

# CONSIDERATIONS FOR Hospital Mergers/ Affiliations/ Partnerships



## PURPOSE OF TRANSACTION

What is the purpose of the proposed integration? What merger-specific efficiencies can be accomplished through this alignment? How will sponsorship, clinical performance, operations, and access to quality care be improved?



## MISSION/CULTURE

Is this consistent with our mission, vision and strategic plan? How do we align different organizational cultures? How will we maintain our institutional identity?



## TRANSACTION TYPE

What is the best type of alignment for the organization — clinically integrated network, transfer of stock/membership, asset sale/purchase, other joint venture?



## LEADERSHIP

Is the board receptive to change/ willing to pursue new opportunities? Who will serve on the future board/ leadership team?



## INFORMATION TECHNOLOGY

What IT and electronic medical records systems are in place? Are the systems compatible?

## PHYSICIAN PARTNERS

How will the medical staff be involved/ affected? Will the medical staff and other professionals be supportive?



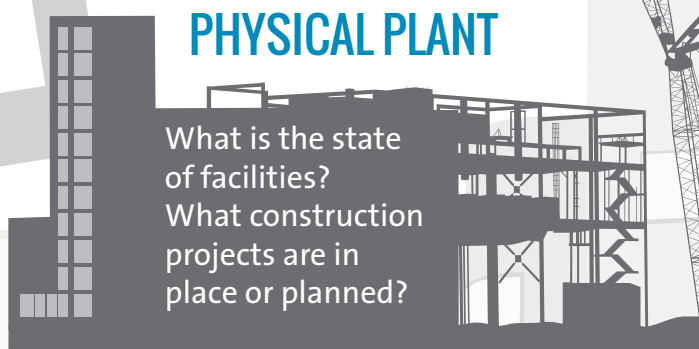
## PATIENTS

Will services be added, combined, expanded or eliminated? How will access to care be improved?



## PHYSICAL PLANT

What is the state of facilities? What construction projects are in place or planned?



## REGULATORY/LEGAL ISSUES

Are there regulatory or legal constraints? What state and federal agency approvals/filings are required? (certificate of need applications, CMS 855A change in ownership, Hart-Scott Rodino filing) Have anti-trust issues been considered?



## LIABILITIES/DUE DILIGENCE

Are there debt covenants, bonds, or pension liabilities? Are there potential or actual legal or regulatory claims? Are Medicare/Medicaid liabilities being assumed? Are there issues with billing, coding or operational practices?



## FINANCIAL

What does the balance sheet look like? Have debt instruments been evaluated? Do the investment strategies align?



## PAYOR PERSPECTIVE

What are the attitudes of the payors? How will we resolve third party payor agreements?



## PHILANTHROPY

How will this impact charitable contributions and our donor base? Are there restricted gifts? Will local contributions remain local?



## COMMUNICATIONS

Is there a dialog with employees, leadership, and the community? Have key people been identified to carry consistent messaging? How will confidentiality be maintained? Are elected officials and the media informed?



## EMPLOYEES

Are there current commitments to employees that must be considered? What effect will the alignment have on employee relations and benefits? Is there a union? Will there be a reduction in force?



Helping clients navigate successfully through the complexities of health care law.

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