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Agwunobi leads search for UConn Health's dance partner

BY MATT PILON

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Andrew Agwunobi is the CEO and executive vice president for health affairs at UConn Health in Farmington.

highlights five business, government, nonprofit or higher-education leaders to watch in coming year because of their likelihood to be in the spotlight. Here's a look at our 2018 choices.

The year 2018 could be a decisive one for the future of Farmington-based UConn Health, according to its CEO Dr. Andrew Agwunobi.

"I think it's going to be a pivotal year because that's the year we're going to decide what kind of partnership we will establish and with whom," Agwunobi said in a recent interview.

Agwunobi, a 52-year-old pediatrician and seasoned hospital and health system leader who has been at UConn since late 2014, said he and his team have been in talks with other health systems and hospitals about potential partnerships.

What that means exactly isn't clear (Agwunobi was reluctant to talk details) but options could include a merger or a spin out of the hospital from the university.

UConn Health's search for a partner comes as the nearly \$1.1 billion health system, which includes the 234-bed John Dempsey Hospital and a medical group, as well as UConn's medical and dental schools, continues to battle economic headwinds.

It's struggled financially over many of the last 17 years, posting major deficits that state taxpayers have been forced to shore up in a handful of bailouts.

UConn Health has not had to go to the state for a financial rescue during Agwunobi's CEO tenure.

The public will find out more about UConn Health's future in April, when the care provider is required to give state lawmakers a progress report on any affiliation prospects.

"We're talking very broadly, very widely," Agwunobi said. "Obviously, a report will come out. ... I think at that point we will be able to speak more specifically about potential partners and about the type of partnerships that we would be entering into."

It's been tried before. UConn Health proposed a merger with Hartford Hospital in 2009, but the deal fell through, partly due to concerns about the price tag of a proposed patient tower the partners wanted to build.

However, that may no longer be an issue because since that time UConn Health has built a shiny new \$326 million patient tower and hailed the state-backed arrival of Jackson Laboratory.

Agwunobi also thinks UConn's leafy Farmington campus, which has room for more buildings, is a big draw.

"I think we have the best campus in this region," Agwunobi said.

He said UConn Health these days also runs itself with a keener eye toward financial efficiency. Though the system has budgeted for deficits in recent years, it has beat those financial targets for three years running, he said.

It's unclear if Hartford Hospital's parent, Hartford HealthCare, which has acquired several hospitals since 2009 to form a statewide health system, might still be interested in a deal with UConn Health. HHC declined to comment for this story.

Agwunobi said both UConn Health and the right partner could benefit from the deal.

For a partner, tying its wagon to an academic medical center could be an image booster. It could also help with physician recruitment, he said.

"Overall, it differentiates you from a community hospital, being a university or academic hospital," he said.

UConn Health needs a partner to help build up its clinical operation, which, along with state aid, helps subsidize its academic endeavors.

"It's an engine for the rest of UConn Health, and that engine is pretty small," Agwunobi said.

Finding a way to grow specialty service lines, bring in more patients, and generate more revenue would be a win, he said.

John Dempsey Hospital has posted surpluses in recent years, but it has room for improvement. Its average daily census (the number of patients in the hospital), while beating the prior year, missed budgeted targets in fiscal 2017 by nearly 10 percent.

One of UConn Health's challenges is the perception that it's a place that treats only complex conditions, not the common cold. Agwunobi said that has begun to shift thanks to marketing efforts.

Another challenge is dealing with a \$33 million cut from the state budget.

It's big, but Agwunobi said UConn Health can manage it internally by reducing spending, curtailing hiring to only vital positions and looking at new revenue-generating strategies.

When he's not pondering UConn Health's future, Agwunobi, who lives in New Haven and has a wife and two teenage daughters, likes reading classics and writing short fiction and also about healthcare management.

He just published his first book, a 121-pager titled "An Insider's Guide to Physician Engagement."

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