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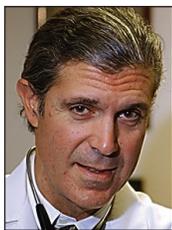
Heart hospital has more suitors

Health systems see chance to sway deal

By **Andrea Tortora**
atortora@bizjournals.com

The Tri-State's two largest hospital systems — whose leaders vehemently oppose the development of a free-standing for-profit heart hospital — are now in talks with the cardiology group that proposed the center.

The Health Alliance and TriHealth confirmed they are negotiating with the Ohio Heart Health Center, the region's largest group of cardiologists and heart surgeons led by Dr. Dean Kereiakes.



Kereiakes

Talks are focusing on ways the hospital systems can partner with Ohio Heart, from simple agreements to a new deal for a heart hospital that could put in jeopardy an existing joint-venture proposal between Ohio Heart and Deaconess Hospital.

The new negotiations come after months of rancorous tension between the hospital systems and Ohio Heart. In July, after a major rupture in Ohio Heart's long-standing relationship with Christ Hospital parent the Health Alliance, the physician group announced plans for a heart center with rival Deaconess Hospital, to be located in Norwood or Sharonville.

Meanwhile, Bethesda North parent TriHealth and the Health Alliance did not stand still. The CEOs of both systems are lobbying hard in the Tri-State and Columbus for limits against doctor-owned specialty

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Some happy endings, some same-old for minority firms

By **Dan Monk**
dmonk@bizjournals.com

Evans Nwankwo "graduated" in November from an informal mentoring process in which his black-owned business participated in a series of joint ventures with Cincinnati's largest construction companies.



Nwankwo

His diploma is a \$22 million construction-management contract to build a new elementary school and renovate a junior and senior high school for the Georgetown Exempted Village school district.

It's the largest deal Megen Construction

Co. has ever won on its own. And it follows three years of projects in which Megen, as a minority partner with Turner Construction Co., did \$110 million in work for 10 area school districts.

"Our partnership with Turner allowed us to be able to tackle" the Georgetown bid, said Nwankwo, who founded Megen in 1993. "That's a strong testimony that it can work and it does work."

But is Nwankwo's success the exception or the rule?

It's been more than two years since simmering racial tensions in Cincinnati exploded into riots, following the police shooting

See **MINORITY**, page 10

House budget bill would fatten local projects to tune of \$24M

Because it's only pork-barrel spending if the money goes to another town, we thought we'd explore the worthy local projects included in that \$375 billion budget bill passed by the U.S. House of Representatives Dec. 8.

The omnibus spending bill includes more than \$24 million specifically earmarked for the Tri-State, including \$2 million for new buses at the Transit Authority of Northern Kentucky, \$3.5 million for the "intermodal facility" on Cincinnati's riverfront and \$3.5 million for runway improvements at the Cincinnati-Northern Kentucky International Airport.

The Cincinnati Museum Center gets \$750,000 for building restoration and the development of an "integrated curriculum" for students using its "resources in art, science and history." Cincinnati's police department gets \$500,000 for a records-management system

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INSIDER

DAN
MONK



COURTESY OF THE PORT AUTHORITY

Cincinnati's riverfront is slated for \$3.5 million for an "intermodal facility."

Thirsty for new adventures

With Kings Island building a fancy new water park, officials at The Beach say there's room in the pool for them both.



MARK BOWEN/COURIER

Sam Adukiewicz is overseeing construction of the Boomerang Bay project at Kings Island.

RIDING A WAVE

By **Amanda York**
ayork@bizjournals.com

As The Beach Waterpark in Mason prepares to enter its 20th operating season, its closest competitor this winter is laying the pipework for a new multimillion-dollar water park.

For a locally owned operation like The Beach, watching Paramount's Kings Island's new Boomerang Bay water park being built could be similar to the anxiety mom-and-pop shops experience seeing a Wal-Mart Supercenter come out of the ground.

But Pamela Strickfaden, vice president and general manager for The Beach, is far from panicking.

"They are different experiences," she said. "So they can coexist."

Still, The Beach, which is owned by a group of private investors including Michael



MARK BOWEN/COURIER

The Beach is preparing to add a major new ride, said Vice President Pamela Strickfaden.

Schueler, president of Henkle-Schueler & Associates, is not sitting still. It plans to add a major new ride to the 35-acre park.

Strickfaden could offer few details, but

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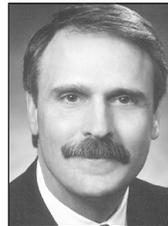
HEART: Health Alliance, TriHealth chiefs see consolidation of service as critical

FROM PAGE 1

hospitals. And the chiefs of cardiology at Christ and Bethesda North hospitals — who are Ohio Heart physicians — were stripped of their titles because of a perceived conflict of interest.

The hospitals now seem to have gained the upper hand as a new law signed Dec. 8 by President Bush bans for 18 months physician ownership in any new specialty hospital.

While Deaconess officials and Ohio Heart executives still refer to each other as partners in the \$60 million Cincinnati Heart and Vascular Hospital proposal, original plans are evolving.



Urban

"It was never about owning a hospital," Kereiakes said. "It's about integrating community assets."

The final result could include more than one hospital partner involved in a heart hospital located in a new building or an existing structure, said Jim Tomaszewski, Ohio Heart's executive director for business development.

Christ Hospital in November opened a \$77 million, four-story heart tower, designed with Ohio Heart doctors in mind. That group treats most of the hospital's heart patients.

"We've got to be more willing to consider partnerships," Tomaszewski said.

But getting Cincinnati's heart care community to work together is no easy task. The region's eight adult open heart centers constantly battle for market share. Heart care easily can translate into half of a hospital's total profits. At the Health Alliance, for example, heart services accounted for 17 percent of net revenue in fiscal 2002 and 80 percent of net income from operations.

Health Alliance CEO Kenneth Hanover referred questions about a possible joint venture partnership with Ohio Heart to spokeswoman Gail Myers.

"We continue to have discussions with Ohio Heart and other cardiology groups practicing in our hospitals about initiatives that can be undertaken to enhance the quality of care and service to cardiac patients within the community," Myers said.

She said the Health Alliance would not rule out taking part in creation of a new regional facility.

TriHealth CEO John Prout was out of town and referred questions to spokesman Joe Kelley, who said the system is evaluating options.

"It is something we have discussed, some type of partnership," Kelley said. "But we do question whether or not this type of care fits into our mission."

Kelley said TriHealth's decision will revolve around whether to invest in a for-profit venture or if it's more important to invest resources in caring for TriHealth patients.

Deaconess, meanwhile, is moving forward despite the ban on physician ownership, spokeswoman Barbara Lohr said.

"We are expecting to proceed with development of the heart hospital," Lohr said. "Ohio Heart will be our partner."

Since plans for the new heart hospital were first reported by the *Courier* in July, Ohio Heart leaders have maintained the need for a regional center of excellence that involves many partners.

"The vision has not changed," Tomaszewski said. "It doesn't have to be set in a

for-profit or nonprofit structure."

The ongoing debate about Cincinnati's heart care could become harmful to patients, said Kate Fenner, CEO of the Compass Group Inc., a consulting firm.

"The sooner this is over, the better for the community," Fenner said. "We have competent, excellent clinical services already. I do not see where this is not a duplication of what we have already."

Sharon DiMario, executive director of the Employer Health Care Alliance, said the group is developing its position on the matter and is watching developments closely.

One of those developments is a plan by Mercy Health Partners to start open heart surgery at its hospital in Anderson Township in 2004, just two years after opening its first heart surgery program in Fairfield. The system also is investigating a heart program at its Mount Airy hospital.

"Our mission is to provide heart services at community-based hospitals," said Tom Urban, CEO of Mercy.

Such proliferation of smaller open heart surgery programs frustrates Kereiakes, who believes they do not meet the annual minimum number of heart surgeries recommended to achieve quality.

"We're supposed to be patient-focused and doctor-driven, but we've lost that focus. It's like a processing plant," Kereiakes said.

He maintains that the proposed heart hospital would not add a new facility to the mix. It would replace heart services now at Deaconess. And Kereiakes noted that similar facilities are planned at Duke University and the Cleveland Clinic and that he's spoken with both entities.

A center of excellence for heart care is Kereiakes' passion. He's written dozens of articles in medical journals about the idea. But he's also aware of the toll his dream is taking on others.

As he talks about the removal of Ohio Heart doctors Charles Abbottsmith and Pat Shea as chiefs of cardiology at Christ and Bethesda North hospitals, respectively, he gets choked up, unable to speak for a few moments.

Both doctors were replaced by cardiologists from Greater Cincinnati Cardiovascular Consultants, part of a joint venture in catheterization labs at Mercy Fairfield.

"If (the heart hospital) is a bad idea, we'll go out of business," Kereiakes said. "If it's a great idea, we've helped the whole city."

The Health Alliance declined to comment on personnel changes, and TriHealth said such appointments are made by the medical staff at each hospital.

However, in a document obtained by the *Courier* that Hanover and Prout are presenting to various groups, they said, "Backers of physician-

owned hospitals claim it's all about competition and free enterprise. It's not. It's about conflict of interest."

The document offers insights Prout and Hanover have not publicly revealed, including support for consolidation of heart programs around existing campus capacity and infrastructure.

They also note that yearly business lost to physician-owned hospitals would be as much as \$50 million — an amount that would be cost-shifted to employers and managed care.

Mark McDonald, Ohio Heart's chief operating officer, said the group also believes in consolidation.

"The more smaller sites that open, the more the resource pool is strained," McDonald said. "If we had to expand and cover additional sites, I believe we'd have problems."

"IT DOESN'T HAVE TO BE SET IN A FOR-PROFIT OR NONPROFIT STRUCTURE."

Jim Tomaszewski