

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

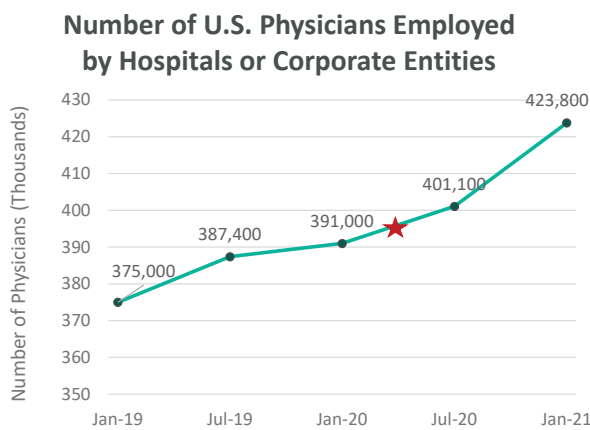
- I. ● Overview of Physician Market
- II. ● Health System Buyers
- III. ● Private Equity Buyers
- IV. ● Transaction Structure & Regulatory Issues
- V. ● Post-COVID Expectations



## Overview of Physician Market

### OVERVIEW OF PHYSICIAN MARKET

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



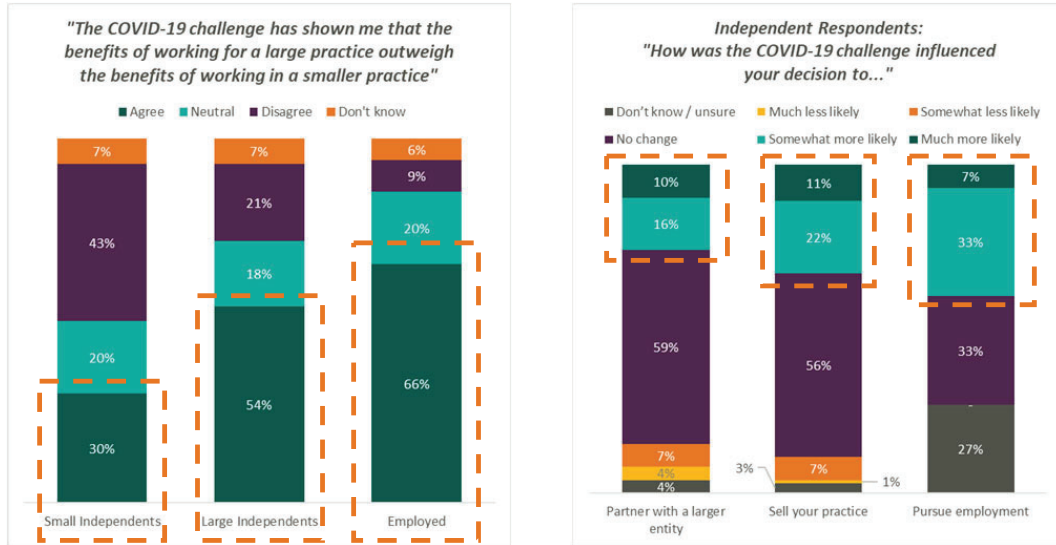
|                                                     | January 1, 2019 | January 1, 2021 | % Increase |
|-----------------------------------------------------|-----------------|-----------------|------------|
| Number of Hospital or Corporate Employed Physicians | 375,400         | 423,800         | 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

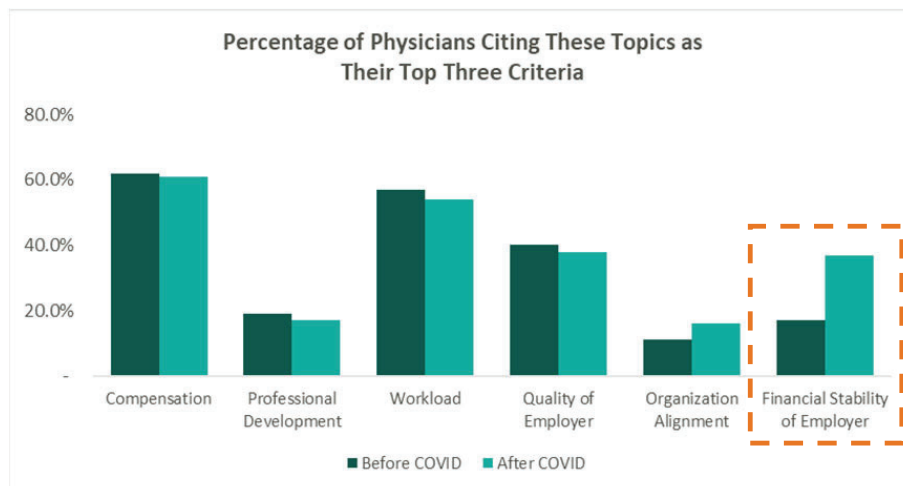


Source: McKinsey & Company – <https://www.mckinsey.com/industries/healthcare-systems-and-services/our-insights/physician-employment-the-path-forward-in-the-covid-19-era>  
Date: July 17, 2020

Page | 5

## 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

Page | 6

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/eLibrary\)](https://utcle.org/eLibrary)

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

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

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