

provide both high quality and cost-effective services will be the winners of tomorrow."¹³⁷

Recommendations

- Healthcare executives in multiprovider healthcare systems need to allow flexibility for member institutions to respond to specific local markets while providing a clearly articulated and well understood vision for the system.
- Each system should develop a detailed mission statement and set of behavioral norms (i.e., culture) shared by each facility within the system in order to enhance cohesiveness.
- Each system should develop a formal strategic plan for the system with input and a high degree of interaction among the corporate office and institutions in all geographic regions.
- Each system should develop and implement explicit measures for quality of care, patient satisfaction, efficiency, and community benefit, and then provide these data to purchasers and other key stakeholders.
- Each system should develop an organizational structure that is simple, lean, flat, responsive, customer-driven, risk-taking, and focused.
- Governance at the corporate level should be strategic in nature, whereas governance at the institutional level should be operational in nature and focused on local community/region needs and concerns.
- Systems should provide formal and informal education for those responsible for governance at all levels in the system.
- Systems should provide a clear definition of governance roles, responsibilities, and authority among the system and institutional boards of its component parts.
- Systems should provide the leadership required for the individual units of a system to think in terms of overall system performance rather than just in terms of the particular unit's performance.
- Only institutions that fit a particular culture and strategy should be invited to join or remain a member of the system.
- Systems should align physician incentives and achieve clinical integration.
- Systems should develop information systems to support the integration of clinical and managerial information.
- Systems should use their mission and values as a guide in making difficult trade-off decisions.
- Systems should change their incentive structures to reflect concern for performance of the system as a whole, not just the individual components.
- Systems should own fewer facilities and contract for most services so that they are virtually integrated rather than vertically integrated.
- Systems should buy or contract for services only if the additions will add value to the systems' customers and are compatible with the existing mission, values, goals, and culture.
- Systems should allow the individual operating units within the system to have sufficient autonomy to be responsive to the needs of their local customers.
- Systems should focus on core competencies rather than trying to be all things to all system components.
- Systems should not allow success to breed complacency. Each integrative step must be evaluated for system-wide effects.

- Systems should focus on quality rather than the size of the program or system being integrated.
- Systems should focus on quality rather than quantity of physician integration.
- Systems should place high-performing executives in key positions to implement their integration plan.
- Systems should target selected patient populations and payers.

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