

# INQUIRE BEFORE YOU ACQUIRE

## The Top Five Healthcare Facility Planning Due Diligence Considerations

As healthcare systems strategize for more convenient access points to deliver reliable and affordable care, their sights are often focused on mergers and acquisitions. The exploratory decision process typically involves in depth due diligence activities from a financial and legal perspective. Healthcare facilities and operations are by nature complex and characteristically burdened with numerous operational and infrastructure issues that are often overlooked in the due diligence phase. Perhaps buying a lemon is part of your strategy, but if it isn't, consider these top five facility elements that should be assessed, along with the financial due diligence to guide you in making wise and informed decisions and to avoid unexpected costs down the road:

### Facility Infrastructure Assessment



Evaluation of the building's mechanical, electrical and plumbing systems as well as its architectural and structural condition to assess age, useful life, repair and replacement costs, energy efficiency and condition of the systems.

### Technology Review



Know the age, condition and expected life of equipment and expensive technology.

### Regulatory Compliance Assessment



Review and interpretation of licensing and accreditation reports which may indicate needed operational and/or facility improvements. This also includes updated facility drawings for accurate regulatory reporting, code compliant floor plans, real estate square footages and life safety systems.

### Data/Operational Review



If not part of the financial due diligence, an assessment of utilization rates, projected growth and market share will help in the overall assessment.

### Operational Review



Understand and assess current staffing and vacancy rates, employee turnover, patient and staff satisfaction, and workflow efficiency.

#### Contact:

Teri Joy, RN, CEN, TCRN, EDAC, LSSYB  
Director of Planning  
cmiller@bsalifestructures.com