

Baylor Scott & White and Memorial Hermann call off merger

February 5, 2019

Baylor Scott & White Health and Memorial Hermann Health System called off a proposed merger that would have created a massive not-for-profit healthcare system with a presence in 30 Texas counties.

The two healthcare systems issued a joint statement Feb. 5 saying, “After months of thoughtful exploration, we have decided to discontinue talks of a merger between our two systems.”

The boards of the health systems announced Oct. 1, 2018, they had signed a letter of intent to merge.

At the time, leaders of both systems said their boards would spend four months to six months in due diligence and would work through the regulatory process. They expressed hope their boards would reach a definitive agreement by the first quarter of 2019, pointing to July 1 as an ideal date for completion of the merger.

“Ultimately, we have concluded that as strong, successful organizations, we are capable of achieving our visions for the future without merging at this time,” the Feb. 5 statement said.

“We have a tremendous respect for each other and remain committed to strengthening our communities, advancing the health of Texans and transforming the delivery of care. We will continue to seek opportunities for collaboration as two forward-thinking, mission-driven organizations.”



Jim Hinton

According to the letter of intent signed last year, if the merger had proceeded, Jim Hinton, chief executive officer of Baylor Scott & White Health, would have become CEO of the combined system.

At the time the proposed merger was announced, Hinton hailed it as two institutions with similar missions and values “building something transformative together” that could serve as a national model for non-profit healthcare systems.

Both healthcare systems were founded as faith-based institutions with Baptist roots.

Memorial Hermann Health System was formed by the merger of the Southeast Texas-based Memorial and Hermann systems in the 1990s. Memorial Health System traced its beginnings to Baptist Sanatorium in downtown Houston.

Texas Baptists launched the hospital that became Baylor Health Care System in answer to a 1903 challenge by George W. Truett, legendary pastor of First Baptist Church of Dallas, who asked, “Is it not now time to begin the erection of a great humanitarian hospital, one to which men of all

creeds and those of none may come with equal confidence?”

C.C. Slaughter, a cattle baron and Baptist layman, responded by making the first donation, and R.C. Buckner, founder of the orphan’s home that eventually grew into Buckner International, agreed to serve as first chairman of the board for the new Texas Baptist Memorial Sanitarium.

In 2013, the Dallas-based Baylor Health Care System merged with Temple-based Scott & White Healthcare System, and Baylor Health’s president, Joel Allison, became chief executive officer of the combined organization. Hinton succeeded Allison, becoming the first non-Baptist to lead the historically Baptist healthcare system.