USC Signs Agreement to Purchase Two Private Hospitals

The University of Southern California and Tenet Healthcare Corp. have signed a definitive agreement for USC to acquire the USC University Hospital and USC Norris Cancer Hospital. The deal announced Feb. 10 is expected to close March 31, 2009.

USC, one of the world’s leading private research universities, will invest $275 million to acquire assets including 471 inpatient beds within the two private hospitals located on USC’s Health Sciences Campus and more than 1,600 hospital employees.

In a memo to Keck School faculty and staff following the announcement, Dean Carmen A. Puliafito wrote, “Today is an historic day for the University of Southern California with truly transformational news for the Keck School of Medicine. University officials have signed a definitive agreement with Tenet Healthcare Corp., which paves the way for USC to acquire USC University Hospital and USC Norris Cancer Hospital.”

Puliafito expressed gratitude to the USC Board of Trustees, the Keck Board of Overseers, President Steven B. Sample and Executive Vice President and Provost C.L. Max Nikias for their leadership “in making the dream of University-owned private hospitals a reality. I am also grateful to the countless faculty and staff here at the Keck School and on the University Park Campus who have worked steadfastly during the due diligence process,” he wrote.

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Star-studded gala benefits Norris cancer research

Keck School of Medicine’s Dean Carmen A. Puliafito and Parkash Gill, M.D., were among the USC contingent attending a star-studded benefit for cancer research in Beverly Hills Feb. 10. Actresses Gwyneth Paltrow and Courteney Cox were recognized for their dedication to cancer causes. Cox received the Nat King Cole Award in recognition for her dedication to helping people, especially those near to her, who have battled cancer. The award was presented to Cox by a friend who publicly recognized Gill, an oncologist with the USC Norris Comprehensive Cancer Center and Hospital, who treated her for ovarian cancer.

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Keck School of Medicine Dean Carmen A. Puliafito has named Vaughn A. Starnes, M.D., chair of an expanded Department of Surgery at the Keck School of Medicine of USC and surgeon-in-chief at USC Norris Cancer and USC University Hospitals. The appointment took effect Dec. 1.

“I am delighted to appoint one of our own to this very important new role at the Keck School of Medicine,” Dean Puliafito said in his announcement. “Dr. Starnes is a stellar surgeon and academic leader who will play a pivotal role in building USC’s new academic medical center.”

Dr. Starnes now holds the H. Russell Smith Foundation Chair for Cardiovascular Thoracic Research. He previously served as chair of the Keck School’s Department of Cardiothoracic Surgery, which is being merged into the Department of Surgery along with the Department of Colorectal Surgery. He is the founding executive director of the USC Cardiovascular Thoracic Institute and chief of cardiothoracic surgery and director of the Heart Institute at Children’s Hospital Los Angeles.

As the new chair of the Department of Surgery, Dr. Starnes’ priorities include:

- Building on the foundation established by retiring chair, Dr. Tom DeMeester, who has served in that role since 1990, to create a top-flight academic surgical program.
- Recruiting nationally recognized leaders in various surgical areas, including liver transplantation, breast surgery, thoracic surgery and colorectal surgery.
- Focusing on the department’s educational programs to be certain the residents and medical students are finishing the program with good exposure to advanced surgical techniques and satisfaction with their educational experience.

“We certainly have a very good foundation,” said Starnes. “The model is going to be excellence in clinical care, along with excellence in surgical teaching.”

An internationally renowned surgeon, Starnes is acclaimed for his pioneering work in cardiothoracic surgery, heart and lung transplantation, and repair of congenital heart defects. He is also recognized for his expertise in heart surgery for children and newborns.

In 1990, Starnes performed the world’s first lobar transplant using a lung segment from a living donor. Three years later, he performed the first live-donor, double-lobar lung transplant on a patient with cystic fibrosis. The operation involved taking lung tissue from each parent and transplanting it into their child.

As the founding executive director of the USC Cardiovascular Thoracic Institute, Dr. Starnes has built an innovative, interdisciplinary powerhouse, comprised of clinicians and basic scientists who are exploring better and more innovative ways of treating heart disease. Under his leadership, USC surgeons have conducted more than 15,000 open heart surgeries to repair and replace valves or create coronary artery bypasses, and more than 10,000 surgeries for diseases of the lungs, esophagus and chest wall. He and his surgical team also performed Southern California’s first robotic heart operation in 2001 as part of a clinical trial evaluating the use of a remote surgical system.

In addition to his clinical work, Starnes is a distinguished researcher. He has an ongoing interest in many areas of research, including congenital heart disease, cadaveric and live-donor organ transplantation, coronary bypass grafting, and repair and replacement of heart valves. He is also involved in bench research, helping develop gene therapy techniques to address problems that occur after balloon angioplasty procedures. Starnes is currently investigating the use of gene therapy to prevent scarring following heart surgery. He is also involved in a clinical trial using robotic surgery technology for cardiothoracic surgery.

“My priority is really to create a top-flight academic surgical program,” said Starnes. “I think patients are going to come to USC because they view it as the best place to be for surgery on the west coast.”
Inderbir Gill named chair of Department of Urology

After a national search, Dean Carmen A. Puliafito, M.D., has appointed Inderbir S. Gill, M.D., as chair of the Catherine and Joseph Aresty Department of Urology. He is joining the USC faculty this spring as director of the newly created USC Institute of Urology and will serve as Associate Dean for Clinical Innovation at the Keck School of Medicine of USC.

“Dr. Gill is an outstanding addition to our faculty, particularly during this exciting time of expanding our clinical enterprise,” said Puliafito.

Gill comes to USC from Cleveland Clinic, where he was professor and chairman of the Department of Urology, which is ranked number two in urology, according to U.S. News and World Report rankings. He was also director of the Center of Laparoscopic and Robotic Surgery and Professor of Surgery at the Cleveland Clinic Lerner School of Medicine at Case Western Reserve University.

As the incoming professor and chair of the Department of Urology, Gill has identified several goals including: creation of a world-renowned USC Institute of Urology with regional satellites, providing an entire range of sub-specialization; further strengthening USC Urology’s already strong basic, translational and outcomes research programs, with focus on interdisciplinary collaboration; growing USC Urology’s already excellent residency training program; and creating new teaching programs and targeted symposia to position USC as a leading educational resource in the field of urology.

“USC is a world-class institution with a world-class urology department,” said Gill. “I am most excited about creating the USC Institute of Urology with regional outreach programs.”

Widely acknowledged as the world leader in minimally invasive nephron-preserving surgery for renal cancer, Gill has refined the techniques of laparoscopic and robotic partial nephrectomy and renal cryoablation. He and his team have now performed this in over 1,500 patients, more than any other surgical team. Gill’s team has also pioneered a vast series of techniques on laparoscopic and robotic radical prostatectomy, and laparoscopic radical cystectomy.

“Dr. Gill is an internationally renowned innovator in the field of minimally invasive urologic surgery,” said Puliafito. “With approximately 3,000 cases to date, he is arguably the most experienced laparoscopic/robotic surgeon in the United States.”

For his outstanding work, Gill has received numerous prestigious awards, including the Dr. B.C. Roy National Award, presented by the President of India, and the St. Paul’s Medal of the British Urological Association, the highest honor bestowed by the organization.

In addition to his clinical expertise, Gill is also a distinguished researcher. His research interests include developing novel robotic devices and image-guidance systems, augmented reality imaging, and innovative focal ablation therapies for prostate and kidney cancer. He and his team are developing and refining natural orifice and single-port laparoscopic surgery in urology, both innovative concepts towards scar-free surgery.

A prolific scholar, Gill has published more than 350 peer-reviewed scientific papers, 50 book chapters, and eight textbooks. He is on the editorial board of nine urologic journals. He has been an invited visiting professor to more than 250 institutions and societies worldwide and has performed live surgery demonstrations at more than 55 centers. He was elected to the prestigious American Association of Genito-Urinary Surgeons in 2003.

“The USC Department of Urology has an excellent international reputation,” said Gill. “I look forward to creating a strong and powerful team, one that symbolizes innovation and excellence across all sub-specialties. Together, we will further strengthen USC’s stature, making USC a world leader in the field of urology.”

Gill succeeds Donald Skinner, who has served as chair of the Department of Urology for 28 years.
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“Much work lies ahead of us during the transition months and beyond as we collaborate in the creation of a stellar academic medical center, which will benefit our clinical and scientific faculty, our students, our staff – and ultimately – the patients we serve.”

Provost Nikias has appointed Mitchell R. Creem as Chief Executive Officer of the two hospitals, following a national search led by Nikias. A seasoned hospital administrator widely known for his experience in revitalizing academic medical centers, Creem joined USC as Vice Provost in June. With 25 years of management experience, Creem has influenced all aspects of the healthcare industry, including hospital, research and faculty group practice management.

“Mr. Creem has provided crucial expertise throughout the due diligence and negotiation periods, developing a sound business plan and operational model for going forward,” Nikias said. “I am confident that he will provide exceptional leadership to the hospitals in his new role.”

As CEO, Creem will report to Nikias and work collaboratively with Keck School of Medicine Dean Carmen A. Puliifito, who also reports to Nikias. Puliifito joined USC in November 2007.

“We have a dynamic, experienced leadership team in place as USC prepares to assume ownership of the two hospitals,” Nikias said. “I am eager to work with them as we advance USC’s clinical and research enterprise to new levels of success.”

According to Nikias, the strategic hospital acquisition will ensure USC’s position among the nation’s top-ranked research universities in the 21st century, an era in which medicine and biology and the interdisciplinary connections between these sciences and other disciplines become the focus of innovation and growth.

USC faculty at the Keck School of Medicine excel in medical education and training, innovative biomedical research and clinical practice. With the hospital acquisition, USC faculty physicians will conduct their private practice at two hospitals owned and managed by the University, allowing for greater physician direction of clinical programs and acceleration of innovative therapies and surgical techniques for cardiovascular and thoracic diseases, urologic disorders, neurological issues, organ transplantation, cancer treatment, disease prevention, and other health concerns.

Negotiations have been under way since April 2008, when the two parties signed a non-binding letter of intent for USC to acquire the two hospitals. Throughout the negotiations, USC has been advised by Moelis & Company. The University filed a lawsuit in August of 2006 seeking to end the relationship with Tenet, and Tenet filed a counterclaim against the University seeking monetary damages. This agreement will resolve the pending legal action.

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As Creem assumes the hospital CEO position, no other immediate changes in hospital operations are expected, Nikias said, emphasizing that patients will continue to receive excellent clinical care during the transition period and beyond. USC is planning several activities to welcome all hospital personnel into the Trojan family, while also recruiting new physician leaders and other key personnel in the new calendar year.

In recent months the dean of the Keck School of Medicine announced the recruitment of Inderbir Gill, M.D., a world-renowned leader in urologic surgery, who comes to USC from the Cleveland Clinic, ranked number two among the nation’s leading urology programs. Gill will lead the new USC Institute of Urology when he arrives in April. Another recent announcement from the Keck School of Medicine is the appointment of practice plans into the Doctors of USC umbrella, which will provide great opportunities to aggressively expand the number of patients cared for by the Doctors of USC, while achieving universal enhancements in customer service.”

USC University Hospital opened in 1991 under the ownership of National Medical Enterprise Inc., which later became Tenet. An acute care hospital, USC University Hospital currently tracks 7,700 inpatient visits and 56,000 outpatient visits each year.

Tenet acquired Norris Cancer Hospital in 2003. Devoted exclusively to the treatment of patients with cancer, the hospital is affiliated with the USC Norris Comprehensive Cancer Center, one of the original eight such centers in the U.S.

Facilities at the 411-bed USC University Hospital include the new 10-story Norris Inpatient Tower, which provides 11 new operating rooms

“...The strategic hospital acquisition will ensure USC’s position among the nation’s top-ranked research universities in the 21st century, an era in which medicine and biology and the interdisciplinary connections between these sciences and other disciplines become the focus of innovation and growth.”

Vaughn Starnes, M.D. — a pioneer in cardiothoracic surgery and founding executive director of USC’s Cardiovascular and Thoracic Institute — as the new chair of the Department of Surgery. He is expected to be named Surgeon-in-Chief of the two private hospitals when USC assumes ownership. Another distinguished clinician, Michael Selsted, M.D., will leave the University of California at Irvine to assume leadership of the pathology department this spring.

USC’s recruiting efforts going forward will focus on academic physicians who have distinguished themselves as world leaders in their specialties, according to Nikias.

In addition to the recruitment of new faculty physicians, the move to integrate clinicians’ outside private practices into the Doctors of USC practice plan is an important step toward success in USC’s new clinical business model, Nikias said. “We are very grateful to the clinical department chairs of the Keck School of Medicine, who are in the process of folding all of their faculty and 146 inpatient beds, most of which have never been used. Facilities at the USC Norris Cancer Hospital include 60 beds. When USC opens the new inpatient beds at University Hospital, the Doctors of USC will be caring for patients throughout a 1,400-bed system, including the new 600-bed Los Angeles County-USC Medical Center hospital that opened last fall and the 286-bed Children’s Hospital Los Angeles.

USC’s more than 500 physicians are well known for the care they have provided to patients at LA County’s LAC-USC facilities for more than 100 years. In recent decades, faculty physicians — known as the Doctors of USC — also have built private practices at the USC Norris Cancer Hospital and the USC University Hospital. The acquisition of the two private hospitals will allow the Keck School of Medicine to recruit additional world-renowned academic physicians who are committed to excellence in patient care both at the County facilities and at the private hospitals, while also committing to excellence in medical education and clinical research.

When the deal closes, USC will join UCLA as the only two Los Angeles area universities owning hospitals.
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“This was a terrific event with high praise for the expert, compassionate care provided by Dr. Gill and all our clinical faculty at the USC Norris Comprehensive Cancer Center,” Puliafito said. “Additionally, we are grateful for the funding support to enhance our cancer research programs at USC under the leadership of Cancer Center Director Dr. Peter Jones.”

Paltrow was honored with the 2009 Courage Award for her unwavering commitment to cancer prevention. Also appearing on stage were event hosts Tom Hanks, Rita Wilson, Kate Capshaw and Steven Spielberg. Musical performer Beyoncé was well-received by guests David Arquette, Sheryl Crow, Lisa Kudrow, Jennifer Meyer, Angie Harmon, Tom Arnold, Buzz and Lois Aldrin, Isaiah Washington, Amy Grant, Lisa Rinna and Harry Hamlin.

The annual Saks Fifth Avenue’s Unforgettable Evening benefits the Entertainment Industry Foundation’s Women’s Cancer Research Fund. The USC Norris Comprehensive Cancer Center is one of the primary beneficiaries of funds raised for innovative cancer research.

Norris Cancer Center Advisory Board members Marion Laurie and Quinn Ezralow are among the founders of the EIF’s Women’s Cancer Research Fund.

Dean’s Photo Gallery

1. Dean Carmen A. Puliafito with actor Tom Hanks at Saks Fifth Avenue’s Unforgettable Evening benefitting the Entertainment Industry Foundation’s Cancer Research Fund supporting women’s cancer research at the USC Norris Comprehensive Cancer Center and Hospital, among others.

2. The dean with actress Courteney Cox at the Unforgettable Evening benefit in Beverly Hills.

3. The dean with actress Angie Harmon at the Unforgettable Evening benefit.

4. The dean with Kick School professor and Ezralow Family Chair in Cancer Therapeutics Parkash S. Gill, M.D., at the Unforgettable Evening benefit.