Very few healthcare leaders would argue about the value of creating a strategic plan for a hospital or health system. A strategic plan provides a clear direction for medical groups to follow. Some groups call it a road map. In an integrated delivery system (IDS), developing a strategic plan is crucial. Since IDSs come in many forms and because relationships between medical group professionals and system professionals are unique, strategic planning becomes one of the most important activities you can perform to ensure success.

It can add direction and purpose to newly formed systems as well as to mature systems that add specialties to their network of providers and medical groups.

Planning the approach

IDS professionals should take advantage of each party’s strengths and weaknesses. Many large hospitals and health systems have a strategic planning department or leader dedicated to linking short- and long-term objectives to business, operating and marketing plans.

For example, many large hospitals or health systems have a vice president of strategic planning who is responsible for evaluating the market and organization, and then developing one process to evaluate opportunities and another process to implement selected strategies. These professionals use simple and elaborate tracking tools to implement, monitor and report on plan objectives. They have worked their plans into the leadership agenda and conduct regular meetings with hospital leaders to discuss the plan and any limitations or opportunities identified during the process.

For example, a nearby hospital recently acquired a cardiology group. The hospital’s strategic planning professional helped the group evaluate other business opportunities, which included merging with a local, four-doctor cardiology practice. This opportunity presented several advantages, including decreasing on-call coverage requirements, decreasing overhead and significantly expanding market share. The two medical groups’ leadership teams met with the hospital’s vice president of strategic planning on a biweekly basis to develop a strategic plan detailing what services they would offer in the short and long term, and how to deploy physicians.

Bringing physicians into the strategic planning process enables system professionals to leverage skill sets and competencies to gain a competitive advantage.

Here are a few questions to prompt the discussion for starting a strategic plan:

• Do one or more physicians or groups add marketing strength to the hospital?
• Can the hospital leverage any of those physicians or groups to recruit or attract other specialty groups or physicians?
• Can the healthcare system capture more of the total healthcare dollar in reimbursement by forming a relationship with a medical group?

Facing the future

Effective strategic planning will help IDS professionals change, adapt and lead their healthcare systems through the next decade. IDSs should have dedicated resources for strategic planning and make this process part of their culture. Resources needed to effectively plan for the future include political awareness, expertise, financial resources, personnel, commitment from the leadership team and the ability to execute plans.

Strategic readiness questions

To determine an organization’s strategic planning needs, ask:

• How big should we be?
• How does size impact the hospital/health system and other medical groups?
• How do our plans impact recruitment and retention strategies?
• Do we need to have a plan for independent medical groups in the community?
• Do we have sufficient data to make intelligent decisions?
• Are capital resources adequate to achieve optimum size?
• Do we have effective leaders for each division?
• Are all the pieces within the system cohesive and going in the same direction?
• Do we need a new brand to designate an integrated entity?