

Success Story

Executive Resources Solutions



Growing Kansas Clinic Utilizes Intalere Supplier Medical Equipment Resources & Consulting (MERC) to Help Facilitate Rapid Expansion



A SHORT TAKE ON SUCCESS

The Challenge:

- Fast growing clinic needs asset evaluation assistance and expertise to facilitate expansion.

The Solution:

- Facility used Intalere Member Resources to connect with supplier.

The Outcome:

- Expert fair market appraisal in as little as one day helps bring new facilities online to better serve community health needs.



THE CHALLENGE

The Hutchinson Clinic was founded in Hutchinson, Kan., in 1959, and since then has continued to evolve and grow into its current team of more than 90 physicians and providers and almost 650 employees. Their goal is to provide the highest possible standard of comprehensive medical and surgical care to the communities they serve. Representing the major specialties of medicine, the Hutchinson Clinic physicians bring their cumulative training and experience to each patient's needs.

Over the past several years, Hutchinson has expanded and continued to improve access for patients with outreach clinics within a 100-mile radius. They have also created a telemedicine program that allows patients in the farthest reaches of its 10,000-square-mile geographic outreach area to gain easier access to quality medical care.

But, with that expansion and growth comes the need to value practices and equipment as new physicians and offices are brought into the fold. Throughout healthcare today, more consolidation and acquisitions of medical practices are happening, and assets, supplies and equipment need to be assessed and valued for the transaction. According to Lori Knoeber, director of Materials Management for Hutchinson Clinic, historically, the valuation of a practice's equipment and supplies was processed internally by the materials department. But, as growth at the organization accelerated, Knoeber felt that, moving forward, valuations by a third party would help Hutchinson a great deal and take the burden off her already overworked staff. To help find a solution, she contacted her Intalere representative and dug into Intalere's Member Resources website to find the service and partner that could make the task easier.

THE SOLUTION

Knoeber was quickly connected with Intalere supplier Medical Equipment Resources & Consulting (MERC). MERC enables members to maximize the value of their existing assets by providing them with data, expertise and insight to right-size future capital equipment requirements. According to Wade Byerly, principal at MERC, their services provide a baseline of data developed from inventory and assessment of target assets, which can be expanded to include Estimated Remaining Useful Life. This foundation of information can be used to improve financial asset management and capital



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budgeting, support business initiatives, such as mergers or acquisitions, or effectively redeploy assets in a building project.

The scope of services for MERC in the initial Hutchinson project was to appraise reusable items such as medical equipment, furniture, furnishings and computer assets, as well as consumable supplies. Hutchinson requested a “desktop” appraisal, which can be done remotely, and provided a list of assets and supplies to MERC electronically, along with digital photos to provide visual evidence to support their evaluation efforts. MERC performed the valuation and submitted it to the clinic within one day versus the usual one week or so it took when the process was done in-house. Knoeber was extremely grateful and pleased with the quick turnaround and the fact that she had to deploy minimal resources herself. “We did have to do some prep work in terms of gathering some documents and taking a few photos, but it was nothing compared to the man hours I would have had to find otherwise to complete the assessment,” she said. Another important factor is that having an experienced, third-party appraisal takes any guesswork out of the process. “In-house, we did not have the specialized experience that a partner like MERC can bring,” said Knoeber. “There is a need to educate yourself about properly establishing value and a learning curve you have to overcome.”

With more than 150,000 pieces appraised and \$148 million in value, MERC brings a robust methodology and supportive data and experiences to provide a true fair market value appraisal. Additionally, they are familiar with legal or regulatory issues that might need to be addressed.

THE OUTCOME

With MERC’s valuation, the clinic was able to finalize the asset acquisition of a small physician practice in a neighboring community. This resulted in the clinic’s staffing their specialty clinic and walk-in care department with physicians that have been well-established in the community. “In this era of healthcare consolidation and increasing costs, it is important to have partners that provide service, support and needed resources so we can focus on the healthcare needs of our communities,” said Knoeber. “The flexibility, accessibility and favorable terms and pricing of MERC have been a positive contribution in helping us to do that.”



Intalere Executive Resources Solutions

Full-spectrum solutions that couple decades of healthcare experience with industry best practices, enabling executives to enhance their organization on a quality, operational and financial level.

About Intalere

Intalere’s mission focuses on elevating the operational health of America’s healthcare providers by designing tailored, smart solutions that deliver optimal cost, quality and clinical outcomes. We strive to be the essential partner for operational excellence in healthcare through customized solutions that address customers’ individual needs. We assist our customers in managing their entire non-labor spend, providing innovative technologies, products and services, and leveraging the best practices of a provider-led model.

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Lori Knoeber · Director of Materials Management · Hutchinson Clinic