



Medical Staff of Community Memorial Hospital of San Buenaventura v. Community Memorial Hospital of San Buenaventura

(Ventura Cty., Cal. Super. Ct.)

Topics Covered: Medical Staff, Hospitals

Outcome: Very Favorable

Issue

The issue in this case was whether a hospital could encroach on the self-governance rights of its hospital medical staff.

AMA Interest

The AMA supports medical staff self-governance, and it opposes a hospital's unilateral amendment of medical staff bylaws.

Case Summary

The Medical Staff of San Buenaventura Community Memorial Hospital sued the hospital, its trustees, and a medical management company that operated the hospital. The principal claims were (i) the hospital attempted to amend the medical staff bylaws unilaterally, (ii) the hospital interfered in internal medical procedures, such as medical staff voting rights and the conduct of medical staff meetings, (iii) the hospital attempted to impose a code of conduct, including a conflict of interest policy, on the medical staff, (iv) the hospital appointed physicians to perform certain procedures within the hospital, although the medical staff had neither reviewed those appointments nor authorized the procedures, and (v) the hospital converted, for its own uses, the medical staff treasury. The medical staff alleged that these actions violated the medical staff bylaws and California law.

The defendants demurred to the complaint, arguing, in part, that the medical staff lacked the legal capacity and legal standing to maintain the lawsuit.

The court held that the medical staff was a recognized legal entity, capable of suing the hospital and its trustees. Although the court sustained certain causes of actions, it struck others with a right to replead them. The court emphasized that, while the medical staff was entitled to sue on behalf of the medical staff membership as a whole, it had no right to sue on behalf of individual physicians' personal interests. The medical staff then filed its Second Amended Complaint, which the court upheld against a demurrer.

Shortly after the filing of the Second Amended Complaint, the hospital's chief executive officer resigned, and he was replaced by a significantly more physician-friendly administrator.

After lengthy negotiations, the parties reached a settlement, largely favorable to the medical staff.

Litigation Center Involvement

The Litigation Center, together with the California Medical Association, assisted the medical staff financially. Also, the Litigation Center and the California Medical Association submitted an amicus curiae brief to the court, emphasizing the public importance of an independent medical staff.

Superior Court of California brief

Court decision on capacity and standing to sue