

# Hospital mergers can bring breath of fresh air, CEO says

Heather Kent

When Phil Hassen talks about hospital mergers, he usually mentions the spate of business consolidations Canada has witnessed during the 1990s. "We see mergers in business and think nothing of it, but when we see them in health care we think the world is ending," says Hassen, chief executive officer of Vancouver's Providence Health Care (PHC). "It seems to be happening quickly, but if you look at it the changes are taking quite some time."

He knows the topic well, because he is in the process of amalgamating 8 facilities, a merger that will create the country's largest Catholic health organization. PHC's experience holds lessons for hospitals across Canada.

In the past, says Hassen, "we didn't quite understand the systems approach to health care and thus everyone did their own thing, creating individual facilities even for small populations. Health care didn't respond to changes in information technology and other innovations, partly due to this kind of [inefficient] organization. This is why change is needed now."

Appropriate access to care is a key goal, says Hassen. PHC, which provides care that runs the gamut from acute to long term, "has the opportunity to create a new model. I think the systems approach is going to make a remarkable difference in how people can access the services they need."

Hassen acknowledges the stress mergers generate for staff, but says change is unavoidable. "If we don't change the roles and responsibilities, at some point staff will become irrelevant. We have to create systemic change so that people become learners and apply new knowledge." He concedes that "we haven't done a good job yet of assuring them that what we get out at the end of this will be better than what they have."

Hassen wants to give frontline clinical staff more decision-making power by providing effective clinical guidelines. "Right now we see lots of impediments to staff being able to make decisions. Often we introduce policies that take months to create. My question is, why do you have the policies in the first place? Most people don't read them."

He remains convinced that mergers have strengthened the hospital system. "People are beginning to say 'we can do this,' and this is so fundamentally different from the traditional situation."

What lessons have been learned from mergers? "One always underestimates the cultures of organizations — whether of physicians, other professionals or staff. The process of change takes a great deal of time and a great deal of talking about what you are trying to do. You have to be explicit and use anchors — like patient care — to build the system on." Creation of a single board to run newly merged facilities is also "critical."

Hassen said staffing reorganization has to be completed quickly so that people are not left unsettled and worried. "No matter what you do, people will say its either too fast or too slow. If a facility is going to close, a lot of good people will walk away so that they have a choice. A merger doesn't give people choice." Fairness is also an important issue, particularly when a larger institution appears to be swallowing a smaller one.

Hassen thinks the merger mania in Canada's hospital sector is almost over, but "the work is just beginning. It is enormous work to make an effective organization that is refocusing itself, and the real 'cultural shift' takes at least 5 years. I think it's a 10-year horizon. The bad news is we have to do it, but the good news is that we get to do it. We have an opportunity to shift the system, and I find that exciting." ?



## Features

## Chroniques

**Heather Kent is a freelance writer living in Vancouver.**

CMAJ 1998;159:1401