

MUSC part of Capella proposal for KershawHealth
Form Midlands HealthONE Network; Hartsville's Carolina Pines to be first
hospital

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The Medical University of South Carolina (MUSC) is part of Capella Healthcare's recently proposed strategic partnership with KershawHealth. Capella Healthcare, based in Franklin, Tenn., near Nashville, is one of two for-profit healthcare companies which recently presented strategic partnership proposals to the KershawHealth Board of Trustees in separate executive sessions. Capella made its presentation during an Oct. 27 board meeting at KershawHealth's Outpatient/Urgent Care Center in Elgin. Duke Lifepoint, also headquartered near Nashville in Brentwood, Tenn., made its presentation at the Health Resource Center on Nov. 4.

Beth Wright, Capella's vice president of corporate communications and strategic marketing, confirmed MUSC's involvement on the KershawHealth proposal in an email Tuesday morning. Wright confirmed MUSC's involvement about 20 minutes before an announcement in Hartsville concerning a joint Capella/MUSC initiative involving Carolina Pines Regional Medical Center. Capella announced it signed a "definitive agreement" to purchase Carolina Pines on Oct. 13, the same day the KershawHealth board revealed Capella and Duke LifePoint to be companies with which trustees were interested in meeting.

The Chronicle-Independent learned of MUSC's possible involvement in the Capella proposal several weeks ago and contacted interim KershawHealth CEO Terry Gunn, who initially deferred the question to KershawHealth Attorney David Summer. Gunn alerted the C-I to Tuesday's announcement in Hartsville via a memorandum during a KershawHealth board meeting Monday night. KershawHealth officials also confirmed MUSC's involvement in the Capella proposal Tuesday morning following Wright's email.

At Carolina Pines in Hartsville, Capella and MUSC Health officials announced the formation of the Midlands HealthONE Network, calling it a "clinically integrated network and a clinical affiliation agreement that will enable the organizations to partner to enhance the health and wellness of the families and communities they serve in South Carolina."

MUSC Health is MUSC's patient care arm. According to its website, it offers a

variety of healthcare services, including cancer, neuroscience, heart and vascular, transplant, musculoskeletal, digestive, sports medicine, women's, spine, psychiatric, oral and maxillofacial, trauma, ENT, and plastic and reconstructive surgery services. In addition, MUSC Health operates a children's hospital and offers tele-health services, which allow it to provide certain forms of healthcare remotely to patients in their own communities.

KershawHealth already maintains a relationship with MUSC through one of its tele-health services: the Remote Evaluation of Acute IsCHemic (REACH) Stroke Network. According to a KershawHealth-written story in February, REACH connects community hospitals with immediate, round-the-clock access to MUSC's stroke care experts who provide urgent consultations by virtually examining patients and their brain imagery. Such consultations allow KershawHealth emergency department physicians to, when appropriate, quickly administer a "clot-busting" drug, reducing the time between the patient entering the emergency department and receiving treatment.

Tuesday's joint statement indicated MUSC's academic, clinical, and education and research "excellence" combined with Capella's "expertise" in operating community-based hospitals would combine to create a "transformational opportunity" through Midlands HealthONE. According to the statement, the network will enable "partner facilities" to share resources to improve access to higher levels of care, jointly implement and monitor clinical protocols and collaborate on clinical workforce development.

"In the midst of dramatic industry change, this affiliation positions each organization for a strong future by establishing a patient-focused partnership that brings the best of MUSC Health and Capella Healthcare together," Capella President and CEO Michael Wiechart said. "Healthcare providers are building clinically integrated networks and forging other partnerships because, to be competitive in the future, providers will need to demonstrate that they can deliver quality outcomes and cost-effective care while staying attuned to the needs of local communities."

Wiechart said Capella's collaboration with MUSC would "uniquely position" Carolina Pines and other area providers to better serve their communities. Capella and MUSC said Midlands HealthONE is preparing to launch in early 2015 with Carolina Pines as its first hospital, once it officially becomes a Capella facility.

"As a part of Midlands HealthONE, MUSC Health is proud to serve as Carolina Pines ... and the network's preferred partner for complex tertiary and quaternary care, giving patients seamless access to care for these services when needed," MUSC Medical Center CEO Dr. Patrick J. Cawley said, "ensuring as much care

as possible is delivered close to where patients live and work."

Capella and MUSC said the benefits of the initiative include, among other things:

- * increased access to high-quality, advanced local care for patients;
- * mutual development and sharing of clinical best practices;
- * MUSC Health-affiliated specialist and medical resident rotations at Carolina Pines and other affiliated community hospitals;
- * partnering on the development of outreach and ambulatory services;
- * shared physician recruitment and placement efforts at affiliated hospitals;
- * value-added advanced tele-health services including tele-stroke, tele-neurology and E-ICU services;
- * specialist training for local clinical staff through jointly developed and shared educational resources; and
- * streamlined referral processes when care cannot be best delivered locally.

In Tuesday's statement, Wiechart called MUSC Health the "premiere academic medical center in South Carolina and one of the top performing healthcare providers in the entire nation."

"We are proud that they have chosen to partner with Capella and look forward to expanding the benefits of this unique partnership to other area providers by changing what's possible -- together," Wiechart said.

Wright said KershawHealth would become part of the Midlands HealthONE Network if it chose to partner with Capella and MUSC.

"We are certainly very excited to be among the finalists for consideration," Wright said in an email Tuesday afternoon. "We would be honored to be their partner for the future."

Founded in 2005, Capella entered into a joint venture with Saint Thomas Health to operate four hospitals in middle Tennessee and southern Kentucky. On its own, Capella maintains 13 hospitals in six states.

MUSC, founded in 1824 in Charleston, is the South's oldest medical school and trains more than 3,000 students and residents each year, according to Tuesday's press release. It employs nearly 13,000 people, including approximately 1,500 faculty. The university and its affiliates have collective annual budgets in excess of \$1.7 billion. In addition to its 750-bed medical center and other facilities in Charleston County, MUSC Health maintains locations in Beaufort, Berkeley, Colleton, Florence, Georgetown, Greenville, Horry and Richland counties, according to its website.

Carolina Pines CEO Tim Browne said the center is "thrilled" to be the first

hospital in the Midlands HealthONE Network.

"Our patients will have access to a phenomenal continuum of care that will be second to none," Browne said in Tuesday's press release. "We greatly appreciate all the time and effort Capella and MUSC put forth to implement this exciting partnership."

The other proposal heard by KershawHealth trustees also involves a collaborative relationship between academic and hospital management entities. Duke LifePoint is a joint venture of Duke University Health Care System Inc. and LifePoint hospitals. Whereas Capella and MUSC are just forming its relationship, Duke and LifePoint formed its joint venture in 2011, and operates 11 hospitals in North Carolina, Tennessee, Virginia, Michigan and Pennsylvania. In addition, Duke maintains its own facilities in the Durham, N.C., area with an additional location in Danville, Va. LifePoint, founded in 1999, maintains more than 60 facilities across the country under its own name.

The KershawHealth Board of Trustees did enter executive session Monday night in part to discuss the Capella/MUSC and Duke LifePoint proposals, but made no decisions afterward. The board will meet again Dec. 8 and Dec. 22. Trustees and administrators have indicated a desire to make a decision before the end of the calendar year.

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