



Mergers & Acquisitions: How to Support Newly Acquired Healthcare Staff

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Hospitals and health systems have faced historic financial challenges over the past several years. As a result, mergers and acquisitions (M&A) continue to play a strong role across the healthcare industry.

In 2024, [72 hospitals announced M&A deals](#) and [34 more have been finalized](#) so far in 2025. What makes today's M&A environment particularly notable is the number of distressed transactions and divestitures.

According to a [report from Kaufman Hall](#), approximately 31% of mergers and acquisitions in 2024 involved a financially distressed party, while roughly 63% were divestitures — both record-setting figures. Rather than the transformative megamergers that once defined healthcare consolidation, today's deals are smaller, more targeted, and often driven by survival rather than growth strategy.

If you lead an organization that's pursuing M&A activity, chances are you're extending a lifeline to a struggling health system — while also strengthening existing service lines or expanding your geographic footprint.

These types of targeted acquisitions can bring obvious advantages to your organization, like reducing costs and improving access to care. But to realize any of those benefits, you'll first need to successfully manage newly acquired staff through the transition.

The Promise vs. The Reality: Understanding the Morale Gap

When a merger or acquisition is announced, both sides typically approach the transaction with optimism and high expectations. The acquiring organization anticipates operational efficiencies, expanded market reach, and seamless integration. The acquired practice or hospital hopes for relief from administrative burdens, access to resources, and preservation of their mission and culture.

The reality, however, is often starkly different.

Experience shows that meaningful integration — the point at which both parties feel genuinely comfortable with each other — can take anywhere from two to five years. Sometimes, true alignment never materializes.

The Pre-Acquisition Phase: High Hopes. Before the legal milestones, state approvals, and the deal documents are signed, enthusiasm typically runs high. Acquired practitioners often believe they'll receive relief from regulatory demands, insurance requirements, and technology challenges while maintaining autonomy in clinical decision-making. Acquiring organizations expect new physicians and staff to "hit the ground running," adapting to new systems and workflows within just a few months.

This optimism, while natural, sets the stage for disappointment when the complexities of integration become apparent.

The Let-Down Phase: Reality Sets In. The transition rarely unfolds as smoothly as anticipated. Consider the experience of a physician who sold his practice to a large healthcare system seeking relief from marketplace demands. Instead of reduced burden, he encountered a flawed EMR system, saw his workday extend from nine to 12 hours due to increased charting requirements, lost control over staffing decisions, and faced rigid scheduling policies.

This physician and his colleagues had surrendered the power to make their own business decisions, and the resulting strain took a severe toll on morale. This pattern plays out across countless healthcare M&As. Acquired physicians and staff confront:

- **New technology systems** that are poorly suited to their workflows or inadequately supported
- **Increased documentation demands** without corresponding administrative support
- **Loss of autonomy** in scheduling, staffing, and operational decisions
- **Cultural misalignment** between the acquiring organization's corporate approach and the acquired practice's patient-centered traditions
- **Changed team dynamics** as longtime colleagues depart and unfamiliar faces arrive
- **Productivity pressures** that prioritize throughput over the care relationships they value

The Morale Crisis: A Downward Spiral. When these challenges accumulate, they create a destructive cycle: increased stress and tension lead to heavier workloads, which drive decreased productivity, lower patient satisfaction scores, and ultimately increased staff burnout and turnover.

Providers in this situation can easily begin viewing organizational leadership as "the enemy," while executives may brand physicians as resistant to change and unwilling to embrace new approaches. This mutual antagonism represents a complete failure of the integration process.

The consequences extend far beyond individual dissatisfaction:

- **Patient care quality suffers** when providers are overwhelmed, demoralized, or constantly changing
- **Institutional knowledge evaporates** as experienced staff depart
- **Recruitment and retention becomes harder** as word spreads about poor working conditions
- **Community trust erodes** when familiar faces disappear and continuity of care breaks down
- **Financial performance deteriorates** as the anticipated synergies fail to materialize

6 Practical Considerations for Post-M&A Success

Successfully navigating healthcare M&A requires honest acknowledgment of the challenges ahead and deliberate investment in supporting the people who will determine whether the transaction succeeds or fails. Here are six ways to manage your newly acquired staff through the transition:

1. **Reset Timeline Expectations.** The first and most important step is accepting that meaningful integration takes years, not months. Organizations that plan for a two- to three-month adjustment period are setting themselves up for disappointment and conflict.
2. **Invest in Comprehensive Change Management.** The biggest responsibility acquiring organizations have to practitioners and staff is maintaining realistic expectations and investing in robust change management and transition management strategies. Consider bringing in a [healthcare-specific consultant](#) that can help identify potential friction points and guide the transition.
3. **Preserve What Works While Building What's Needed.** Successful integration doesn't mean erasing everything about the acquired organization and imposing the acquirer's approach across the board. Healthcare leaders must ask themselves whether they can accommodate the needs of newly acquired practitioners or whether they'll insist on going "by the book" no matter what.
4. **Provide Adequate Resources and Support.** Many M&A integration failures stem from unrealistic productivity expectations imposed without corresponding support. Offer the necessary training and support for new technology that needs to be integrated into workflows and ensure you're offering enough administrative and staffing support during the transition. Beyond the operational support, talk to your [Employee Assistance Program \(EAP\)](#) partner about how they can support the mental health and well-being

needs of your growing workforce. Confidential counseling, coaching, and peer support can help combat stress and burnout during the M&A process.

5. **Create Structured Opportunities for Communication.** Leadership and frontline staff must find ways to talk to each other and recognize their shared fundamental goals: ensuring patients receive safe, high-quality care, helping the organization thrive, and maintaining strong community relationships. As part of the change management process, invest in building open communication channels that empower clinicians to share their open, honest feedback with your leadership team.
6. **Monitor and Respond to Warning Signs.** Integration challenges won't announce themselves through formal channels. Leaders must actively watch for signs of trouble and respond quickly. Closely monitor any changes in organizational metrics such as staff turnover rates, patient satisfaction scores, and productivity measures.

The Business Case for Prioritizing Staff Well-Being

Healthcare leaders facing pressure to realize deal synergies may view staff support initiatives as "soft" concerns that can take a back seat to operational integration. But a recent article in the [International Journal of Health Policy and Management](#) argues that “a ‘hands off’ approach to managing a merger or acquisition will negatively affect long-term outcomes and profit margins.”

This underscores a fundamental truth: physician and staff engagement isn't a peripheral concern — it's central to achieving the financial, quality, and strategic objectives that motivated the acquisition in the first place.

Remember that the greatest resource of any healthcare organization is its people. When you prioritize staff well-being during M&A transitions, you're also setting your organization up for success through better financial performance, higher quality care, and stronger competitive positioning.