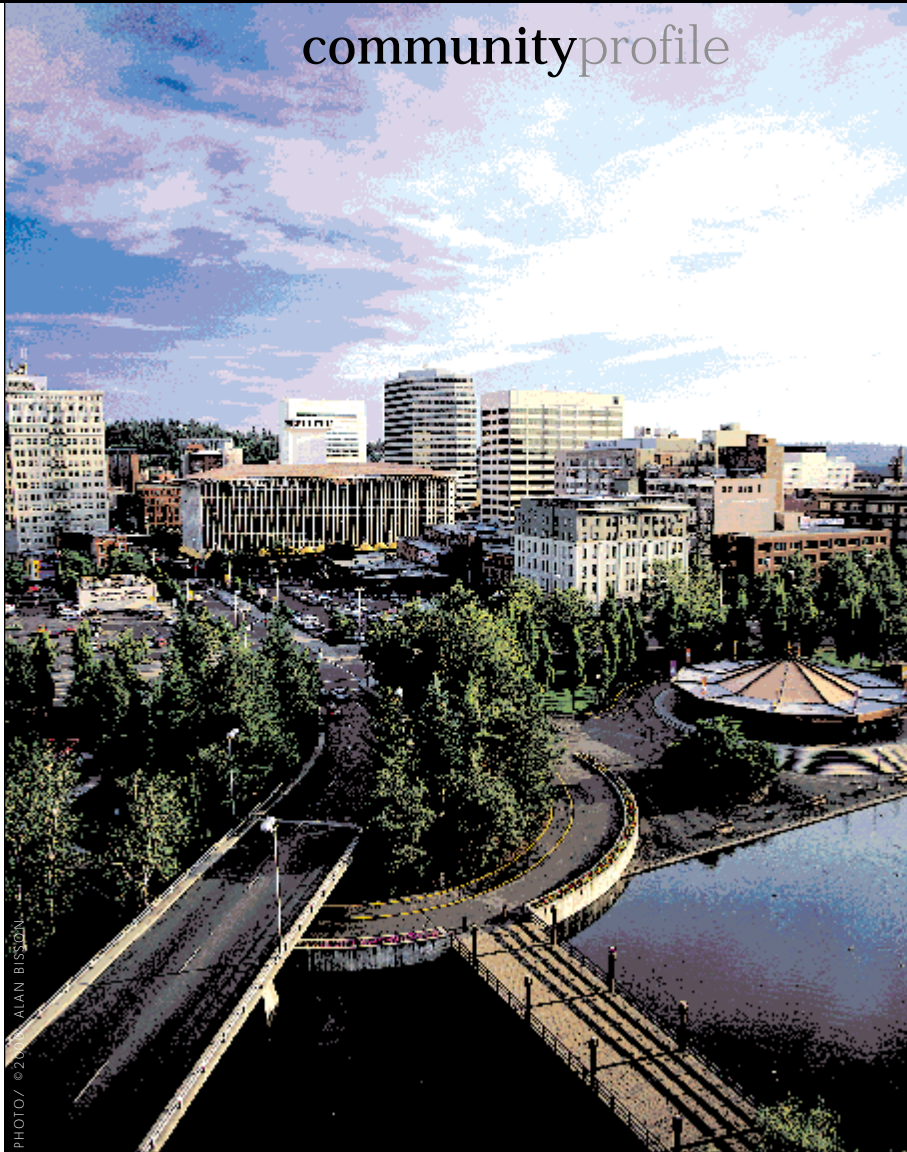


communityprofile



Spokane reclaimed its riverfront area from a switchyard for the 1974 World's Fair. Left, a series of bank and office buildings fill the view from the clock tower in Riverfront Park.

Spokane, Washington Physicians come for good culture, good skiing, and a safe environment. Problems exist in health care, but camaraderie among physicians eases the pain.

By Julie Sturgeon

In 1994, Al Oliva, MD, tackled a nightmare dilemma: his family or his career? He didn't want to raise four pre-teen daughters in San Francisco, but as a microsurgeon in the plastic surgery field, he needed a sophisticated market to apply his medical skills.

Oliva's search turned up the same answer many specialists uncovered last decade: Spokane, Washington. Although

the city registers just 185,000 people (in fact, the entire county has only 400,000 residents), with infinitesimal percentage increases in recent years, it is the largest city between Seattle and Minneapolis. As a hub, the medical community draws from 1.5 million residents of eastern Washington, northern Idaho, western Montana, and northeastern Oregon. According to the U.S. Census Bureau's latest figures, Spokane is home to 284 physi-

cian offices employing 3,077 workers.

So today Oliva commutes one mile to his office. He eats lunch at home with his wife, drops in to visit his accountant, insurance agent, and banker without appointments, and enjoys bicycle rides along the sidewalks with neighborhood children. "I've lived in big cities — Chicago, St. Louis, and San Francisco — so I was a little apprehensive that I wouldn't get used to Spokane," he confesses. "Now I could not live anywhere

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PHOTO/ ©2000 ALAN BISSON

else. When I go to Seattle for my daughters' soccer trips I'm unused to waiting at red lights and getting jammed up on the expressway!"

The West's playground

Physicians unanimously point to lifestyle as Spokane's biggest draw. For starters "Spokane" itself is a Native American word

meaning "children of the sun." Unlike the coastal Northwest, this side of the state records more than 200 days of sunshine annually. Summers feature low humidity and 80-degree temperatures, winters bring a mild 25 degrees and 17 inches of snowfall — a climate that lays the perfect groundwork for year-round outdoor recreation. Seventy-five lakes within a 75-mile

"Physicians come to Spokane because they feel there's a better sense of balance between work and home life. They see our city as an area where they can not only have a good practice but a good family relationship."

radius further support this yen — not to mention the 60 parks within Spokane County, 13 easily accessible ski resorts, and 12 national parks within a day's drive.

"For physicians that's very good because they're busy and don't have a lot of time," says Pat Isakson, the coordinator of physician recruitment at Holy Family Hospital. "Something nearby is certainly a positive situation." By the numbers, this translates to 18 soccer fields, 11 swimming pools, 26 athletic clubs, 62 tennis courts, 40 handball/racquetball courts and a whopping 1,635 maintained trails.

The Spokane Area Convention & Visitors Bureau readily points to a host of out-of-the-ordinary activities also within reach: dude ranches with cattle drives, pack trips, campfires, Native American philosophy, archery, and meditation guidance. Industry magazines also dub Spokane "golf capital of the Pacific Northwest," thanks to the 32 courses that dot this county. "If there is a town the size of Spokane offering more highly rated municipal courses for under \$20, we are blissfully ignorant of its whereabouts. None of America's other golf meccas quite rival this city for quality, price, concentration and true, unadulterated public golf," *Golf Digest* wrote in March 1997.

Nor do residents limit the definition of culture to sports. The arts flourish as Spokane hosts 140 arts organizations, galleries, museums, and arts-related business-

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OPPOSITE PAGE, Coeur D'Alene Lake is about 25 miles from Spokane, just across the Idaho border. This section, known as Beauty Bay, is in one of the more remote parts of the lake. ABOVE, Duncan Gardens in Manito Park in the southern part of Spokane. RIGHT, The Creek at Qualchan on the west side of town is one of the city's many scenic golf courses BELOW, A kayaker runs the Sullivan Rapids of Spokane River.



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POPULATION:

Spokane: 185,000,
Spokane Co: 409,736

CLIMATE:

Annual rainfall: 17"
Annual snowfall: 50.1"
Average High/Low
Temperatures:
January — 38°/25°
July 85°/69°
Days of sunshine: 200

TRANSPORTATION:

AIRPORTS: Spokane
International Airport,
serving nine carriers

BUS: Spokane Transit
Authority operates
35 routes from
downtown

INTERSTATES:

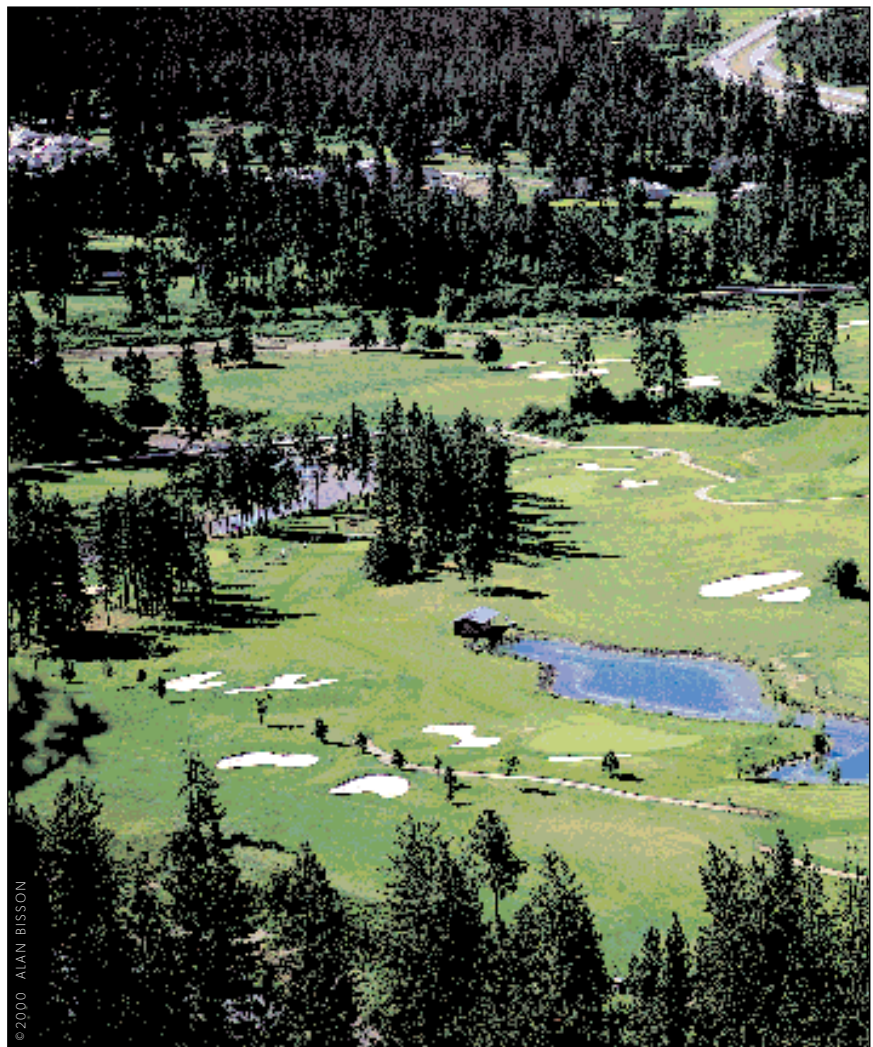
Interstate I-90 (east-
west), 18 miles from
Idaho border

COST OF LIVING:

Indexed at 103.8
(100 is average)

MEDIAN HOME PRICE
(Metro area): \$107,500

MEDIAN HOUSEHOLD
INCOME (Spokane
County): \$38,580



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es. In 1981, the city council mandated that one percent of all building costs for municipal structures be spent on artwork, which keeps the buildings visually lively. Residents echo this dedication to the arts in their personal lives, attending performances by the Spokane Symphony, the Spokane Jazz Society, the Uptown Opera and the Spokane Youth Symphony. Theater lovers flock to the Opera House for Best of Broadway shows, and the Economic Development Council reports interest in bringing professional ballet to the city.

Adding up the numbers

According to Isakson and other recruiters at Spokane hospitals, the school system is the second strongest factor drawing physicians to the city. The largest of 12 public school districts, Spokane School District No. 81, teaches 32,613 students from kindergarten through 12th grade, with an average student/teacher ratio of 20 to 1. Oliva notes the private school system offers excellent educational choices as well, "so there's a real choice for parents in where to send their children," he adds. The city reports approximately 6,400 students choose these private schools, and approximately 1,200 students opt for home-schooling.

Area colleges, too, abound, with Gonzaga University and Law School and Washington State University leading the list of well-recognized institutions. Although none of the nine higher-education institutions offer a medical program that directly draws physicians to Spokane, still their presence provides a magnetic force to attract spouses interested in pursuing degrees.

Realtors proudly whip out news that the median home price hovers at an affordable \$107,500 as of year-end 1999 while median household income has risen from \$31,611 in 1994 to \$38,580 in 1999, according to the Washington State Office of Financial Management at the U.S. Department of

Commerce. Avista Corporation publishes cost comparisons that show Spokane residents' electric bills average \$45.04 per month as opposed to a national average of \$81.76. Other cost-of-living measuring sticks reveal groceries cost slightly more than the national average (102.9, with 100 as the norm), transportation costs less (93.1) and health care gleans the highest index number at 118.1.

HomeFair.com offers a real-dollar perspective of Spokane economics at its Web site calculator: A \$100,000 salary in Phoenix requires \$101,244 in Spokane to enjoy the same lifestyle, but \$100,000 in Stockton, California equals \$98,637 in Spokane. Although physician income in the west is often lower than other parts of the country according to the Medical Group Management Association's physician compensation and production survey for 2000, reasonable cost of living makes it palatable, and the high quality of life is the bigger draw.

Another checkmark in the quality-of-life column is low crime rates. Crime reports from the Spokane Police Department show murder in the single digits. The percentage of residents who frequently fear sexual assault, attack in cars, and being mugged falls below the national averages. This safe atmosphere encourages citizens to roam the streets of a revitalized downtown without peeking over their shoulders. Here people enjoy a riverside park converted from a switchyard to host the 1974 World's Fair, a covered skywalk system stretching across 16 blocks, and a million square feet of retail space. City officials are adding a \$110 million retail and entertainment space to the area as well.

The Spokane Economic Development Council baits its hook for future developments with the fact that Washington imposes no corporate or personal income tax. (Instead, an 8.1 percent sales tax provides the state with funds.) Business and

Occupation taxes have been reduced each year for the past three years. Washington is the only state where workers' compensation rates are based on the hours worked rather than per-\$100 in wages paid. The city even ranks fifth among the country's 95 largest cities for speedy delivery of mail — 92 out of every 100 first-class letters mailed in Spokane are delivered overnight.

Presently, the county's top 10 employer list shakes out like this: Fairchild Air Force Base (5,217 employees), Spokane School District No. 81 (3,169), Sacred Heart Medical Center (2,931), State of Washington (2,478), City of Spokane (2,082), Kaiser Aluminum & Chemical Corp. (2001), Empire Health Services (1,973), Spokane County (1,910), U.S. Federal Government (1,592), and the U.S. Postal Service (1,294).

Collaborative health care

The Spokane Yellow Pages lists seven hospitals, but mergers and partnerships simplify the medical scene greatly. Empire Health Services consists of the 388-bed Deaconess Medical Center, 123-bed Valley Hospital and Medical Center, St. Luke's Extended Care, and Family Home Care. The Sisters of Providence own both Sacred Heart Medical Center and Holy Family Hospital, while the Veterans Affairs Medical Center and Shriner's Hospital operate within their national umbrella structures.

Niche markets are neatly divided among the hospitals. Valley Hospital's 123 beds and 100 physicians serve a population of 90,000 in the valley area east of town, while Deaconess' 388 beds handle downtown and subspecialty needs. Deaconess and Sacred Heart share level two trauma designation services, and Valley Hospital is a level three trauma center. As a non-tertiary hospital, Holy Family puts its focus on a family maternity center. "But if we need neonatal intensive care, we can use Sacred

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Heart," Isakson assures.

Efficiency reigns, as Sacred Heart and Holy Family share health information systems and purchasing volume. Empire Health Services consolidates even more, with directors shouldering responsibility for the same departments at both hospitals. For example the director of imaging services manages those departments at both Deaconess and Valley. One CEO directs the entire organization, with each hospital appointing its own chief operations officer to head up daily activities. According to Evelyn Torkelson, the vice president of physician recruitment and outreach services at Deaconess Medical Center, the ability to develop the same forms, policies, and procedures across the facilities makes things run smoothly.

Count on cross-teaming between the systems as well. Empire Health Systems and Providence Services share an air ambulance service, a telemedicine program, and computerized medical records, among other services. Even emergency room services are shared between Sacred Heart and Deaconess, which are just a few blocks apart on the south hill.

The real bottom line is this sense of common goals among the health centers. This unity fosters a strong sense of camaraderie among physicians, according to Torkelson.

Isakson credits this attitude with generating powerful, innovative results. Holy Family was just the fourth hospital in the nation to offer labor and delivery services in one room. It was one of the first in the United States to collaborate with competing hospital systems. Because an unusual percentage of the population suffers from multiple sclerosis, Holy Family established an MS center with a physician dedicated to this disease and is involved in national research. And when it comes to heart transplants, patients who opt for this life-saving option in Spokane show the highest sur-

vival results in the nation.

The city also is home to Washington State's only Shriner's Hospital, which specializes in orthopedic and burn care for children. In fact the next closest such facilities are in Portland, Oregon and Salt Lake City, Utah. This philanthropic institution (it accepts no third-party reimbursement of any kind, and as a consequence doesn't charge for its services) scored a 99 out of 100 on its most recent accreditation survey, says administrator Charles Young. Current discussions at other systems about opening a dedicated children's hospital have ruled out competing in orthopedics and burn care, since this niche is covered by the Shriner's Hospital.

Despite the availability of specialized services at the city's tertiary centers, physicians tend to use services sparingly. "Quite frankly, primary care physicians in particular tend to follow the conservative road," Isakson admits. For instance, although Washington has the second fewest beds per 1,000 persons in the country, admission rates are very low and lengths of stay are short, reports the Urban Institute in its series assessing the New Federalism.

But these numbers don't threaten the business of health care. Since the hospitals serve a rural population in four states that totals about 1.5 million people, nearly 40 percent of the city's patients come from outside Spokane County.

TeleHEALTH, a telemedicine program shared by Deaconess, Holy Family, Sacred Heart, and Valley Hospital, currently connects 12 rural hospitals to all five of the Spokane facilities. Three additional grants in 2000 will expand the service to 12 more hospitals as well as the Indian Health Service clinics and the prison system. It's not mere wires and possibilities here —physicians actively rely on telemedicine as a routine part of their jobs.

"A patient three hours from here, over

the highest mountain passes, who has knee replacement surgery in the middle of February can receive post-surgery attention without leaving his home town for an overnight trip over snowy road conditions," Torkelson says. Other common telemedicine uses here include neurology consultations, psychiatry evaluations, dermatology consults, diabetic consultation and teaching, speech evaluation, and nephrology patient assessment, with new applications constantly emerging.

Reasons to stay

Physician turnover, of course, exists and follows a national norm. Within two years of residency, physicians tend to rethink their choices. Isakson notes most doctors leave Spokane to move closer to family (also a national pattern). Getting back east is not cheap. Air fares from Spokane International to New York's LaGuardia at press time hover around \$1,000, flying round trip to Chicago's O'Hare costs \$700. Even a jaunt to Los Angeles International will drain a pocketbook by \$312.

On the other hand, location is exactly what convinced Elizabeth "Liz" Grosen, MD to bring her gynecologic oncology practice to Spokane from Madison, Wisconsin. Her parents live in Great Falls, Montana where she was raised, but like Oliva, Grosen required a population base of 500,000+ to support her specialty. Between September 15, 2000 and Thanksgiving — Grosen's first two months in Spokane — her patient load reached maximum capacity and she's trying to maintain one day off each week.

"I definitely will need a partner because I'm so busy," she says. "I'm not having problems finding patients with cancer!"

Her appointment schedule proves the strength of Spokane's multi-state pull. Research by the United Health Group shows Washington State ranks 12th in the country as far as cancer cases. It is also 12th in the nation in heart disease,

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but 26th in the country in infectious disease. Unfortunately, Washington does rank 5th in infant mortality and 6th in the heart disease risk category, but 13th in total mortality. Overall, health in the state is good, since Washington ranks 9th in health in 1999 statistics, up from 27th in 1990.

Hospital recruiters say they have adequate coverage by primary care doctors, but opportunities for subspecialists are more open. Empire Health System's searches focus on pediatric-based services such as pediatric cardiologists and a pediatric pulmonologist to complement the pediatric geneticist and radiologist that just joined the staff. Neurology staff at Sisters of Providence could use a boost, Isakson says.

Challenges to meet

Isakson has no trouble describing the benefits of Spokane to doctors she's recruiting. "Physicians come to Spokane because they feel there's a better sense of balance between work and home life. They see our city as an area where they can not only have a good practice but a good family relationship," Isakson says.

John Shuster, MD, an orthopedic spine surgeon, is emphatic that lifestyle is his main priority. "The reason people live here is the quality of life," he agrees. "Physicians here tend not to be hard-charging workaholics. People are more into skiing and outdoor activities — work is just a sideline. The only reason we can stand all the problems is that we're more interested in getting out of here," he adds.

Shuster chose Spokane over South Carolina six years ago, again in a lifestyle decision to benefit his family. "We came out here fully understanding how crummy the insurance environment is, and the only skeleton in the closet is that it's more crummy than we thought it would be," he says. He complains that public aid is rampant

and the entire welfare system is broken, workers' comp payments are too low, and the insurance situation is a monopoly.

Shuster's personal opinions were formed when his orthopedic group disputed payment rates with the area's Blue Cross provider, which he claims holds a majority of the insurance market. A total of 36 orthopedic surgeons of the 43 in town dropped the insurance company's coverage for about 15 months. "The insurance people basically tried to defeat us by telling people they would fly them to Seattle to see physicians there rather than negotiate with us," Shuster says. "They try to pay us at Idaho public aid rates, and our average bills are going about 120 to 150 days, with repeated denials."

In 1999, Washington State did pass a prompt pay law mandating that clean insurance claims must be paid in 30 days. "It means nothing," says Shuster. "There's no teeth in it." The laws here forbid physicians to unionize, but also state that insurance companies cannot be convicted of a monopoly, he says.

The problems began, says the Urban Institute in its New Federalism series, when Washington State took a leadership role in trying to establish a bipartisan answer to universal coverage and health reform last decade. Says Len Nichols, the author of the report, available at www.urban.org:

In 1993, it passed comprehensive legislation with employer mandates and substantial insurance reforms, among other politically controversial techniques for achieving universal coverage and health care cost control. In 1995, the employer mandate/universal coverage core of that law was repealed, but important elements remained in place and are now being implemented. Preceding and remaining steadfast throughout that debate was Washington's commitment to low-income populations. Medicaid eligibility for children and the non-Medicaid health-insurance

subsidy program for the working poor were both expanded considerably.

The health and fiscal policy issues inherent to this debate figured prominently in both the 1994 and the 1996 elections, when Washington voters expressed preference for a more limited role for government by electing a Republican majority. Many states are looking to newly discovered market efficiencies to help reconcile health policy goals with fiscal constraints. Although Washington did not originally set out to save Medicaid money through managed care, this has now become an important goal. Washington's Medicaid program has proceeded on schedule with its pre-comprehensive reform plans to shift non-disabled adults and children into managed care plans (around 400,000 beneficiaries).

Other facts from the report: the Washington employer-sponsored health insurance market is a bit larger than average nationwide, covering two-thirds of the under-65 population. So while group reforms appear to be working reasonably well, Nichols deems, the individual market is undergoing turmoil because carriers are embroiled in disputes.

Complicating the issue is the fact that charity care by hospitals began increasing in 1998 for the first time in five years, says the state's Center for Health Statistics. Some claim the previous five years' hiatus occurred because of the move toward guaranteed insurance portability and limits on exclusions for pre-existing conditions. No matter the cause in the fluctuations, according to the latest Washington Department of Health Financial Data Year-end Reports (1998), both Deaconness and Sacred Heart landed on the list of hospitals reporting more than \$2 million in charity care. The U.S. Census Bureau estimates 48,967, or 12.2 percent, of Washington's families lived in poverty in February 1999.

According to Deaconness' Torkelson,

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Medicare accounts for 40 percent of reimbursement, Medicaid 18 percent, private insurance 35 percent, and 5 percent of patients rely on private payment.

Throwing extra fuel on Shuster's fire is the fact that workers' compensation policies come into play often for orthopedic surgeons, taxing his already busy practice. "We probably have a greater percentage of orthopedic service per capita than a lot of places," he explains. "Everybody — I mean everybody — in this town is out skiing, mountain biking, hiking, rollerblading, snowboarding. And we don't have a lot of high tech, so our residents are doing labor and they get hurt." Shuster describes his trauma business as "very, very busy" as he and partners are on call for a 300-mile radius service area.

Grosen, too, wrangles with payment issues, and she agrees the problem isn't so much managed care as price controls insurance companies impose on reimbursement. "But I have a very heavy Medicare population, so the reimbursements on those aren't so great either, no matter where you practice.

"This is an issue that hasn't influenced me that much when choosing where to practice," she adds.

The real-life effect of these dizzying numbers comes down to hiring more administrators to handle the paperwork, Shuster contends. By his count, half his patient visits result in additional paperwork a week later — an extra form on work capacities, credit ratings, time off, etc. It adds up to at least one additional piece of paperwork in addition to normal billing procedures for every two patients on his schedule. The office designates two employees to this task alone.

The Washington State Medical Association recognizes the situation, and is applying its membership energy toward a Patient Awareness and Community Education (PACE) program in response. In

1999, activities include a Day with a Doctor campaign that matches government policymakers, business, labor, and the media to specific physicians to shadow them in their practices for a half day. To date, more than 45 media representatives have enjoyed this opportunity.

Association surveys also show that more than 75 percent of patients believe health insurers exercise too much influence in medical treatments, and that their physician is their strongest advocate in the system. The feedback means the state offers a very positive environment for physicians to take a more active roll in shaping health-care system changes. That's why a second coalition of physicians and patients known as CURE (Citizens United for Reform) has been formed to pursue legislation along these lines.

In any case, Shuster has no plans to relocate in the near future. "Fortunately, every physician in this town is fantastic. It is a supreme medical community that sticks together very well, so there's a lot of collegiality," he explains.

And he adds, "It's a fantastic lifestyle." ■

Julie Sturgeon frequently contributes feature articles and community profiles to UO. She last wrote about Corpus Christi, Texas in the January/February 2000 issue.