

Executive Brief

One for all: Cardiology adapts to consolidation

Market forces set in motion by the Affordable Care Act — including pressure on healthcare organizations to cut costs to remain competitive — have led to a wave of consolidation within the industry. In 2015, [according to the American Hospital Association](#), there were 102 announced mergers and acquisitions between 265 different hospitals. That was up from 52 M&As in 2009, the year before the ACA was signed into law.¹

In 2016 there were more than 800 active ACOs in the U.S., up from just 64 in 2011; and five of the biggest IDNs in the country controlled more than 1,500 healthcare facilities each.^{2,3}

Consolidation can occur in a variety of ways, but many hospitals and outpatient facilities are joining forces as members of accountable care organizations or integrated delivery networks. In 2016 there were [more than 800 active ACOs](#) in the U.S., up from just 64 in 2011; and [five of the biggest IDNs](#) in the country controlled more than 1,500 healthcare facilities each.^{2,3}

Pushing for Better Value

Mergers are generally strategic moves meant to create economies of scale, reduce the cost of capital, and bolster efficiencies through clinical standardization. Healthcare organizations focused on value-based care see consolidation as a way to [improve care quality while lowering costs](#) — and as a path to better reimbursement.

Accountable care models like ACOs reward providers not for the volume of the services they provide, but based on their ability to manage the health of a population. Members of an ACO are incentivized to make their services more “patient-centric” and to collaborate with other providers across the care continuum.

For specialists in merged or soon-to-merge facilities, the biggest challenge may involve the impact consolidation has on their service lines. Multiple cardiology departments, for example, may be combined into one at a single site. Or a department accustomed to a certain IT solution may have to adapt to a new enterprise-wide system. And then there are the demands of effective collaboration: a need for interoperability between health IT systems at different facilities, seamless communication between each patient’s various providers, and strong support from the IT vendors that provide the technologies that facilitate patient care.

Opportunity Knocks

Hospital consolidation into an entity like an ACO or an IDN creates opportunities for cardiologists and their teams. M&As may encourage “one-size-fits-all” thinking, but they can also help service lines become more profitable and drive measurable improvements in patient care. Cardiology departments can maximize their chances of success in such an environment by ensuring that critical patient information can be easily captured and transferred to the EHR. With the right IT infrastructure built into the department’s workflow, physicians can leverage patient data to make decisions — and to generate the clinical reporting required by payers.

Those clinicians who find ways to help their patients get better faster may discover they prefer these more holistic models of care, earning payouts, for example, from their respective ACOs. Mergers and acquisitions are rarely easy, but those who adapt, and embrace value-based care, are likely to see them as a boon for the bottom line.

To learn how Watson Health cardiology solutions can help your organization succeed, visit ibm.com/watson-health/solutions/cardiology-solutions

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With solutions that have been used by providers for more than 25 years, Watson Health Imaging is helping to reduce costs, improve efficiencies and enhance the quality of healthcare worldwide.

Sources

1. [Chart 2.9: Announced Hospital Mergers and Acquisitions, 1998 –2015. Trendwatch Chartbook 2016. American Hospital Association.](#)
2. [Accountable Care Organizations In 2016: Private And Public-Sector Growth And Dispersion. Health Affairs. April 2016.](#)
3. [The 25 largest integrated health systems. HealthExec. August 2017.](#)

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