

Once-powerful Health Alliance has new look

By Cliff Peale • cpeale@enquirer.com • March 1, 2010

The delivery of health care throughout Greater Cincinnati is sure to change after two corporate deals Monday, producing an expanded University of Cincinnati presence out to Butler County and a powerhouse Mercy Health Partners with hospitals circling the region.

Mercy closed its \$180 million purchase of Jewish Hospital, while Jewish and Fort Hamilton reached a hard-fought deal with UC to withdraw from the Health Alliance of Greater Cincinnati, once the region's biggest hospital system.

The deals effectively end the lawsuits and acrimony that have sucked up tens of millions of dollars in legal fees in the last four years, and reduce the Health Alliance to a corporate shell.

"I don't think anybody got everything they wanted or everything they said they needed," said Gary Heiman, president of the Jewish Foundation of Cincinnati, former owner of Jewish Hospital, and a UC trustee. "But they can get on with their own individual missions in a way they were never able to do in the past."

At its peak in 2005, the Health Alliance held \$1.6 billion in assets. But Christ Hospital filed to withdraw in January 2006, followed closely by St. Luke Hospitals in Northern Kentucky. The Health Alliance sued to keep them in the system but lost. Then last summer, Jewish and Fort Hamilton announced that they would withdraw.

The impact of Monday's deals includes:

- UC Health, with nearly 9,500 employees, will have full control of the \$225 million West Chester Medical Center and the Alliance Primary

Care doctors group, added to University Hospital, the College of Medicine and UC Physicians. West Chester opened last year and is expected to turn profitable within five years.

"That's going to give us a financial foundation," UC President Greg Williams said. "We're now in a position where we are in the driver's seat so we can figure out what's best for the university. We think the potential (at West Chester) is absolutely enormous."

- The future remains uncertain for about 800 employees still working at the Alliance Business Center in Avondale. The office provides finance, human resources and other back-office services to the hospitals. It will provide those services to Jewish and Fort Hamilton during the transition but probably will be smaller going forward.

Up to two dozen Alliance Business Center employees will go to work at Jewish Hospital, and some of the doctors at Alliance Primary Care who already practice at Jewish will remain there.

- Mercy Health Partners will install a new medical records system at Jewish Hospital and eventually expand there. It has promised to invest many of the annual operating earnings, nearly \$30 million last year, back into the Kenwood hospital and to keep the name intact.

Mercy now operates six hospitals and is building

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a new hospital in Green Township that will replace locations in Westwood and Mount Airy. It employs more than 7,000 people and has more hospital admissions than any other hospital company.

“What’s important to me is that we can provide great care where people live across the region,” Mercy CEO Jim May said.

- Part-time employees at Jewish Hospital are seeing higher costs for benefits. Mercy said it would increase the cost of some of those benefits to the national industry standard, and employees also must work 36 hours per week to be considered full-time.
- Drake Center in Hartwell probably will end up with a new partner. UC and the Jewish Foundation retain ownership interests in Drake.

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