

Case Study: The University of Kansas Health System St. Francis Campus



In April 2017, the doors of SCL Health-owned St. Francis Health in Topeka, Kansas, were days away from shuttering, nearly costing 1,600 employees their jobs and thousands of patients their preferred healthcare provider. After years of decreased funding, the Topeka hospital faced serious financial trouble, exacerbated by the state’s rejection of Medicaid expansion. For almost a year, SCL Health had struggled to secure an interested buyer willing to take on more than \$12.5 million in hospital losses.

Kansas Gov. Sam Brownback and other elected officials intervened in an attempt to keep St. Francis Health open. As whispers of the hospital’s closure or potential acquisition quickly spread throughout the community, dozens of Topekans and St. Francis employees wrote letters to Attorney General Derek Schmitt pleading for the hospital to remain open, underscoring the significant negative impact closure would have on access to quality healthcare and job stability in Northeast Kansas. In addition, a group of physicians came together to represent the hospital and staff in conversations with the attorney general. The concerted effort by these physicians to stand with the patients and employees of the hospital was evidence of their deep commitment to the community.

As discussions continued between elected officials and SCL Health, the community rallied in support of the hospital. Eventually, the names of two potential acquirers came to the forefront: Ardent Health Services and The University of Kansas Health System.

The University of Kansas Health System St. Francis Campus At A Glance

Hospitals: **1**

Sites of care: **13**

Employed providers: **157**

Capital investment to date:
\$105.2 million

2022 taxes paid: **\$1.6 million**

2022 uncompensated care:
\$32.1 million

Website: **kutopeka.com**



Timing is Everything

Ardent leaders had previously visited St. Francis Health in 2016 to discuss a potential joint venture partnership with The University of Kansas Health System (TUKHS). Though St. Francis Health was impressed by the two entities, conditions at that time precluded participation by TUKHS. A year later, however, with St. Francis' future in question, the timing for a partnership was right.

According to Jacqueline Hyland, MD, former chief medical officer at The University of Kansas Health System St. Francis Campus, "It was clear from the start that both organizations were committed to patient-focused compassionate care along with quality improvement."

"The partners shared similar values and a commitment to providing hands-on support, as well as greater investment in our local community," said Lisa Alexander, MSN, RN, CENP, Ardent assistant chief nursing officer and former St. Francis Campus chief nursing officer. "This filled an important need since the prior owner had shifted its focus to other states."

After around-the-clock discussions with key decision makers, a letter of intent was rapidly negotiated and executed, preserving nearly all of the employees' jobs and critical services to Topeka.

On May 4, 2017, the joint venture partnership was announced in a live-stream broadcast before a jam-packed St. Francis auditorium and crowded overflow rooms. Hundreds had gathered to celebrate a new day for St. Francis Health, which would soon become The University of Kansas Health System St. Francis Campus, combining its strong heritage with a new partnership.

"This is a great thing for Topeka and surrounding areas. I can't imagine how devastating it would have been to lose this hospital. Bringing the resources and leadership of both TUKHS and Ardent to this area is a fantastic opportunity and a great benefit for those in need of healthcare."

- Words from a local community member





There's No Place Like Home

Established in 1909, St. Francis Health's history was rooted in providing not-for-profit care to the community for over 100 years.

The new joint venture relationship with Ardent and TUKHS ensured operational and financial stability, along with the academic and clinical resources necessary to cultivate a shared focus on quality. TUKHS St. Francis Campus was able to remain committed to its founding values while becoming a leader in quality care through investment in improved technology and strategic operations. The joint venture committed to invest \$50 million in operating capital in its first three years of operation.

Since the acquisition was finalized in 2017, TUKHS St. Francis Campus has returned to robust financial health and expanded services so that patients in Northeast Kansas no longer have to travel to Kansas City for the higher level of care that is now available locally.

"It is thrilling to see our hospital come to life and thrive again with an expansion to 20 clinics to improve patient access to care," said Steve Anderson, former president and chief executive officer of TUKHS St. Francis Campus.

"We are also hard at work on our new cancer center, in partnership with The University of Kansas Cancer Center. We can now provide local access to their clinical trials and the expertise of cancer specialists from the state's only academic medical center," Anderson continued.

Topeka patients will have the benefit of an onsite triple board-certified radiation oncologist. As of 2021, the center also has a new linear accelerator, offering enhanced technology and treatment for cancer patients locally. Additionally, St. Francis Campus will continue to benefit from the affiliation with its original clinical research partner, the Masonic Cancer Alliance.

For residents needing heart services, the hospital now proudly stands out as an advanced provider of cardiothoracic care in Topeka with an excellent team of cardiologists and cardiovascular surgeons, as well as expert leadership supporting the program's success.

The challenges presented in 2020 and 2021 by the COVID-19 pandemic further highlighted the strength of the joint venture model. Ardent, with its ability to draw on an enterprise-wide supply chain and procurement process, was able to secure medical-grade personal protective equipment (PPE), plus share clinical best practices in patient care and infection control as the pandemic evolved. Equally important, TUKHS ensured adequate testing turnaround times critical to appropriate patient care.

"Despite everything we have been through, the spirit has remained the same. The quality of care provided has not wavered. The mission is still present. This [transaction has been] vital to healthcare in Northeast Kansas."

- Words from an RN at St. Francis Health