

# Tennessee firm picked to run Palm Drive

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Palm Drive Hospital's board of directors on Monday night hired a Tennessee hospital management firm to run the 37-bed hospital, officials said.

The board, recently embroiled in controversy, voted unanimously to hire Brim Healthcare Inc. of Brentwood, Tenn., to direct the hospital.

The company will provide a chief executive officer, Neil Todhunter of Oil City, Pa., and a range of consulting services, according to a statement released by the Palm Drive board.

The contract with Brim establishes a 120-day trial period, allowing either side to terminate the deal at the end of that period.

The contract, which will cost Palm Drive about \$250,000 a year, can be extended for three years if both sides agree.

Last week, the board voted 3-2 to release James Russell, the former chief executive officer, without cause.

Board President Dan Smith and members Linda Johnson and Stephen Murphy voted for Russell's termination on July 20. Board members Frank Mayhew and Nancy Dobbs dissented.

An investigator hired by the hospital district board reported at that meeting that he had found no evidence of wrongdoing by board members.

The investigator, attorney Gregory McClune, said the hospital was suffering from "a serious breakdown in trust" between the board and the hospital administration.

Four board members attended Monday night's meeting, held before a standing-room-only crowd in the hospital's conference room. Johnson attended the session by telephone.

"Brim has come highly recommended to us," Smith said in the statement. "In addition to a CEO, they offer a full support system, which I believe is necessary for the next phase of Palm Drive's business growth."

Smith said the company will assess Palm Drive's organization and "decide what resources are needed to make us the best hospital we can possibly be."

Smith did not immediately return a phone call Monday night.

Brim, founded in 1971, owns or operates 37 acute care hospitals in 18 states, many of them in rural areas. In California, Brim manages the 107-bed Pioneers Memorial Hospital in Brawley and the 77-bed San Geronio Memorial Hospital in Banning.

Brim also has provided consulting services for Howard Memorial Hospital in Willits.

Todhunter is expected to start at Palm Drive next Monday.

He has more than 20 years of experience in health care administration and recently served as president and chief executive officer of UPMC Northwest Hospital in Seneca, Pa., part of the University of Pittsburgh Medical Center system.

Palm Drive is an independent, nonprofit facility operated by the Palm Drive Health Care District and supported by parcel taxes paid by district landowners. It is the only 24-hour, acute care facility in western Sonoma County.

The administrative shakeup came as Palm Drive is working to sell bonds, pay off creditors and emerge from bankruptcy protection.

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