

Case Study: Market Feasibility

A hospital system in a Southwestern state engaged Health Planning Solutions to evaluate the demand for ambulatory services in a 5-County area centered around the State's major city and home of the system's flagship hospital. .

Therefore, the primary objectives of the study were to:

- ⌚ Project market demand for key ambulatory services in the area over the next 5-10 years for Diagnostic and Therapeutic Radiology, Emergency Services, Outpatient Surgical Services, and Laboratory Services.
- ⌚ Define the supply and demand of physician services in each of the identified sub-markets with a focus on the key primary care and high volume secondary care specialties.
- ⌚ Develop reasonable market share assumptions for each of the key ambulatory care clinical services based upon historical information and competitive position of the health system.
- ⌚ Assess the impact development each of the services would have on existing system facilities.

HPS identified seven sub-markets within the 5-County area based upon historical medical care usage patterns. Demographic data was gathered for each of these sub-markets and current and projected demographics, payer mix, and use rates for each of the clinical services were generated. Physician supply and demand data by specialty was developed and applied to each sub-market. Current market share was calculated comparing the health system with 15 other area hospitals. Market share data was combined with projected demand in each sub-market for major ambulatory services to develop volume forecasts.

As a result of the HPS market study, our health system client was able to implement the recommended services and meet the outpatient and physician service needs of each of the geographic areas identified. The system is currently realizing service demand within 10% of predicted volumes in most areas.