

Kootenai, Providence forge a new alliance

COEUR d'ALENE — It's not a merger.

Kootenai Health officials wanted to make that abundantly clear Tuesday when they announced formation of the Kootenai Providence Health Alliance, a separate new not-for-profit medical entity.

"It's not a merger; it's not an acquisition. It's not even a step toward a merger or acquisition," said Jon Ness, Kootenai Health's CEO. "Both organizations will remain separate and independent."

But they will be linked in more ways, expanding on some longtime but perhaps not widely promoted partnerships like radiation therapy, open heart surgery and even kids' health.

"Last fall we launched a really cool program for fifth graders in Kootenai County, Spokane Valley and Spokane where they all have activity trackers similar to Fitbits," Ness said. "It's that type of community wellness initiative that we can do better together."

Future initiatives, Kootenai Health representatives said, might include women's and children's services and community wellness programs.

Of great value to KH in this next phase of collaboration — Ness called it "the cornerstone element" — is access to Providence's electronic health record system, called Epic.

Ness declined to say how much it would have cost Kootenai to purchase Epic on its own, but said the savings offered by Providence is roughly half what it would have cost Kootenai Health directly.

"The difference [in cost] allows Kootenai Health to continue to expand, to do these construction projects, creating jobs and adding new clinical programs," he said. "It is a huge difference maker for us. If we tried to do this by ourselves, it would create some real financial limitations and problems for Kootenai Health."

What the new system will mean when it's brought online during the first quarter of 2019 is immediate access for physicians to patient records throughout the region. Epic will pool potentially life-saving data from Kootenai Health and Sacred Heart Hospital in Spokane, but also from other Providence facilities in places like Walla Walla, Tri-Cities, and North Spokane in Washington, across to Missoula, Mont.

Ness, Human Resources VP Danny Klocko and Kootenai Health spokesperson Kim Anderson were asked if Kootenai is biting off too many large projects at once, risking failure on one or more fronts. KH is in the midst of its largest expansion in history. It also has recently forged partnerships with the internationally esteemed Mayo Clinic and locally important Heritage Health.

"It is not easy anymore to remain independent and community-owned in this industry," Ness said. "We have to work really hard to make sure we can stay independent, and that requires an extraordinary amount of effort on multiple fronts."

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“We want to be independent and community-owned but we cannot be isolated.”

Put another way: “We will still compete with them — and collaborate with them,” Ness said.

The Kootenai Providence Health Alliance will have its own board with equal representation from both institutions. From Kootenai Health, Ness will be joined by Kimberly Webb, chief financial officer; Liese Razzeto, Kootenai Health Board chair; and Walt Fairfax, M.D., chief medical officer of Kootenai Health. From Providence, Elaine Couture, executive VP and chief executive of Providence Eastern Washington and Montana, will be joined by three other Providence officers.

“Given our mutual interest in creating healthier communities, the alliance helps both organizations achieve their visions by creating the legal and business structure needed to appropriately share data and resources, and work together on selected clinical programs,” Couture said.

Kootenai Health has 3,000 employees earning a combined \$160 million annually.

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