

## Outpatient Market Share and Specialty Revenue

# Competing - but not with the Medical Staff

*Abbott Northwestern Hospital Creates Ambulatory Center by Aligning with Physicians*

**A**bbott Northwestern Hospital, a premier tertiary center in Minneapolis, needed to decompress its main campus in order to create additional inpatient capacity.

Facing competition for outpatient diagnostics and surgery from the medical staff, the status quo was not an option. Development of an outpatient strategy that would result in long-term economic participation and commitment from physicians was critical. Equally important was the need to recapture eroding in-patient and ambulatory market share from within the southwest metro market.

Physicians needed to be involved in the strategy formation process because they were feeling pressure from patients to practice at multiple sites while relying only on professional income.

Program differentiation was also critical in order to enhance

consumer satisfaction. Visibility, access and long-term expansion were significant challenges when it became clear that the strategy would require an outpatient facility.

After structuring joint ventures with cardiology, radiology and orthopedics, Abbott Northwestern relocated a sizeable internal medicine practice into the project to further align revenues.

The project required the identification of a parcel of land in an already highly-developed and high-cost urban corridor. The land, brick and mortar for the ambulatory facility required off-balance sheet financing. Speculative space was also needed in the facility in order to accommodate last minute physician interest.



Finally, state, county, city and infrastructure complexities required extensive attention to ultimately secure an ideal parcel at a highly visible intersection in the center of the target market.

The project was an immediate success. Within four months of opening the Center for Outpatient Care, Abbott Northwestern began planning the second phase of the project.

Abbott Northwestern relied on Frauenshuh Healthcare Real Estate Solutions for the successful implementation of its ambulatory facility strategy.



*"By providing capital and working closely with key physicians to meet their needs, Frauenshuh was a critical partner in achieving our goals."*

Gretchen Leiterman, Executive Director  
Abbott Northwestern Ambulatory Centers

*To learn how Frauenshuh Healthcare Real Estate Solutions can help you align interests and enhance market share, contact them at 952.829.3480 or [www.frauenshuh.com](http://www.frauenshuh.com).*



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