

If you are a reporter with an inquiry about CHI Franciscan and Virginia Mason, along with CommonSpirit Health, signing a Memorandum of Understanding (MOU) to explore combining and forming a new integrated health system, please contact us at the email or phone number below.

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CHI FRANCISCAN AND VIRGINIA MASON SIGN MEMORANDUM OF UNDERSTANDING TO EXPLORE COMBINING AND FORMING NEW INTEGRATED HEALTH SYSTEM

The Washington-based health systems would employ a patient-first approach, an innovative structure, and strong quality and safety performances to transform health care

TACOMA, Wash., and SEATTLE, Wash. – July 16, 2020 - Washington-based health systems, CHI Franciscan and Virginia Mason, along with CommonSpirit Health, the parent company of CHI Franciscan, announced today they have signed a Memorandum of Understanding (MOU) to explore combining the two health systems through a formation of a Joint Operating Company. The organizations would bring together the best-performing elements from each entity to build a transformative health system for the communities it serves and beyond.

“CHI Franciscan and Virginia Mason have partnered closely in recent years and through this collaboration it has become clear there is much more we can do together,” said Ketul J. Patel, CEO of CHI Franciscan and president of the Pacific Northwest Division at CommonSpirit Health. “We’ve admired each other’s desire to lead in improving the way health care is delivered, and we’ve recognized an incredible opportunity to do so together. We are confident that in building the health system of the future, we will reimagine care delivery in the Puget Sound region and beyond.”

“We looked at a variety of models and partnerships and, through our existing affiliation with CHI Franciscan, came to the clear conclusion that combining our organizations to form a new health system would allow us both to shape health care nationally and continue our focus on the patient experience,” said Gary S. Kaplan, MD, chairman and CEO of Virginia Mason. “Our combined health system would increase our ability to provide the highest quality care to our patients in the Puget Sound region and in central Washington. There is much to be determined in the coming months as we hopefully transition toward a final agreement, but we are aligned on the vision and the strategy to achieve it.”

The new organization would be agile and market-responsive, reducing waste and aligning across the system to always have the patient’s best interest in mind. With a focus on developing innovative models of care delivery that enhance quality and the patient experience while expanding access points, the new organization would make it easier for patients to get the personalized care they need, no matter which facility they enter. The combined health system would serve as a prototype of care innovation nationally.

In recent years, CHI Franciscan and Virginia Mason have partnered on obstetric and women’s health, as well as a radiation oncology. These partnerships have elevated both access and continuity of care for patients and demonstrated the impact that is possible when the two systems work together.

Each organization already focuses heavily on demonstrating excellence in quality, safety, the customer experience and as a result, excels in national performance measures. Combined, the new organization would have the highest quality outcomes in the region and the opportunity to invest in customer-centric innovation. Patients would have access to the best minds and science in health care, and communities

would benefit from solutions created to address access barriers, disparities and inequities in care, and the very best health and health care outcomes.

The new health system would be led by Ketul Patel and Dr. Gary Kaplan as CEOs and each organization would receive an equal number of board seats. The combined organization would operate 12 hospitals and more than 250 sites of care, including same-day surgery centers, Benaroya Research Institute at Virginia Mason, Bailey-Boushay House, and the Virginia Mason Institute. If combined, CHI Franciscan and Virginia Mason would employ more than 21,000 team members and staff, including nearly 5,000 employed and affiliated providers.

“Throughout our history, the nationally recognized performance of Virginia Mason has been a source of great pride. While we have been independent, this is a tremendous opportunity that increases our ability to provide our high-quality patient care to new communities,” said Tod Hamachek, chairman of the board of directors for Virginia Mason Health System and Virginia Mason Medical Center.

“Founded 130 years ago by the Sisters of St. Francis of Philadelphia, CHI Franciscan has served its communities by providing compassionate, high-quality care to those in need, especially those who are vulnerable. Our relationship with Virginia Mason is another meaningful step forward in this journey,” said Dr. Uli Chi, chairman of the board of directors for CHI Franciscan.

The organizations have been engaged in evaluation and planning and hope to finalize that process by the end of 2020. For now, all patients will continue to have access to their same site of care and will continue to use their current insurance plans. Each organization will share updates with patients well in advance of any changes taking place. Updates can be found at www.innovativecareahead.org.

About CHI Franciscan

CHI Franciscan is a Catholic nonprofit health system based in Tacoma, Washington, with \$2.45 billion in total revenue and a team of more than 12,500 physicians, advanced practice providers, nurses, and staff who provide expert, compassionate medical care at 10 hospitals and over 220 primary and specialty care clinics throughout the greater Puget Sound. This includes St. Anthony Hospital, Gig Harbor; St. Clare Hospital, Lakewood; St. Elizabeth Hospital, Enumclaw; St. Francis Hospital, Federal Way; St. Joseph Medical Center, Tacoma; St. Michael Medical Center, Bremerton and Silverdale; St. Anne Hospital, Burien; CHI Franciscan Rehabilitation Hospital, Tacoma, and Wellfound Behavioral Health Hospital, Tacoma. Started in 1891 by the Sisters of St. Francis of Philadelphia, today CHI Franciscan is one of the largest health systems in Washington state. The system is comprised of more than 1,250 hospital beds and over 4,000 credentialed providers offering cardiovascular care, cancer care, orthopedics and sports medicine, neurosciences, women’s care and other health care services. CHI Franciscan’s mission is to create healthier communities, including caring for the poor and underserved. In fiscal year 2019, the organization provided nearly \$200 million in community benefit—free, subsidized, and reduced cost health care and programs. Follow CHI Franciscan on Facebook facebook.com/chifranciscan, Twitter [@CHIFranciscan](https://twitter.com/CHIFranciscan) and Instagram [@chi.franciscan](https://instagram.com/chi.franciscan).

About Virginia Mason Health System

[Virginia Mason](http://virginiamason.org), founded in 1920, is a nonprofit regional health care system based in Seattle that serves the Pacific Northwest. In the Puget Sound region, the system includes 336-bed Virginia Mason Hospital; a primary and specialty care group practice of more than 500 physicians; outpatient medical facilities and services in Seattle, Bainbridge Island, Bellevue, Edmonds, Federal Way, Kirkland, Issaquah and Lynnwood; Bailey-Boushay House, the first skilled-nursing and outpatient chronic care management

program in the United States designed specifically to meet the needs of people with HIV/AIDS; Benaroya Research Institute, which is internationally recognized for autoimmune disease research; Virginia Mason Foundation; and Virginia Mason Institute, which trains health care professionals and others around the world in the Virginia Mason Production System, an innovative management method for improving quality and safety.

Virginia Mason Health System also includes [Virginia Mason Memorial](#), a 226-bed hospital serving Yakima Valley in central Washington since 1950. Virginia Mason Memorial includes primary care practices and specialty care services, including high-quality cardiac care; cancer care through North Star Lodge; breast health at `Ohana Mammography Center; acute hospice and respite care at Cottage in the Meadow; pain management at Water's Edge; an advanced NICU unit that offers specialty care for at-risk infants; advanced services for children with special health care needs at Children's Village; and The Memorial Foundation.

About CommonSpirit Health

CommonSpirit Health is a nonprofit, Catholic health system dedicated to advancing health for all people. It was created in February 2019 by Catholic Health Initiatives and Dignity Health. With its national office in Chicago and a team of approximately 150,000 employees and 25,000 physicians and advanced practice clinicians, CommonSpirit Health operates 137 hospitals and more than 1000 care sites across 21 states. In FY 2019, Catholic Health Initiatives and Dignity Health had combined revenues of nearly \$29 billion and provided \$4.45 billion in charity care, community benefit, and unreimbursed government programs. Learn more at [commonspirit.org](https://www.commonspirit.org).