

Mergers and Affiliations

Protect Strategic Health Care Partnerships

Health care is in a time of intense change; exciting new treatments are available, and patient safety and quality is improving. There are also significant challenges. The population is aging and personnel, infrastructure and technology costs are increasing.

Market forces and government policy momentum encourage and reward collaboration among the separate pieces of the health care system. One way to accomplish this goal is for providers throughout the care continuum to affiliate. Existing state and federal laws ensure that such partnerships do not reduce competition in the region.

Maintaining the safety net

Independent provider groups of all sizes are finding it increasingly difficult to maintain viability in the face of increased regulation and declining reimbursements. Many respond by reducing access for uninsured and Medicaid patients or closing their doors altogether.

Partnering with a larger clinic or hospital allows these providers to shift the burden of regulatory compliance while keeping health care access open to the community. It may also increase access to telemedicine services, electronic medical records, and broad referral networks, all of which can improve patient care.

Improving care coordination

Patients benefit when their care is coordinated among doctors, clinics, hospitals and other providers. The goal of coordinating care is higher quality care and healthier people and communities.

Recognizing this, government policies like the Affordable Care Act, MACRA, and Healthier Washington along with reimbursement changes from commercial insurers are driving care delivery and financing toward a system based upon coordination and value.

Some hospitals are finding that the best way to provide that coordination is forming relationships with other partner hospitals or physician groups.



Affiliations can maintain and improve patients' access to health care services, including specialty care.

Types of partnerships

There are many kinds of affiliations. For example, a physician's clinic might affiliate with a hospital in order to share a medical record system, or two might affiliate to make it easier to see physicians in both locations. Another hospital might maintain an independent board of directors, but contract with a health system to provide operational services.

Most of the affiliations in Washington are the result of smaller hospitals and provider groups looking for a larger partner that can bring needed resources and services to the community. That's why those decisions are best made at the local level.

Patients will continue to have choices about where to seek care. Hospitals, health systems, and clinics continue to compete to provide the best value and the highest quality care.

WSHA Position

In the face of extreme pressure to coordinate care and reward value, hospitals and other providers utilize mergers and affiliations to preserve core health care services. Local hospitals are important to their communities and are part of the state's health care safety net. It is essential that hospitals have the flexibility to form the affiliations necessary to improve efficiency and care coordination for their patients.