WAYNE STATE
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Teaching Matters
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The Death of Hahnemann University Hospital

Drexel University College of Medicine was created by the merger of Hahnemann Medical College and the Woman's Medical College of Pennsylvania in 1996. The merged schools functioned for a brief period as the Allegheny University of the Health Sciences before a $1.3 billion bankruptcy filing in 1998 forced its collapse. Tenet Healthcare Corporation purchased a number of Philadelphia-area hospitals following the bankruptcy; subsequently selling all except Hahnemann and St. Christopher's Hospital for Children. Hahnemann Medical College became Drexel College of Medicine with Hahnemann as its primary teaching hospitals. Hahnemann and St. Christopher's Hospital were sold to a California businessman in 2018 who unsuccessfully attempted to maintain solvency in a highly competitive healthcare market.

The 2018 purchase of Hahnemann and St. Christopher's Hospitals from Tenet was initially motivated by greed. Those hospitals were to be closed and the assets and real estate sold to the highest bidder. However, a year of quixotic efforts to save the two urban healthcare providers delayed the initial liquidation plans. Attempts to raise sufficient revenue to save the facilities were doomed for several reasons. Hahnemann comprised a physician mix with some doctors in private practice, some employed by the Drexel University College of Medicine, and others who worked directly for Hahnemann Hospital. This lack of a unified practice plan resulted in an inadequate revenue base to support the hospital or make it an attractive investment for Drexel University. Other detrimental factors were the site's heavy reliance on Medicaid disbursements further restricting its clinical revenue. Another coffin nail was that as a for-profit hospital, Hahnemann was ineligible for city or state allocations. Because Drexel relied on Hahnemann and St. Christopher's Hospitals as their primary teaching sites for adult and pediatric medicine, there were negotiations to sell both sites to the university for the low price of $100,000. Unfortunately, acquisition of the hospitals came with a $300 million liability so that negotiation was discontinued. Ultimately, Drexel bought St. Christopher's Hospital but in 2019 decided that Hahnemann did not have any financial value.

Hahnemann University Hospital closed in June, 2019 resulting in the displacement of over 550 residents and fellows as well as the employment termination of over 2,000 physicians, nurses, and hospital staff. The accrediting council for graduate medical education worked with the program directors and clinical chairs to place the residents and fellows at other accredited training sites around the country. Through its affiliations with Tower Health, Drexel University College of Medicine had over 20 clinical training sites that could absorb those medical students who were displaced by the Hahnemann closure. Of course, there was a considerable financial burden imposed on those who had to relocate to a new training site upon learning the fate of Hahnemann with very short notice. The take-home message was that Hahnemann was in an extremely vulnerable position because it lacked a unified provider system that cared for an underserved population heavily reliant on Medicaid being a for-profit institution, was unable to receive reimbursements from the city or state.

The Wayne State School of Medicine (WSUSOM) has experienced its share of turmoil caused by an eroding partnership with the Detroit Medical Center (DMC). When he was running the DMC, Detroit Mayor Mike Duggan stunned school leadership with the sale of the non-profit hospital to the private sector. The DMC is now owned by the Dallas-based Tenet Corporation. Because revenue and not education is a corporate priority, the relationship between the WSUSOM and DMC has eroded over the past 15 years resulting in overwhelming financial impact on the school. Detroit may not mirror the competitive healthcare market of Philadelphia which contributed to the decline of Hahnemann. However, competing Michigan medical schools are cherry-picking profitable DMC practice plans and with the departure of those programs goes their clinical revenue and teaching faculty. It is not the job of faculty to negotiate hospital contracts and corporate leadership does not respect the sacred trust that exists between faculty and their students. Through no fault of their own WSUSOM faculty have been negatively impacted by years of failed negotiations and fiscal mismanagement. Diminishing faculty numbers and the lack of investment in faculty positions are inexorably rendering existing research and education programs untenable. Curriculum offerings and the diversity of educational methods are diminishing. Hopefully, the decline of the WSUSOM will not become another lessons-learned tale for other medical schools.