

The Grass is Always Greener: Surviving Mergers and Acquisitions, No Matter Your Side of the Fence.

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Published In/Presented At

Hadinger, M. A., Barraco, R. D., (2017, April). *The Grass is Always Greener: Surviving Mergers and Acquisitions, No Matter Your Side of the Fence*. Presentation Presented at: 2017 AAMC Group on Regional Campuses Spring Meeting, Orlando,FL.

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The Grass is Always Greener:

Surviving Mergers and Acquisitions,
No Matter Your Side of the Fence

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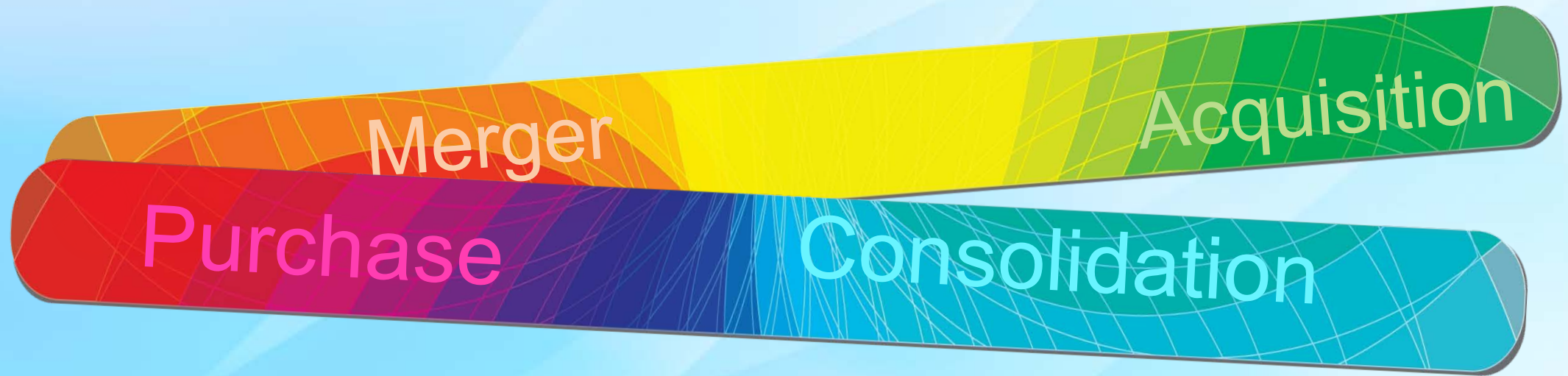
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Session Objectives:

By the conclusion of this session, we'll be able to:

- List the different types/models of institutional change affecting RMCs
- Describe the effects of these changes on RMCs and their students
- Describe the essential components of a successful merger, with a focus on the student experience

Introduction



- 2016 – “The year of merger mania” in healthcare
- PriceWaterhouseCoopers

Healthcare Change Drivers

- ***Pursuit of “population health management” or “healthcare company” status***
- ***Transformational change of the day to day delivery system***
- Insurance market transformation
- Healthcare as a retail transaction
- Declining inpatient utilization; mixed changes in outpatient services
- Emergence of new competitors

New Paradigms

Old Model



Patients

New Model



Examples of Mergers



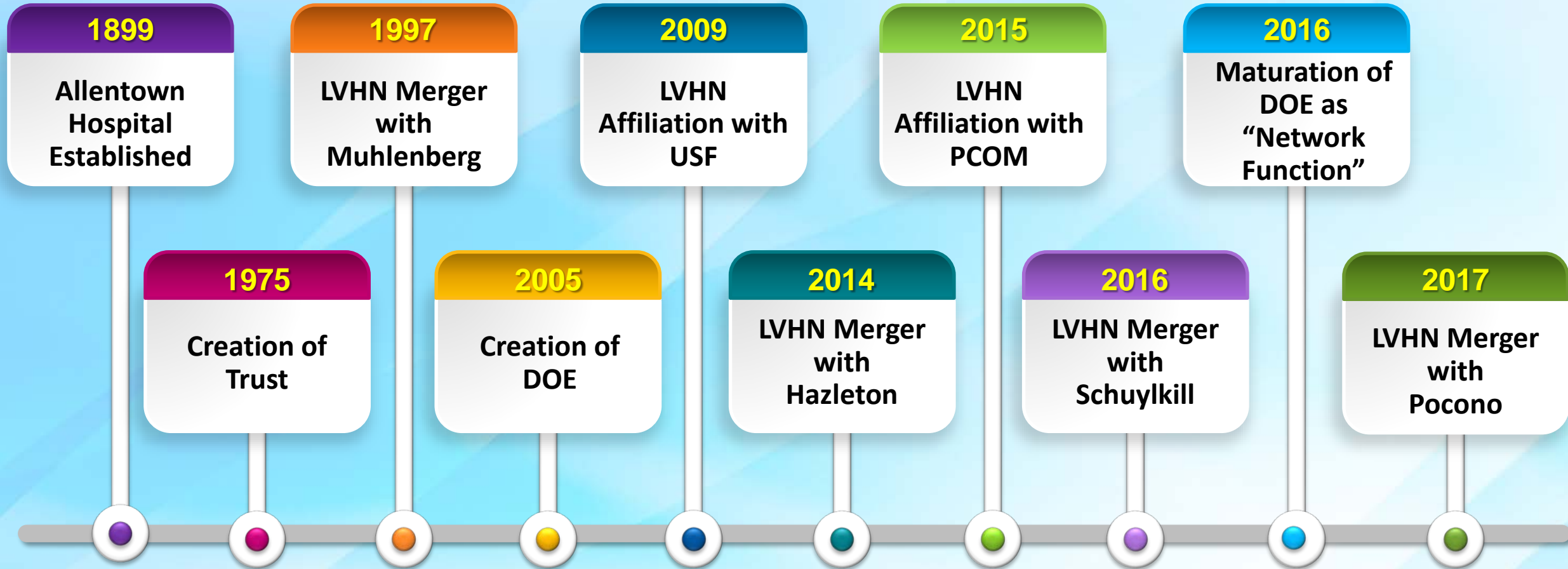
Merger Mania: Models of Change

- Medical school with medical school
 - Columbia and Cornell
- Health system acquires medical school
 - Geisinger > TCMC
- Medical school acquires or designates health system as a campus
 - USF > LVHN
 - Baylor > Scott and White
- Health systems merge outside of academic affiliation
 - LVHN (USFHealth) > Pocono (TCMC)

So what's the effect on RMCs?

- List and then discuss the effects of mergers/acquisitions on RMCs and our students. What issues do RMCs need to consider?
- **Pair** with a peer
- **Share** with your table group
- **Report-out** to the large group

Case Study: A Network is Born...



LVHN Vision

*“We will build on our foundation as a **premier academic community health system** and become an innovative population health leader that creates superior quality and value for our patients and the communities we serve.”*

Who We Were...

- Largest academic community hospital in PA
- Largest Level 1 Trauma Center in region
- Certified Comprehensive Stroke Center
- Employees – 9,800
- Medical Staff – 1200+
- Nurses – 2,334
- 163,000 ED visits
- 54,056 admissions
- 981 acute care beds
- 3 hospital campuses

Who We Are

- 8 Campuses
- 1 Children's Hospital
- 160+ Physician Practices
- 17 Community Clinics
- 16 Health Centers
- 12 ExpressCARE Locations
- 81 Testing and Imaging Locations
- 18,000+ Employees
- 2,005 Physicians
- 834 Advanced Practice Clinicians
- 4,208 Registered Nurses
- 57,272 Admissions
- 212,897 ED Visits
- 1,838 Acute Care Beds

A Complete Health Network



LVH-Cedar Crest



LVH-17th Street



LVH-Muhlenberg



LVHN-Tilghman



LVH-Pocono



LVH-Hazleton



LVH-Schuylkill
E. Norwegian St.



LVH-Schuylkill
S. Jackson St.



Lehigh Valley Health Network



ExpressCARE



Home Health



LVPG



Health Centers



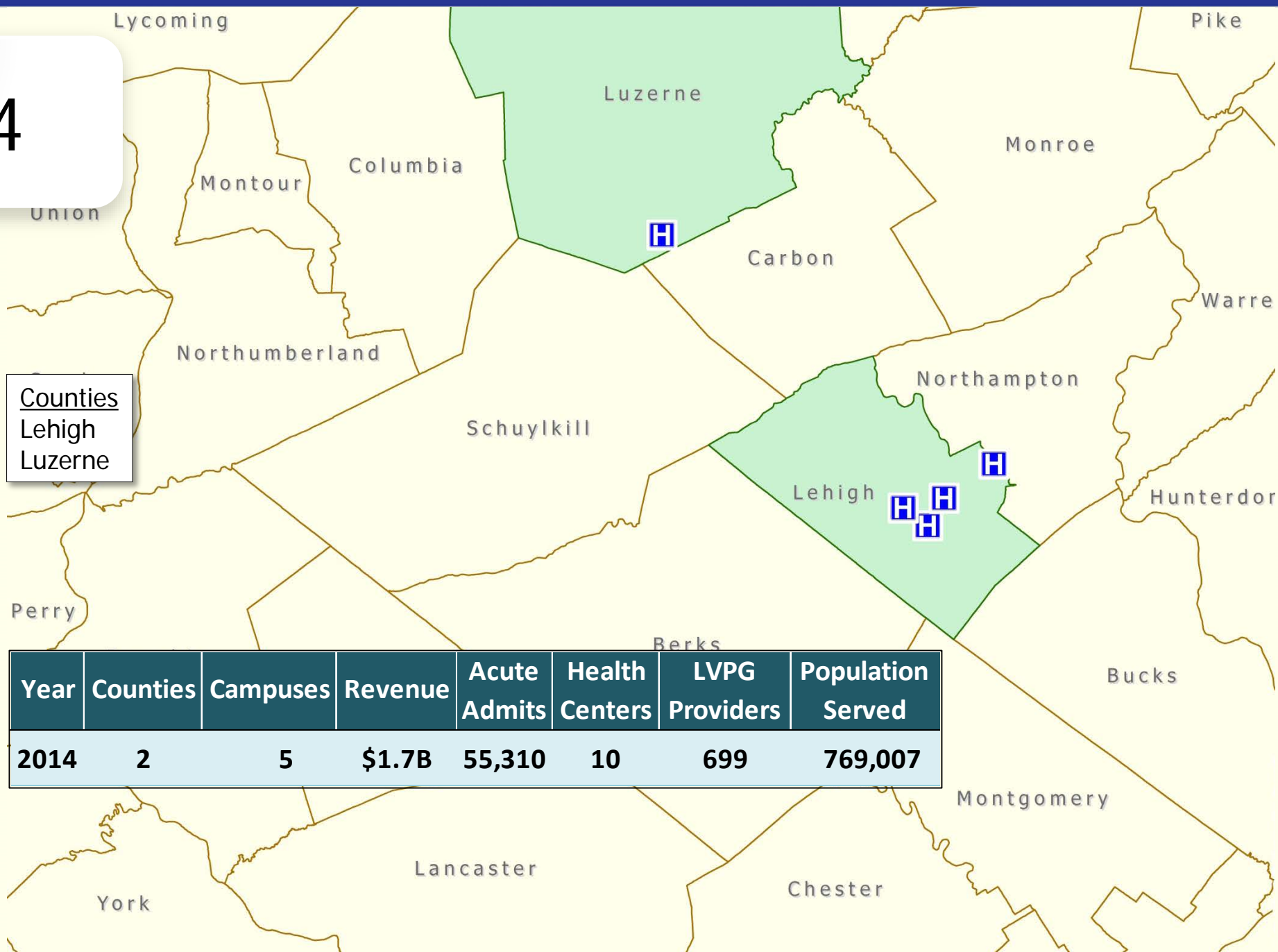
Lehigh Valley Children's Hospital

2013

Counties
Lehigh

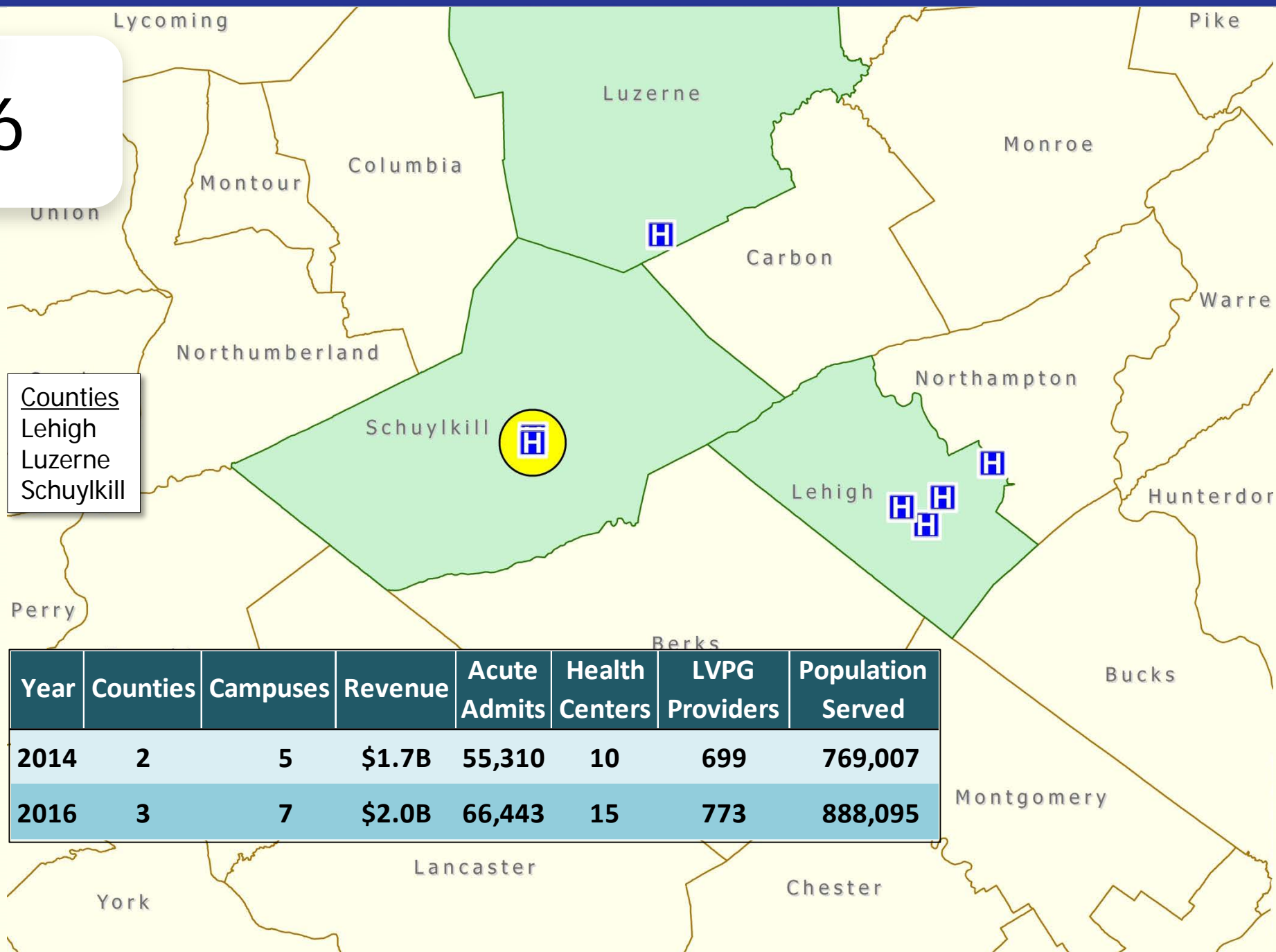
Year	Counties	Campuses	Revenue	Acute Admits	Health Centers	LVPG Providers	Population Served
2013	1	4	\$1.7B	57,800	9	TBD	401,172

2014

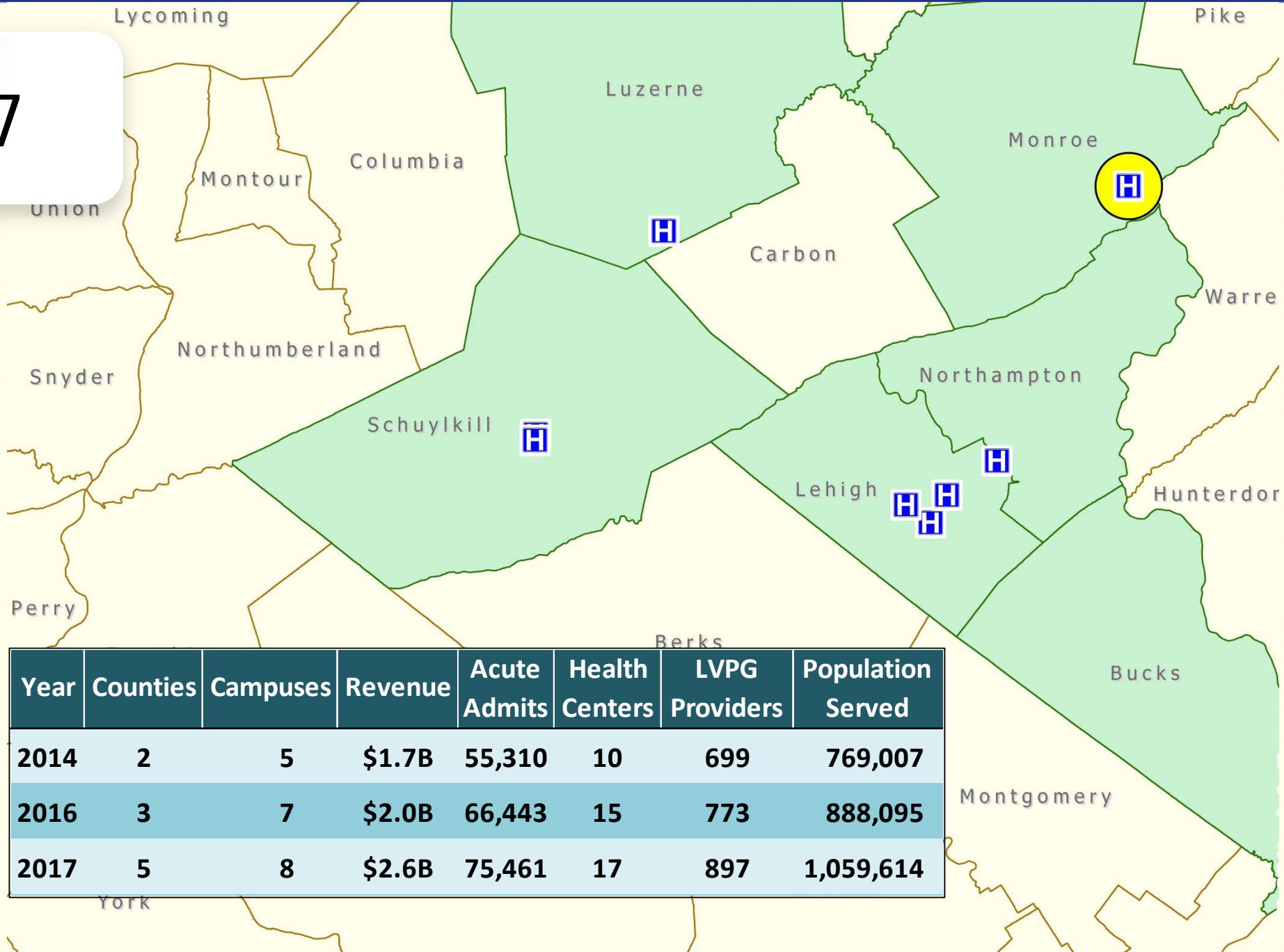


Year	Counties	Campuses	Revenue	Acute Admits	Health Centers	LVPG Providers	Population Served
2014	2	5	\$1.7B	55,310	10	699	769,007

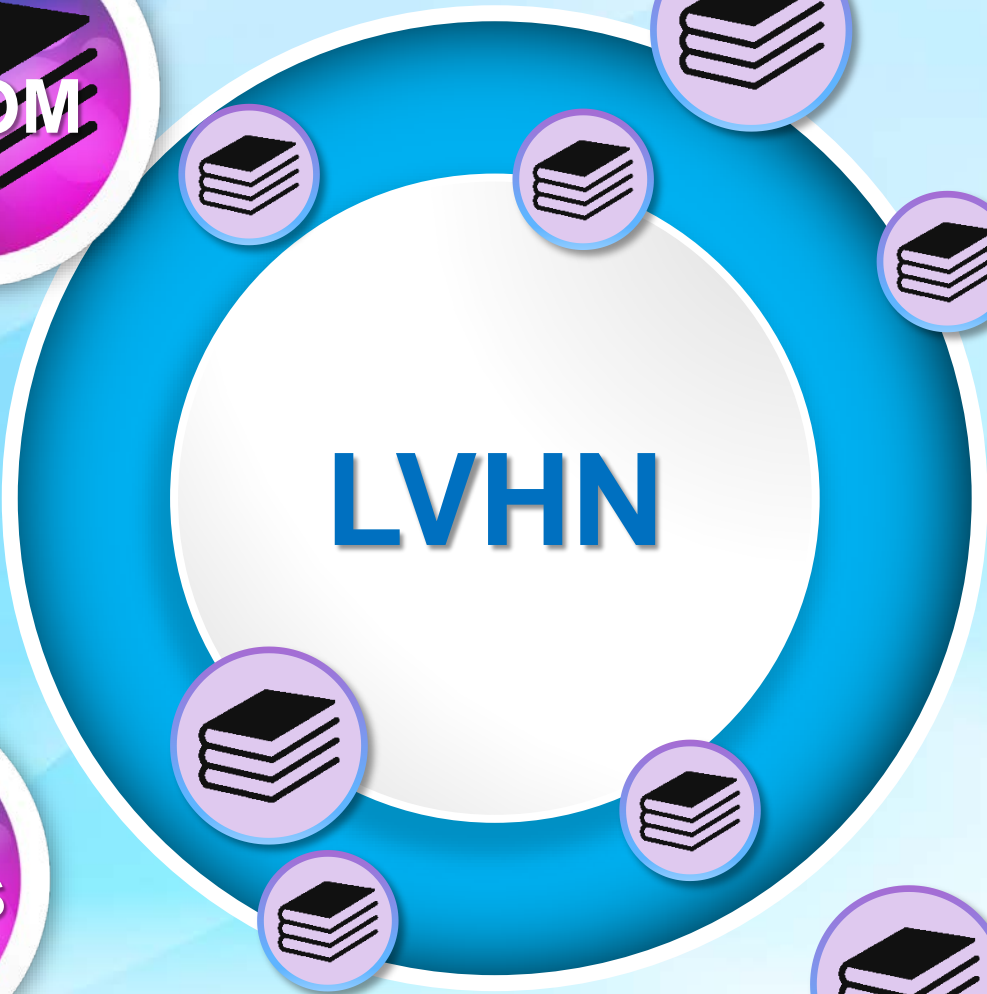
2016



2017



Year	Counties	Campuses	Revenue	Acute Admits	Health Centers	LVP Providers	Population Served
2014	2	5	\$1.7B	55,310	10	699	769,007
2016	3	7	\$2.0B	66,443	15	773	888,095
2017	5	8	\$2.6B	75,461	17	897	1,059,614



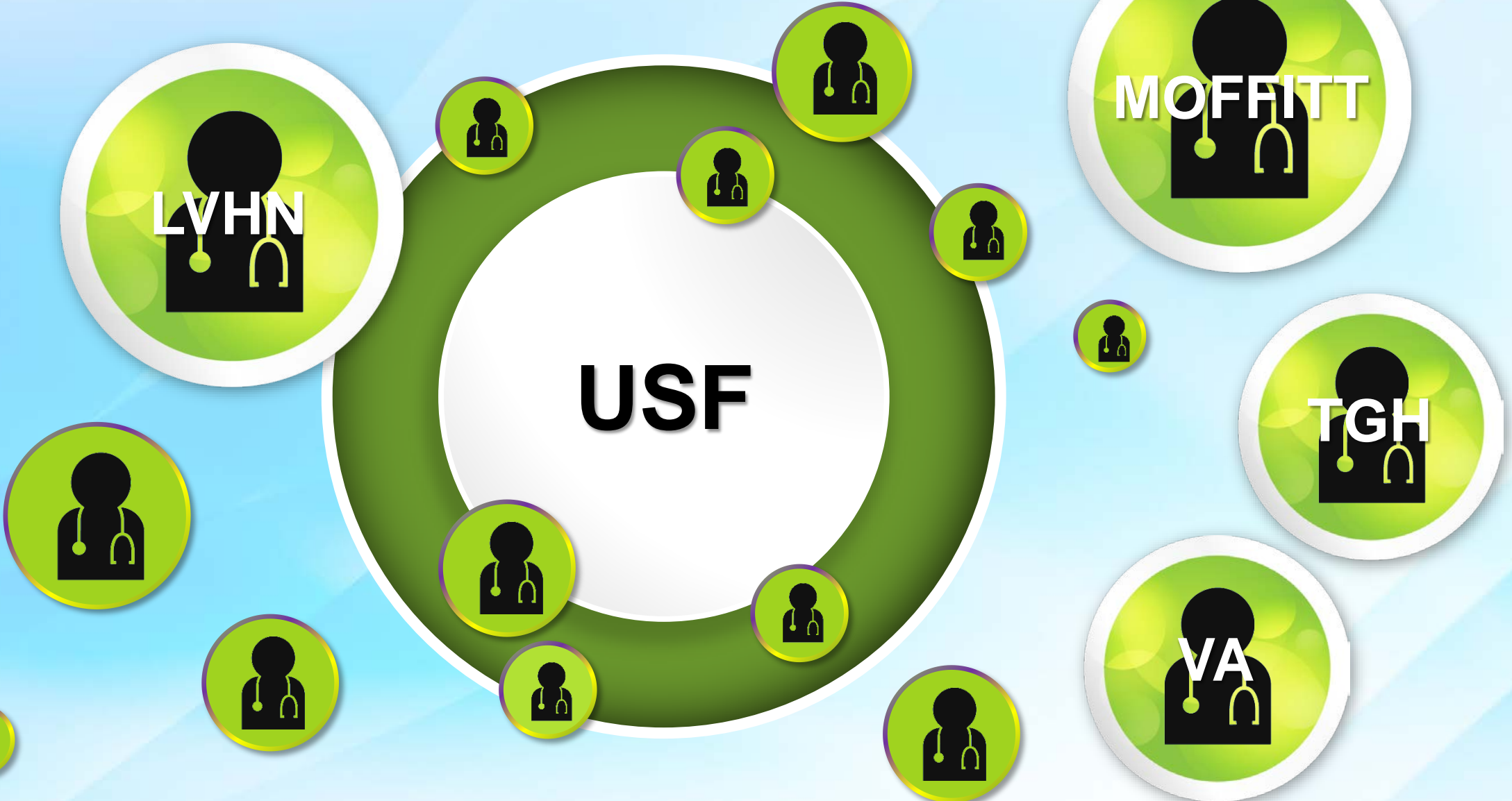
USF

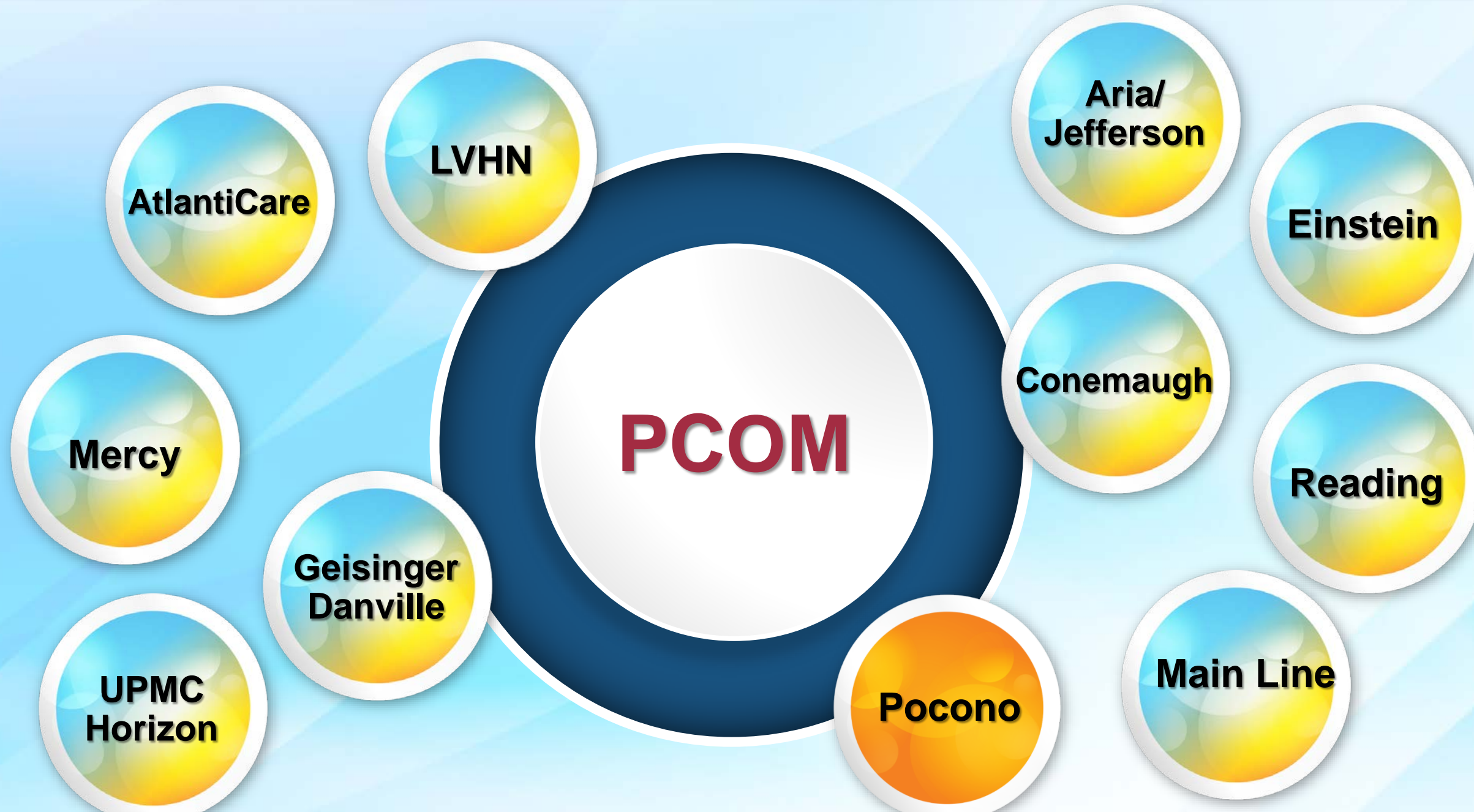
LVHN

MOFFITT

TGH

VA





PCOM

AtlantiCare

LVHN

**Aria/
Jefferson**

Einstein

Conemaugh

Reading

Mercy

**Geisinger
Danville**

**UPMC
Horizon**

Pocono

Main Line

Case Study: Top Issues

- Academic mission
- Students
- DOE
 - Centralized vs facility- based function
- Education partners
 - Types: APCs, MDs, DOs, Nursing
 - Geography
- Faculty
 - Multiple Appointments
- Research
 - IRB
- Communication/ governance
- Other issues?

So What Makes for a Successful Collaboration?

- Describe what factors lend to a successful merger, acquisition, or collaboration.
- **Pair** with a peer
- **Share** with your table group
- **Report-out** to the large group

Case Study: Factors for Successful Collaboration

Case study – LVHN & USF

- Aligned cultures
- Strong leadership
- Shared clarity of purpose/goals
- Transparency
- Shared accountability
- Use of outside consultants/experts
- Focus on effective change management
- Focus on relationship-building
- “All in” mentality
- Formal, written affiliation agreements

Case study – LVHN & Hospital Mergers

- Aligned cultures
- Strong leadership
- Shared clarity of purpose/goals
- Transparency
- Shared accountability
- Use of outside consultants/experts
- Focus on effective change management
- Focus on relationship-building
- “All in” mentality
- Formal, written affiliation agreements

Resources, References, Perspectives

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Questions?

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