

HEALTHCARE M&A, JOINT VENTURES, AND OTHER TRANSACTIONS



Healthcare organizations that seek to streamline operations through health system mergers, acquisitions, joint ventures, and other healthcare consolidation transactions need legal partners who are clearly focused on the bigger picture as well as the details.

An experienced healthcare mergers and acquisitions firm, Husch Blackwell provides sophisticated counsel across the life cycle of deals, from initial query to closing. We identify and resolve critical issues regarding due diligence, deal structure, valuation, financing, and risk mitigation.

With solid experience in corporate transactions and a top-ranked healthcare practice, we combine transactional know-how with a sophisticated understanding of the healthcare industry. Our multidisciplinary team advises on the diverse issues that often arise during healthcare transactions, including buyout options, governance and control structures, operating agreements, and payor contracts. We're aware of the unique industry considerations in the healthcare M&A space, and we also develop and execute communication plans that build political and community support.

We regularly assist clients with:

Asset and equity purchases

Auctions

I very much appreciate the counsel and support we received from the entire Husch Blackwell team. We simply could not have completed this transaction without the expertise, experience and guidance of the 'deal team' at Husch. These outstanding attorneys provide excellent, accurate and timely client service and we would happily recommend all of them to anyone who needed counsel in connection with a healthcare transaction.

— Brent C. Beumer,
Vice President of
Real Estate &
Corporate Counsel,
Dierbergs Markets,
Inc. —

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Corporate carve-outs
Crossborder transactions
Exchange offers
Fiduciary duty and disclosure issues
Going private transactions
Hostile takeovers
Joint ventures
Leverage buyouts
Mergers
Minority investments
Poison pill and merger defense
Private equity-backed transactions
Provider alignment and integration
Proxy battles Restructurings and recapitalizations
Roll-up transactions
Sales of controlling interests
Strategic alliances
Subsidiary spinoffs

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Our healthcare transactions attorneys also provide strategic guidance on:

Healthcare private equity

Husch Blackwell has comprehensive knowledge of the design and structure of private equity-backed transactions, as well as portfolio company structures in

the healthcare space. Our team structures, negotiates and implements bridge, mezzanine, and other types of financing, and we structure portfolio operating entities to limit liability and accommodate growth. We also understand the tax repercussions and regulatory landscape involved in private equity transactions.

Regulatory knowledge

Our healthcare transactions practice is supported by a sophisticated team of healthcare regulatory attorneys who regularly advise on risk mitigation and compliance with a complex web of healthcare rules and regulations. From Medicare and Medicaid reimbursement to Stark Law, Anti-Kickback Statute, HIPAA, and clinical research matters, these professionals focus on compliance so our clients can focus on patient care.

This regulatory knowledge is essential for sound transactions in such a highly regulated industry, allowing us to ensure that every deal remains in line with state and federal laws. It also keeps us proactive: as regulations shift, we always have an eye to what's coming next in our clients' industry.

Provider alignment and integration

Our experienced attorneys work directly with providers to develop innovative ways to improve the efficiency and quality of medical care, including accountable care organizations (ACOs), independent practice associations (IPAs), and physician-hospital organizations (PHOs). We're extensively experienced with a variety of hospital-physician integration models, and we regularly review, negotiate, and structure hospital-physician affiliations, hospital-physician transactions, and other service agreements that align services in ways that meet compliance requirements and growth objectives.

Representative Experience

Assisted the owner of 65 skilled nursing facilities in eight states with the sale of its facilities and real estate. The complex merger involved licensing, regulatory, change of ownership, and Medicare/Medicaid certification matters.

Advised a hospital system, orthopedic group and post-acute care company on a joint venture structure for co-development and joint management of an ambulatory surgery center, rehabilitation hospital, skilled nursing facility, and assisted living facility, all to be located on the same campus. We assisted with crafting the structure of the joint venture, preparing the agreements, and obtaining licensure and credentialing.

Represented a large managed-care business operating in five states in creating a network independent practice association (IPA). We created and negotiated participating provider agreements with physicians that include fee-for-service and risk-sharing arrangements; acquired physician practices and medical groups, including the acquisition of hospitalist practices that support in-patient services for which the client is at risk; and assisted with joint ventures with larger medical groups.

Counseled a government county health district that owned and leased a hospital in a joint venture between the lessee of the hospital and another hospital.

Represented a nonprofit health system in its transfer of a

clinic to a federally qualified health center (FQHC). The transaction required significant negotiations for covenants requiring the acquiring FQHC to maintain the level and quality of healthcare and dental services provided to the clinic's culturally diverse clients.

Advised a healthcare system in its acquisition of a critical care hospital owned by the state hospital district. This transaction raised complex issues involving antitrust implications, unusual state laws, reimbursement regulations, and tax-exempt laws.

Advised purchaser of a hospital from a national hospital system. We created the purchasing entity (physicians and private investors) and provided counsel throughout the transaction, including transitioning the hospital from a general acute hospital to a specialty hospital. The complex closing required the resolution of a host of securities, regulatory, and real estate issues, along with obtaining HUD approval.

Represented a medical center in its acquisition of another hospital. Our attorneys handled the transaction and the simultaneous creation of a related physician network and conversion of an existing surgery center into an outpatient provider-based department of the hospital.

Represented a large multispecialty physician group in the sale of its business to one of the largest publicly traded hospitals in the United States. The transaction, successfully negotiated as a stock purchase, raised complex tax and corporate issues, involved real estate transfers and leases,

required licensing agreement assignments, and raised a variety of other regulatory matters.

Developed a unique model to affiliate a small county hospital with a larger health system without an actual “sale” of the hospital, in a first-of-its-kind hospital lease arrangement in Iowa. Navigated a public election, attorney general approval, and the Iowa pension program approvals to complete the affiliation.

Successfully negotiated major updates to joint venture arrangement between a neuro service provider and a large health system in Arizona which led to the provider working with the hospital to build and develop a new offering, a neuro services tower.

Merged three orthopedic practices with very different compensation structures, varied affiliations, and different management approaches into one single large orthopedic practice, the largest in western Missouri and eastern Kansas.

Represented UpHealth Holdings Inc, an innovative digital health company with a pro forma enterprise value of \$1.35B, in its agreement to combine with GigCapital2, a special purpose acquisition company (NYSE:UPH).

Represented Formula Wellness, a provider of healthcare and wellness services with a network of clinics in the Dallas, TX area, in its sale to Trive Capital.

Represented Sutter Health, a Northern California-based integrated health delivery system, in the acquisition –

arising out of a Chapter 11 bankruptcy proceeding – of five radiation oncology centers from GenesisCare, one of the world’s largest providers of cancer care services.

Represented Cequel III Family Office in its majority investment in Springfield Urgent Care, a top-tier urgent care provider with a network of six facilities in and around Detroit, MI.

Represented Evio Pharmacy Solutions, an independent pharmacy solutions company, in the creation of a groundbreaking joint venture, Synergie Medication Collective, LLC, with several independent health plans including Blue Cross and Blue Shield plans, as well as the Iowa pension program approvals to complete the affiliation.