



Hospital Obstetrics Ward Will Close Amid Malpractice Crisis

Doctors at Long Island College Hospital Dissent From Continuum Plans

By [E.B. SOLOMONT](#), Staff Reporter of the Sun | July 31, 2008

A cash-strapped [Brooklyn](#) hospital will stop delivering babies, aiming to regain its financial footing and reduce its escalating medical malpractice costs.

Long Island College Hospital, in the Cobble Hill neighborhood, plans to shutter its obstetrics department pending approval from the state's Department of Health, hospital officials said yesterday. Last year, the hospital delivered 2,800 babies, and it is on track to deliver about 2,200 this year.

Officials from the hospital's parent company, Continuum Health Partners, said they made the decision in an attempt to avoid bankruptcy. The Brooklyn hospital has accrued \$170 million of debt, with the obstetrics department accounting for 33%, or \$11 million, of the hospital's losses each year. Malpractice insurance costs for the obstetrics department, \$8.8 million each year, represent 40% of the hospital's overall malpractice insurance costs, about \$22 million each year. The hospital will retain a gynecology practice.

"Our decision to take this step is not a happy one for us," Continuum's president and chief executive officer, Stanley Brezenoff, said at a news conference yesterday. "We are taking this approach because not to do so would leave LICH in even greater jeopardy and bring about far more adverse consequences."

Mr. Brezenoff said the decision is part of a larger reorganization plan designed to address a gap between the hospital's revenues and its expenses, translating to more than \$30 million in annual losses.

The plan, outlined in a memo to the hospital's physicians and staff, includes the sale of real estate holdings, including the Polhemus building on Henry Street and another building at 97 Amity St. The hospital also plans to reduce its number of beds by as many as 100. The hospital is licensed for 500 beds, but it operates 350.

The decision to close the obstetrics department will affect more than 350 employees, including some whose jobs are protected by their unions. Hospital officials said they would try to place employees in other departments, although some layoffs are expected.

The hospital's interim chief executive and its chief restructuring officer, Dominick Stanzione, said the hospital's challenges are related to issues that affect every health care organization in New York. "In this state, we have an overwhelming problem with the medical malpractice situation," he said. "This institution is a victim of that."

In New York, doctors and hospitals pay malpractice insurance premiums that are among the costliest nationwide. Last year, following a 14% rate increase, Governor Spitzer charged a task force with investigating and addressing the state's high medical malpractice costs. The group did not produce a final report, and earlier this month, instead of raising rates again, the state's Superintendent of Insurance, Eric Dinallo, announced a delay in the setting of new rates to give lawmakers time to address the situation.

"The bottom line is, I'm not surprised that one major hospital that does a significant number of deliveries is discontinuing their obstetrics service," the executive director of the New York chapter of the American College of Obstetricians and Gynecologists, Donna Montalto, said. "That speaks volumes to the maternity crisis."

A past president of the New York State Academy of Trial Lawyers, John Bonina, said the medical malpractice problem in New York is driven by a small percentage of bad doctors. "The problem with medical malpractice litigation is medical malpractice itself," he said.

Mr. Bonina, who lives in Brooklyn Heights, a neighborhood served by Long Island College Hospital, said he could not comment on the hospital's balance sheet, but he said he has seen an increasing number of malpractice cases at the

hospital. "There has been a great deal of turnover there, and it's not what it used to be," he said.

The announcement punctuates a period of turmoil at the hospital.

Within the past year, a group of obstetricians moved their practice to New York Methodist Hospital in the Park Slope neighborhood, and a large urology practice recently followed.

In June, the Long Island College medical staff, led by a 25-member executive committee, held a rally where they criticized Continuum for exerting excessive managerial control and at the same time shortchanging the Brooklyn hospital to benefit other Continuum hospitals, including St. Luke's-Roosevelt Hospital and Beth Israel Medical Center, both in Manhattan. At the time, they also announced intentions to file complaints against Continuum with the state's Department of Health and the office of Attorney General Cuomo.

The hospital's president, Rita Battles, abruptly left her post last week. Continuum officials declined to discuss her departure.

"I'm very troubled," an attending psychiatrist and the president of the hospital's medical staff, Dr. Arnold Licht, said yesterday following the announcement. He said the reorganization would turn Long Island College Hospital into a "minor community hospital," while complex cases would be diverted to Beth Israel, a competitor that attracts some patients from northern Brooklyn.

In a statement released yesterday, other members of the hospital's 900-member medical staff further criticized Continuum for selling off \$24 million in real estate holdings within the past two years, resulting in the closure of at least five health clinics.

"What they are doing is not thoughtful in terms of the needs of the Brooklyn community," Dr. Licht said.