Michigan Medicine
Huntzinger Defines IT Merger, Acquisition & Affiliation Playbook

Background, Opportunities & Challenges

In February 2016, Michigan Medicine established a formal strategy for clinical growth. The strategy outlined a goal to provide care for 400,000 total lives, which would require the addition of 250,000 lives to the localized patient population they served at the time. Further, Michigan Medicine sought to extend its care delivery network to 3.5 million lives statewide, through acquisitions, affiliations and referrals — an ambitious increase above the existing 2.2 million lives being served. After being brought in late to Michigan Medicine's Mergers, Acquisitions and Affiliations (MA&A) process on several occasions, Michigan Medicine's information technology leadership team (the Health Information Technology Services (HITS) department) recognized that they needed a more structured approach, or playbook, to manage the growing number of Michigan Medicine MA&As, and become a more strategic MA&A partner within Michigan Medicine.

Huntzinger Engagement

In 2017, Michigan Medicine selected the Huntzinger Management Group (Huntzinger) to provide advisory services, and develop a set of customized documents and processes to function as the Information Technology (IT) MA&A Playbook. Huntzinger's methodology addressed the challenge by:

1. Defining and documenting Michigan Medicine's organizational, strategic and business objectives
2. Collecting tools — including spreadsheets and questionnaires — that various groups within HITS had developed on their own
3. Applying a set of standard processes and tools gained from Huntzinger's previous experience with MA&A activity
4. Integrating and modeling these tools along with organizational and strategic information to meet the specific needs of HITS and Michigan Medicine

Huntzinger's approach focused on four basic MA&A business models:

1. Organization entity type (e.g. hospital/health system, physician practice, network, accountable care organization, or internal IT department)
2. Nature of the perceived relationship
3. Goal of the new relationship
4. IT maturity level of the organization with whom the deal was being established

Outcomes

Michigan Medicine's MA&A goals, business decisions, along with the ability to identify the IT capabilities of MA&A opportunities, strongly influenced the development of the customized set of tools within the Playbook. Huntzinger then delivered the Playbook in a formal session that included HITS Senior Directors, and representatives from other departments who typically participate in Michigan Medicine's MA&A activity, including financial services, anesthesiology IT, pathology IT, radiology IT, radiation oncology IT, and their affiliates.

The Playbook is already accomplishing its goal of providing a standardized and disciplined approach to IT assessments by assisting HITS and Michigan Medicine executives as they pursue their strategic goals through MA&A processes.

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