



Executive Conversations

What healthcare executives need to focus on now for success in 2025 and beyond

Mark Korth, partner at Guidehouse, has spent most of his career in C-suite roles at prominent health systems across the U.S. In this conversation, Korth discusses the key areas health system leaders need to focus on in 2025 and beyond, sharing strategies related to driving market-leading operational performance, advancing patient access and consumerism, modernizing and simplifying revenue cycle management, and achieving scale through mergers and acquisitions and partnership integration.



Mark Korth
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How are the obstacles and predictors of health system success evolving?

Mark Korth: Over the course of my more than two decades as a health system executive, I've seen the top predictors of success traditionally be where you provide services and optimizing your payer mix. When your costs increased, your reflexive reaction was to seek rate increases from payers. While there are exceptions, rate increases are a less likely option today as most systems have tapped out payer and pricing opportunities. Now, future success is increasingly being defined by an organization's ability to focus on operational performance as the true success metric.

Whether it's how we approach revenue growth or access to care concerns and the need to serve the patient more effectively, change just seems to accelerate every year. As systems experience change, a defining factor of success includes staying incredibly focused on driving to a singular operating model. Systems need to be intentional with their operating model and put structure behind it.

Can you explain why systems need to be intentional about their operating models and how they can create this intentionality?

Korth: If you aren't intentional with how you operate across your organization, you won't create economies of scale. Your approach to driving accountability for delivering exceptional care and tracking system-wide improvement is going to be scattered and unpredictable. The more you can be definitive in your approach to drive teamwork across the complex organization, the better your opportunities for success.

Successful systems focus on specific measures of success that are shared across all levels of the organization, and they aren't doing it halfway. They are orienting all their caregivers around the

operating model. They develop and transparently communicate specific system-wide key performance indicators (KPIs). They have cascading huddles and organization structures that build in check points and accountability. And they do it with standardized structures and a cadence of meetings — it's predictable, so you're not reinventing the wheel every time you go after a new method of improvement. Growth is a priority, but it is always pursued with a focus on maintaining a singular system approach. In contrast, unaligned goals, inconsistent management tools and disjointed decision-making often lead to scattered results, at best.

Consumers increasingly expect their healthcare experience to be similar to other industries like retail. What are the biggest access challenges patients face, and what must providers do to overcome them?

Korth: I love that health systems are being held to a higher standard when it comes to accessibility and ease of use. It's about time. My parent's generation accepted the complexity and what their hospital or doctor told them — even if it meant putting off care or hoping for a call to explain the next steps in their care only to be disappointed that connections were never made.

I can confidently predict that today's younger generation won't accept anything other than near-immediate access to healthcare answers, easy scheduling and connectivity across the continuum of services. Many health systems are catching on to this direct-to-consumer approach. Access is a hot topic, and systems are learning how to measure real access, using metrics such as the number of digital connections that lead to an appointment being scheduled or the next available appointment for each of their providers rather than relying solely on raw volume stats. The metrics are maturing because

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leaders understand that the next generation will not accept confusion, waiting and complexity.

Approaching access as a real strategic objective is essential. Leaders now understand it can be a competitive advantage and are investing in the technology, tools and coordination needed to make it happen. Systems need to find measures of success around access that become standard KPIs that everybody across the organization knows. It must be a comprehensive system-wide approach. It's more than just creating that digital front door and connectivity with our patients.

What strategies and investments should providers consider to enhance revenue cycle operations?

Korth: Increasingly, systems need to think like a payer and focus on yield to drive performance improvement. They also need to be honest about how they're staffing their revenue cycle teams. You could have the best strategy and solutions, but if you don't have the staff who are trained to use those solutions and stay up with the processes, you won't be successful.

Another question to ask is, do you have outside eyes looking at your revenue cycle to make sure you're not missing something? You may have a great team, but it's a complex business, so external partnerships need to be strongly considered. For the systems that have outsourced their revenue cycle functions, they need to track the performance of that outsourced vendor. In terms of selecting a vendor, they should pick one that has demonstrated real and recent success across the industry.

As someone who's been intimately involved with multiple health system mergers, what do you see as the critical strategies, tools and resources needed to drive scale more efficiently and effectively?

Korth: Systems looking to merge and get bigger must accept the risk of business disruption and added complexity. Having been part of two separate mergers involving four reputable health systems, I've come to believe there is no easy way through a merger and no way to avoid disruption and operational risks. The key is to make every effort to shorten the duration of the chaos and rapidly move to operate as a single, aligned organization. This is where an experienced third-party advisor can provide a lot of value.

During the go/no-go press, it's essential to understand merger risks and address them head-on. This means accepting the added complexity, the disruption to leadership teams, and most importantly, the significant risks that may impact care delivery and care provided.

Mergers only succeed if the newly formed entity truly aligns and operates efficiently, and doing that on a large, national scale is very difficult. The banking industry has been successful because it often had one of the two merging entities with superior systems and technology and would quickly shift all parts of the business to that singular platform. In healthcare, we frequently use the term 'merger of equals,' which I believe

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adds risk to a successful merger. Each parent organization feels that its system deserves to be maintained, creating resistance and barriers to achieving the intended benefits.

Once committed, systems need to approach integration with aggressive timelines and an end in sight. You can't wait for 'the dust to settle' to make tough decisions. It never gets easier to integrate than when the relationship is new, and waiting will only invite legacy structures to entrench their unaligned practices.

Further, mergers are far more likely to be successful when they follow a structured process and playbook, including learning from other's experiences. Using structured progress allows all involved to see progressive decisions being thoughtfully made in a timely manner. Teams can celebrate little wins and points of clarity along the way and see an end to integration.

Finally, it's important to establish clear goals around the merger. Patients, employees, providers, regulators and the communities served are increasingly skeptical about mergers. Systems must be ready to transparently track their progress towards the publicly explained benefits of the merger — improved quality and access to care, implementing better systems and reducing duplication. These are measures all systems track, but doing it post-merger and sharing the successes and opportunities will build confidence and trust in the new organization.

What is your advice for healthcare leaders as they prepare for the year ahead?

Korth: We're fortunate to work in an industry where we can make a difference in the lives of our communities and the patients we serve. As the pace of change increases, and as we experience future challenges, embrace the opportunities to face those challenges, but do it in an intentional manner that focuses on creating aligned structures and systems that improve outcomes for all.

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