Head of Loyola Medical Center to step down
By Bruce Japsen
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Dr. Paul Whelton will leave his post as president and chief executive officer of Loyola University Health System in the wake of the academic medical center's proposed sale to a large Catholic operator of hospitals, according to an internal Loyola memo obtained Friday by the Tribune.

Whelton told staff in the memo that his last day will be June 30 "due to the merger with Trinity Health." Amid the rapidly changing health care landscape, Loyola University Chicago in March said it will get out of the hospital business by selling its medical center complex to Novi, Mich.-based Trinity, which owns or manages 46 hospitals in nine states.

Whelton, who is 64 years old, has been the top executive of the health system for four years. The health system is parent of Loyola University Medical Center in near West Suburban Maywood as well as Gottlieb Memorial Hospital in nearby Melrose Park and a network of outpatient facilities and doctor practices throughout the western and southwest Chicago suburbs.

The market is demanding more from hospital operators to stay competitive. By merging, they can pool capital to buy new computer systems, electronic record-keeping systems and the latest medical technology.

Trinity has more than $7 billion in annual revenue and a balance sheet with more than $3 billion in cash and investments. As part of the financial terms of the deal, Trinity will contribute $75 million to a new $150 million medical research center that Loyola University Chicago plans to add with proceeds from the Trinity deal. The deal could also be worth substantially more in capital improvements should the health system meet certain financial targets, according to documents filed with the state of Illinois.

The sale to Michigan-based Trinity Health, expected to close at the end of June, will end decades of management led by the Jesuits at Loyola University Health System. The Jesuits will remain involved but no longer have an ownership role, the university said. Trinity Health was founded by two Catholic orders of nuns.

"Amongst the important milestones of recent years have been the integration of our clinical faculty and management group as members of a common team with identical strategic aspirations," Whelton said in his memo to health system employees.

Whelton had no comment, a health system spokeswoman said Friday. In a statement, the health system credited Whelton with working with "staff to bring about a dramatic financial turnaround of the health system during challenging economic times."

Whelton became the health system's CEO in February 2007 after a decade in various administrative roles at Tulane University where he had been senior vice president of health sciences and dean of Tulane's medical school.