

The Case Study: East Chestnut Regional Health System (ECRHS)

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Summative Assessment: Financial and Ethical Impact Analysis Summary

A merger of two organizations, including Archway Hospital (AH) and East River Medical Center (ERMC), and the acquisition of a third care facility, Northern Mountain Hospital Consortium (NMHC), formed ECRHS 10 years ago to create a better and improved healthcare system for the Chestnut and nearby communities. Durable leadership, diligent employees, and organizational goals are vital elements for the success of an organization. However, all these elements together can fail if an organization does not follow a proper structure. An organizational structure, therefore, is necessary to direct the level, communication, and working of the project management team to influence the process and ensure the success of the organization (Grynko et al., 2020). For this to be accomplished, a strategic plan along with a clear understanding of the ECRH system's mission and objectives would be put together to maintain an excellent care service line.

Mission and Objectives

The mission and goal of East Chestnut Regional Health System is the provision of quality care in the community. The objective of this organization is to improve the merger to be on the top of the market and to make a difference by improving the quality of health and life of its community by distributing superior health services in Chestnut and around. The vision of the ECRH system is to be a leader in the community by developing, improving, and providing the best possible health services to fit the needs of the unhealthy population of the community. They have strategic objectives which include the improvement of women's health service line through recruiting new market professional doctors and physicians, opening a gynecology department, introducing a neonatal intensive care center, and inaugurating a new oncology center. After analyzing the organizations' value chain, the merger can effectively improve efficiencies to meet the demands of the customers in order to foster ECRH's success and competitiveness in the marketplace. Therefore, the strategic plan of ECRHs includes the recruitment of new physicians, reducing the median age of medical staff, improving women's services, and enhancing the quality of services being provided. The current organizational structure has an impact on ECRH because the revenue and volume of the oncology center in the organization during the past have increased by 4%. This would also increase the referrals to oncologists in the organization, and the demand for profitable services will also be increased if the marketing department changes the weak branding strategy for better organizational outcomes.

Organizational Structure and Culture

The merger of three organizations created the East Chestnut Regional Health System. The CEO of Archway Hospital at the time the merger took place became the chief executive officer and the new president of the newly founded organization, East Chestnut Regional Health System (ECRH). The top-down strategy of the organization, having a CEO, officials, doctors, physicians, and care providers, allows the management of the organization. The current organizational structure of ECRH works on extending obstetrical delivery and the emergency department by 20% and 5% volume over the following three years to improve their health services, which will help them to extend their patient value. The structure highly acknowledges and appreciates the principles of Human Resource Management as an opportunity to satisfy the patient's needs as a method to create an ethical and financial impact on the current healthcare marketing strategy. Since the CEO of the ECRH had experience working in smaller organizations, he could not manage the cultural changes in the merger of larger organizations. In the beginning, the CEO started taking measures to change the culture of the merger as he trusted the management of the Archway Hospital in making the right decisions on a decentralized basis with little to no supervision. However, the strategies could not work better because every organization moved away from its centralized structure and control.

Current Marketing Strategies

The services East Chestnut Regional Health System offers include women's health services as the top priority. The target consumers of ECRH's services are women, but the targeted market has seen a drastic change due to the competitor Banford Medical Center in the community within the last year. Therefore, ECRH is now planning to focus on services provided to women of all ages that will aid women with their breast care, physicals for all ages of women, and gynecology from the childbearing stage to the geriatric stage by introducing more female doctors and physicians.

Financial Analysis

For ECRH, it is analyzed that the women's service line will be a more effective strategy to build the organization's market value. To accomplish this, a proper marketing plan should be utilized with the use of new technology and social media platforms to create the brand image of the ECRH system in the community. ECRH brands services such as cardiology services, primary care services, specialized orthopedic services, and specialized women's care. Technological advancements, such as a health information hotline and nurse navigation system to meet same-day sick appointments, have improved the overall success of the organization as compared to other healthcare systems in the market. For this to be accomplished, approximately 400 physicians are employed at ECRH along with 750 licensed beds for patients in emergency and life-threatening situations. Due to competition with other medical facilities in the Chestnut area and around, the market share and profit margin have been

deteriorating over the past few years, and also because of the inadequate [marketing plan](#), ECRH has failed to precisely know its profit margin due to a lack of knowledge regarding what resources contributed to the profitability of the organization.

Competitive Advantage

The competitive advantage of ECRH is the opening of women's service lines, including a breast cancer care center, general gynecology, and neonatal intensive care center, with the goal of maturing the marketing strategy of the organization. In order to improve the service for better patient outcomes, ECRH plans to supply a place for a nurse navigation system where women of Chestnut and neighboring communities can easily find more female doctors and nurse practitioners on the same day appointments. The research suggests that healthcare organizations should collect the opinions and views of patients in their care facilities, which would help them to achieve good quality service provision in the community (Ratzan, 2012). So, the ECRH system should collect opinions of patients being served in different care departments of the organization to value its clients as well as employees, and to enhance the competitive advantage in the market by marketing its better patient outcomes. The ECRH system needs to step up its game through branding and marketing strategies to get rid of the negative brand of the company, as marketing must drive a competitive advantage for a for-profit organization such as ECRH. Moreover, the marketing team of ECRH needs to analyze and deduce the feedback from the survey so that future marketing and branding campaigns can be molded to meet the needs of the patients transparently.

Current Value Chain

The current value chains of ECRH are the three associations merged in a system, including ERM, AH, and NMHC. The CEO of the ECRH system has assigned the marketing team the task of identifying value chains in each community where care services are being provided. The CEO has the mission for the upcoming 12 months to greatly benefit the marketing team through the value chains. A communication plan also needs to be developed along with an effective branding strategy to effectively minimize the negative perception of the population associated with the ECRHs' decision to leave the Accountable Care Organization (ACO). Therefore, a meaningful marketing and communication plan is required to get ECRH on track by meeting the public's goal of accrediting Primary Care Medical Home.

Target Market

The healthcare system of today is more competitive than the care system of 10 years ago, as it makes marketing an important aspect of the continued growth of healthcare organizations in the target market (Hillestad & Berkowitz, 2018). Therefore, the ECRH system is extended enormously over

a sizeable demographic area to offer products and services to the community of chestnut and neighboring counties in order to improve the ECRH's brand overall. The target market of ECRH, as it is trying to get back on track after a hard push, is women who will use the services at the neonatal center, breast care center, oncology center, gynecology departments, and all the other healthcare services women of the Chestnut community, as well as women across the world, need.

External Environmental Factors

Before the merger took place, the three associations were working as independent amenities. Each of the healthcare systems, before combining into the ECRH brand, was displaying economic strain, and the difficulties increased. The survey results of the three hospitals were low, and the updated strategies and procedures needed to be ratified. This led to bad marketing practices at the time of merging three associations, as there were issues of overwhelming debt, older care providers, and inadequate care, which were external environmental factors for the creative destruction of ECRH. However, all these issues can be mitigated through demanding work, dedication, strategic decision-making, and effective marketing strategies.

Conclusion

The merger of three associations, including Archway Hospital, East River Medical Center, and Northern Mountain Hospital Consortium get a valuable place in the market through marketing strategies, branding, framework, and organizational structure. ECRH is indeed a safeguard merger because of its excellent coping strategies, marketing tactics, technology system, and women's service line that enhances the strength of the character of the ECRH system in the community. All the products and services are planned to improve the health and life of women and other unhealthy populations in the community, as well as craft new and improved ideas for the success of the organization.

References

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