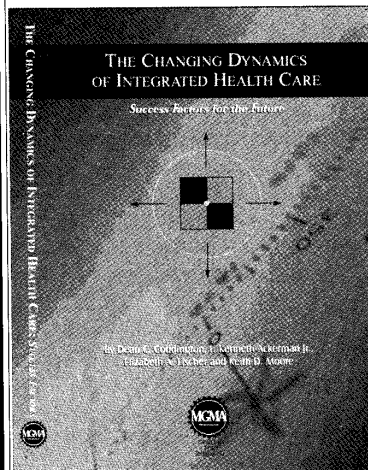




Book Review: The Changing Dynamics of Integrated Health Care

The Changing Dynamics of Integrated Health Care: Success Factors for the Future



By Dean C. Coddington, F. Kenneth Ackerman Jr., Elizabeth A. Fischer and Keith D. Moore.

Published by the Medical Group Management Association. Companion book to "The Changing Dynamics of Integrated Health Care: Case Studies of Market Leaders." (www.mgma.com)

Organizations studied:

- Mayo Foundation, Rochester, Minn.
- Scott & White, Temple, Texas
- Henry Ford Health System, Detroit, Mich.
- Park Nicollett Health Services, Minneapolis, Minn.
- Dartmouth-Hitchcock Medical Center, Lebanon, N.H.
- MeritCare Health System, Fargo, N.D.
- Aurora Health Care, Milwaukee, Wisc.
- Carle Clinic Association, Urbana, Ill.
- Moses Cone Health System, Greensboro, N.C.
- Scripps Health, San Diego, Calif.
- Trinity Mother Francis Health System, Tyler, Texas

One of the biggest questions in integrated health care today is: what exactly is integrated health care? How does an organization recognize that it has arrived at the point at which it can call itself an integrated healthcare system? Does it ever arrive at that point, and perhaps more importantly, does it ever want to?

The Changing Dynamics of Integrated Health Care: Success Factors for the Future, a new book from the Medical Group Management Association's (MGMA) Center for Research offers an interesting look at how integrated health care has changed since the mid 1990s when integration was taking shape. The authors have been able to make excellent comparisons of integrated systems then and now, since three of the authors conducted and published similar studies of systems for the MGMA in 1994 and then again in 1996.

The Changing Dynamics of Integrated Health Care: Success Factors for the Future, working from a careful study of leading integrated systems, starts with a basic question: "What constitutes a vertically integrated system?" The authors admit that there is much confusion and disagreement over that question.

The authors related that several of their case study organizations in the book even objected to being called integrated systems, and one made the distinction between integrated and "integrating." The quote below voices the opinion of many in health care that definitions of integration are not, and perhaps cannot be, precise.

The book mentions our publication's decision to change its name after seven years from *Integrated Healthcare Report* because of the unfavorable image of integrated health care: "An indicator of the changing perceptions of integrated health occurred in early 2000 when one of the leading newsletters on vertical integration, *Integrated Healthcare*

Report, changed its name to *Healthcare Leadership & Management Report*."

Indeed, we did change the name of this publication partly because of that image, and also because of the emergence of other terms that caused confusion. An example is "integrative health care," an increasingly popular term for the process of integrating complementary and alternative medicine with traditional care.

Regardless of confusion over terms, overall, the authors found that the studied organizations are totally committed to vertical integration. Most of the systems are led by multispecialty clinics, and they offer broad, integrated services. However, the organizations generally are not comfortable with the term, "integrated health care."

Old Definitions of Integrated Health Care Replaced With the New

Near the beginning of the book, the authors present their old definition of integrated healthcare and compare it to the new definition they derived from changing times and their new research. The former definition of integrated health care focused nearly entirely on the structure of an integrated healthcare system. The former definition follows:

"An integrated health care system combines physicians, hospitals and other medical services with a health plan (or the ability of the system to enter into risk contracts) to provide the complete spectrum of medical care for its customers. In a fully integrated system, the three key elements—physicians, hospital(s), and health plan membership—are in balance in terms of matching medical resources."

The new definition developed by the authors focuses more on what it is that integrated health care systems are supposed to

"I have never seen anything where there is more confusion, and less precision, than the way various publications and experts characterize integrated health care systems. This is a prime example of comparing apples and oranges."

Chairman of the board of a multihospital system in the Midwest, July 2000.



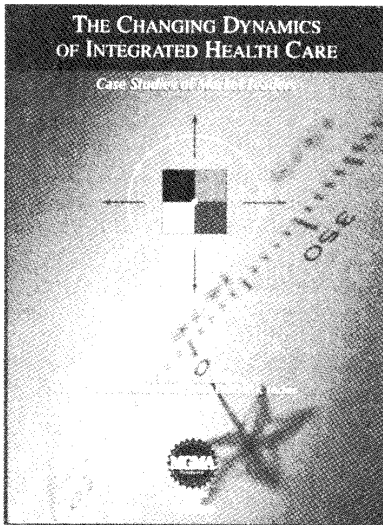
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be accomplishing for the customers they serve, rather than the former emphasis on how an integrated healthcare system should be structured. The following is the revised definition of integrated health care:

"An integrated health care system provides a comprehensive spectrum of high-quality, well-coordinated health care services on a cost-effective basis to residents of its service area. To accomplish this, physicians and hospitals, and other health care providers work together for the benefit of customers."

The authors provided their nominations for the 10 dominant characteristics of integrated health care systems of the future:

1. Comprehensive scope of clinical and health-related services
2. Total focus on meeting the needs of



Companion Book

The companion text to the reviewed book is titled, "The Changing Dynamics of Integrated Health Care: Case Studies of Market Leaders," which is also published by the MGMA. The authors are Dean C. Coddington, F. Kenneth Ackerman Jr., Elizabeth A. Fischer. In this book, the findings of the 11 case studies cited in the analytical book are presented in great detail.

3. Physicians organized
4. Strong physician leadership
5. Increased emphasis on quality improvement
6. Strong governance structure that includes physicians and community representatives
7. Geographic coverage of the service area or region
8. Development of IT to support coordination and integration
9. Financial plan for meeting investment needs and maintaining economic viability
10. Strong reputation in the marketplace

Common Themes in the Organizations

An interesting and valuable portion of the book is a listing of the mission statements of the studied organizations. The authors found common themes in many of the statements, including:

- Personalized, high-quality care at a reasonable price
- Teamwork
- Improved quality of life and health status of people in the region
- Medical care enhanced by excellence in education and research
- Care, service, stewardship
- Collaboration with other organizations

The authors noted with interest that none of the vision and mission statements mention accepting financial risk or gaining market share.

The book covers the major issues facing integrated health care, the mission and visions of organizations and how they may have changed, the market performance and financial viability of integrated health care organizations, and the effect of market conditions on the integrated health care organization.

The Changing Dynamics of Integrated Health Care: Success Factors for the Future, and its companion volume provide a unique look into where integration has been and where it may be headed in the future.

Lec Reeder, Editor

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