

# 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