Loyola selling hospital business to Trinity Health
By Ann Weiler
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(Crain's) — Loyola University Chicago has signed a letter of intent to sell its health system to
Trinity Health, the school announced Friday.

Terms of the deal were not disclosed.

The proposed deal would keep Loyola University Health System under Catholic management.
The system includes Loyola University Medical Center in Maywood, the fourth-biggest hospital
in metro Chicago, based on revenue, and the largest Catholic hospital here; Gottlieb Memorial
Hospital in Melrose Park, and 28 primary and specialty care facilities in Cook, Will and DuPage
counties.

Trinity Health, based in Novi, Mich., is the fourth-largest Catholic health system in the country,
with operating revenue of more than $7.1 billion and 48,000 employees, according to Loyola. Its
website says it was formed in 2000 when the Holy Cross Health System merged with Mercy
Health Services.

Loyola University Health System, which has grown to more than $1 billion in annual revenue,
also includes Loyola University Chicago Stritch School of Medicine and the Loyola University
Chicago Marcella Niehoff School of Nursing.

Loyola has been looking to do a deal for some time, the university's leader said in a news release.

“After a number of conversations with both local and national Catholic health care systems,
(Loyola) determined a partnership with Trinity Health provides the greatest opportunity to invest
in and grow the Loyola University Health System while securing the future of the university’s
Stritch School of Medicine and Marcella Niehoff School of Nursing,” Loyola President Michael
Garanzini said in a statement.

A merger still has to clear a number of hurdles, including regulatory approvals and blessings
from the boards of Loyola and Trinity Health.

Loyola's hospital system had been on shaky financial ground in recent years but has begun
pulling itself back into the black, eking out a small profit in its most recent fiscal year. It posted
$404,000 in operating income for the year ended June 30. It lost $42.9 million on operations in
fiscal 2009 and $31.8 million the year before.