

# Saint Luke's/BJC work on combining six months into merger

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Six months into a merger, Saint Luke's Health System and BJC HealthCare are working on integrating their operations.

ADAM VOGLER | KCBJ

By Grace Mayer – Staff Writer, Kansas City Business Journal  
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Saint Luke's Health System and BJC HealthCare are six months into a merger that widened its operations and established the combined system as a regional player.

"This seemed like a truly a powerful combination to continue our mission to just grow and take care of our communities in even bigger and better ways" said Julie Quirin, president of BJC's Western region, which consists of Saint Luke's.

Leaders of the combined systems, now under the BJC banner, are in the early stages of integration. They are addressing administrative functions with supply chains and human resources and sorting through more than 1,000 technology applications.

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Fully integrating the systems will continue for years, but those first steps are part of BJC's goal to become the health care destination for employees and patients in the Midwest. Together, the two systems treat patients in Kansas, Missouri and Illinois.



Julie Quirin is president of BJC Health System's West Region.  
DEAN SHEPARD

### Leveraging scale

The merger is unique in health care. Often, smaller hospital systems struggling with their finances look to be acquired by larger players.

But both systems had established brands and strong finances. The merger was attractive because joining forces would give the combined system even greater scale, purchasing power and geographic reach, Quirin said.

That scale help when going up against health care headwinds, from inflation to challenges recruiting and retaining health care workers, Quirin said.

Combining would help the systems operate more efficiently, access more patients, broaden research and innovation capacities, and save on health care costs, BJC Chief Strategy Officer Chris Watts said.

"We have the opportunity now to integrate technology platforms so that statewide, we're buying really one solution rather than two or more – things from catheters and syringes to hospital beds," Watts said. "Although we were both big and financially healthy, that scale helps."

BJC's No. 1 priority is bringing the two systems together this year. While BJC isn't planning to expand further for now, the health system is always open to other growth opportunities, Watts said.

Along with integration, both markets are focused on executing on growth plans that were in place before the merger. In St. Louis, BJC recently opened a new hospital tower at Barnes-Jewish Hospital. Saint Luke's Surgery Center at Shoal Creek reopened, and a \$52 million project to expand Saint Luke's East Hospital in Lee's Summit is underway.

"We both had growth plans in place (prior to the merger), and those continue to run, and we'll tweak them around the edges as we go," Watts said. "Our priority right now is making sure that we do this integration well. That's not just job one, that may be job one through five at the moment."



Saint Luke's East Hospital added a fifth floor to the hospital as part of an \$80 million expansion, which started in 2011.  
SAINT LUKE'S HEALTH SYSTEM

### Road map for merging

The systems are identifying opportunities to add clinical services.

For example, Saint Luke's "Hospital in Your Home" program provides at-home care and telehealth services. BJC, which doesn't have a comparable program, plans to use the Saint Luke's program as a model for its own.

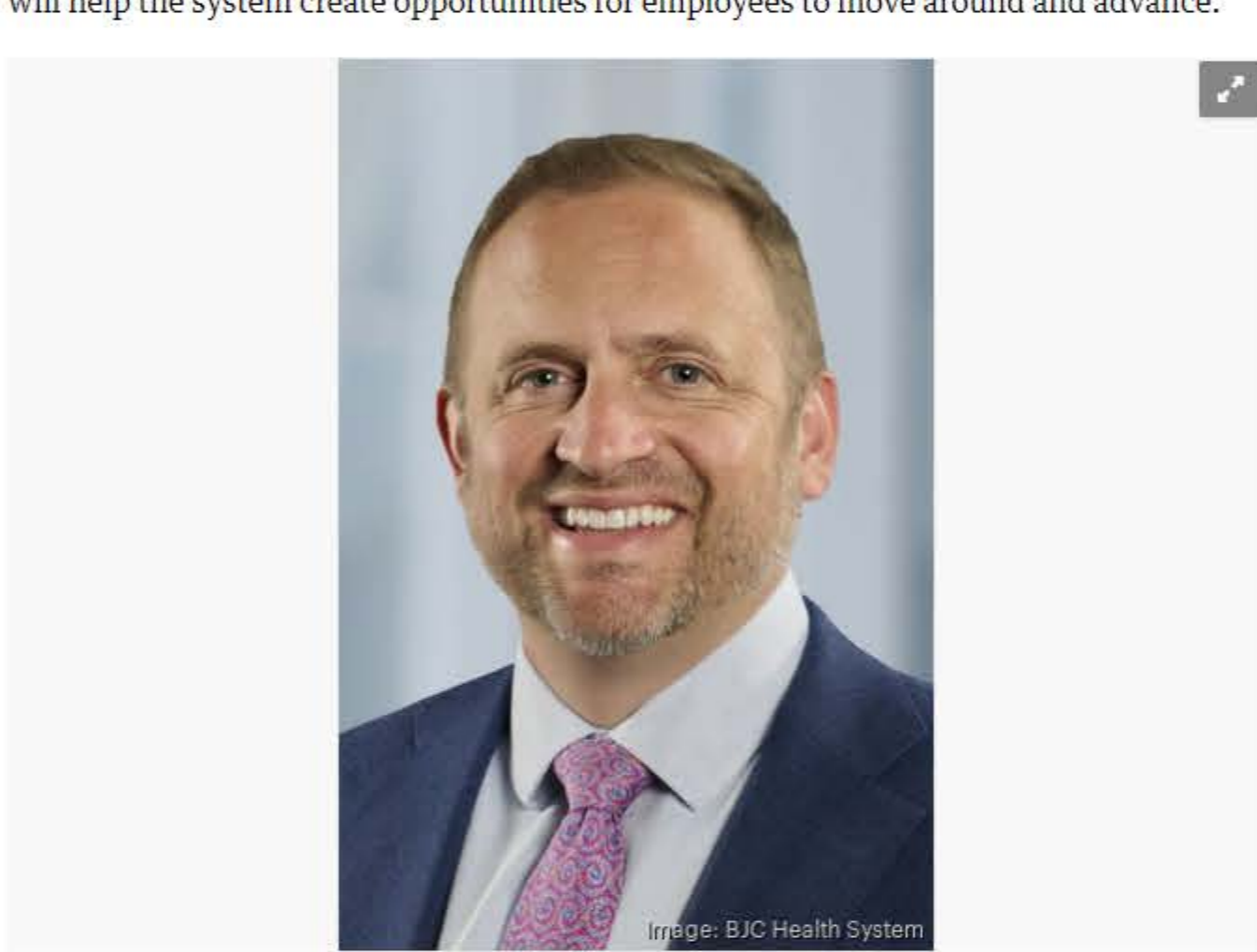
Deciding how to integrate major programs across the systems, such as BJC's Siteman Cancer services, will come later, Quirin said. Saint Luke's and the cancer institute were already working together on clinical trial work.

"We have pockets of excellence across both regions. Over time, we will discover what those are and try to think through the right ways to make sure that we get the most benefit out of them," Watts said.

Some have raised concern that a merger could raise BJC hospital prices. Negotiations with insurers are ongoing, Watts said. He didn't comment on how prices may change at BJC hospitals but said positioning the health system to be in its communities for the long run and providing "the best care we can and (to be) the best employer" is the focus.

"Everything we do, whether that's discussing with payers, working with other vendors, (or) working to recruit and retain top level talent, is really all focused on those areas," Watts said.

Over time, Watts said he imagines the combined systems will advance health care innovations and make it easier for patients to access services in both markets and move between cities as needed. A combined workforce of 44,000 employees and caregivers will help the system create opportunities for employees to move around and advance.



Chris Watts is the Chief Strategy Officer at BJC HealthCare.  
BJC HEALTH SYSTEM

### Longterm goals

While merger negotiations took place throughout 2023, the merger was years in the making. The two health systems have been in collaboration for 12 years, a relationship that was forged between BJC HealthCare CEO Richard Liekweg and former Saint Luke's Health System CEO Dr. Melinda Estes.

That long-standing relationship seeded trust when they decided to come together.

"There are a lot of headwinds in health care these days. Having friends helps," Watts said. "We've been stable for a long time, and we felt like coming together from a position of strength was a really smart move for both organizations, and really for Saint Louis and Kansas City, to make sure we're here for forever."

**T H E L I S T**

## Acute-Care General Hospitals in the Kansas City area (ranked by admissions)

Admissions, 2022

Rank	Prior Rank	Name / Prior rank (*unranked previously)
1	1	The University of Kansas Hospital
2	2	Saint Luke's Hospital of Kansas City
3	3	North Kansas City Hospital

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