Mergers and Acquisitions in Healthcare: The current trend and how a physician organization can be prepared

Exploratory Paper

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Introduction

This paper explores the history and prevalence of mergers and acquisitions in physician practice health care organizations. To understand the impact of the current environment one must understand the significance of the many changes that are taking place in healthcare in the United States. Review of the past and current regulations, reimbursement and other factors that contribute to the changes in healthcare organizations ownership structures and considers how a privately owned healthcare organization can prepare for a merger or acquisition. This paper will identify areas for the practice executive to address in preparation for a merger or acquisition.

Background

Historically, healthcare has been slow to change both in clinical practices such as hand washing and administrative practices such as new technology. Computers and the use of the internet became mainstream in the United States decades ago, however there are still medical practices that continue to use paper charts for recording patient activity. A notable legislative change to healthcare was the Health Information Portability and Accountability Act (HIPAA) of 1996 which has endured many modifications (US Department of Health and Human Services, 2015). Another drastic change was the creation of Medicare and Medicaid in 1965 which was modified in 2003 with the Medicare Modernization Act (Centers for Medicare and Medicaid, 2013). There have been other significant changes between these landmarks but none that have made the impact we are witnessing today.
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Today, healthcare is changing rapidly. HIPAA continues to be modified, causing an increased financial strain on health care organizations to meet compliance. The Affordable Care Act of 2009 (111th Congress, 2010) is responsible for multiple recent changes as well as guiding upcoming changes to the practice of medicine in the United States. We have seen the creation of Accountable Care Organizations (ACOs), Meaningful Use requirements, as well as penalties applied for failure to document defined quality measures, use electronic prescribing and mandated changes to the submission of claims and payment methods. Insurance companies are introducing their own definitions of quality and using this methodology to determine ratings and rankings of physicians in their network or dropping physicians from their list of participating providers based on these measures. The ruling to uphold the subsidies for federal exchange insurance options (Supreme Court of the United States, 2015) is the most recent regulatory change that impacts how individuals are insured. This ruling also impacts how providers are reimbursed for the care they provide.

All these changes are leading the way for the increase in consolidation of health care organizations. We are experiencing a high volume of merger and acquisition. While strategic management is an ongoing part of operating a healthcare organization, it is important to make sure that the steps involved are thorough. These activities should include review of adaptive strategies. Adaptive strategies include vertical integration, diversification, market development and penetration (Ginter, Swayne, & Duncan, 2004). Mergers and acquisitions, like most business styles seem to occur in trends. In healthcare we are watching the current tide bring a reawakening of this trend. The Affordable Care Act of 2009 is frequently given credit for pushing this exodus from the smaller privately owned health care settings of the past into the plethora of consolidated physician groups, merged hospitals, hospital closings and the increase in earlier retirement for individual physicians. In addition to healthcare provider organizations this trend has extended to other types or segments of the industry such as insurers, pharmaceuticals...
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and others. We are seeing an increase in organizations attempting to provide services that previously were not offered together. An example of this are the urgent care clinics provided by pharmacies. To understand the variety of factors affecting healthcare organization consolidation, it is important to look at the trends among physicians, physician practices, hospitals and other healthcare organizations.

We are seeing the movement of physicians from the independent practice setting to either a hospital setting or a larger organization. According to the Study of American Physicians (Physicians Foundations, 2014), 53% of the 20,000 physicians surveyed describe themselves as hospital or medical group employees, which is up from 38% in 2008. Also of significance is that only 17% of physicians indicate solo practice, down from 25% in 2012. A MedScapes’ survey (Peckham, 2015) showed similar results with 32% of the physicians reporting to be in private practice. Jackson Healthcare (Sorrell & Jennings, 2014) surveyed approximately 1500 physicians showing solo practice at 21% and hospital employment at 21%. Interestingly, this study showed only 45% of patients seen had private insurance and 44% of the patients had either Medicaid or Medicare.

The wave of mergers, acquisitions and other alignment transactions has continued to grow with a variety of current events adding force to the movement. Levin and Associates report a 14% increase in physician group mergers and acquisitions in the fourth quarter of 2014 over the third quarter (Phillips, Lisa E, 2015). According to Pallardy, physician practice deal activity was 21 deals in the first quarter of 2015 compared to 13 in the first quarter of 2014. She also notes that the current activity shows a shift away from traditional mergers and acquisitions toward affiliations, joint ventures and partnerships (Pallardy, 2015).

It is important to point out that the American Medical Association review of the 2013 survey results claim that despite the move to hospital employment private practice is still strong
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with 60% of physicians employed by physician owned organizations (American Medical Association, 2013)

A generalized look at mergers and acquisitions in healthcare show, according to Powderly, that 2015 has started off with a strong move toward consolidation at a value of over 63 billion in the first quarter (Powderly, 2015). The consolidation deals involved in the first quarter were primarily pharmaceutical organizations.

Practice leaders should not only be aware of the wave of activity but also be prepared to review options and navigate their organization toward the best outcome. Moore advises “that navigating a transaction to a successful conclusion requires knowledge of many areas of complex laws, understanding of the client’s business purposes and strategies, negotiation of a robust letter of intent, a transaction structure designed to meet the client’s business objectives and strategies, hand-tailored due diligence, and a carefully negotiated acquisition agreement with appropriate warranties, covenants, and conditions” (Moore, 2013). Most privately owned healthcare organizations do not have experience navigating mergers and acquisitions and are likely to be unprepared if the opportunity or need demands they dive into this type of an arrangement.

Current Climate

Healthcare literature is flowing with examples of the current trend in mergers and acquisitions. Levin Associates report a decrease in general medical mergers and acquisitions for the second quarter of 2015 at approximately 60% less in dollars spent (Phillips, 2015). They also note another wave of deals including Centene Corporation’s announcement to acquire Health Net, Aetna and Humana’s announcement of intent to consolidate, and Anthem’s most recent offer for
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Cigna. The sudden increase in healthcare insurance provider consolidation activity is a definite area to watch and could have a major impact on reimbursements and payor policies.

Recently we have seen the tide turn from pharmaceuticals to those with noteworthy activity being insurance companies. Anthem’s announcement to purchase Cigna, resulting in a gain of 14 million members for Anthem and Aetna’s recent move to obtain Humana are two significant examples of insurance deals. Japsen points out that this could cause some conflict in Anthems relationships with Blue Cross (Japsen, 2015). Gamble warns of the quiet entry of insurers into the market of purchasing both hospitals and physician practices. She brings up the topic of those providers owned by insurers and their provision of services to competing insurance company members (Gamble, 2011).

We continue to see a strong wave of hospital transaction activity. According to Curfman in 2014 hospitals were involved in 95 mergers, acquisitions and joint ventures. He cautions that while hospital mergers may offer expanded services the benefits may come at a higher cost to patients and insurers (Curfman, 2015). Hirst points out that while offering more services is one reason hospitals list for mergers, acquisitions and joint ventures; they also list compliance with the Affordable Care Act, declining volumes and tighter finances (Hirst, 2015).

Goldstein and Gordon mention that while the most notable transactions have been between hospitals or hospitals with physician practices or non-acute care businesses that we are now seeing cross-vertical or diagonal trends across verticals in the merger, acquisitions and joint venture activity (Goldstein & Gordon, 2013). While we are losing many privately owned practices to hospitals and insurers, it is important to realize that some mergers or acquisitions and alignments will result in larger or more powerful physician owned organizations. Powell reports on a recent collaboration of five large physician organizations joining to form a collaborative of
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over 400 physicians to improve bargaining power but will remain separately owned and operated (Powell, 2015).

Driving Forces

As healthcare organizations consider a merger, acquisition or other type of alignment the first question to answer is why they are looking to sell, buy, or merge their organization. Gaughan points out that the waves in mergers are caused by a combination of economic, regulatory and technological shock (Gaughan, 2011). Many point to the Affordable Care Act as a motivator for the wave of mergers and acquisitions healthcare is currently experiencing. Gilroy and Anderson point out the Health Care Reform Law is likely to shift consumer focus to alternative forms of health care services such as video physician consults, telephone visits and other innovative technological methods with employers and consumers attempting to control costs. They suggest this will encourage mergers and acquisitions to allow organizations to enter the new technology markets (Slagle Gilroy & Kolarik Anderson, 2013).

According to Bowers, acquisitions occur for five reasons: these are to deal with overcapacity by consolidating mature industries, to roll-up competitors, to expand into new markets or products, as a substitute for research and development and inventing an industry by exploiting eroding industry boundaries (Bower, 2001). The more traditional motivators are still present as well. Choh predicts that expanding customer base will likely increase healthcare merger and acquisitions (Choh, 2013).

In addition to having a clear understanding of what the organizations goals or motives are when considering merging or selling part or all of an organization, it is important to understand what your potential partner or buyer will want to achieve from the transaction. Moore points out that the Patient Protection and Affordable Care Act creation of Accountable Care Organizations
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have caused hospitals to view integrated health systems as the way to meet the cost savings required (Moore, 2013).

There are a variety of factors contributing to the current climate and that may be driving both parties involved in the transaction to consider consolidation. These include increasing costs and hours to stay compliant with the rapidly changing regulations, practices that are declining in size due to retiring physicians and difficulty recruiting new physicians in a private practice setting, decreased insurance reimbursements and challenges for smaller organizations to negotiate with insurers. The increase in regulations, technology expenditures and requirements and the changes in the insurance industry are all good motivators.

Methods of Alignment

Merging or selling an organization may be the decision that is finally made; however, many methods of alignment are available and may be the appropriate precursor to a merger or acquisition. Careful consideration should be given to the various options available before committing to a course. Gaughan states that while a merger or acquisition deal can provide a positive outcome it is important to consider that many of the positive outcomes can be gained by a less expensive joint venture or strategic alliance (Gaughan, 2011). With any business move it is important to look at the motivation for the decision and the alternatives that are available. According to Gaughan, joint venture and strategic alliance announcements tend to be associated with positive wealth effects for participants and vertical joint ventures showed higher gains than horizontal transactions (Gaughan, 2011). Important factors that can affect the success of the merger or acquisition include evaluating the effects of the evolving industry and the implementation of the Affordable Care Act then applying these findings to optimize the transaction being considered (Goldstein & Gordon, 2013).
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Preparation

Throughout the process of consideration, preparation, negotiations, contract reviews and finalization it is important to keep the organizations objectives in mind and the commitment to a successful transaction as a primary focus at all times. According to Moore, his experience shows that one of the most important steps in a successful merger/acquisition deal is the pre-deal due diligence and that health care transactions often require deeper due diligence because the potential liabilities are significant (Moore, 2013). Bragg suggests due diligence is not only an essential part of the acquisition process but the information gained through this process can be helpful when integrating into the new business structure. He suggests due diligence include company overview, corporate culture, management, employees, employee benefits, financial results, internal reports, revenue, cost structure, intellectual property, fixed assets and facilities, liabilities, equity, taxes, accounting policies, product development, selling activities, marketing activities, production operations, materials management, information technology, treasury and risk management, legal issues, regulatory compliance, service companies, and international issues (Bragg, 2014). While many healthcare organizations do not have international issues to address the other areas should be reviewed when preparing to market or align a healthcare organization. Copeland, Koller and Murrin suggest the way to manage the pre-acquisition phase is to instruct all involved on secrecy requirements, evaluate the organization and identify a value-adding approach (Copeland, Koller, & J, 1996).

Legal Issues

Healthcare transactions can be subject to rules and regulations that apply to any business transaction in addition to the requirements specific to health care. Goldstein and Gordon caution that while goals and transactions may vary in details, the legal and regulatory issues may or may
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not change, and recommend that an experienced team should be involved to make sure the organizations goals are met (Goldstein & Gordon, 2013). Attorneys who work with healthcare clients must be aware of federal laws, regulations that apply to healthcare mergers and acquisitions such as Federal Trade Commission (FTC) antitrust laws and regulatory laws on federal health programs (Slagle Gilroy & Kolarik Anderson, 2013). Antitrust Laws can have a major impact on healthcare transactions. Depending on the dollar amount of the transaction, it may require reporting and pre-approval under the Hart Scott Rodino Antitrust Improvements Act of 1976. The amount that requires reporting and pre-approval is updated annually. Federal and Private Parties can try to prevent a deal if they feel the deal will be anti-competitive under Section 7 of the Clayton Act. (Moore, 2013) Bragg stresses that a thorough legal investigation should include prior and current lawsuits as well as any legal invoices that were paid. In addition, a review of bylaws, contracts and minutes from board and shareholder meetings should be done (Bragg, 2014).

According to Moore, any merger analysis, in the health care industry or otherwise, begins with:

1. Definition of the relevant product and geographic markets
2. The shares of the relevant market held by the merging parties’ pre-merger and post-merger to determine whether they have market power
3. A study of whether the merging firms are likely to abuse their market power, particularly by raising prices to anticompetitive levels because of the absence of competitors with sufficient market shares or breadth of services to dampen those price increases. (Moore, 2013, p. 20)

Choh lists a thorough pre-transaction due diligence process for the business and legal aspects of the organization to be one of the most important steps to ensuring a successful deal
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(Choh, 2013). Considerations with any deal should include evaluation of risk by the acquirer. In healthcare, this would also include a review of any current malpractice concerns, a loss run review for the individual providers and the organization. This should be an ongoing risk management process for an organization but should be given an objective review when preparing for entering the market. Any variances should be easily and readily explained. Goldstein et al, advise that performing an internal review prior to putting an organization on the market may uncover problem areas that the organization would prefer not to have disclosed publicly. They suggest that the organization may choose to address these items internally to achieve compliance before offering the organization for sale (Goldstein & Gordon, 2013).

Bragg suggests one be especially careful when assembling shareholder lists, classes of stock, shareholder purchase price, conversion rights, unpaid dividends, stock buyback obligations, employee stock ownership plans, options and warrants, as attorneys that create the acquisition agreements are very particular about these items (Bragg, 2014).

While listing the antitrust review process as the most significant compliance issue, Jeffry also lists the importance of attention to the requirements of HIPAA and the Health Information Technology for Economic and Clinical Health (HITECH) Act’s focus on meaningful use of technology. He also lists the Stark Act, anti-kickback rules, and Recovery Audit Contractor (RAC) Program as compliance areas that should be evaluated (Jeffry Jr, 2013). Slagle-Gilroy and Kolarik-Anderson warn that some states require new licensure with a change of ownership and this could be applied even if the change involved 51% or more of the stock (Slagle Gilroy & Kolarik Anderson, 2013).

There may be disagreement on the most significant area of legal risk but there is strong agreement that with all the rules and regulations that health care entities must comply with, it is
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important to thoroughly assess how compliant an organization is with the applicable rules and regulations to determine the level of risk that will result with a merger or acquisition.

**Financial Considerations**

Determining the value of an organization and reaching a deal that is acceptable to all involved parties can be a long process. There are several methods of valuation, including liquidation value, real estate value, relief-from-royalty method, book value, enterprise value, multiples analysis, discounted cash flows, replication value, and comparison analysis (Bragg, 2014). These methods each have strengths and weaknesses when applied to a medical practice. It is important that you involve the correct financial experts in your internal valuation and also in analysis of the third party valuation conducted prior to sale. Slagle-Gilroy and Kolarik-Anderson, find that the best purchase price “is one in which both parties walk away not feeling as if they took advantage of each other” (Slagle Gilroy & Kolarik Anderson, 2013).

In addition to determining the value of an organization there are other factors that affect the overall offer and whether it will be found acceptable. When a physician changes employers the insurance coverage for malpractice is an important consideration. Not only due to the physician’s history and comfort level with how the new carrier handles claims but also what financial impact will result. If the acquirer pays the malpractice tail insurance as part of the deal, Moore points out that the physician should be aware that they may be taxed on this amount as income. He suggests that setting compensation if the acquirer is a tax-exempt hospital must be reasonable and not exceed fair market value in order to comply with IRS rules (Moore, 2013). Due diligence of financial data, according to Bragg, includes review of any employee benefit that is a large expense item. He recommends review of monthly and year to date financials to give a view of short term trends, as well as annual financial statements for the past five years to identify long term trends. Suggesting financials should be analyzed for cash flow, cash restrictions, non-
operating transactions, one-time events, disclosures and management comments, margin analysis and any entries for adjustments (Bragg, 2014).

The taxation of the transaction is another consideration. Jeffry recommends that the organizations accountant and chief financial officer (CFO) be actively involved. He also suggests that the deal may involve accelerated appreciation and timing of payments that may modify taxation impacts (Jeffry Jr, 2013). Zuckerman advises that an asset purchase acquisition is generally more favorable to the purchaser since it can limit the liabilities that are transferred. He points out that the seller may find a stock purchase transaction more favorable for similar reasons (Zuckerman, 2013). Moore suggests that while hospitals often prefer to employee the physicians and staff to provide services and purchase only the assets of the organization, this can have a negative tax impact on a physician practice that is organized as a C corporation. He suggests that a physician practice might avoid some of the negative tax implications by changing their status to a S corporation prior to closing a deal (Moore, 2013). There are many factors that will need to be considered to determine what offered price is acceptable to the owners of the organization.

**Operations**

The culture of the organization is described by Atchison and Bujak as the personality of the organization and as such the context for the organization’s behavior and decision making. They suggest the challenge is in having just one corporate culture and not multiple sub-cultures (Atchison & Bujak, 2001). When bringing two or more organizations together into a new or modified organization, it is important to incorporate the acquired or merged cultures into that of the new organization. The Cleveland Clinic Foundation (CCF) negotiated an agreement with Akron General Medical Center (AGMC) in Akron, Ohio to become a minority owner for one year with the option to purchase the entire hospital after the year ends or to purchase anytime during the six-year agreement (Zeltner, 2014). This approach allows the integration of the CCF’s culture
and employment practices to filter in at a slower pace while giving AGMC the financial support, purchasing and contracting capabilities and access to a set of established best practices that the nationwide organization offers.

Physician retention after an acquisition, cautions Zuckerman, must be a priority including the economic structure, as well as how the acquiring organization approaches integration of physicians into the new culture. He also advises that if a physician from the acquired practice is used to being a primary decision-maker it may create an area of conflict if there is no involvement in the new position for the physician. Another consideration includes the physician’s employment goals, those nearing retirement and new physicians may have different requirements to integrate comfortably into the new practice. A restrictive covenant should be evaluated closely if it is included in the transaction (Zuckerman, 2013). Involvement through advisor status, investor in a new venture and placing the owners of the acquired organization in charge of special projects are recommendations that Bragg notes leads to retention of the acquiree. He suggests that review of all employees is too time consuming, but senior leadership and those individuals who are opinion leaders should be evaluated carefully (Bragg, 2014). Copeland et al, advise that a merger or acquisition will likely allow one to reduce costs by combining functions and suggest simply to keep the best employees from both organizations and fire the worst (Copeland, Koller, & J, 1996).

Once a decision is made to complete a transaction both parties need to work together to ensure the deal is successful. Moore indicates success depends largely on both parties having full understanding and realistic expectations of the benefits of the transaction (Moore, 2013). Jeffry quotes the adage “one plus one should equal three” to demonstrate the need for the transaction to result in a stronger organization (Jeffry Jr, 2013). Factors such as employee retention, process changes and how the organization will provide care in the future should be addressed during negotiations. Atchison and Bujak consider trust the glue that holds an organization’s culture
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together and define trust as “the perception of honesty, openness, reliability and dependability”. They stress this is not reliant on whether or not an individual likes the leadership, only that they can trust them. They advise that trust can take a long time to achieve but can be broken in a heartbeat (Atchison & Bujak, 2001). In Human Due Diligence, Harding and Rouse assert that the success of an acquisition is dependent on people not dollars and the main focus should be to verify the culture of the acquired organization will blend well enough to build bridges between the two companies (Harding & Rouse, 2007). A clear understanding of the goals of the organization will help define how the cultures of the two organizations will blend.

Conclusion

The current view of ‘bigger is safer’ is very alluring. There are many benefits to considering integration, merger, alignment, purchase or sale of a healthcare organization. These include the economy and negotiating power for supplies and other contracts, as well as the resources to meet regulatory requirements. As we see insurance companies merging, selling and acquiring smaller insurers, it is easy to predict an environment that is tougher to negotiate reimbursements for the smaller organizations. The ownership of provider practices by insurance companies and the ownership of insurance companies by health systems will further decrease the likelihood of success in the independent practices. This may prove that the ability to negotiate insurance contracts, no matter the organization size, may be the limiting factor. The technological demands of electronic documentation and communication continue to put pressure for finances and IT experience on healthcare providers. The current regulations have date steps that additional requirements are scheduled to be implemented. These together indicate that we will continue to see a strong merger, acquisition and alignment activity flow.
Some private practices will choose to weather the storm and wait to see if the tide will turn and the current increase in mergers and acquisitions recede. Even if this occurs, the effect will be persistent. We will have fewer self-employed physicians. Many privately owned health care organizations leadership may only be involved in a merger or acquisition once in their career. When an organization is considering merger or acquisition as an option, the group should perform an internal review and determine what outside resources it will need to prepare for this type of transaction. It is important to involve advisors from the financial and legal realms to avoid costly mistakes and oversights in the process.

This paper is not meant to give legal advice; it is meant to direct a physician practice executive to topics that should be reviewed. Many of the factors that are currently contributing to the increase in mergers and other healthcare transactions may be modified or eliminated with additional changes in regulatory proceedings. A healthcare organization will be in the best position to complete a successful merger or sale of their organization if they are prepared. Preparation includes diligent attention to financial status, legal issue and risks, expense management, document management, internal operational review of the organization, market share and growth potential. Evaluating the option of merger or other consolidating transactions should also include an external review of referral patterns in the community and predictions of the course they will be taking. This will help when predicting the viability of continuing as an independent practice. Objective review of the financial status of the organization including preparation of current financial analysis and comparison to past performance as well as prediction of future performance is an important step.

The structure of the transaction can have financial impact on the owners of the organizations in more ways than just the final agreed on transaction amount. Important items to review internally and discuss with your financial and/or legal advisor include how the corporation should be organized, whether the sale is for stock, assets or the entire organization, how the
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money paid for the organization will be taxed. This would be a consideration for future moneys that might be paid to the owner of the acquired organization, if such a deal were arranged.

Legal risks including malpractice, regulatory violations such as HIPAA, Stark, tax laws, contract compliance, OSHA, and other employment rules should all be reviewed and the organizations level of adherence to the rules and regulations assessed. The physician practice should have a clear understanding of the cost and limits of their current malpractice coverage and the cost to purchase “tail” coverage. If this is a component of an offer they are considering, it should be clear whether the coverage offered covers acts of the physician only or of the practice and any ancillary staff. In today’s sea of regulatory audits and fines, it is also wise to have a clear picture of any potential risks from cyber issues, government audits such as the RAC audits, HIPAA issues or other costly reviews that can result in large attorney fees even if the end result leaves the practice being found in compliance or simply in need of correcting lapses. A cyber security audit of the practice and regular coding audits with a current risk assessment of all components of the practice can help to protect against these risks. In addition, purchasing an insurance policy that provides coverage for attorney services and some security against large fines is an important consideration. Of course prompt attention should be given to any potential area of concern and correction of any deficiencies found should be a priority.

Review of staffing, supplies, assets, and operational activities should be a part of routine practice management however when considering a change in structure or ownership of the organization these items should be reviewed from an objective view to identify any areas that can improve efficiency. Some questions to answer during the organization review include whether the staffing level is appropriate, is staff comprised of family members, are staff being utilized to their highest level of function, and if not what is the most efficient way to make a staffing adjustment. Remembering that the morale of staff during a merger or acquisition can significantly impact the transaction.
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Supplier contracts should be reviewed and termed or renegotiated, if appropriate. The leadership should have a clear idea of what the cost of early termination is for contracts. If the organization is sold as an asset purchase, the organization may be left to terminate or settle some of the contracts. Similar to preparing a house to put on the market to sale, these activities will clean up the organization. Preferably, these activities are started two years prior to entering into negotiations. When a perspective buyer looks at the organization they will be checking to determine if the organization shows a history of efficiency and productivity or if they have just completed a recent clean up to look attractive. Buyers will also want the reassurance that the physicians will continue to be productive after the transaction. An added benefit of this internal review is that it will not only make the organization more attractive but more profitable. Some areas such as which electronic record will be used for the combined organization will likely be determined by the structure of the transaction. If the deal is to merge two entities, the involved entities should compare products and evaluate them for the best fit for the combined organization. In any scenario, it is valuable to understand what the cost and effort involved in moving patient information from the current system into a different database and how this is typically done. Methods might include scanning, importing, or maintaining two file systems. Finance and legal resources should be involved as needed in this internal review to ensure preparedness prior to approaching a potential acquirer.

Success is defined differently for both parties involved in these types of transactions. It is important to know what your definition of success is prior to closing a deal. Before accepting an offer, a comparison of the offer to your original goals is a critical step. Once an offer is accepted all individuals involved need to put their efforts into ensuring success by working to integrate the cultures of the two entities.

Healthcare is currently withstanding impact from economic, regulatory and technological fronts. Reimbursement for services is decreasing, regulatory restrictions and measures for
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compliance are increasing; while at the same time technology demands are being made and penalties may be applied if they are not met. In the midst of this perfect storm, it is important to take precautions and be prepared. Even if the organization chooses to weather the storm, reviewing internal operations as in preparations to market the organization should identify areas of improvement and make the organization stronger.
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