

Current Topics In Leadership

The Evolving Role of the CAO: An M&A Case Study



hfma[™]

Mary Frances Southerland, JD, MBA
Chief Administrative Officer
UVA Health

From JD to CAO



CAO: The Role

- Performance improvement
- High-level project management execution
- Facilitate communication across the organization
- Oversight of daily administrative operations or specific functional areas



Healthcare Mergers & Acquisitions

Healthcare M&A on the rise across the past 15 years to create operational, strategic, and financial value

Drivers:

- Changes in federal legislation
- Emerging population health models
- Current economic climate
- Consumerism in healthcare

Outcomes:

- Increase market share
- Deliver care more efficiently
- Pursuit of economies of scale/decrease costs
- Diversify geographic markets
- Improve productivity & outcomes through increased volume

Academic Medical Centers and their pursuit of M&A

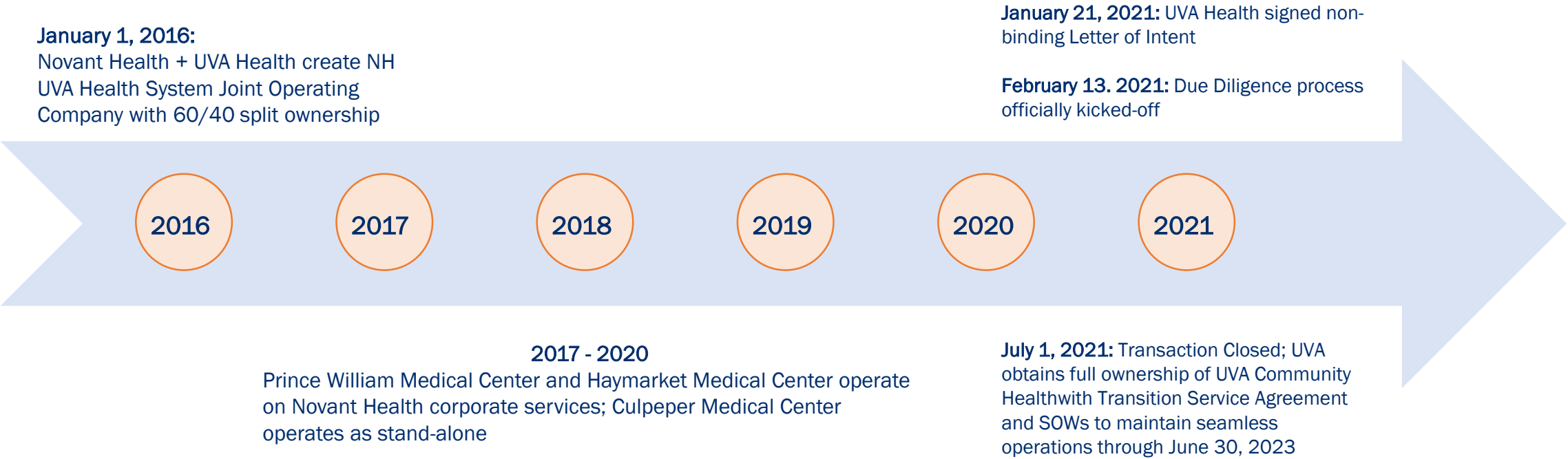
Unique Considerations

- Lower cost sites of care
- Supporting tripartite mission through a broader footprint
- Expanding access to clinical trials



UVA Community Health History

A look back



Expanding UVA Health's Footprint

Why UVA Community Health?

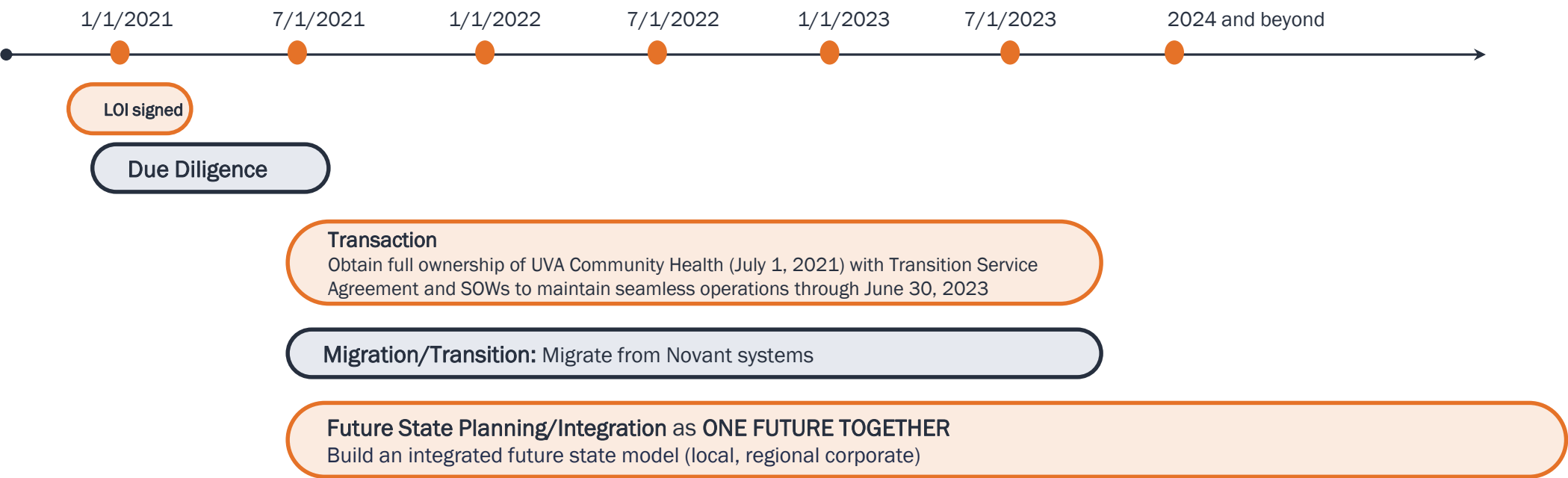
Thesis for combination:

- Greater alignment with one owner
- Build on the best of both organizations together
- Expand/grow community health offerings



From Transaction to Integration

High-Level Transition Timeline



Transition Guiding Principles

Patient Care 	Community Provider 	Clinical Care 	Value 	Synergy 
Patient care and experience are at the center: provide excellence, innovation and superlative quality in the care of patients	UVA CH will act as an integrated community health offering with an enterprise mindset that creates an effective platform for growth for UVA Health	UVA CH focus is clinical care and not academic or research missions	UVA CH must be competitive in the marketplaces it serves: a) Services fit the needs of the local community b) Cost structures and efficiencies congruent with services, market and targeted margins c) Attract, develop and retain talent d) Rates, reimbursement and payment models are competitive at the local market level e) Strong alignment and loyalty with community based and employed physicians	Target high return synergies between UVA CH and UVA Health. Examples may include: a) Enhance access to specialists and quaternary care with UVA Health b) Create seamless patient navigation and care c) Deploy one standard of care across all care settings/sites d) Pursue appropriate levels of integration

Keys to Success

- Solid governance process
- Embedded organizational change management
- Project management
- Clear, consistent communication across all stakeholder groups

What You Need to Know Now About the Integration of Three Community Hospitals into UVA Health

Thanks to last year's [acquisition](#) of three community hospitals – Culpeper Medical Center, Haymarket Medical Center and Prince William Medical Center – UVA Health is poised to grow in unprecedented ways. Much excitement surrounds the possibilities associated with this acquisition, and work is underway to integrate the three hospitals into the organizational fabric of UVA Health. To learn more about what is happening now, *Connect* recently interviewed UVA Health Chief Administrative Officer **Mary Frances Southerland** and Interim CEO of UVA Community Health **Erik Shannon**, who are leading the transition work. Below is a synopsis of what we learned.



You can find more details about completed and upcoming activities, in the [Transition Updates](#).

Questions?

Mary Frances Southerland, JD, MBA
Chief Administrative Officer
UVA Health

MP7UT@hscmail.mcc.virginia.edu



hfma™

Lead. Solve. Grow.

hfma.org

