Hospital Mergers and Acquisitions: Checklist for Success

This tool is designed to help healthcare management teams assess their progress as they move through the merger and acquisition transaction process. Drawn from interviews with executives who have been through a merger, the eighty key success factors listed below distinguish high-value transactions (which resulted in margin and quality measure improvement) from others.

For more information, read the full research report, "Hospital M&A: When done well, M&A can achieve valuable outcomes," co-authored by the Healthcare Financial Management Association and the Deloitte Center for Health Solutions.

1. Did you or will you identify...
   • Which strategic plan objective(s) the transaction will achieve?
   • New capabilities enabled by this transaction?
   • Quantifiable value created in a business case built on reasonable assumptions?
   • Tangible strategies for growing revenue and reducing costs?

2. Did you or will you establish...
   • Quality improvement goals for the acquired organization?
   • Targets for margin improvement?
   • Which areas will contribute to the improvement and how much will they contribute?
   • Where patient access to services may change as a result of the transaction?

3. Did you or will you identify...
   • An executive to be responsible for each major integration workstream?
   • Metrics to assess progress against key milestones identified in the workplan?
   • How results will impact the executive leader’s evaluation and/or compensation?

4. Did you or will you assess...
   • Differences between organizational decision-making styles?
   • Parameters for decision-making authority of front-line managers?
   • Compatibility of each organization’s mission, vision, and values statements?
   • Visibility of these statements in daily operations?

5. Did you or will you delineate...
   • Authority of local board vs. corporate board?
   • A new organizational chart?
   • Negotiable components of the integration plan (if any)?

6. Did you or will you plan for...
   • Responsibility for quality improvement at the acquired facility?
   • Timeline for transition of quality improvement to the corporate entity?
   • Systemwide implementation of best practices and care pathways?
   • Timing of clinical systems integration?
   • A method for services to be redistributed/rationalized?

7. Did you or will you arrange for...
   • Alignment of integration strategy with overall business case for the transaction?
   • Clarification of decision-making authority during the transition?
   • Identification of decision makers during the transition?
   • Bringing subject matter experts into the transaction process?

8. Did you or will you develop communications plans for...
   • Cascading responsibility for integration goals down through the organization?
   • Monitoring and reporting on integration progress measures to the board?
   • Reporting and coordinating activities across integration workstreams?
   • Updating key stakeholders on progress?

STRONG STRATEGIC VISION
SPECIFIC TRANSACTION GOALS
EXECUTIVE ACCOUNTABILITY
CULTURAL DIFFERENCES
CLEAR LEADERSHIP ROLES
EARLY LEADERSHIP ALIGNMENT
BEST PRACTICES FOR INTEGRATION
BEST PRACTICE PROJECT MANAGEMENT