

# Is Your Ambulatory Surgery Feasibility Study Truly Complete?

Are you thinking about adding to or expanding your ambulatory surgery facility? Don't make the mistake of jumping into a new development or construction project without having a clear and detailed strategic business plan. At LeftCoast Healthcare Advisors, we believe "doing your homework" is critical in creating high-performing, profitable ambulatory assets that meet the needs of patients, physicians, and investors.

## **What happens if we don't have a detailed plan?**

There is no shortage of free or simple "proformas" models you can use when creating an ASC, but are they truly complete? Having an incomplete or inaccurate feasibility study poses significant risks, including constructing a space ill-suited to current and future requirements. Without proper assessment, there is a real danger of investing in a facility that quickly becomes outdated with no ability to accommodate evolving technology and current clinical practices.

This misstep could result in oversized or vacant operating rooms, wasting valuable resources and exacerbating revenue loss. Without a thorough understanding of how patient demographics, service demands, and technology change over time, there is potential for underutilization of the facility leading to missed revenue opportunities and financial instability. You want a facility that can grow and adapt to future changes.

There is also value in going through the process of pulling a feasibility study together, and bringing your team with you through that process. Well-run processes engage multiple groups – providers, leaders, staff, owners, and anyone else with a stake in the facility's future. The result is a clear plan that everyone understands and can support. Misalignment at the start of a project can be difficult to undo, so get it right from the start!

Bypassing an ambulatory feasibility study jeopardizes not only operational efficiency but also financial viability in both the short term and down the line.

***Plan to go slow to go fast – take time to understand the critical drivers that will impact the success of your new space.***



## What components are key to a quality plan?

An ambulatory feasibility study should thoroughly examine reimbursement, volume, clinical operations, administrative drivers, and typical financial inputs to ensure the viability and success of an expansion. It should also review opportunities to extend or optimize the life of your existing asset and maximize value during the interim.



**Reimbursement** should be the baseline assessment in every ambulatory project, with the focus not just on rates, but also on the time and effort required to make any necessary changes in contracts to support the new space.



**Volume** is the second most important factor to consider in feasibility studies. You should address not just the raw number of new cases, but also the timing, migration location, payor mix, complexity, and short and long-term growth. Additionally, you should take into account market dynamics, competition, and evolving technology.



**Clinical** inputs should focus on patient care requirements, evaluating service demand, required medical specialties and support services, and the necessary technology infrastructure necessary to meet existing and evolving healthcare standards. This is especially true when adding new service lines or specialties.



**Administrative** data examines the operational aspects of a new space, including staffing needs, governance, regulatory compliance, and workflow efficiency. Communication, especially with new and existing physician offices, including patient scheduling workflow will also be critical.



**Financial** performance metrics measure the economic feasibility of the project and are often the primary focus for projects. However, their reliability is contingent upon the inputs from the other plan components. A robust assessment considers factors such as capital investment, operational costs, timing of construction, and revenue streams. A quality plan also looks at the “what-if” rather than relying solely on best-case scenarios.

Prioritizing this pre-work is essential to mitigate risks, optimize resource allocation, align stakeholders, and enhance the delivery of quality care.

***If an ASC expansion is on your horizon, LCHA is here to help.***

***Together, we'll delve into your organization today, what you want & what might be possible. Our Ambulatory Feasibility Study includes a comprehensive plan tailored to your specific needs.***



To learn more, please contact us:

Website [lchadvisors.com](http://lchadvisors.com)  
 Phone 425.526.6665  
 Email [info@lchadvisors.com](mailto:info@lchadvisors.com)

