Health care industry’s big issues in 2014

PART 1–MERGERS AND ACQUISITIONS

We asked webcast registrants and attendees the following questions related to mergers and acquisitions in health care. Results were compiled from over 100 health care providers from a variety of sectors including hospitals, health care systems, home health agencies, ambulatory surgery centers and more. Questions and percentage replies are as follows:

POLL SURVEY RESULTS

Which best describes your organization’s experience with acquisitions?
- Do not expect to be involved in any
- Made acquisitions in the last three years and expect more
- No transactions yet, but are considering
- Organization was acquired in the last three years

Do you think you can maintain revenue and operating margins over the next 5-10 years?
- Yes
- No
- Not sure

Which factors present the most serious issues and roadblocks in a health care acquisition or merger?
- Culture
- Financial issues
- Perceived quality of care differences
- Resistance from key physicians and employees
- All of the above
- None of the above

As part of your overarching long-term financial strategy, acquisitions and mergers are:
- We do not prepare long-term financial strategies
- Not something in our formal strategy
- Simply a means to an end
- Cornerstone of our execution plan
- Not applicable

With respect to growth, what is the most appealing option?
- Acquisition
- Joint venture
- Organic growth
- None of the above

Follow up Survey Results

What type of organization do you represent?
- Cancer hospital
- Critical access hospital
- Health care system
- Other

Whether considering or in the process of a transaction, what is your greatest concern?
- Continuing your organization’s mission
- Ensuring continued medical access for the community
- Loss of employment
- Obtaining a fair price
- Other

What concerns you most about a potential transaction?
- Determining the right price
- Finding the right target
- Managing risk
- The process
- Other

Regardless of your M&A experience, what do you see as the principal benefit to an acquisition?
- Expanded continuum of care (for providers)
- Expanded geography or coverage
- Improved financial performance
- Improved quality metrics and scores
- Improved supply chain, i.e. vertical integration (for nonproviders)
- Other