



# CASE STUDY

## EVALUATING THE POTENTIAL BENEFITS OF PURCHASING AN INDEPENDENT CARDIOLOGY GROUP

The leadership of a tertiary health system in an urban market evaluated opportunities for market share growth with a focus on Cardiology. A large independent cardiology group in the market was known to be working with at least three other health systems in the market – resulting in patients being split four ways from a market share perspective. Our client health system desired to understand what percentage of cases were being taken to competitor health systems, with a focus on identifying the potential return-on-investment on an alignment strategy with the cardiology group.

**HSG Provider Service Location Analysis** was utilized to identify all patients who had interacted with the Cardiology practice's providers in the past calendar year. For this group of patients, HSG evaluated site of service for all Cardiology-related claims performed by one of the practice's providers, as well as the specific service(s) performed at those sites.

### HSG PROVIDER SERVICE LOCATION ANALYSIS PROCESS

First, HSG broadly grouped the services performed by the group into specific service-lines within Cardiology: Electrophysiology, Cardiac Catheterization, Medical Cardiology, Nuclear Medicine, and general Evaluation and Management codes to understand what percent of the group's volume each service line was.

Next, HSG evaluated specific types of services and where those cases were performed. In the instance of Cardiac Catheterization, our client learned that roughly 50% of the group's total catheterizations were being performed with the client facility, while the other 50% were largely equally spread among the three competitor systems.

Finally, HSG incorporated **HSG Patient Flow** and evaluated the sources of referrals for the group by evaluating what primary care providers the Cardiology group's patients had visited PRE 90 days of their Cardiology visit. Our analysis showed that approximately 33% of the group's referrals came from Primary Care providers employed by the client health system. Of the other 67%, competitor primary care groups were not a significant factor, providing under 20% of all referrals to the Cardiology group.

### WHAT HSG FOUND

Overall this analysis gave the client a deep understanding of the potential patient volume it was not capturing from the group, while also identifying potential issues with referrals being cut off by competitor primary care providers should our client move forward with an acquisition or other significant alignment activity with the group. The analysis overall showed large potential gains in market share through patient referral capture by alignment with the group as well as relatively low-risk of the Cardiology group's referral patterns shifting post-alignment.

### APPLYING HSG PROVIDER SERVICE LOCATION ANALYSIS TO YOUR ORGANIZATION

To learn more about HSG's approach and get a complementary **HSG Provider Service Location Analysis** report for providers in your market, contact DJ Sullivan or Eric Andreoli.



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