

The Physician Deal Frenzy: The Who, Why, and How of The Competition for Physician Practice Deals

Lunch and Learn Topic

BRIEF DESCRIPTION OF TOPIC:

Competition for physician deals is steeper than ever, with traditional and non-traditional strategic and financial buyers all looking to capitalize on the value held within the physician/provider space.

From a buyer perspective, it's critical to understand the motivations, priorities, and must-haves of those you're competing against. For physicians and providers, understanding how these different players see your value and what to expect in terms of offer structure, key terms and post-transaction dynamics can help to target consideration of potential offers, align priorities and objectives (e.g., up front economic return vs. ongoing economic incentive, ability to retain involvement in operations, etc.) and tailor the value-proposition being communicated.

SUMMARY OF SPECIFIC ISSUES TO BE COVERED:

- For traditional strategic buyers (e.g., health systems): What deals are they targeting and why? How are the types of deals they're exploring changing? What are their limitations in developing offers and how are they compensating?
- For non-traditional strategic buyers (e.g., aggregators and payers): How do their target deals differ from a health system? What are they promoting as value-differentiators and how do their offers and "must-haves" compare? How might growth stage and capital structure influence acquisition activity and offer competitiveness?
- For private equity and financial sponsors: What are their priorities and deal-breakers? How do they approach developing an offer? What are the value differentiators and trade-offs from a physician perspective?