

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 eight 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.

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STRONG STRATEGIC VISION



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

SPECIFIC TRANSACTION GOALS



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 they will contribute?
- Where patient access to services may change as a result of the transaction?

3

EXECUTIVE ACCOUNTABILITY



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?

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CULTURAL DIFFERENCES



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

CLEAR LEADERSHIP ROLES

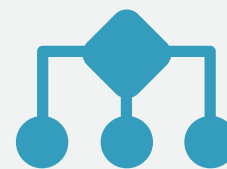


Did you or will you delineate...

- Authority of local board vs. corporate board?
- A new organizational chart?
- Negotiable components of the integration plan (if any)?

6

EARLY LEADERSHIP ALIGNMENT



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

BEST PRACTICES FOR INTEGRATION



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?

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BEST PRACTICE PROJECT MANAGEMENT



Did you or will you develop communications plans for...

- Cascading responsibility for integration goals down through the organization?
- Monitoring/reporting on integration progress measures to the board?
- Reporting and coordinating activities across integration workstreams?
- Updating key stakeholders on progress?