



February 28, 2014

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## Medical Group Acquisitions And Alternatives

As is the case in all periods of rapid change, physician practices, from solos in office practice to large multispecialty and hospital-based groups, react differently to the resulting uncertainty.

Some run away from the explosion of what was normal, while others run toward it, seeking new opportunity.

Hospitals seek to employ or otherwise "align" primary care physicians and some office-based specialists. They seek to control specialty referrals through employment models, accountable care organizations and other hospital-controlled networks.

For other office-based specialties and on the hospital-based side, there's mounting pressure from large regional and national groups.

More physicians are interested in exploring the notion of their being acquired and of becoming employed; they're seeking shelter from uncertainty. Yet others are forging new routes, alone or in alliance with other practitioners and creating their own futures.

In my work with both buyers and sellers of medical practices, as well as with those pushing an expansion of their practices, a host of general observations arise, concepts that are beneficial to any physician, whether an independent cardiologist or the physician leader of a 100+ group, to consider. Here's a selected sample:

Some practices can be sold. Some can never be sold. Some have nothing to sell. Depending on the type of practice, having nothing to sell can be empowering.

Buyers can be segmented multiple ways, e.g., hospitals vs. groups, single specialty vs. multispecialty, long term businesses vs. short term private equity investments, to name but a few.

The right buyer for your practice is as important as the right price.

Depending on your situation, money (as in a sale) isn't just money.

Some sales aren't really sales. They are really the purchase of a job disguised as a sale.

Some sellers should never sell. Other sellers should immediately sell.

Pricing needn't be formulaic because value is determined by the buyer and every buyer has a different value to assign to a deal.

Groups can increase their value, either as a prelude to an eventual sale or for improved operations and profits.

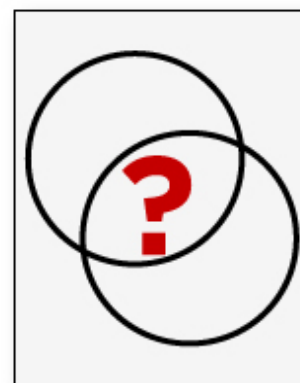
There are always more options than you've considered to date. There are always alternative structures to a sale and alternative strategies for the success of your practice.

Even if you're committed to seeking a buyer, you can't stop or even slow your efforts to develop your business while you're searching. There might not be a buyer. If there is, you may not like the price. You might realize that you don't want to sell. You might actually want to buy.

In closing, remember that the best strategy formulation is not a straight-line process. It's not an on-off, sell or don't sell, merger or don't merge situation. Rather, it's a fluid, circular process, keeping options open even as you explore a primary one, continuing to build as you, for example, continue to search for the right deal.

## Upcoming Presentations

Date: April 11-13, 2014  
Disrupt or Be Disrupted: How to Prepare for The Future of Anesthesiology  
Location: **The Advanced Institute for Anesthesia Practice Management**, The Cosmopolitan Hotel, Las Vegas, NV



## MFW Knowledge Products

If you're an independent learner or need a refresher on a current topic, click [here](#) to find out about our growing list of Knowledge Products.

## Recent Interviews and Published Articles

Mark's article ***OIG Opinion Adds Clarity to Illegality of Company Model*** was published in the February issue of Anesthesiology News. Read or download [here](#).

Mark's article ***Doctors Rush To Employment as Corporate America Lays off Workers*** was published in the December 2013 issue of General Surgery News and Gastroenterology & Endoscopy News. Read it [here](#).

Mark's article **Anesthesia Profits Are Off-Limits** was published on page 32 of the digital edition of Outpatient Surgery. Read [here](#).



## Wisdom. Applied. 62 - Efforts Don't Necessarily Equal Value

What good is an exclusive contract if the facility demands that it become non-exclusive?

### All Things Personal

Thumbing through a local interest magazine, you know, one of those flashy ones, I paid attention, as I usually do, to the physician services advertisements. The juxtaposition of two ads struck me as highly instructive on a meta-level.

The first was for bariatric surgery. The second was for breast enhancement. In one case the procedure involved making something lighter or taking something away: weight. In the other case, the procedure involved adding something: size and volume.

Those underlying principles, taking away and adding something, are highly useful for any physician group, let alone for any business, in creating its structure as well as in determining the range of products and services it offers.

Ambulatory surgery centers, for instance, are simply hospitals made "lighter" by removal of everything other than the O.R and pre- and post op. A dermatology practice might be made larger by adding on medi-spa services. And an anesthesia practice might increase volume by adding CRNAs – or, it could be seen as being made lighter by reducing the number of physicians or by dropping an underperforming surgery center as a customer.

Sometimes, medical groups as well as entrepreneurs in healthcare see themselves as typecast, as stuck in a rut of description or expected performance. Simple thinking tools such as lighter/heavier/cut up/glued on/combined... and on and on, can get the creative juices flowing.

Well, I've got to get going now. I'm going to make a sandwich. Yes, bread plus meat.

### New Year. New Name.

As you may have noticed, we've changed our firm name from Advisory Law Group to The Mark F. Weiss Law Firm.

In connection with our expansion to open the Dallas office, we were required to use a "Texas compliant" law firm name, basically a non-trade name containing the name of a firm lawyer. Using two firm names became too complicated and brought additional compliance concerns. Thus, the name change. One firm. One name.

Our website URL, [advisorylawgroup.com](http://advisorylawgroup.com), remains the same (and we're also found at [markfweisslawfirm.com](http://markfweisslawfirm.com)).

Friday, February 28

Podcast: [The Ghost Of Physicians' Christmas Future](#)

Thursday, February 27

Blog Post: [Just Showing Up Is Never Enough. Many Don't Even Do That.](#)

Wednesday, February 26

Videocast: [Is There This Disconnect Within Your Medical Group?](#)

Tuesday, February 25

Blog Post: [Why It's Your Deck Of Cards](#)

Monday, February 24

Blog Post: [Why Change?](#)

[More>>](#)

**Breaking News On Kickbacks:  
OIG Advisory Opinion 13-15-  
The Latest On The Company Model**



I'll be hosting an encore presentation of my webinar, **Breaking News On Kickbacks: The Latest On The Company Model**, on February 20th at 2:00 p.m. PST/4:00 p.m. CST/5:00 p.m. EST. As before, the program is complimentary if you make a contribution of at least \$100 to Operation Kindness, a no-kill animal shelter.

**February 20th, 2014**

**[Register Here](#)**