

# MERGER OF YAMPA VALLEY MEDICAL CENTER INTO UCHEALTH



Merged with  
UCHealth

Huron acted as  
exclusive Investment  
Banker to Yampa Valley  
Medical Center

## The Huron Transaction Advisory team included:

- John Bodine, Managing Director
- Casey Webb, Vice President
- Priya Patel, Associate

Securities transactions provided by Huron Transaction Advisory LLC, member FINRA/SIPC.

Yampa Valley Medical Center (“YVMC”) is a not-for-profit acute care health system in Steamboat Springs, Colorado. YVMC generates over \$100 million in revenue, offers numerous high acuity services (cancer care, orthopedics, cardiology, robotic surgery and others) and is a major provider of care to the U.S. Ski Team. The facility is designed with the rustic features of a ski lodge and is idyllically nestled near the ski slopes of Mount Werner and Steamboat Ski Resort, which drive heavy demand for orthopedic services.

## Situation Summary

In July 2016, YVMC announced its decision to seek a strategic partner in the Front Range (an area in central Colorado that spans from Denver to southern Wyoming) with the resources to execute on YVMC’s mountain strategy and implement a clinically integrated network (“CIN”). Through the CIN, YVMC planned to increase access to specialty services and improve care coordination among its patients, the hospital and its 80+ physicians (both independent and employed). In addition, the Board desired to develop Centers of Excellence in cancer care and orthopedics, while simultaneously maintaining YVMC’s culture and connection to the local community.

## Our Approach

YVMC retained Huron in August 2016 to support the implementation of a CIN and advise on a transaction with a Front Range health system. Huron designed a comprehensive, multi-disciplinary search process which promoted interaction and transparency among YVMC’s key constituencies. The process included a review of YVMC’s strategic plan; numerous education sessions with YVMC’s CIN Committee, which consisted of approximately a dozen physicians; an assessment of IT services and how YVMC and CIN might receive IT services from the selected partner; and numerous advisory services related to the selection of the Front Range partner.

Huron’s licensed investment bank, Huron Transaction Advisory (“HTA”), led the proposal process for the identification and selection of a preferred partner. HTA began the process by establishing affiliation criteria which met the objectives of the various constituencies. Other key steps included identifying suitable partners, soliciting interest, providing regular updates and materials to leadership, managing the decision makers through the selection process, coordinating due diligence and assisting with negotiations. Proposals were

received from both not-for-profit and for-profit organizations, with options for asset acquisitions, joint ventures and minority-interest transactions. Ultimately, the YVMC board elected to pursue a merger with an academic health system in order to fully align the priorities and visions of the parties.

Throughout the engagement, YVMC utilized complementary services offered by Huron including the following:

- Huron's Strategy Group assessed and refined the strategic plan for CIN options.
- Huron's Physician Services Group educated and worked with YVMC's CIN Committee, which consisted of approximately a dozen employed and independent physicians, regarding their options for a CIN.
- Huron's IT Group conducted a comparative IT analysis of the potential candidates and performed an assessment related to YVMC CIN integration options and associated IT services.
- Huron's Valuation Group developed preliminary pricing expectations for negotiating purposes.
- Studer Group, a division of Huron, facilitated a cultural assessment of YVMC and the finalist to identify and manage any gaps in cultural fit between the organizations.

## Results & Benefits

University of Colorado Health ("UCHealth") was selected as YVMC's partner, and the transaction closed on September 1, 2017. Publicly disclosed terms included more than \$105 million in investments into the YVMC community from UCHealth, as well as a significant donation to the YVMC Foundation, partnership in the UCHealth Integrated Network, implementation of the EPIC electronic medical records system, resources for an expanded emergency department, ongoing infrastructure improvements and resources for additional behavioral health and substance abuse work.



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