



HTM's Role in Mergers and Acquisitions

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Description

- ◆ Mergers and acquisitions in healthcare systems continue to increase year after year. This session will highlight the ways HTM departments can provide value throughout the process.
- ◆ The presenter will detail how and when to validate valuations and assess equipment, conduct cybersecurity evaluations, assess integrations to the EHR, and conduct traditional inventory and go live training.
- ◆ With many departments involved in these transactions, this session will also highlight the relationships and partnerships needed to conduct a successful integration.

About the Presenter



- ◆ Samantha Jacques is the Vice President of Clinical Engineering at McLaren Health Care, headquartered in Grand Blanc, Michigan. McLaren is an integrated health network including 15 hospitals, ambulatory surgery centers, imaging centers and Michigan's largest network of cancer centers.
- ◆ She is the vice-chair of the AAMI Healthcare Technology Leadership Council and an executive committee member of the Healthcare Sector Coordinating Council. She is active in ACCE, the Medical Device Serving Community and CHIME and has recently co-authored a book entitled "Introduction to Clinical Engineering".
- ◆ Prior to McLaren, she was Director of Clinical Engineering at Penn State Health and Texas Children's Hospital. She has a PhD in Biomedical Engineering and is a fellow of the American College of Healthcare Executives and AAMI.

Merger

- Consolidation of two or more companies to form an all-new entity and new name
- Assists companies in uniting strengths, resources, and weaknesses
- Leads to reduction in competition

Acquisition

- Purchase of an entity by another entity
- Can acquire ownership over 51% of its share capital or by taking over the assets of the company
- Acquiring company is more influential in terms of structure, operations, and size compared to target company

Mergers and Acquisitions

- ◆ Generally, team within hospital system responsible for Mergers and Acquisitions
 - Several phases including
 - Deal Assessments
 - NDAs
 - Site Assessments and Valuations (Facilities, IT, CE, Revenue)
 - Audits (Quality, Safety, Compliance, Coding, Accreditation)
 - Contract Review (Employment, Vendor, Deal)
 - Negotiations
 - Onboarding (Medical Record, Finance/ERP, etc)

Clinical Engineering Role's

- ◆ CE has several roles to play in these steps
 - Assessment and Valuation of Medical Equipment
 - Medical Record Integration (w/IT)
 - Contracts Assessment
 - Onboarding

New Acquisition Information

- ◆ M&A Team should engage CE when a new deal is being contemplated
 - Information Required
 - Site Name/Location/Contact
 - Anticipated Onboarding date
 - Type of site (Primary Care, Specialty Clinic, Imaging Center, Ambulatory Surgery Center, Hospital)
 - M&A Team members assigned
 - Location of documents

Assessment and Valuation

Review Written Inventory

- Review Make/Model of devices
- Review Purchase Date
- Review Value assigned

Site Walkthrough

- Identify devices with connected systems (PACS, Med Record, etc) or that transmit PHI
- Understand workflow
- Add condition notes to written inventory
- Identify items needing replacement/standardization

Outcome

- Provide devices that transmit PHI to Cyber for assessment
- Provide recommendations for replacement capital to M&A Team
- Update valuation of assets to M&A Team

Medical Record Assessment

- ◆ If your site has responsibility for integration into the medical record
 - Identify plan for site
 - Moving to standard medical record (timing?)
 - Maintaining existing medical record
 - Identify current equipment and if it integrates to standard workflow
 - Identify if equipment needs to be replaced for integration
 - Provide info on additional replacement equipment and/or vendor work needed to integrate as planned to M&A Team
 - Add insight on timeline and resource feasibility

Contract Assessment

- ◆ Acquire all equipment maintenance contracts
 - Review vendors – do these align with your program?
 - Review contracts – identify scope, start/end date, out clause
 - Determine if contract can be assigned
 - Determine recommendation on cancelation/assignment
- ◆ Acquire history of service from maintenance provider

Onboarding

- ◆ Contract Assignments (w/Supply Chain)
- ◆ Order/Install new capital
- ◆ Inventory all devices
 - Update CMMS
- ◆ Meet/Greet Site Staff
- ◆ Operational Level Agreement

Operational Level Agreements

- Also known as Operating Level Agreements
- Internal agreements that a service provider (CE) defines for internal users (Customers) to meet service levels.
- Contain one or more objectives or service targets.
- Used to track internal service commitments such as the following service targets:
 - Availability of on-site support
 - Response time for incidents or problems
 - Equipment responsibilities

OLA Sections

- ◆ **General Info**
 - Business Relationship
 - Agreement period
 - Responsibilities of parties
- ◆ **Services Provided**
 - Service Desk Hours
 - Methods for requesting service
 - Prioritization/Resolution of incidents and/or service requests
 - Service Availability
 - Complaints/Escalations
 - Service Reviews
- ◆ **Asset Inventory**

Summary



- ◆ CE should be engaged early and often in mergers and acquisitions
 - Support valuation, assessments, integrations and onboarding

Questions?





Thank You for Attending the AAMI eXchange