

Mercy Hospital sale moving forward in Hot Springs

written by Special to Arkansas Catholic |



The merger of non-profit Mercy Hospital Hot Springs with the for-profit National Park Medical Center is still moving forward, despite the reservations of Bishop Anthony B. Taylor and the Diocese of Little Rock.

Mercy Health, sponsors of Mercy Hospital Hot Springs, and Capella Healthcare, parent company of National Park Medical Center, signed an agreement in principle in April to sell Mercy Hot Springs to Capella.

A communications team of employees from both hospitals was launched to dispel rumors and answer questions, as well as a website — www.advancinghotspringshealth.com — to update those interested in the timeline and new developments.

Mercy Hospital Hot Springs, which changed its name April 30 from St. Joseph Mercy Medical System, has a 124-year history of providing health care in the area. It was founded in 1888 by two Sisters of Mercy.

In the Hot Springs area, Mercy has 27 medical clinics and is the southwest region's only Level II trauma center. The hospital is the larger of the two with 282 beds.

After the April agreement was signed, Bishop Taylor said the diocese had reservations about a possible sale, especially in regards to the care for the poor.

In response, Mercy Health issued a statement April 25 that "Mercy and Capella assure commitment to care for the poor."

"Both parties are just beginning to define the terms under which Mercy might transfer the ownership of our Hot Springs ministry. We are asking Capella to assure the continued care for people who are poor, along with giving careful attention to the well being of St. Joseph's community of co-workers and physicians," said Mercy president and CEO Lynn Britton.

Capella has since agreed not to provide abortion or sterilization procedures at the Mercy Hospital Hot Springs facility for five years.

Capella has also committed to adopt Mercy's charity care policy guidelines; maintain a pastoral

care program; comply with the ethical and religious directives on Mercy Hospital Hot Springs' campus for a minimum of five years (which is what includes abortions and sterilizations); and partner with Mercy to provide an adult Medicaid clinic, a pregnancy care center, a charitable Christian medical clinic and an urgent care/convenient care services.

The chapel will also remain open, as a resource to those at the hospital. But it will not retain its Catholic identity, and Mass will not be celebrated there without the approval of Bishop Taylor. According to the timeline provided by Mercy and Capella, the organizations are in the due diligence phase, a period of 60 to 90 days where both exchange information "including market share data and financial performance and the development of operational plans."

"While we initially hoped due diligence would be completed by the end of July, the process is continuing into August. As often happens in transactions of this size, it's just taking a little longer than expected to complete this work. With that being said, rest assured we haven't encountered any major roadblocks or issues throughout this process," according to the Aug. 6 Advancing Hot Springs Health e-mail.

The next steps on the timeline are an asset purchase agreement, state and federal regulatory approvals and the transaction close. The final step is transition and system planning.

Some of the crucifixes and religious symbols have been removed from the walls at the hospital, said Jeffrey Slatton, media relations specialist at Mercy Hospital. The removal was not a concentrated effort, he said, but it was for the purpose of cataloguing what was there. The cross is still on top of the building and the St. Joseph statue is still out front, he said.

"We tried to stay as business as usual as we could throughout this process, including traditions like the daily prayer," he said.

Initially the hospitals did not have Vatican approval factored into its timeline as it should because Mercy Health is a Catholic health care system. In the Aug. 6 e-mail, the hospitals announced, "Mercy Hot Springs is governed by Mercy Health Ministry, an entity of the Catholic Church. As part of the governance process, Mercy Health Ministry must seek approval from the Vatican for certain decisions. The transfer of Mercy Hot Springs to Capella is a decision that requires approval by the Vatican. Just as they have done on other occasions when required under the governance structure, Mercy representatives will be traveling to the Vatican sometime later this summer or fall to obtain the necessary approval."