

Client Success

Financial, Operating and Regulatory Due Diligence

Overview:

Client endeavored to purchase a skilled nursing facility, operating in one state, with significant neighboring state Medicaid utilization. Client wished to assume the Medicare provider number and to obtain new Medicaid provider numbers

Customer Pain Points

Client was concerned about the target's medical documentation practices in support of its third party billing, neighboring state Medicaid rate setting on a post-transactional basis, quality of earnings for loan underwriting purposes and ongoing expense structure.

Services Offered:

The Lancaster Group was engaged to perform the following services to address Client's concerns.

- Medical record review for purposes of determining whether documentation was sufficient to support Medicare billing and Medicare and Medicaid minimum data set documentation and completion practices.
- Evaluation of the billing compliance policies, procedures and practices to identify areas in which improvement would be recommended.
- Evaluation of auditor work papers, aged accounts receivable and allowance for doubtful accounts to determine reasonableness of net realizable revenue projections, estimate of future Medicaid reimbursement rates and evaluation of the billing for medical ancillary services to identify areas in which additional revenue opportunities may exist.
- Analysis of staffing and other expenses to verify proper accounting and to identify areas in which expenses may be expected to vary from historical experience.

Results:

The Lancaster Group was able to assist Client in successfully acquiring the skilled nursing facility, by performing the requested services and by assisting with negotiation of the purchase and sale agreement, evaluating proposals for financing, identifying opportunities for improvement and assisting with the various required regulatory filings.