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## Mercy hospital joins Saint Al's health system

TREASURE VALLEY — In the latest move in a growing trend toward hospital acquisitions and consolidations, officials announced Tuesday the formation of a new hospital network system that will stretch from Boise to eastern Oregon.

Mercy Medical Center, in Nampa, is the largest among a group of three hospitals along the Interstate 84 corridor purchased in the acquisition by Trinity Health Systems, the parent company of Saint Alphonsus. The Saint Alphonsus Health System will also include Holy Rosary Medical Center in Ontario and St. Elizabeth Health Services in Baker City, Ore.



*From left, Mark Dalley of Holy Rosary Medical Center in Ontario, Ore., Sally Jeffcoat, president and CEO of Saint Alphonsus Health System, Joe Messmer of Mercy Medical Center in Nampa, and Leanne Irsik of St. Elizabeth Health Services in Baker City, Ore., toast one another in the formation of Saint Alphonsus Health System Tuesday afternoon at Saint Alphonsus Regional Medical Center.*

Tuesday's announcement came seven months after Trinity's letter of intent to purchase the hospitals first went public. In a prepared statement, officials said the heritages of all four organizations will be "respected and cherished."

Each hospital shares a common faith-based, Catholic health mission. Under the new system, local governance will be kept in place, as well as local ministry boards. A new health system board will be created to govern the hospital network.

Sally Jeffcoat, president and CEO of Saint Alphonsus Health System, said the regional approach will strengthen the long-term financial viability of each hospital.

"Each member hospital will contribute its century of gathered strengths to meet the needs of the people in the region," Jeffcoat said. "There will be opportunities for Saint Alphonsus Health System's caregivers to exchange ideas and best clinical practices, as well as to engage in shared services, such as clinical education, common electronic health records, and telepharmacy."

The new hospital system will serve more than 700,000 people and is intended to deliver care in a more coordinated way. All four hospitals had functioned independently before the acquisition. Decisions will be locally driven, Jeffcoat said. Trinity will embark on creating a five-year strategic plan tailored to each hospital that will lay out which services need to be developed. The new health system rivals that of St. Luke's, Idaho's largest private employer and leader of a network of hospitals in Boise, Meridian, Twin Falls and Hailey.

In recent years, local hospitals have taken in more non-paying patients, either uninsured or underinsured, while revenue from elective procedures also declined. The shrinking revenue has resulted in increased competition

among health-care providers nationwide and has led many to form closer collaborations through mergers, alliances or consolidations to improve efficiency, reduce duplication of services and cut overall costs.

“The healing power of the four hospitals brought together as one mission-driven system will far exceed that of four hospitals, each acting alone,” Jeffcoat said. “System coordination will provide an expansion of accessible health services and continuous improvements in quality of care and patient safety.”

### **Changes at Mercy**

Some changes are on the horizon at Mercy, Canyon County’s largest hospital.

Trinity plans to invest more than \$40 million at Mercy and the two other acquired hospitals in the next five years. Initial funds will go toward technology, bolstering the use of electronic databases.

Jeffcoat said Trinity plans to implement a new electronic information system to improve patient care and safety by allowing practitioners to make decisions with electronic information more readily available. The electronic system will be implemented first at Saint Al’s in October, followed by Mercy in Nampa.

Other immediate changes at Mercy include an influx of capital to improve services, though specific needs are currently still being pinpointed. Physician recruitment will also go forth in a much more robust manner, Jeffcoat said. The use of telemedicine — including webcams and robots that allow specialists to see patients at other hospitals — could also be ultimately expanded with the acquisition.

The Nampa hospital has faced some financial difficulties in recent years. Last winter, officials there announced a 10 percent workforce reduction and a variety of other cost-cutting measures due to the worsening economy. That decision was in part related to the rising number of uninsured patients, charity care and declining reimbursements from some patients.

But Jeffcoat said she anticipates growth in coming years, which will mean new jobs and services at Mercy.

“We believe that Mercy Medical Center is underutilized, and we feel that it should continue to grow,” Jeffcoat said. “We’ve already identified physician needs in the community that we will be responsible for implementing.”

### **West Valley reaction**

West Valley Medical Center in Caldwell released this statement on the acquisition of Mercy Medical Center in Nampa by the owner of Saint Alphonsus Regional Medical Center in Boise:

“West Valley Medical Center has focused on delivering high-quality patient services to our local community for more than 50 years. We will continue to do this regardless of who owns our competitors. We have always worked well with other hospitals within our competitive healthcare environment, and will proceed in a manner that best serves our patients.”