

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

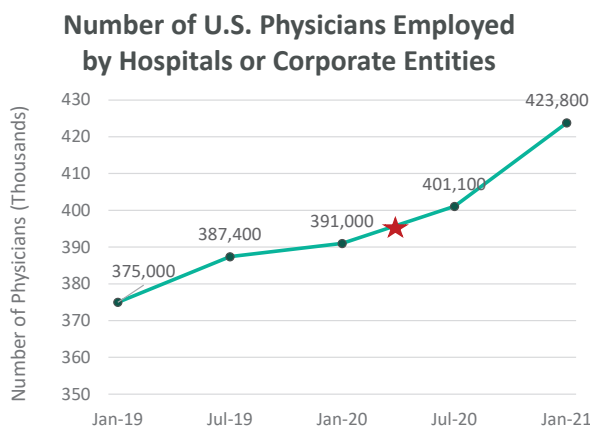
- I. ● Overview of Physician Market
- II. ● Health System Buyers
- III. ● Private Equity Buyers
- IV. ● Transaction Structure & Regulatory Issues
- V. ● Post-COVID Expectations



Overview of Physician Market

OVERVIEW OF PHYSICIAN MARKET

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



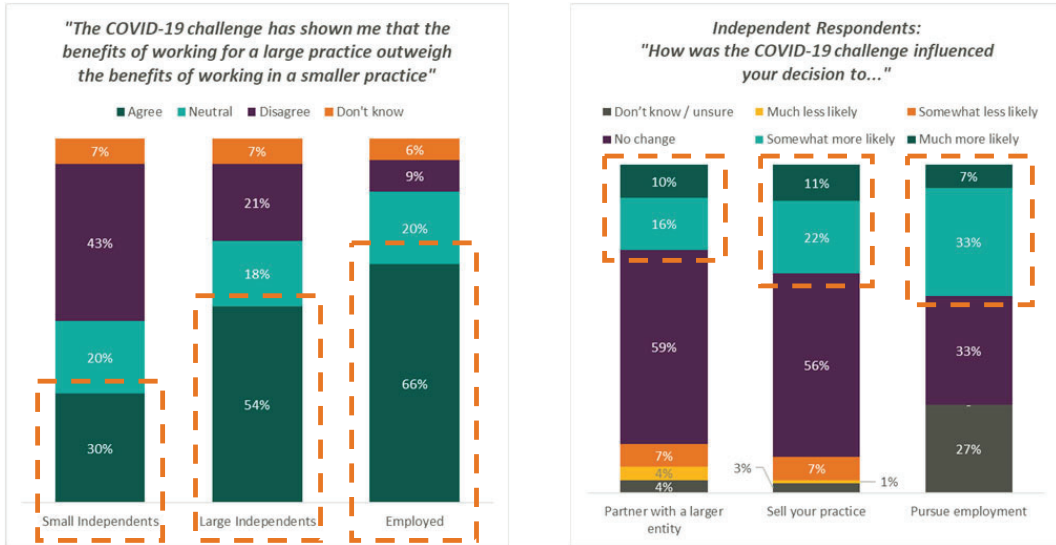
	January 1, 2019	January 1, 2021	% Increase
Number of Hospital or Corporate Employed Physicians	375,400	423,800	12.9%
% of Hospital or Corporate Employed Physicians	62.2%	69.3%	11.5%
Number of Hospital or Corporate Owned Practices	99,100	120,000	21.1%
% of Hospital or Corporate Owned Practices	38.8%	48.4%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

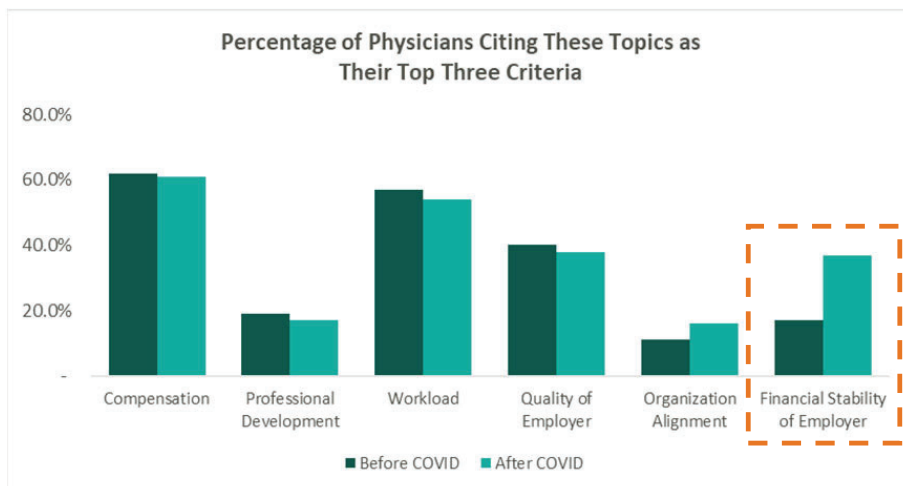


Source: McKinsey & Company – <https://www.mckinsey.com/industries/healthcare-systems-and-services/our-insights/physician-employment-the-path-forward-in-the-covid-19-era>
Date: July 17, 2020

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