



Preparing for Health System Integration



Forming an alliance or partnership with another healthcare organisation requires careful planning. Selecting the right partner is crucial, as well as a well-thought-out strategy and flexibility, in ensuring the ultimate success of a partnership.

See Also: [Healthcare Cross-collaboration to Support Ageing Community](#)

Here are a few rules to help healthcare executives when faced with a tough decision regarding health system integration. These are rules of the road that can provide safe passage and aid leadership in finding the route that leads to the desired destination:

1. Identify your destination

Instead of single-mindedly driving towards a specific partner or structure (loose affiliation, full integration, etc.), successful organisations develop precise objectives to direct them to the best fit and approach. These objectives set forth the organisation's vision for its role, guiding key decisions and leading it towards its ultimate destination. Objectives should focus on long-term structural implications including the effect on cost and quality of care, patient access, navigating the competitive landscape, and access to capital. Also, objectives are not static – they may shift or realign throughout the partnership process. Diligent leaders should not be afraid to adjust or challenge their objectives where necessary to keep their organisation on an appropriate course.

2. Chart your course

With objectives guiding the organisation to a destination, it is time to pull out the road map. Plan for roadblocks and detours by identifying all actionable alternatives and giving due consideration to each. For example, the organisation may have a set of identified objectives including (1) improving quality metrics and (2) increasing operating margins to support the clinical enterprise. Narrowly focusing on Objective 1, the organisation pursues a clinical affiliation with a nearby system known for its quality infrastructure. The partnership gives the organisation the intended infrastructure, which will help it to improve its metrics, but the financial benefits associated with the improved quality performance disproportionately accrue to the partner. In short, take the path that allows the organisation to realise balanced, meaningful results.

3. Take the wheel

Board members have fiduciary duties to their organisation, and the board must be careful not to relegate itself to the role of a backseat driver. It can be tempting to be a passive receptor of information vetted and prepared by management and outside experts about which affiliation vehicle may be best for the organisation. But effective boards take an active role, critically digesting the available information, asking questions, testing underlying assumptions and, ultimately, making a decision.

4. Avoid the potholes

Along the best-charted paths, there can be unexpected setbacks and mistakes that even the most prepared organisations fail to recognise. Organisations can rely on experienced business and legal advisers to design, facilitate and execute a process that can navigate both common and out-of-the-ordinary detours. Counsel can conduct Hart-Scott-Rodino antitrust reviews, identify legal requirements that may dictate transactional structure and seek regulatory approvals that are necessary before closing in order to limit revenue interruption.

5. Unpack from the trip

Closing the transaction is critical, but it is not the point at which the journey ends. Integration must go beyond paper and matching uniforms. Post-closing action items typically focus on the immediate: coordinating reporting systems, linking information technology platforms and rolling out clinical best practices. Ongoing efforts at cultural integration reinforced by formal tracking of responsibilities and progress should remain a guiding tenet of the post-closing board's agenda and goals.

Source: [Hospitals & Health Networks](#)

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