



TRANSFORMATIVE HEALTHCARE CONSULTING

Do You Need a Valuation That Will Support Your Deal *and* Stand up to Regulatory Scrutiny?

Healthcare business valuations can be extremely complex. While there continues to be a need to value physician practices, increasingly there is a need to value an ACO, an MSO, a hospital, a single ancillary department within a hospital, an ASC, an oncology center—among many others.

Veralon's certified valuers address these complexities with technical valuation skills, deep knowledge of the healthcare industry, and an understanding of the intricacies of healthcare regulations. They are immersed in the relevant laws and regulations and obsessive about methodology.

Often, valuation occurs in the context of deal development. Veralon's team can assist in that development, assuring that deals are structured and priced appropriately and avoiding the myriad of hazards that interfere with regulatory acceptance.

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

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

Hospitals, including specialty hospitals

Physician practices in all specialties

Physician practices in all specialties

Imaging centers and laboratories

VERALON'S
VALUATION
EXPERIENCE:
1800
ENGAGEMENTS

Ambulatory surgery centers

Cancer centers

Home health providers

Sleep centers

Physical therapy centers

Urgent care centers

WHY VERALON?

Veralon's recognized valuation credentials, industry expertise, and experience in healthcare valuation services makes us the independent third party you need to determine the FMV or investor value of any healthcare business. We offer:

Senior professionals who average more than 25 years of experience, and are well-equipped to handle both the technical and political aspects of valuation

Valuation analysts accredited by the National Association of Certified Valuators and Analysts (NACVA) and the American Institute of Certified Public Accountants

Expertise in both FMV and hospital/physician relationships, and the ability to maintain an objective position in valuation and deal structuring

An integrated perspective that helps valuations hold up to regulatory scrutiny because we understand how the pieces of a deal — from physician and staff compensation to operations and finances — interrelate to affect value

Valuing Healthcare Businesses

The specific work of any valuation will depend upon the business being valued and the situation.

They may include:

- Determining FMV based on the income, market, and/or cost approaches
 - Identifying market comparables where possible
 - Determining and applying appropriate multiples
 - Developing cash flow projections
 - Determining future capital requirements
 - Estimating value of partial ownerships, as relevant
 - Assessing the appropriateness of all arrangements between the buyer and seller, in total
 - Considering all related entities, even if not part of the transaction
- Verifying “commercial reasonableness”
- Familiarizing physicians and other parties with regulatory requirements
- Developing term sheets and LOIs
- Reviewing the acquisition agreement
- Valuing assets or equity
- Structuring the transaction

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—before initiating a formal valuation. We consider:

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

Transaction Support

Where necessary or appropriate, we can shape our services to the requirements of the deal as they emerge, by developing financial scenarios for alternative structures, appropriate business arrangements, or aligned physician compensation plans.