

# Strategic Case Study

## Behavioral Health Service Line Assessment

### Situation



A large behavioral health organization is considering expanding its care model and services to new states. The current service portfolio includes outpatient behavioral health clinics, intensive outpatient behavioral health therapy, partial hospitalization, and inpatient behavioral health services.

A highly successful physician-owned behavioral health organization expressed a need to expand its service offerings to new markets. The leadership's vision for their existing market had reached maturity and top-line growth was projected to slow. The organization understood behavioral health services were in high demand nationally but needed assistance with developing an expansion plan. Leadership recognized there was an incomplete understanding of provider, competitor, payer, and population dynamics outside of their home market. There was a need for outside assistance in identifying growing markets that fit with the organization's business model to offer the best opportunity for success.

### VMG Health Services Provided

- Mergers & Acquisitions
- Physician Compensation Design
- Provider Needs Assessment
- Growth Strategy & Development
- Medical Group Positioning
- Real Estate Valuation



**VMG Health can provide an assessment of your current situation and offer potential options for a course of action.**

### Contact



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### Services



The behavioral health organization retained VMG Health to perform a national market assessment to educate leadership on key trends, to prioritize states and metropolitan statistical areas (MSA) for management review, and to recommend specific communities for expansion. Working with the organization, VMG Health experts developed a framework that identified and weighed factors most conducive to program expansion and tested the potential of individual MSAs.

A critical aspect of the process was understanding the key factors that are essential for a clinically and operationally sustainable behavioral health program. VMG Health performed a series of analytics to determine critical success factors and prioritize new markets. Analytics included a review of patient access, reimbursement trends, provider economics, Medicaid policies, competition, and regulatory requirements.

Interviews and analytics identified numerous factors that are most critical for a sustainable program. One of the major considerations which required in-depth insight on physician alignment strategies was the need for a renewable source of physicians in a high-demand specialty. In addition, having a full continuum of behavioral health services easily accessible to patients was highlighted as a critical factor for success. This includes not only convenient access points, but the full spectrum of services from inpatient services to home care, all supported by social programs.

Each of these factors were fully explored followed by VMG Health recommending three priority markets, potential partners, and real estate opportunities.

### Success



The behavioral health organization selected a preferred market based on VMG Health's opportunity assessment and signed a definitive agreement to acquire a large behavioral practice in the market. Today the organization is successfully operating in its second state and is leveraging the original market evaluation to guide decisions for the next market expansion.