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University Hospital fight isn't solely about money

Cliff Peale

Those of you who believe that every difficult question comes down to money should carefully consider the fate of University Hospital.

The University of Cincinnati and the city of Cincinnati are sounding the alarm about its future, given the breakup of parent system the Health Alliance of Greater Cincinnati. Cash-cow Jewish Hospital is leaving the Health Alliance to merger with Mercy Health Partners after cash-cow Christ Hospital left in 2008. Without that Health Alliance support, University says, it won't be able to maintain the physical plant, recruit the best doctors or continue to service indigent patients in the region's urban core.

If you're having trouble following this, you are not alone. Only the geekiest of policy wonks - guilty as charged - still are keeping track.

In the short term, University Hospital wants to delay the Jewish-Mercy merger. But in the longer term, what University Hospital wants is subsidies. Big ones. Privately, hospital types are whispering about numbers like \$40 million that University is seeking from other hospitals around the region.

They claim the hospital's unique missions, which benefit the sickest patients from all corners of the region, make the subsidies a proposition they can sell.

But the rub is this: University Hospital makes money.

Since you bottom-line types who read this page love the numbers, consider a spin through the Health Alliance's most recent financial statements.

Last year it earned an operating surplus of \$18.9 million and the year before that the profit was \$29.2 million. It has the resources of UC behind it, and it gets \$26 million a year from Hamilton County taxpayers for indigent care.

Revenue was about the same at \$583.9 million, while expenses increased nearly \$16 million to \$564.9 million, mostly from growth in salaries.

The alliance's other hospitals, on the other hand, earned only \$4.1 million from operations in 2009. The system as a whole ended the 2008-09 fiscal year with a \$23.1 million operating surplus.

Like a lot of us, investments dealt a huge blow to the system, resulting in a 2009 loss of \$51.9 million.

So what, you may be asking, does it all mean?

What emerges from those numbers is a system under stress. And just in case we forget, hundreds of employees still are working at the Alliance Business Center in Avondale for a system that may not be around a year from now.

To many of those employees and to those who control University Hospital, the hospital's future just can't be all about money.