



Valuation and Physician Compensation

Today's healthcare valuations can be extremely complex. While there continues to be a need to value physician practices, there may also be a need to value an organization that owns an ACO, or the compensation of a rock star physician specialist, or a single department within a hospital—among others.

These types of valuations require valuers who really know the industry, who are immersed in the relevant laws and regulations, who obsess about methodology—and who are able to respond creatively to the endless variety of situations that arise.

These are the capabilities that Veralon's certified valuers bring to the table.

VERALON'S VALUATION EXPERIENCE: 1,600 ENGAGEMENTS

Business valuation

- General/specialty hospitals
- Physician practices in all specialties
- Imaging centers and laboratories
- Ambulatory surgery centers
- Cancer centers
- Home health providers
- Urgent care centers
- Others

Compensation valuation

- Physician compensation e.g.
 - Full or part-time employment
 - Medical directorships
 - On-call arrangements
- Business arrangements, e.g.
 - Professional services agreements
 - Management and co-management agreements
 - Practice and other lease arrangements
- ACOs/PHOs

WHY VERALON?

We are the independent third party you need to determine the value of any healthcare business whether based on a fair market value (FMV) standard or an investor value standard.

We offer:

Benchmarking expertise

based in years of conducting our own market-specific compensation surveys

Valuation Analysts

Accredited by NACVA and the AICPA

Senior professionals who average more than 25 years of experience,

and are well-equipped to handle both the technical aspects and political aspects of valuation

An integrated perspective,

which helps valuations hold up to regulatory scrutiny because we understand how the pieces of a deal — from physician and staff compensation to practice operations and finances — interrelate to affect value.





Healthcare Business and Physician Practice Valuation

Veralon clients rely on our healthcare valuation opinions in connection with:

- Mergers and acquisitions
- Transaction planning and structuring
- Regulatory compliance matters
- Litigation support
- Joint venture development

We can help throughout the process, by developing term sheets and LOIs, reviewing the acquisition agreement, valuing assets or equity, performing due diligence, and structuring the transaction.

Transaction Support

Veralon's in-depth experience with transaction advisory services means we can shape our services to the requirements of the deal as they emerge. We can support your transaction by:

- Developing financial scenarios for alternative structures
- Conducting valuations or assessments
- Developing an appropriate business arrangement
- Developing aligned physician compensation plans
- Creating a transition plan

Physician Practice Assessment and Modeling

Veralon's physician practice assessments can help you determine whether it is worth pursuing a relationship with a specific physician practice, what business arrangement options exist, and which would be best to pursue. We consider:

- What acquisition of the physician practice would bring
- Potential implications for other members of your medical staff
- Financial impact of the potential arrangement
- The strategic importance of the practice for hospital services.

Physician Compensation Planning and Design

Veralon can help you structure innovative and effective approaches to physician compensation that improve performance and align physician and hospital interests. We have completed hundreds of compensation reviews.

We apply our expertise to address:

- FMV compensation
- Transition considerations
- Value-based incentives and quality management and reporting
- Implementation support
- AS&T activities
- In-depth contract auditing

Valuation of Physician Compensation and Other Business Arrangements

Veralon can help your organization to document and determine the FMV of physician compensation and service arrangements, including:

- Employment
- Medical directorships
- Professional services and management agreements
- On-call arrangements
- Practice and other lease arrangements
- Session and equipment leases
- Funds flow within academic medical centers

Veralon is also expert in identifying the optimum structure for business arrangements and detailing the terms of these agreements.