for 12,500 homes in the Las Positas Valley. It could be years before the city and county agree on a specific plan for that area.

In the meantime, North Livermore is experiencing a growth spurt east of the Las Positas Valley in the area around North Vasco Road, which the city just finished widening to four lanes.

On the east side of Lavigne's house is Kaufman & Broad's 152-home California Promenade development, the first subdivision built between North Vasco and Laughlin roads. To her north, heavy equipment is grading land for Hal Porter Homes' 322-home Maralisa project. To the west, a 13-acre commercial site and two more subdivisions are in the planning stages. Across the street to the south stand the wood skeletons of houses under construction, built along new roads that will eventually lead to more homes.

All told, a dozen subdivisions with about 1,175 housing units are slated for the area northeast of Springtown.

In addition, the City Council will consider a request Tuesday by Kaufman & Broad to annex 67 acres of county land east of Laughlin Road and approve a higher density of housing than current zoning allows. Another developer wants the city to annex county land north of Dalton Avenue for more housing.

Farther north on Vasco Road, property owners whose land is zoned as rural

open space are pressuring the city and county for the option to develop a golf course and housing on their 800-acre area. The council will discuss their request Tuesday as well.

The Vasco Road area in the city limits has been zoned for residential development ever since the 1988 general plan amendment, but not much changed there until recently.

Some plans were put on hold due to a downturn in the housing market; others moved ahead but slowly because of a number of environmental conditions developers had to meet to protect sensitive habitat. Some projects were too small to justify the infrastructure costs.

Then Kaufman & Broad came in a couple of years ago, and its California Promenade subdivision helped speed up development in the entire area. The company financed the extension of a needed water line under Interstate 580 to the area and brought sewer and water lines down Scenic Avenue from west of Vasco Road.

Kaufman & Broad started buying land east of Springtown and north of I-580 at a time when other developers were focused on the potential for upscale homes on relatively large lots in South Livermore.

"We felt the location was very good. It could be a little more affordable housing compared to the south side of Livermore," said Darrell Bolognesi, Kaufman & Broad's manager of land acquisitions and planning. "I think the Promenade project told everyone the market is receptive to a project on the north side of 580. It turned an area that was semi-industrial and with dilapidated houses into a nice community."

Tom Harper looks down on the mix of open space and new housing from his 6-acre property on Vasco Road north of Dalton Avenue. He admits he didn't pay much attention when the city adopted its land use plans for the area around Vasco Road and Scenic Avenue "I didn't realize the impact it would have on me," he said.

Now, as he watches the construction activity on the Maralisa site, he keeps a close eye on the city's and county's plans for North Livermore. Speaking loudly over the din of cars speeding on Vasco Road, he said, "It's almost at my doorstep, so I'm saying, Well, is there anything I can do? I look out and see rolling hills and say, You're allowing development to go from here all the way to the freeway; why do you have to go this far north?"

Harper wants the development taking place along Vasco, Scenic Avenue and Laughlin Road to be included in the equation when the city considers its North Livermore master plan. "When the city and county advertise 12,500 (new homes in North Livermore), let's advertise the whole thing," he said.

"When you talk about development in North Livermore, talk about all of the development north of 580."

He praised the city for working with Hal Porter Homes to scale back the Maralisa development and preserve 24 acres of wetlands. But, he wishes it would restrict development to south of Dalton Avenue. The city and county generally have agreed to limit it to south of May School Road, which is three-quarters of a mile north of Dalton.

The preliminary plan for North Livermore, prepared jointly by the city and county, shows the Vasco Road corridor to the north of Harper's home preserved as rural open space. But property owners there are trying to free their area from the master plan and gain the option to develop it. They say it makes sense to plan the Vasco Road corridor separately because it is a distinct area, separated by hills from the Las Positas Valley.

"We don't want to be part of open space and have them develop to the fence line," said Shirley King, who owns about 7 acres on North Vasco Road. If housing development is pushing up Vasco Road, then she and her husband want to be able to get the fair market value for their land, she said.

Harper, an unabashed slow-growther, knows he's squeezed between developments to the south and property owners who may try to develop on the north. Few neighbors may share his opinions, but he plans to keep voicing them because he doesn't want to end up like Shirley Lavigne, living in the middle of a construction zone.

"I'd like to live here forever and have it semirural," he said. "I'm disappointed in that I think (development) is eventually going to overtake me and go beyond me."

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## Valley Times (Pleasanton, CA)

### JUNK-GUN PROPOSAL ON HOLD

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**SARAH LAVENDER SMITH**

LIVERMORE The police chief and city attorney are taking a proposed ordinance banning the sale of so-called junk guns back to the drawing board after a divided City Council narrowly supported the intent if not the wording of the gun control measure.

The council listened to at least 60 speakers debate the proposal and voted late Monday night to support a ban on selling junk guns, or Saturday night specials, in Livermore.

But the council remained bedeviled by the details of the ordinance, and will not introduce a new law until it more clearly defines junk guns and includes a roster of gun models that would be banned from sale in Livermore.

Police Chief Ron Scott said he will work with a firearms expert to develop

such a roster by Jan. 1. By the time the City Council revisits the proposal, a legal challenge to a similar ordinance in West Hollywood could be resolved, thus indicating whether cities can move ahead with local laws banning the sale of certain guns.

But the council did agree on one aspect of gun control, voting unanimously to require firearms dealers to provide trigger lock safety devices on all guns sold.

Mayor Cathie Brown, Vice Mayor Ayn Wieskamp and Councilman John Stein voted in favor of the ban on selling junk guns, pending a clearer "junk gun" definition, while Councilmen Tom Vargas and Tom Reitter were opposed.

Many of the 41 people who spoke against the ordinance worried the definition is too broad and could allow the police chief to recommend banning the sale of any easily concealed firearm. Scott countered that the engineering specifications laid out in the ordinance narrow the ban to cheap, substandard firearms.

While the fate of the ordinance remains unclear, Monday's meeting could be remembered as a defining moment in Livermore politics.

Brown's unwavering support for the proposed ordinance tied her closely with the police chief and other law enforcement officials in the East Bay pushing for a regionwide ban on the sale of Saturday night specials. She kept a tight rein on a hostile crowd of about 200, some of whom shouted "recall!" after the council's vote.

A man from Livermore told the council, "there are a lot of us here, a lot more of us outside, and when it comes election time, we'll be here too."

Brown said she brought the ordinance before the council because guns that are small, poorly made and easy to conceal serve no public benefit and are used disproportionately to commit crimes.

"The ordinance is extremely important. It may need to be more strongly focused (but) we need to deal with the sale of junk guns in the community," she said. "I took my oath to be responsible for the health and public safety of this community."

Vargas, a National Rifle Association member with an eye on the mayor's seat, said a ban on the sale of a type of gun won't deter crime and sided with speakers who viewed the ordinance as a dangerous first step toward more gun control.

Vargas said after the meeting that he was motivated philosophically, not politically.



# Valley Times (Pleasanton, CA)

## ALAMEDA COUNTY FAIR OFF TO SMASHING START

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**SARAH LAVENDER SMITH**

**Caption:** Photo - Mike Hogue celebrates a win in an early demolition derby heat by showing the crowd his team name, Holt Auto Wrecking, on the back of his shirt (Doug Duran/Times).

PLEASANTON Nathan Lampe of Livermore found true happiness—or something close to it, anyway—when he floored his 1977 Pontiac Le Mans and rammed into two Chevy station wagons and a 1963 Ford.

He kept grinning Saturday afternoon even after those cars ganged up on him and crushed his Pontiac against a concrete barrier, leaving its radiator steaming and its gears paralyzed.

The 23-year-old auto body worker had just experienced his first demolition derby, and he wanted more.

"After they hit you, you want to get revenge," Lampe said following the first heat. "It's like, Where are you, sucker?"

As the derby announcer put it, this is what they don't teach you in driver's education.

The first day of the 84th Alameda County Fair will be remembered not for the Ferris wheel or the 4-H Club livestock, but for the thunder of V-8s revving and metal smashing, sounds that marked the return of the demolition derby after an eight-year hiatus.

Twenty stripped, spray-painted and excessively dented cars entered the ring to take part in a show of force akin to bumper cars on steroids.

Like boxers, the drivers would idle in the corner, assess the situation, then charge toward their opponent, usually in reverse to protect their front end.

They developed a rhythm of forward, reverse, smash forward, reverse, smash.

The grandstand crowd hooted approval as metal crumpled, engines smoked and tires spun off their rims. Joe Reyes' 1974 Chevy wagon was still running at the end Saturday and took the top prize.

A lot of work goes into making the cars look so bad that's bad as in good, bad as in mean.

The drivers sculpt them with sledgehammers so they will dent and crumple most effectively in the ring. They strip away all glass, pull out most of the

car's interior, weld the doors shut, and do their best to protect the radiator and gas tank. Then they spray-paint what's left.

Dutch Holland of GoodTimes Productions, the event promoter, used to be a derby driver. "You get your aggressions out, have a ball and win a lot of money," he said. Winners will share a \$2,500 purse.

About 30 additional cars will compete in the derby today, starting at 1 p.m. Tickets to the derby are \$8 for adults, \$5 for children, in addition to regular fair admission.

Several hours before mud started flying at the derby, an entirely different kind of vehicle display marked the start of the fair.

Ninety entrants made their way down Main Street in the annual Alameda County Fair Parade.

The mop-carrying men from the Pleasanton Presbyterian Church who make up the Balloon Platoon took the parade's top trophy and prize of \$200.

Asbury United Methodist Church of Livermore took the best overall float prize for their "root beer float," followed by runner-up Cactus Corners Youth Square Dancers.

The Chinese Christian School men's drill team of San Leandro took first place for best overall marching unit, and the Salinas Liberty Belles took second.

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## Contra Costa Times (Walnut Creek, CA)

### WHEAT GRASS WONDER

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**SARAH LAVENDER SMITH**

**Caption:** Photo 1, Deborah Kleven shows wheat grass that she grows in a greenhouse in her Livermore back yard; Photo 2, Wheat-grass juice has become popular despite its smell and tast. (Kendra Luck/Times)

LIVERMORE - The kitchen of Deborah Kleven's Springtown home smells like a freshly mowed lawn, and her back porch is stacked 6 feet high with flats of new-sprung grass.

No, this 28-year-old woman is not cultivating sod for subdivisions. She is

sprouting the stuff to feed the increasing demand for wheat-grass juice. Kleven delivers flats of grass to some 20 health food stores and juice bars in the region, earning her the nickname of the "wheat-grass lady" of the Tri-Valley.

She went into business in August not only to capitalize on a business opportunity, but to spread the goodness of grass.

Devotees say the green juice provides a powerhouse of vitamins, minerals and proteins, with the added benefit of chlorophyll, which they claim has a detoxifying effect on the body.

"I don't like the taste," Kleven said matter-of-factly as she cut handfuls of grass and fed it into a juicer that spit out dark green liquid and a cud-like pulp. In fact, she admitted, the smell used to nauseate her.

But that doesn't deter her from drinking 4 ounces daily. She put a small cup of the frothy juice to her mouth, made a face and gulped it down. She chased it with water and a squirt of toothpaste to veil the aftertaste.

"Like licking a lawnmower," she said. "I hold my breath when I drink it."

The flavor is both familiar and utterly strange, tasting exactly like grass smells. Judging from business at local juice bars, the fad has conquered the taste barrier.

"It's real popular they just love it," said Dolores Keyes, manager of Juice Go-Round in San Ramon, where a 1-ounce shot of wheat-grass juice goes for a buck.

Keyes said people drink it for a variety of reasons some for a boost of energy, others in hope of warding off illness.

"When the flu season came, (others) were just dropping like flies, but I was faithful in taking my wheat grass and didn't get sick," she said.

Kleven said people from all walks of life drink wheat-grass juice, not just those one would expect to find in the natural foods aisle.

"Unhealthy people like it because they feel they won't need to eat as much veggies," she said. "I've seen people chase wheat grass with Coke."

While some people contend wheat grass is a panacea; Kleven is more circumspect. She doesn't know whether it cures illness.

What she does believe, she said, is that wheat-grass juice can help a body regenerate due to its concentrated nutritional and detoxifying properties.

"A nourished and cleansed body is a body that can heal itself," she said.

"Everybody has a story to tell me about what it's done for them, so that's really satisfying."

Wheat grass is a complete protein that has more vitamin C than oranges and twice the beta carotene of carrots, according to Kleven.

She learned about it while working in a health food store during her time at San Diego State, where she studied chemistry and environmental science.

Now, she said she's struggling to turn a profit despite growing popularity for the green beverage.

"If I were in it for the money I'd be out of it a long time ago," she said.

"This is my niche," she said. "It's a labor of love. . . . You can't start any closer to the source of healthy people and a healthy planet. You could call it a

grass-roots campaign."



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