



FREQUENTLY ASKED QUESTIONS
FAQ's

HOSPITAL JOINT VENTURE

A win-win-win opportunity for physicians, hospitals and patients.

Q. Why a hospital joint venture?

Joint venture strategies between hospitals and physicians or physician groups are creating opportunities. They are the fastest growing models in outpatient delivery. Both physicians and hospitals are seeing joint ventures as a central strategy to succeed within the complex challenges of the healthcare marketplace. It is a partnership where both sides have an interest, financially and professionally, in the success of the facility. Nueterra acts as a bridge to expedite the process. Nueterra believes the growing demand for healthcare services requires a variety of solutions. That's why we partner with physicians and hospitals to find new opportunities and provide complete solutions for the development and management of surgical facilities and community hospitals.

Q. What are the advantages of a hospital joint venture?

The many benefits of a hospital JV are:

- Increased market share.
- Improved physician recruitment and retention.
- More control for physicians over the clinical care process.
- Decreased migration of procedures to the competition in growing markets.
- Market expansion that provides the additional growth needed to offset the increased cost of indigent care.

For a physician, ownership means autonomy. You'll be free to provide quality care, achieve greater efficiencies in your practice and gain mastery over your professional future. Your ownership assures immediate financial rewards to help offset the effects of declining reimbursements. Our partnership frees you to concentrate on what matters most – quality care for your patients.

Q. What are the possible hospital joint venture models?

- Resyndication of an existing ASC to include physician ownership
- Turnaround of a failing ASC to a profitable center with physician recruitment and cost containment strategies
- Restructuring of hospital outpatient departments (HOPD) into ASCs
- Recruitment of new physicians to hospital staff with development of an ASC or surgical hospital
- Conversion of an ASC to a surgical hospital
- Navigating the CON process to develop successful physician partnerships with an ASC
- Expansion of a health system's target market with development of community hospitals in outreach areas

Q. What are the key success factors of a hospital joint venture?

Starting a hospital joint venture is a major decision that requires careful evaluation and accurate planning. A successful project must include a well-developed and executed business plan that takes into account key factors such as organizational structure, legal considerations and financial obligations. Most industry experts agree that selecting a corporate partner with proven experience in developing and managing surgical hospitals will both maximize opportunity and minimize risk. Your partner should clearly understand the upfront legal aspects and state licensing requirements, but also the ongoing operational components such as managed care contracting, space planning, 24-hour staffing and clinical pathways.

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Based on industry data and real-world case histories, a successful hospital joint venture begins with thorough market analysis that determines your community needs and scope of services. In addition, a financial feasibility study should be conducted to establish your projected patient volume, procedural case mix, revenue per case, medical specialties, SWB (salaries, wages & benefits), building and equipment costs and other variable costs. The bottom line is, the more due diligence you perform in the front end, the greater the chance for success on the back end.

Q. How does partnership with a management company benefit me?

Industry experts say well-managed joint ventures will continue to have a significant advantage in the future. From real estate and site selection, to licensing and regulations, managed care and daily operations, Nueterra has the infrastructure and forward thinking that brings best practices and best care together. Partnering with Nueterra guarantees fewer hassles for you, removes obstacles and creates valuable advantages. Our integrated suite of services includes:

- Feasibility planning and economic pro forma
- Capital investment
- Single-source solution for development and management
- Payor contract negotiations
- GPO pricing for supplies and equipment
- Financial & clinical reporting and benchmarking
- Human resource solution (AmStaff)
- Non-recourse financing (equipment)
- Real estate development and financing solutions
- Same store growth initiative
- Legislation safeguards for physician-owned facilities

Q. Why Nueterra?

At Nueterra Healthcare, we help bring hospitals and physicians together to increase market share, physician recruitment and retention and overall profitability. With more than 85 surgical facilities created in 26 states, our client base includes two of the three Malcolm Baldrige award-winning hospital systems. But it's the numbers from our entire client list that truly demonstrate our success. Our surgical facilities consistently out-perform industry averages in clinical quality, efficient scheduling, patient satisfaction and profitability. In fact, our average facility delivers:

- A profit margin that's 50% higher than the industry average*
- Profitability in the second month of joint venture operation
- Patient satisfaction results of 98%
- ROIs of 58% in year one, 112% in year two and 150% in subsequent years

*Compared to Medical Group Management Association metrics on financial return.

Nueterra helps expedite the joint venture process, serving as an unbiased third party. Our goal is to bring all parties to the table as quickly as possible, and we've had proven success in resyndicating existing centers including bringing in new physician partners – some in as little as 60 days.

Q. I'm interested in learning more. What now?

Nueterra representatives can meet with you to discuss the opportunity in your area and address questions specific to your community. During this meeting, Nueterra will introduce our business model and describe the development process and anticipated timeline. By attending the initial presentation you are letting us know that you would like to consider investing in a project. However, you do not have to make any commitment at this point. Call Nueterra today and ask about a no-obligation feasibility study. For more information, visit www.nueterrahealthcare.com, or contact us at 913.387.0510 or info@nueterrahealthcare.com.