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Denver Medical Study Group

VECTOR MEDICAL GROUP

Healthcare Mergers & Acquisitions in the Wake of Covid-19

Denver Medical Study Group

March 4, 2021

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Dana Jacoby is recognized as a difference maker and trusted advisor to health system executives, medical practices, vendors, and other stakeholders in optimizing patient care while also elevating financial and operational performance. Dana's passion for operational excellence has driven a distinguished record of achievement at the intersection of market data, measurement and analytics, strategy design and implementation, and technology innovation. She is a published author and engages audiences as a keynote speaker, educator, and subject matter expert at medical forums, summits, and conferences. Dana has played a pivotal role in leading transformation throughout the highly regulated and value-centric healthcare industry.

Today's Discussion Agenda

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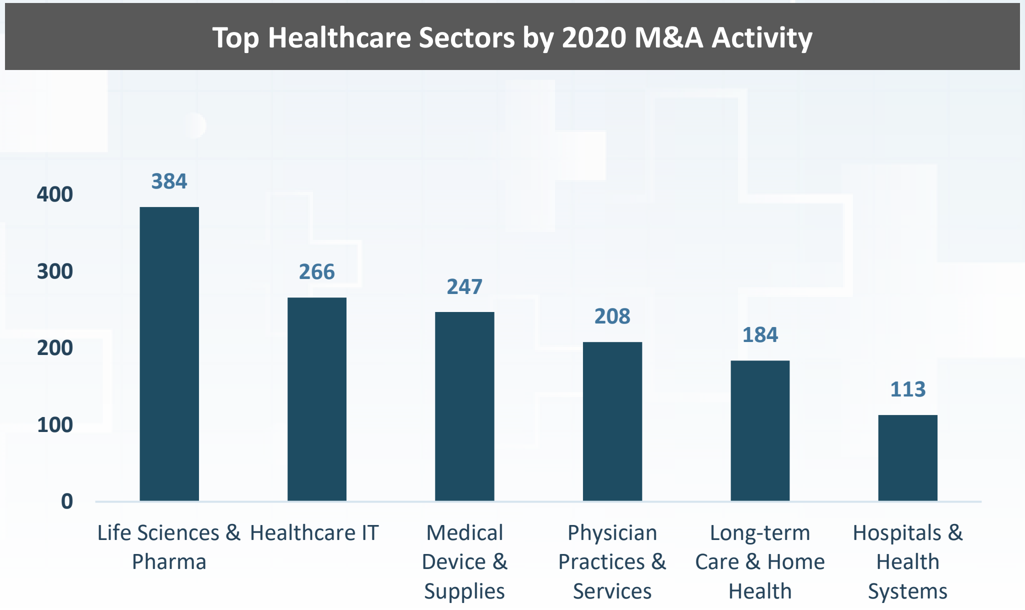
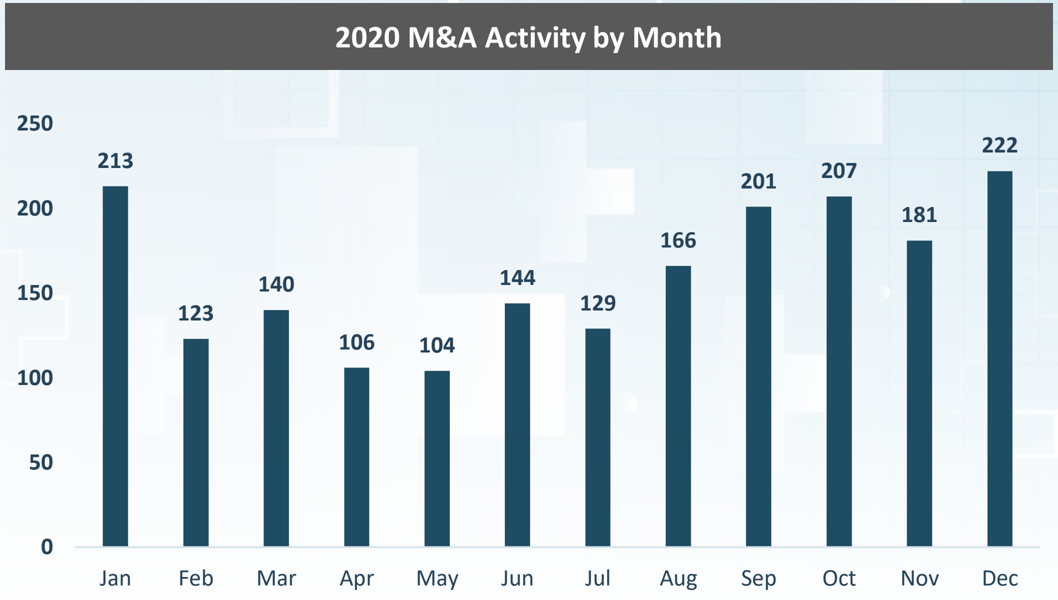
Healthcare M&A Overview 2020 and Trends for 2021

Healthcare M&A - 2020

Despite the pandemic's effect on the economy, the healthcare industry's dynamic mergers and acquisitions environment thrived as provider entities reconsidered their strategic priorities.





Source: Bloomberg BNA *Health Law & Business News*. Based on publicly available information.

Hot and Cold Sectors -- During Covid-19 Pandemic (2020)

- **Life Sciences:** Transactions accelerated, particularly due to the need for testing and the sprint to find treatments and vaccines
- **Medical Device and Supply:** Demand was strong as the sector supports distribution, storage, and administration of Covid-19 vaccines
- **Healthcare IT**: Surged because of immediate spike in demand for telehealth services; and the development of innovative technologies and solutions to address new healthcare delivery challenges and to streamline care processes
- **Cannabis:** Becoming legal in more and more states, and classified as an "essential business," activity in the sector remained strong throughout the year, exceeding expectations

Healthcare Providers

Hospitals, Physicians, Behavioural Health, and Long Term Care sectors slowed down overall due their laser-focus on treating surging demand for patient care, and some uncertainly as to when the pandemic would end, and its long-term impact on providers.

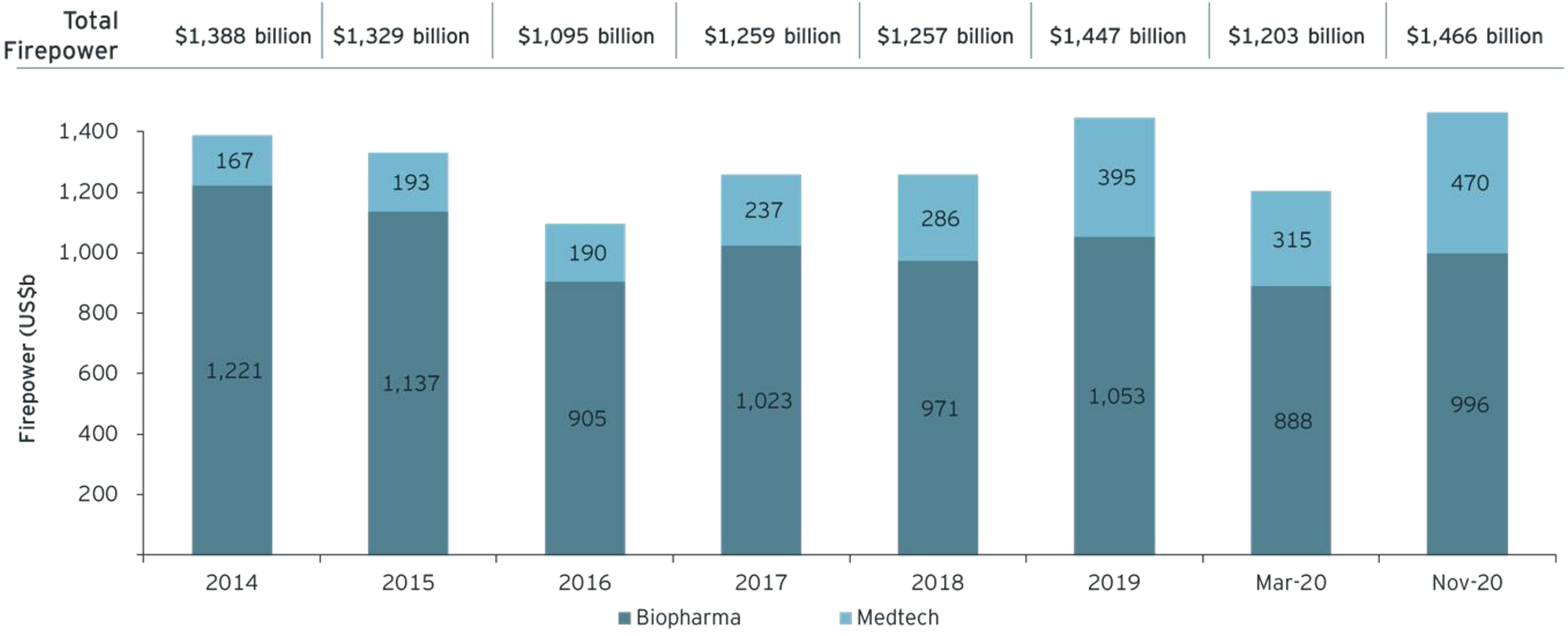
Life Sciences Companies Total 2020 M&A Was Down In Volume But With Record Levels Of "FirePower" signaling future opportunities

- Life sciences mergers and acquisitions (M&A) activity totaled US$159b in 2020, down from US$306b in 2019, reaching one of the lowest levels since 2014
- COVID-19 became an unexpected M&A hurdle, as life sciences deal values failed to reach the annual new normal of US$200 billion.
- And despite 2020's market volatility, life sciences companies ended the year with record levels of Firepower, which EY defines as the company's capacity to do M&A based on the strength of its balance sheet.
- With a return to pre-COVID-19 normalcy unlikely until the second or third quarter of 2021, buyers may struggle to develop confidence about assets at target companies if there is no preexisting relationship.
- Health-care and life sciences deal volume started 2021 at a sizzling pace in January with the most transactions per month—258—in more than a year.

Source: Health Deals See Torrid Pace With Physician Practices in Front (bloomberglaw.com). How the pandemic has changed the rules for life sciences deals | EY - Global

Recent Debt Raises Could Be A Strong Indicator Of Future M&A

Driver one: Biopharma Firepower declined only slightly in 2020* despite significant market volatility; recent debt raises could be a signal of future M&A



Source: EY, Capital IQ. Q1 *2020 results calculated on 15 March. 2020 numbers calculated through 30 November.

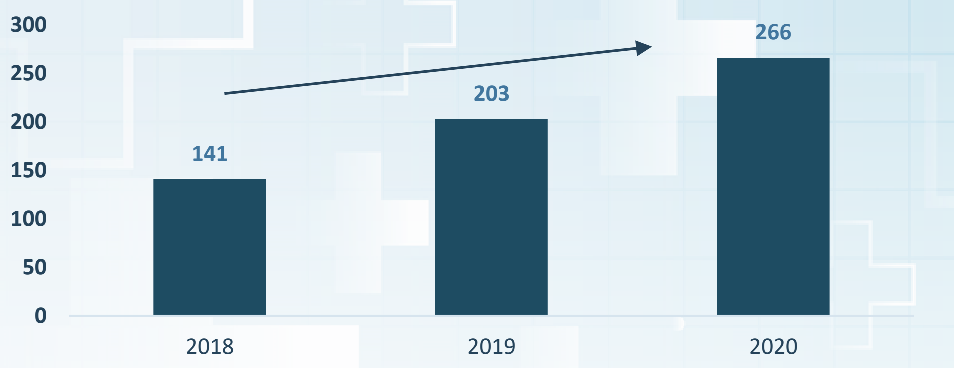
Healthcare IT M&A - 2020

The impact of Covid-19 drove interest in the development of innovative technologies and solutions to meet surges in patient demand for telehealth and streamline care processes.

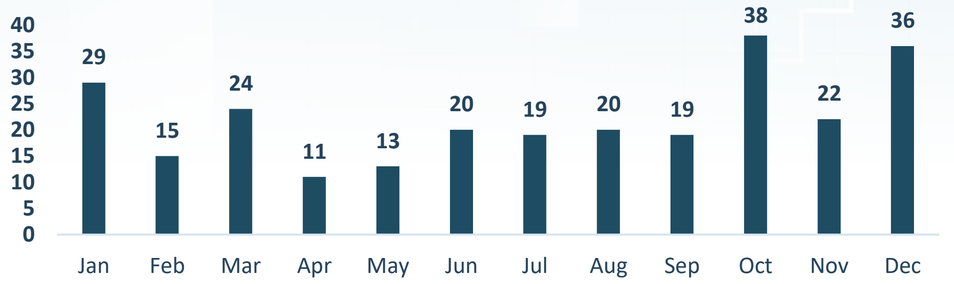
Healthcare IT
Market Drivers and Transaction Trends

- HIT was the second most active sector in terms of M&A activity in 2020
- Increase in internet traffic stemming from the pandemic led to the need for more creative, practical, and secure solutions for the provision of health-care services over the internet
- Relaxed regulatory changes at both the federal and state levels during the pandemic for telehealth
- Continued demand for IT platforms that allow providers to better inform their clinical decision making and quality of care

Closed/Announced Healthcare IT Transactions



2020 **M&A Activity by Month**



Source: Bloomberg BNA *Health Law & Business News*. Based on publicly available information.

Long-Term Care M&A - 2020

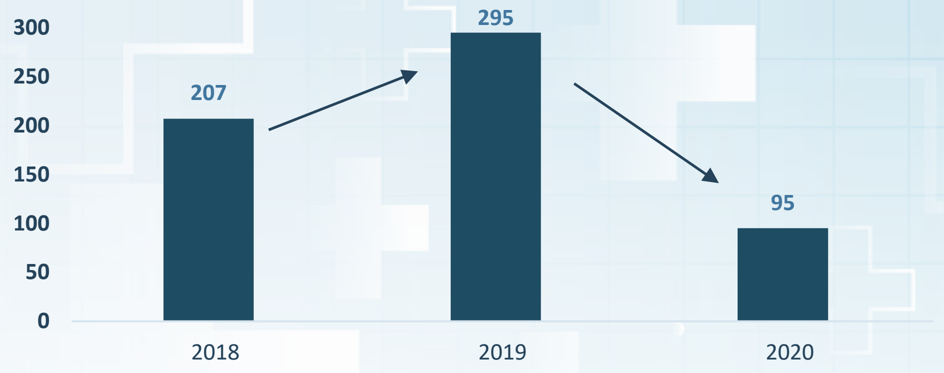
Long-Term Care facility activity was severely impacted by COVID-19 as the impact on nursing homes garnered national attention.

Long-Term Care Market Drivers and Transaction Trends

» The substantial spread of the virus in nursing homes and other long-term care caused investors to shy away from the potentially high risk profile of these clinical enterprises

» Elderly populations delayed or avoided transitioning to institutional care settings, and instead sought more home-based assistance

Closed/Announced Healthcare IT Transactions



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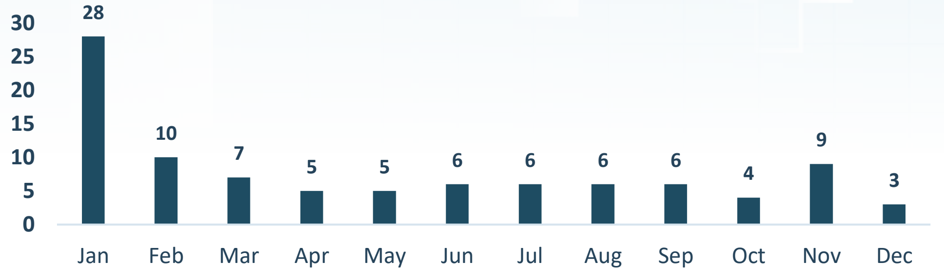

Source: Bloomberg BNA *Health Law & Business News*. Based on publicly available information.

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Home Health M&A - 2020

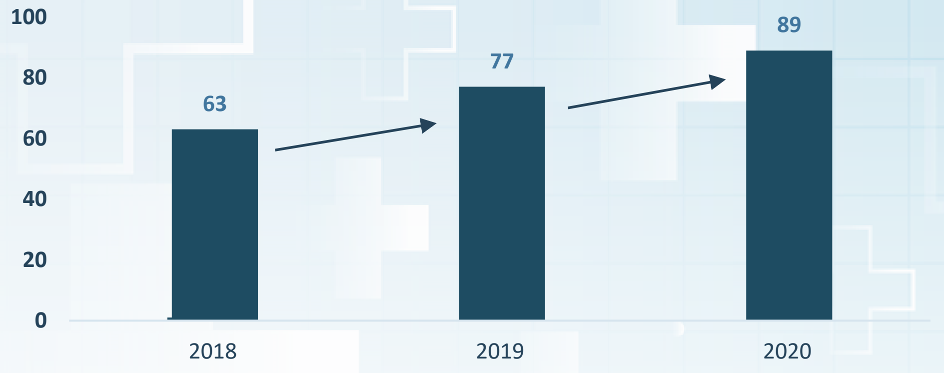
As the pandemic raged in nursing homes and other long-term care facilities across the country, demand for Home Health services grew.

Home Health
Market Drivers and Transaction Trends

» Home Health demand being fueled by the aging population demographics and the baby boomer's resistance to institutionalized care settings

» The pandemic made families and baby boomer's fear institutional care settings more than before due to spread of disease

Closed/Announced Healthcare IT Transactions



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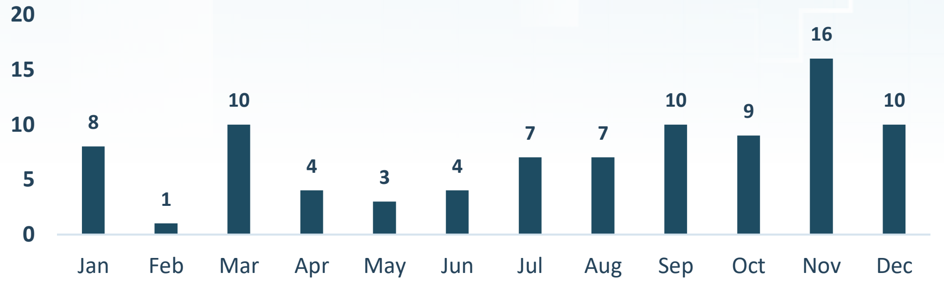


Source: Bloomberg BNA *Health Law & Business News*. Based on publicly available information.

Hospitals & Health Systems M&A - 2020

Hospital and Health System transactions declined as most metropolitan regions are already substantially consolidated and hospitals were focused on addressing patient care during pandemic.

Hospitals and Health Systems Market Drivers and Transaction Trends

» Acute care capacity was stretched thinner and thinner, and the large decline in outpatient and elective procedures

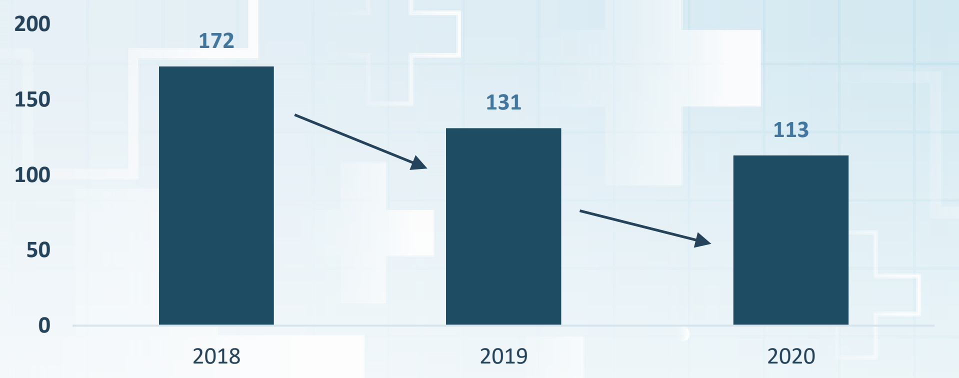
» Primarily focused on caring for Covid-19 patients last year

Future Trends:

» Solo hospitals and small health systems realized that being part of a larger health system, with substantial infrastructure and access to capital, is important in order to survive and succeed into the future

» Growing health systems across the country continue to seek out acquisition opportunities as a way to add facilities and providers in core regions and expand geographically

Closed/Announced Healthcare IT Transactions



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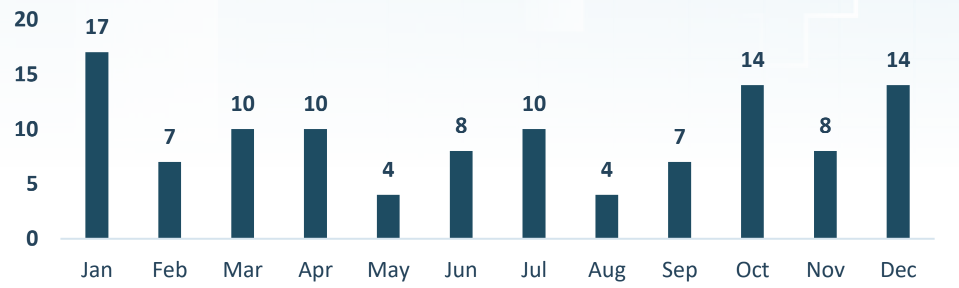


Source: Bloomberg BNA *Health Law & Business News*. Based on publicly available information.

Behavioral Health M&A - 2020

Continued interest in addiction treatment, in particular opioids, and services targeting Autism Spectrum Disorder drive growth in the sector.

Behavioral Health Market Drivers and Transaction Trends

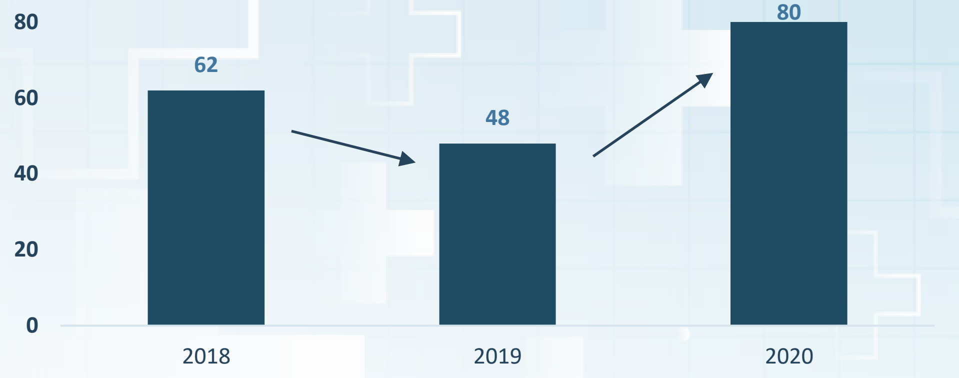
» According to the Substance Abuse and Mental Health Services Administration, nearly one in five adults suffers from a diagnosable mental health disorder

» Increasing domestic opioid crisis affecting more than 2 million Americans

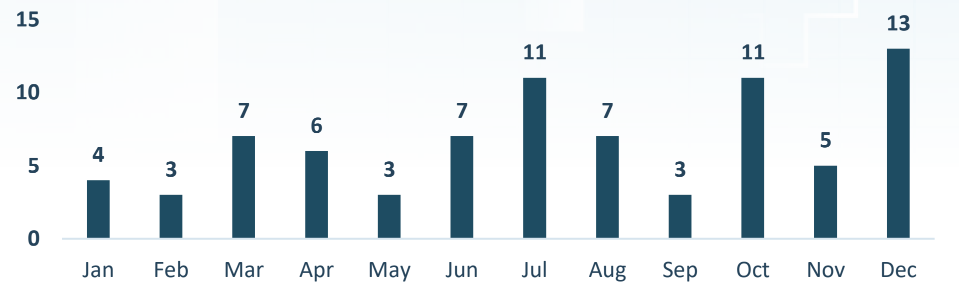
» Increased mental health issues due to the Pandemic

» Greater private equity interest in the space, particularly in providers/organizations that provide autism services

Closed/Announced Healthcare IT Transactions



2020 **M&A Activity by Month**



Source: Bloomberg BNA *Health Law & Business News*. Based on publicly available information.

Ambulatory Surgery and Rehabilitation M&A - 2020

Following the industry-wide trend, the ambulatory surgery and rehabilitation sectors have experienced a push to increased scale and consolidation.

Ambulatory Surgery and Rehabilitation Market Drivers and Transaction Trends

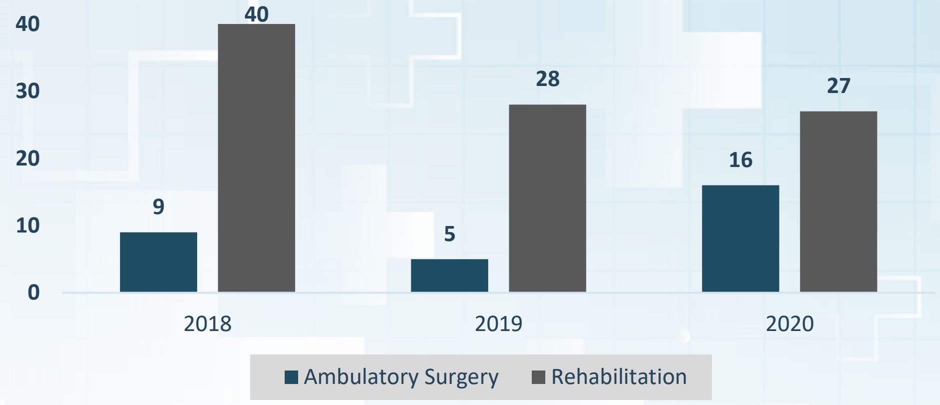
» Freeze on elective cases for several months due to pandemic

» Investors look to non-acute care providers to align with the industry's push to provide care in lower-cost outpatient settings and increased patient demand for cost effective and convenient access to care

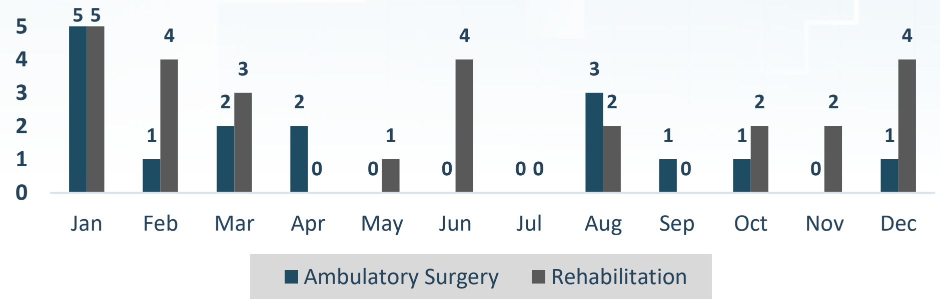
» Ambulatory Surgery Centers (ASCs) have continued to remain highly independent, with only 28% being a part of a large national organization or health system

» Increase in home-based rehab for convenience and protection

Closed/Announced Healthcare IT Transactions



2020 **M&A Activity by Month**



Source: Bloomberg BNA *Health Law & Business News*. Based on publicly available information.

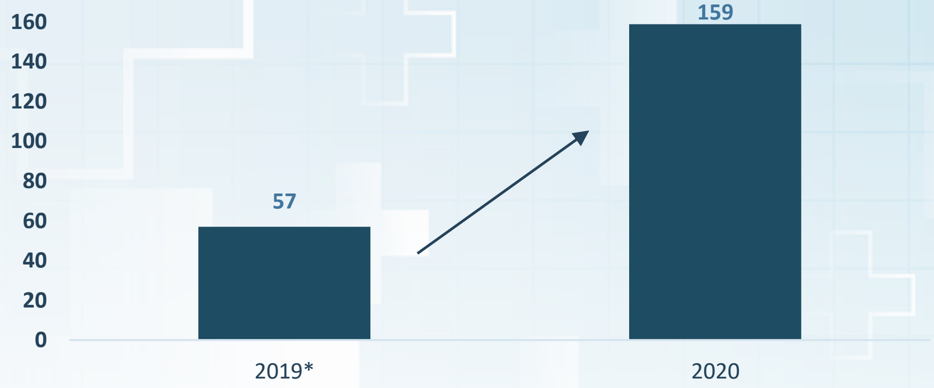
Cannabis M&A - 2020

Broader acceptance by the States and consumers drove cannabis transactions, as smaller companies sought to partner with larger, more established entities.

Cannabis Market Drivers and Transaction Trends

- States classified medical marijuana dispensaries and related businesses as "essential" services (similar to pharmacies) and suspended cannabis regulations to boost access during the pandemic
- Five states legalized marijuana in November 2020: Arizona (recreational); Mississippi (medical); Montana (recreational); New Jersey (recreational); and South Dakota (medical and recreational)
- 36 states allow cannabis for medical use and 15 states that allow cannabis for recreational use by adults
- Broad range of products and operations, ranging from the manufacturing and dispensing of cannabis for both recreational and medicinal uses to consumer products containing CBD

Closed/Announced Healthcare IT Transactions



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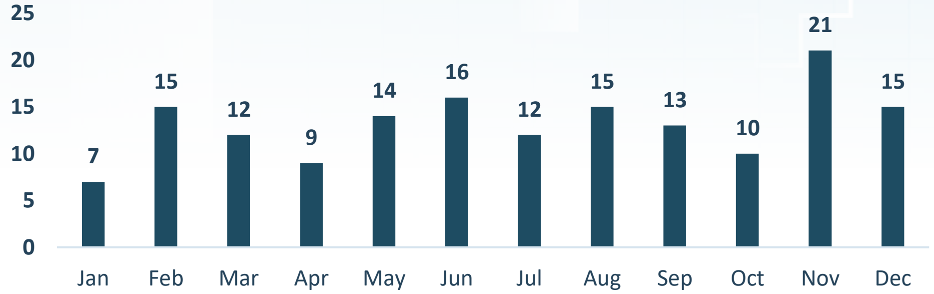

Source: Bloomberg BNA *Health Law & Business News*. Based on publicly available information. *March 2019-December 2019

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Physician Practices & Services M&A - 2020

Notwithstanding the virtual standstill for several months due to the pandemic, as many transactions were canceled or postponed, transactions soared in the final months of the year.

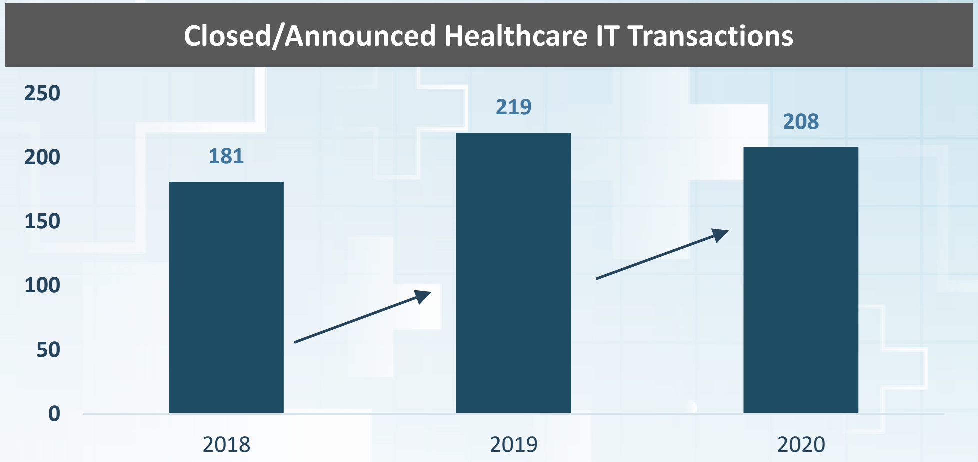
Physician Practices & Services Market Drivers and Transaction Trends

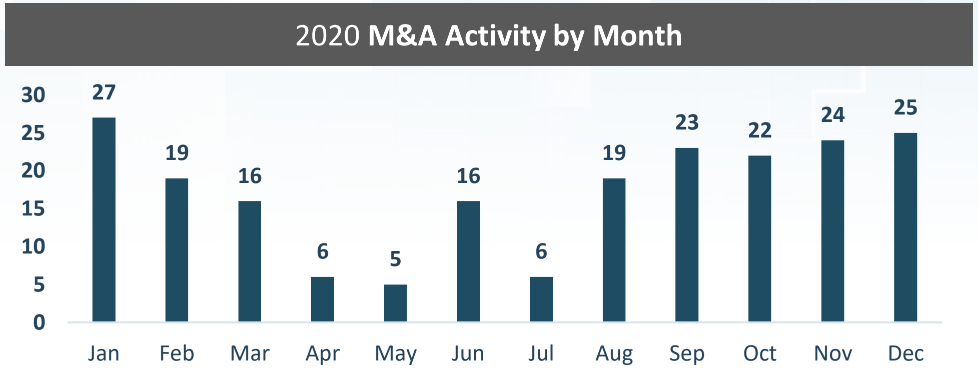
» Partnerships with larger organizations to best position physicians to survive and thrive in the future

» Opportunity to monetize true value of medical practice verses redemption from practice

» Private equity interest in select specialties continues to drive deals in this subsector

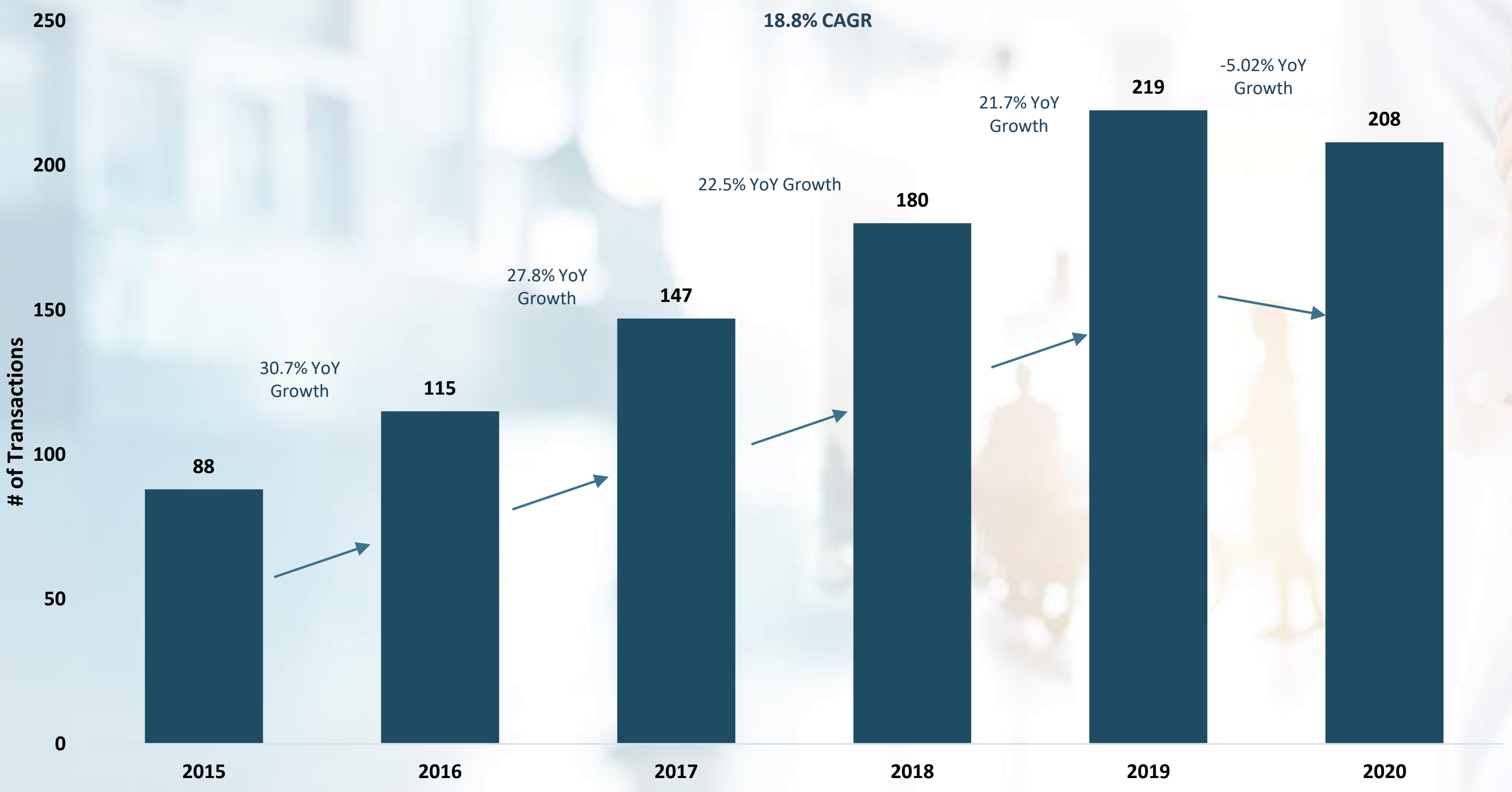
» Patients began moving back to traditional health-care settings, seeking care that was delayed as a result of the pandemic, and telehealth utilization began to slow relative to earlier in the year





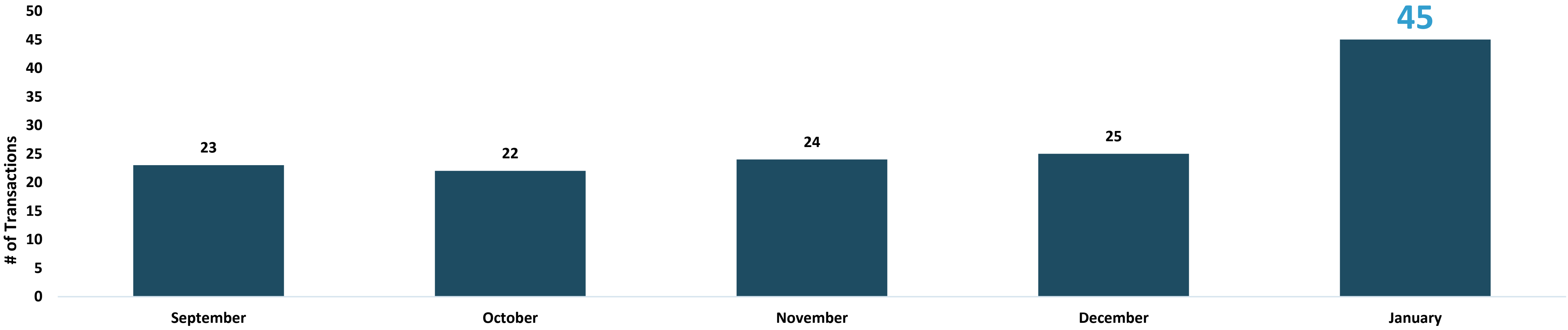
Source: Bloomberg BNA *Health Law & Business News*. Based on publicly available information.

Current Overall Climate of the U.S. Physician Group Industry



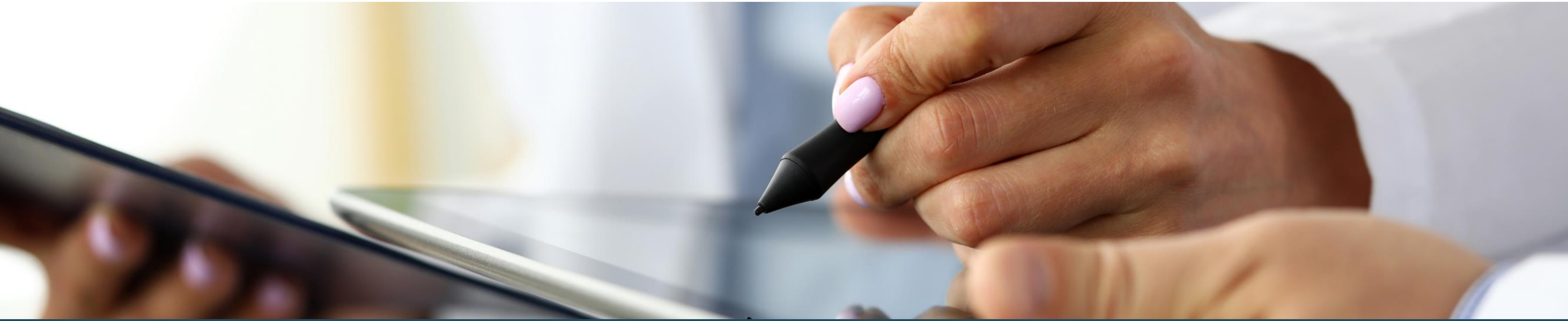
Source: Herschman, Gary, and Hector Torres. 2020. "Private Equity Partnerships in Orthopedic Groups: Current State and Key Considerations." *Journal of Orthopaedic Experience & Innovation*, November; Bloomberg BNA *Health Law & Business News*. Based on publicly available information

U.S. Physician Group Activity - September 2020 – January 2021



Source: Bloomberg BNA *Health Law & Business News*. Based on publicly available information

Detailed Illustration: Physician Services Sector & Transactions



10 Key Operational Challenges - Facing Independent Physician Groups

1. **Liquidity.** Lack of liquidity and working capital to fund ongoing clinical and non-clinical practice operations in the COVID-19 environment
2. **Capital & Infrastructure.** Professional infrastructure and substantial capital to better weather future pandemics and/or economic slowdowns
3. **New Normal Post-Pandemic.** Uncertainty regarding the "new normal" for medical practice following the pandemic
4. **Reimbursement & Regulations.** Uncertain reimbursement environment and future regulatory changes
5. **Market Consolidation.** Continued consolidation by new market entrants (i.e. private equity) resulting in larger and more well-capitalized competitors

10 Key Operational Challenges - Facing Independent Physician Groups (cont'd.)

6. **Power Players Acquiring Referral Sources.** Acquisition of independent primary care referral sources by local hospitals, regional multispecialty groups and national companies (e.g., Optum)

7. **Value-Based Payment.** Shift from fee-for-service to value-based payment structure, population health and risk programs

8. **Direct Contracting.** Expertise in direct contracting with self-insured employers, as that model of healthcare delivery and reimbursement continues to grow

9. **Capital for Healthcare IT and Service Expansion.** Greater need for strategic working capital to invest in information technology, advanced data analytics, EMR, virtual care platforms, and new/expanded ancillary services & offices

10. **Focus on Outpatient Setting.** Shift from legacy hospital-based/inpatient setting of care to ambulatory/outpatient setting

Physician Group M&A Market Trends

When considering a potential transaction and evaluating different strategies there are two primary affiliation pathways physician groups can pursue

Sale / Joint Venture

- Monetizes the investment in the development of the practice
- Opens access to capital for growth
- Three primary options: (see next slide)
  - Hospitals/Health Systems
  - Payors/Strategic Player
  - Private Equity

Join Larger Group Enterprise

- Little to no money in the initial formation, but brings together the purchasing power and economies of scale of a bigger business
- Option to sell later on – potentially at greater profit
- Three primary options: SuperGroup, Group without Walls, MSO

Physician Group M&A Market Trends

The emergence of investment interest from new buyers such as vertically integrated payors/strategic buyers and private equity firms/financial sponsors have expanded the strategic options available to healthcare providers

Hospitals/Health Systems

Pros:

- Referral network
- Guaranteed compensation
- Stronger clinical operational knowledge and capabilities
- Geographic congruency

Cons:

- Least favorable financial considerations
- Potential lack of value-based arrangements
- Lack of equity ownership opportunity

Payors/Strategic Players

Pros:

- Increased access to strategic data and technology infrastructure
- Greater access to population health capabilities
- Risk and shared savings arrangement expertise
- Attractive financial considerations

Cons:

- Decreased clinical and operational autonomy, compensation guarantee
- Potential lack of cultural alignment

Private Equity

Pros:

- Performance incentives
- Entrepreneurial growth-driven model
- Up-front cash consideration and potential "second bite at the apple"

Cons:

- Potential lack of operational and/or specialty-specific experience
- Potential decreases to guaranteed compensation in lieu of up-front cash consideration and future equity appreciation opportunities

Anatomy of a Private Equity Partnership

- Private equity firms usually seek to acquire a controlling interest in a physician group by “buying out” a majority interest from the existing physician owners.
- Physician owners often continue to own a minority ownership interest via “roll-over equity” in the partnership investment platform.
- Physician owners generally share with the private equity investor in upside value appreciation post-transaction.
- Generally, this results in physician owners receiving a large upfront tax-advantaged payment (i.e. long-term capital gains) in exchange for the transfer of practice assets, and yielding business aspects of the practice, but not relinquishing any control over the medical and clinical aspects of the practice.

Anatomy of a Private Equity Partnership (cont'd.)

Two types of investments that private equity firms make in physician groups.

1. **Platform Investment:**
   - Typically the firm's initial investment in a large single-specialty independent physician group that has a well-functioning infrastructure in place.
2. **Bolt-On (Add-On) Investment:**
   - The private equity firm will use the Platform Investment- with a professional business infrastructure as the vehicle for acquisitions of smaller, independent physician practices either in the same geographic region, or elsewhere, which can efficiently and seamlessly benefit from the platform's professional business infrastructure.
   - This activity accelerates as smaller groups seek to partner with professionally managed, well-capitalized regional and/or national private equity-backed organizations.

3 Major Advantages Private Equity Brings to the Table

1. **Monetization:**
   - Monetizing the true value of the medical practice versus the *status quo*
     - A. an initial upfront purchase price based on the "market value" of the practice;
     - B. a buy-out of physician owners' rollover equity at fair market value upon unexpected events (such as death and disability), as well as upon retirement and relocation (after a certain minimum time period, such as 5 years); and
     - C. additional purchase price at appreciated value for all or part of their rollover equity when the PE investor "exits" via a sale of its interest in the practice to another, usually larger investor or healthcare organization.

What Does Private Equity Bring to the Table? (cont'd.)

2. Economies of Scale:

- Cost savings through the consolidation of back-office functions and investment in areas including:
  - EMR
  - Virtual care platforms/Telehealth
  - Data analytics
  - Managed care contracting
  - Value-based reimbursement programs
  - Lowering costs via group purchasing of health benefits, malpractice insurance, expensive equipment and supplies, etc.);

2. Capital for Growth:

- Providing capital and resources to support growth, (e.g. new offices, new ancillary services, and more opportunities for expansion)

Strategic Options:

The Pros and Cons of Private Equity Partnerships

Pros

- Upfront liquidity event in the form of tax-advantaged purchase price
- Strong potential for tax-deferred “roll-over” equity participation
- Incentive and alignment mechanisms for practice physicians post-transaction
- Cost savings and operational efficiencies through back office consolidation
- Improved performance through better practice infrastructure and access to capital equity management expertise

Cons

- Loss of ownership and control of business aspects of practice
- “Normalization” (reduction) in compensation to physician owners based on personal productivity
- Strategic decision-making may be influenced by investment timeline and related priorities
- Uncertainty related to long-term ownership
- Partnership exploration and execution process can be costly and time-consuming, burdensome, and distracting

Is Private Equity Right for My Physician Group or Company? 5 Key Questions:

1. **Monetizing Ownership.** The importance of "monetizing" the value of historical physician ownership relative to forgoing non-clinical business/operational autonomy

2. **Risks, Reimbursement & Regulations.** Local and regional market risks impacting the practice within the context of the changing reimbursement and regulatory programs, and increasing uncertainty in the post-COVID-19 healthcare industry environment

3. **Operational Performance.** The desire to increase the practice's operational performance and efficiency

4. **Infrastructure & Growth.** The need for working capital to invest and support practice infrastructure and growth (including the addition of more physicians, office locations, ancillary services, EMR, virtual care, etc.)

5. **Fit of Potential Partner.** The overall cultural fit, track record and specialty expertise of the potential private equity partner organization

Undergoing a Strategic Transaction with Private Equity

Steps in the Transaction Process

1. Preliminary Exploration & Possible Restructuring
2. Engaging with the Market
3. Letter of Intent (LOI)
4. Due Diligence & Negotiating Legal Agreements
5. Prep for & Effectuate Closing
6. Post – Closing

Private Equity Due Diligence

- Before a private equity firm invests tens of millions of dollars (or more) in a partnership, it will conduct comprehensive -upside down, inside out - due diligence
- Investors will incur over $1 million, and sometimes $3-4 million (for larger companies) on due diligence and other transaction expenses
- This extensive diligence is also time-consuming and costly for potential sellers

The Top 12 Areas that a Private Equity will Scrutinize In Due Diligence

1. **Finances.** All financial books and records, and in considering "value," investors will have their accountants assess the practice's value and issue a "Quality of Earnings" report
2. **Billing & Coding.** Coding, medical record documentation, and billing & collection practices of the group
3. **HR & Benefits.** Human resources and benefit programs, policies, and procedures to assess any potential employment and benefits-related risk
4. **Investigations & Audits.** Any existing or past governmental or payor investigations and audits
5. **Litigation & Disputes.** Any existing or prior litigation or disputes (commercial, employment-related, or otherwise) that could result in exposure
6. **Payor Mix.** Diversity of payor mix, the preference being in-network participation with multiple payors

The Top 12 Areas that a Private Equity will Scrutinize In Due Diligence (cont'd.)

7. **Professional Service Agreements.** All professional services agreements that provide revenue to the group to assess sustainability and federal and state fraud and abuse compliance

8. **Debt & Financing.** All debt and financing arrangements, including capital leases, and the terms of key real estate leases

9. **Corporate Documents.** The group's corporate documents and shareholder and operating agreements reflecting governance, distribution, and buy-sell terms, as well as ownership structure of ASCs and other ancillary services

10. **Employment Agreements.** Employment agreements for clinicians, including compensation and restrictive covenant provisions

11. **IT & HIPAA.** The practice's information systems, and any related cybersecurity and HIPAA/privacy breaches

12. **Corporate Compliance.** Whether the group has a robust and documented corporate compliance program

Compliance Issues Physician Groups and Healthcare Companies Often Overlook (That Cause Exposure and De-Valuation)

1. **Monthly Exclusion Checks.** Check all employees, staff and vendors through Federal and State exclusion lists upon hire (engagement) and monthly thereafter
2. **Basic Compliance Policies.** Implement key compliance program elements, such as allowing for anonymous reporting, non-retaliation, and compliance training on hire and annually thereafter
3. **HIPAA Compliance.** Implement key HIPAA compliance elements, such as training on hire and annually thereafter, performing risk assessments, and adopting privacy policies, including secure email/texting, password protecting laptops, and encrypted data transfers
4. **Basic Coding & Documentation Auditing.** Conducting periodic billing, coding and documentation audits, and appropriately remedy/address any identified issues
5. **Mid-level Practitioners.** Confirm compliance with supervision requirements of mid-level practitioners (PAs, NPs, etc.), and "incident to" billing

Compliance Issues Physician Groups Often Overlook (That Cause Exposure and De-Valuation) (cont'd.)

6. **Key Employment Policies.** Adopt compliant policies on employee overtime, leave, disability/ accommodations, and anti-harassment training

7. **Incentive Compensation.** Use only Stark-compliant incentive compensation plans for physicians (if the practice provides DHS, such as imaging, lab, therapy, DME, etc.)

8. **Co-Pay Waivers.** Don't routinely waiving patient co-pays, and instead, follow a compliant policy (e.g., assessment of financial hardship, etc.)

9. **Credit Balances.** Repay credit balances to patients and payors in light of state laws

10. **Stimulus Grants & Loans.** Comply with requirements of stimulus loans and grants

Key Protections and Provisions in Private Equity Transactions

1. **Tax Structure.** Structuring the purchase price to maximize long-term capital gains treatment

2. **Purchase Price.** Understanding that material terms for most valuations (offers) from investors are based on the “enterprise value” of the entire group <u>after</u> (a) paying off all debts, and (b) “net working capital” at closing

3. **Tail Policies.** Whether “tail policies” for professional liability insurance and directors and officer’s liability insurance are required at closing, and how the cost of same is apportioned

4. **Rollover Equity.** Ensuring that the rollover equity component of the purchase price consists of the same class of security as the investor (with identical financial rights), with customary dilution protections, and with board representation for “platform” and other large groups

5. **Post-Closing Employment Agreements.** Post-closing employment agreements, including the term (e.g., 5 years), the specifics of compensation and bonuses (mostly based on personal productivity), and having fair (and narrow) termination provisions

Key Protections and Provisions in Private Equity Transactions (cont’d.)

6. **Restrictive Covenants.** Reasonable restrictive covenants, including:
   a) geographically, preferably based only on a physician’s primary office location(s)
   b) customary carve-outs for teaching, consulting, inventions, books, expert witness work, directorships and other outside positions
   c) a timeframe, which usually is 5 years from the closing (under the purchase agreement), plus during the term of employment and for 1-2 years thereafter

7. **Post-Closing Indemnification.** Terms regarding the physicians’ post-closing indemnification obligation to the investor (i.e., to reimburse it for pre-closing liabilities and breaches of their contractual representations), including:
   a) how long representations and warranties “survive” beyond the closing
   b) the maximum (or “cap”) on exposure, the “basket” (or deductible) amount
   c) potentially having the investor obtain “representation & warranty” insurance to substantially limit this potential exposure

Key Protections and Provisions in Private Equity Transactions (cont'd.)

9. **Escrow and Indemnity Obligations.** How much of the purchase price is "escrowed" to be used to satisfy any indemnity obligations which arise, which depends on various factors and for how long (usually 12-24 months), and staggering the terms of the release of such escrowed funds (e.g., 1/3 every 6 months, etc.)
10. **Decision-Making.** What decisions require consent of the group's "local leader" or "managing physician", such as hiring new physicians, terminating physicians, opening new offices, changing a physician's primary office, terminating a key office lease, changing clinical protocols, etc.
11. **Buyouts.** Triggers for buyouts of a physician's rollover equity, and calculation of the purchase price (which could vary depending on the trigger)
12. **Senior Management and Future Physician Equity.** The terms pursuant to which senior management (executives) of the group at closing, and current and future associate physicians thereafter, obtain equity in the platform entity
13. **Management Advisory Fees.** The management and advisory fees (if any) that the investor is paid at closing, on an ongoing basis

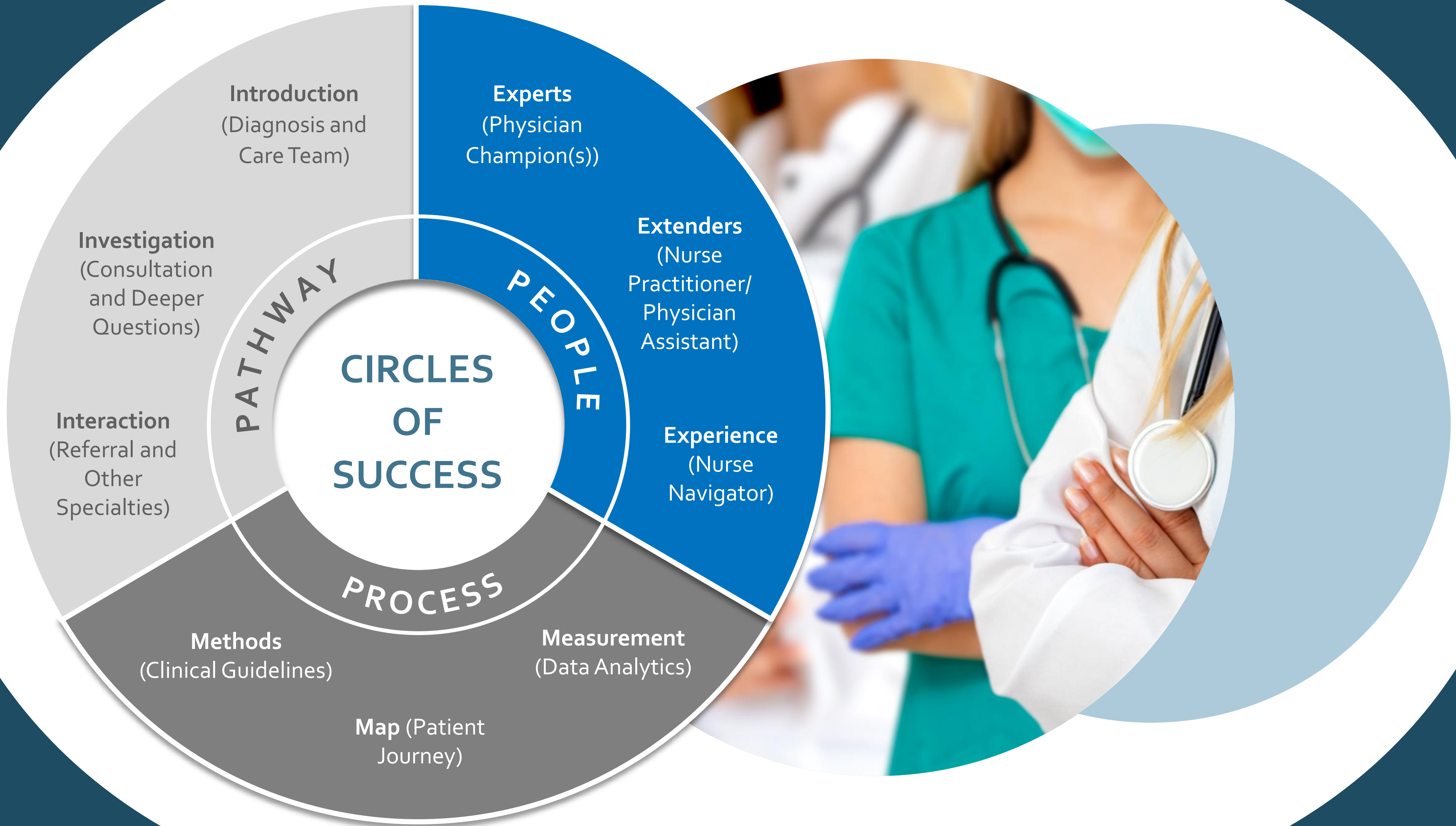
Proactive Strategies for Physician Groups and Other Healthcare Companies to Remain Independent

Proactive Strategies for Physician Groups and Other Healthcare Companies to Remain Independent

- A study on physician practice arrangements (pre-Covid) in May 2019 found that, for the first time in the United States, employed physicians outnumbered self-employed physicians.
- The 2020 arrival of SARS-CoV-2 in the United States exacerbated the struggle with additional concerns and financial pressures.
- An August survey from the Larry A. Green Center and Primary Care Collaborative showed 2% of primary care practices had closed, and another 2% were considering bankruptcy. The survey further found 1 in 10 practices uncertain of their solvency for the coming month.
- A 2019 McKinsey survey reported 79% of small independent practitioners and 67% of large independent practitioners cited autonomy as a top factor in selecting their current practice model. In that same survey, 84% of all independent physicians who did not proceed with an employment opportunity in previous years, and 59% who had returned to independent practice after employment, indicated autonomy was a primary influencer in their decision.

Top Ten Reasons Physicians Struggle to Stay Independent

- Financial/Profitability Challenges
- Overwhelm/Lack of Focus
- Lack of Decision-Making Protocols/Process
- No Time to Strategic Plan or Think
- The Sky is Falling Mentality/Lack of Crisis Management Skills
- Fear of Failure/Fear of Asking for Help
- No Goals and/or Team to Achieve Goals
- Analysis/Paralysis
- Burnout or Lack of Team
- Lack of Systems or Processes

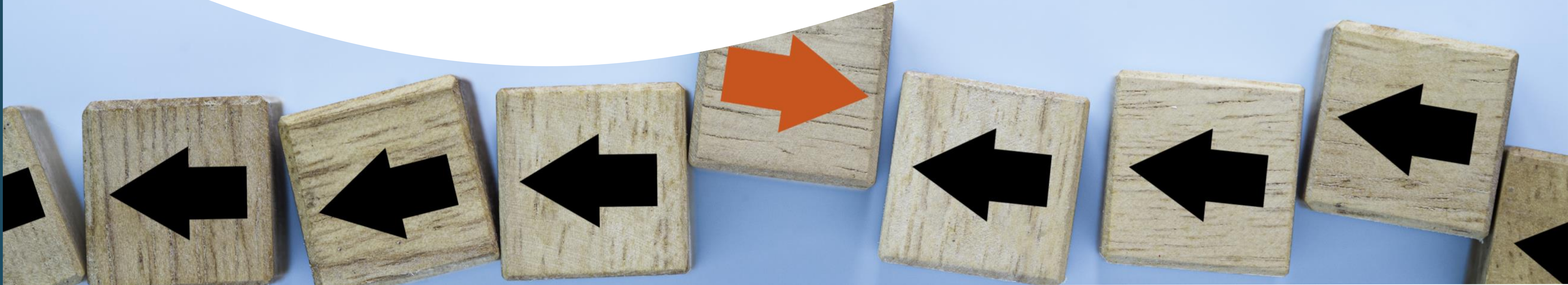

CIRCLES OF SUCCESS
PATHWAY
Introduction (Diagnosis and Care Team)
Investigation (Consultation and Deeper Questions)
Interaction (Referral and Other Specialties)
PEOPLE
Experts (Physician Champion(s))
Extenders (Nurse Practitioner/ Physician Assistant)
Experience (Nurse Navigator)
PROCESS
Methods (Clinical Guidelines)
Measurement (Data Analytics)
Map (Patient Journey)

Six Models for Physician Independence That Work…

- ACOs led by Private Firms
- Hospital Led or Aligned ACOs
- Clinically Integrated Networks
- Independent Practice Associations
- Divisional or Regional Mergers
- Insurer-Led ACOs

Strategic Ways For Physicians To Stay Independent

- Know your total value: Your Valuation, Your Specialty, Your Market
- Keep your value (and Grow Your Value): Ancillaries, Labs, Other Services
- Grow your value through additional services and patient referrals/satisfaction
- Offer to extend your hours, services, or weekends
- Define Your Target Market
- Double Your Value and Influence (Align with Other Independent Physicians and Be FIERCE about staying independent)
- Personalize call-backs, communications and branding (Differentiate Yourself From The Competition)
  - Boutique vs. Department Store vs. Target



QUESTIONS?

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