



UT Law CLE's 33rd Annual Health Law Conference

# Getting Private Equity and Hospital Physician Deals Done During the Pandemic and Beyond...

Speakers:

*Chris Kehres*  
Chief Growth Officer, EVP Finance  
GI Alliance

*Colin M. McDermott*  
Managing Director  
VMG Health

*Brandee Todd*  
VP, Physician Enterprise Counsel  
CHRISTUS Health

Moderator:

*Lisa Atlas Genecov*  
Partner & Chair, Health Care Practice Group  
Katten Muchin Rosenman LLP

April 8, 2022

## AGENDA

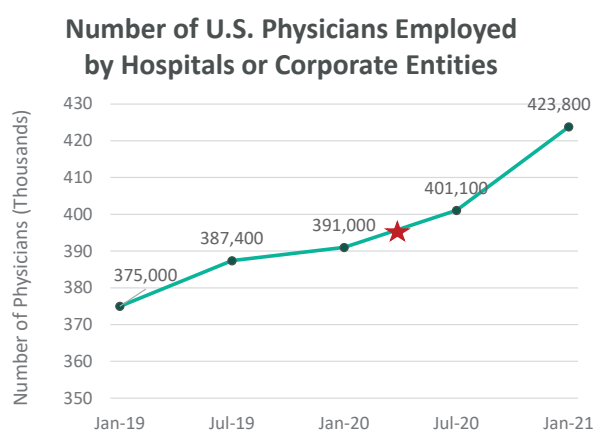
- I. ● Overview of Physician Market
- II. ● Health System Buyers
- III. ● Private Equity Buyers
- IV. ● Transaction Structure & Regulatory Issues
- V. ● Post-COVID Expectations



## Overview of Physician Market

### OVERVIEW OF PHYSICIAN MARKET

COVID-19'S IMPACT ON ACQUISITIONS OF PHYSICIAN PRACTICES AND EMPLOYMENT 2019-2021



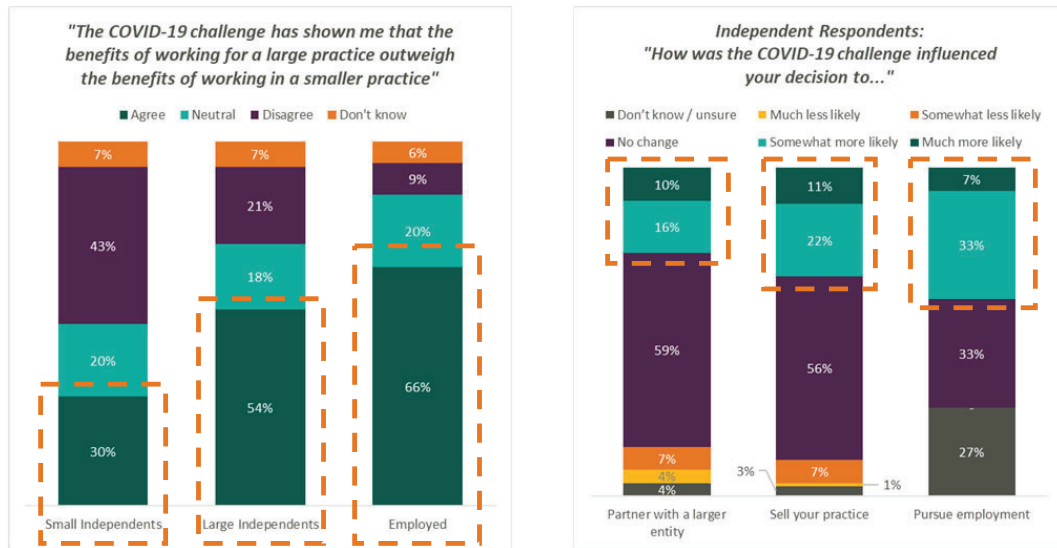
	January 1, 2019	January 1, 2021	% Increase
Number of Hospital or Corporate Employed Physicians	375,400	423,800	12.9%
% of Hospital or Corporate Employed Physicians	62.2%	69.3%	11.5%
Number of Hospital or Corporate Owned Practices	99,100	120,000	21.1%
% of Hospital or Corporate Owned Practices	38.8%	48.4%	24.6%

#### Key Findings

- **18,600** additional physicians left independent practice to become hospital employees – **11,400 of that shift occurred after the onset of COVID-19 (or 61%)**. This represents a **5% increase** in the percentage of hospital employed physicians over the two-year study period.
- **29,800** additional physicians left independent practice and became employees of corporate entities – **11,300 of that shift occurred after the onset of COVID-19 (or 40%)**. This represents a **31% increase** in the percentage of corporate-employed physicians over the two-year study.

## EFFECTS OF COVID-19

SIGNIFICANT PORTION OF ALL INDEPENDENTS NOW CONSIDERING SELLING THEIR PRACTICE OR PARTNERING WITH A LARGER ENTITY PER MCKINSEY & CO. STUDY

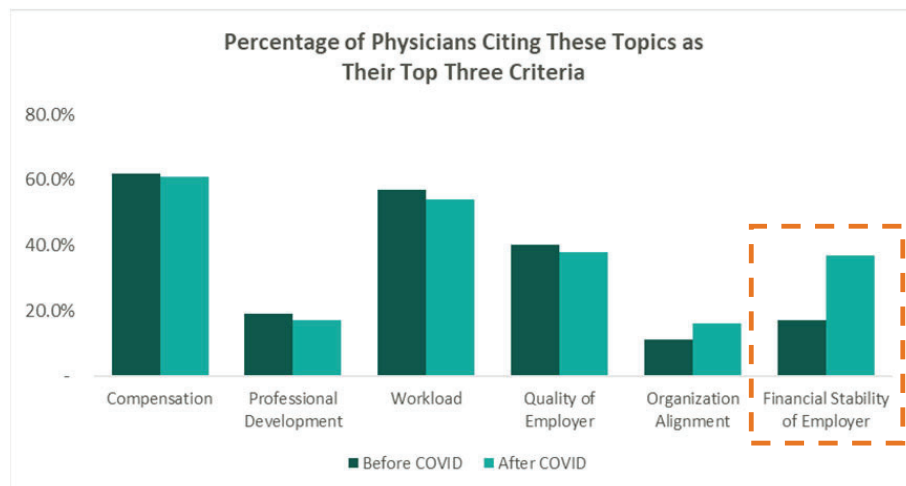


Source: McKinsey & Company – <https://www.mckinsey.com/industries/healthcare-systems-and-services/our-insights/physician-employment-the-path-forward-in-the-covid-19-era>  
Date: July 17, 2020

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## EFFECTS OF COVID-19

STABILITY IS MORE IMPORTANT TO DOCTORS THAN EVER PER BAIN & CO. STUDY



Source: Bain & Company – <https://www.bain.com/insights/stability-is-more-important-to-doctors-than-ever/>  
Date: September 3, 2020

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## Title search: Getting Private Equity and Hospital Physician Deals Done During the Pandemic and Beyond...

Also available as part of the eCourse

[eSupplement to the 18th Annual Mergers and Acquisitions Institute](#)

First appeared as part of the conference materials for the  
33<sup>rd</sup> Annual Health Law Conference session

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