

THE CLIENT

Mid-size Hospital in Northeast affiliated with large not-for-profit Health System

SERVICES PROVIDED

Planning, Valuation, and Acquisition Negotiation of Imaging Centers and Physician Practice

COMPLETION TIME

One Year (including CON process time)

IN THEIR OWN WORDS

"I've worked closely with Regents Health Resources' senior staff for the last two years on several different projects. Everyone is professional, reliable and focused on keeping projects on schedule. Their insight and recommendations have proven valuable in our strategic planning and market analysis. I can heartily recommend Regents to anyone needing their medical imaging guidance and expertise." - Vice President, Clinical Administration, ABC Hospital, ABC Health System

THE CHALLENGE

Identify and implement a market strategy to capture greater outpatient imaging. Hospital had lost most of its lucrative medical imaging to outpatient competitors. As a result the Hospital's financial performance was weakened not only in medical imaging but also in other outpatient services and admissions since they did not control the outpatient diagnostic process. Regents was engaged to identify and implement the process for recovering that lost market share.

THE SOLUTION

Regents evaluated the opportunities, developed process and valuation strategies and assisted in the acquisition negotiation process. Regents created financial models to demonstrate the integration value of the acquisition. Several scenarios helped the client to focus on the right acquisition to achieve their market and financial goals. Regents worked closely with the target to assure it that its needs and goals would be met.

The financial modeling provided the client flexibility in meeting the target's short term and long term goals while improving the financial and market performance of the final deal structure. Regents conducted analyses of the reimbursement structures and helped the client prepare for provider based status which will provide increased reimbursement. Regents' assisted the Client in negotiations and in developing and submitting a Certificate of Need Application to the State to approve the transaction.

THE PAY OFF

Very significant increase in outpatient market share (10%+) and new revenue (> \$20m) for the Client. Recapture control of outpatient business and redirect additional services to its doctors and hospital. Economy of scale when combined with existing infrastructure will significantly lower cost per procedure. Create new relationships with referring physicians potentially resulting in additional patient referrals.