

Ohio Attorney General asks Jewish Hospital, Mercy Health Partners to delay merger

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CINCINNATI, Ohio — [Ohio Attorney General Richard Cordray](#) has weighed in on the proposed merger of [Jewish Hospital](#) and [Mercy Health Partners](#). Cordray's plea: Please wait two months, [according to the Cincinnati Enquirer](#).

The Cincinnati hospital and health system had hoped to complete their \$180 million merger shortly after New Year's Day, the Enquirer reported Tuesday. Cordray, whose office is reviewing the merger, wants the two institutions to wait to merge until mediation between Jewish Hospital and [University Hospital](#) has a chance to work.

The Ohio attorney general has said for months that he would stay out of the quarrel between Jewish Hospital and University Hospital, which doesn't want Jewish to leave the [Health Alliance of Greater Cincinnati](#), to which both hospitals belong. Late last month, Cordray went so far as to suggest Cleveland lawyer Niki Schwartz as a mediator for Health Alliance members and Jewish Hospital on its proposed departure, the Enquirer said.

Both Jewish and University hospitals — in that order — are listed under the header for the alliance at its Web site, along with Fort Hamilton Hospital, West Chester Medical Center, Drake Center and Alliance Primary Care.

The trouble is, the alliance would fall apart if Jewish Hospital left to join the five-hospital Mercy system, the Enquirer says. And [University of Cincinnati](#) leaders worry an alliance collapse could compromise the charity-care and education missions at its University Hospital.

"We believe that mediation could lead to a resolution which would minimize any harmful effects on the public that may result from Jewish Hospital's potential departure," Cordray wrote in a Dec. 18 letter to Jewish Hospital, asking it to give mediation "a reasonable period of time," the Enquirer said.

The quarrel illustrates some of the problems of allied hospitals that share operations but not governance. When one member — Jewish Hospital — leaves the alliance, it takes assets, but not necessarily liabilities, with it. Not only is it difficult to split up assets that are used jointly to operate alliance members, but such a split leaves remaining members with fewer assets — and often more liabilities.

An industry expert described the situation like children who are fighting over their parents' estate. Each child wants a fair piece of the pie. But after the children pay attorneys to ensure equal treatment, there's less of a pie to divide. "It's one of those situations where the sum of the parts is not equal to the whole," the expert said.

The alliance trouble started [on July 7](#) when trustees of the [Jewish Foundation of Cincinnati](#) selected Mercy Health Partners to buy its Jewish Hospital. The decision followed an 18-month search by the foundation for a buyer.

By being acquired by Mercy, a \$750 million hospital system, Jewish Hospital also would join [Catholic Healthcare Partners](#), the largest health system in Ohio and one of the largest non-profit health care systems nationwide, according to the foundation's statement, at the time.

Maybe there's a bit of sour grapes in the mix. The Health Alliance of Greater Cincinnati also had tried buy Jewish Hospital, [according to the Business Courier of Cincinnati](#). The alliance already owns West Chester Medical Center and the Drake Center, the business courier said.