

# Californian universities scrap hospitals merger

## San Diego

Stanford University and the University of California at San Francisco (UCSF) announced last week that they are to dissolve the merger of their hospitals. This ends an experiment that some academic staff felt was threatening research and teaching at the two institutions.

The move for the divorce came last week when Stanford president Gerhard Casper notified University of California officials that he had "with great anguish" concluded that the attempted merger of the medical staffs was doomed. "Energy has been sapped and great weariness has set in," said Casper in a letter to University of California president Richard Atkinson, who was out of the country. "Many fear paralysis."

Commenting on Stanford's unexpected withdrawal, Michael Bishop, chancellor of UCSF, said his university had been prepared to try to continue to make the troubled health system work. But, given Stanford's decision, UCSF will now engage in "a cordial dissolution process". The University of California Board of Regents must still approve the dismantling of the two-year merger, but little opposition is expected.

With an annual operating budget of \$1.5 billion, and extensive medical and research expertise at four hospitals in Palo Alto and San Francisco, the joint venture had been intended to create a single enterprise with great financial and intellectual strength. It was hoped it could capitalize on discoveries by bringing them rapidly from the bench to the bedside, thereby bolstering revenues. There were also hopes that the combined medical expertise would draw more patients.

But, in practice, the effort to merge the hospitals ran into many problems. Medical staff had balked at combining services, reportedly because of concerns about loss of power, individual university identity and pay. And the merger was also hit by reduced government reimbursement for health care which contributed substantially towards the \$86 million losses during the past fiscal year.

The merger has long been controversial among staff at both institutions, largely because some faculty members felt they had little voice in decision-making. In the weeks before Stanford's move, two faculty polls at UCSF — one by the faculty association and the other by the academic senate — each found a small majority in favour of dissolving the merger, by 52 and 53 per cent, respectively.

Warren Gold, a physician who chairs the UCSF faculty association, described the polls as "evidence the university leadership is out of touch with the faculty". Gold, who has



Merger doomed: Stanford (above) has pulled out of plan to run its hospitals with those of UCSF.

opposed the merger since its inception because he felt its goals were unrealistic, says his association poll of 535 of UCSF's 1,300 faculty members found that 24 per cent felt their ability to conduct research had "worsened" since the merger, while 26 per cent said their ability to teach had also been harmed.

However, Bishop says the senate's poll revealed that 64 per cent of faculty members said they were in favour of the merger provided it was handled properly. Lawrence Pitts, a neurosurgeon who chairs the UCSF academic senate, says the "faculty was disenchanted with the extraordinarily poor administration" of the combined hospital enterprise.

Keith Yamamoto, chairman of the department of cellular and molecular pharmacology, says that, although most basic researchers at UCSF were not affected by the contentious merger environment, physicians with doctorates — particularly young researchers — felt their scientific efforts were threatened by the pressure to produce revenue.

Although there was no poll at Stanford, faculty leaders reported concerns last summer that the requirement to focus excessively on revenues from clinical work could have a negative impact on research.

Casper acknowledges that university officials had always been aware that there was "no overwhelming support of the faculty" for the merger, but had proceeded out of a desire to create a stronger institution.

Overseeing the dissolution will be one of Casper's last major challenges, as he will be stepping down as president next August. He estimates that it will take three to four months to separate the hospital enterprises. The cost will be substantial.

Rex Dalton

# Silicon pioneer funds biomedical engineering centre

## San Diego

James H. Clark, the founder of Silicon Graphics Inc. and the Netscape Communications Corp., announced last week that he is donating \$150 million to Stanford University for a new biomedical engineering facility.

According to university officials, the grant to Stanford, where Clark was a professor between 1979 and 1982, is the largest gift to the university since it was founded and is one of the biggest bequests ever to a US university.

The Clark Center for Biomedical Engineering and Sciences will be built on campus near the university's science facilities, with completion expected in 2002. Known on the Stanford campus as 'Bio-X', the facility has been in the planning stages for nearly two years, beginning as a grassroots effort by faculty members keen to create a focal point for multidisciplinary research.

It will house about 400 scientists and technicians. Some 50 faculty members, about 30 per cent of whom will be new recruits, will conduct research in bioengineering, biocomputing, neuroscience and imaging at the molecular, cellular and system level.

The complex is to include a 'reality centre', in which displays on the ceiling, floor and walls will allow the projection of images to show visitors the inside of structures such as cells or arteries.

"I chose to do this because of my academic roots, and Stanford is a great place," says Clark. "If you're allowed to be in an academic setting and create the springboard of a business effectively without undue impediments, then you have an obligation to respond in kind."

John Hennessy, Stanford's provost and a former colleague of Clark in the Department of Electrical Engineering, says discoveries in genetics and cellular biology, with advances in computing and the miniaturization of devices, "will provide incredible opportunities for advances in biomedicine, bioengineering and bioscience".

Neuroinformatics is of particular interest to Clark, who decided that the most effective way to contribute was to fund a broader effort, with biology as the central focus. During his career, Clark moved from engineering to physics and then to computer science. His first major success was a computer chip, called a geometry engine, that was the foundation of Silicon Graphics.

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