Six Steps to Superior Medical Practice Acquisition Integration

Once an insurer or hospital has acquired a medical practice, what is next? Acquirers should proactively ensure a seamless integration of services within their new practices. The success of a major medical foundation in acquiring and integrating a pair of specialty physician practices offers six rich lessons other organizations should consider with their integration implementations.

The past few years of growth in medical practice acquisitions has shown little signs of slowing down, with insurers lately joining health systems in the practice buying spree.

According to Modern Healthcare, Centene, Humana and Anthem have recently followed long-time acquisition leader UnitedHealth Group in buying up medical practices and outpatient facilities employing physicians. Their reasons for doing so are similar to those of hospitals acquiring practices: to increase market share and control expenses as they face financial pressures due to value-based reimbursement changes and rising operational costs. Additionally, insurers wish to blunt the impact of rising hospital/physician practice consolidations.

Once an insurer or hospital has acquired a medical practice, what is next? Acquirers should proactively ensure a seamless integration of services within their new practices. This means minimizing any interruption to daily patient flow while maintaining or even improving the standard of care delivery that patients and their advocates expect and depend on.

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1. **Appoint and convene an integration team** – Unless your organization regularly handles medical practice acquisitions and has a designated in-house team to handle practice integrations, you will want to appoint and convene an integration team chosen for this task. The makeup of this team will depend on your organization, the type of practice being acquired and will likely include a cross-functional array of clinical managers, credentialing specialists, compensation analysts, IT analysts and facilities development experts. You may also want to employ an experienced, third-party consulting organization to objectively oversee and direct the integration team, unless you happen to have this expertise in-house and readily available.
2. **Assess the current state and create an integration plan** – Do a gap analysis of the practice being acquired to evaluate all aspects of its operations including physical layout, IT infrastructure and systems (including data conversion needs), medical records, operational workflows, staffing ratios, payer mix, and clinical considerations. You will need this information for such common integration needs as credentialing, payer enrollment and EHR training, as well as potentially improving practice efficiencies and fluidity. Integration team members should conduct information-gathering events including site walk-throughs, workflow observations, physician and staff interviews, and documentation reviews. From this input, create an overall integration plan with key milestones and dependencies that can be tracked across work streams.
3. **Emphasize robust communications** – Besides poor planning, inadequate communication is the top reason that issues arise during a medical practice acquisition. Being mindful that change, even when positive, can be distracting and distressing to all involved, establish and maintain strong communication channels throughout all facets of the acquisition and integration. This means both within your organization and throughout the practice being acquired, especially among its physicians and practice administrators. While emphasizing the strategic value and priority of your efforts, be sure to stress regular two-way communications. Solicit input on key decisions throughout the acquisition/integration process among physicians and staff members, and keep them informed about their ideas, to build their awareness and trust.
4. **Integrate operations and cultures** – The success of this step will depend on your ability to properly execute the preceding steps. Shortchange planning or communications? Do not be surprised if you encounter post-acquisition operational and cultural issues. Rather than experiencing such problems, pay attention pre-acquisition to the daily operations of the practice to be acquired. You may want to embed your operational expert to observe daily workflow. Watch for cultural norms and nuances and flag any operations that might adversely affect care quality or be incongruent with your organization's brand or structure. Seek to build a strong relationship with the current practice administrator(s) to ensure you are on the same page on cultural values, operational structure, workflows, and Identify and follow-up on any needs for personnel training and onboarding, particularly around job roles and responsibilities.

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5. **Ensure an on-time closing** – Given the stakes for all involved in a practice acquisition, it is imperative that all acquisition-related events – especially those related to clinical operations – meet the target closing date with zero downtime. All of this work should be seamless and nearly invisible to patients. Work to manage and synchronize your efforts across all pertinent work streams to ensure on-time delivery of non-negotiable critical path activities, such as access to legacy clinical records, IT infrastructure installation, and EHR training. Consult with practice administrators to be sure all facets of facilities development, patient communications and advertising/marketing (if applicable) have been properly handled.
6. **Allot for post-acquisition feedback** – Plan up-front for gathering and acting on all relevant post-acquisition feedback from both the staff and patient perspectives. This is critical not only for fine-tuning and improving on your acquisition. It can also be used as a template for future acquisitions. Create mechanisms for collecting input, such as from functional leads and patients. Hold a post-event learning session with the integration team to discuss what worked well and what needed improvement. Expect opportunities for improvement. Determine whatever changes are needed and assign owners to follow up on them.

Your goal with your newly acquired practice should be to minimize disruption during the transition and continue providing high-quality care, regardless of ownership. By proactively planning your acquisition strategy and operational execution, you will more likely achieve this goal and enjoy strong employee engagement and collaboration. You will also likely create a successful roadmap to use for future acquisitions.

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