

“... One of the most remarkably successful and enjoyable projects of my career.”

*Jeb Bonsteel
Market Analyst
Integrated Health Services, Inc.*

Step-down Unit Healthcare Provider

Our client, a step-down unit healthcare provider, needed reliable market analysis to execute its merger and acquisition-fueled growth strategy

Our client was at the forefront of sub-acute, step-down healthcare. Under this model, patients who required more care than a nursing home could provide, but who no longer required costly hospital-based care, could step-down to a skilled nursing facility (SNF). To integrate clinics, our client bought nursing facilities in underserved, relatively wealthy markets, likely to have significant utilization rates.

The business model depended on mergers and acquisitions (M & A), but the client’s data research to capabilities limited its growth because they could not easily identify potential M&A target companies. Predicting a successful location lay in matching supply with demand, but our client lacked a relative sense of the national market. While it could determine if a particular location met certain criteria, it had no reliable way to prioritize it relative to other markets.

Understanding patterns within an area’s Diagnostic Related Group (DRG) levels--a coding system used by Medicare and private insurers to classify illnesses--was essential in this analysis. At the time, reimbursements were more lucrative in certain categories.

Our client had an idea for a geographically organized analytics engine. They contacted Mind Over Machines to

OVERVIEW

Industry
Healthcare

Location
National

Size
+44,000 beds (2000)

Need
To find high-value M&A targets

Solution
A geospatially organized market analytics

Results
Overall 1000% growth using the M&A engine

Services
Business Analysis
Application Development

learn if this vision could become a practical reality.

MOM delivered an innovative M & A analytics engine

Mind Over Machines developed the Mapping Analytics and Research System (MARS), which enabled our client to visualize supply and demand at any point in the United States. Working with a national database of DRG code levels and PC-based mapping software, MAPS plotted the longitude and latitude of all facilities that were reimbursed by Medicare: home health, nursing homes, hospitals.



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Now our client could quickly find clusters of the 100 DRG codes of greatest interest. Working with a hospital as the center of a region, and overlaying it with both DRG and age and household income levels, MAPS produced in minutes what had taken weeks to do manually.

Knowledge is Power

Our client grew to become the fifth largest sub-acute care provider in the nation, and revenue grew from \$202M to over \$3B in just seven years. MAPS was integral in both determining locations for facilities, and for increasing utilization within the SNFs. Using DRG-based length-of-stay data, administrators could show dramatic savings by transferring sub-acute patients to SNFs.

“Mind Over Machines’ strategic insight was key in making MAPS one of the most remarkably successful and enjoyable projects of my career,” remarked the Healthcare Market Analyst.

About Mind Over Machines Mind Over Machines is a Maryland-based consulting and technology services company serving public and private sector clients. Mind OverMachines’ corecompetencies include full-lifecycle development and support of enterprise systems, business analysis and process engineering, IT strategy, and user-experience design. Mind Over Machines has successfully supported federal civil agencies for more than 10 years and employs a diverse and technically skilled workforce.