JACKSON, Miss. -- The University of Mississippi Medical Center will acquire the Courthouse fitness centers under an agreement approved Monday by the board of the Mississippi Institutions of Higher Learning. The transaction, part purchase/sale and part gift, will give UMMC immediate presence in the field of medically related health and wellness programs.

Owned by Madison businessman John L. Black Jr., Courthouse Racquet and Fitness includes four fully owned fitness centers in Brandon, Byram, Flowood and north Jackson as well as leased facilities in Madison and downtown Jackson.

UMMC will spend approximately $9.2 million for the Courthouse, which is the amount of debt carried by the business. However, as part of the broader agreement, Mr. Black will make a $4.8 million gift to UMMC by year-end. He will make additional $500,000 gifts annually over the next 10 years, for a total of $5 million.

UMMC plans to operate the centers as an integral part of the health-care continuum, recognizing that adequate exercise and proper nutrition are a cornerstone of good health and disease prevention.

“This is really about our mission to achieve a healthier Mississippi,” said Dr. James E. Keeton, vice chancellor for health affairs and dean of the School of Medicine. “We can treat people once they get sick, but that’s only half the job. We also have to encourage them to be healthy and stay healthy. That’s been a gap in what we can offer. We’re grateful to John Black for enabling us to do this.”

Keeton added that it’s important that trainees in UMMC’s six health professions schools be exposed to this wellness model as part of their training.

The board also approved UMMC’s agreement with Power Wellness Management, LLC, to manage the six facilities. In the five-year contract, UMMC will pay Power $144,000 per year as a base management fee. In addition, Power will be eligible to receive an incentive fee based on financial performance.

Current Courthouse employees will become employees of Power Wellness Management and the number of staff is expected to increase in the first year to implement the wellness model.

Power is a Chicago-area firm that partners with hospitals and health-care systems to create, develop and operate medically integrated wellness centers. Among their academic medical center clients are Loyola University and Rush University Medical Center, both in Chicago.
UMMC expects to invest about $1.3 million in upgrades to the facilities during the first year of ownership. Based on financial projections, the business is expected to operate at a loss for 2015 and to produce excess revenue over expenses in subsequent years.

The appraised value of the four owned Courthouse properties, based on the average of two appraisals, is $10,545,000.

Mr. Black, through his Lexington Foundation, has previously partnered with UMMC on a program to enhance Medical Center employees’ health and fitness status. The “Get Healthy” program offers free family memberships to the Courthouse and access to personal trainers to 40 employees over 12 weeks. The program has been in place since 2011 and engaged more than 400 UMMC employees.

Keeton said he was impressed by Mr. Black’s philanthropic spirit.

“It’s nice to think that people who have been successful in life care enough about Mississippi to do things like this,” he said.

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Located in Jackson, UMMC is Mississippi’s only academic medical center and encompasses six health science schools, including medicine, nursing, health related professions, dentistry, pharmacy and graduate studies. The Medical Center’s health-care enterprise includes the state’s only level one trauma center and its only children’s hospital. UMMC’s education, research and health-care missions share the objectives of improving the health of the state’s population and eliminating health disparities. For more information, visit http://www.umc.edu and umc.edu/news_and_publications.