

Case Study

Exploring Ambulatory Surgery Center Viability: A Feasibility Study

A large, regional health system (Health System) was looking to define the feasibility of ambulatory surgery center (ASC) strategies.

Situation

The Health System was nearing surgical capacity at several of their hospitals and evaluating options. The Health System decided that adding an ASC near one or several of their campuses could provide a solution and allow the Health System to capitalize on site of care shifts in the industry. The Health System asked VMG Health to evaluate the feasibility of and potential returns associated with several ASCs in the marketplace.

Services Provided

- Intellimarker Benchmarking Analysis
- Financial Feasibility Study
- Pro Forma

Does your organization have a valuation, strategy, or compliance need? Reach out today for a complimentary assessment from a VMG Health expert.

Contact

Clinton Flume, CFA

Managing Director
clinton.flume@vmghealth.com
972-616-7785

Savanna Ganyard, CFA

Director
savanna.ganyard@vmghealth.com
972-616-5866

Solution

VMG Health analyzed the volume at the hospitals to identify cases that were eligible for movement to an ASC setting and discussed the likelihood that these cases would move to the potential ASC with management. Once the volume was identified, VMG Health used proprietary benchmarking, including data from VMG Health's Intellimarker, to determine reasonable reimbursement and expense assumptions associated with the identified volume. Leaning on the expertise of VMG Health's Real Estate and Capital Asset divisions, VMG Health estimated the capital required to execute the proposed strategies and evaluated the return on investment. In conjunction with the pro forma, VMG Health assessed the financial impact to the hospitals from the loss of the volume and the impact of potential backfill opportunities. This financial impact was considered in determination of the Health System's return on the proposed ASC strategies.

Success

VMG Health's analysis provided the Health System with discernable analytics regarding the feasibility of an ASC strategy and insight into the ASC locations with the greatest potential. As a result, leadership at the Health System moved forward with an ASC strategy. The Health System is currently working with Progressive Surgical Solutions, a division of VMG Health, to develop their first ASC in the marketplace.

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.

vmghealth.com