

North Cypress Medical Center

Multi Specialty Physician Group Seeks to Establish General Medical Surgical Hospital

Published: Updated June 2009

Situation

HADC commissioned NHA on behalf of 50 to 70 physicians to analyze their clinical practice operations and the market in which they are located to determine the need for, and if positive the size of, a new medical surgical hospital in their community. The goal of this analysis was to determine the viability of a physician owned hospital and if viable, opine on the location, determine volumes, payer mix, inpatient and outpatient utilization by department, necessary change in practice location and/or patterns and any partnering issues critical to contracting, management services and ongoing operational viability.

Solution

The detailed needs assessment included evaluating data from some 60 physician practices, interviewing each of the physicians to determine the portability of their practice volume, evaluation of the community historical utilization patterns by hospital, development of use rates for the community by age cohort, estimating future population growth and admission and outpatient utilization changes, determining rational market share opportunities for the physician group and concluding on potential hospital volume and ultimately the programmatic size. With a positive market and operational needs assessment, NHA worked with HADC, which completed the detailed space allocation programming based upon the anticipated utilization by department in conjunction with the defined physician needs. HADC then proceeded with the facility planning, site analysis and design documents.

NHA's continued role included preparing the financial operational projections, evaluation of alternative debt and equity financing and ownership models and development of the requisite documents for financing. In addition, NHA worked with the project team to present the analysis, conclusions and opportunity to the entirety of the physician group for investment in the hospital's syndication. With a rapid successful investment offering, HADC was confirmed as the final developer of the new hospital which was built and licensed. In 2008, the 91-bed general acute care hospital opened. Ongoing, NHA provides some general and operational consulting services for the hospital and its adjacent medical office building and is now working with the hospital on a two floor expansion and addition of a 2nd medical office building and parking garage.



Solution Overview

Customer Profile

Multi Specialty Physician Group

Business Situation

Determine the viability of a physician owned general medical surgical hospital.

Solution

NHA conducted a market and operational needs assessment. Prepared preliminary financial analyses, then developed the final financial projections to support the private placement memorandum and financing.

Benefits

- New Business Opportunity
- Meet Community Needs
- Revenue Enhancement
- Increased Patient Satisfaction
- Improved Physician Practice Efficiencies

Partners



For More Information

For more information about NHA services, call our offices at (305) 444-5007. To access information using the internet, go to: <http://www.nhaconsulting.com/>

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