

# Merger Integration for Strategic Cost Management

## Challenge

The two health systems had been engaged in merger discussions and had established a business case from a market and population health perspective. However, they had not established a business case relative to cost structure and overall economic improvement.

## Solution

We were engaged to assist both health systems in developing a common view of cost improvement areas of opportunity and developing an operational plan to execute the merger.

- We created a joint steering committee composed of representatives of both health systems to evaluate potential merger synergy opportunities in the areas of:
  - Revenue cycle and the creation of a central business office
  - Common productivity standards
  - Organizational realignment and streamlining of corporate overhead
  - Combining supply chain functions and GPO consolidation
  - Clinical service line consolidation
- Each opportunity was quantified and vetted with the joint steering committee;
- The synergy opportunities were further broken down to cost center level of detail with a plan of execution;
- The final synergy business case included the first 100 -day plan of execution as well as a plan for the succeeding 12 month and 36 month periods to serve as a road map for achieving results.

## About the Client:

*Two highly respected not-for-profit health systems, one a major academic medical center and the other a large community hospital system*

Contact us for information on how we can help you reach your goals.

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