

Macon's Navicent system joins forces with powerful Charlotte-based Atrium

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Macon-based Navicent Health and Charlotte-based Atrium Health announced Thursday that they have signed a definitive agreement to combine their nonprofit systems on Jan. 1.

Atrium will be the controlling entity in the combination. This will be a major foray into Georgia by Atrium, which was formerly known as Carolinas HealthCare System. The name change occurred when the letter of intent for the Macon deal was first announced earlier this year.

With more than 40 hospitals, Atrium has a substantial presence in Charlotte and Greensboro, N.C., as well as Charleston, S.C., and smaller markets.

The deal continues the consolidation that has transformed the hospital business in Georgia and nationally. Systems run by Piedmont, WellStar, Northside, Emory and HCA have added hospitals in recent years or are planning combinations.

These partnerships can increase hospitals' clout in negotiating with health insurers on reimbursement rates. Hospitals also say the deals can reduce their costs in such areas as supply purchases and health IT.

Health insurers, however, contend that hospital consolidation leads to higher prices for employers and patients.

Atrium Health said it will invest capital and work with Navicent clinical experts to enhance services that Navicent Health currently provides.

"This important milestone demonstrates our continued commitment to creating a personalized care experience for each and every patient and community we serve," Eugene Woods, president and CEO of Atrium Health, said in a statement. "By the joining of two well-respected health care organizations, we will have the privilege to provide even greater access and care for existing and new communities throughout Central and South Georgia, while we continue to live our mission to improve health, elevate hope, and advance healing – for all."

Navicent includes The Medical Center, Navicent Health, a tertiary teaching hospital; Beverly Knight Olson Children's Hospital, Navicent Health; and Navicent Health Baldwin and Medical Center of Peach County, Navicent Health, both rural hospitals.

Separately, Navicent and nearby Houston Healthcare, based in Warner Robins, have proposed a "strategic partnership."

"The combination of Atrium Health and Navicent Health brings together two highly aligned health care systems with similar missions and culture and promises to deliver enhanced levels of care throughout the region with multiple service lines for the development of healthy communities," Ninfa Saunders, president and CEO of Navicent Health, said in a statement.

Craig Savage, a consultant with CMBC Advisors, based in Durham, N.C., said Friday that Atrium is "a hugely successful" system.

"It's very well run and very profitable," added Savage, who has consulted with Atrium. He said Atrium may be looking for other acquisition opportunities outside the Carolinas.

Atrium and Navicent pledged \$1 billion in capital investments for the new combination.