Hospital mergers have come before

Patti Singer, Staff writer  12:49 a.m. EDT July 6, 2014

Rochester has lost hospitals and others have aligned over the past couple of decades as the business of health care changed and competitors became colleagues.

While neither Rochester General Health System nor Unity Health System is a stranger to mergers and other consolidation — for better or worse — this one seemed to come with more urgency.

In 1994, Rochester General and Genesee Hospital merged but the arrangement ended badly when, after several years of financial losses, Genesee closed.

The merger: Rochester General, Unity aim for healthy fit (/story/money/business/2014/07/06/rochester-general-unity-aim-healthy-fit-merger/12237047/)

In 1998, Newark-Wayne Community Hospital and now-defunct Myers Community Hospital merged into the Rochester General system then called ViaHealth. (Over the past months, RGHS has been working with Clifton Springs Hospital and Clinic in Ontario County and United Memorial Medical Center in Batavia separately from the merger with Unity. However, those two are expected to join the new RGHS-Unity entity.)

On the west side, Unity Health System was created in 1997 when Park Ridge Hospital in Greece aligned with St. Mary's Hospital in the city. In 1999, St. Mary's closed as a hospital and became a chronic care facility.

In 2003, at the urging of the Rochester Business Alliance, Rochester General Health System (then known as ViaHealth) and Unity explored a merger. That crashed a year later when the ViaHealth board voted unanimously against it. Reports at the time mentioned rumors about unrest among the medical staff, especially at ViaHealth. But an official announcement of the results did not give reasons for the board's vote.

Timeline: A history of Rochester's hospitals (/story/money/business/2014/07/05/history-rochesters-hospitals/12252249/)

Q&A: Key questions about the merger (/story/money/business/2014/07/05/key-questions-hospital-merger/12255673/)

Then, as now, a driving force behind the merger was the need to save money. Why is it moving ahead this time?
"Probably because of the experience of 10 years ago," said Sandy Parker, president and CEO of the Rochester Business Alliance.

The first time, Parker said, the issue of who would run the system wasn't resolved. Now, "the leadership issue was resolved at the get-go. ... In this case, both of them will be leaving."

Reports at the time pointed to an overall competitive culture in Rochester health care as one factor in the Rochester General-Genesee failure. By some accounts, competition also affected the ViaHealth-Unity talks.

Mark Clement had not yet joined Rochester General, where he would be president and chief executive officer. Warren Hern was Unity's chief financial operator in 2004.

Hern said part of the reason he and Clement are not candidates for the new system's leadership is to allow a new culture to develop.

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