

# Case Study

## Guiding Success in New Markets: Buy-Side Due Diligence in Ophthalmology

A private equity-backed MSO aimed to enter a new market by acquiring a large ophthalmology private practice with extensive operations. The practice included over 30 eyecare physicians (MDs, DOs, and optometrists), optical shops, ambulatory surgery centers (ASCs), and multiple clinical locations.

### Situation

BSM Consulting (BSM) and Progressive Surgical Solutions (PSS), divisions of VMG Health, assessed the clinical and ASC operations, identifying potential risks and opportunities before finalizing the transaction.

### Services Provided

- Operational Assessment
- Provider Production Analysis
- ASC Life Safety Audit
- ASC Operational Assessment
- Coding and Compliance Audit for Clinic and ASC

*Does your organization need transaction assistance? Reach out today for a complimentary assessment.*

### Contact

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### Solution

BSM conducted a comprehensive operational assessment, meticulously analyzing provider production, revenue, and operational compliance. BSM and PSS performed a thorough utilization analysis and chart audit in the clinic and ASC to identify provider CPT code utilization variances and pinpoint billing and coding risks, mainly focusing on potential over- or under-coding. PSS completed an ASC operational assessment, mock survey, and Life Safety audit, outlining physical areas needing improvement and estimating costs for necessary updates to the ASC building.

### Success

The assessment revealed several areas of risk and opportunity. Billing and coding compliance issues for ophthalmic diagnostic testing were identified, highlighting several codes utilized at levels exceeding CMS norms and others well below. There were also instances of potential under-coding, misapplication, or misunderstanding of coding principles. Additionally, opportunities to expand specialty services, including oculoplastic and cosmetic surgery, were uncovered, opening new avenues for growth and development. The need for better integration of MD and OD services to enhance surgeon yield rates and expand optometric services was also identified, alongside structural deficiencies in the ASC requiring attention pre-transaction, providing the buyer with critical insights.

Based on BSM Consulting's findings, the buyer was able to make well-informed decisions and adjust their purchase agreements. They also received tangible recommendations to deploy during integration to make future improvements, providing reassurance and confidence in the decision-making process.

### Client Results

# 92%

Client Satisfaction  
Rating

### About VMG Health

VMG Health is a leading, national, full-service healthcare strategy and transaction advisory firm providing solutions exclusively for the healthcare industry with a long-standing reputation of excellence in client service. Whether you need assistance with traditional transactions or emerging physician compensation models based on value and performance, VMG Health provides the expertise you can rely upon.

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