Hialeah Medical Center

A Case Study

THE BEGINNINGS

Community Clinical Center, founded by Mary Hernandez in 2008, was a family-owned medical center serving a senior population in the Hialeah, Florida area. The center was a true family business, with Mary at the helm, Mary's Mom, Elsa, in Customer Service and Marketing Department, their son, Hugo, a Benefits Consultant, and Mary's husband, Hector, running the administrative duties. The family was very well-liked, trusted, and admired by the community and maintained great relationships with their patients. To keep up with the competitive healthcare landscape in the Hialeah community, however, they needed to add services and expand their patient population, which they found increasingly less feasible. The onset of the ACA caused a sharp drop in their patient population, and they were running deficits with both of their insurers.

A MEETING

CareAlliance was first introduced to Community Clinical Center in early 2014. Even though they saw many strengths with the center, especially in their relationships with their patients, CareAlliance decided not to bring them on at that time. The meeting opened the lines of communication, however. In December 2014, the relationship became a closer when Community Clinical Center officially became an Independent Practice Association (IPA) under CareAlliance.

CareAlliance developed a good working relationship with the center from the beginning. The center was tapped out with their ability to grow and expand, however, especially with the competitive landscape of the Hialeah margins and demographics.

"As the market became more competitive and demanding, we understood that changes and more resources were needed, and a decision had to be made. We were looking for honesty, integrity, and values in people we were to do business with." Hector Hernandez

CareAlliance decided it was time to approach the center about a possible acquisition. After discussing some of the value-added and competitive advantages CareAlliance could bring on board, it turned out to be something the ownership was interested in. They decided to move forward.

"After being approached by several entities, we decided on CareAlliance, as Mary sensed that the executive team shared the same passion, dedication, and love for the job she had been doing for so many years. " Hector Hernandez

CareAlliance partnered with the Community Clinical Center in June 2015 and the center became the CareAlliance Medical Center – Hialeah.

A COLLABORATIVE PARTNERSHIP

CareAlliance was able to negotiate a buyout of the practice and immediately added dental, and optometry services. It was crucial to have these in house. Not only were patients very happy to get these and other services in house at no extra cost, but the additions were necessary in order to compete in the Hialeah marketplace. There was also an extremely successful patient conversion with the acquisition, with an almost 95% rate. The center pared down to one single insurance contract, and CareAlliance added to the Hialeah center's fleet of vehicles and incorporated grassroots marketing. By the end of 2015, the center had close to 400 patients.

CareAlliance remained flexible when evaluating the different opportunities with this acquisition and tailored it as a win-win situation for themselves and the original owners. Those owners sacrificed a lot for the family-owned center and didn't want to lose out on its potential growth. CareAlliance was able to structure the acquisition so the original owners still ran the center and maintained equity in the company to share in the growth. The transition was almost seamless, with the additional offering of benefits to all employees and staff. Everyone, from owners to patients to employees and staff, felt rewarded and appreciated.

EXPANDING THE OPPORTUNITIES

With a desire to maintain and even better the health of their Medicare Advantage population while also running a profitable business, Hialeah center turned to CareOptimize. In less than a year, CareOptimize was able to increase the HCC/RAF scores for the center, optimize their workflow, and increase their reimbursement. These factors continue to be extremely important to Hector and Mary, allowing them to increase their membership, provide even more services, and thrive as a business that has become a model for other MA centers throughout the country.

THE RESULTS

Hialeah Medical Center now has almost 500 managed care lives. They have added another physician, and their fleet of vehicles has doubled. The practice is also now cashflow positive. By optimizing their clinical workflows and increasing their RAF/HCC scores, they were not only able to grow (increased patient population, infrastructure, providers, and services), but were able to do it profitably - all of this in just under a year and a half.

CareAlliance Hialeah	January 2015	January 2017
Medicare Advantage Members	300	470
Average Gross Premium pmpm*	$1,326	$1,660 — 25.19% increase
Medical Loss Ratio (MLR)	104%	88% — 15.38% decrease
Deficit	$465,000	Surplus
Medicare Part A Cost pmpm*	$314	$200 — 36.31% decrease
Medicare Part B Cost pmpm*	$252	$185 — 26.59% decrease

	$4.2 million	$6.31 million
Revenue		
RAF Scores	1.1	1.45 31.82% increase
HEDIS Star Rating	★★★	★★★★

*per member per month