



The power of partnerships: Health system joins with a health care innovation company for an industry-changing model

Partnerships are taking on ever-greater importance for health care organizations. The key for leadership teams is to recognize when it is the right time to strike partnerships, set an overarching direction and steer their teams to the right model.

During a Becker's Hospital Review 12th Annual Meeting roundtable, Nick Howell, president of Optum Market Performance Partnerships, and Chris Pass, CFO of Walnut Creek, California-based John Muir Health, a not-for-profit community-based health system in the San Francisco Bay Area, discussed the successes and lessons of the first-of-its-kind partnership launched between John Muir Health and Optum in 2019.



Five key insights:

1 Partnerships around infrastructure functions are a new area of growth. Many health systems, including John Muir Health, have formed successful clinical partnerships. Developing a strategic partnership around non-clinical functions allowed John Muir Health to tap into significant performance and financial outcomes that cannot be achieved by attempting to stitch together a myriad of point solutions. "For Optum, the broad partnership model has become a blueprint for moving beyond tactical relationships and creating the deepest possible relationships with health systems," according to Howell.

2 For scalable cost and performance impact in the revenue cycle and other non-clinical functions like IT, analytics and care coordination, partnering taps into scale that health systems cannot achieve going it alone. Even high-performing health systems do not have the scale to invest in and develop the specialized expertise necessary to achieve the levels of improvement they seek. And access to specialized talent is also a limiting factor for health systems.

"One of the things we realized very quickly was that while we probably could achieve parts of the impact ourselves, there was no way we were going to invest and get to the capabilities that we saw in the specialized service providers that were already out there, based on their size and scale," said Pass, in reference to John Muir Health's evaluation of its options for reducing costs and elevating the impact of its support services.



One of the things we realized very quickly was that while we probably could achieve parts of the impact ourselves, there was no way we were going to invest and get to the capabilities that we saw in the specialized service providers that were already out there, based on their size and scale.

Chris Pass
CFO of John Muir Health

3 Broad leadership engagement is one of the keys to partnership success. Organizations expend a great deal of effort communicating with and engaging the teams most directly involved in the new partnership. As John Muir Health and Optum learned, it is also important to engage the rest of the enterprise teams that are not as directly involved, yet are the key constituents for the transformational change. “To maximize the power of the partnership, you need to teach your own teams how to leverage the partner,” Pass noted.

4 Long-term partnerships should bring innovation, not just performance improvement. As the initial economic and capability lifts begin to materialize, the partnership should also begin exploring an innovation agenda that will benefit both partners. “We designed the partnership to include ‘expansion joints’ and an element of joint focus on innovation that is enabling both parties to benefit from developing and proving innovations together,” according to Howell.

5 Cultural alignment is the most foundational success factor of a major partnership. As John Muir Health and Optum were initially exploring the partnership, they invested significant time in learning about each other’s culture, mission and values. As Pass shared, “We were concerned about whether a local, not-for-profit health system could meaningfully partner with such a large, for-profit company. When we realized how much both companies have in common in terms of our focus on improving health care in local communities, we gained confidence that the partnership would be successful.”

“As the partnership continues to grow and evolve, we’re going to have more bandwidth together to continue supporting John Muir Health’s mission of improving the health of the communities it serves with quality care and compassion each and every day,” Howell concluded.



We designed the partnership to include ‘expansion joints’ and an element of joint focus on innovation that is enabling both parties to benefit from developing and proving innovations together.

Nick Howell

President of Market Performance Partnerships, Optum



To learn more about Optum Market Performance Partnerships, visit us at [optum.com](https://www.optum.com)



Optum is a registered trademark of Optum, Inc. in the U.S. and other jurisdictions. All other brand or product names are the property of their respective owners. Because we are continuously improving our products and services, Optum reserves the right to change specifications without prior notice. Optum is an equal opportunity employer.

© 2022 Optum, Inc. All rights reserved. WF8370544 09/22