



Mergers & Acquisitions | Capital Raise | Strategic Advisory

Market Dynamics Lead to Increased Hospital-based Physician M&A

Commentary:

- On February 27th, 2024, Colorado’s attorney general announced an agreement with Anesthesia Partners of Colorado, Inc. (USAP), a national anesthesiology practice with private-equity ownership to sever contracts with five hospitals in the state because it created a monopoly in the Denver and Durango markets, forcing patients and their insurance companies to pay higher prices to be sedated during surgeries. The settlement between the attorney general’s office and U.S. Anesthesia Partners will also loosen the company’s restrictions on its Colorado employees by requiring it to dissolve non-compete agreements that prevent doctors from switching to new practices. Under the settlement, doctors will be freed from those agreements and will be able to move to different practices or establish new anesthesiology groups.
- At first blush, the news of this settlement seems like all bad news for clinicians seeking a financial partner for growth or exit purposes. But dig a little deeper, and we believe this will be a net-positive for middle market and lower middle market practices.
- We expect to see more hospital systems pivoting towards awarding contracts to manage anesthesia, emergency, and radiology departments to smaller independent physician groups; resulting in less contract concentration. The new contract growth should result in a fundamental increase in the valuation of the independent groups. This growth opportunity is expected to garner increased interest from both strategic players and private equity investors.
- Additionally, this new antitrust focus could yield a scenario where smaller lower middle market targets that have historically been viewed as add-on candidates are now looked at as potential platform investments in an effort to de-risk a transaction from antitrust scrutiny. As a result, owners of these new platform targets may enjoy significantly more potential upside related to the “second bite of the apple” as a result of being the first roll-over equity in the capital structure of “newco.” In fact, we have many sell-side clients who remain as the largest single shareholder of the newly formed operating company after experiencing a significant liquidity event by going through a transaction process.

Recent Notable Physician Group M&A Activity



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With 300+ Completed Transactions In The Firm's 24-Year History, Hexagon Capital Alliance's Investment Bankers Know The Appropriate Industry-Specific Strategic Buyers, Private Equity Groups, And Family Offices To Approach On Behalf Of Our Clients.

Select Healthcare Services Transactions

THE HALIFAX GROUP

has acquired



Comfort Keepers

The Worldwide Home Care division of



Family First
ADOLESCENT SERVICES

has been acquired by

Undisclosed Buyer

IMAGENET
ACCELERATE PRODUCTIVITY

has been acquired by



 has been acquired by

THE STEPPING STONES GROUP
Transforming Lives Together

a portfolio company of

LGP | LEONARD GREEN & PARTNERS

 a portfolio company of

 has been acquired by

Riverside PARTNERS

 has been acquired by

 a portfolio company of

ATAR CAPITAL

Penetrex

has been acquired by


 a portfolio company of

AMERICAN PACIFIC GROUP


The Everett Clinic
For the whole you

has been acquired by

Davita

 has been acquired by

LINDEN

 has been acquired by

UnitedHealth Group

KADLEC

formed an affiliation with

PROVIDENCE
Health & Services

 has been acquired by

St. Joseph Health
St. Joseph Heritage Healthcare

 has been acquired by

TA ASSOCIATES


We provided investment banking services for

OVERLAKE
MEDICAL CENTER & CLINICS

MEMORIAL

formed an affiliation with

Virginia Mason

 has been acquired by

licg

 has been recapitalized by

NMS | CAPITAL

KMH
CARDIOLOGY CENTRES INC.

has acquired

Advanced Imaging
of Fort Charles

BioVex, Inc.


has been acquired by

AMGEN

Home Pharmacy of California

has been acquired by

Walgreens

 has been acquired by

PSS WORLD MEDICAL

Community Psychiatry

has been acquired by

NEW HARBOR CAPITAL

 formed an affiliation with

PROVIDENCE
Health & Services

 has been acquired by

BAPTIST HEALTH SYSTEM

Anesthesia Services Inc.

has been acquired by

TEAMHealth

* Represents a transaction executed by principals of Hexagon Capital Alliance at a prior firm