



# Forney, Texas Healthcare Analysis

*Medical Market Overview*

COMPLETED MAY 2011

## EXECUTIVE SUMMARY

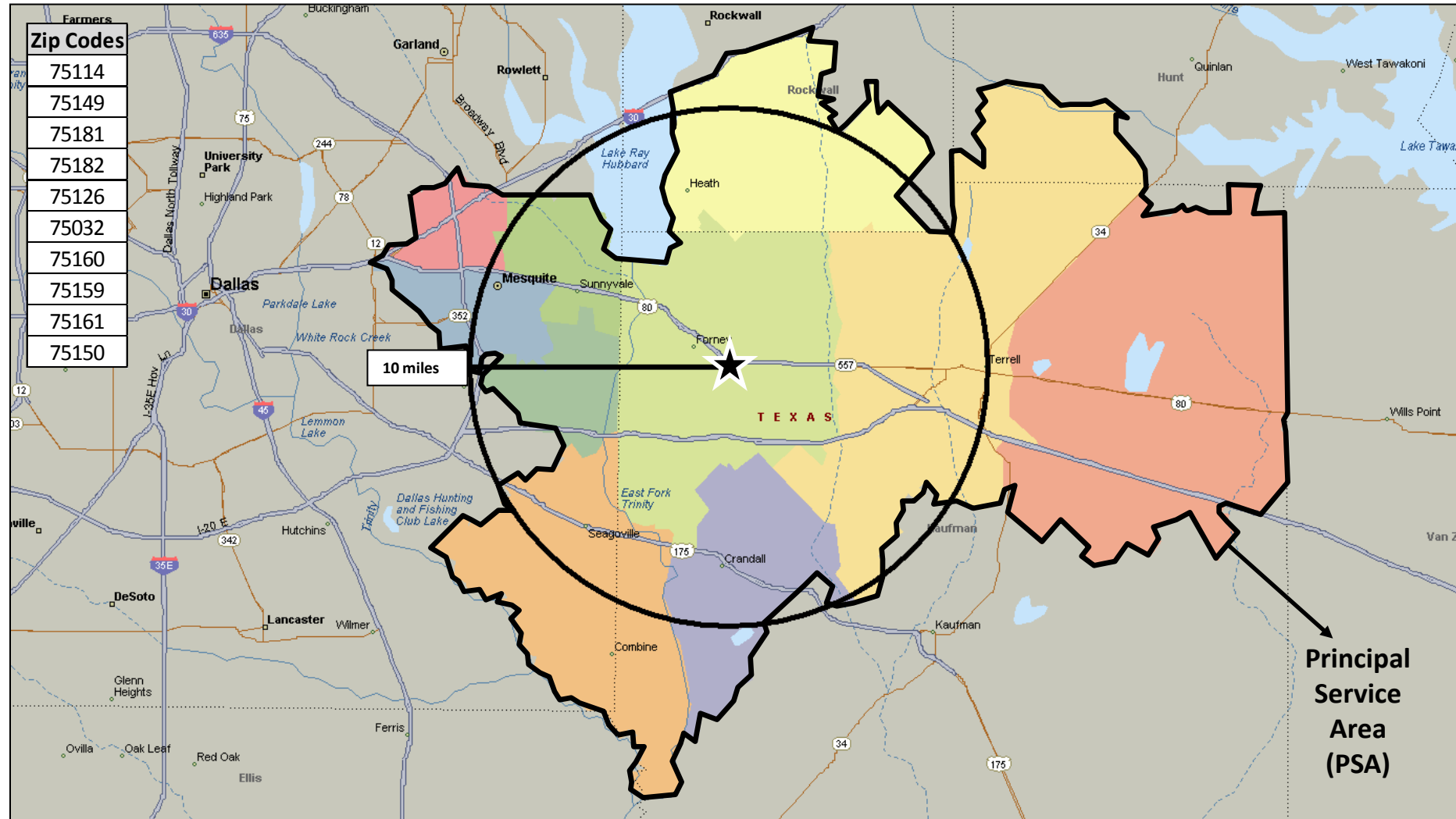
- ❖ The Forney Healthcare HUB service area has a high volume and rapidly growing population base.
  - Located just east of Dallas, Texas, Forney Healthcare HUB and Kaufman county as a whole are growing faster than national and state trends over the next five years.
  
- ❖ Highly affluent and medically insured patients have the ability to afford healthcare services.
  - The Forney Healthcare HUB patients have above average income and wealth and there is high commercial insurance coverage in the market. Kaufman county as a whole is highly affluent.
  
- ❖ Significant Demand and growth of medical specialties.
  - The demand for medical services is prevalent and growing but can scarcely be met by the current physicians in the market. There is currently a need for 86 additional physicians and by 2015 there will be a need for 122 additional physicians. Outpatient procedures, inpatient procedures, and office visits all show significant growth and there is a need for a large number of Primary Care and Specialty Physicians across multiple specialties in this market.
  
- ❖ Ideal location geographically separated from existing hospitals and other medical facilities. Patients in and around this service area are forced to travel significant distances to receive care.
  - The closest hospital to the Forney Healthcare HUB location is 5.80 miles away. A large portion of the patients residing to the east of Forney are travelling past this location to receive care in Dallas.

## EXECUTIVE SUMMARY

- ❖ Convenient highway access allows widespread patient reach.
  - Patients can easily travel to this location due to the convenient highway access and location on Highway 80.
  
- ❖ Economic growth and development expected to significantly add to patient population in near future.
  
- ❖ **Based on the evidence gathered regarding the medical demand of this market and the outstanding characteristics of the patient base, the Forney Healthcare HUB service area provides a market that warrants the development of additional medical facilities.**

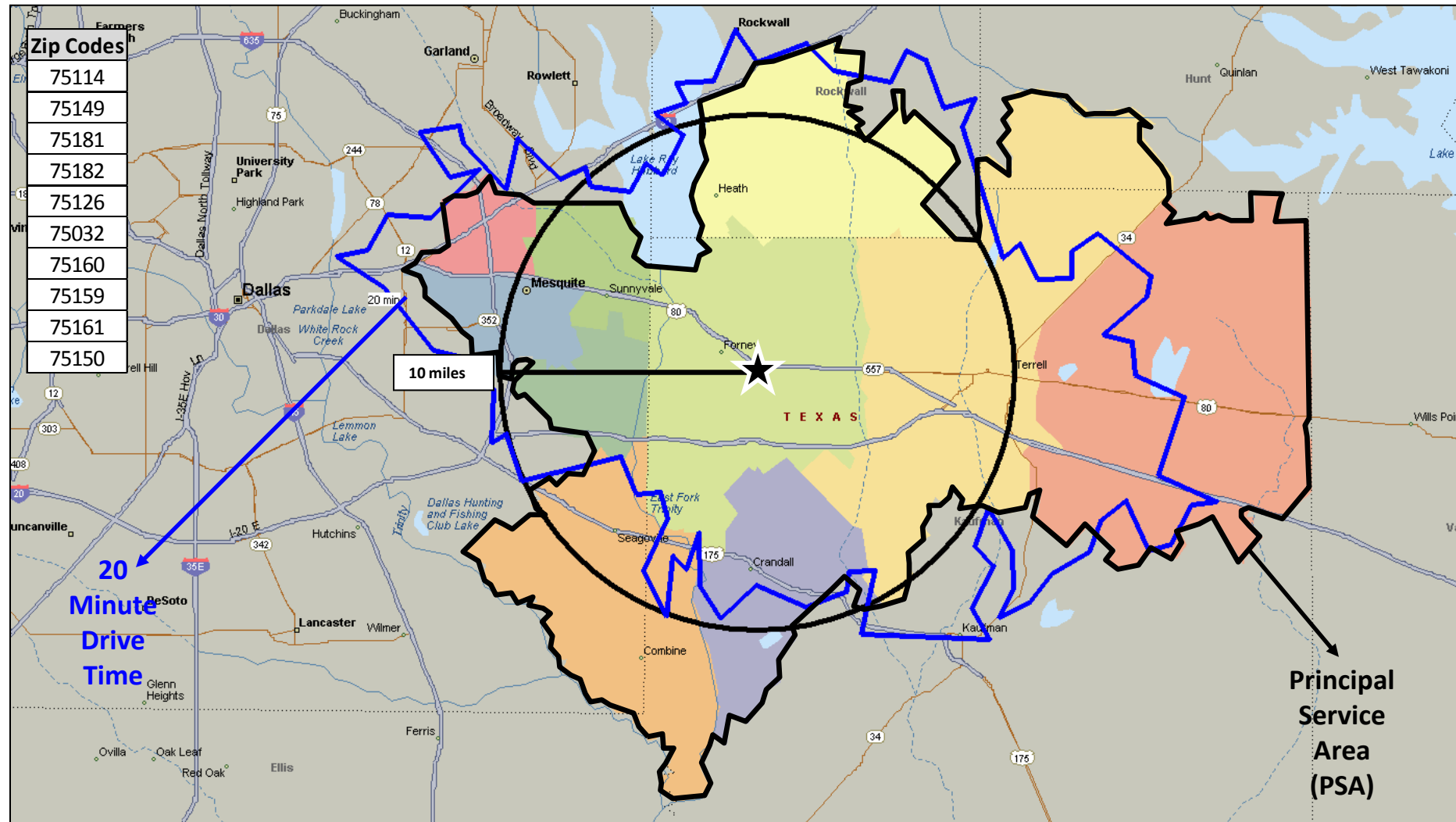
## MARKET DEFINITION

The Forney Healthcare HUB service area was defined analyzing Forney Healthcare HUB market for natural barriers and boundaries, drive time for patients, and local market knowledge of the patient migration. As a result, the Forney Healthcare HUB service area was defined as the colored zip codes shown in the map below.



## MARKET DEFINITION – DRIVE TIME

The map below displays the zip codes included within the Forney Healthcare HUB service area with a blue outline indicating a 20 minute drive time. It is evident that patients can travel a significant distance to and from this market due to the prevalent access to US Highway 80 and Interstate Highway 20, with a further reach to the East.



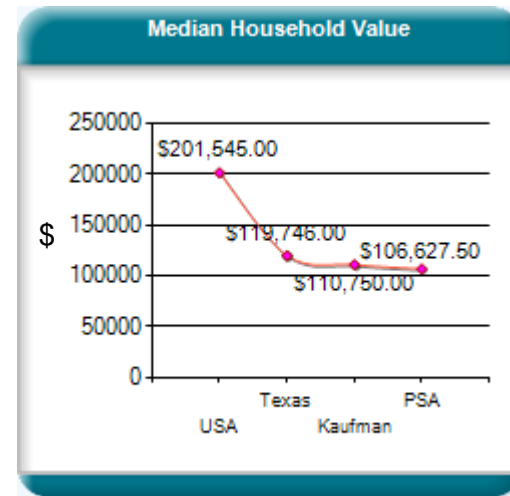
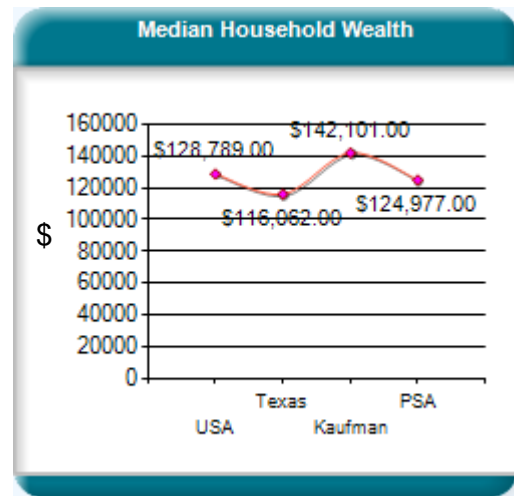
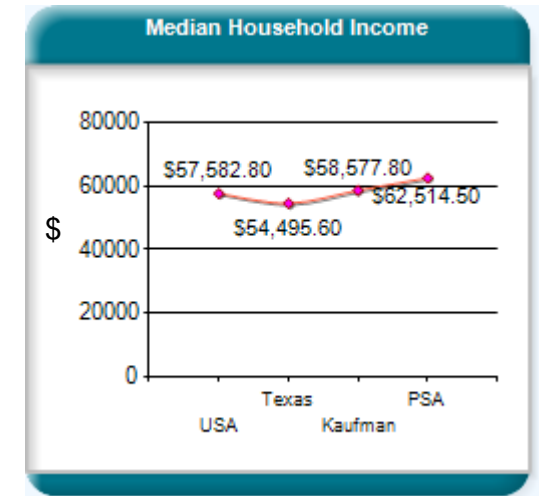
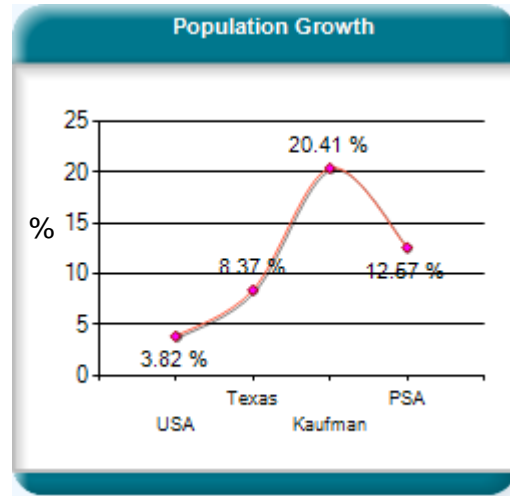
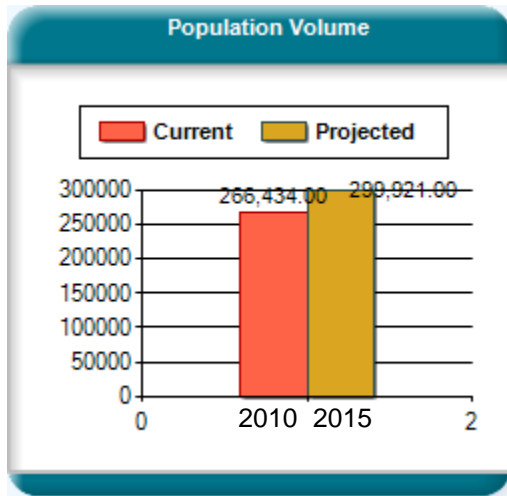


# Forney, Texas Healthcare Analysis

*Demographic and  
Psychographic Profile*

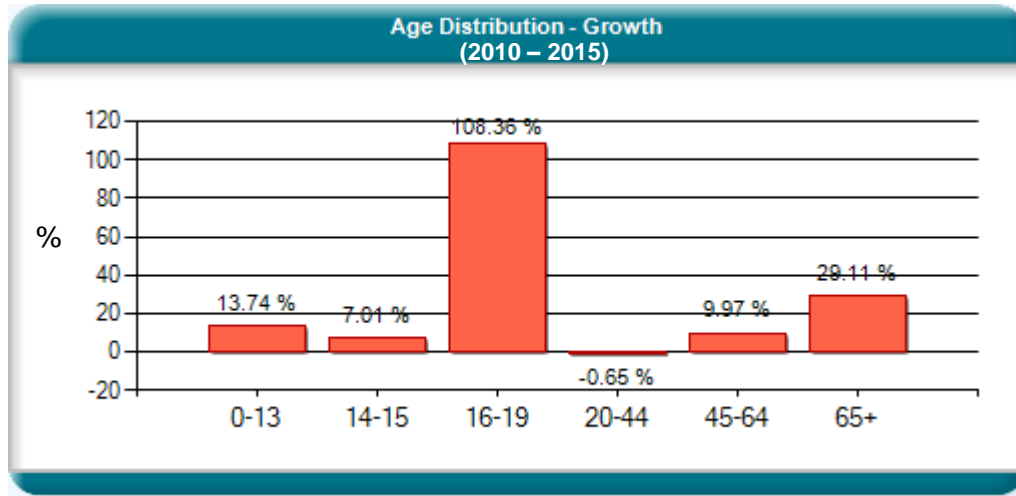
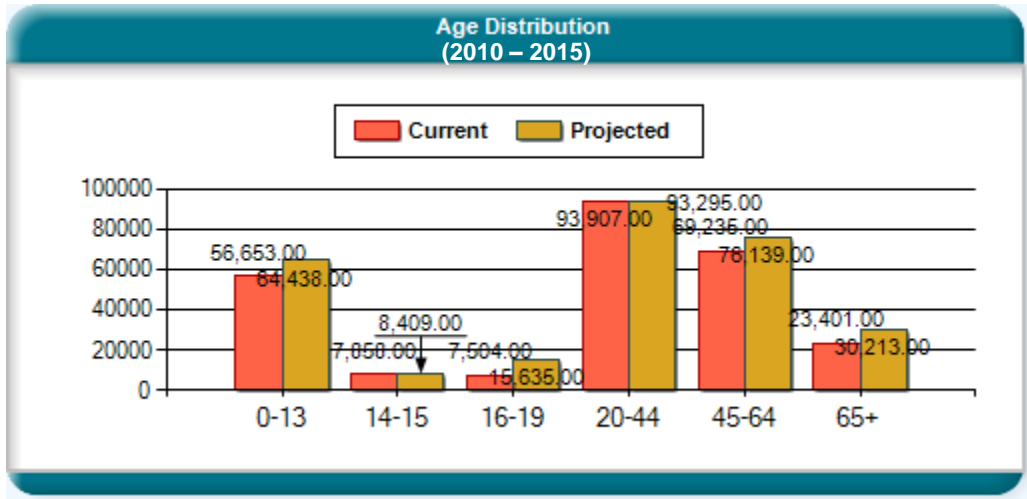
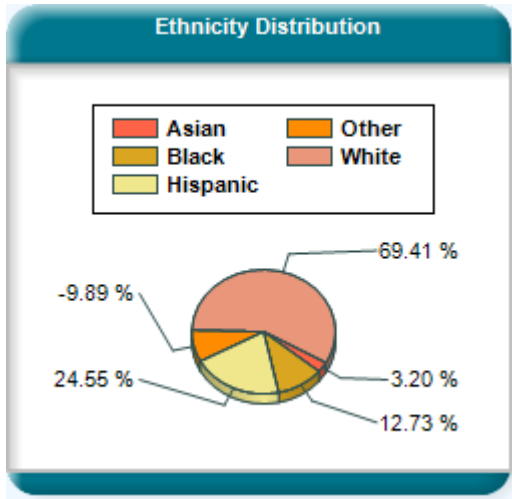
## SERVICE AREA BENCHMARKS

The service area of Forney Healthcare HUB in a benchmark analysis shows the following characteristics in comparison to the U.S., state of Texas, and Kaufman County (the county in which Forney Healthcare HUB resides).



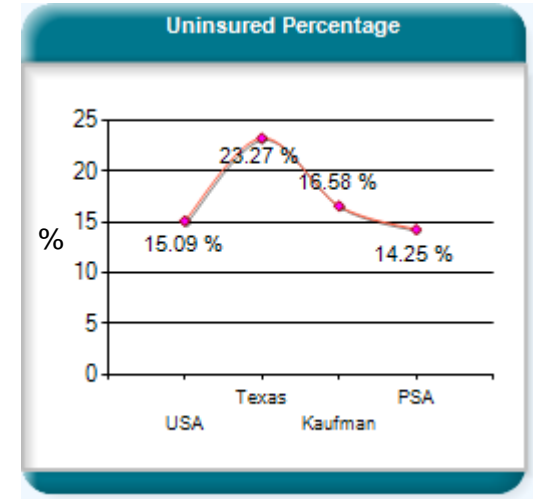
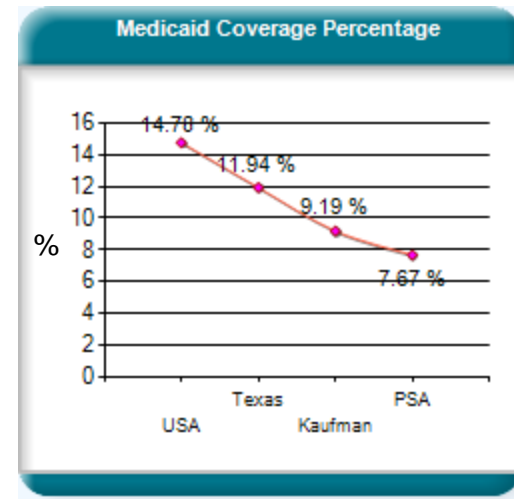
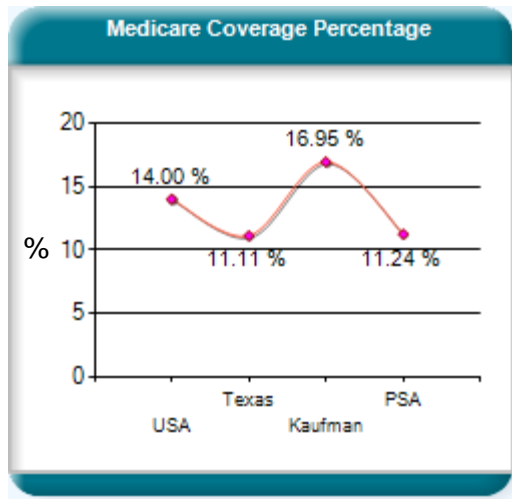
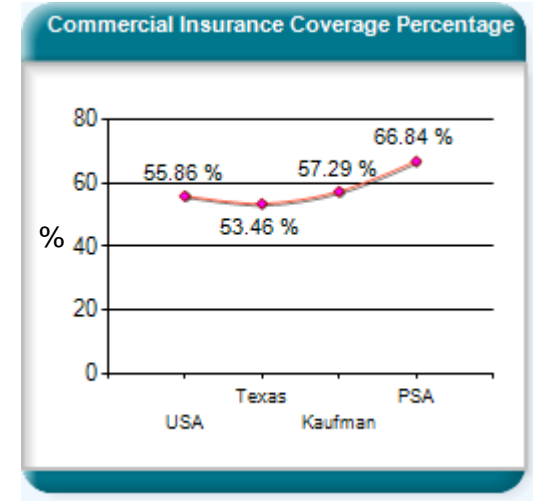
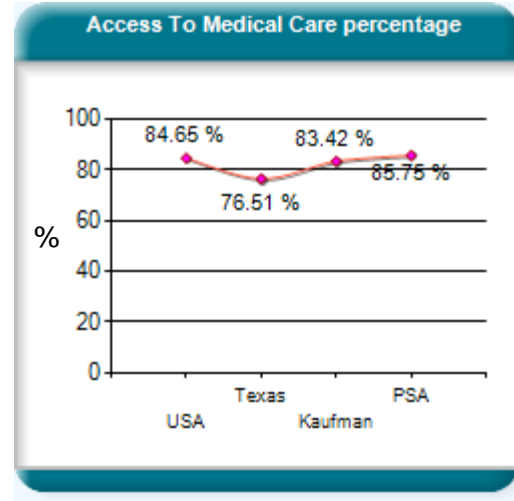
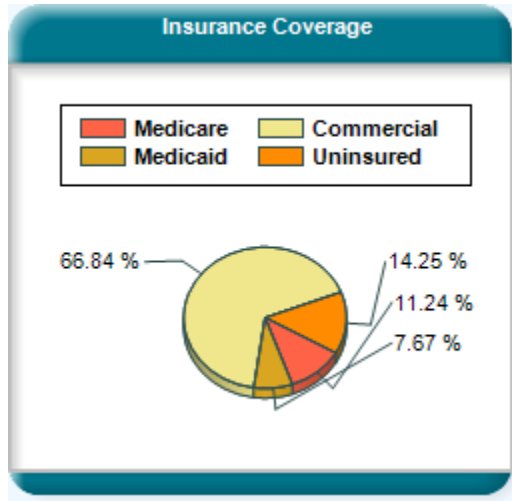


# POPULATION CHARACTERISTICS





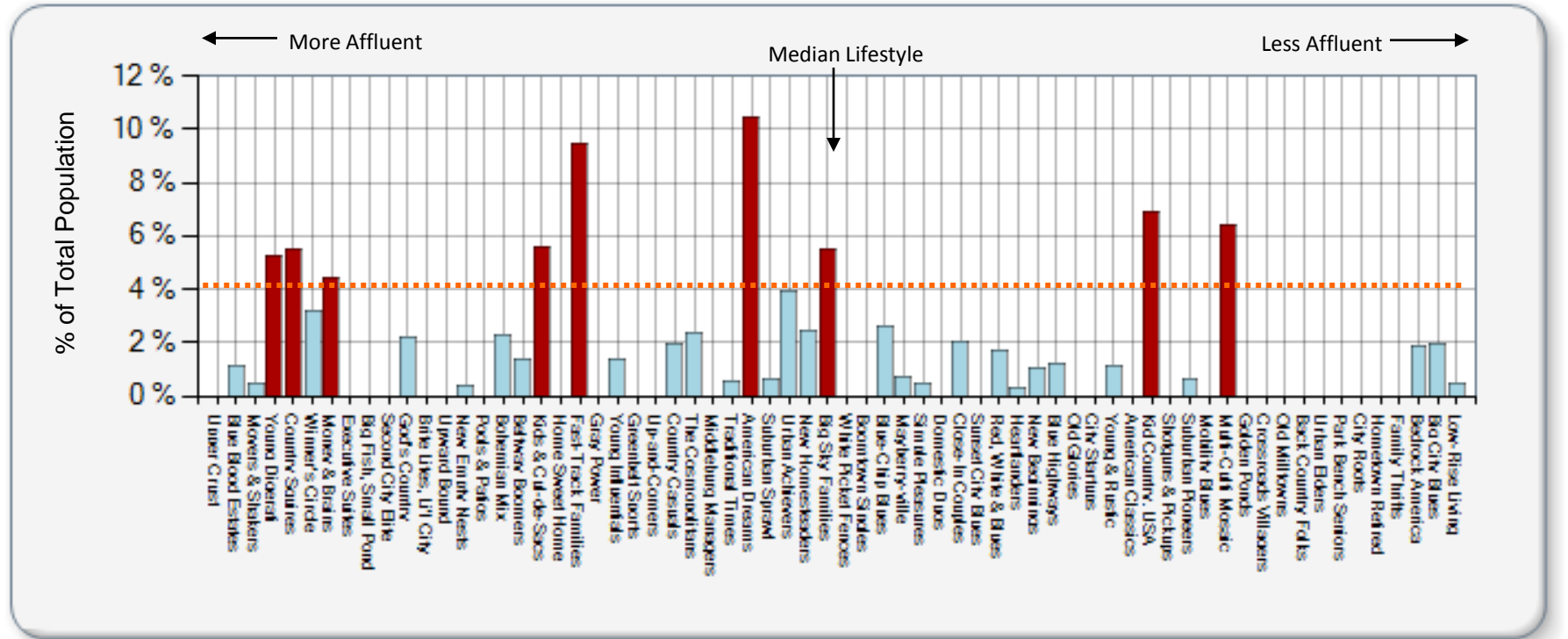
# INSURANCE PENETRATION



## PATIENT DISTRIBUTION

The Patient base of the Forney Healthcare HUB service area was *psychographically* profiled in order to understand their medical needs and whether or not the Patient base has the ability support those needs. Each Patient falls within 1 of 66 distinct psychographic profiles. Patients within each profile posses similar demographic, medical, consumer, and social characteristics. In the graph below, the red bars represent lifestyles that make up at least 4% of the total population, representing a dominant lifestyle.

### LifeStyle Distribution



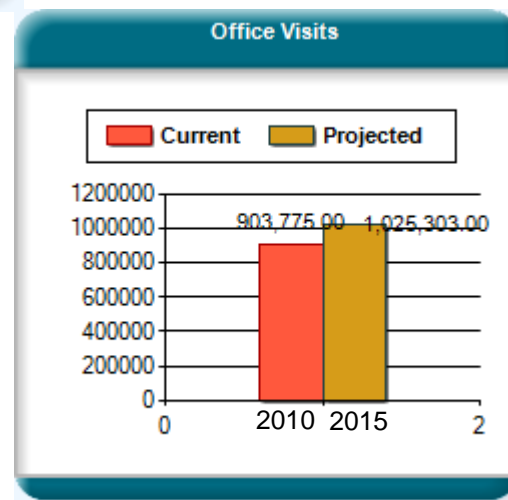
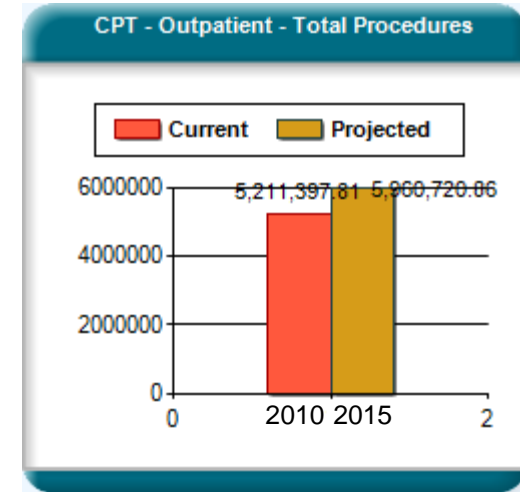
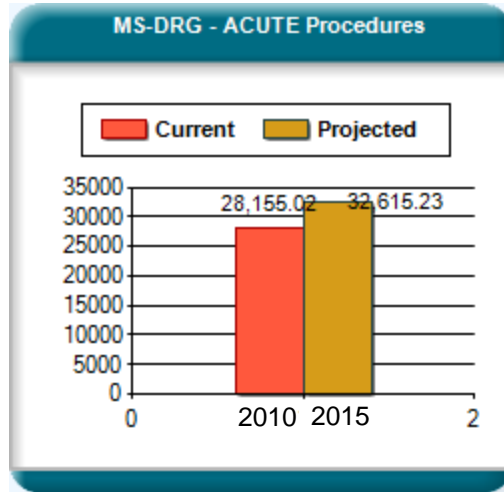


# Forney, Texas Healthcare Analysis

*Medical Profile*

## SERVICE AREA MEDICAL VOLUMES

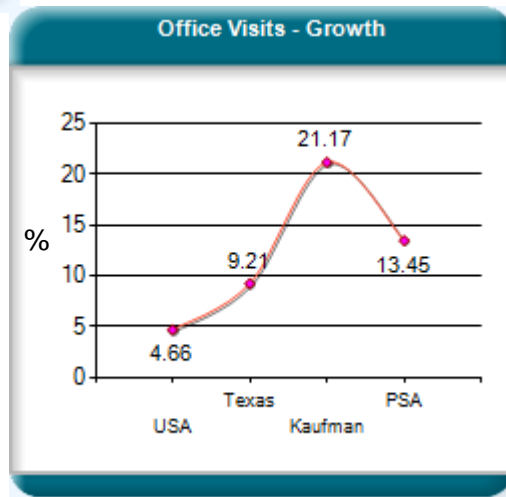
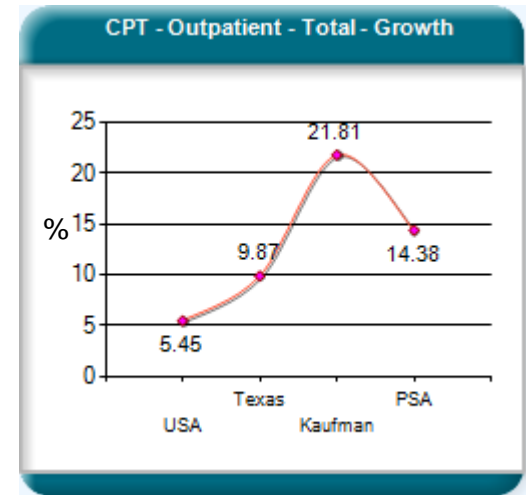
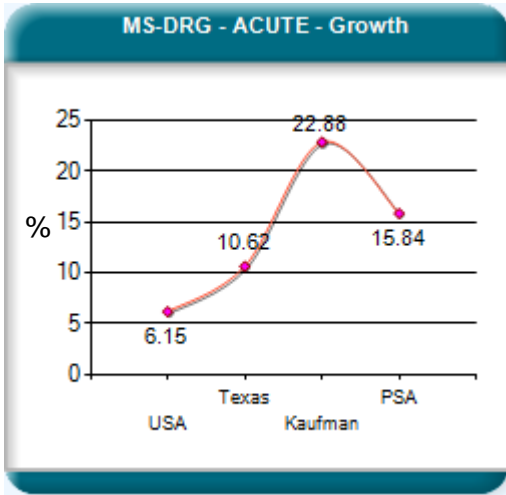
The service area of Forney Healthcare HUB has high volumes of Inpatient procedures, Outpatient procedures, and Office Visits. The procedures in this market are also growing at a high rate. This indicates a high demand for Acute services in the market. In the graphs below, current procedures are for 2010 and projected is 2015.





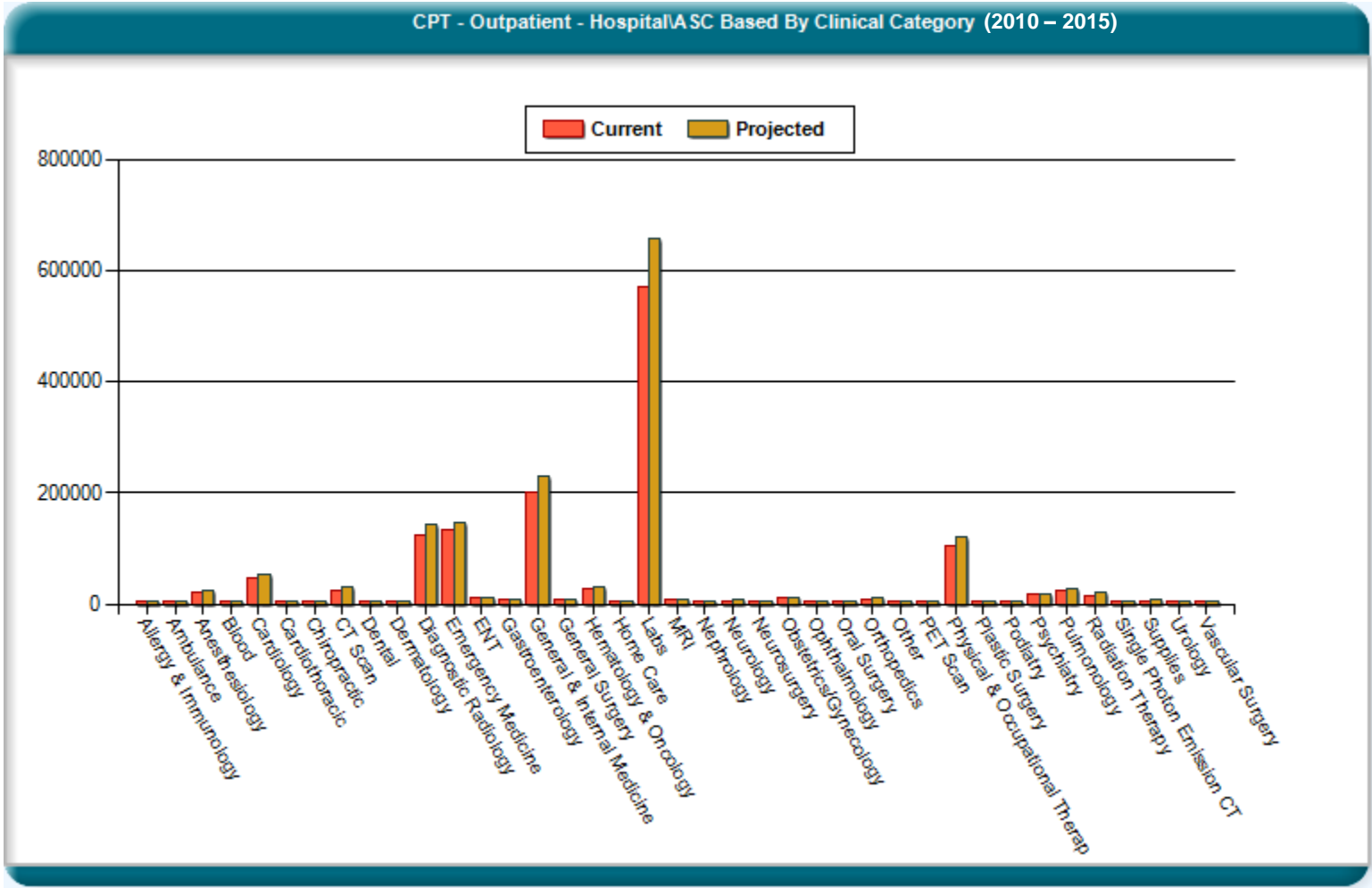
## SERVICE AREA MEDICAL GROWTH

The service area of Forney Healthcare HUB is growing at an extremely high rate along with Kaufman County from 2010 to 2015. Inpatient procedures, Outpatient procedures, and Office Visits are growing at over twice the national average. This indicates an increasingly high demand for Acute services in the market.



## OUTPATIENT PROCEDURE VOLUMES

The Forney Healthcare HUB service area is currently producing 5,211,398 Outpatient procedures. In 2015 the service area is projected to produce 5,960,721 Outpatient procedures, signifying a 14.38% growth rate. The Outpatient procedures to be performed in a Hospital/ASC setting are demonstrated in the graph below.





## TOP OUTPATIENT PROCEDURE VOLUMES

The following table represents the top 10 Outpatient procedure volumes and growth by CPT Code that are being projected for demand in this market.

### TOP 10 OUTPATIENT PROCEDURES – CPT CODES

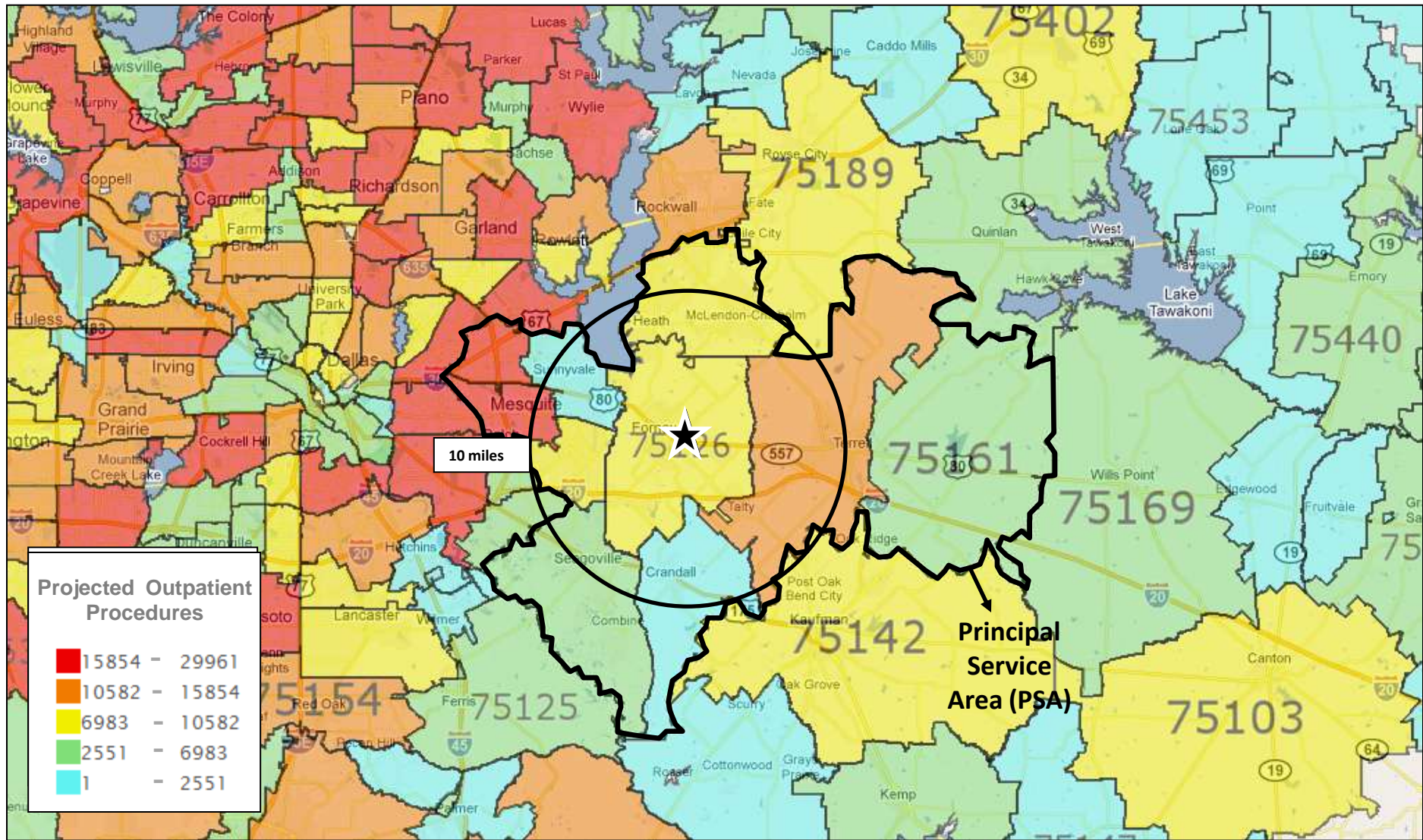
CPT Code	CPT Description	Current (2010) Procedures	Projected (2015) Procedures	Growth
99213	Office or other outpatient visit for evaluation	470,445	533,902	13.49%
36415	Collection of venous blood by venipuncture	233,190	271,592	16.47%
97110	Therapeutic procedure, one or more areas	201,578	231,413	14.80%
99214	Office or other outpatient visit for evaluation	175,555	202,034	15.08%
99212	Office or other outpatient visit for evaluation	140,127	158,775	13.31%
85025	Blood count; complete (CBC), automated	127,030	146,914	15.65%
80061	Lipid panel	86,188	99,777	15.77%
80053	Comprehensive metabolic panel2	83,167	96,882	16.49%
97140	Manual therapy techniques	80,632	91,771	13.81%
90806	Individual psychotherapy, insight oriented	74,255	81,184	9.33%





# PROJECTED OUTPATIENT PROCEDURES

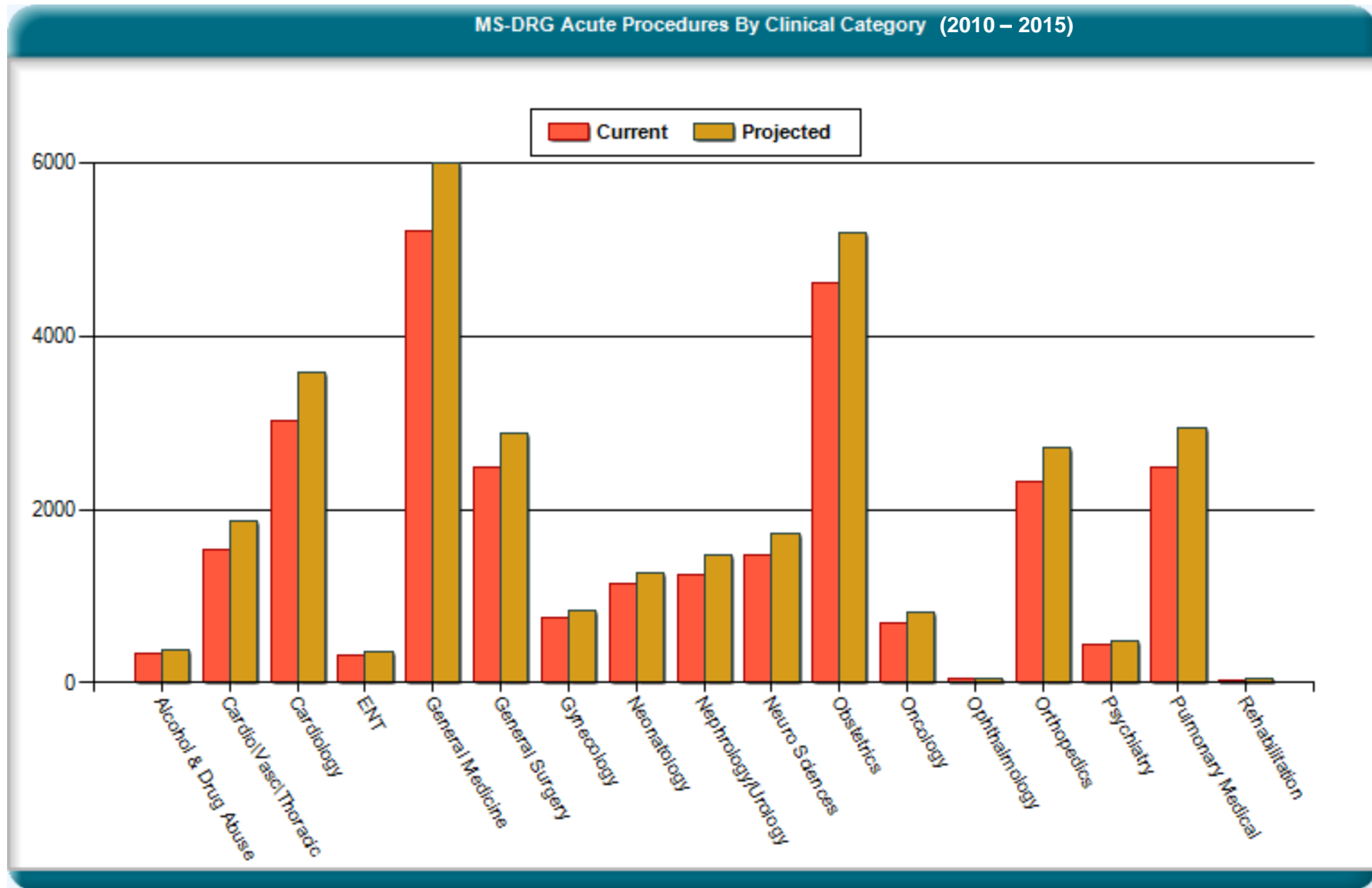
The following map represents the projected (2015) outpatient procedures in and around the Forney Healthcare HUB service area.





## INPATIENT ACUTE PROCEDURE VOLUMES

The Forney Healthcare HUB service area is currently producing 28,155 Acute procedures. In 2015 the service area is projected to produce 32,615 Acute procedures, signifying a 15.84% growth rate. The distribution of the Acute procedures is demonstrated on the following graph.





## TOP INPATIENT ACUTE PROCEDURE VOLUMES

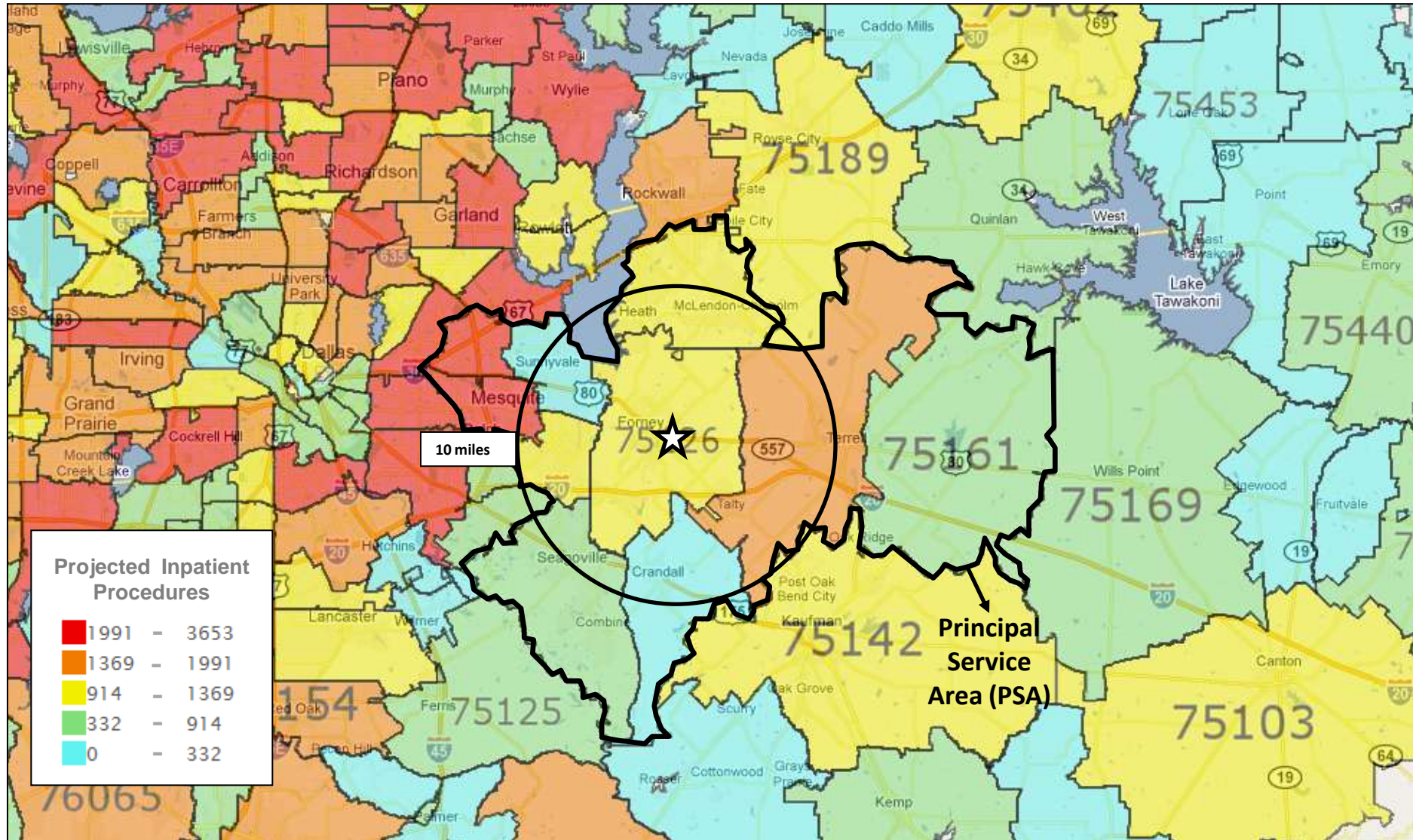
The Forney Healthcare HUB service area is currently producing 45,405 Acute procedures. In 2015 the service area is projected to produce 52,624 Acute procedures. The following table represents the top 10 Acute MS-DRGs and procedure volumes and growth that are coming out of this market.

### TOP 10 INPATIENT ACUTE PROCEDURES – MS-DRG CODES

MS-DRG Code	MS-DRG Description	Current (2010) Procedures	Projected (2015) Procedures	Growth
775	Vaginal Delivery wo Complicating Diagnoses	2,343	2,642	12.76%
766	Cesarean Section wo CC	848	961	13.33%
392	Esophagitis, Gastroent & Misc Digest Disorders Age >17 wo CC	837	959	14.58%
885	Psychoses	811	898	10.73%
794	Neonate w Other Significant Problems	754	837	11.01%
313	Chest Pain	607	698	14.99%
470	Major Joint Replacement or Reattachment of Lower Extremity	562	688	22.42%
247	Percutaneous Cardiovascular Proc w Drug-Eluting Stent	483	584	20.91%
743	Uterine & Adnexa Proc for Non-Malignancy wo CC	477	517	8.39%
765	Cesarean Section w CC	441	498	12.93%

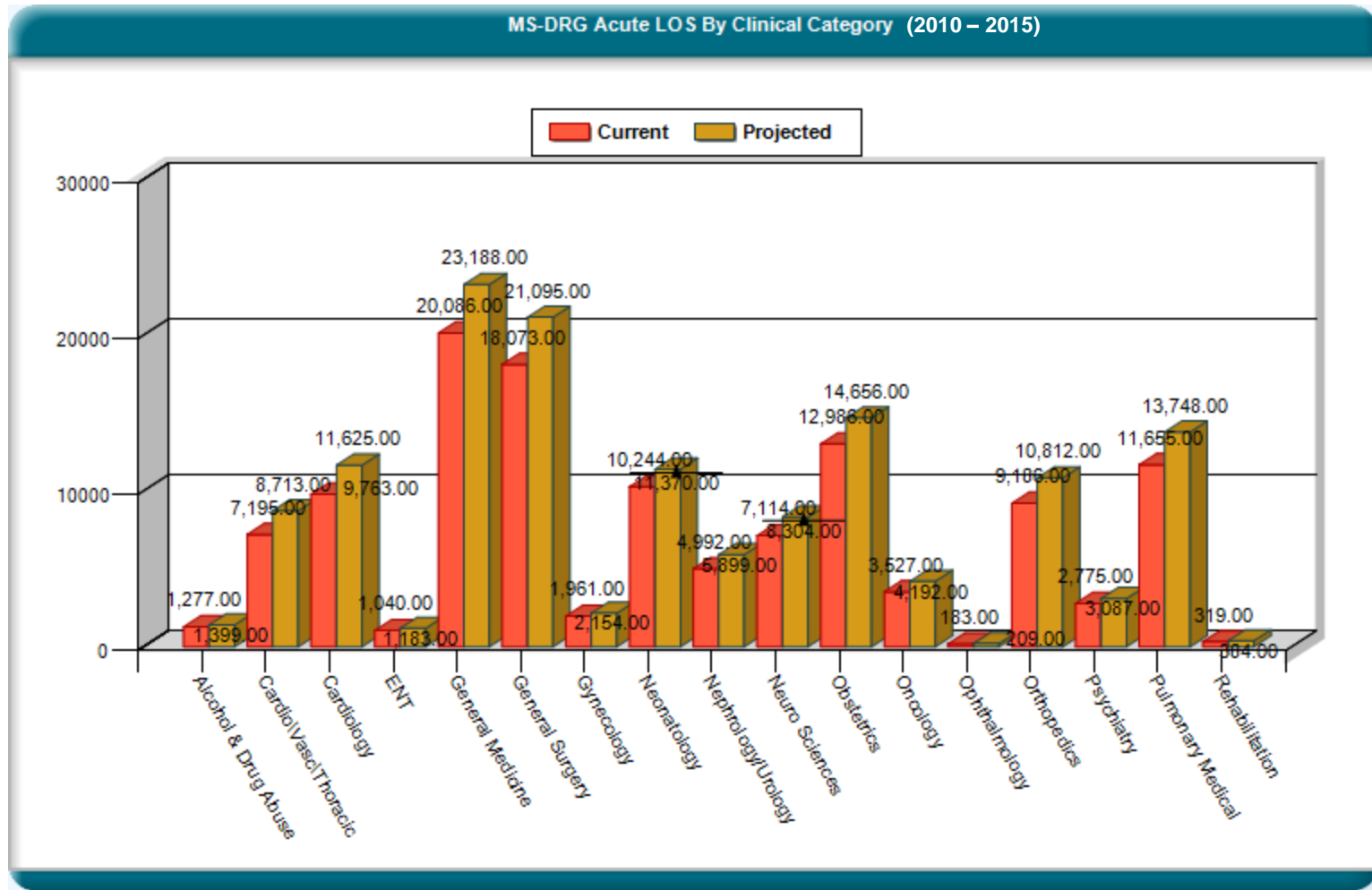
## INPATIENT ACUTE PROCEDURES

The following map represents the projected (2015) inpatient cases in and around the Forney Healthcare HUB service area.



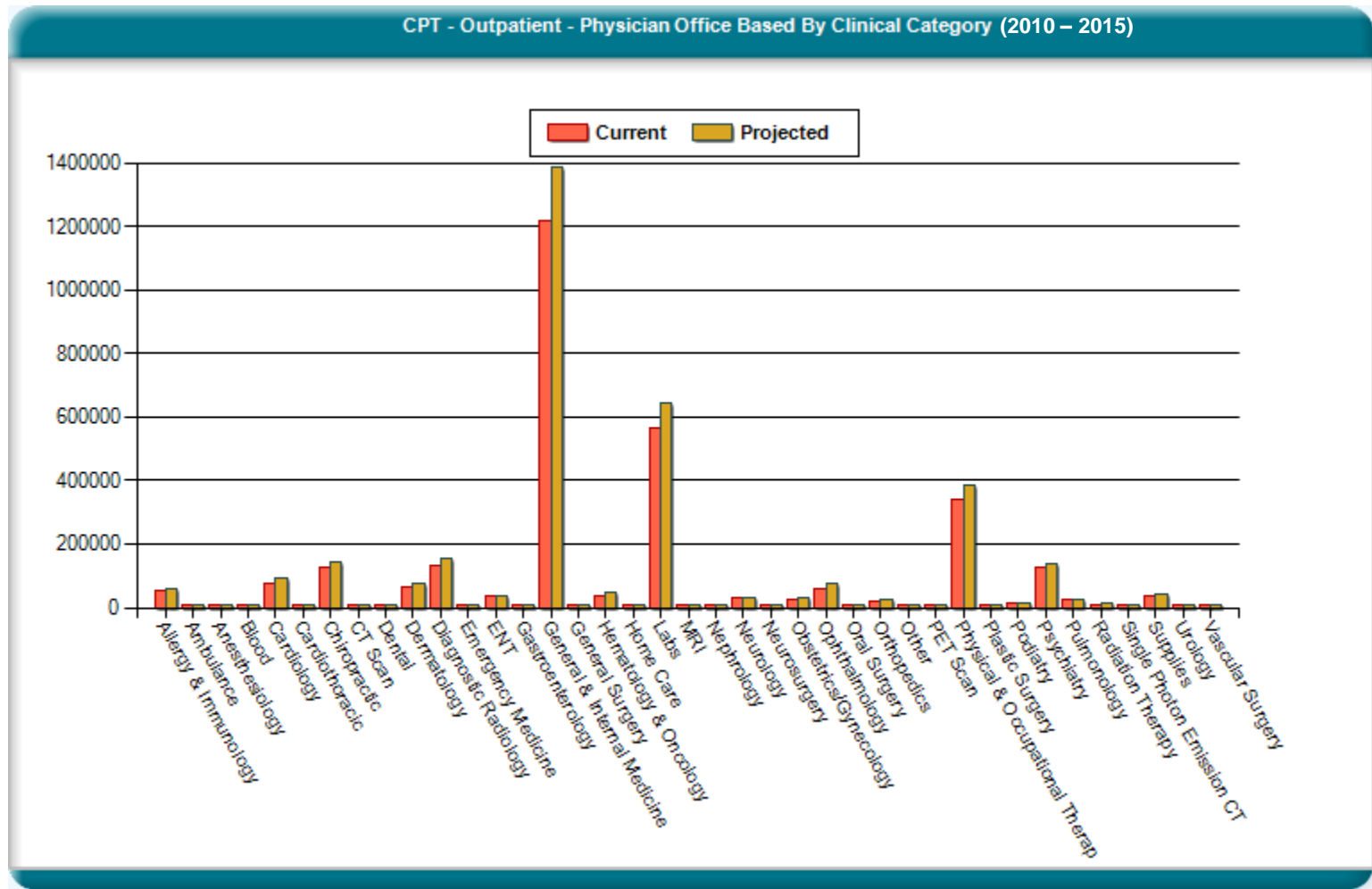
## ACUTE PATIENT DAYS

In 2015, the service area of Forney Healthcare HUB will produce a total of 142,018 patient days with a significant demand for Obstetrics (14,656) and Pulmonary Medical (13,748).



## PHYSICIAN OFFICE BASED OUTPATIENT PROCEDURE VOLUMES

The Forney Healthcare HUB service area is currently producing 3,073,843 physician office based outpatient procedures. In 2015 the service area is projected to produce 3,501,440 physician office based outpatient procedures, signifying a 13.64% growth rate.

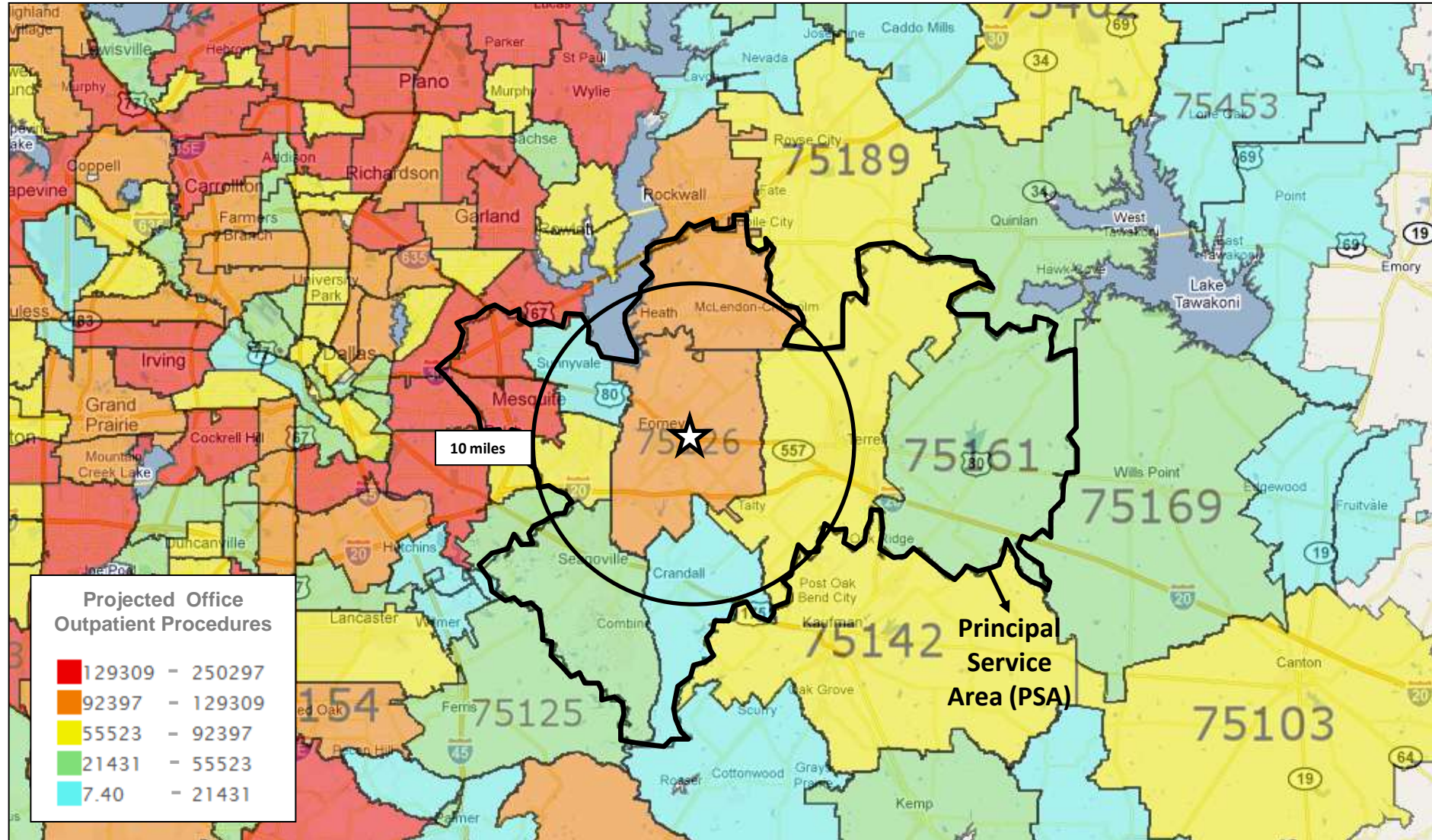






## PHYSICIAN OFFICE BASED OUTPATIENT PROCEDURES

The following map represents the projected (2015) physician office based outpatient visits in and around the Forney Healthcare HUB service area.



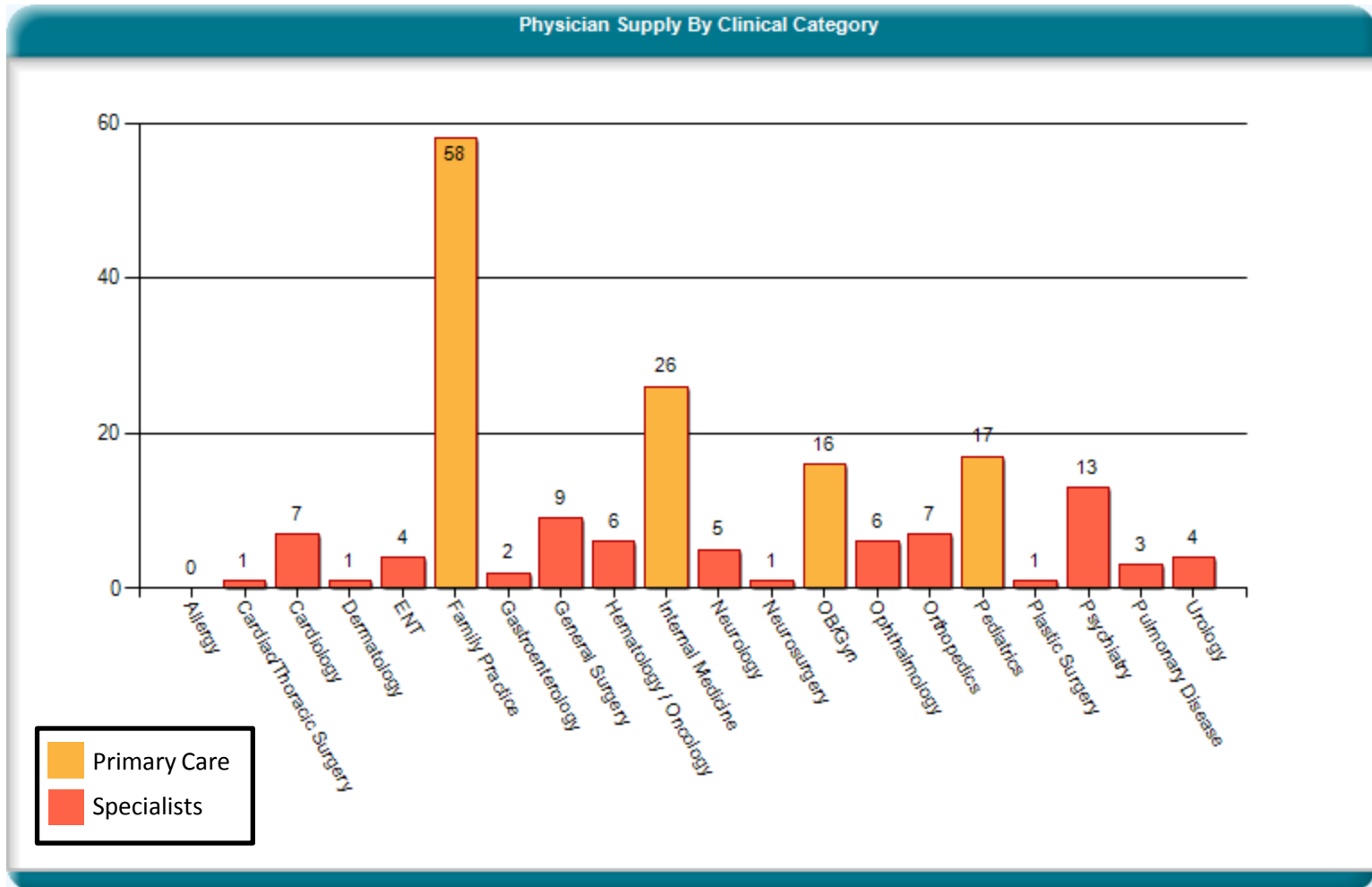


# Forney, Texas Healthcare Analysis

*Physician Estimates*

## PHYSICIAN SUPPLY

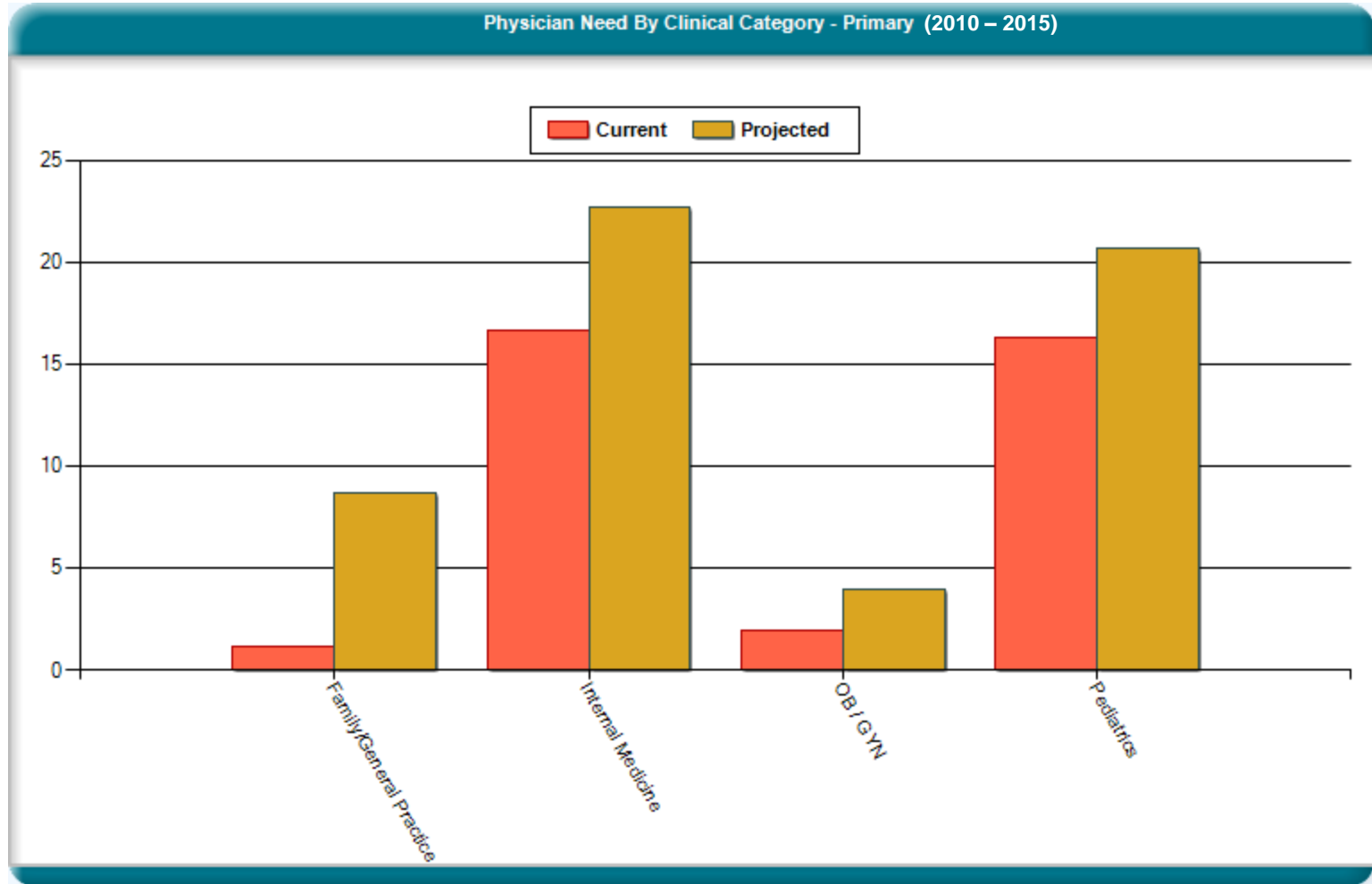
Due to the existing supply of physicians and the volume and growth of procedures and office visits originating from the patient base, the Forney Healthcare HUB market indicates a need for 85.79 additional physicians from outside the market and is projected to have a need of 121.86 additional physicians by 2015.



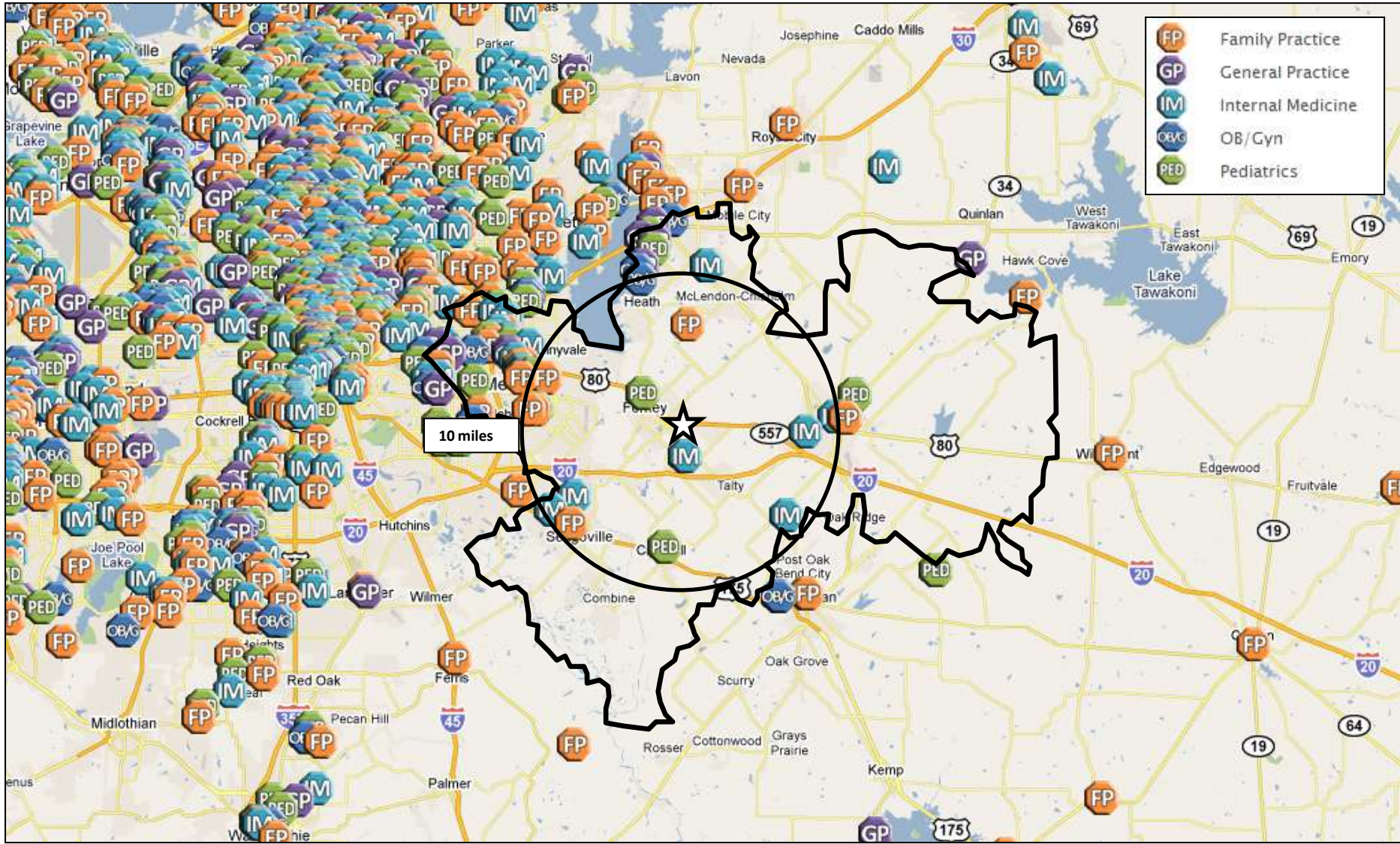


## PHYSICIAN NEED – PRIMARY CARE

The following represents the additional Primary Care physicians needed in the Forney Healthcare HUB service area. There is a significant need for all types of Primary Care physicians within this market.



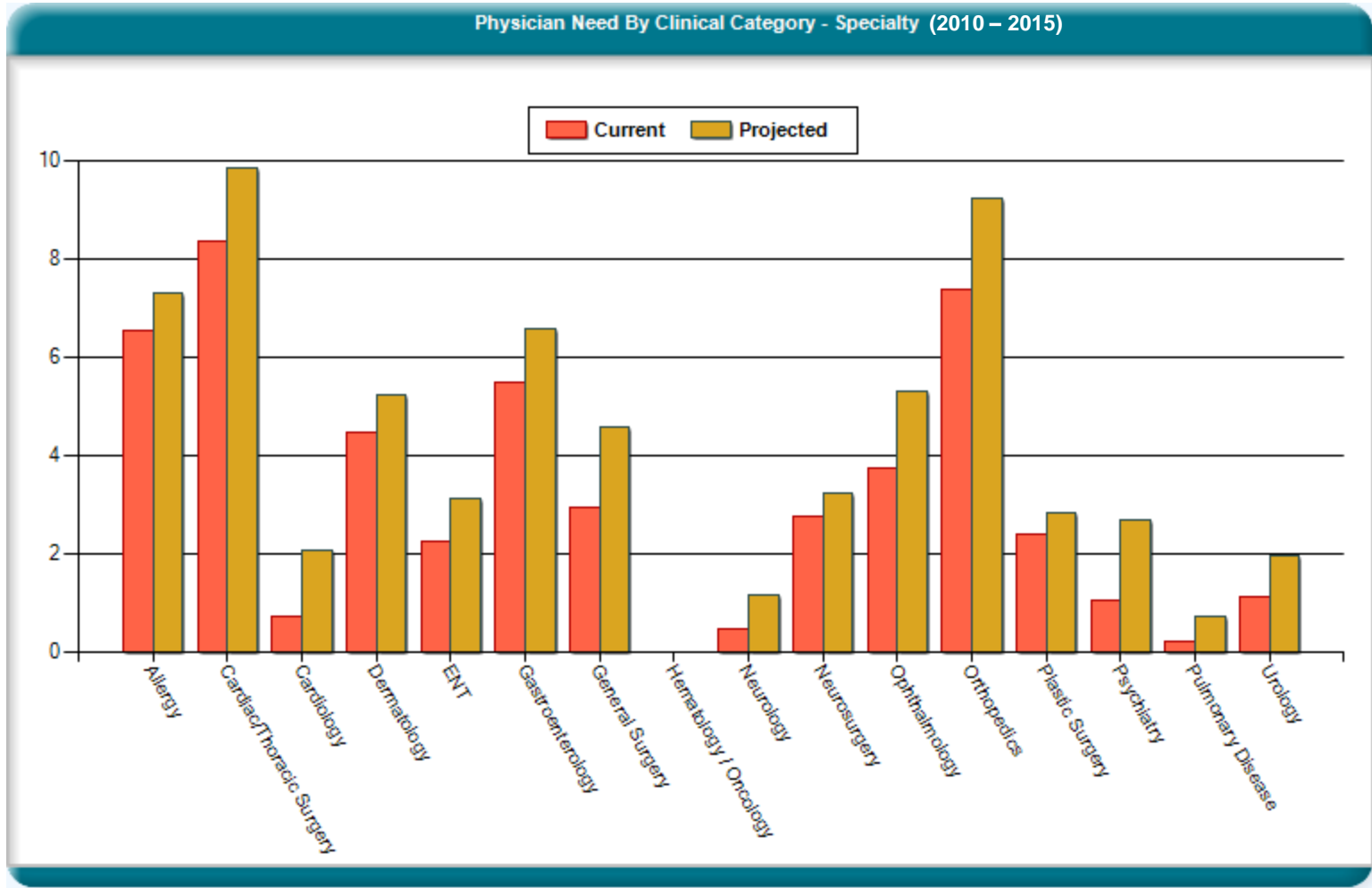
# PRIMARY CARE PHYSICIANS





## PHYSICIAN NEED – SPECIALTY PHYSICIANS

The following represents the additional specialty physicians needed in the Forney Healthcare HUB service area. There is a significant need for almost all types of specialty physicians within this market.









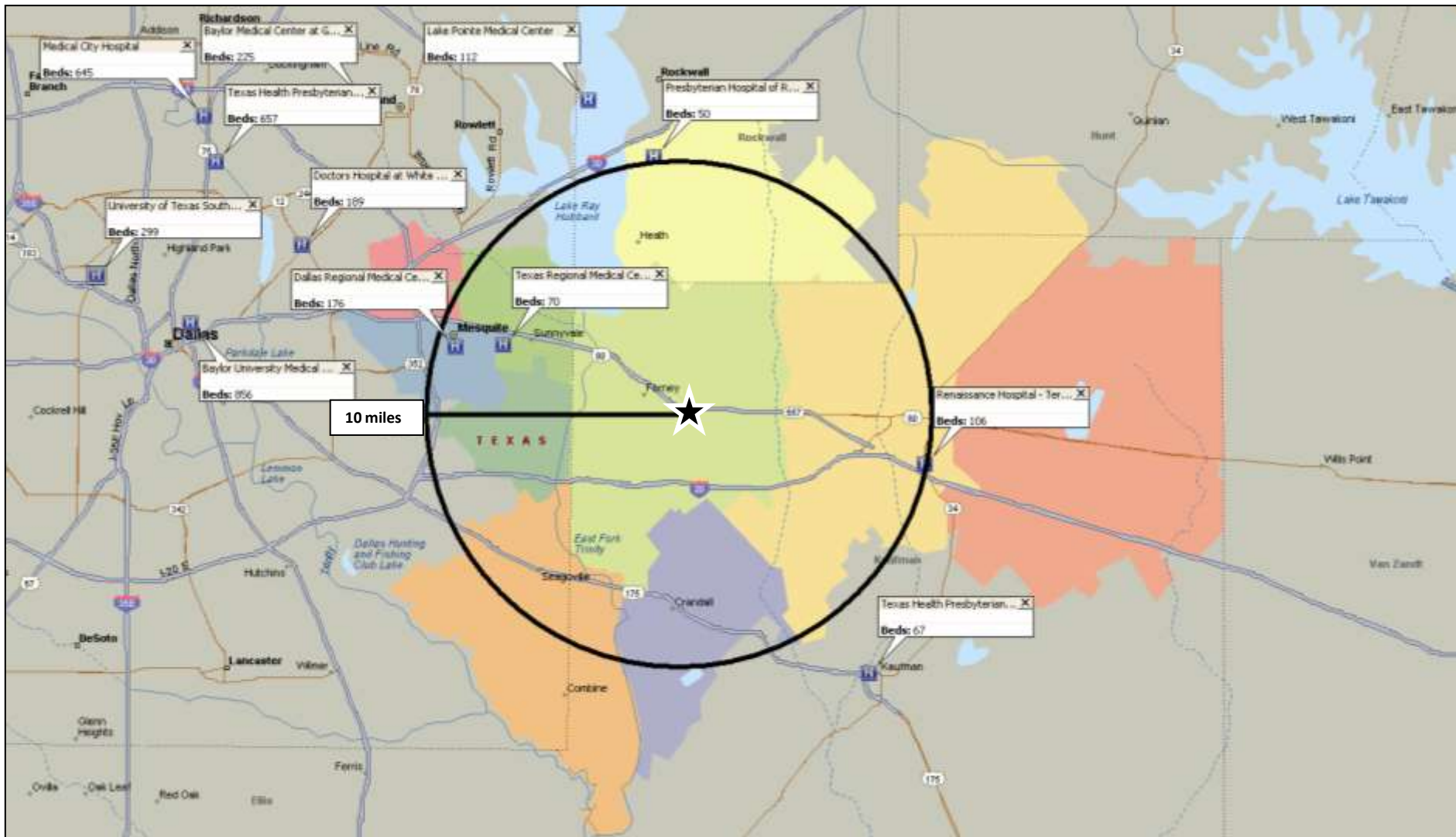
# Forney, Texas Healthcare Analysis

*Acute Hospital Profile*



## COMPETITIVE ACUTE HOSPITALS

Currently there are 12 Acute hospitals capturing significant market share in and around this service area. These hospitals are concentrated along the outer edges of the Forney Healthcare HUB service area and in Dallas proper. Facilities in the Forney Healthcare HUB service area reside along Highway 80.



ACUTE HOSPITAL COMPETITION



**Texas Regional Medical Center**

- 5.80 miles from center of Forney
- Beds: 70
- Rockwall Hospitals, Inc.
- Facility Opened in September 2009
- No Financial data yet available



**Dallas Regional Medical Center**

- 7.73 miles from center of Forney
- Beds: 176
- Health Management Associates, Inc.
- 56.73% Occupancy (7 day week)
- Positive NOI in 3 of last 5 reporting periods



**Presbyterian Hospital of Rockwall**

- 9.38 miles from center of Forney
- Beds: 50
- Texas Health Resources
- 66.16% Occupancy (7 day week)
- Positive NOI in 1 of 2 reporting periods



**Renaissance Hospital - Terrell**

- 11.3 miles from center of Forney
- Beds: 106
- Formerly Medical Center at Terrell (Independent of Renaissance Health System)
- 25.23% Occupancy (7 day week)
- Positive NOI in 0 of last 5 reporting periods





**Lake Pointe Medical Center**

- 11.80 miles from center of Forney
- Beds: 112
- TENET Healthcare
- 57.38% Occupancy (7 day week)
- Positive NOI in last 5 reporting periods



**Texas Health Presbyterian Hospital Kaufman**

- 14.0 miles from center of Forney
- Beds: 67
- Texas Health Resources
- 44.75% Occupancy (7 day week)
- Positive NOI in 2 of last 5 reporting periods



**Baylor University Medical Center at Dallas**

- 18.1 miles from center of Forney
- Beds: 856
- Baylor Health Care System
- 80.08% Occupancy (7 day week)
- Positive NOI in last 5 reporting periods



**Doctor's Hospital at White Rock Lake**

- 14.6 miles from center of Forney
- Beds: 189
- TENET Healthcare
- 48.84% Occupancy (7 day week)
- Positive NOI in 4 of last 5 reporting periods







**Texas Health Presbyterian Hospital Dallas**

- 19.2 miles from center of Forney
- Beds: 657
- Texas Health Resources
- 62.64% Occupancy (7 day week)
- Positive NOI in last 5 reporting periods



**Baylor Medical Center at Garland**

- 16.0 miles from center of Forney
- Beds: 225
- Baylor Health Care System
- 62.79% Occupancy (7 day week)
- Positive NOI in 4 of last 5 reporting periods



**Medical City Hospital**

- 20.6 miles from center of Forney
- Beds: 645
- HCA Healthcare
- 60.92% Occupancy (7 day week)
- Positive NOI in last 5 reporting periods



**UT Southwestern Medical Center**

- 22.1 miles from center of Forney
- Beds: 299
- University of Texas System
- 73.23% Occupancy (7 day week)
- Positive NOI in 2 of last 5 reporting periods



## HOSPITAL MARKET SHARE

There are 12 Acute Care Hospitals that are capturing a significant market share or located in close proximity to the Forney Healthcare HUB service area. The table below represents the number of inpatient Medicare cases being captured from the Forney Healthcare HUB service area by the hospitals with the highest market share.

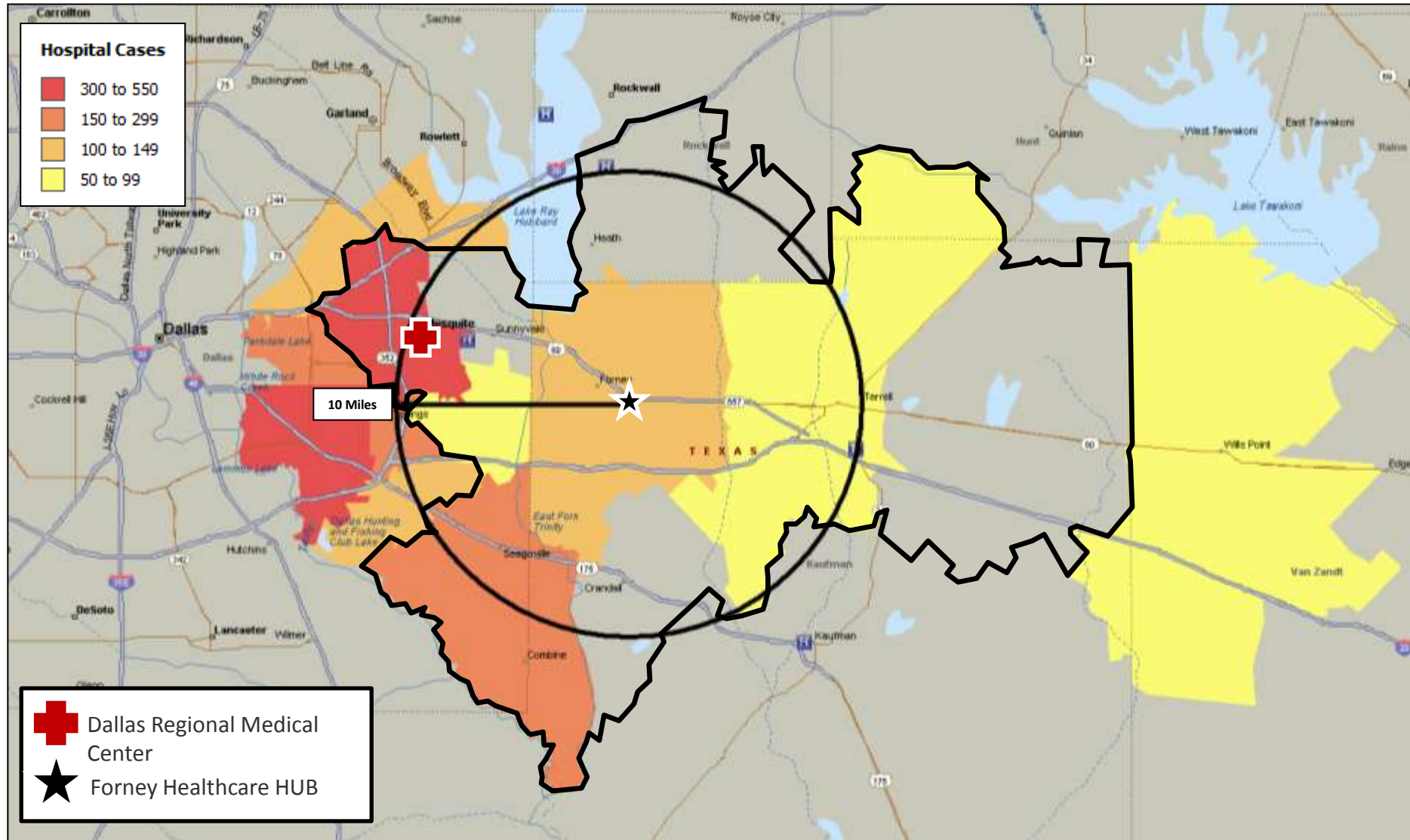
### TOP 10 ACUTE CARE HOSPITALS

Hospital	Cases	Market Share
Baylor University Medical Center at Dallas	1,505	20.47%
Dallas Regional Medical Center	1,383	18.81%
Doctor's Hospital at White Rock Lake	774	10.53%
Texas Health Presbyterian Hospital Dallas	594	8.08%
Renaissance Hospital - Terrell	528	7.18%
Baylor Medical Center at Garland	378	5.14%
Medical City Hospital	330	4.49%
Lake Pointe Medical Center	321	4.37%
Texas Health Presbyterian Hospital Kaufman	255	3.47%
UT Southwestern Medical Center - Saint Paul	179	2.44%

*\*\* Texas Regional Medical Center and Presbyterian Hospital of Rockwall do not appear in the list as their discharge data was not included in the most recent Hospital Service Area File from the Centers for Medicare and Medicaid Services.*

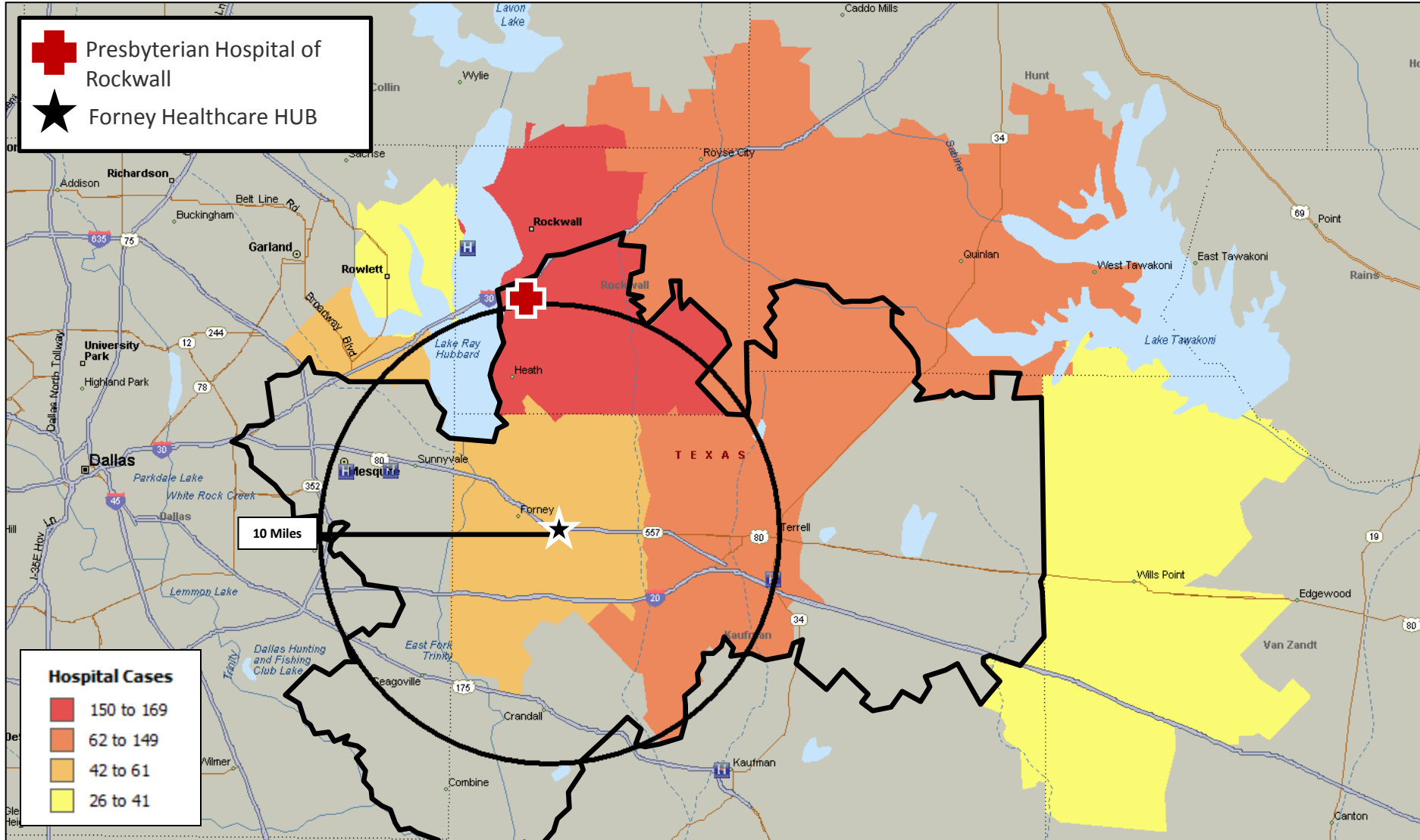
## HOSPITAL DISCHARGES – DALLAS REGIONAL MEDICAL CENTER

The following map indicates the zip codes from which Dallas Regional Medical Center is receiving the majority of its patients.



## HOSPITAL DISCHARGES – PRESBYTERIAN HOSPITAL OF ROCKWALL

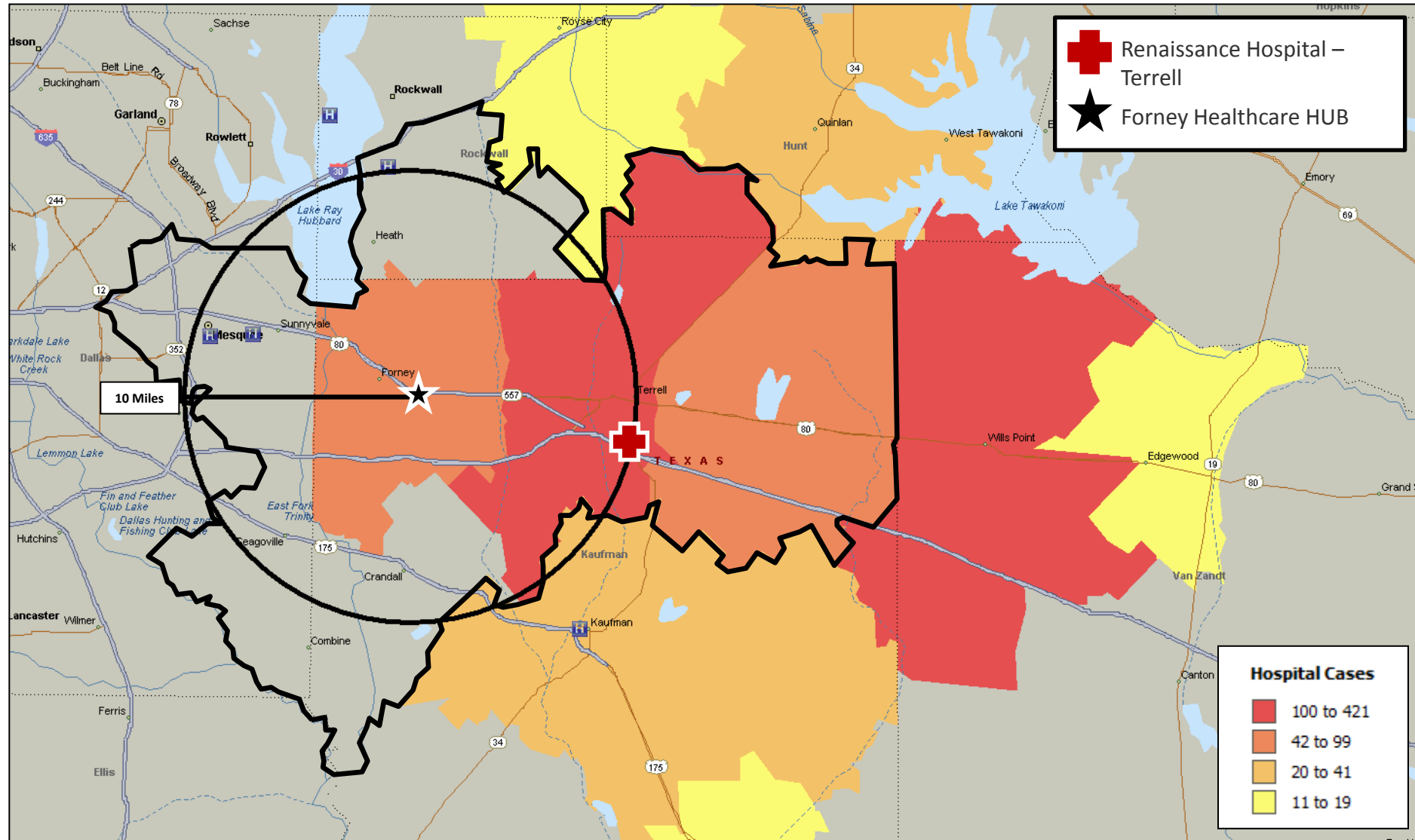
The following map indicates the zip codes from which Presbyterian Hospital of Rockwall is receiving the majority of its patients.





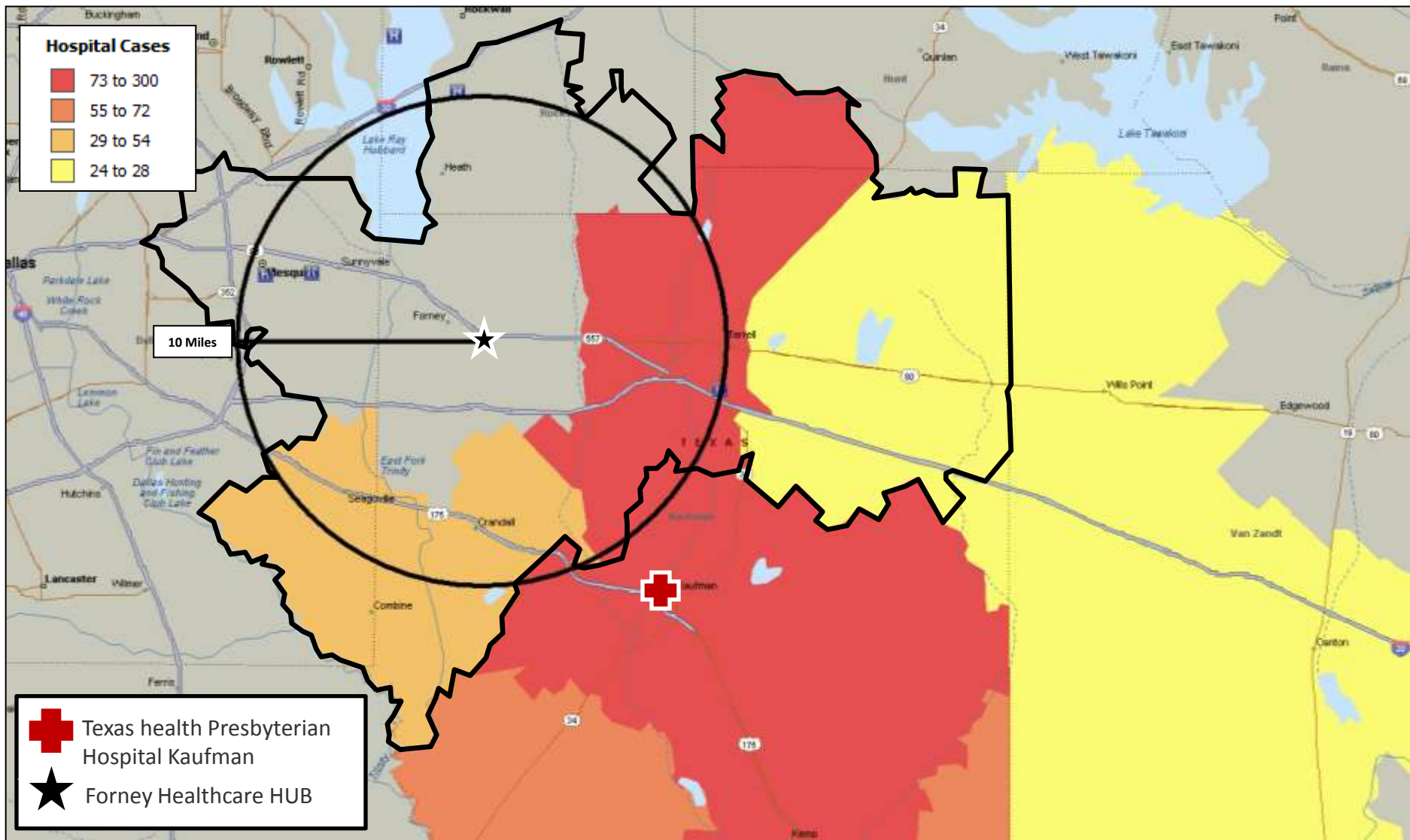
## HOSPITAL DISCHARGES – RENAISSANCE HOSPITAL – TERRELL

The following map indicates the zip codes from which Renaissance Hospital – Terrell is receiving the majority of its patients.



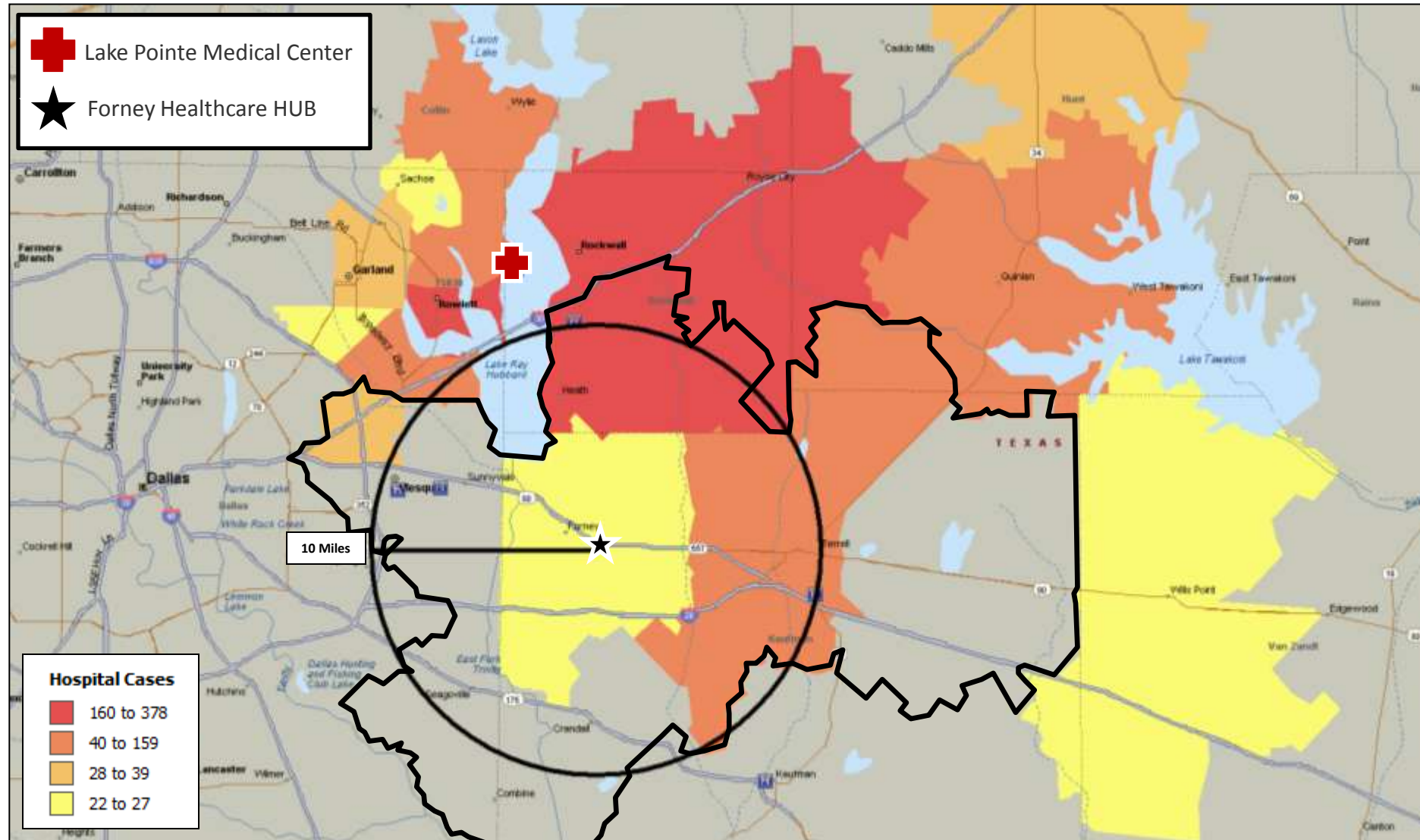
## HOSPITAL DISCHARGES – TEXAS HEALTH PRESBYTERIAN HOSPITAL KAUFMAN

The following map indicates the zip codes from which Texas Health Presbyterian Hospital Kaufman is receiving the majority of its patients.



## HOSPITAL DISCHARGES – LAKE POINTE MEDICAL CENTER

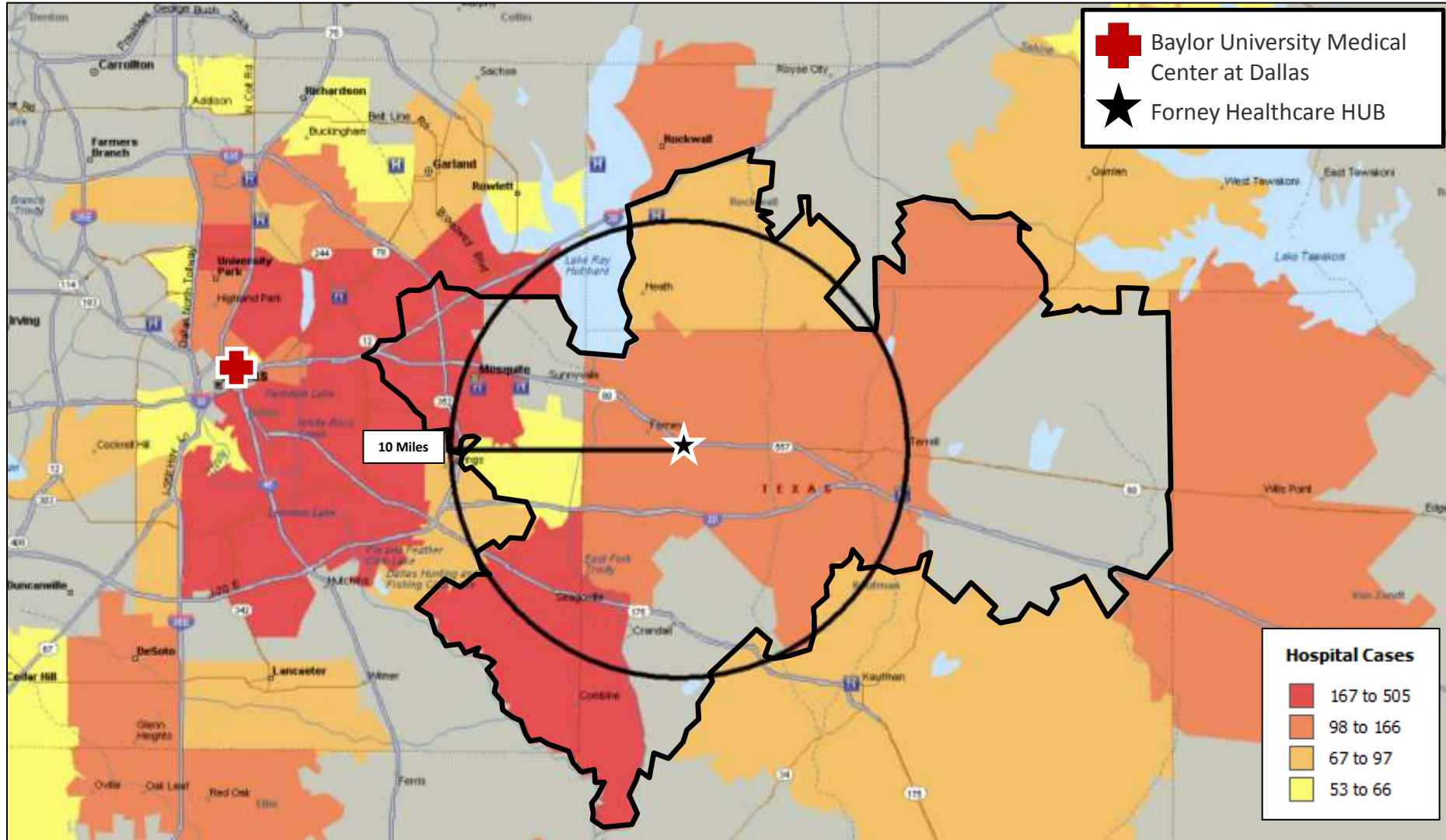
The following map indicates the zip codes from which Lake Pointe Medical Center is receiving the majority of its patients.





## HOSPITAL DISCHARGES – BAYLOR UNIVERSITY MEDICAL CENTER AT DALLAS

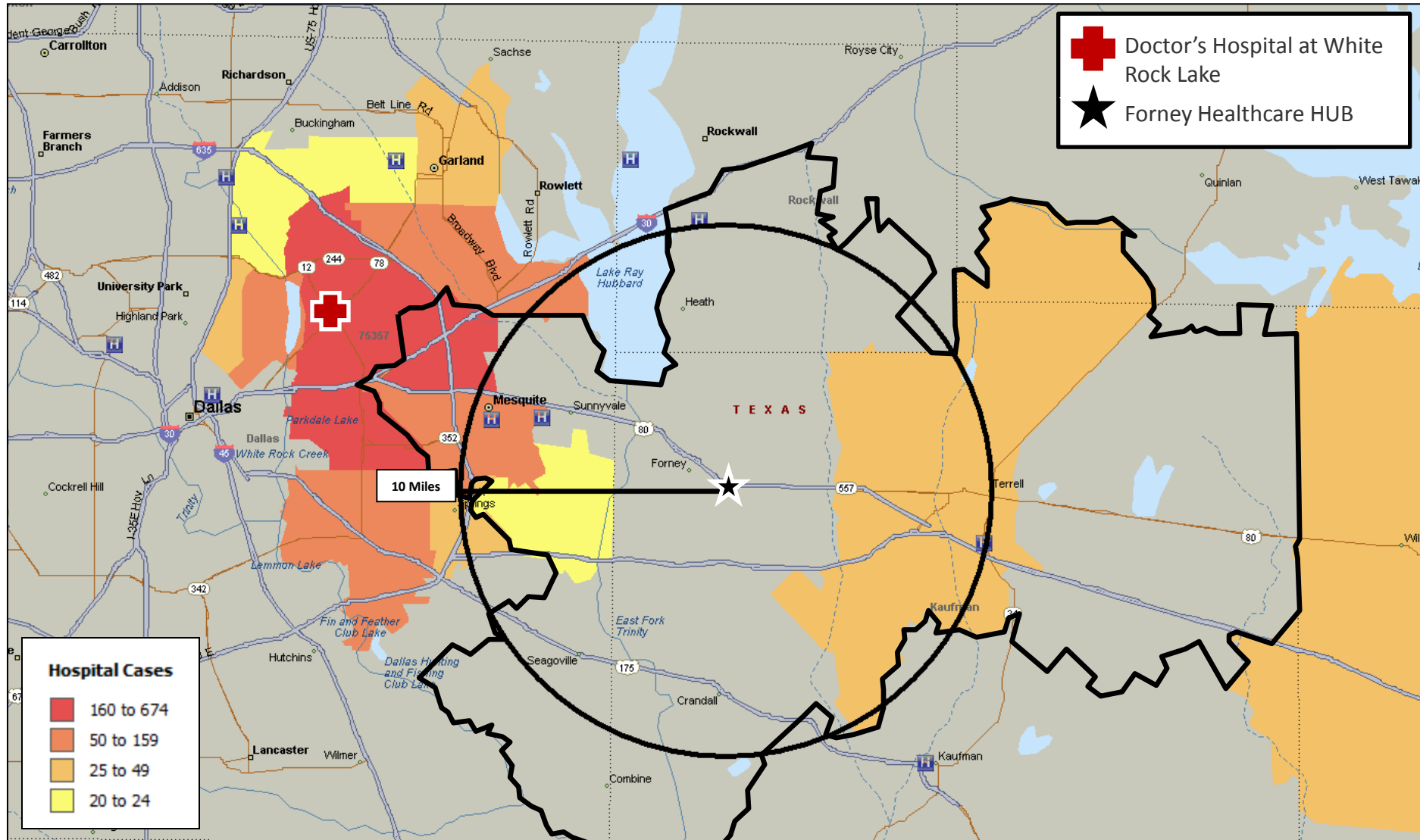
The following map indicates the zip codes from which Baylor University Medical Center at Dallas is receiving the majority of its patients.





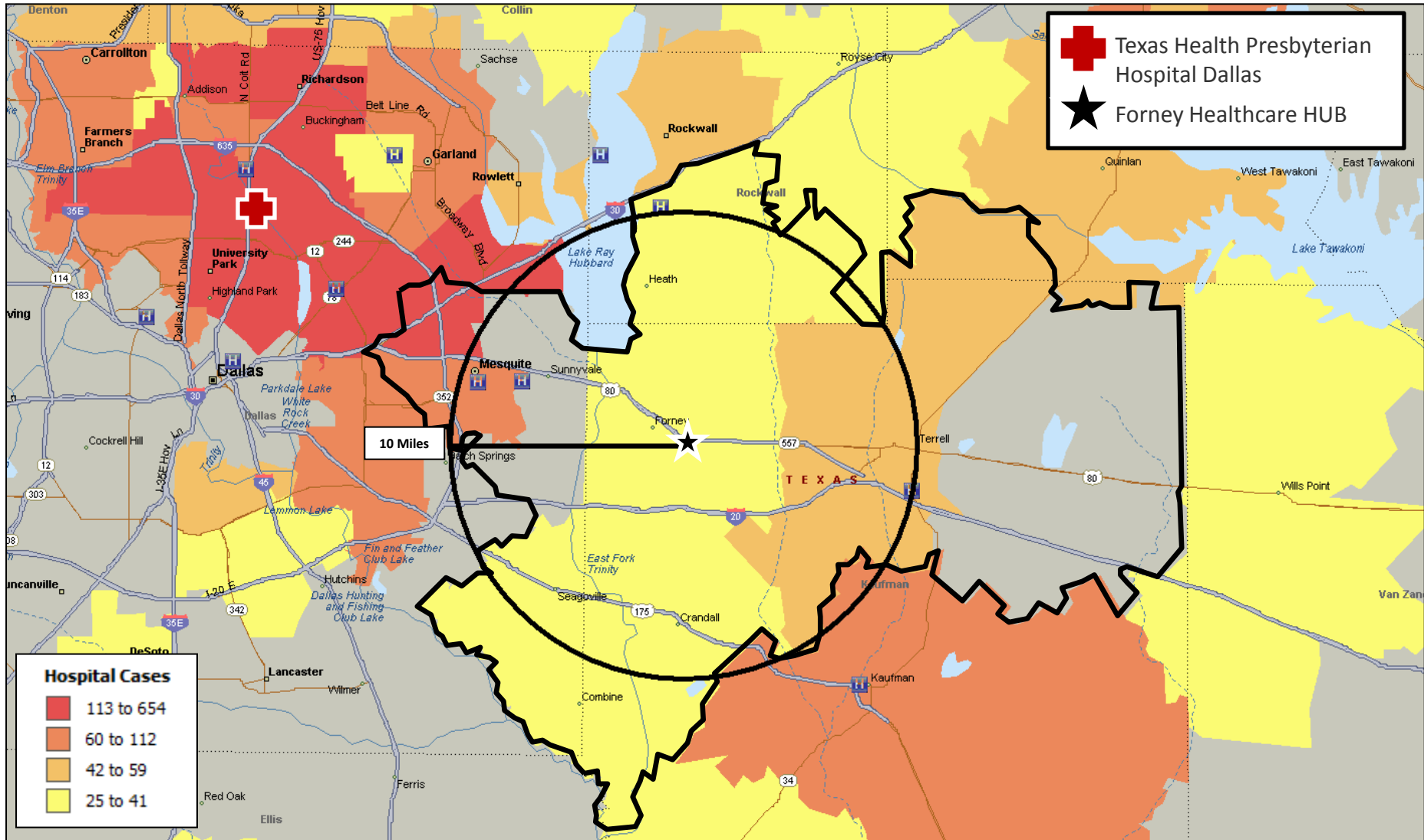
## HOSPITAL DISCHARGES – DOCTOR’S HOSPITAL AT WHITE ROCK LAKE

The following map indicates the zip codes from Doctor’s Hospital at White Rock Lake is receiving the majority of its patients.



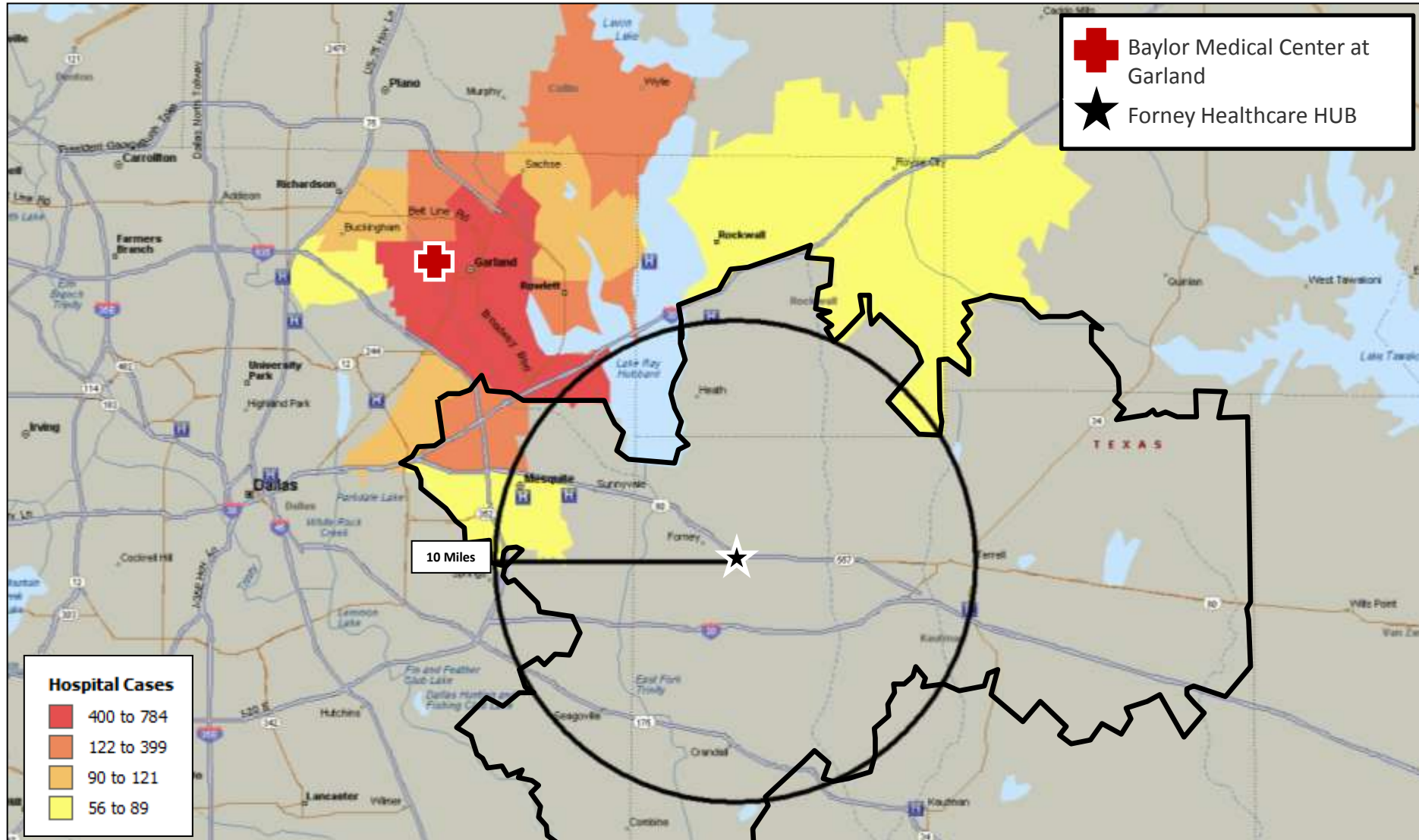
## HOSPITAL DISCHARGES – TEXAS HEALTH PRESBYTERIAN HOSPITAL DALLAS

The following map indicates the zip codes from Texas Health Presbyterian Hospital Dallas is receiving the majority of its patients.



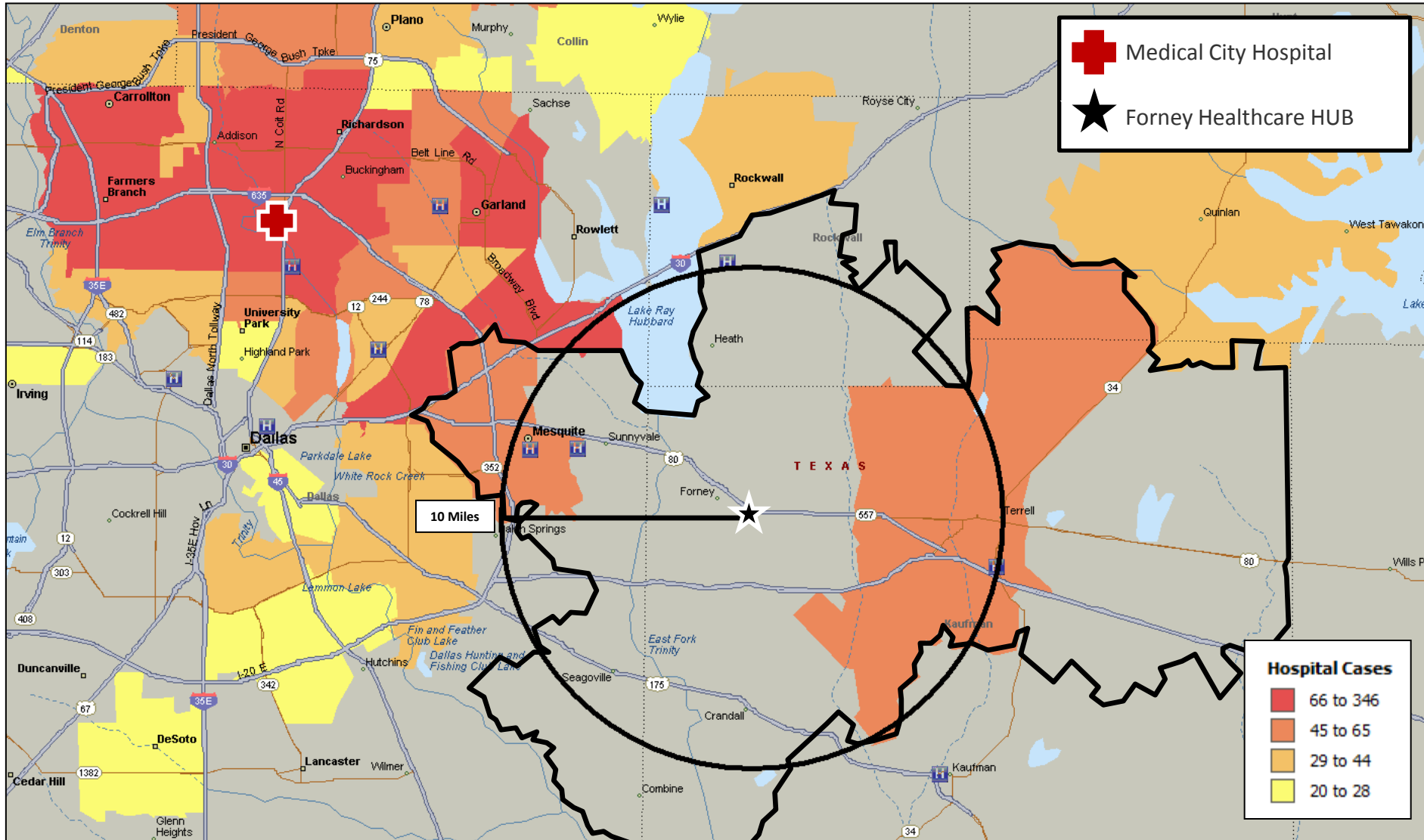
## HOSPITAL DISCHARGES – BAYLOR MEDICAL CENTER AT GARLAND

The following map indicates the zip codes from Baylor Medical Center at Garland is receiving the majority of its patients.



## HOSPITAL DISCHARGES – MEDICAL CITY HOSPITAL

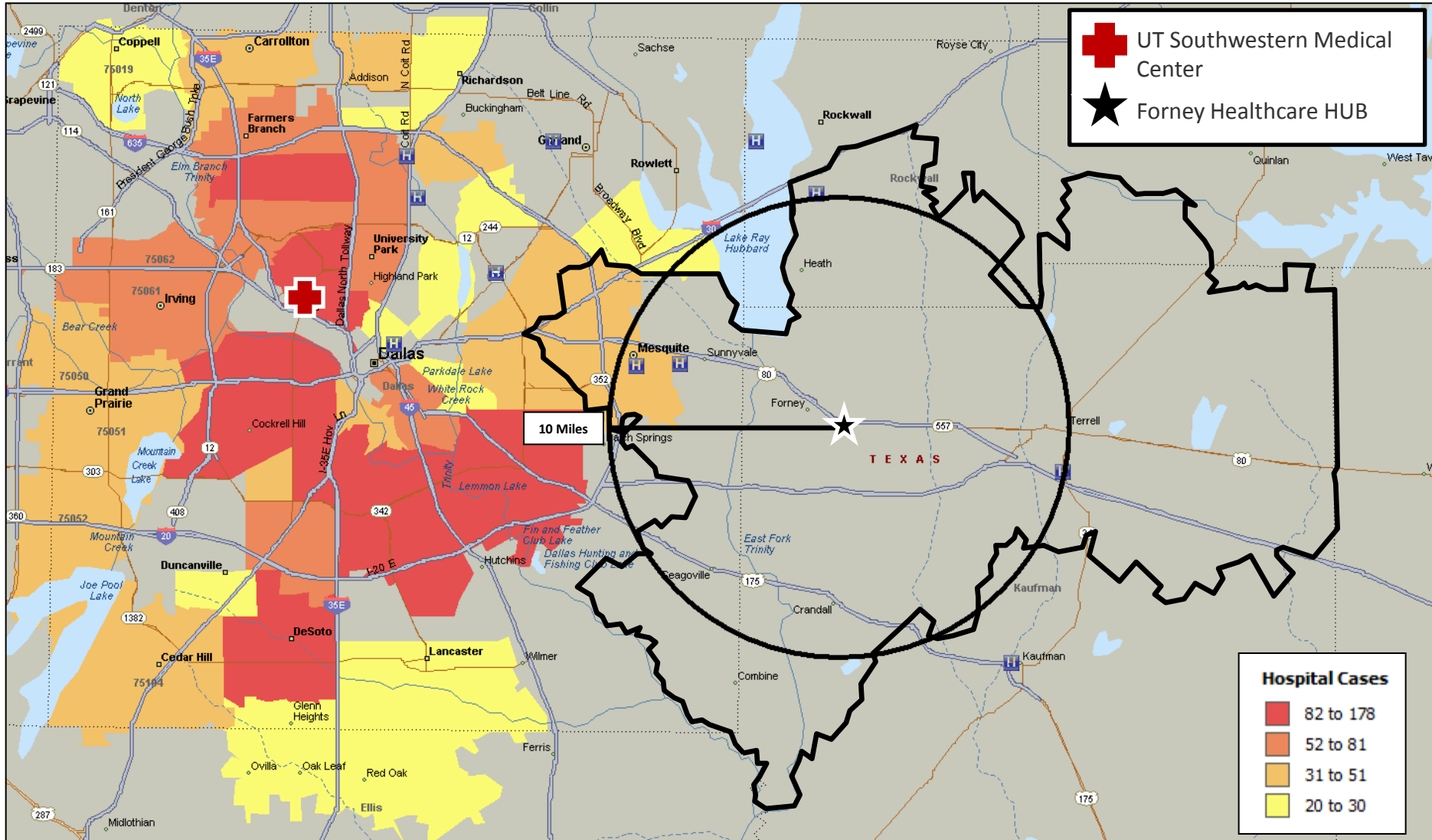
The following map indicates the zip codes from Medical City Hospital is receiving the majority of its patients.





## HOSPITAL DISCHARGES – UT SOUTHWESTERN MEDICAL CENTER

The following map indicates the zip codes from UT Southwestern Medical Center is receiving the majority of its patients.





# Forney, Texas Healthcare Analysis

*Medical Facility Profile*



## AMBULATORY SURGICAL CENTERS

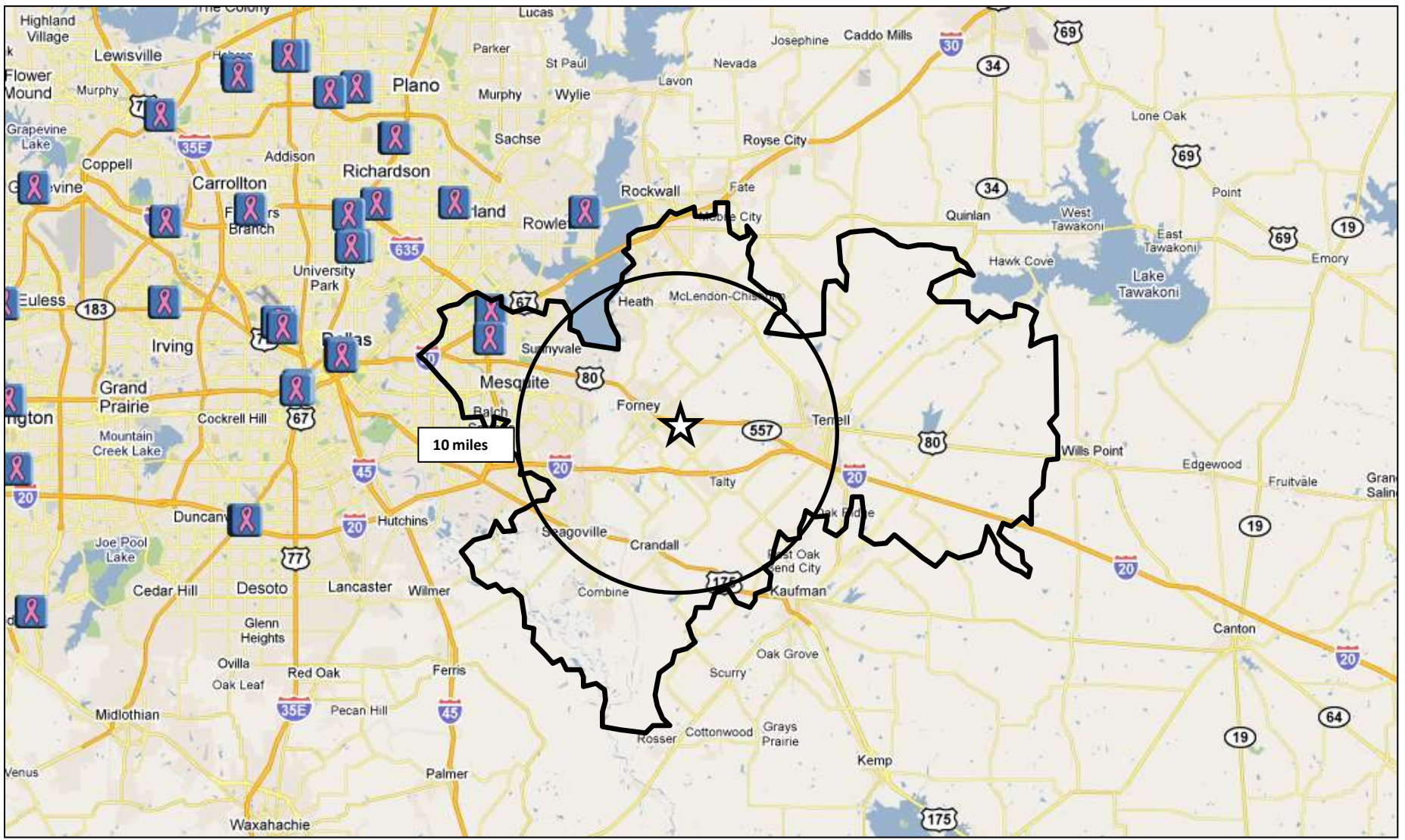
The following map displays the Ambulatory Surgical Centers in and around the Forney Healthcare HUB service area. These ASCs are concentrated to the North and West of the Forney Healthcare HUB service area close to the areas of the Acute Hospitals.





## CANCER CENTERS

The following map displays the Cancer Centers in and around the Forney Healthcare HUB service area. These Cancer Centers are concentrated to the West, in and around Dallas proper.







## RADIATION THERAPY CENTERS

The following map displays the Hospital Based and Freestanding Radiation Therapy Centers in and around the Forney Healthcare HUB service area.





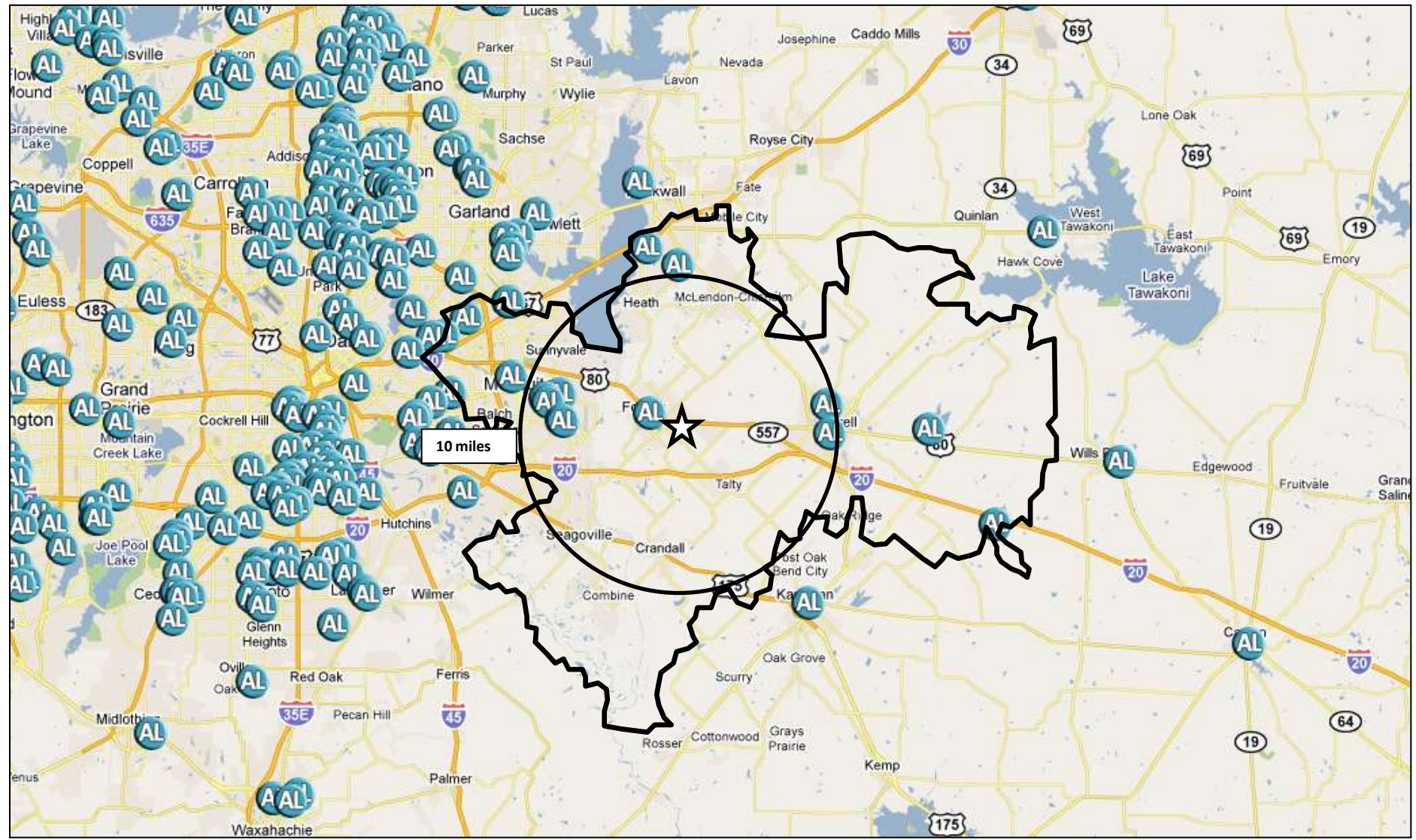
# Forney, Texas Healthcare Analysis

*Senior Living Facilities*



## ASSISTED LIVING FACILITIES

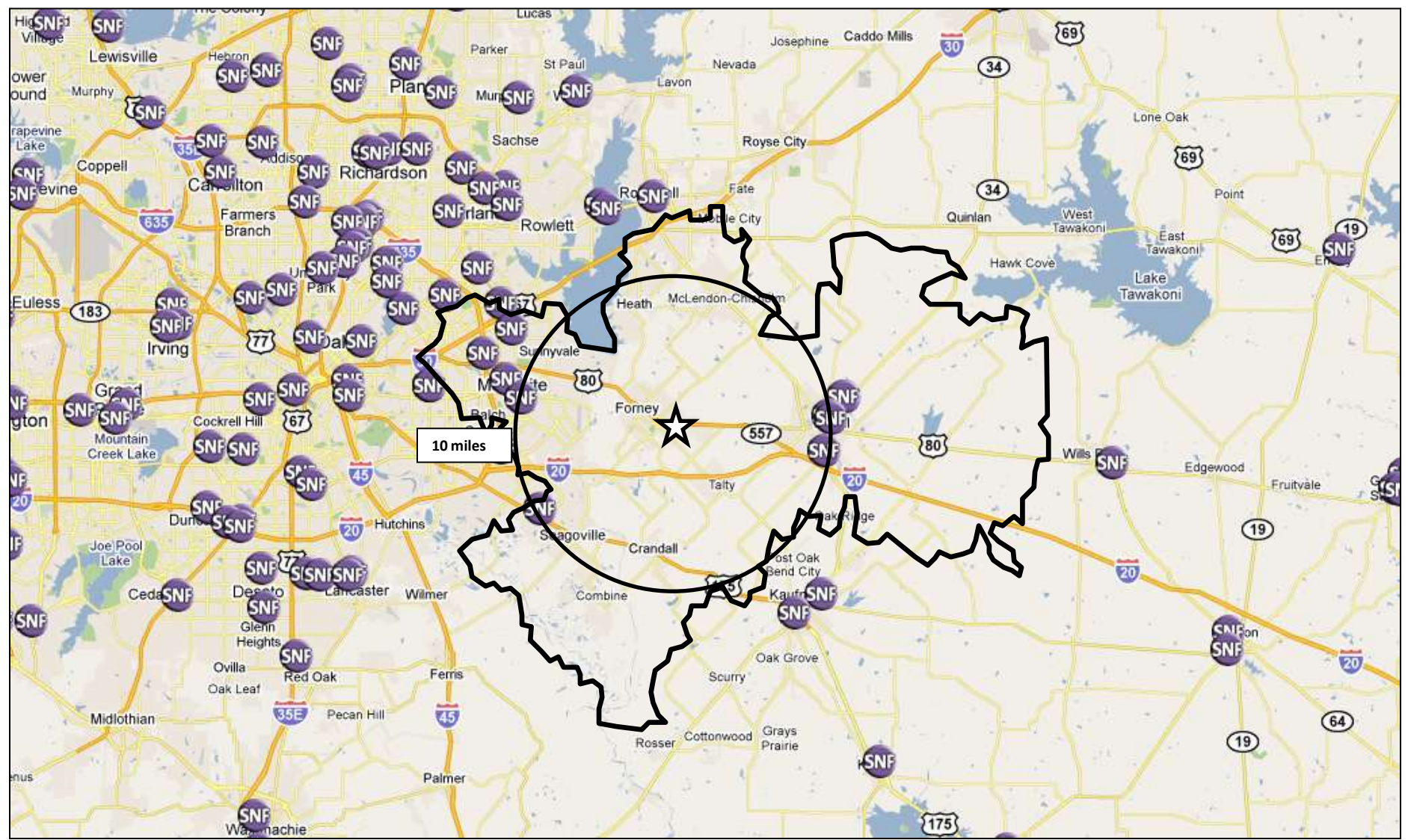
The following map displays the Assisted Living facilities residing in and around the Forney Healthcare HUB service area.





## SKILLED NURSING FACILITIES

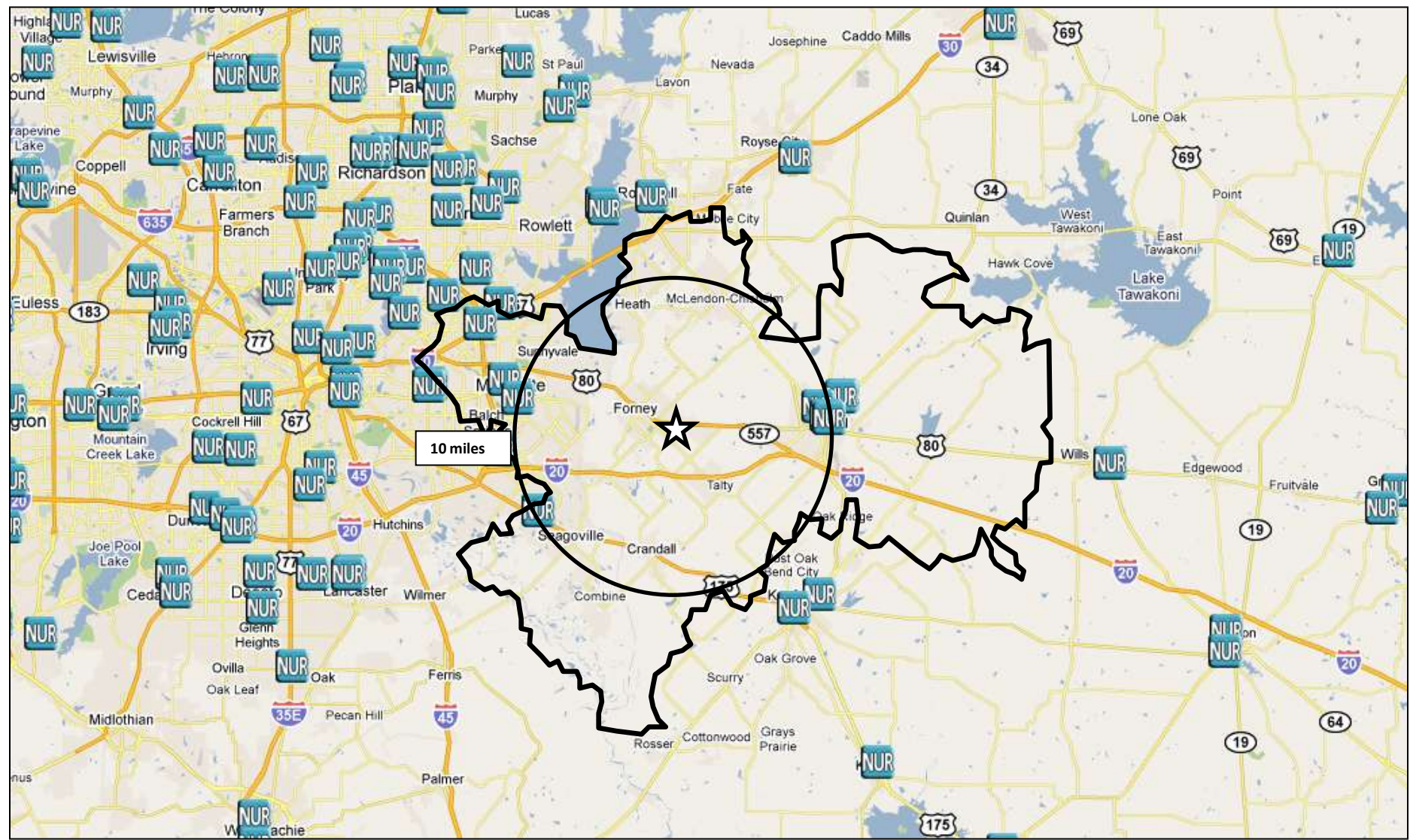
The following map displays the Skilled Nursing Facilities residing in and around the Forney Healthcare HUB service area.





## LONG TERM NURSING FACILITIES

The following map displays the Long Term Nursing Facilities residing in and around the Forney Healthcare HUB service area.

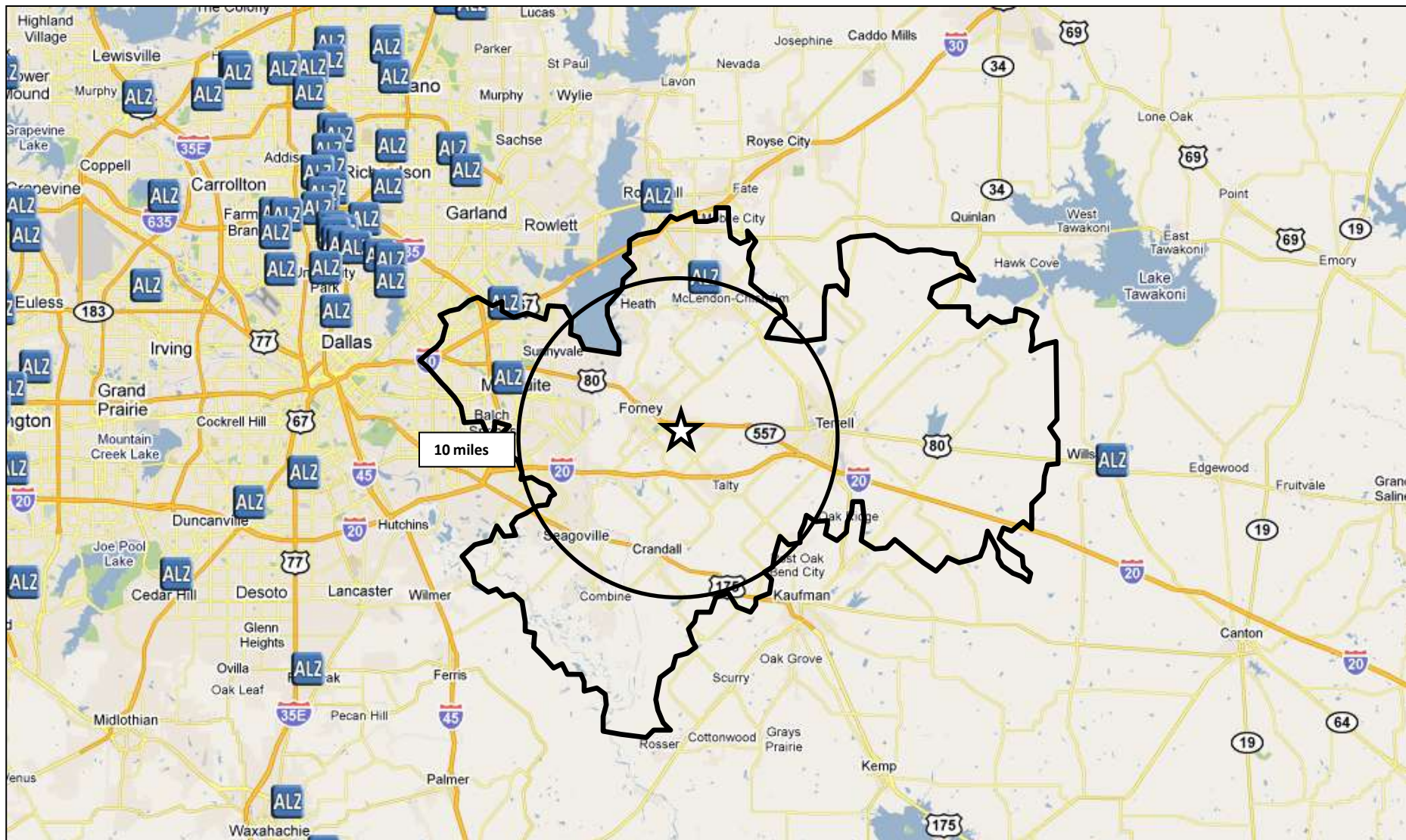






## ALZHEIMER'S/DEMENTIA CARE

The following map displays the facilities offering Alzheimer's/Dementia Care residing in and around the Forney Healthcare HUB service area.







# Forney, Texas Healthcare Analysis

*Glossary and  
Methodology*

## Medical Glossary

### Medical Procedure Terminology

**Inpatient** - Procedures or services where a patient will be required to stay in a hospital bed overnight. These procedures and services are quantified by MS-DRG codes. Medical Severity Diagnosis-related group (MS-DRG) is a patient classification scheme that relates the type of patients a hospital treats to the cost incurred by the hospital. MS-DRG codes are for an Inpatient Hospital Discharge.

**Outpatient** - Procedures or services where a patient is not required to stay in a hospital bed overnight. These procedures and services are quantified by CPT code. Current procedural terminology (CPT) is a systematic listing of procedures or service that serves as the basis for health care billing. CPT codes are used for Outpatient Hospital/Ambulatory Surgical Center Discharges.

**Current Procedures** - Represents the projected volume of the specified set of procedure codes for the year 2010.

**Projected Procedures** - Represents the projected volume of the specified set of procedure codes for five years from the current year, the most recent projected year is 2015.

### Senior Living Facility Terminology

**Alzheimer's Dementia Care** – Facilities offering specialized programs for residents suffering from Alzheimer's Disease or other forms of memory loss. These programs can be offered by Residential, Assisted Living or Nursing facilities.

**Assisted Living** – Multi-unit facilities that provide assistance with medications and daily activities such as bathing and dressing.

**Nursing Care** – Facilities licensed to provide skilled nursing services under the supervision of licensed nurses.



## Medical Methodology

### ❖ Procedure Code Projections (CPT, MS-DRG and ICD-9)

Analyzes the past 7 years of historical inpatient, outpatient, and office visit claims to understand the age, sex, and demographic makeup of the patients who most often utilize a procedure code. Using this information the system applies these utilization statistics to the local population in accordance with how they are growing and aging. Procedures and Office Visits are then projected out at the code level for the local population in the current year and over the next five years.

### ❖ Physician Need

Physician need is based on the supply of physicians currently residing in the market and the procedure code projections described above. Each physician can service a certain amount of patients and their associated procedures and office visits per year, therefore the supply is based on the number of physicians of each specialty practicing in the service area. The physician need is calculated taking the supply of physicians less the total number of physicians necessary to support the procedures patients will require in the service area.