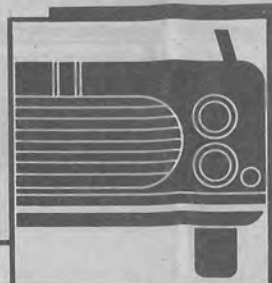
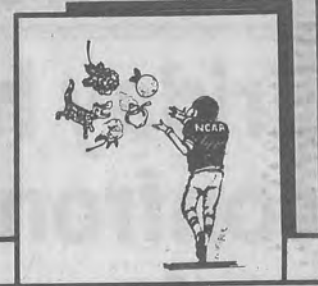




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Grand Island hospitals will merge

By Carol Bryant
 Independent Staff Writer

The future of Grand Island's two private hospitals was revealed here Thursday morning, when it was announced that Grand Island Memorial Hospital will merge with St. Francis Medical Center.

The merger will be finalized after approval of a certificate of need filed with the Nebraska State Department of Health.

St. Francis administrator Cale Neal said the two hospitals will be combined in early 1987. A letter of intent has been signed to merge the facilities, and a final agreement will be reached within 30 days. Approval of state regulatory agencies will also be required. Grand Island Memorial will continue its operation until the merger of the hospitals has been finalized, he said.

"We don't see any changes other than a very close working arrangement between the two hospitals," Neal said about the period of time until the merger is finalized.

St. Francis is a member of the Franciscan Healthcare Corporation in Colorado Springs, Colo., and Grand Island Memorial is a member of Lutheran Hospitals and Homes Society, based in Fargo, N.D.

St. Francis employs approximately 430 people, of which 375 are full-time equivalency employees. The hospital also offers 131 patient beds.

March of 1987, employees of Grand Island Memorial will become part of the St. Francis staff. The Grand Island Memorial employees will have the opportunity to receive salary and benefit programs available at St. Francis, the announcement said. Employees of Grand Island Memorial also will be given the option of transferring to other LHHS facilities in 11 states.

The Family Recovery Center at Grand Island Memorial, a chemical dependency program, will continue to be operated by Lutheran Hospital and Homes Society.

"We want people here to have access to a cost-effective health care system," said Stan Clouse, regional vice president of the parent Lutheran group. He said that both negotiating parties have agreed not to disclose contents of the agreement, including the cost to purchase Grand Island Memorial.

Neal added that he has contacted Good Samaritan Hospital in Kearney and St. Elizabeth's Hospital in Lincoln, hospitals affiliated with the Franciscan Healthcare Corporation, about hiring employees from the Grand Island hospitals if they have openings.

Peshek said, "The merger was brought about due to a declining patient census in both hospitals."

The patient census combined at the two hospitals has averaged between



Photo by Rich Fox

Hospital merger. Cale Neal, president of St. Francis Medical Center discusses the merger of the two Grand Island hospitals Thursday morning. Seated from left are G.I. Memorial administrator

Ken Klaasmeyer, St. Francis board member Ed Armstrong, Stan Clouse of Lutheran Hospital and Homes Society and Dr. Karen Higgins, president of the Hall County Medical staff.

Merger may bring better patient care

The St. Francis conference center was filled with spectators who heard the news of the merger of the hospitals.

Photo by Rich Fox

Merging local hospitals not new idea

Stories by Carol Bryant
Independent Staff Writer

The issue of maintaining two privately owned, competitive hospitals is not new in Grand Island.

In 1868, Dr. P. T. Sloss, president of the Hall County Medical Society, presented a proposal to the group for a single hospital complex.

Sloss said in his report, "Changing birth rate and disease patterns tend to make the duplication of certain departments and services uneconomical."

He added that high personnel costs were making nursing services, food service, recording, storage and reviewing of clinical information and laundry service uneconomical.

To correct the situation he proposed building a medical complex in Grand Island.

Under the plan, Grand Island Memorial Hospital was to close its obstetrical facilities. A new St. Francis Medical Center was to be constructed near the existing Grand Island Memorial facilities, and the obstetrical facilities were to be developed in the unit.

The proposal was approved by the Hall County Medical Society and was presented to the Grand Island Hospital Advisory Council in February 1968.

However, the hospitals said further study was needed to determine if the plan were feasible.

The two-part Grand Island Medical Facilities Study was released in 1969 and 1970. The study cost \$15,000. St. Francis Medical Center contributed \$7,500, Grand Island Memorial donated \$5,000 and the remainder was given by a Grand Island doctors' group called P.A.C.E.

The first part of the study analyzed existing hospital beds in the community and those needed for a projected population growth. The second part studied the recommendation to improve medical facilities in Grand Island.

The Grand Island Area Hospital Advisory Council sent a letter to administrators of both hospitals in 1970 listing six possible alternatives to the hospital situation.

Neither hospital accepted any of the recommended alternatives.

Another hospital study occurred from 1971-1972. It was made by Gary Fletcher, who was director of the

Local hospital history can be traced to 1887

The tale of Grand Island's hospitals dates back to 1887, when the Sisters of St. Francis established a hospital in Grand Island.

Then in 1912, Dr. P. C. Kelly started a four story hospital at 102 N. Locust. He was the first owner of what is now called Grand Island Memorial Hospital.

The story of St. Francis Medical Center began in 1893, when the Rev. Bishop James O'Connor of Omaha sent Sister Magdalena and Sister Lucia to Grand Island to study establishing a hospital there. The Sisters of St. Francis purchased a two acre site at the corner of Adams and Charles streets in 1885. After the hospital opened in January 1887, further expansions occurred in 1891, 1905, 1912, 1924, 1931 and 1933. The St. Francis Hospital School of Nursing opened in February 1920, and in October 1951, the new school of nursing at 1405 W. Koenig was dedicated.

In July 1973, the hospital announced plans to construct a new facility in Grand Island. Ground-breaking ceremonies at the new site occurred in October 1976. The \$7.5 million facility was dedicated

on Dec. 3, 1978, and employees moved from the old location at 1310 W. Charles to the new location at 2620 W. Faidley Ave. the next week.

St. Francis Medical Center is owned by the Sisters of St. Francis in Colorado Springs, Colo.

The modern day Grand Island Memorial Hospital was sold by Kelly to Dr. H.B. Boyden in 1923. After Boyden's death, Lutheran Hospitals and Homes Society took over operation of the hospital under a contract with Mrs. Boyden.

Lutheran Hospitals and Homes Society began operations in Grand Island on Feb. 1, 1938 and purchased the hospital on April 1, 1939.

A fund drive was started on April 22, 1954 to raise \$500,000 to build a new hospital. The hospital moved to its current location at 2116 W. Faidley Avenue in October 1958.

A \$9.5 million addition to the hospital was completed in 1977, and it was dedicated on Oct. 30, 1977. Lutheran Memorial Hospital changed its name to Grand Island Memorial Hospital in February 1984.

The hospital is owned by Lutheran Hospitals and Homes Society of Fargo, N.D.

Central Nebraska Comprehensive Health Planning Council.

The study stated that costly duplication of hospital facilities, services and personnel existed between the two hospitals.

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Care

From page 1

Recognized the economics that brought about the merger, said Dr. Karen Higgins, president of the Hall County Medical Staff.

"The physicians in Grand Island want to cooperate fully in helping the hospital merger . . . We understand at present there is no way both could continue to function," Higgins said at Thursday's press conference.

Higgins added that the doctors will regret Lutheran Hospital and Homes Society, the organization that operates Grand Island Memorial Hospital, leaving Grand Island.

Dr. Robert Koefoot, a Grand Island surgeon, said physicians in Grand Island recognize the economic necessity behind the merger and that it is necessary to make a change.

Koefoot said he thought the competition between the two hospitals had been positive. However, the lack of competition should not detract from the quality of care a patient receives, he said.

The working arrangements for doctors shouldn't change much, he said.

Teen-ager sentenced for hammer beating

LINCOLN (AP) — An 18-year-old Lincoln man was sentenced to 3 to 6 years in prison for his part in beating a man in the head with a hammer over a driving dispute.

Robert I. Back originally was charged with first-degree assault and use of a weapon to commit a felony in connection with the July 22 beating. He pleaded no contest to the assault charge in October in exchange for dismissal of the weapons charge.



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become a reality. She said that the impasse in the project was a lack of support from the Lutheran Hospitals and Homes Society.

In 1972, a Chamber of Commerce group studying the hospital situation backed a hospital facility governed by a local advisory board.

Independent staff writer Jeanne Adkins wrote a 14-part series in 1972 addressing the question, "Can Grand Island maintain two competing, privately-owned hospitals which must balance their operating budgets, without sacrificing good, economical health care for the community?"

Robert Peshke, St. Francis chairman of the board, said the most recent discussions about a merger of the two hospitals started in November 1985.

The Grand Island Memorial Hospital board approved the idea of forming a committee to discuss the future of health care in Central Nebraska in January 1986.

In May, members of the committee were announced. The committee included administrators, members of each hospital's board and representatives of each hospital's management.

In September, administrator Ken Klaasmeyer of Grand Island Memorial Hospital announced that each hospital had made proposals to buy the other hospital. Both hospitals had agreed not to release information about the negotiations until they were completed.



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