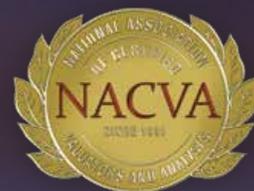


# Advanced Healthcare Valuation and Consulting Symposium

December 12–13, 2014  
San Diego, CA



# 2014 Advanced Healthcare Valuation and Consulting Symposium

TIME	Friday, December 12, 2014	Saturday, December 13, 2014
8:30–10:15 a.m. (2 Hrs CPE)	<b>Halifax: A View from the Expert's Seat</b>	<b>Panel Debate: How to Value Physician Practices</b>
	Kathy McNamara (Moderator: Richard Romero)	Robert James Cimasi, Mark O. Dietrich, Timothy Smith (Moderator: Richard Romero)
10:15–10:30 a.m.	<b>Break</b>	
10:30 a.m.–12:15 p.m. (2 Hrs CPE)	<b>The FMV Implications of Health Systems Losing Money on Employed Physicians</b>	<b>The Anatomy of a Deal</b>
	Lynn Gordon, Timothy Smith	Rick Buchsbaum, Sean Hogan, Richard Romero
12:15–1:30 p.m.	<b>Lunch</b>	
1:30–3:15 p.m. (2 Hrs CPE)	<b>Advanced FMV Compensation Issues Under the Stark Group Practice Definition</b>	<b>Valuing Healthcare Brands</b>
	Gregory D. Anderson, Joseph Wolfe	W. James Lloyd
3:15–3:30 p.m.	<b>Break</b>	
3:30–5:15 p.m. (2 Hrs CPE)	<b>Panel Discussion: The FMV Problems with Ancillary Services in Valuations of Physician Compensation and Medical Practices</b>	<b>Panel Discussion: The Valuation Implications of New Reimbursement Models for Healthcare Facilities and Physicians</b>
	Gregory D. Anderson, Mark O. Dietrich, W. James Lloyd (Moderator: Timothy Smith)	Curtis Bernstein, Greg Endicott (Moderator: Timothy Smith)

2014 DATES	LOCATION	Early Registration Discounts and Deadlines	
		10%	5%
December 12–13	San Diego, CA	10/31	11/30

2014 Pricing (Before Early Registration Discount)	Non-Member	Member
Two-day Symposium	\$1,300	\$1,170
Individual Days	\$650	\$585

## Symposium Chairs:



**Richard Romero,**  
MBA, CVA, CHFP, PAHM  
CBIZ Valuation Group, LLC



**Timothy Smith,**  
CPA, ABV  
American Appraisal

## SYMPOSIUM DESCRIPTION:

Healthcare is the largest, fastest-growing, and most complex industry in the United States. It is also undergoing accelerating change as the industry implements new payment models focused on the quality

of service rather than the quantity. Transformation in how U.S. healthcare is regulated, taxed, accessed, delivered, and reimbursed has created a myriad of opportunities for business valuation and financial forensics analysts to support the business arrangements and operations of healthcare entities, and how they adapt to the ever evolving healthcare marketplace. Keeping up with these changes is daunting. To support the profession, the **2014 Advanced Healthcare Valuation and Consulting Symposium** is designed to stimulate discussions and knowledge sharing on relevant topics in healthcare valuation and consulting assignments such as the regulatory environment, reimbursement models, value-based purchasing, organizational structures, benchmarking, and more.



# 2014 Advanced Healthcare Valuation and Consulting Symposium

FRIDAY, DECEMBER 12, 2014

8:30–10:15 a.m.

## Halifax: A View from the Expert's Seat



Kathy McNamara,  
CPA



Richard Romero,  
MBA, CVA, CHFP, PAHM  
MODERATOR

Halifax Medical Center recently entered into a record-breaking \$85 million settlement with the U.S. Department of Justice to resolve allegations it violated the False Claims Act by entering into employment agreements with medical oncologists and neurosurgeons that violated the Stark Law.

This case, following on the heels of Tuomey's \$237 million judgment for similar Stark violations, serves as a cautionary tale for hospitals across the country as they continue to pursue integration arrangements with referring physicians.

Kathy McNamara, CPA, was the government's expert witness in both the *Tuomey* and *Halifax* cases. In this session, Ms. McNamara will discuss her findings relating to the fair market value and commercial reasonableness of Halifax's employment arrangements with its neurosurgeons.

### Learning Objectives

After completing this session, attendees will be able to:

- Recall the case background and specific issues which led to Ms. McNamara's findings
- Summarize Ms. McNamara's positions taken in the case
- List methodologies Ms. McNamara used to assess the value of the employment arrangements
- Associate lessons learned and best practices related to fair market value and commercial reasonableness

10:30 a.m.–12:15 p.m.

## The FMV Implications of Health Systems Losing Money on Employed Physicians



Lynn Gordon,  
Esq.



Timothy Smith,  
CPA, ABV  
MODERATOR

As health systems continue their pursuit of physician-integration models, the resulting arrangements often present challenges in meeting the standard of fair market value (FMV), implicating both the Stark and Anti-Kickback laws. FMV compliance is particularly challenging

when health systems lose money in their physician practices. This session will provide both valuation and regulatory guidance in evaluating the FMV compliance issues arising from losses in health system practices.

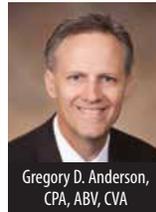
### Learning Objectives

After completing this session, attendees will be able to:

- List the basic valuation principles at play in hospital-physician relationships under applicable healthcare regulations
- Differentiate between Stark strict liability implications and anti-kickback exposure where an arrangement may not meet the requisite FMV parameters
- Appraise the causes of losses in health system practices and their FMV compliance implications
- Implement best practices and engage in troubleshooting to mitigate compliance risk

1:30–3:15 p.m.

## Advanced FMV Compensation Issues under the Stark Group Practice Definition



Gregory D. Anderson,  
CPA, ABV, CVA



Joseph Wolfe,  
JD

Many, but not all, physician acquisition and employment deals by health systems favor direct hospital employment over the creation of subsidiary group practices, and some health systems are transitioning from the group model back to a direct employment model. The Stark-defined group practice, grounded in regulations

written more than a decade ago and until recently largely untested, presents both a unique opportunity for compensation flexibility in support of physician alignment and unequaled complexity and compliance challenges. This session will investigate Stark compliance and valuation implications unique to the group practice and direct employment models and discuss recent case legal developments that further illustrate these concepts.

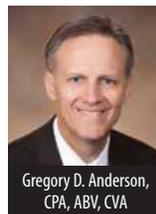
### Learning Objectives

After completing this session, attendees will be able to:

- Recognize the Stark law definition of a group practice
- Contrast, in basic terms, the requirements of the Stark group practice with the elements of the bona fide employment relationships exception of the Stark law
- Identify compensation valuation issues unique to the hospital-owned group practice model in the preparation or review of fair market value analyses

3:30–5:15 p.m.

## Panel Discussion: The FMV Problems with Ancillary Services in Valuations of Physician Compensation and Medical Practices



Gregory D. Anderson,  
CPA, ABV, CVA



Mark O. Dietrich,  
CPA, ABV



W. James Lloyd,  
CPA, ABV, ASA, CFE



MODERATOR  
Timothy Smith,  
CPA, ABV

Technical component or ancillary services in physician practices can present significant difficulties in preparing both business and compensation valuations. While ancillary services can generate substantial earnings, they usually involve referrals that are intensely scrutinized under healthcare regulations. As a result, appraisers face critical valuation issues in analyzing the economics of these services. To address these issues, a panel of healthcare valuation experts will work through key problems related to ancillaries in business and compensation valuations.

### Learning Objectives

After completing this session, attendees will be able to:

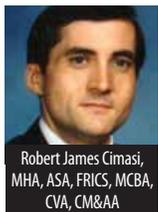
- Identify critical valuation and regulatory issues arising from ancillaries in physician practices
- Analyze the key economic characteristics of ancillaries for valuation and compensation purposes
- Develop a sound methodological framework for assessing ancillaries in business and compensation valuations
- Employ valuation methods and techniques that avoid critical pitfalls and regulatory compliance issues

# 2014 Advanced Healthcare Valuation and Consulting Symposium

**SATURDAY, DECEMBER 13, 2014**

**8:30–10:15 a.m.**

## **Panel Debate: How to Value Physician Practices**



Robert James Cimasí,  
MHA, ASA, FRICS, MCBA,  
CVA, CM&AA



Mark O. Dietrich,  
CPA, ABV



Timothy Smith,  
CPA, ABV



MODERATOR  
Richard Romero,  
MBA, CVA, CHFP, PAHM

One of the most controversial topics in healthcare valuation is how to appraise physician practices. Frequently, the value indications from the Market, Asset-Based, and Incomes approaches are widely divergent, especially with regard to the value of intangible assets. To explore the issues at an advanced level, some of the main players in the profession have come together to exchange ideas and debate the issues in a lively and collegial discussion format.

### **Learning Objectives**

After completing this session, attendees will be able to:

- List the critical issues in valuing physician practices
- Estimate the impact of post-transaction compensation and the premise of value in the appraisal of practices
- Identify the weaknesses and strengths in each approach to value and their impact on the determination of FMV
- Assess the key considerations in reconciling values from the three approaches and forming a conclusion of value

**10:30 a.m.–12:15 p.m.**

## **The Anatomy of a Deal**



Rick Buchsbaum



Sean Hogan



Richard Romero,  
MBA, CVA, CHFP, PAHM

This presentation will enable the attendee to define the goals and roles that valuers should play and the valued-added information they can provide. Attendees will

leave the presentation with a better understanding of how to maximize the benefit of their services beyond the numbers and how the valuator becomes part of the overall transaction process. Valuation analysts provide the fair market reality check that should be an integral part of the process—not a barrier. The presenters will use case studies to illustrate the importance to ensure the development of an equitable relationship related to the transaction from the perspective of a hospital, developer, and valuator.

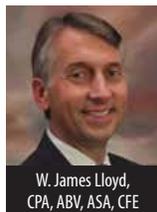
### **Learning Objectives**

After completing this session, attendees will be able to:

- Identify and differentiate the roles and goals of parties involved in healthcare transactions
- Establish the strategic and operational goals of the transaction
- Increase value-added information and services that exceed a dollar amount

**1:30–3:15 p.m.**

## **Valuing Healthcare Brands**



W. James Lloyd,  
CPA, ABV, ASA, CFE

The presentation will provide participants with an overview of key issues and concepts related to analyzing and valuing brands and similar intellectual property assets of healthcare companies. Executives of hospitals and other healthcare organizations are increasingly interested in understanding the value of their organization's brand and how they can improve and capitalize upon it. Methodologies and approaches for analyzing brand strength and value will be discussed and case studies will be utilized to help illustrate important points and practical take-aways.

### **Learning Objectives**

After completing this session, attendees will be able to:

- Determine how to approach a brand valuation project for a hospital or other healthcare organization
- List appropriate methodologies to consider when working on a valuation project
- Identify key issues for evaluating brand strength

**3:30–5:15 p.m.**

## **Panel Discussion: The Valuation Implications of New Reimbursement Models for Healthcare Facilities and Physicians**



Curtis Bernstein,  
CPA, ABV, CVA, ASA,  
CHFP, MBA



Greg Endicott,  
CPA, ABV, ASA



MODERATOR  
Timothy Smith,  
CPA, ABV

The federal government is changing the way it pays for healthcare. As part of this process, hospitals and physicians must work together and share the compensation paid by Medicare,

Medicaid, and other managed-care payers. This presentation will review how businesses are valued as providers consolidate to develop clinically integrated networks (CIN). The presentation will also describe how to determine the fair market value of services provided under a CIN so reimbursement is shared appropriately.

### **Learning Objectives**

After completing this session, attendees will be able to:

- List the latest reimbursement models in the healthcare industry
- Collect the knowledge necessary to value healthcare entities subject to these new reimbursement models
- Recognize the impact these changes have on the fair market value of business and services provided under these reimbursement models
- Predict how changes in the reimbursement models impact valuation and apply these concepts in their practices

**For more details, including presenter bios,  
please visit [www.nacva.com/healthcaresymposium](http://www.nacva.com/healthcaresymposium)**