

Mergers of Teaching Hospitals

*in Boston, New York,
and Northern California*

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and Northern California*

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Ann Arbor

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For Ben and Chris

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Preface

In December 1993, those of us in academic medicine were amazed to learn that two of the country's premier teaching hospitals, the Massachusetts General Hospital and the Brigham and Women's Hospital in Boston, were merging. How did these hospitals, so proud of their histories and traditions and fierce competitors since the Brigham opened in 1913, ever decide to come together?

Whatever the reasons, observers predicted that other hospitals were bound to do the same, so powerful would be the example of what happened at these two hospitals and at Harvard, the medical school with which they are both affiliated. By 1997, the Presbyterian Hospital in the City of New York, the principal teaching hospital for the Columbia University College of Physicians and Surgeons, and The New York Hospital, principal clinical site for the Cornell University Medical College, came together. Later that year, the teaching hospitals for the University of California-San Francisco (UCFS) and Stanford University merged. A few others, elsewhere, did the same.

There seemed to be a story here that would interest and instruct the doctors, scientists, and hospital professionals who work in the nation's teaching hospitals and medical schools and the consultants, some of whom had advised their clients in the merging process. Perhaps other readers interested in how the leaders of these institutions are trying to assure the survival of both their hospitals and their jobs during the current turmoil would find the stories interesting. The library and the Internet offered little guidance. Interested students of academic medicine had written a few pieces over the years, and newspapers had reported the events. But often the details were hazy. So it quickly became clear that only by talking with those involved in the process at each of the hospitals and their medical schools could the events be fully understood.

This study is a tribute to the everlasting tendency of academics to talk informatively and often at length, particularly if they know their listener to be a compatriot who is familiar with the trials that they are facing. Accordingly, this study depends foremost upon the courteous and enthusiastic help of 237 faculty members, administrators, trustees,

and interested observers,* several of whom were interviewed more than once.

The project took a year and a half to complete. I began interviewing in July 1998 and sent the manuscript to the publisher in February 2000. I decided not to revise and thereby slow down the production of the book after that time. So, except for adding a few developments of paramount interest, the reporting ends with the events of the winter of 2000. Fortunately, that time coincided with resolution of the leadership crisis at New York-Presbyterian and the governmental dilemma at UCSF Stanford.

The book consists of eight chapters. In the first, I have written an introduction to the subject that will be suitable, I hope, for the general reader. I am an academic cardiologist, not an authority in the delivery of health care, and request that those more knowledgeable in the field will forgive my poaching on their area of expertise. None of what I describe in this chapter derives from personal research. However, I felt that, before launching into the specifics of each case, many readers would want a narrative describing why those working in teaching hospitals and medical schools have found their world so much more difficult to control during the past decade.

Two chapters are devoted to each of the three mergers. The first, in each case, describes the forces and events that led to the mergers, and the second relates what happened afterward. I chose these three mergers partly because they involved teaching hospitals that are among the most respected in the country, each directed and staffed by talented trustees, administrators, and doctors. Three seemed like a reasonable number to study if I were to finish the work relatively quickly, and as for the choices, I thought, why not work with the best? If they can't succeed at it, who can? Fortunately for the story, each of the mergers occurred in different cities, in different states, in institutions with different histories and traditions, and, most importantly, in different health care environments. A few other teaching hospitals have merged, some relatively successfully, and one disastrously, as described in the concluding chapter. Each would have provided useful information had I been inclined to include more cases.

The final chapter summarizes what I learned and what the mergers teach us. Some who read the manuscript criticized the absence of the author's opinions in the six chapters on the mergers themselves. This

*Forty-five of these were at Partners (Brigham and Women's and Massachusetts General hospitals), 98 at New York-Presbyterian, 79 at UCSF Stanford, and 15 unaffiliated with any of these institutions.

omission was deliberate. I thought it best to let the interviewees tell their stories without the interference of the reporter at that point.

A few words about style. During my time in academic medicine, the title of the heads of academic departments has changed from chairman to chair in many schools in deference to the discomfort among many women about the use of titles that include gender-specific words. Among the people I interviewed in Boston and New York, however, *chairman* continued to be used more often. In northern California, use of *chair* is the rule for the leaders of both academic departments and boards of trustees. Accordingly, I have employed the word that I found customary in each city.

I thank each of the people I interviewed for their participation, for without them this work could not have been completed, let alone started. I sent to most of them drafts of the sections in which they appeared and asked them to tell me what mistakes I had made and where they would feel more comfortable not having their comments attributed to them. Hence, the interviewees did exercise some control over what I wrote but only to the extent of reducing any personal embarrassments. Everything I learned that seemed relevant is here.

Several of those interviewed read and commented on one or more of the chapters apart from the paragraphs in which they appeared. This group included: at Partners, W. Gerald Austen, Eugene Braunwald, Ferdinand Colloredo-Mansfeld, Joseph B. Martin, Samuel O. Their, and Daniel C. Tosteson; at New York-Presbyterian, Jack D. Barchas, Robert Michels, Herbert Pardes, Lewis P. Rowland, and David B. Skinner; at UCSF Stanford, Spyros Andreopoulos, Gerhard Casper, Haile Debas, Lawrence Furnstahl, Donald Kennedy, David Korn, Joseph B. Martin, and Isaac Stein. The assistance of those who reviewed portions of the text improved what you read, but what remains is my responsibility for better or worse. Drs. Braunwald and Debas, in particular, encouraged me that the study might have value, and I am deeply obliged to them for this support.

Several people facilitated the work at the different institutions. I thank, in particular, Patricia Eng at Partners, Bonnie Winters at New York-Presbyterian, and the staff in the dean's office at the Columbia University College of Physicians and Surgeons. Peter Kastor provided valuable advice on the presentation of the material.

My colleagues at the University of Maryland, Robert Barish, Patrick Breault, Robert Chrencik, and Andrew Ziskind, made useful suggestions. Phyllis Farrell provided, as always, superb assistance. I am particularly obliged to William L. Henrich, my successor in the chair of medicine at Maryland, for his many courtesies and encouragement.

This book would not have been possible without help from members of the University of Michigan Press, which took a chance on an author without experience writing this type of a book. Rebecca McDermott, editor for health policy and management, sent me the good news when the Press accepted the book for publication. Her successors, Liz Suhay and Ellen McCarthy, took the work through to completion. I also want to recognize the contributions of Marcia LaBrenz, who efficiently coordinated the copyediting, Janet Opdyke, who skillfully edited the manuscript itself, and the individuals at Twin Oaks Indexing, who professionally and promptly prepared the index.