



Tulare Hospital Medical Staff v. Tulare Local Healthcare District (Tulare Cnty. Cal. Super. Ct.)

Topics Covered: Medical Staff

Issue

The issue in this case is whether Tulare Regional Medical Center (Tulare Hospital), a publicly owned hospital in Tulare, California, could unilaterally dissolve its medical staff and form a new medical staff, with medical staff officers of the hospital's choosing and without affording the medical staff an opportunity to approve or reject the new medical staff bylaws.

AMA interest

The AMA supports medical staff self-governance.

Case summary

Tulare Hospital claims it was compelled to create a new medical staff governance structure because the medical staff leadership had acted antagonistically to the hospital's interests. Both the Joint Commission and the Centers for Medicare and Medicaid Services had cited Tulare Hospital for deficiencies relating to its medical staff.

On January 26, 2016, Tulare Hospital, at a closed meeting of its board of trustees, abruptly terminated its relationship with the organized medical staff then in existence. In place of the former medical staff, the hospital created a new medical staff, under new medical staff bylaws. All members of the former medical staff were provisionally credentialed on the new medical staff. Except for a select few, members of the old medical staff had no opportunity to approve their new bylaws or vote on their new officers. Also, the old medical staff had funds, from which the hospital blocked access.

The former medical staff maintained that any failures associated with the relationship between the medical staff and the hospital should be attributed primarily or fully to the ineptitude of the Tulare Hospital administration. Furthermore, the former medical staff was investigating the professional competence of three of the newly handpicked medical staff officers, and this may have motivated the hospital's precipitous action.

On February 10, 2016, the former medical staff sued Tulare Hospital for its usurpation of the medical staff's self-governing prerogative. The former medical staff moved for a temporary restraining order, but that motion was denied. The case was tried.

Before the court rendered a decision, the hospital filed for bankruptcy. This automatically stayed all litigation pending against the hospital, including the suit of the former medical staff. As part of its transition to new management, the hospital voluntarily ceased operations and

effectively suspended its license. All hospital employees are temporarily out of a job, and the hospital will no longer accept or treat patients. The remaining patients were transferred to another hospital.

Notwithstanding these developments, the suit by the former medical staff is still alive, although dormant. Ultimately, the hospital will probably reopen. If and when this happens, the law suit will help to determine whether the reorganized hospital will recognize the right of medical staff self-governance.

After several months of negotiations, the parties reached a settlement. Presently, they are waiting for the judge to approve a stipulated judgment.

Litigation Center involvement

The Litigation Center, along with the California Medical Association and the Tulare County Medical Society, are helping to defray the medical staff legal expenses.