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Partnerships: Beyond mergers and acquisitions

Novant Health establishes key partnerships to move healthcare forward

The healthcare industry is undergoing a profound transformation. Consumer expectations are evolving, competition is increasing, and transparency is vital to establish trust, preference and long-term relationships. Healthcare organizations are looking beyond mergers and acquisitions to gain new services and skills that address their patients' current and future needs. In 2015, partnerships are no longer a market differentiator but the norm.

Consumers see value in these alliances. In fact, in a recent PwC: Health Research Institute survey, 58 percent of respondents agreed that they would be more likely to choose a healthcare company that partnered with others to improve their services. In order for the healthcare industry to evolve, compatible organizations need to establish working partnerships that will effectively move healthcare forward.

Take, for instance, the partnership between the University of Virginia Health System (UVA) and Novant Health. Classified as the Northern Virginia regional health system, this partnership focuses on creating a collaborative environment for both organizations to share their unique expertise. Patients are able to gain access to UVA's experience as an academic medical center, including subspecialty care and potential breakthrough treatments through clinical trials, while benefiting from Novant Health's experience with increasing access to care when and where it's needed. Best practices are shared among the system, which includes key strategies to advance population health and ways to lower healthcare costs.

Novant Health also recently announced that it was exploring a similar collaboration with Duke University. The primary drivers of those discussions are shared interests in advancing the delivery of high-quality patient care, maximizing the efficient and effective use of medical and information technology, reducing costs of care and initiating approaches to population health.

Partnerships: Beyond mergers and acquisitions continued

Other strategic partnerships ensure that Novant Health patients gain access to a wider range of clinical trials. In April 2015, Novant Health became the seventh St. Jude Children's Research Hospital affiliate in the country. At the St. Jude Affiliate Clinic at Novant Health Hemby Children's Hospital, physicians and staff work in close collaboration with their peers at St. Jude to bring life-saving treatment protocols to children with cancer and blood disorders living in Charlotte and across the southeastern United States. This affiliation brings the unparalleled research and expertise of St. Jude to Novant Health and provides the highest-quality pediatric cancer care across the Carolinas and beyond.

Novant Health has also a long-standing partnership with the Cleveland Clinic, an arrangement which enhances Novant Health's heart and vascular services. Colleagues from Novant Health and the Cleveland Clinic collaborate regularly about new technologies and procedures, and participate together in leading-edge training, conferences and educational programs.

Strategic partnerships are also helping to train the next generation of healthcare providers. Since 2013, Novant Health and Campbell University in Rowan County, North Carolina, have been working to address the projected shortage of physicians in the United States.

This clinical partnership takes place at Novant Health Rowan Medical Center and includes training in the areas of primary care, family medicine, general surgery, ob-gyn, pediatrics, psychiatry and other critical services with an emphasis on the unique needs of underserved communities. As part of its osteopathic medical education program, Campbell University School of Medicine has committed to providing medical care to rural communities and underserved populations where there is a shortage of doctors. The medical students and their families settling in the area for the two-year training program help in other ways, too. They support the local economy and infuse a sense of youth and enthusiasm in the Rowan community.

Unique partnerships are exactly how Novant Health will continue to deliver its promise to make health care remarkable across its footprint and beyond.

Future of the healthcare sector: Nontraditional partnerships

As a PwC Health Research Institute [*Top Healthcare Industry Issues of 2015*](#), partnerships are needed in order to thrive in the current healthcare environment.

Partnerships in healthcare are not optional, they are a necessity. While traditional partnerships such as one between a physician and a nurse or an ambulance service company and a hospital have existed in healthcare delivery since its inception, partnerships today run the gamut. Healthcare organizations are often seeking creative collaborations to stay on the cutting edge of healthcare delivery and ensure quality care at a cost people can afford. These nontraditional partnerships are valued by consumers and, as PwC [**reported**](#), Fortune 500 companies are also entering this movement in distinct ways, including population health management and care delivery/coordination.

The consumer mandate to move from volume (episodic care) to value (quality whole-person care at an affordable price) tops the list of reasons why nontraditional partnerships are a good thing for the healthcare industry and the patients it serves. The industry can no longer look to simply fix an illness that already exists. Instead, industry leaders such as Novant Health are focusing efforts reducing the likelihood of a problem existing in the first place by aggressively working to keep individuals healthier – primarily through population health management.

Prevention is king in this new world of value-based care. As a result, there has been an increasing number of collaborations that step outside what would traditionally be found within a health system to bring overall patient wellness to the forefront.

An interesting example of nontraditional partnerships is one orchestrated by St. Joseph Hoag Health, a seven-hospital system in California. The health system partnered with a real estate development firm to build several wellness centers. These wellness centers offer everything from primary care to fitness training, all under one roof. St. Joseph Hoag Health is no longer waiting for people to get sick and seek care; rather, the health system sought out a nontraditional partnership to keep individuals from ever needing that care. Novant Health Chief Consumer Officer Jesse Cureton has spoken nationally on the future of this type of care.

“In the future, we may not call hospitals, ‘hospitals.’ Rather, we imagine a world where these become ‘centers of wellness,’” Cureton says.

Corporations are also interested in partnering with healthcare systems to address employee health and wellness. In 2010, Allegacy Credit Union began its partnership with Novant Health to conduct employee health assessments, biometric screenings and one-on-one wellness coaching. Since then, the relationship has evolved to include monthly lunch-and-learns on general health topics and specialties, including dermatology and nutrition.

Allegacy employees who have a Novant Health primary care physician also receive a Fast Pass card that gives them access to a Novant Health doctor 24 hours a day, seven days a week. Those employees with a healthcare provider outside of the Novant Health network are guaranteed an appointment within five business days or sooner. The program has been so successful that Allegacy has maintained an employee participation rate of 95 percent. As a result, absenteeism has dropped by 12.5 percent, and most importantly, employee risk factors for high blood pressure and type 2 diabetes went from 2.4 percent to 1.2 percent per employee.

Future of the healthcare sector: Nontraditional partnerships continued

Partnerships will continue in the industry to drive value to patients and communities. However, there are often obstacles to both traditional and nontraditional partnerships. Sometimes these obstacles are regulatory, while other times a mind-set that has not evolved to the current healthcare environment stands in the way. Either way, it is up to health systems such as Novant Health and St. Joseph Hoag to push through these and other challenges to better serve their patients and communities.

Open source partnerships: Sharing expertise to cut costs, save lives

As the healthcare industry continues its rapid transformation, hospitals and health systems are putting patients at the center and finding ways to raise the overall standard of care in communities. Through an “open source” partnership approach to hospital expertise, lives are being saved and health care delivery is more seamless.

Identifying care protocols that extend beyond hospital walls

This commitment is leading hospitals to make many of their experts and best practices broadly available to care providers, other hospitals and community organizations so that the approaches they know work best for the patient are available beyond the hospital walls.

For example, doctors and healthcare providers know that when someone is having a stroke, every second counts from the moment symptoms begin to the patient’s arrival in the hospital emergency room. That is why stroke care teams at Novant Health are actively working with paramedics to write shared protocols to directly connect the care delivered in the field to the care delivered in the emergency room. Because emergency medical services (EMS) and emergency room teams are operating from a playbook they developed together, EMS personnel know that when they alert an emergency room that they are on the way with a potential stroke patient, the hospital team will have made preparations to immediately begin diagnosis and treatment upon arrival at the ER doors.

Novant Health knows the steps being taken in the field on the way to the hospital lead to a greater number of patients making full recoveries, where in the past they might have had long-lasting, debilitating effects from their stroke. The organization works with local EMS teams to provide regular education for emergency responders free of charge. At the events, the group discusses case studies and best practices that illustrate real outcomes of the care provided and identify tools that the teams can use to cut down on assessment times. This provides opportunities to collaborate on field-to-emergency room protocols and discuss what’s working and where there can be improvements.

Novant Health is committed to improving the health of communities and therefore has made these protocols widely available by sharing them at Stroke Summits and American Heart Association conferences so that others may learn how to improve outcomes.

Finding efficiencies and reducing costs within hospital operations

When open source expertise is part of a hospital or health system’s culture, it extends beyond sharing best practices for saving patient lives. It also includes sharing ways to find efficiencies and save patient costs.

At Novant Health Forsyth Medical Center, orthopedic physicians and their team members realized that the tools, devices and approaches used in many of their surgeries varied widely. By taking a team approach and determining the best equipment and techniques to use in certain orthopedic surgeries, the orthopedic department was able to streamline its approach and the types of tools and devices to use. This ultimately improved patient experiences as medical team members were able to become experts on a specific list of approved devices and approaches. This not only led to better patient outcomes, but also reduced cost for the patient. Larry Nycum, MD, senior vice president for medical affairs at Novant Health Forsyth Medical Center, who collaborated in this effort, will share the process the team developed at a nationwide conference this fall.

“We wanted to find the approach and tools that worked best for our patients and have been pleased with outcomes so far,” said Dr. Nycum. “Our hope is that by sharing this process with other hospitals and physicians, they can create better outcomes and cost savings for their patients, too.”

Open source partnerships: Sharing expertise to cut costs, save lives continued

The right care at the right place at the right time

Open source partnerships are one more way hospitals and health systems make sure that patients receive the right care in the right place at the right time. By seeking a wide variety of opportunities for collaboration and joint learning across different care delivery settings, hospitals are acting on their missions and making industry-leading expertise and quality of care more readily available in every community.

Healthcare partnerships: Q&A with Novant Health's chief legal officer and general counsel



Peter Brunstetter is chief legal officer and general counsel for Novant Health. He has been an attorney for over 30 years and served in the North Carolina State Senate from 2006 to 2013. Prior to joining Novant Health, Pete served as a member of the Novant Health board of trustees, including three years as chair. He was appointed as an initial board member with Novant Health when the organization formed in 1997.

In addition to being one of the most complex, healthcare is one of the most heavily regulated industries; how did your time in a large law firm and in the North Carolina State Senate prepare you for your role at Novant Health?

In my previous roles, I held positions that gave me many different perspectives related to healthcare.

In private legal work, I spent 25 to 30 years in and around the healthcare space working on business transactions, mergers and acquisitions, bond transactions and a variety of finance projects for a number of healthcare systems across North Carolina.

Several years before Novant Health was formed, I started in public service as a member of the Forsyth County Board of Commissioners. Because of the county history of Forsyth Memorial Hospital, the county had to consent to the merger of Carolina Medicorp of Winston-Salem, North Carolina, and Presbyterian Health Services in Charlotte, North Carolina, to form Novant Health. As chairman of the board of commissioners, drawing on my healthcare transactions experience, I was able to work with then CEO Paul Wiles to formulate the structure and approach for the county to consent to the creation of Novant Health. I was also a member of the North Carolina Senate from 2006–2013 where I was close to state and federal healthcare policy and chaired the appropriations committee.

While I was wearing a regulatory hat during much of this time, my experiences made it pretty clear that systems needed to partner or merge in order to be healthy and viable.

What are some legal and regulatory obstacles to forming partnerships in healthcare?

There are many obstacles. In fact, what you often find is that many federal regulatory requirements are at odds with putting these partnerships together. For example, changes in reimbursements by the federal government along with new technology requirements create strains on a health system by pushing up costs. One solution would be to form a larger footprint and spread the cost over more facilities, but federal antitrust laws restrict this kind of collaboration in many ways.

Some states have started implementing certificates of public advantage (COPA) and other laws that encourage collaboration and industry consolidation. Unfortunately, the North Carolina Legislature just voted to eliminate its COPA law beginning in 2018.

Healthcare partnerships: Q&A with Novant Health's Chief Legal Officer continued

Do you expect any relief from these obstacles given the rapid acceleration of healthcare partnerships?

I don't really expect any significant relief in the near future. We are in a transition period in healthcare and I think eventually reality is going to sink in for lawmakers and regulators. We're dealing with aging populations and an unsustainable rise in costs, which will push healthcare systems to get more efficient. State and federal governments won't be able to sustain the current pace of costs increases.

The industry is in enormous transformation and I don't think you can look and say we'll be done in five years. In the 30 years I've been working in and around healthcare, it has been constantly spinning. It's just getting more and more complicated. Healthcare never stops changing. But there are some fundamental issues we are going to have to grapple with including how best to consolidate and reduce costs while still delivering a remarkable patient experience, together with satisfying careers for our healthcare professionals at every level.

Eventually, the federal government will realize you can't have policies encouraging partnerships alongside programs that discourage them.

Are there other challenges that you see to these partnerships?

One of the biggest challenges in partnering relates to cybersecurity. The more you open your IT systems, the more access points there are, and the more vulnerable your systems become. It is a major focus for our organization to maintain security of proprietary and patient information.

Culture fits are also important when partnering. Healthcare has traditionally consisted of independent-minded, very committed professionals. Business has historically been built on a small business model by very independent, mission-driven people. A critical dynamic in our industry will be how all of those independent thinking professionals will adapt to the reality of partnering. There is a larger culture and a larger mission.

How do we get there?

We all need to remain focused on the mission: to serve the patient. Virtually every discussion at Novant Health starts and ends with the patient.

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