RTG
Aligning Strategy, Driving Growth
Through Healthcare Real Estate

HOSPITAL CAMPUS

BalladHealth™

CASE STUDY

BALLAD HEALTH
JOHNSON CITY, TN

HIGHLIGHTS

Project Type
Hospital Merger

Portfolio Size
3M SF

Client Reference

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Realty Trust Group (RTG) worked on the merger of Mountain States Health Alliance and Wellmont Health Systems. This merger is one of the largest not-for-profit health system mergers in the United States to combine under the certificate of public advantage guidelines. Since the merger, Ballad Health represents 21 hospitals and 3M SF of medical office building and operational space.

RTG Provides Smart Solutions to Complex Challenges

Mergers of this magnitude require improved efficiency of both hospital and medical office building operations. RTG maximized owned real estate, eliminated third-party rent, and converted non-reimbursable expenses into operational costs that improved patient access and service levels.

RTG completed a comprehensive portfolio inventory and assessment, consolidated lease administration and accounting systems, and developed a dashboard reporting platform. Armed with consolidated, accurate information, RTG analyzed opportunities spanning space consolidation, lease elimination, property tax savings, and vendor contracting to identify $3-Million of annualized savings in the first 12 months and tripled those savings to $9-Million annually within the first 3 years.

One of the biggest challenges involved integrating several ownership entities in multiple sites, both internal and external, into a single lease and operational format. RTG built a reporting platform that was instrumental in gaining corporate support for the capital plan needed to implement change. The RTG team provided Ballad with experience and understanding across all service lines, which was key in identifying savings and meeting deadlines.

RTG utilized resources from three offices, bringing in advisory services to complete fair market value studies, the capital team to manage projects ranging from $10,000 to $1,000,000, and a transaction team to leverage the size of the asset base to gain favorable pricing on real estate purchases and leases. Work continues five years after project commencement, but results include more than 30 moves, consolidations, and lease eliminations.

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