Advanced Healthcare Valuation and Consulting Symposium

December 12–13, 2014
San Diego, CA
2014 Advanced Healthcare Valuation and Consulting Symposium

**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.
Halifax: A View from the Expert’s Seat

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 who 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

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

3:30–5:15 p.m.
Panel Discussion: The FMV Problems with Ancillary Services in Valuations of Physician Compensation and Medical Practices

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
8:30–10:15 a.m.
Panel Debate: How to Value Physician Practices

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

This presentation will enable the attendee to define the goals and roles that valuators 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

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

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