



Capella CEO Speaks to KH board, Local Leaders on Pending Transaction

Martin L. Cahn
mcahn@chronicle-independent.com
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Three public bodies held a special called meeting Thursday night to receive an update from Capella Healthcare President and CEO Mike Wiechart (pronounced wee-kart) on the Franklin, Tenn., company's pending takeover of KershawHealth.



Capella CEO Michael Wiechart speaks to a special joint session of the KershawHealth Board of Trustees, Kershaw County Council and Camden City Council on Thursday evening at the Health Resource Center in Camden. Sitting with Wiechart is MUSC Health Strategic Officer Mark Lyles. Wiechart spoke before the various parties entered into executive session. None of the public bodies took any action afterward. Photo by Martin L. Cahn/C-I

Wiechart spoke briefly in public before the KershawHealth Board of Trustees, Kershaw County Council and Camden City Council each voted to enter executive session to receive Wiechart's report. According to the agenda, Wiechart's closed-door report included due diligence findings, economic development initiatives and the current status of contract negotiations, which include MUSC Health. The patient care arm of the Medical University of South Carolina will collaborate with Capella in taking over KershawHealth's operations once the deal closes. Representatives from MUSC Health were also on hand Thursday evening.

At the beginning of the meeting, KershawHealth Board Chair Karen Eckford asked for a moment of silence to remember the victims of the church shooting in Charleston. Trustee Eric Boland also spoke of the tragedy as part of his invocation. Wiechart mentioned the shooting as well.

"We, in Tennessee, as part of your extended family now, want to extend our sincere empathy and condolences for the tragedy. Know that our thoughts and prayers are with all of you in the entire state of South Carolina as you deal with that," Wiechart.

He then explained the purpose of the evening's meeting.

"Tonight is about getting an idea of where we're at, relevant to the process of the transaction to provide the constituents with a really complete and thorough update on the findings and to, most importantly, set the agenda for moving forward in terms of the strategy and tactics which will be -- as your partner -- necessary to create the vision I think we all agree upon is a long-term, stable healthcare system here in Camden and Kershaw County," Wiechart said.

The board and councils took no action after the executive session. After the meeting, Eckford indicated she was not aware of any vote on the transaction being on the agenda of the board's next regular meeting, set for 6 p.m. today.

A letter of intent concerning the transaction is set to expire June 30, eight days from today.

KershawHealth officials did issue a press release Friday morning concerning Thursday's meeting. According to the press release, Wiechart said during his presentation the most important outcome of the coming partnership will be expanded local care and seamless access to advanced care.

“Our focus will continue to be on the local hospital and its affiliation with MUSC Health,” Wiechart is quoted in the press release. “What people in this community care most about is having access to outstanding care close to home and the compassion of their caregivers. That’s our priority as well.”

Weichart also reportedly noted the board’s recognition of fundamental changes occurring within the healthcare industry and the need to seek a partnership which would strengthen the hospital while ensuring it could deliver quality outcomes and cost-effective care demanded by those changes.

“Capella’s collaboration with MUSC Health takes advantage of both organization’s strengths -- MUSC’s academic expertise, clinical excellence and commitment to education; and Capella’s proven expertise in managing community-based hospitals,” officials said in the release.

According to the statement, Wiechart said the importance of KershawHealth to the community has been “clearly evident” throughout the due diligence period. He reportedly cited the support offered by members of county council, city council, the county’s legislative delegation and community members at large as “invaluable to the ongoing success of the transaction.”

In a separate press release, Capella and MUSC announced a name change for the healthcare network it is creating in South Carolina. Originally named Midlands HealthONE Network, it will now be known as Capella-MUSC Health Network. A new website, www.CapellaMUSCHealthNetwork.com, is also being unveiled in preparation of welcoming KershawHealth to the network this summer.

Carolina Pines Regional Medical Center in Hartsville became the first member of the network when Capella purchased the facility for \$75 million on Jan. 1. In the second press release, Capella and MUSC Health officials said they realized the original name would be “too limiting” as the network grew.

“We’re pleased at this significant progress we have made working together with our first community hospital partners,” Weichart said in the release. “It’s about the value of the local hospital to their community.”

Weichart also said when new signage is unveiled, the public won’t see the new network name or even Capella’s name.

“Our focus will continue to be on the local hospital and its affiliation with MUSC Health, which is a nationally recognized academic medical center. People don’t care about a ‘network’ or about *how* we collaborate; they focus

on having access to outstanding care as close to home as possible and the compassion of their caregivers. And that's our focus as well," Weichart said.

MUSC Medical Center CEO Dr. Patrick J. Cawley also talked in the press release about the benefits of the collaboration.

"This enables our affiliated facilities to better align their own resources and for all of us to share our expertise," Cawley said. "We're also able to jointly implement and monitor clinical protocols and to collaborate on clinical workforce development to achieve the highest quality of care in the most efficient manner possible."

Exactly when Capella acquires KershawHealth and the hospital becomes part of the Capella-MUSC Health Network remains to be seen. Tonight's agenda does include another executive session to receive an update and legal advice concerning the transaction.

Also on tap for tonight are s quality update and report from Vice Chair Dr. Tallulah Holmstrom, a financial report from Executive Vice President and COO/CFO Mike Bunch, a report from CEO Terry Gunn and a discussion of July's possible meeting schedule from Eckford.

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