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Why Kennedy and Jefferson hospitals are merging

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WASHINGTON TWP. — The jubilant crowd roared with applause as they listened to promises that a merger between Kennedy Health and Jefferson Health would “revolutionize” health care for patients in the community.

In the packed lobby of Kennedy University Hospital on Friday, the chief executives of Kennedy Health and Jefferson Health celebrated as they signed a letter of intent to a potential merger of the two health care service providers.

“Today we are going to be a part of one of the most successful institutions in the country,” said Joseph W. Devine, president and CEO of Kennedy Health.

The leaders of the two entities said the deal was not about financial gains, but about bringing more opportunities to patients.

“What we believe, what we are about, is getting Jefferson (services) to all in the community,” said Dr. Stephen Klasko, president and CEO of Thomas Jefferson University and Jefferson Health. “It’s not about our hospital, but about our services.”

Devine and Klasko contended that the merger was essential in bringing to the community easier access to Jefferson’s advanced health care services, which would spare patients from having to travel all the way to Philadelphia to receive treatment at a Jefferson facility.



Pictured above (L to R): Joseph W. Devine, FACHE, President and Chief Executive Officer of Kennedy Health and Stephen K. Klasko, MD, MBA, President and CEO, Thomas Jefferson University and Jefferson Health.

If approved, the deal would be the latest in a series of mergers by Jefferson.

Klasko said the deal would generate “a new innovative model to re-imagine health care” and to “revolutionize patients’ experience.”

Devine definitively said there were no plans to shutter any facilities, and no jobs would be lost as a result of the merger. In fact, he said the agreement would create “more opportunities.”

As for his leadership role going forward, Devine said, “That hasn’t been defined.” However, he will be “working initially with Kennedy.”

The agreement comes just weeks after Devine stated his opposition

to Rowan University’s plans to sell land to Inspira Health Network for the construction of a new hospital in Harrison Township, in Gloucester County, and just six miles away from Kennedy’s location in Washington Township.

Klasko said he see a strong relationship with Rowan University in the years to come.

As for Inspira, Klasko added: “Inspira has to make that decision. The relationship we have with other New Jersey entities, we hope they will stay the same. We would love to maintain the relationship we have with (Inspira).”

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But Devine said the concern remains in potentially having overlapping services with a new Inspira hospital.

And both men said services and innovation are the main focus.

Kennedy Health began exploring the idea of merging with another hospital at the beginning of 2014.

According to a joint statement from the two health care networks, “The partnership will create an innovative ‘hub and hub’ model, where Kennedy will serve as the southern New Jersey hub of the fully integrated and expanded health system.”

Thomas Jefferson University Hospitals has 951 licensed acute care beds and employs more than 7,800. Jefferson offers services at five primary facilities, including Thomas Jefferson University Hospital and Jefferson Hospital of Neuroscience,

both in Center City Philadelphia. In New Jersey, it operates Jefferson at Voorhees.

Jefferson signed a merger agreement with Aria Health earlier this week, according to the Philadelphia Business Journal. Aria operates two hospitals in Philadelphia and another in Bucks County. Jefferson also completed a merger with Abington Health in 2015, bringing two Montgomery County hospitals into the fold.

Devine said during Friday’s announcement that Kennedy has come a long way since its start in 1965 as a small farming community hospital. Today, the health system has a total of 607 beds with services in Washington Township, Cherry Hill, Stratford, and outpatient facilities throughout Camden and Gloucester counties.

“Everybody was happy when Kennedy was in the corner,” Devine said. “Kennedy is no longer in the corner (and) the step today is about creating an opportunity for all of us.”

The agreement, which is nonbinding, would maintain a “shared governance model,” in which Kennedy would have “equal representation as the other system members on a combined board, along with a few independent trustees,” the statement said.

Going forward, the two health care providers “will begin the process of due diligence” while working to solidify a definitive agreement, according to the statement. Then, if the two health care networks reach a final agreement, they would file with the state for review and await the state’s approval.