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Private general hospital in Boise a no-go

Facility some thought would undercut Boise's two existing hospitals is cutting a deal with St. Luke's instead.

Even before ground was broken 18 months ago, the hospital planned by a group of surgeons west of Downtown was drawing criticism from officials at Saint Alphonsus and St. Luke's. They worried that a private competitor would skim off the Treasure Valley's best-paying patients, leaving behind those who pay less or, sometimes, don't pay at all.

A hospital industry group even tried to persuade the Legislature to pass a moratorium on physician-owned private hospitals. To keep their tax-exempt status, nonprofit hospitals have to serve everyone who shows up, regardless of their ability to pay. For-profit facilities don't face the same requirements.

Dr. Kirk Miller, described as chairman of the board of governors for the proposed Riverside Hospital, broke a long silence from the physician investors on Tuesday. "The Riverside Medical Group approached St. Luke's at the first of the year about possibly working together," said Miller, an anesthesiologist. "Our belief was that we could accomplish more working together." He declined to answer other questions.

St. Luke's agreed to buy the land and co-manage services in orthopedics and neurosurgery, but hospital officials haven't worked out the specifics. "We're hoping to have it finalized by June and lay out more of the specific details of what it means," St. Luke's spokesman Ken Dey said Tuesday. No financial information on the deal was immediately available.

Other health care officials, ranging from a consultant for Riverside Hospital to the Idaho Hospital Association and Saint Al's, had little to say or did not return calls.

When ground was broken in October 2007, the plan was to open by early this year a 54-bed, \$57 million hospital at Fairview Avenue and 27th Street west of the Boise River and just off the Connector.

It was to be in the heart of the area around 30th Street that Boise city officials hope to renew with a whitewater park, public transit and focused development efforts. But no structure was built. At one point, a consultant said a difficult loan market hampered progress.

The negotiations with St. Luke's are ongoing. "We are in the process of finalizing the purchase of the land," Dey said. Exactly how the hospital will use the Fairview property depends on the demand for services, he said. It won't be Riverside Hospital. The deal could work much the way a similar deal with heart doctors played out in 2007. In that case, St. Luke's and Idaho Cardiology Associates signed an agreement in which the doctors and other employees became employees of St. Luke's. This structure brings together the administrative and organizational skills of St. Luke's with the clinical knowledge and expertise of orthopedic and neurosurgical physicians, St. Luke's officials said. The partnership will not be limited to Riverside investors, Dey said. Any orthopedic doctor or neurosurgeon can join.