Organizing Healthcare Delivery in the 21st Century

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ABSTRACT
Organizational change is a challenge for US healthcare providers as they face significant industry transformation wrought by government legislations, advances in medical care, cost management, and rising patient expectations. Three promising organizational approaches have emerged in practice among healthcare leaders. But successful organizational change takes time. Now is the time for healthcare providers to examine their current organizational model and plot a way forward. This article provides a framework to understand organizational options and tradeoffs for care providers. Ultimately, care providers must consider their current organizational position and determine which model makes sense given their history, mission, and patient population.

INTRODUCTION
You are the CEO of a regional healthcare system in the United States. You have executed a strategy to acquire most of the acute healthcare providers in your area. You have also acquired some local physician medical groups and private labs. In the process you have become the largest regional healthcare system in your area. Your organization is a blend of practices but you have made great progress by applying lean methods to optimize your service model, streamline the delivery of medical care, and improve the patient experience. You see many transformational challenges on the horizon: portable electronic health records, expanded scope for continuity of care, increased collaboration with other institutions, more home-based care, rising patient population expectations, and unending demands for cost management. You have also been approached to enter another region via another acquisition. You know that you need to make some fundamental changes in your organizational structure. What is the best organizational structure for your system?

Healthcare is undergoing a massive transformation at the biological, technological, organizational, and policy levels in the United States. In a prior paper, “A Perfect Storm: The Future of the US Healthcare Industry,” we analyzed the key drivers of this change and explored the impacts on the healthcare industry over the next two decades (Vitalari, 2014). Care providers, in particular, face a massive challenge to provide high levels of quality care while managing costs, and maintaining therapeutic relevance in a turbulent and transformative environment.

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This paper focuses specifically on care providers and their models of organization. Organization is about division of labor and how enterprises and institutions are structured to deliver value. Organizational science is undergoing its own transformation as organizations seek to incorporate new and abundant networked capabilities, pursue greater organizational elasticity, and operate with higher levels of collaboration.

From a macro, industrial level perspective, healthcare providers must juggle a dizzying array of issues as they confront the current state of medical care in the U.S and consider the future of their organizations.

RE-EXAMINING CURRENT ORGANIZATIONAL MODELS

There are at least eight reasons why healthcare providers need to re-examine their current organizational models.

1. **Government regulation.** New regulations from the U.S. Federal Government encourage new organizational arrangements, such as Accountable Care Organizations (ACO), as well as new networks of care that emphasize neighborhood or community care delivery. ACOs are defined as organizations made up of healthcare providers, such as doctors and hospitals, who come together to give patients coordinated care (Haughom and Burton, 2014).

2. **Entrenched organizational fragmentation in the industry.** The way providers choose to organize is a central element in the battle against fragmentation in service models, the patient experience, payer reimbursement, cost management, and clinical outcomes (Porter and Lee, 2013).

3. **Long-term trend to distributed care.** Care must happen everywhere. Not only under emergency conditions but also increasingly through home care, self-care, telemedicine, medicalized smartphones and devices, and in partnership with other care providers that might be located anywhere on the planet (Topol, 2014).

4. **New needs for interdisciplinary collaboration and work.** The new care environment requires new mindsets and interdisciplinary fusion at levels not seen before (Vitalari et. al., 2014). Unexpected epidemics, new medical advances, human genomics, new therapies, and bundled payment schemes drive this trend.

5. **Ability to build partner capacity across dissimilar organizations.** Collaboration is one thing, but offering coherent services economically across different enterprises requires organizational models built for ease of partnering with low friction.

6. **Technology mismatches.** Medical and information technology has come a long way. But many medical organizations see it as a burdensome adjunct, a necessary evil in the delivery of care. Medical devices and information technology must be integrated into organizational design.
7. **Patient expectations and a broadened view of continuity of care.** Consumer-driven innovations in retail and service industries drive higher care expectations in patient populations. Patients expect a tailored experience. Can our current organizational models support it?

8. **Cost management.** Lean methods and process redesign has helped immensely with cost management and quality of care. However, technological, scientific, and medical advances on the horizon suggest radical changes in care delivery. Thus, new levels of flexibility must be built into the organization to deliver innovative care at managed costs.

The key question remains; What is the best way to maximize organizational options in the face of new technologies, new therapies, and rising patient expectations? What does a 21st century care provider organization look like?

To examine such questions, this paper explores three models of organization in practice. Each organizational model offers alternative ways to organize, coordinate, collaborate, and integrate. Each model operates today among acknowledged industry leaders. The central questions concern the capacity of each model to provide quality care and the ability of each model to support partnerships in an increasingly networked and diverse marketplace.

Our goal is to examine each model of organization and to evaluate their merits in terms of meeting the demands of the emerging care environment.

**ORGANIZATIONAL MODELS IN THE PRACTICE OF HEALTHCARE PROVISION**

Three different types of organizational models exist in practice among healthcare leaders – vertically integrated, elastic, and hybrid. (see Tables 1 and 2). Each of the organizations listed in Table 1 are delivering exemplary results for their patients and represent successful practice models for each organizational model. At an industry level healthcare providers continue to see significant consolidation through traditional acquisitions and mergers. However, innovative ventures have appeared among non-traditional partners driven by patient demand for alternative providers and the Accountable Care Organization (ACO) movement Ableson, (2014), Ellison (2014), Thomas (2014).

For example, in 2012, DaVita, known for its medical devices and patient dialysis network acquired HealthCare Partners, one of the largest alliances of physician medical groups (i.e. approximately 800,000 members and approximately 8300 physicians) to create a new provider company. According to public merger documents, both companies intend to distinguish their organizational model and mission from the traditional hospital-based systems of care.

Similarly, The Accountable Care Act and “the accountable care organization movement (ACOs) incentivize care providers and payers to unite in new ways to reduce cost and improve care through new practices and alliances. For example, Anthem, UCLA Health, and Cedars Sinai announced a new venture, Anthem Blue Cross Vivity to offer new employer options, broader offerings for patients and portability of patient records in California.
Vertically Integrated Healthcare Care Providers

Vertical organizations are tightly coupled, self-contained, and integrated in their approach to the provision of care. A vertically integrated healthcare provider offers the entire spectrum of care under a single system of ownership. It is, in effect, a one-stop shop. Vertically integrated care providers provide an integrated solution including healthcare insurance, care delivery facilities, employed physicians, nurses, and other clinicians across the care service model, specialty services (e.g. dental, eye care, cancer), a common governance model, administrative functions, and common technology infrastructure. Four noteworthy examples include Kaiser Permanente, Geisinger Health System, Intermountain Healthcare, and Mayo Clinic Health System.

The single organization focus of a vertical organization lends the power of cohesion in ideas and values and hence creates a strong identity for members of the organization. Uniform recruitment, selection, and employment practices solidify the culture of like-minded individuals who support the mission of the organization.

Table 1: Illustrative Healthcare Providers Classified by Type of Organizational Model Used

<table>
<thead>
<tr>
<th>Organization Model</th>
<th>Vertical</th>
<th>Hybrid</th>
<th>Elastic</th>
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<tbody>
<tr>
<td>Characterization</td>
<td>Proven organizational model represents traditional way to manage scale</td>
<td>Transitional organizational model combines traditional structures with new ones</td>
<td>Emerging, network-oriented organizational model emphasizes agility and collaboration</td>
</tr>
<tr>
<td>Illustrative Leaders</td>
<td>Kaiser Permanente</td>
<td>Ascension Health</td>
<td>Anthem/Vivity/CA Network Venture</td>
</tr>
<tr>
<td></td>
<td>Geisinger Health System</td>
<td>Aurora Health Care</td>
<td>Athena Health (FQHCs)</td>
</tr>
<tr>
<td></td>
<td>Intermountain Healthcare</td>
<td>Banner Health</td>
<td>DaVita Healthcare Partners</td>
</tr>
<tr>
<td></td>
<td>Mayo Clinic Health System (vertically integrated except for insurance.)</td>
<td>Cleveland Clinic</td>
<td>Crossroads Bank (CBSS) - Kingdom of Belgium</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ohio Health</td>
<td>Health Network (ACO) Joint Venture</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Virginia Mason</td>
<td>Partners HealthCare (Boston)</td>
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<tr>
<td></td>
<td></td>
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<td>Puget Sound High Value Network</td>
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</table>

Vertical organizations tend to operate within their own well-defined value chain. However, in healthcare it is impossible for any healthcare provider or system to provide all the services needed for their members. Kaiser Permanente has expanded nationally, but all facilities are managed within a consistent system of care that involves innovation sharing and standardized practices across all regions within the Kaiser Permanente system.
Table 2: Summary of Key Elements for Each Organizational Model

<table>
<thead>
<tr>
<th>Organization Model</th>
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<th>Elastic</th>
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<tbody>
<tr>
<td>Governance</td>
<td>Centralized</td>
<td>Shared</td>
<td>Distributed</td>
</tr>
<tr>
<td>Structure</td>
<td>Single host legal structure with internal divisions and legally structured partners</td>
<td>Core legal structure covers multiple owned facilities with multiple legal models for affiliates • Limited, closely affiliated network, often regional • Some national and international alliances</td>
<td>Core legal structure • Loosely-coupled affiliations with other care providers to form a single functioning network of care</td>
</tr>
<tr>
<td>Culture</td>
<td>Strong internal identity and values maintained through recruitment, processes, and mission</td>
<td>Core organization maintains strong identity with mandatory buy-in of selected values, processes and mission by affiliates and partners</td>
<td>Collection of cultures with strong cultural identities within individual member institutions, mandatory buy-in of selected values, processes and technology</td>
</tr>
<tr>
<td>Partnerships</td>
<td>Officially approved &amp; legally structured scale partnerships for service &amp; geographical coverage must adopt values, methods and technologies of the host organization</td>
<td>Range of partnership arrangements for expanded coverage of services, geographical reach, and payer strategies. Arrangements may lead to acquisitions, managed contracts, facilities leasing, or simple affiliation</td>
<td>Extended ecosystem of approved partners spans a comprehensive set of services supported by a common technology platform and business rules platform • Defined relationship management methodology</td>
</tr>
<tr>
<td>Service Model</td>
<td>Provides complete in-house provider services model and insurance coverage across all modes of care, including dental, vision, and other specialties</td>
<td>Provides a core collection of health services plus additional services via partners</td>
<td>Provides a comprehensive range of services throughout the network with access to single integrated patient record</td>
</tr>
<tr>
<td>Technology</td>
<td>Common technology platform for entire organization</td>
<td>Mixed platforms with portal integrations or sometimes the adoption of lead organization’s technology platform</td>
<td>Common technology platform for entire organization and requirements for dissimilar systems to interconnect with cornerstone platform</td>
</tr>
</tbody>
</table>

Elastic Healthcare Providers

At the other end of the continuum are the loosely coupled, but highly integrated, networked healthcare systems. The elastic organization builds a cohesive extended organization around a cornerstone organization that sustains a large business ecosystem of like-minded partners (Vitalari and Shaughnessy, 2012). With the partners, the elastic organization offers an expanded bundle of offerings that they could not offer on their own.

The elastic organization relies on standardized but extendable common business and technology platforms. Partners share innovations and practices but work to deliver a powerful customer experience and superior value proposition through their integrated and combined offerings. In other industries, Google, Amazon, Apple, and GE provide leading examples of the elastic model of organization.

For example, Apple combines its technology platforms (e.g. iPhone, iPad, Macintosh, iTunes) with an extensive partner ecosystem of app developers, musicians, authors, researchers and other third
parties to flexibly extend its business and continually enhance its offerings to customers. Apple’s recent introduction of ResearchKit provides a medical research platform that can enlist many more clinical participants than traditional methods.

In contrast to the traditional organizational model, Apple operates with much less friction in adding new partners, expanding into new markets, and adding features to its products. The combination of powerful platforms and an extensible ecosystem of partners enables a level of elasticity and agility that traditional organizations cannot match. Thus Apple provides a highly engaged experience for its customers and expands its range of services and products with the assistance of its ecosystem partners who expand the power of Apple’s products.

Similarly, elastic healthcare providers work to build a diverse, influential, and high quality healthcare business ecosystem supported by a set of powerful technology platforms. The belief behind this model is that a diversified model of providers can provide a richer set of services that better fit individual needs, market requirements, and regional differences. Under this model a highly respected cornerstone provider (e.g., Partners Healthcare) or cornerstone payer (United Healthcare) becomes an anchor for a thriving business ecosystem of care providers across the entire spectrum of care.

In the U.S., Boston-based Partners Healthcare is a prime example of a healthcare provider that anchors a network of providers using common technology and a common electronic health record (EHR). Partners Healthcare includes nationally recognized hospitals, community healthcare centers, and other independent providers that in total provide a comprehensive range of services.

The structure of the elastic healthcare provider organization is a combination of four elements:

1. The legal structure of the cornerstone healthcare provider
2. The healthcare business ecosystem of partners
3. The healthcare business platform
4. The cornerstone healthcare provider’s innovation and learning model

As in all elastic models the role of platform is not just technology enablement but also friction reduction. Various values, business rules, and patient standards of care can be governed via rules and conventions embedded in the business platform through software standards, clinical process standards, business process standards, common metrics, and the application of best practices.

Hybrid Healthcare Providers

In the middle of the continuum are hybrid care organizations. The vast majority of providers utilize a model that has elements of the vertical and elastic schemes. On the continuum of tightly coupled and loosely coupled organizations, hybrids occupy a wide berth in the middle.

Virginia Mason Healthcare System in Seattle is a noteworthy example. Virginia Mason pioneered the Virginia Mason Production System (VMPS) for healthcare. The approach is based on the Toyota Production System that revolutionized the automobile industry. VMPS emphasizes quality, culture, patient-centeredness, and efficiency within a framework for continuous improvement and innovation.
The Cleveland Clinic provides another example of a hybrid organization that is a world leader in healthcare delivery. The Cleveland Clinic vision rests on a unique and differentiated architecture of care that focuses on delivering the full spectrum of care across a tiered structure. The architecture is integrated by information technology and a common EHR medical system that provides a complete medical record across the entire spectrum of care.

**COMPARATIVE EVALUATION OF ARCHETYPAL ORGANIZATION MODELS**

We used a subjective scale to evaluate the three models on seven key capabilities needed in a highly transformative and global healthcare industry. The criteria were formulated based on our prior work on trends in the healthcare industry and organizational design and the problems facing health provider organizations today:

1. Service Integration
2. Care Distribution
3. Collaborative Capacity
4. Partner Capacity
5. Platform Capacity
6. Mass Differentiation
7. Radical Adjacency

Table 3 provides a summary of our assessment. A *high* value means that the organizational model has structural and organizational elements that support the needed capability and that the capability can be routinized with low friction and high quality.

A *low* value means that the organizational model inherently offers little support for the capability and thus, extra-organizational means (e.g., exceptional leadership, special programs or projects, special partnerships, change in mission, etc.) would be needed for a given organization to deploy such capabilities.

A *medium* value means that assuming a given organization is well managed, the organization structure offers some inherent support. Still, the capability will need to be supported with intense leadership attention and will be difficult to routinize consistently across organizational units.

None of the models are perfect. The Vertical Model has great capacity for integration and coherence in delivery of services and scores well on many dimensions. However, its structure impedes the formation of partnerships, since partners must have pre-existing alignment with the Vertical Organization, adapt, or be merged.

The Elastic Model, while new (about 10 years old), benefits from many new technological and management innovations. Hence it is more flexible, can establish productive partnership with low friction and costs (to both the partner and cornerstone provider), and can field an adaptive and extensible portfolio of service offerings to patients.

Hybrids are organizations in transition. Each hybrid organization is a blend of old and new practices and processes. Hence only those that have implemented critical best practices function at high levels of performance. The major barrier to success is consistency and repeatability across the capabilities listed in Table 3. Hybrids do not have a consistent design or structure and thus,
their structures do not inherently enable them to successfully develop and deploy the needed capabilities. Table 4 provides a summary of the major advantages and disadvantages of each model.

**Table 3: Comparative Assessment of Competing Organizational Models**

<table>
<thead>
<tr>
<th>Organizational Model</th>
<th>Prognosis</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Service Integration</strong> - ability to integrate processes and service models within and with partners outside organization</td>
<td>Vertical benefits from standardized governance, policies, culture and technology for owned units but lack openness to outside organizations. Elastic benefits from loosely coupled design and open or standard technology platform, and unity driven by cornerstone organization.</td>
</tr>
<tr>
<td><strong>Care Distribution</strong> - ability to track and support continuity of care across all care episodes over a patient’s lifetime wherever they occur</td>
<td>Elastic benefits from partner ecosystem and open technology platform assures continuity &amp; information transfer among partners. Vertical benefits from standardized technology and coherent membership and service model assures continuity. Hybrids must rely on specialty care programs (e.g., HIV/AIDS) to deliver continuity.</td>
</tr>
<tr>
<td><strong>Collaborative Capacity</strong> - ability to effectively collaborate in and out of a network anywhere at anytime</td>
<td>Elastic model is designed for collaboration across a network of partners. Vertical enables outstanding collaboration inside, but limited outside. Hybrid ability to collaborate varies widely. Note that all providers are in a learning mode with social collaboration approaches.</td>
</tr>
<tr>
<td><strong>Partner Capacity</strong> - ability to establish effective partner networks and ecosystems</td>
<td>Elastic model is built to work seamlessly with a business ecosystem of dissimilar partners. Vertical limited due to governance model and cultural values. Hybrids can partner but do so in traditional ways that usually entail long lead times and high friction.</td>
</tr>
<tr>
<td><strong>Platform Capacity</strong> - ability to incorporate and seamlessly integrate medical and information technologies inside and with other care partners globally</td>
<td>Elastic model is built based on a business platform approach. Vertical model has exemplary platforms but often customized to internal standards and cultural demands. Hybrids vary in platform readiness.</td>
</tr>
<tr>
<td><strong>Mass Differentiation</strong> - ability to assemble and offer a value proposition with others, including patients, tailored to a unique or unanticipated patient need</td>
<td>Elastic model assumes it cannot serve all needs alone; hence value propositions offered will be combined arrangements via partnerships and thus can meet unanticipated, unmet and diverse needs. Vertical can do so but is limited in scope. Hybrid models limited due to structural deficiencies.</td>
</tr>
<tr>
<td><strong>Radical Adjacency</strong> - ability to rapidly offer a new or better care modality in a discipline or with a patient population not served before</td>
<td>A hallmark of the elastic model, it can rapidly deploy a new service model, usually in conjunction with partners. Vertical and hybrid models are limited due to platform and partnering models and hence must rely on the standard referral model.</td>
</tr>
</tbody>
</table>
Table 4: Summary of Advantages and Disadvantages of Each Organizational Model

<table>
<thead>
<tr>
<th></th>
<th>Vertical</th>
<th>Hybrid</th>
<th>Elastic</th>
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</thead>
<tbody>
<tr>
<td><strong>Advantages</strong></td>
<td>• Best model for cultural and behavioral cohesion</td>
<td>• Hybrid organizations that have well-defined management, process, and patient approaches that lead to proven clinical outcomes have significant competitive and growth advantages.</td>
<td>• The elastic model provides the best model for long-term growth and market flexibility assuming the cornerstone organization continually innovates, provides industry leadership, and invests heavily in integrative technology.</td>
</tr>
<tr>
<td></td>
<td>• Currently best model for continuity of care</td>
<td></td>
<td>• Elastic model may provide the best platform for the implementation of Accountable Care Organizations with its network approach, unified technology platform, and innovation frameworks - assuming it can focus on the patient experience, continuity of care, and innovation while balancing strong cost containment incentives and disincentives.</td>
</tr>
<tr>
<td></td>
<td>• Information technology adoption</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Cost management</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Unified patient principles and patient experience reinforce mission</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Disadvantages</strong></td>
<td>• Innovation requires extra effort through internal mechanisms to bring in new ideas</td>
<td>• Hybrid organizations without well-defined management, process, and patient approaches that lead to proven clinical outcomes, struggle with identity and performance objectives and deliver sustainable clinical outcomes and economic performance.</td>
<td>• Healthcare cost management is a continuing challenge unless the cornerstone organization capitalizes on favorable network economics in the software platform.</td>
</tr>
<tr>
<td></td>
<td>• Highly-coupled structures, particularly in governance add rigidity in the organization and may make change difficult in turbulent markets</td>
<td></td>
<td>• The cornerstone organization must continually show the critical advantages in clinical outcomes, innovation, and patient experience to promote brand, attract partners, and sustain its ecosystem.</td>
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<td></td>
<td>• Most existing healthcare providers will have difficulty building the cohesive culture required in a timely manner.</td>
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PROGNOSIS

The healthcare industry faces many challenges over the next decade. Based on our analysis we believe that most organizations will need to move to either a vertical or an elastic model of organization, or become affiliates or partners within a vertical or elastic health system. The latter option will apply best for current health organizations that build a strong brand and reputation for a category of specialized care or specialized procedures.

All organizations will have to move aggressively to the implementation of proven best practices. Table 5 summarizes the key best practices that we noticed as we examined the various providers and their current organizational models. In other words, the organizational model is the platform for practice, but key practices are important for consistent and sustainable clinical outcomes.

The ability to adapt will become increasingly important as the industry moves further into the 21st century. In other industries agility, adaptability and resilience are major components for competitiveness. For healthcare providers the imperative for adaptability comes from the sheer number of transformative medical and technological developments on the horizon, and, of course, a highly uncertain regulatory environment.

For example, the attractiveness of Accountable Care Organizations will drive many healthcare providers to reorganize. Continued pressure for better economics in the delivery of care will
continue to drive consolidation and a search for the right organizational platform. In addition, consolidation will continue in many markets rolling up many local medical practices, labs, and specialty care organizations. Many smaller medical players in the U.S. may not survive the overhead associated with new government regulations and the capital requirements to maintain technological prowess. Although, loosely coupled elastic organizational models may help as medical business ecosystems form around cornerstone healthcare organizations. (Taylor et al., 2011).

**Table 5: Common Best Practices Across all Organizational Models**

<table>
<thead>
<tr>
<th>Organization Model</th>
<th>Vertical</th>
<th>Hybrid</th>
<th>Elastic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Common Best Practices</strong></td>
<td>A repeatable process for innovation</td>
<td>Patient-centered methodology</td>
<td>Coherent Service Models, bundled and standardized</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Common Electronic health record (EHR)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Process driven view of care delivery supported by continuous improvement methodology, metrics, and analytics</td>
</tr>
</tbody>
</table>

We are likely to see some vertical organizations adding elastic capabilities to their vertical model. We see this in the case of The Mayo Clinic where they are building a network of loosely coupled affiliates regionally in the U.S. Some international centers, such as Johns Hopkins, have expanded internationally from a strong vertically organized model.

Does the emergence of Accountable Care Organizations and elastic healthcare systems suggest that the entire health system will transition to national and perhaps global elastic models? Possibly. Belgium’s Crossroads Bank for Social Security (CBSS, 2014) illustrates how a combination of advanced databases, a networked technology platform, public-private partnerships, and a common national health card can yield a powerful elastic system. No doubt the technology will get better and better over the next 20 years, Milliard (2014). Time will tell.

What if You Are A Hybrid in the Middle?

Here are some thoughts if you find your organization in the hybrid zone:

1. Prepare to move to the extremes, either Vertical or Elastic.
2. Specialization is an option. Systems that specialize in care categories can affiliate with either a vertical system or an elastic system.
3. Hybrids that have established a strong culture and are known for a distinctive production function (e.g., Virginia Mason, The Cleveland Clinic) can go either way. Nonetheless, we believe that industry pressure will force them to move to a vertical or an elastic model over the long run.
4. Keep an eye on the Accountable Care Organization (ACO) movement. We now see large players joining forces under this new arrangement. However, pulling together a collection of dissimilar healthcare organizations is a difficult task. It appears that the elastic model is the best approach suited for ACOs.
5. Smaller care providers in the middle may need to consider consolidation with others or to join a larger vertical or elastic system.
CONCLUSION

The roadmap for care provider transformation is far from clear in individual cases. Nonetheless, two general models of organization outlined in the paper appear quite robust. While new medical technologies and digital technologies will play a role, they are not a solution in the care delivery. Ultimately, the measure of a care provider is the measure of cumulative patient clinical outcomes delivered upon a durable organizational model. As noted, the organization must be viewed as the underlying platform that supports all the other practices.

Based on the analysis in this paper, a durable organizational model going forward requires the following characteristics:

1. An organizational model must provide the capacity to build a strong organizational identity that attracts patients, care givers and partners, and is agile in the face of change.
2. There must be integrative mechanisms for clinical performance across a redefined and expanded view of continuity of care and patient experience.
3. There must be integrative mechanisms for integration between partners and across the entire care value chain so that care episodes and their impact can be understood over the entire lifetime of a patient. Partners must be able to join with little friction and minimal overhead.
4. An organizational model must support innovation internally and externally, thereby enabling the caregivers and those associated with the care production system a reason to learn and be open to new ideas and methods.

As methods of care expand and more becomes known about the unique genetics of an individual patient, the patient’s history, the patient’s lifestyle, and the patient’s engagement level, the standard of care requires an engaged and empowered patient, continuity of care across the patient’s lifetime, and an organizational model that can support new models of care as they develop across expanded geographies.

Key Learnings

1. Now is the time for healthcare delivery organizations to examine new ways to organize health services.
2. Three models of organization dominate the industry. However, the vertically integrated model and elastic model have the best prospects for the future due to their capacity to support integrated patient care.
3. Organizations that fall into the hybrid category need to understand their strengths, their patient population, their competition, and the need for elasticity in the future.
4. The capacity to adopt best practices and integrate them into the organizational model will play a key role in long-term success.
5. The ability to partner easily and incorporate other organizations into the patient value proposition will promote strategic flexibility and competitive advantage.
6. All healthcare providers must build their organizations with an eye on continuous change in the world of medicine.
REFERENCES


