



## **Healthcare Mergers & Acquisitions Booming**

*“Human Resources Vital To Successful Transition”*

According to “Modern Healthcare,” 106 merger & acquisition transactions were announced among healthcare providers during the second quarter of this year. The “*provider*” group includes hospitals, physician groups, and those entities which deliver patient care. The number of mergers during the quarter is twice the amount in comparison to the first quarter of 2013. With healthcare reform approaching in 2014, more mergers will take place because size is viewed as a hedge in creating economies of scale, market synergies, and cost savings.

In executing a successful healthcare merger, Human Resources must play an important role. Combining two separate organizations, cultures, systems, management, and personnel is a challenge. The HR team is responsible for implementing the employee aspects of the merger plan and this can be divided into three key areas of focus:

- 1) Conducting the employee HR Audit to identify needs and to understand the culture of each entity
- 2) Evaluating management and employees to determine strengths and weaknesses of each entity while measuring skill sets and the level of duplication between groups
- 3) Implementing the integration plan which includes developing retention strategies, streamlining benefits, creating new job descriptions, and establishing a leadership hierarchy

From the start, the HR team needs to prioritize the “*elements of integration*” in order to ease the transition. For example, interruption of business is usually the issue in mergers, however, in healthcare this means maintaining high quality patient care. This is possible only if the clinical staff can perform without interference from peripheral distractions. This goes to the heart of establishing a culture that is based on supporting clinicians in their duties with the business side recognizing that revenues are driven by the healthcare professionals in both organizations. If the HR consultant lacks understanding of “healthcare delivery” the merger could suffer. This is merely one example of the importance of being experienced in the industry.

At Human Capital, our healthcare division and HR professionals understand the nuances of the industry. We have experience in managing all the elements mentioned above along with the capability to assist in a healthcare merger from beginning to end. Whether it is human resource management or support, healthcare reform and compliance consulting, Human Capital is the “Go-To” company for providing Professional Administration Services to the healthcare industry in a cost effective manner. For assistance please contact us at: 888-736-9071.