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Enquirer • Community Press & Recorder

November 19, 2009

University Hospital Q&A

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QUESTION: Does University Hospital make money?

ANSWER: Yes, it reported profits of \$19 million last year and \$29 million the year before.

Q: Doesn't it spend millions of dollars on safety-net care for those who can't afford to pay?

A: Yes, the hospital spent \$98.9 million last year on "community benefit," which includes traditional charity care. That's far more than any other hospital in the region. It also received \$26 million from Hamilton County taxpayers through an indigent-care levy and another \$25 million from the state of Ohio for its high Medicaid population. But the \$98.9 million is above and beyond those subsidies.

Q: If it's got all of that money coming in, why is it in financial trouble?

A: It's not, at least not right now. But its owner, the Health Alliance of Greater Cincinnati, is breaking up. That will leave University Hospital without Jewish Hospital to generate the profits that can subsidize its operations. The University of Cincinnati and other supporters say that without further subsidies, the missions of teaching, research and indigent care will be jeopardized. They also say they need to invest at least \$40 million a year in the hospital's buildings and equipment. The last few years, it's invested only about half of that.

Q: Jewish Hospital is in Kenwood. What does that have to do with anything?

A: Jewish Hospital is the most profitable member of the Health Alliance but is withdrawing to merge with Mercy Health Partners. Leaders at UC and City Hall want to delay that merger past the planned January closing until University Hospital's financial future is secured.

Q: Why is Cincinnati City Council involved?

A: The city controlled the hospital until the 1960s and still owns the land. It also signed a legal settlement with the Health Alliance in 2003, committing the hospital group to providing indigent care through University Hospital.

Q: Can it stop the Jewish-Mercy merger?

A: No, but some officials have appealed to the Ohio attorney general to step in. City leaders also are watching closely as Mercy closes its Westwood and Mount Airy hospitals and opens another

in suburban Green Township. Mercy says it will keep outpatient services in those neighborhoods but won't commit to keeping the actual hospital buildings open.

Q: What do Jewish and Mercy want?

A: They want to complete their merger. The Jewish Foundation of Cincinnati will then go and invest its money elsewhere, and Mercy says it will pour surpluses from Jewish into updating that hospital.

Q: What does University Hospital want?

A: Ideally it wants to be part of a hospital system. If that won't work, it wants millions of dollars from other hospitals to operate the trauma center, burn center, specialized services like stroke care and the safety-net functions.

Q: Why doesn't UC just pay for it? There's plenty of money at the university.

A: Actually, UC depends on University Hospital to help subsidize both UC Physicians and its College of Medicine. And it has its own budget trouble. Detractors insist that UC could guarantee debt to help secure University Hospital's future. But it doesn't seem to be jumping to offer that.

Q: So what happens next?

A: Once Jewish closes its deal with Mercy, UC loses a lot of leverage. Smart money says talks might extend into early January and a small group of insiders will cut some sort of deal to share services - and costs - for a set period of time to help University Hospital through the transition.