

Commit, Engage, Integrate: Success Factors for Health System

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The health system integration phenomenon of the 1990s has been resurrected in the era of valuebased care. As providers assume more financial risk, clinical success depends on care coordination, where every provider along the care continuum works in conjunction with other providers to improve outcomes, limit costs and satisfy patients. Financial success depends on efficient clinical support and administrative operations. Integrated healthcare systems that coordinate care across settings and that strategically consolidate operations are well positioned to provide value to patients and partners.

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Bringing together stakeholders who often have competing interests and getting them all aligned can take incredible effort and ingenuity. In this time of rising costs and changing incentives, integration requires leaders who are willing to think, organize and govern differently.

Chances for successful integration have increased. Health systems have access to better data and technology. They also have more experience from which to draw. While the ocean of healthcare was littered with failed attempts at integration two decades ago, there were also islands of excellence. Here are five high-level factors that can help ensure integration success.

Commit to Integration

Integration — often the next logical step following a merger or an acquisition — is not an event. It is a process, and one that needs to start from the topdown. Successfully integrated systems have strong leaders in the executive suite who are committed to the vision of what integration can accomplish. How does an organization ensure such commitment?

To maintain commitment to integration, there must be a compelling value proposition: better care for the patient; preparing for population health; strategic growth; or financial fitness, to name a few. But do not make your value propositions solely money-focused. Reduced spending can be a great benefit, but

organizations can usually articulate a higher purpose behind the need to save money. Find that purpose.

Engage Your Organization

Integration may be a top-down effort, but successful engagement comes from the bottom-up. Employees — from senior leaders with advanced degrees to blue-collar staff with high school diplomas — need to feel as if they have something to contribute to the integration effort.

There will be cultural differences between the merged organizations. It is important to acknowledge those differences and meet employees on their own terms. But it is also important to shape a shared culture with a shared vision of what integration can accomplish. That vision, which will be communicated consistently over time using multiple methods, should be aligned with strategy.

As with all major initiatives in healthcare, it is critical that physicians are on board with system integration. Care coordination is a must under risk-based reimbursement, but it is a non-starter without physician buy-in. Physicians need to agree on technology, workflow and process objectives that allow for programmatic clinician-to-clinician interaction.

Integrate Strategically

Clinical integration may be one of the most important outcomes of your process, but won't be the only one. Evaluate all aspects of your organization that can benefit from integrating. You may be tempted to try to make care variation your top priority. But if you try to do the hardest integration work first, you are going to lose momentum. Go for quick wins first.

Part of your integration strategy should include risk assessment and mitigation. Because blending two organizations into one can get messy, employees often feel insecure. Critical talent could leave, reductions in force could be met with resistance,

and community acceptance could suffer. Understand those and other risks, and have a plan in place to alleviate them.

Your Integration Roadmap Will Be Unique

Integration needs to be a structured process that does not presume a given outcome or specific operating model. Integration begins with strategy, which informs key elements of your roadmap. Strategy leads to planning and design, which identifies integration targets. The process culminates in implementation, where new integrated approaches to operations, administration and clinical care are put in place.

Concurrent to your strategy and planning process, you can focus on stabilizing and optimizing operations. A merger/acquisition will always disturb the status quo. Your people may be more concerned about whether they can keep their jobs than about how well they are doing their jobs.

As your strategy takes shape, help employees continue to focus on providing and supporting excellent care. Once you have stable performance, concentrate next on optimization. Apply process improvement, right-sizing and enabling technology to administrative and clinical functions.

INTEGRATION ROADMAP



Shared Services Should Not Be a Foregone Conclusion

While system-wide standardization and consolidation are likely outcomes of your integration design process, they can be costly and disruptive. Standardization

should only be embarked upon if it enhances value by saving money, promoting efficiency or improving the patient experience.

Consolidation should be similarly approached. Consolidation is about finding synergy — more efficiency, more value — through combining similar functions. But taking two business offices, for example, and putting them in the same building will not magically net huge savings. The consolidation process should start with determining how many employees need to be part of the billing office. Consolidation needs to be about spend control and economies of scale.

Integration is easy to talk about but difficult to do. Not only must you focus your efforts on complex processes and workflow, you must also deal with a wide variety of people with highly varied opinions and emotions. But true integration is worth the time and the effort. Ensuring executive commitment, organization-wide engagement and a strategic approach can help make your clinics, hospitals and other assets into a successfully integrated system.



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