

Evanston Northwestern Healthcare And Highland Park Hospital Merger Advances

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Evanston Northwestern Healthcare and Highland Park Hospital today announced they have signed a letter of intent to merge, a move that creates a health [services](#) powerhouse in Chicago's affluent northern suburbs.

The two organizations acknowledged in April that they were in merger talks, but they had to work out details such as how they would combine their clinical [operations](#). Officials said the merger should be completed later this year, pending the approval of regulators.

Evanston Northwestern [Healthcare](#) is the parent company of Evanston Hospital; Glenbrook Hospital in Glenview; ENH Medical Group, a 500-physician group practice; ENH Research Institute; and ENH Home Services.

Highland Park Hospital, owned by Lakeland Health Services Inc., has more than 500 doctors.

The merged organization, which would be known as Evanston Northwestern Healthcare, would have more than 750 beds at its three hospitals and 6,400 employees, including a total medical staff of 1,600 physicians. The new organization would have \$1.7 billion in assets and projected 1999 revenue of \$600 million.

Officials said the merger would help the three hospitals better serve northern Cook County and Lake County, enable the hospitals and their physicians to obtain more managed-care contracts, provide more on-site learning opportunities for Northwestern University Medical School students and allow for future expansion of health-care service locations.

Officials said the merger would lead to major new investments in clinical services at Highland Park Hospital.

"Historically, Lake County residents have had to go elsewhere for advanced clinical services such as heart surgery," said Ronald G. Spaeth, president and chief executive officer of the hospital. "Our intent is to strengthen Highland Park Hospital's capabilities in key clinical growth areas such as oncology, cardiac services, obstetrics, fertility and home health."

He also said the merged organization would open a third location of Evanston Hospital's Kellogg Cancer [Care](#) Center in Highland Park.

Officials said the current capacity of the three [hospitals](#) is adequate to handle new business that would be generated by the merger, and they do not anticipate having to expand the buildings to add beds.

Mark R. Neaman, president and chief executive officer of Evanston Northwestern Healthcare, said the merged organizations will create "a single point of contact" for managed-care insurers that have been negotiating with them separately.

"That will give us real unity of approach," he said.

Evanston Northwestern Healthcare touts that nearly all of its physicians are on the faculty of Northwestern University Medical School. A deal with Highland Park would make sense because a significant number of its 560 staff physicians are voluntary faculty at Northwestern. Also, many of Highland Park's physicians did their residency training at Evanston Hospital.

Both organizations are strong financially largely because of their customer base. Less than 5 percent of the patients at Evanston Northwestern Healthcare and Highland Park Hospital are insured by Medicaid, the federal- and state-funded health insurance program for poor people.