

Driving Effective Integration in the Pre- & Post-Merger Environments

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» PROJECT OVERVIEW

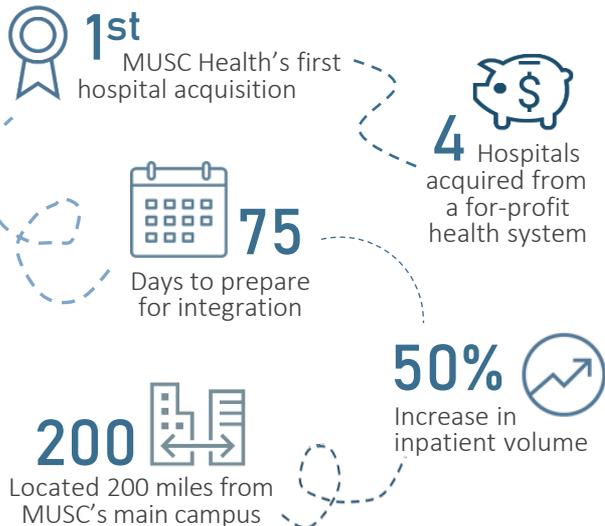
MUSC Health is the clinical delivery arm of the Medical University of South Carolina [MUSC]. Through its network of over 100 outreach locations, regional clinical affiliations, and robust telehealth capabilities, MUSC Health is able to deliver highly-specialized, tertiary and quaternary care to patients across the state.



MUSC Health

In late 2018, MUSC Health announced its first hospital acquisition – purchasing four regional hospitals from Community Health System [CHS]. This integration presented MUSC with the opportunity to make rapid changes that had real, bottom-line impact – especially leveraging scale to capture synergies from the alignment of new and legacy assets.

Several factors unique to this acquisition created additional risk and strain on leadership resources:



» THE SOLUTION

KCG was engaged by MUSC Health to serve as an integration 'quarterback', responsible for guiding and supporting the organization and its newly acquired assets through the complex integration process. To accomplish this, KCG facilitated the development of three unique deliverables, designed to concentrate resources and stakeholder efforts on critical integration activities, facilitating timely, sound, and cost-effective execution:

- 1. PLANNING & READINESS:** Focusing exclusively on the foundational elements required for Day 1 operations, KCG created the Readiness Plan to simplify task prioritization and drive critical path activities to ensure seamless, high-quality patient care throughout the transition period and beyond.
Example Outcome: Transitioned 2,000 CHS employees to MUSC Health, including benefits enrollment, and transferred contracts and credentialing for all employed physicians.
- 2. INTEGRATION & OPTIMIZATION:** The first 100 Days of operations as the newly integrated MUSC Health targeted "keeping the lights on." This plan empowered integration teams to effectively manage tactical transition initiatives to ensure business continuity throughout the integration process and to capture early wins after closing.
Example Outcome: Migrated all facilities to new GPO and negotiated terms with all major payors, aligning item masters and gaining favorable rates relative to legacy.
- 3. LONG TERM VALUE:** Throughout this process, KCG uncovered projects that – while not on the critical path for Day 1-100 operations – would be integral to realizing organizational goals. Leveraging these, KCG facilitated the development of a multi-year strategy for MUSC Health to achieve maximum value and growth in the post-merger environment.
Example Outcome: Eliminated acquired hospitals' external diagnostic testing costs by centralizing Pathology & Laboratory services and better leveraging MUSC Health's sub-specialty capabilities.

» THE IMPACT

"KCG was instrumental in making this merger a success — especially given the newness and complexity of this undertaking. We continue to value KCG's guidance and operational support through post-Day 1 integration activities that are crucial in our transformation from a hospital into a health system. We wholeheartedly recommend KCG to other health system leaders who are eager to drive change and growth in a collaborative and fast-track manner."

– Dr. Patrick J. Cawley, CEO
MUSC Health



Knowledge Capital Group [KCG] is the management consulting arm of healthcare financial advisory firm – Ponder & Co. Specializing in healthcare strategy and organizational transformation, we help clients convert issues into opportunities, inefficient processes into best practices, and marginal outcomes into sustainable results.