



# Assembly Required

An Operator's Manual for  
Post-merger Integration

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# Introduction

**H**ospitals and health systems have been merging with each other, acquiring each other and strategically partnering with each other for decades. These deals offer the potential to improve quality, efficiency and more. But the post-merger process often can be as complex as crafting the merger agreement itself. What's needed is a detailed plan — an operator's manual if you will — to execute the integration of two organizations after the ink dries on their merger, acquisition or partnership agreement. This report outlines a 10-step approach to developing an operator's manual for a successful post-merger transition. ●



# Post-merger integration assembly instructions

**B**uilding an integrated hospital or health system after a merger can be complicated because hospitals and health systems arguably are some of the most complex, sophisticated organizations.

Yet, the general steps taken to successfully integrate hospitals and health systems are strikingly similar to the steps and concepts required to build a shelving unit, for example.

So, let's follow these same general steps to put together a post-merger operator's manual for hospitals and health systems.

Two case studies will illustrate how two prominent health systems are following these assembly instructions and operator's manual to integrate recently acquired hospitals.

## STEP 1

### Begin with the end in mind

Anyone who's ever tried to put together a shelving unit, a piece of office furniture or rolling kitchen island from IKEA knows that the cover or first page of the assembly instructions always is a picture of what the item is supposed to look like once it's completed.

It's no different for hospitals or health systems that have just signed a merger or acquisition agreement. Both sides must be aligned on the mission, vision and values of the consolidated



**"Everyone sees the potential of an integration, but it's tough to achieve. The end state should expand patient access to improved care, with caregivers and employees feeling a common culture and being part of one organization."**

— **MARK KORTH** —  
Partner, Guidehouse

organization as well as how it will function and operate after the integration. The shared vision of a successful integration will serve as the North Star to keep the newly consolidated organizations on track as they change everything from how they buy supplies to how they deliver care.

## STEP 2

### Inventory everything that the combined organization will need to integrate

Any good set of assembly instructions will list everything in the box, which usually is confined to one page — two, if it lists hardware. The same is true for a hospital or health system integration. Premerger due diligence will identify all assets included in the deal, usually financial or capital assets like medical office buildings or medical equipment. But a successful integration goes well beyond dollars and square footage. It includes all people and processes — clinical, financial and operational — across both legacy organizations. The combined organization must have a complete inventory of everything to be integrated into one entity laser-focused on a shared vision of successful integration. See Figure 1 for a sample list of people, processes and technologies that merging organizations must integrate.

## STEP 3

### Determine what resources are available to execute the integration

Any good set of assembly instructions also will list the tools users need to complete the project. Integration assembly

FIGURE 1

### Sample list of people, processes and technologies to integrate

- Ancillary clinics
- Clinical program design
- Communications
- Core clinical IT systems (EHR)
- Core nonclinical IT systems (ERP)
- Facilities
- Finance
- Governance
- Human resources
- Independent physicians
- Management structure
- Operating model
- Operations
- Payer contracting
- Physician alignment
- Revenue cycle
- Supply chain

Source: Guidehouse, 2025

instructions for hospitals and health systems must include a list of the capabilities they have to execute their integration plan. These capabilities include the sheer number of people the combined organization can pull from their day jobs to work on integration projects, available in-house expertise and experience for highly technical, sensitive or sophisticated integration projects, and executives with hospital and health system integration experience who can bring perspective to integration projects.

#### STEP 4

### Organize the people needed to execute the integration

This goes beyond instructions recommending that two people assemble something to avoid injury or breaking something. This is about who will execute the integration and how these people will work individually, collectively and with each other up and down the organizational chart. This is the project management structure for the integration. The structure details who is responsible for what, who reports to whom, how information flows through the structure and who is empowered to make what decisions. See Figure 2 for a sample project management structure.

#### STEP 5

### Set a realistic yet aggressive timetable for integration

The outside of a box may state “assembly required,” but it also would be helpful to know how long to expect assembly to take. It’s the same with a hospital or health system integration. The assembly instructions must include a detailed timeline on how long the integration will take, the important milestones along the way and when the combined organization should complete each milestone. Hospital or health system integrations should take one to two years to complete, according to subject matter experts interviewed for this report.

The length of time will vary depending on the size of the integration: one hospital vs. six hospitals vs. two systems. A clear timetable will accomplish several goals. One, it will keep integration momentum going because no one wants to be the leader of the team that falls behind. Two, it will create opportunities to celebrate completions of major milestones. Three, it tells everyone that there is a light at the end of the tunnel, and they’re not on an



**“You must have a very clear structure for communications, decision-making and escalation. How do I know what’s happening? How do I know**

**who makes the decision? And how do I escalate when things aren’t going the way I think they should? Your plan must have answers to those questions.”**

— AMY CHIEPPA —

Associate director, Guidehouse

endless journey. Also, having a shorter time frame makes integration more achievable because it drives everyone’s focus.

#### STEP 6

### Develop a comprehensive integration road map



This step really is the core of the assembly instructions for a hospital or health system integration. Organizations know why they’re integrating. They know who will lead and execute the plan, what resources they have and what resources they need to complete the integration. And they have a timetable for getting everything done. Then they have to do it.

As in any set of assembly instructions, the secret is doing things in the right order. Partners must take the list of everything the combined organization must integrate and schedule it thoughtfully along the timeline. Some processes and technologies must go first to keep the organizations running. This includes things like human resources, finance, revenue cycle and supply chain. Others can integrate concurrently, such as payer contracting, management structure and communications. Some must go last because of their inherent subtleties and complexities, including things like clinical program design and physician alignment.

This is the step at which external experience, expertise and manpower can be the most useful.

FIGURE 2

### Sample project management structure for executing hospital or health system integration

	WORK GROUPS	INFORMATION FLOW
<b>TIER 1</b>	Integration executive team	 Direction, leadership and accountability <b>flow down</b>
<b>TIER 2</b>	Integration steering committee	
<b>TIER 3</b>	Integration management office team	
<b>TIER 4</b>	Integration work groups	 Progress updates, risks and opportunities <b>flow up</b>

Source: Guidehouse, 2025



# What the operator's manual says

## STEP 7

### Establish an omnichannel communication plan

Moving from assembly instructions to operator manuals, hospitals and health systems should adopt an omnichannel communications strategy to make their integration plans and progress as transparent as possible. This keeps all stakeholders vested in the success of the integration. The best operator manuals offer information in multiple languages on included media such as CDs and on websites. They want their products to work for their customers. Websites, newsletters, webinars, town halls, face-to-face meetings with stakeholder groups, presentations and events all can play a role in effectuating the integration.

## STEP 8

### Embrace change management

The best operator manuals have a designated section on assembly instructions, or for health care more aptly called best practices. The best practice bar none is embracing change management, according to sources interviewed for this report. Hospitals and health systems must have a robust change-management program built into their integration plans. To paraphrase the experts, consolidation is moving everyone's cheese. It's said that culture eats strategy. Failed change management eats even the most well-intentioned integration.

## STEP 9

### Monitor performance, commit to excellence and empower decision-making

Operator manuals have service and maintenance sections because, again, they want their customers to use and enjoy their

products. So should the integration plans of hospitals and health systems. Here are three integration service and maintenance tips for consolidating organizations:

- Establish key performance indicators (KPIs) to track the progress and impact of the integration. Set expectations for the direction of those KPIs during the integration and after the integration is complete.
- Commit to adopting best practices clinically, financially and operationally of each party to the consolidation with the stated intention of raising performance across the entire enterprise.
- Make rapid approvals an essential feature of the integration plan. C-suite executives don't have to make every decision. Empower teams to make decisions that adhere to the stated integration goals.

## STEP 10

### Know what to do when things go wrong

No operator's manual would be complete without a troubleshooting section — a list of what to do when things go wrong or don't work. The integration plans of hospitals and health systems must anticipate snags, hurdles, obstacles, blips and sidetracks. The best integration plans include what to do when things don't go smoothly; for example, internal issues like executive turnover and incompatible technologies or external issues like cybersecurity attacks and unexpected market changes. Nimble, flexible and scalable are all adjectives that describe best-in-class integration plans. The ability to refresh integration plans is a strength, not a weakness. ●

**“From an employee standpoint, you want everyone to feel that they're part of one team, not an 'us' and 'them' situation. You must work with employees from the acquired facility to help them understand how they contribute to the mission of the merged organization. One team. One set of goals.”**

— TOM MYERS —  
Chief transformation officer, USA Health





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## CASE STUDY Henry Ford Health

# Putting a premium on change management and cultural integration



**H**enry Ford Health was a five-hospital health system based in Detroit. Ascension Michigan was a hospital division under Ascension Health, the Roman Catholic health system based in St. Louis. In October 2023, the two systems agreed to transfer majority ownership of eight Ascension Michigan hospitals to Henry Ford Health through a joint venture. The parties completed the deal in fall 2024, making Henry Ford Health a 13-hospital system. Ascension Michigan no longer exists as an Ascension division. The legacy Ascension Michigan hospitals and health care facilities included in the joint venture that are currently Catholic will maintain their Catholic identity, with legacy Henry Ford Health sites also continuing to operate as they have.

The person in charge of integrating Ascension's eight hospitals into Henry Ford Health is Dennis Butts, executive vice president and chief strategy & network development officer at Henry Ford Health. "We brought this joint venture together to ultimately provide more access to health care services for the communities we serve,"

Butts says. Asked what's on the cover page of his assembly instructions, Butts says it's a health care network that's working seamlessly together to provide access to the highest quality care that's affordable to patients in the communities that Henry Ford Health serves.

"If you walk into any Henry Ford facility — legacy or otherwise — it should be the same experience for the patient," he says.

Key to the successful integration of the two organizations has been the creation of a physician advisory council and a cultural integration team to ensure that physicians and valued team members closest to the care team are on the same page from both change-management and cultural-integration perspectives.

"If we didn't have those two groups guiding us, we would have fumbled much of the integration," Butts says. "We found out that we were more alike than different."

Butts estimates that completing the integration will take three years and cannot be maximized until after the conversion of all facilities to the Epic EHR system. With an estimated 40-50 people working on it via 70 different workstreams, Henry Ford Health has made what Butts called "great initial progress" about six months in, albeit the new system has much more work to do. ●

### INTEGRATION AT A GLANCE

**The former Ascension St. John Hospital is now part of Henry Ford Health.**

- **October 2023:** Henry Ford Health and Ascension Michigan announce an agreement to form a joint venture that would transfer ownership of six Ascension hospitals to Henry Ford Health.
- **October 2024:** Henry Ford Health and Ascension Michigan announce that the agreement is final, and eight Ascension hospitals are now part of Henry Ford Health.



**"We had a series of roundtable discussions with physician leaders who we invited from across all our geographies. We asked them what they were excited about. We asked them what they were concerned about. We asked them what the future should look like. We asked them what barriers we need to work through to get to that future. After we started having those conversations, we began to see that we all wanted the same thing."**

— DENNIS BUTTS —

Executive vice president and chief strategy & network development officer

### BEST PRACTICES TIP

Create a physician advisory council with physician leaders from both parties to the integration. Include formal and informal leaders to facilitate buy-in to the integration.



# Operating model first, technology second



**T**om Myers, chief transformation officer at USA Health, an academic medical center in Mobile, Alabama, graded the system's progress on integrating a former Roman Catholic hospital into USA Health a seven or an eight on a scale of one to 10.

Myers' assessment comes about 18 months after USA Health acquired Providence Hospital. The transaction brought the hospital and 14 clinics into USA Health, which operates University Hospital and Children's and Women's Hospital, and the Mitchell Cancer Institute.

Myers says he views the integration of the two systems, one university-based, and the other community-based, as a series of concentric circles with the systems working deliberately from the outside in with a common vision, mission and culture as the center ring or ultimate objective.

After addressing the outer rings of culture and people, the third circle in Myers' vision is the operating model, which serves as the care delivery engine for the combined systems. The addition of Providence greatly expanded access points into the USA Health system with a second acute care facility and eight clinics. USA Health had to step back and assess whether everything was aligned and how it was going to fit together. Identifying and then bridging any gaps in care delivery also were critical.

From a geographic standpoint, due diligence revealed that the two systems' care delivery footprints largely complemented each other with little overlap in any particular area.

"What are your services, and how are you going to provide them? Those are foundational questions you need to answer before you can move forward," Myers says.

He also says the post-integration operating model should drive the next ring, and that's technology. Tech infrastructure, along with the details of how two organizations combine into one, should support the operating model — and not the other way around. A common error is letting the technology drive the operating model, and that, in Myers' estimation, is usually a mistake. ●

## INTEGRATION AT A GLANCE

**The former Providence Hospital is now part of the USA Health system.**

- **April 2023:** The University of South Alabama Health Care Authority (USA Health) announced an agreement to acquire the Providence Health System, based in Mobile, Ala., from Ascension Health.
- **October 2023:** USA Health announced the completion of the acquisition, which added Providence's hospital and 14 clinics to the USA Health system.



**"The work is never done. We can always do better. But realistically, we'll know the integration is complete when our team, our community and our patients no longer remember Providence as not being part of the USA Health system."**

— **TOM MYERS** —  
Chief transformation officer, USA Health

## BEST PRACTICES TIP

Don't disrupt patient care and don't disrupt the patient experience as the integration plays out. The integration should be as seamless and invisible to patients as possible with minimal disruption.



## Conclusion

**T**he successful post-merger integration of two organizations can be challenging. The best preparation is developing a comprehensive plan to execute the integration and all major and minor components over a specified period of time. Organizations should start at the end. They must have a clear vision of what they want to be after their merger. The rest can be straightforward if the instructions are clear and are followed. ●



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The AHA's Market Scan thanks the following people and organizations for their insights, support and contributions to this Trailblazers report:



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