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Money (/money)

Long Road to MSHA-Wellmont Merger

Grown to 19 hospitals, billions of dollars in revenue, & more than 14,000 employees

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Long Road to MSHA-Wellmont Merger

For many years, the merger of Mountain States Health Alliance (<https://www.mountainstateshealth.com/>) and Wellmont Health System (<http://www.wellmont.org/>) seemed about as likely as a merger of Pepsi and Coke, or Ford and Chevy.

Mountain States Health Alliance and Wellmont Health System have always been each other's biggest

competitors.



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They started small and have now grown to combine 10 hospitals, hospitals of all sizes, over 14,000 employees. <http://www.wcyb.com/weather/forecast>

Wellmont formed first in 1996 with the joining of Bristol Regional and Holston Valley Medical Centers.

Two years later, Mountain States is born when Johnson City Medical Center purchased six local hospitals from Columbia HCA.

The public got its first glimpse of the Mountain States-Wellmont competition in 2004 when Wellmont announced plans to build a new hospital along State of Franklin Road in Johnson City.

Mountain States pushed back and eventually won the fight when state health officials denied the required Certificate of Need to build the new hospital.

In 2007, Wellmont tried to move to Johnson City again.

This time, they tried for a \$32 million stand-alone emergency room in Boones Creek.

Again, Mountain States fought it. Again, the state denied the required Certificate of Need.

Wellmont made a third attempt for Johnson City patients in 2008 when it sought a deal with Unicoi Memorial Hospital.

The plan was to build a new hospital in Unicoi County, and that deal fell through.

It wasn't until 2009 that the two systems first worked together in a major way.

Mountain States agreed to buy blood for its hospitals from Wellmont's Marsh Regional Blood Center.

Unicoi County Memorial Hospital returned to center stage between the two in 2012, when both hospital systems launched campaigns to acquire the struggling independent facility.

It turned into a lengthy public battle that ended with the hospital going to Mountain States.

A year later in 2013, the economic downturn started to hit health care companies hard.

Both systems had been forced to lay off workers around that time and late that year, Wellmont closed its hospital in Lee County.



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We also got our first hint that hospital systems nationwide were looking for partners.

Mountain States announced an alliance with Vanderbilt, but the two remained separate companies.

Then, early last year, Wellmont announced it too was looking for a partnership, setting the rumor mill in motion.

While they were never officially named, both companies have hinted throughout the last year the merger could become a reality, creating a very large health care corporation.

Mountain States currently has 13 hospitals spread across Northeast Tennessee and Southwest Virginia.

Meanwhile, Wellmont currently operates six for a combined 19 hospitals and more than 14,000 employees.

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