

Fully Managed Diligence

Client Profile

Size

23 locations

Location

IL, OH, CA, AZ, WA,
OR, VA and DC

Specialty

Fertility

Services Deployed



Centralized Project Management



Coding & Clinical Compliance



Cybersecurity



Payer Black Box Analysis



Quality of Earnings



Revenue Cycle Management

Overview

Our Client is a highly acquisitive MSO with operations across seven states and seeking to continue its rapid add-on M&A activity across transactions of varying sizes from small solo practice tuck-ins to larger multi-site add-on acquisitions.

Our Client was aiming to improve its add-on diligence program to meet key objectives:

- + Highly flexible diligence scope positioned to scale up and down to address varying add-on acquisition sizes
- + User-friendly diligence experience for Client and Target teams
- + Efficient third-party diligence pricing
- + Value-add diligence findings that go beyond traditional "check-the-box" risk analysis

Execution

SCALE was engaged to provide an integrated diligence services across three simultaneous add-on transactions.

Unique aspects of SCALE execution approach:

- + SCALE deployed six diligence teams across three add-on transactions to provide a one-stop, integrated diligence solution.
- + All diligence workstreams were centrally coordinated through SCALE's project management team to streamline communications with Client and Target throughout the process.
- + In addition to traditional diligence risk analysis, SCALE's diligence teams incorporated post-close execution & integration preparedness analysis into the diligence reports.
 - Coordinated with Client department leadership to sufficiently understand Client's base operational program and post-close integration needs to support development of post-close integration plans customized to Client's operational program.

Results

SCALE achieved meaningfully discounted third-party diligence cost relative to the traditional approach of working with disparate third-party vendors across individual diligence workstreams by providing bundled, repeat diligence services in addition to:

- + Highly reliable, flexible and integrated one-stop diligence solution that could be scaled up and down to address a broad range of diligence needs across multiple simultaneous add-on transactions of varying sizes
- + Rapid diligence execution with reliable, on-time delivery of diligence reports
- + SCALE's diligence team was able to develop a uniquely holistic view of Target for a third-party vendor by leading a broad range of diligence workstreams
- + Delivered thoughtful diligence reports across six functional areas (i.e., coding, compliance, cybersecurity, revenue cycle management, payer black box analytics, and quality of earnings) that:
 - Confirmed key transaction components, such as Target's adjusted financial performance, to facilitate transaction execution
 - Identified, quantified and stratified key risks
 - Defined practical, value-add post-close operational performance improvement opportunities by functional area
 - Developed initial framework for post-close integration
- + Improved Client and Target diligence process experience through:
 - Centralized
 - Process coordination across diligence workstreams
 - Information requests to avoid duplicate requests across diligence workstreams
 - Reduced burden on Client to manage the diligence workstreams by leveraging SCALE's project management leadership
 - Transparent and user-friendly status updates throughout diligence process