

Crain's:

Edward Hospital forms venture with west suburban doctor group

By: Anthe Mitrakos May 10, 2011

(Crain's) — Naperville-based Edward Hospital said Tuesday it has formed a joint venture with the fourth-largest doctors group in the Chicago area.

The venture, which would treat as many as 100,000 patients, initially will focus on health maintenance organization patients of both the 309-bed hospital and Downers Grove-based DuPage Medical Group, which has 320 doctors and revenue of \$363 million in 2010, according to Crain's annual ranking of physicians groups.

The group has about 45 locations, primarily in the west and southwest suburbs.

Financial terms of the joint venture were not disclosed. The amount was very low and mostly based on "sweat equity," said Michael Kasper, CEO of DuPage Medical, during a conference call to discuss the transaction.

"We're going to take all that fragmentation out of the system," he said. "We will be connected in a way that we have not been before."

DuPage Medical's doctors are currently affiliated with several west suburban hospitals, and those ties would not be affected by the new venture, Mr. Kasper said.

The venture will be run by an eight-member board co-chaired by Mr. Kasper and Pamela Davis, president and CEO of Edward, which had revenue of almost \$532 million for the fiscal year ended June 30, 2009, the most recent year available, according to Crain's annual ranking. The hospital is the eighth-largest in the Chicago area based on patient revenue.

Ms. Davis called the venture a "natural extension" of Edward's practice of teaming up with other health care providers.