



January 31, 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.

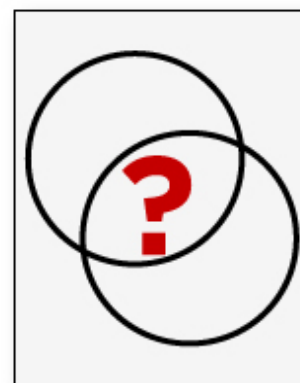
There are always more options than you've considered to date. There are always alternative structures to a sale and alternative strategies for the success of your practice.

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



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Recent Interviews and Published Articles

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 it [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

I was due to check into the hotel in about a week's time. I recognized its name on the return address of the invitation size envelope I received in the mail.

Inside was a card from the hotel's concierge introducing himself and inviting me to contact him if there was anything he could do to improve my coming stay.

That card was a prime example of future pacing: painting a picture of a future, successful state. It provides a tremendous head start in terms of customer appreciation: assuming that the actual delivery of the experience comes close to what I expect it will be, the chances are increased that I will perceive the experience as wonderful.

How many medical groups do this? Few? Maybe none?

Yet, with patient satisfaction being so important both in terms of compensation and in neutralizing the competition, it is a no-brainer.

Depending on your practice, it may be hard or it may be easy to implement future pacing. If you absolutely can't do it in advance because you can't identify the patients (i.e., you are an emergency medicine group) then at least touch base with your patients after the encounter, not just once but several times.

Even if your group has 40,000 patient encounters a year, the benefit received (that is, if you understand the concepts of lifetime value of a customer and of building repeat and referral business) far outweighs the investment.

Unfortunately, in too many cases, the first item that patients receive from their physician after the service is the bill. That's just stupid.

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, remains the same (and we're also found at markfweisslawfirm.com).

Friday, January 31

Podcast: [Karl Marx, M.D.](#)

Thursday, January 30

Blog Post: [There's Always More](#)

Wednesday, January 29

Blog Post: [The King Is Dead. Long Live The ???](#)

Tuesday, January 28

Blog Post: [Why Make It So Easy For Your Competitors?](#)

Monday, January 27

Blog Post: [What's Your Medical Practice's Value?](#)

[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](#)