

Aligning Physicians and Hospital Specialty Economics through Real Estate

Collaborating for the Community

Nebraska Health System is a multi-hospital health system that includes Nebraska Medical Center, Clarkson and University Hospitals and serves as the teaching hospital for the University of Nebraska's health sciences program. Like so many other hospitals, the Nebraska Medical Center was faced with the challenge of growing specialty service programs in a very competitive healthcare market. It was determined that one of the premier growth opportunities was orthopaedics. In order to realize this opportunity, physician participation and recruitment would be a critical factor.



Nebraska Orthopaedic Hospital

After facilitating dialogue with a number of orthopaedic physicians, Nebraska Medical Center concluded that a hospital/physician specialty joint venture would provide growth opportunities for both the physicians and hospital. As a result, the Nebraska Medical Center and physicians joint-ventured to create and co-own the Nebraska Orthopaedic Hospital.

Nebraska Orthopaedic Hospital decided to develop the project on a parcel of land available on the Clarkson West Medical Center Campus in West Omaha. The campus is contiguous to Omaha's premier regional shopping mall and enjoys tremendous patient demographics. Because of the substantial capital requirement, the parties needed a development partner that could deliver a new, state-of-the-art facility under a cost effective lease structure on a site burdened with challenging covenants and adjacent property owners with competing interests. After initial attempts with another developer, Nebraska Medical Center brought Frauenshuh on board to develop the project.

Frauenshuh quickly built consensus with Nebraska Health System and the orthopaedic physicians, as well

as the city and adjacent property owners and moved forward with developing the new orthopaedic hospital. The 65,000 square foot project provides a beautiful, patient-focused facility that includes a 2-story lobby and reception area, and eight innovative operating suites that can accommodate a wide range of orthopaedic surgical procedures. Private rooms more closely resemble a hotel suite than a hospital room for patients requiring an overnight or extended stay after surgery. A Patient Education Center and a Physical and Occupational Therapy Center are also an integral part of the facility. The building was constructed to provide for both horizontal and vertical expansions to allow for future growth. The project was brought in on schedule and resulted in a lease structure that fit the joint venture's budget.

Nebraska Health System and orthopaedic physicians are demonstrating that collaboration can add value for both the community-at-large as well as the providers of care.



"Frauenshuh delivered on every commitment and demonstrated extraordinary flexibility in our orthopaedic hospital project."

Cindy Arbaugh, Chief Operating Officer Nebraska Orthopaedic Hospital

To learn how Frauenshuh HealthCare Real Estate Solutions can help you achieve your facility development and capital access goals, contact them at (952)829-3480 or www.FrauenshuhHealthCare.com.



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