As American health care continues to transform, hospitals and health systems are leading the way forward, fueling innovation and delivering greater value to patients.

One of the many ways hospitals are working to meet our mission of advancing health in America is through the creation of coordinated systems of care. As the hospital field evolves, some are turning to mergers to help transform and provide patients with more convenient access to care. Mergers can help hospitals gain the critical scale, resources and expertise needed to decrease costs and enhance quality.

As a new Charles River Associates economic analysis of recent hospital transactions confirms, mergers are one critical means by which hospitals can provide patients and communities better care at reduced cost. This study shows that mergers:

- **Reduce Costs**: Mergers produce savings and are associated with a 2.3% reduction in annual operating expenses;
- **Improve Quality**: Hospital mergers can enhance quality, as demonstrated by reductions in rates of readmission and mortality; and
- **Decrease Revenues**: Revenues per admission declined by 3.5% post-merger suggesting that “savings are passed on to patients and their health plans.”

As the landscape continues to change, some hospitals are finding that they may benefit through alignment with larger systems. For hospitals facing short- or long-term financial difficulties, a merger can be essential to maintaining local access to care for patients, as well as expanding the breadth of services conveniently available.

Simply put: mergers can lead to meaningful benefits for patients and help hospitals best serve the health needs of their communities.

Mergers can build “scale” that affords stability and greater access for patients, and allows hospital systems to better promote data-driven, value-based care. Scale can also ignite innovation and allow providers to fully harness the promise of technology – resulting in the expansion of telemedicine services, data analytics to improve care delivery, and the use of artificial intelligence and other clinical advances that can improve the overall health of communities and directly improve care for patients.

Accordingly, the insights included in the Charles River report are reflected in scores of success stories across the continuum of care in all corners of the country. For example… since joining Trinity Health, investments totaling more than $60 million have been made at St. Joseph’s Health in New York. These clinical investments have allowed St. Joseph’s Health to reach rural populations, closing a critical gap in care for St. Joseph’s Health’s regional residents. Another example… Crittenton Hospital Medical Center in Michigan, now Ascension Providence Rochester, was able to recruit 61 primary care physicians into the larger community after joining Ascension, thereby establishing access points that brought care closer to patients.

Just as individual hospitals are strengthened by financial stability, shared costs for expensive IT infrastructure, access to robust networks of system resources, equipment upgrades and the development of clinical best practices through mergers, hospitals and the communities they serve are strengthened through mergers. And their patients benefit through better care at reduced cost.