

Benedictine Health System restructures acute care services to form Essentia Community Hospitals and Clinic

The Benedictine Health System, Duluth, Minn., has completed a corporate restructuring, effective Jan. 1, 2008, to create a new organization focusing on rural acute care called Essentia Community Hospitals and Clinics.

“The leaders of BHS and Essentia Health have been working together over the past year to create a structure for the future that provides more focus for governance, more economical access to capital, and increased efficiency for the two current BHS business lines of acute and long-term care,” said Dale Thompson, BHS president.

The acute care facilities previously belonging to BHS formed a new organization called Essentia Community Hospitals and Clinics, or ECHC, a subsidiary of Essentia Health. Dan McGinty, former BHS senior vice president of acute care operations, has been named president/CEO of ECHC. While the primary ECHC office will be located in New Brighton, Minn., some corporate functions will remain in Duluth. St. Scholastica Monastery of Duluth will continue to provide the Catholic sponsorship for the ECHC’s Catholic affiliates.

While the two organizations will operate independently, they will continue to have a strong relationship. BHS will continue to provide specific contractual services to ECHC. BHS will also be the preferred long-term care manager for ECHC organizations.

“This is an exciting time for both BHS and ECHC,” McGinty said. “By focusing leadership and governance on specific lines of business, we believe we’ll be able to enhance our ability to serve our communities better.”

Final agreements for the restructuring were approved by the boards of BHS, Essentia Health and St. Scholastica Monastery, and signed by the respective parties.

“We are excited about the opportunities this new structure brings to our affiliated organizations,” McGinty said. “ECHC will continue to have the strength and acute care expertise of Essentia Health supporting its initiatives, while continuing the commitment to the health of the communities served.”

“Essentia Health, the Benedictine Health System and ECHC are positioned for growth and opportunity to serve our patients and residents – that is our ultimate goal. We will continue to partner with each other to meet this objective,” said Dr. Peter Person, CEO, Essentia Health.

A primary factor in creating the new organization is the ability to focus management’s attention on the development of support services and systems that will benefit the community hospitals and clinics served by ECHC.

The formation of ECHC brings responsive, enhanced support services to strategically align local hospital and physician practices to deliver integrated community health care. In addition, ECHC draws on the resources of Essentia Health to offer expertise in clinical, operational and facility management to its affiliates.

“What makes Essentia Community Hospitals unique is our ability to focus on health care in small, rural markets,” said Dan McGinty, ECHC president/CEO. “We are also unique in that we can provide Catholic sponsorship which also Catholic health care to be delivered in specific markets.”

ECHC participating organizations benefit from focused management attention and Essentia Health support services in areas such as group purchasing, legal services, human resources support, finance and investment support, government affair and advocacy, and regular educational opportunities for local board members and leadership.

“At the heart of ECHC is a commitment by our affiliated organizations to network with and support each other through all department levels,” McGinty said.

ECHC, which is comprised of 11 hospitals and 27 clinics in Minnesota, Wisconsin, Idaho and Montana is headquartered in New Brighton, Minn.