Joint ventures, partnerships and other affiliations can be powerful ways to address the health needs of a community or specific population. Hospitals and systems can respond more quickly and effectively to the needs of the community when they form a partnership with an established, high-quality provider that specializes in a particular area rather than developing the capability themselves from the ground up. And with consolidation activity expected to continue for the near future, many trustees will find themselves considering opportunities that arise when entering into a joint venture, partnership or other affiliation.

**Transformative Joint Ventures**
Texas Health Resources is the largest health system in north Texas — a rapidly growing metropolitan area of almost 6.5 million people. We have built a variety of relationships with other organizations as a way to address the evolving needs of the communities we serve. We believe the future of health care is one in which the hospital serves as the centerpiece of the full continuum of care services and collaborates with other providers to eliminate any gaps.

Our philosophy is to create an atmosphere of collaboration that brings together people with the highest levels of expertise from various fields and encourages sharing of best practices. Our trustees believe the most effective reform will occur through collaboration at the local level and by taking a “we don’t have to do it all” approach. Joint ventures and other affiliations offer faster time to market and more flexibility in allocating financial resources. They also enable hospitals and systems to leverage capital across many more projects when the investment and risks are shared with partners.

Many of our collaborative efforts involve a joint-venture company in which Texas Health holds controlling interest through the appointment of board members or maintains control by reserving certain powers such as the appointment of key members of the management team, business and strategic plan approvals, and budget approvals.

Texas Health representatives on the board of a joint venture influence key decisions, particularly in the areas of quality standards and responsiveness to community needs, and create a link to other parts of our system to enhance coordination of care across the continuum.

Joint ventures also provide opportunities for physicians to align with the health system and have a greater stake in governance and operations. For example, Texas Health recently entered into joint venture agreements with LHC Group Inc. and Methodist Health System of Dallas to advance our strategy of coordinated, physician-directed, population health management. LHC Group is one of the national leaders in quality home health care with a track record of working effectively with health systems and physician groups to coordinate services. The joint venture created Texas Health HomeCare and Methodist HomeCare to provide home health care services across the Dallas–Fort Worth area.

We also formed a joint venture with Adventist Health System to own and operate Texas Health Huguley Hospital Fort Worth South. Huguley Memorial Medical Center is a mid-size, stand-alone hospital that serves a population in a market area adjacent to other Texas Health facilities. Like Texas Health, Adventist Health System, Altamonte Springs, Fla., is a faith-based, nonprofit system dedicated to improving health in the community. This collaboration promises improved patient access to a range of services and enhanced coordination when patients need to transfer to a higher level of care.

**Fruitful Affiliations**
Not all collaborations need to be legal partnerships like a joint venture. They can be affiliations or other ar-
arrangements that don’t involve joint ownership but still are close working relationships.

There are several different ways to structure an affiliation. For example, Texas Health signed a 10-year agreement with Healthways to develop and implement population health management capabilities in several areas. Healthways offers well-being assessments and predictive modeling capabilities that enable physicians to identify high-risk patients and plan early interventions.

With Healthways, we are developing employer-focused programs for employee health assessments, education and prevention. This collaboration also will deploy tools and processes to facilitate physician-directed population health management. Healthways provides technology and expertise to support our comprehensive diabetes care program, which is designed to coordinate care for both inpatient and outpatient diabetics. The two organizations also are collaborating on our transition care program to coordinate post-acute care services, improve outcomes and reduce readmissions.

**Board Expertise, Connection**

Trustees play a central role in helping senior leaders to evaluate the needs of the community. Our board is the conduit between the community and the organization, and we leverage trustee expertise to help assess not just the sick-care needs, but the health and wellness of the community. We also depend on their guidance in allocating financial resources. Board members also assist in identifying potential partners and evaluating their cultural and operational fit.

Trustees are valued contributors to organizational success for several reasons:

- They are close to the community and can help to identify its needs.
- They can evaluate a potential collaborator’s fit with the organization’s mission, vision, values and culture.
- They can provide perspective on whether the partner is a strategic fit with the organization’s business objectives.
- They can help to evaluate the long-term potential of the investment.

When the organization is considering a joint venture or other affiliation, trustees should ask senior leaders several important questions:

- How does this opportunity meet an identified community need?
- Will this partner share and uphold our mission, vision and values?
- What is the business case and justification for making this investment?
- What is the potential reputation and brand image risk of affiliating with this partner?
- How will the joint venture integrate into our way of caring for patients?
- How will the potential partner’s information technology integrate with our systems?
- What kind of oversight plan will ensure that the collaboration does what it is intended to do?
- How will this relationship fit into our organization’s overall strategic direction and business plan?

Affiliations and joint ventures are long-term strategic investments in which mechanisms are used to keep the management team accountable to ensure a successful partnership. In addition, building flexibility into their structure and governance so that adjustments can be made in a timely manner will enable the organization to respond to changes in the market and the industry.

Trustees can play a valuable, active role in developing collaborative efforts that advance the mission and business objectives of a health system and meet the challenges ahead in improving the health of the communities we serve.

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