

Centegra signs 'definitive agreement' to merge with Northwestern Medicine

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After almost [two years of negotiations](#), Centegra Health System has signed a “definitive agreement” to merge with Northwestern Medicine.

[Centegra will become the newest member of Northwestern Medicine](#) on Sept. 1.

“Together with Centegra, Northwestern Medicine will explore opportunities to expand and enhance clinical care offerings to patients in northern Illinois,” Dean M. Harrison, president and chief executive officer of Northwestern Memorial HealthCare, said in a statement. “Our shared goal is to provide patients with greater access to breakthrough treatments and specialized care close to where they live and work.”

The Northwest Herald reached out to Centegra spokeswoman Michelle Green to comment on how the merger may impact services and staffing, but she was not available for comment Tuesday afternoon.

The merger followed on the heels of an abysmal financial year for Centegra.

The debt-saddled hospital system ended fiscal 2017 with \$62.3 million in operating losses – more than double the previous year, according to an unaudited financial statement found on Electronic Municipal Market Access, a municipal security website.

The losses are \$20 million more than officials projected earlier in the year. Centegra initially expected losses of up to \$40 million, according to a filing with Fitch Ratings.

That \$62.3 million loss stood in stark comparison with the system’s \$4.3 million profit at the end of fiscal 2016.

Centegra saw revenue increase 12.7 percent to \$564.2 million from fiscal 2016 to fiscal

2017. However, the health system also saw a 26.3 percent increase in expenses to \$626.5 million, which likely contributed to the \$62.3 million figure.

Among those expenses, salaries saw the greatest jump – more than \$50 million from fiscal 2016 to fiscal 2017.

Centegra [announced an overhaul](#) to save money that included closing intensive care and medical-surgical operations in Woodstock and moving them to the [McHenry](#) and Huntley hospitals.

Centegra officials first signed a letter of intent to discuss an affiliation in 2016, and in June 2017, representatives said it was likely that Centegra would join Northwestern by the end of the year. That didn't happen. In February, officials said the merger likely would close later this year.

“This partnership will combine Centegra’s community-based care with Northwestern Medicine’s academic health care expertise,” Michael S. Eesley, chief executive officer of Centegra Health System, said in a statement. “This will give our patients enhanced access to the highest level of care and will support our associates’ continued commitment to service excellence.”