

# CONFERENCE REPORT

By Jane Coutts

## *Notes on Merging : 25 Presidents Report*

In the name of efficiency, hospitals across the country have been re-engineered, restructured and redesigned, a process that left boards, staff and patients reeling. How could it have been made easier?

That question, raised by Ottawa Hospital CEO David Levine with a number of his colleagues in the Canadian Association of Teaching Hospitals, was given perhaps its first really public airing late last year at a conference in Ottawa called "Health Care Mergers in Canada: The Do's and Don'ts of Mergers." Over two days, 25 current and former hospital presidents looked at all sides of the issue, and if the central question was not resolved, several common issues and a rough consensus on some good ways to deal with them emerged.

It's clear there is a fine balance to be struck in managing a merger. Some speakers warned against getting bogged down in detail; others urged a focus on a common goal; and yet others advised hospital officials not to assume everything can be planned in advance and suggested that alternating planning and action is the way to go.

Although the negotiations and then the big-bang, new-board, new-CEO aspect of mergers are what tends to catch the headlines, speakers at the conference suggested the real union takes place after that, in a series of mini-mergers of departments and programs that may take years. Allan Hudson, CEO of the University Health Network, warned listeners to pay as much attention to the department-by-department mergers as they did to the original event; the mini-mergers can go on for years, and their cumulative impact, he said, may actually be greater.


Mini-mergers can also be useful symbols for a staff and public still questioning the merger. Researcher Jean-Louis Denis of the University of Montreal told the conference that doing a couple of relatively easy mini-mergers early on can help the overall merger process by providing success stories for management to point to as the integration of institutions continues.

Governance and leadership received a lot of attention at the conference, and it seems clear the very common approach to board-building of choosing representatives from among the trustees of the different hospitals being merged has not worked well. The boards created in such a manner have generally divided firmly along the lines of old loyalties; stalemates and infighting have been the norm. "Mergers that fail are where bags from the past are brought into every meeting," Sunnybrook and Women's College CEO David McCutcheon stated. Instead, new trustees without ties to the old institutions or loyalties to former CEOs or other staffers should be chosen because they'll focus on the new entity, speakers at the conference said.

While conceding it's contrary to the way governments and, by extension, their public institutions operate, guest speaker John Tory of Rogers CableSystems said that moving speedily is key to making a

merger work. Quick changes are less painful than long, drawn-out processes that give people lots of time to worry about the future. "I think government will have to come to grips with that if they want mergers to come together," he said. Mr. Tory was also one of several speakers who said encouraging people to focus on the future, not the past, is important in making a new hospital work. However, speakers agreed there is no easy or quick way to build a new corporate culture. People don't like change, particularly if they've seen friends losing their jobs or fear for their own.

Like the famous real estate mantra of "location, location, location" there is a phrase that sums up the most important tool a CEO has in a merger: communicate, communicate, communicate. CEOs have to get out of their offices and talk a lot, and they have to talk to everybody: to the staff, to the public, to the board, to patients. But they were also reminded that real communication is a two-way street and listening is an important part of the role, too. Indeed, several CEOs attributed the success of their mergers to the involvement of staff on planning committees. Staffers were more likely to accept changes recommended by a colleague, and those involved in the planning did much to let their co-workers know what was going on. Even though some CEOs spend so much time on communications that they begin to wonder how to get anything else done, none of them ever feel satisfied with their efforts, said Elisabeth Riley, who is CEO of Children's & Women's Health Centre of British Columbia. "Everybody I ever heard of says they didn't succeed [in communicating enough] and should have done more."

The Canadian Health Services Research Foundation has prepared a report on the conference that contains a list of questions for future academic studies. They include looking at the definition of culture within health service organizations and considering how it influences morale, costs, service and effectiveness; studying what preconditions favour amalgamation of healthcare services; and a study of the medium- and long-term impact of mergers on the local economy, access to and costs of services, quality of care, patient outcomes and satisfaction. "If we can get going with that kind of research agenda now," wrote Jonathan Lomas, the foundation's executive director, in his introduction, "we should have a better evidence base available for the health services sector when the policy cycle inevitably comes around to mergers once again." 

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