

Friday, November 27, 2009

Cincinnati's University and Jewish hospitals butt heads

University, Jewish butt heads in Alliance unraveling

Business Courier of Cincinnati - by [James Ritchie](#) Staff Reporter

University Hospital officials have said repeatedly that they want a delay in **Mercy Health Partners'** purchase of **Jewish Hospital**. What isn't clear is what they want to happen after the delay.

"Is it delay to make sure there's a smooth transition?" Mercy CEO James May said in a recent meeting with the Business Courier. "Or is it really not delay, but derail, so we can recreate **Health Alliance II**?"

Dr. David Stern, UC vice president for health affairs, admitted in a separate meeting with the Courier this week that he and colleagues have been slow in determining exactly what solution to seek. In "60 days maximum," Stern, who is also dean of the UC medical school, said he can be ready to discuss concrete options.

In a plan announced in July, the Jewish Foundation of Cincinnati is trying to take Jewish Hospital out of the crumbling Health Alliance and sell it to Mercy Health Partners for \$180 million.

But **University of Cincinnati** leaders have complained that the profitability that has made Jewish an attractive acquisition target effectively came through subsidies by University Hospital. Now the UC board accuses the **Jewish Foundation of Cincinnati** of wanting to take the money and run.

Any destabilization of University Hospital, the board said, could lead to cuts in services, resident training, education and research.

University Hospital provides about \$85 million a year in uncompensated care, not including bad debt, serving as the region's primary safety net for the indigent. It also provides highly specialized services.

It receives about \$60 million a year back in state and county payments.

Left on its own, University will eventually wither, Stern warned, and be unable to fund its capital needs – \$45 million a year for the next 10 years, if it's to bring its plant and technology to industry standards. Already, in the wake of the Health Alliance upheaval that's played out since **Christ Hospital** announced its withdrawal in 2006, University has had to shelve several major projects.

The Health Alliance now includes University, Jewish and Fort Hamilton hospitals, **West Chester Medical Center** and the **Drake Center**. Fort Hamilton, the only remaining voting member besides University and Jewish, plans to leave, too.

University is seeking ways, Stern said, to work with Mercy, Jewish and others.

“The idea of a stand-alone University Hospital and College of Medicine that doesn't interact with the community is not something we aspire to,” he said.

An integrated system

Stern didn't shy away from the notion of recreating the Health Alliance, or at least an integrated health system like it.

University is “talking with everyone,” Stern said. Among the possible partners is **TriHealth**, which operates Good Samaritan and Bethesda North hospitals.

But a delay in the Mercy-Jewish deal is needed, Stern said, because once it closes, University will have lost all negotiating power. The

question for Mercy, he said, is “will they help us construct a new system, or simply complete their transaction and thumb their noses at us?”

May speaks of dozens of meetings with Stern, but a cool reception from University to ideas for working together on back-office functions and clinical programs. Financially, University seems to be doing OK, Mercy officials said: Last year it earned \$19 million from operations, even after accounting for indigent care, on revenue of \$584 million.

May suspects delay tactics and lack of a clear strategy. “We’ve seen no tangible evidence for what the huge issue is for University,” he said. And anyway, he added, “We don’t know what the request is.”

The city and county need to look at how indigent care is paid for, said Hirsh Cohen, health care consultant and former assistant Cincinnati health commissioner. The Alliance spread the burden around.

“When it began to fall apart and Jewish was left, one could make a strong argument that Jewish alone should not bear that brunt” of subsidizing University, he said. “And they’re probably right. But University does need the help. No one’s come up with a solution to have a different kind of distribution in our county.”

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