



MARKET ANALYSES

Ten Market Factors to Consider in Placing Providers and Services

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A [Community Needs Assessment](#) can inform when it is appropriate to recruit providers of a given specialty. However, to determine the best location for a new physician office or service location it is also important to consider several geographical and demographic factors. This article breaks down the key indicators within a market analysis that can inform decision-making.

COMMUNITY NEED

A Community Needs Assessment or Single Specialty Needs Assessments utilize tailored physician-to-population ratios to determine the need for providers of a given specialty. The current supply of specialists is compared to this need, resulting in a surplus or a deficit of those providers for the area at large. Although these reports are typically performed with compliance goals in mind, they may also inform strategic and workforce planning efforts.

SHORTAGE AREAS

The Health Resources & Services Administration (HRSA) Bureau of Health Workforce designates geographical areas as being underserved or having too few providers. Medically Underserved Areas/Populations (MUA/MUP) have too few primary care providers, high infant mortality, high poverty or a large elderly population. Health Professional Shortage Areas (HPSAs) have shortages of primary medical care, dental or mental health providers and may be geographic, population, or facility specific.

Some federal programs utilize shortage area designation as a requirement for funding or program eligibility. An analysis of relevant shortage areas is included within every Carnahan Group [Community Needs Assessment](#).

PROXIMITY TO COMPETITORS

Carnahan Group can provide your organization with a thorough inventory of competitor facilities and a "Lay of the Land" visualization of this data. Within these inventories,



organizations and individual providers can be filtered according to their specialty or type of service. Interactive mapping through business informatics tools is available.

PROVIDER DENSITY

In addition to considering the presence of competitors or duplicative services, it is important to determine the saturation within the market. This type of analysis can be conducted at the ZIP-Code level to provide the most detailed information in a format that aligns well with other components of the market analysis.

PROXIMITY TO COMPLIMENTARY BUSINESSES

Assessing the area for complimentary services can be a helpful way to craft a seamless patient experience. For example, it could be beneficial to locate an orthopedic clinic near a physical therapy office. Carnahan Group's mapping software enables us to pinpoint specific types of businesses, like pharmacies, or individual chain locations, like Walgreens or CVS.

PATIENT POPULATIONS

Geodemographic segmentation (also referred to as psychographic data) is a means of categorizing census block-level populations according to their composition. Dimensions may include household income, presence of families, education levels, population density, median age, housing costs, employment industry, and language spoken. Carnahan Group is able to assist in identifying specific segments that best represent ideal patient populations, and mapping the areas within the market that contain these segments.

DEMOGRAPHIC PROJECTIONS

In planning to expand services, it can be especially beneficial to determine areas of projected population growth and decline within a market. Communities experiencing significant population growth can generate new patient volume organically over time. Carnahan Group utilizes the most recently available Census Bureau and Esri projections to visualize population change by age group, gender, and other dimensions.

REAL ESTATE

Besides cost considerations, organizations should evaluate a location's visibility from the road, the potential for signage, and parking. Finding prime real estate is important for a



healthcare organization but can also be costly. Carnahan Group's valuation experts can assist you with a Space Lease Analysis that includes a fair market value of the rental rate — full gross, modified gross and triple net leases.

TRAFFIC PATTERNS

A common means of measuring traffic on a given roadway, the Average Annual Daily Traffic (AADT) is a helpful data point in determining where to place a physician office or healthcare service. Mapping the available traffic count information for an area can highlight areas of potential.

DRIVE TIMES

Driving distances and times can be important factors for patients traveling for healthcare services and providers traveling between clinical locations or commuting to rural areas. Carnahan Group leverages GIS software with adjustable route settings to provide estimates of drive times tailored to your unique service area.

SUMMARY

As a partner, Carnahan Group guides hospital systems, individual facilities, and group practices in decision making. Community Needs Assessments and tailored Market Analyses can inform where to place providers and services within a market.

ABOUT CARNAHAN GROUP

Carnahan Group, Inc. is an innovative healthcare advisory firm that leverages its expertise and technology to drive compliance improvements and cost reductions for some of the nation's largest healthcare organizations. For almost two decades, Carnahan Group has served the healthcare industry by providing physician compensation and business valuations, Community Needs Assessments, and other strategic services.

CONTACT US

Discover the benefits of partnering with Carnahan Group on your next market analysis.

Call us at 813.289.2588 or click [here](#).