VECTOR MEDICAL GROUP | INDUSTRY WHITE PAPER

The Next Wave of MSK Joint Ventures

Governance, Income Repair, and the New Economics of Orthopedics, Spine, and Pain Management

Featuring the strategic perspective of

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CEO & Founder, Vector Medical Group

Synthesized from two Becker's Healthcare sessions — June 12, 2026

An expert interview and a live industry panel on the future of ambulatory MSK partnerships

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Executive Summary

Musculoskeletal (MSK) care is undergoing the most significant structural realignment in a decade. Reimbursement pressure has pushed orthopedic, spine, and pain procedures decisively into the outpatient setting, and the organizations that own the ambulatory surgery center (ASC) increasingly own the future. Against that backdrop, a new generation of joint ventures (JVs) is emerging — more complex, more multi-party, and far more dependent on genuine physician governance than the deals that came before.

This white paper synthesizes two Becker's Healthcare sessions recorded on June 12, 2026: an expert interview on healthcare joint ventures and a live panel on the new economics of orthopedics, spine, and pain management. It draws throughout on the analysis of **Dana Jacoby, CEO and founder of Vector Medical Group**, a national MSK strategy advisor who sits at the center of merger-and-acquisition activity, payer alignment, and value-based care design across the sector.

The central thesis is consistent across both discussions: capital alone no longer wins. The partnerships that succeed are the ones that combine clean data, disciplined case-mix strategy, and airtight clinical governance — and that deliver "income repair" so that physicians earn back their pre-deal compensation through the value the platform creates rather than through a one-time check.

Key Takeaways

- **Hospitals must build an outpatient story.** Inpatient and outpatient reimbursement for 2026 make the direction unmistakable — if a system doesn't stand up its own ASC capability or joint-venture into one, it cannot compete.
- **If you don't have an ASC, you don't have an ASC.** Independent groups without an ambulatory facility face a hard ceiling on long-term competitiveness.
- **Data integrity is now the gatekeeper.** Direct-to-employer and value-based models fail when the underlying data is not clean enough to support actuarial rigor.
- **Governance must be real, not GINO.** "Governance in name only" drives physicians to disengage; documented, enforceable clinical governance is the single biggest predictor of a durable partnership.
- **Date before you marry.** The best partnerships are built deliberately, with reverse diligence on the partner's culture and track record — not on the size of the upfront monetization.

1. The Market Inflection: Why 2026 Is Different

Jacoby frames the moment in plain terms. 2025 was the year many groups waited — watching for second bites in private equity and hoping conditions would improve. 2026 has forced the hand. *"Twenty-six is heating up,"* she notes, with reimbursement taking "a massive shift this year" that effectively pushed MSK procedures into the outpatient setting. Vector Medical Group, by her account, has never been busier — a contrast she could not have drawn a year earlier.

The competitive landscape compounds the pressure. Hospitals that spent years acquiring primary care are now moving directly on orthopedic and spine surgeons and capturing their referral sources. Payers and entities like Optum are doing the same. Meanwhile, expenses have risen sharply for five consecutive years while reimbursement has tightened — squeezing independent groups from both sides.

> *"If you didn't have an ASC, you didn't have an ASC. So we have a lot of independent groups that are really struggling right now trying to figure out if they want to stay independent — and how."*
>
> **— Dana Jacoby, CEO & Founder, Vector Medical Group**

Her read on consolidation is granular. Pain is consolidating at a rapid pace — the subject of a recent Vector white paper. In orthopedics, the first wave of roll-ups that took root in 2021–2022 is now reaching maturation, putting many platforms on the runway for second bites or, alternatively, continuation funds that extend the hold period and "kick the can" toward a longer exit. Spine remains the harder case: the economics of an ASC become more complicated once neurosurgery is involved, so more spine groups are evaluating joint ventures or joining large MSK lines of business.

As an indicator of where the market is heading, Jacoby points to her own pipeline: **six large orthopedic groups now back out to market**, and four spine meetings on her summer speaking calendar — demand she describes as being "at the tip of the spear before deals get done."

2. The New Joint-Venture Architecture

Both sessions catalog a shift away from simple, single-facility ASC ownership toward multi-party structures that braid together hospitals, physicians, ASC operators, private equity, and — increasingly — payers. Three deal archetypes recur.

2.1 The Multi-Party Strategic JV

The Hospital for Special Surgery (HSS) transaction is the marquee example. In a four-way joint venture, General Atlantic contributed the capital to acquire Legent, a small but growing ASC company, partnering with HSS and its surgeons. What makes it distinctive is ambition: rather than serving HSS's own facilities, the venture is built to expand the HSS brand and clinical protocols nationally, capitalizing on alumni surgeons now practicing across the country. Jacoby flags it as a landmark — the first JV of its kind to reach well beyond a single community ASC.

2.2 The Problem-Solving JV

Roughly eighteen months ago, Mount Sinai faced anesthesia staffing challenges across its large ambulatory network. The response was a partnership — Greater New York Anesthesia — with US Anesthesia Partners, a private-equity-backed platform owned by Welsh, Carson and Berkshire Partners, now staffing anesthesia across the system's ambulatory facilities and expanding over time.

2.3 The Health-System × Operator JV

Systems are also pairing directly with national ASC operators and PE-backed physician groups — Ascension with Surgery Partners, and USPI with various health systems and large platforms. The pattern is clear: hospitals that intend to remain competitive are building an outpatient ASC story, whether by standing up their own company or partnering into one.

2.4 The Payer Factor

Jacoby adds a dimension the formal deal taxonomy often omits: payers. *"We're watching payers start to be — especially in MSK — a big part of the joint ventures that we're seeing,"* she observes, with strategic alliances forming differently by region and reimbursement environment. She expects considerably more payer-anchored activity in the back half of 2026.

A parallel trend she and co-presenters track is the entry of the big three pharmaceutical distributors — Cardinal Health, McKesson, and Cencora (formerly AmerisourceBergen) — which have been acquiring physician platforms in oncology, urology, retina, and gastroenterology. Pain and orthopedics, the panel suggests, could be next. Critically, these acquirers are long-term holders, not flip-and-sell investors.

Representative deal structures discussed

Venture	What makes it notable
HSS / Legent / General Atlantic	Four-way JV built to scale a premium MSK brand and clinical protocols nationwide, leveraging alumni surgeons.
Mount Sinai / USAP	Problem-solving JV (Greater New York Anesthesia) addressing ambulatory anesthesia staffing at scale.
Ascension / Surgery Partners	Health-system × operator JV with large orthopedic groups across the East Coast.
Pharma distributors	Long-hold platform acquisitions expanding from oncology and urology toward potential MSK entry.

3. What Separates Winning Platforms: The Vector View

Across both sessions, Jacoby returns to a single organizing idea — sophistication is no longer optional. The ASC market, she argues, has "somewhat been the wild west," and is now being forced to professionalize. Three capabilities, in her framing, separate the platforms that will endure from those that won't.

- **Data integrity.** She recounts an orthopedic group that attempted direct-to-employer and value-based modeling the prior year and failed — its data was not clean, and it could not afford an actuary. Clean, defensible data is now the precondition for at-risk contracting.
- **Physician alignment.** Alignment cannot mean physicians being told what to do. Where it degrades into a "land grab" or a power struggle, physician leaders emotionally shut down and the venture stalls.

- **Case-mix discipline.** Groups are now using AI not merely to assign blocks but to combine spine, ortho, and other specialties into the most effective case mix — a level of optimization the prior generation of ASCs never attempted.

> *"The best strategic partnerships are a one-plus-one-equals-ten, where both parties come to the table with equal expectations and goals — and then bridge the gap across their alliances."*
>
> **— Dana Jacoby, CEO & Founder, Vector Medical Group**

This converges with the attorney's perspective from the panel: investor-owned platforms have separated over five years into winners and laggards, and the winners are the ones that generate genuine value creation — clinical integration, bundled payments, direct-to-employer contracting, and real data analytics — rather than simply collecting practices as "dots on a map."

4. Income Repair: The Economic Test of a Good Deal

"Income repair" recurs as the financial litmus test for any MSK partnership. The concept is straightforward: physicians often take a compensation haircut at the moment of a deal, and a well-built platform must let them earn that compensation back through the benefits of the partnership — ancillaries, value-based care, efficiency, and growth.

The panel illustrates the stakes with hard arithmetic. A standard private-equity deal might carry a 20 percent spread — taken off the top. In a practice with 60 percent overhead, that 20 percent comes out of the remaining 40 percent contribution margin, meaning physician income can fall to roughly half of its pre-deal level. If a platform cannot repair that income, physicians grow unhappy, recruiting collapses against the un-transacted group across the street, and the model becomes, as one panelist put it, "not compatible with life."

Jacoby's contribution sharpens the diagnosis: deals fail not only on economics but on intent. A partnership pitched as a rescue — "marry into somebody else and they'll fix your transgressions" — rarely works. Durable income repair flows from a platform genuinely investing in ancillaries, value-based care, and analytics, and from physicians retaining enough control to influence the cost structure that drives their own compensation.

5. Governance: The Single Biggest Predictor of Success

If one theme unites both sessions, it is governance. The panel even coins an acronym for the failure mode — **GINO: Governance In Name Only**. A glossy slide about a "physician clinical governance board" means nothing if the partner can veto its decisions. Governance must be documented, enforceable, and airtight in the charter and bylaws, granting physicians real authority over clinical and clinically adjacent administrative matters.

Jacoby grounds this in live situations. She describes a venture in which an ASC company, a physician group, and a hospital are all jockeying for position — and physician leaders are emotionally shutting down, future

delivery models are stalling, and patient care is at risk of falling through the cracks. Her conclusion: regardless of who holds the equity, a partnership that fails the patient is broken. She anticipates a sector-wide “revisitation of physician leadership methodologies” — a shift she calls exciting and overdue.

> *“At the end of the day, it’s not about equity; it’s about patient care. If the patient’s falling through the cracks regardless of who owns the entity, it’s broken.”*
> **— Dana Jacoby, CEO & Founder, Vector Medical Group**

The panel’s operator examples reinforce the point from the other direction. Ortho Alliance, after a difficult early MSO experience, rebuilt around robust physician governance over finance, operations, growth, and clinical excellence — and a compensation model in which a dollar saved in direct expense falls straight to physician compensation. Hopco, similarly, frames the relationship so that physicians remain in charge of how they deliver care while the platform supplies transparent data and a financial roadmap. In every successful case, the through-line is the same: physicians govern the practice of medicine.

6. The Direct-to-Employer and Value-Based Horizon

Looking three to seven years out, the consensus is that bundled payments and direct-to-employer contracting will reshape MSK economics by cutting out intermediaries. Jacoby notes that with a 2027 bundle on the horizon, many groups face a choice between building their bundles proactively or having them imposed — and stack-ranked against competitors. She also observes a strategic geography emerging: groups are planting flags in states where they intend to be experts and at-risk, and declining to play where conditions are unfavorable.

What has changed, in her telling, is feasibility. The direct-to-employer playbook is decades old — “dusting off PowerPoints we’ve been talking about for twenty years” — but AI and modern data analytics now make actuarial rigor achievable where it once required painstaking manual work. The constraint, again, is infrastructure: a three-to-fifteen-person practice typically cannot build the claims-analytics capability needed to negotiate from data rather than from a feeling. That is precisely where a well-built platform earns its place.

Jacoby has advised providers directly on these direct-to-employer contracts. The panel’s closing assessment is that this domain *“is going to blow up in the next three to seven years”* — the next big thing in MSK economics — making the analytics and governance foundations described throughout this paper the decisive competitive assets.

Conclusion: Building Partnerships That Last

The MSK sector is moving from a land-grab era to one defined by intentionality. The deals that endure will not be the ones with the largest upfront checks; they will be the ones built on clean data, disciplined case-mix strategy, real income repair, and governance that physicians can trust and enforce. As Jacoby frames it, the work is less like a transaction and more like a marriage — one that succeeds only after a deliberate courtship, with both parties bringing equal expectations to the table.

For independent groups, hospitals, operators, and capital partners alike, the strategic imperative is the same: choose partners on culture and track record, insist on documented governance, demand evidence that other physicians in the platform have actually achieved income repair, and invest in the analytics infrastructure that value-based contracting will soon require. The organizations that internalize these lessons — the ones moving from “dots on a map” to genuine clinical integration — are the ones best positioned for the next wave of MSK partnerships.

About Dana Jacoby & Vector Medical Group

Dana Jacoby is CEO and founder of Vector Medical Group, a strategic healthcare consulting firm operating at the intersection of strategy, merger-and-acquisition advisory, and innovation in healthcare delivery. Vector advises orthopedic, spine, and pain groups, health systems, ASC operators, and capital partners on joint-venture design, payer and value-based-care strategy, and physician alignment. The perspective throughout this paper is drawn from Jacoby’s remarks across two Becker’s Healthcare sessions on June 12, 2026.

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