

Mergers and Acquisitions

Peter Harkness, MD
Chairman USAP Colorado

Disclosures

- Partner, US Anesthesia Partners
- Chairman of the CGB of USAP Colorado
- Participant in 3 major mergers, just a simple anesthesiologist

Background

- Since Dec 2012, have helped take a 40 doc anesthesia group to over 210 anesthesiologists and 40+ mid-level providers
- While not an expert, understand the M&A landscape on a very high level, including pitfalls and advantages
- Hope to share my knowledge in a brief presentation and more extensive Q&A session

Current Landscape

- Mergers and Acquisitions have accelerated over the past 4 years to an unprecedented level
- Graph? All specialties or just anesthesia?
- Our future is to do more with less. This does not need to be smoke and mirrors. Showing extra effort is more than the current and is a step in the right direction.

Outside Factors

- There is a lot of consolidation happening across the healthcare landscape (hospital systems, insurance carriers, medical specialties) and the reason is multifactorial
- Overall healthcare costs are being shifted from traditional fee-for-service models to more bundled payments, "smarter" consumers, ACO's, and shared exposure models that drive a demand for a greater "service" with less potential revenue

Internal/Group Drivers

- Groups are increasingly being asked to provide greater services (coverage, quality, esoteric demands) for diminishing stipend amounts
- National groups are looking to expand their "model" into new markets, so there is an increasingly organized and prepared outside threat to the current system
- The cost of new technology or service lines is often prohibitive for smaller practices

Why Consider a Merger or Acquisition?

- Need to stay competitive in your market
- Need help transitioning in the current landscape of medicine
- Leadership assistance
- Administrative assistance
- Off-set or share quality improvement, leadership, administrative costs
- Fill a gap that you can not do on your own
- Deming/Toyota model that quality flows from having a solid system that can not be achieved by individual efforts alone

What Exists in the National Landscape

- There are all flavors of National groups to help or hinder you
- Most/All? National groups will purchase future equity for a multiple
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