



A History

of the Pacific Hospital Preservation and Development Authority



Bridging Gaps in Health Care Access

Who we are:

The mission of the Pacific Hospital Preservation & Development Authority is to champion effective health care for the vulnerable and disadvantaged in our community. The PHPDA works to close gaps in health disparities for the full continuum of health care services.



In 1981 the City of Seattle chartered the PHPDA, placing in its trust the Pacific Hospital and its surrounding campus, a historic Seattle landmark. The PHPDA leases out the property, and lease revenues are used to support charity health care programs in King County.

1798	U.S. President John Adams establishes the Marine Hospital Service through “An Act for the Relief of Sick and disabled Seamen.”
1837	The Service was initially funded by taxes on seamen and later by tonnage taxes on ships but, in 1837, the Marine Hospital Service receives its first appropriation from Congress.
1891	Congress mandates that Marine Hospital physicians perform health inspections of all newly arriving immigrants. Preventing disease importation remains a major function of the service for almost 100 years.
1905	The Service is finally financed entirely by Congressional appropriations. However, merchant seamen continue to donate to a Hospital Fund. This fund is later tapped to help with the construction of the Seattle PHS Hospital.
1918	After World War I, the Service is assigned the care of injured and disabled war veterans. It quickly grew to 81 hospitals nationwide. Fifty-seven of those are later transferred to the predecessor of what is now U.S. Department of Veterans Affairs.
1933	The U.S. Government moves the services of the Marine Hospital from Port Townsend to a newly constructed 312-bed facility on Seattle’s Beacon Hill. The new U.S. Marine Hospital serves veterans, merchant seamen, the U.S. Coast Guard, U.S. Light House Service, and “federal compensation cases” (the poor and indigent). Over the years, the patient population grows to include commercial fishermen, Native Americans, Alaska natives, NOAA and other uniformed services’ personnel and their dependents.
1951	All U.S. Marine Hospitals are re-designated as U.S. Public Health Service (PHS) Hospitals.
1953	The Federal Government proposes to close PHS Hospitals nationwide as part of a larger plan recommended by the Hoover Commission to phase out the federal role in delivering health care, even to entitled populations (veterans, military personnel and dependents, and Native Americans) and to shift instead to financing and regulatory roles. Sen. Warren Magnuson supports “Partnership for Health Amendment,” which authorizes PHS facilities to share their resources with hospitals and other health care providers.
1963	Dr. Donnal Thomas begins groundbreaking research and clinical trials in the basement of the Seattle Public Health Service (PHS) Hospital that ultimately leads to the world’s first bone marrow transplant, which helps to treat leukemia, lymphomas and other blood-related diseases. He later won the Nobel Prize in October 1990 for 40 years of research on bone marrow transplantation.



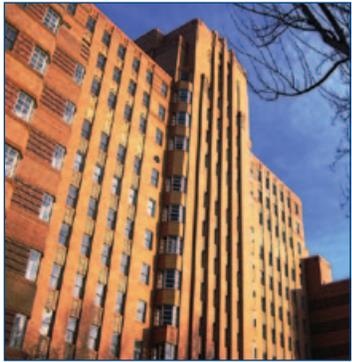
PENCO Webster & Stevens Collection, Museum of History & Industry

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<p>1970</p>	<p>The Seattle PHS hospital embraces the new structure of the PHS system and becomes a model for other facilities. The hospital is noted for its progressive approach to issues and its innovation in getting the job done. The hospital adopts an “explicit strategy to fill an unoccupied niche in the local health care system.”</p> <p>February 1970 — The Seattle Indian Health Board incorporates as a non-profit. With an all-volunteer staff, including 50 doctors, SIHB begins to provide health services three evenings a week in donated space on the 2nd floor of the PHS Hospital. Later, the SIHB had clinic and administration offices in Quarters 10 on campus, before consolidating its outpatient services in their Leschi Center in 1988.</p> <p>June 1970 — Dr. Willard P. Johnson finds an obscure regulation in the Public Health Service Act that allows a PHS hospital director to allocate up to 5% of the care offered at the facility in his charge for “special studies.” Although he knew that the provision was intended to allow the admission of patients with rare diseases for the benefit of the medical education program, Dr. Johnson decides to interpret it differently. Henceforth, every person referred to PHS from a community clinic is admitted as a special studies patient. This decision is the origin of the long-standing affiliation with the region’s community health centers. As Dr. Johnson had hoped, opening the doors of PHS to the community clinics also creates the opportunity to build broad community support against closure, the first time this had happened in nearly 20 years of PHS closures.</p> <p>October 1970 — The “Public Health Care Coalition” (PHCC) is created by representatives of all the principal groups with a stake in preserving the PHS hospital: merchant seamen, commercial fishermen, retired military, Native Americans, community clinics, PHS hospital staff. The PHCC puts forward an ambitious proposal to preserve, modernize and expand the hospital and its community role, as well as to make it more accountable to those it served. The coalition, with the slogan “Health Care is a Right, not a Business,” quickly mobilizes a significant grassroots campaign that attracts media attention and support from the Congressional delegation. This catalyzes resistance to closure in other ports and in Congress. This coalition effort is sustained across 15 years, well past transition to local control.</p>
<p>MID- LATE 1970s</p>	<p>Throughout the mid- to late 1970s, the hospital formalizes and strengthens its relationships with several community organizations, including the community clinics. The Seattle PHS Hospital also houses the original Indochinese Language Bank, later named the Community Health Interpretation Service (CHIS). The program provides interpreters to many of the other health facilities in Seattle and serves as a model for other Public Health Service Hospitals on the West Coast. The program eventually becomes the Cross Cultural Health Care Program that is now nationally known.</p>
<p>1976</p>	<p>Dr. C. Alvin Paulsen, Chief of Endocrinology at Seattle PHS Hospital and Director of the Diabetes Research Center, conducts diabetes research at the hospital. He is known for using the assessment and treatment of patients as a means of understanding key aspects of genetics, physiology and pathophysiology. A founding member of the American Society of Andrology, he was internationally renowned and widely respected for his pioneering work in male reproductive disorders and male contraception.</p> <p>With the help of Senator Magnuson, the community clinics of Seattle succeed in expanding the National Health Service Corps’ mission so that urban as well as rural areas can receive help from NHSC health care professionals. This means that the community clinics, which had been staffed mostly by volunteers, would finally have full-time medical providers, leading to a substantial increase in the volume of services provided in the community health centers.</p> <p>Quarters 5 on the hospital campus becomes the epicenter of the community health center movement and several Seattle area community clinics begin there.</p>

The campus was the home for the creation of ground-breaking healthcare services for Native Americans by the Seattle Indian Health Board, with the creation of the Kinatchitapi Indian Clinic that opened at the PHS Hospital.

<p>1977</p>	<p>As part of a long-term study, the Seattle PHS Hospital provides free medical exams for Hiroshima and Nagasaki atomic bomb survivors living in Seattle. The exams are still provided every other year.</p> <p>During the Carter administration, Seattle's PHS Hospital gains national prominence as a blue ribbon task force, charged with making recommendations on the future of the Public Health Service Hospital system, and suggests that the entire PHS system should take on the community role that was being developed in Seattle.</p>
<p>1978</p>	<p>Following the recommendations of the blue ribbon task force, the entire Public Health Service system expands its mission in 1978 to include "medically underserved" populations in collaboration with local community programs. In 1980, a bill was introduced to amend the legislative PHS mission along these lines. The bill was not approved.</p>
<p>1979</p>	<p>The Art Deco-style Seattle Public Health Service Hospital is placed on the list of National Historic Places.</p>
<p>1980</p>	<p>Community Health Interpretation Service (CHIS) is now a joint enterprise representing 10 community clinics and operating a grant-funded initiative to make services accessible through a shared pool of medical interpreters.</p> <p>The 152-bed Seattle PHS Hospital has a 76.4% occupancy rate and provides almost 120,000 outpatient visits — a noteworthy showing for a hospital in a system viewed as nearing extinction.</p>
<p>1981</p>	<p>The Seattle Public Health Service Hospital becomes one of 11 locations in the nation selected as regional centers for Hansen's disease (leprosy) outpatient care. The program later moves to Harborview.</p> <p>March 1981 — President Reagan announces that all Public Health Service hospitals will be closed. Its closure would have meant the end to many programs the hospital helped support. After touring the hospital with state Rep. Mike Lowry, U.S. Sen. Henry Jackson is quoted as saying: "Mr. Reagan's budget cutters would have to close the hospital over our dead bodies."</p> <p>A massive community effort to save the Seattle Public Health Service Hospital is mounted in response to the closure announcement. A public hearing at the Department of Health and Human Services offices in downtown Seattle draws more than 400 supporters, including retired military and their families, seamen, maritime union leaders, fishermen and spokespersons for area hospitals and community clinics. At the march, Seattle Mayor Charlie Royer says, "I believe everyone in our city benefits from the PHS hospital, whether they receive care there or not, and I will do everything in my power to see that the hospital's services are not lost to our city."</p> <p>Federal Administration officials severely jeopardize the hospital's continued existence. Federal tactics include withdrawing appropriated funds, preventing the hiring of personnel, mandating the preparation of plans for closing the facility, carrying out unannounced audits and inventories, issuing orders reassigning key hospital staff, rescinding delegated authorities, threatening individual hospital employees with personnel actions, canceling ongoing construction and generally creating a climate that demoralizes staff and hinders preparations for a transition to community control.</p>



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1981	July 1981 — A task force, appointed by Mayor Charles Royer at the request of the Washington State Congressional Delegation, develops the “Plan for the Preservation and Continued Development of the Seattle Public Health Service Hospital,” which is submitted by Washington’s Governor John Spellman and Royer to Secretary of Health and Human Services Richard Schweiker, on July 1, 1981. The plan outlines requirements for a successful transition: continuity of patient care, federal financial support to cover the initial projected operational budget deficit, facility improvements to comply with state and local license and code requirements, and transfer of property and equipment.
	October 1981 — As a result of negotiations with Washington Senator Slade Gorton, the Reagan Administration agrees to ask Congress for \$40 million, later reduced to \$26 million, to ease the transition from federal to local control. Thanks to last-minute maneuvering by Senator Henry “Scoop” Jackson, the final legislation also designates the facility as a Uniformed Services Treatment Facilities (USTF) and includes a large Department of Defense contract to provide care for the family members of active duty military as well as military retirees. This allows the organization to continue seeing many of its patients and provides some financial security.
	November 1981 — The City of Seattle charts the hospital, now renamed the Seattle Public Health Hospital, as a public development authority (PDA). The federal government transfers control of the property to the new Public Health Hospital Preservation and Development Authority. This quasi-governmental structure allows essential services to be provided to the public through corporations that have public accountability but operate as private entities. The city provides no funds.
	The hospital’s leadership and staff, with the support of community volunteers and activists, work tirelessly to make the successful transition from a federal entity to a community-owned health care delivery system. These individuals put their livelihood on the line to ensure that services will be provided to these underserved patients after the transition. This includes going with less than full pay, while the funding is caught “between appropriations.”
1981–1982	Dr. Bob Wood and Dr. King Holmes conduct AIDS research and patient care on the 11th floor of the tower, prior to widespread understanding of the disease in the medical community. Together, they create the HIV/AIDS clinic on campus.
1983	November 1983 — The Seattle Public Health Hospital changes its name to Pacific Medical Center.
1985	The Preservation and Development Authority Council formally changes the authority’s name to the Pacific Hospital Preservation and Development Authority.
1987	June 1987 — Pacific Medical Center closes its hospital doors and emergency department, moving patients to Providence Medical Center. Closure is due to issues with seismic readiness and costs of upgrading the facility, financial challenges and low patient volumes. The remaining outpatient clinics are located on the lower floors of the tower.
	PHAMIS, a patient record system for integrated inpatient/outpatient services, is created with federal funding and is one of the world’s first electronic medical information systems.
	November 1987 — King County voters approve a regional health bond that provides \$9.3 million for seismic stabilization of the Beacon Hill tower.

In November 1981, The City of Seattle charts the hospital as a public development authority (PDA) and the federal government transfers control of the property to the new Public Health Hospital Preservation and Development Authority.

1988	Seattle Indian Health Board moves off campus and consolidates all outpatient services at Leschi Center, a newly constructed complex for the Indian community just down the street from the Pacific Medical Center campus. It is now the largest urban American Indian health care program in the nation and operates the only urban Indian medical residency program.
1991	<p>The Pacific Hospital PDA signs an Interlocal Agreement with King County and agrees to provide health care services to indigent residents of King County for the period of time that the bonds remained outstanding or for 20 years, whichever is longer.</p> <p>April 1991 — Members of PHASE, the group practice corporation established in 1981, vote to dissolve PHASE as a legal entity and become part of the Pacific Hospital PDA, doing business as PacMed Clinics.</p> <p>PacMed enters into an agreement with the Department of Defense, which sets the stage for the transition from fee-for-service care for uniformed services beneficiaries to managed care.</p> <p>Seismic stabilization construction begins on the Beacon Hill tower, a construction project that lasts for four years. Rather than retrofit the entire structure with new support beams and trusses, the architects decide to build a structure on the north side of the building, creating a buttress to the landmark Tower, while also providing additional clinic and office space.</p>
1992	<p>The City of Seattle designates the Beacon Hill campus and tower as a Seattle Historical landmark.</p> <p>With the aid of a four-year grant from the W.K. Kellogg Foundation, the Cross Cultural Health Care Program (CCHCP) is created, on the Beacon Hill property, with more than 20 community organizations participating in the grant request. The program educates health care professionals on cross-cultural awareness and creates training videos and teaching curriculums for other health care organizations across the country.</p>
1994	The tower seismic stabilization construction is completed. The building receives an honor from the American Institute of Architects for being “utterly responsive to the original building” and “a wonderful seismic solution.”
1995	PacMed establishes an alliance with Swedish Medical Center for PacMed to provide primary care and Swedish to provide hospital care for PacMed’s Seattle-based patients.
1996	The Cross Cultural Health Care Program (CCHCP) is awarded a second-time grant by the W.K. Kellogg Foundation. With the new funds, CCHCP begins a campaign to disseminate the programs and products at the national level, and provide trainings at public and private settings across the country.
1998	<p>The Pacific Hospital PDA receives federal approval to lease a portion of the building to a non-health care organization. The agreement that grew out of this request requires that the Pacific Hospital PDA use lease revenues to provide charity health care for the poor in King County. The Pacific Hospital PDA then signs a 99-year lease with Wright Runstad, a local real estate development company. Wright Runstad also commits to \$25 million in upgrades to the tower, including safety systems and building improvements.</p> <p>Wright Runstad finds a long-term tenant in Amazon.com, which agrees to sub-lease floors 1–14 of the tower until 2009. Amazon.com occupies 190,000 square feet in the hospital between 1998–2011.</p>

The value of direct services provided for low-income, uninsured by the Pacific Hospital PDA and subcontractors totaled \$43.1 million from 1986 through May 2011.

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<p>2002</p>	<p>In anticipation of a significant reorganization, the PDA Governing Council amends its charter, reducing the size of the Governing Council from 15 to 9 members and refocusing its mission from administering a group practice to funding charity health care.</p> <p>Cross Cultural Health Care Program (CCHCP) is spun off from Pacific Hospital PDA to form an independent 501(c)3 organization.</p>
<p>2003</p>	<p>June 2003 — The clinical group practice separates from the Pacific Hospital PDA, forming a separate 501(c)3 health care organization, PacMed/Pacific Medical Centers Clinics. The Pacific Hospital PDA and PacMedClinics sign a contract in which the latter agrees to provide charity health care services in return for a share of the tower lease revenues until the end of May 2011. The Pacific Hospital PDA leases office and clinical space to PacMed Clinics until 2021. Since the separation, the focus of the Pacific Hospital PDA has been to manage the lease revenues, ensure provision of charity health care services that it purchases, and provide stewardship for the historic property.</p>
<p>2004</p>	<p>The Pacific Hospital PDA and King County amend the Interlocal Agreement to clarify the charity health care commitment and reporting requirements. The Pacific Hospital PDA commits to ensure the provision of a minimum of \$1.5 million annually in health care services to low-income and uninsured individuals. This goal is exceeded every year since the Interlocal Agreement was first signed.</p>
<p>2006</p>	<p>Pacific Hospital PDA is a founding funder of Project Access Northwest, an innovative initiative that encourages donations of specialty health care to the uninsured by local specialist physicians. Between 2006 and YE 2013, the Pacific Hospital PDA provides \$950,000 in grants to Project Access NW.</p>
<p>2009</p>	<p>Pacific Hospital PDA funds an innovative two-year Patient Navigator Pilot program with Seattle Children's.</p>
<p>2011</p>	<p>April 2011 — The Amazon.com sublease with Wright Runstad ends. Amazon moves to new offices in South Lake Union.</p> <p>May 2011 — Pacific Hospital PDA completes its obligation to King County under the Interlocal Agreement. The King County bonds are paid off.</p> <p>May 2011 — Completion date of the Charity Care Agreement between the Pacific Hospital PDA and Pacific Medical Centers.</p> <p>May 2011 — Pacific Hospital PDA provides grant funding to Project Access NW dental case management for low-income, uninsured patients referred by the safety net to the Swedish Community Specialty Clinic (SCSC). From May 2011 through June 2014, almost \$250,000 is granted.</p> <p>November 2011 — Pacific Hospital PDA celebrates its 30th anniversary with an event on the 8th floor of the tower, honoring those involved in the history of the organization and opening a renewed dialogue about the future of health care for the uninsured and underinsured.</p>
<p>2012</p>	<p>September 2012 — WRC.Com Tower LLC terminates their lease on the Pacific Tower building.</p>

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2013	November — The Washington State Department of Commerce signs a 30-year lease agreement for Pacific Tower property, effective Jan. 1, 2014. Pacific Tower will serve as a new satellite campus for Seattle Central Community College to house its growing Allied Health programs. The new campus will also support the college's plans to offer two new four-year degree programs: a Bachelor of Science in Nursing and a Bachelor of Applied Science in Allied Health. These programs will serve some of the 1,800 students enrolled in health programs across the Seattle Community Colleges District who would like to continue their education. The Department of Commerce will also be leasing remaining space to other nonprofit organizations, state agencies and local governments.
2014	August — After nearly 10 years of leadership, Rosemary Aragon retires as Pacific Hospital PDA Executive Director. Jeff Natter, former manager of the Ryan White HIV Program at Public Health – Seattle & King County, assumes the role of Executive Director.
2021	The deed by which the US Department of Health and Human Services conveyed the Beacon Hill campus to the PDA in 1981 included certain usage and services restrictions. These restrictions expire in 2021.



Museum of History & Industry

The PHPDA Beacon Hill tower opened in 1933 as a U.S. Marine Hospital.

For more information:

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