

Healthcare Consulting Workshop

Program Sponsor: The Reardon Group

Physicians and Group Practices Consulting Basics, Transactions, Valuations, and Practice Improvement

Program Focus

This course was designed for CPAs, valuers, and other healthcare consultants who want to understand the unique dynamics of medical practices and cope with today's challenging healthcare industry. It is also designed to help practitioners and administrators refresh their knowledge of a particular area, or to get up to speed in a new concentration of healthcare services. The five-day course has two areas of focus, one specific to consulting medical practices and one to valuing medical practices. For a well-rounded education, we recommend attendees take all five days. If you're only interested in consulting, however, take Days 1–3, and if you're only interested in valuation, take Days 1, 2, 4, and 5. Through a special arrangement with MGMA and ValuSource, each participant in Days 3, 4, and 5 will receive a fully functional trial version of the **MGMA's Physicians Compensation and Production and Cost Survey** CDs. Consultants will find these CDs invaluable for determining where a practice can enhance performance, while valuers will find them invaluable to justify and defend reasonable compensation adjustments as well as benchmark financial performance to assess practice risk.

Valuation Track—This program covers the unique aspects of medical group practice, including regulatory restrictions (IRS, Stark, and anti-kickback laws), trends in medical practice dynamics in today's market, valuation standards, and various forms of valuation deliverables.

Consulting Track—This program focuses on those who want to start offering profit-building operational management services and consulting to their medical group clients.

What You Will Learn

Whether you are valuing medical practices or consulting, the medical practice represents unique challenges which must be understood to effectively perform in either the valuator or consulting role. This course is designed to enable you to generate new fee opportunities or just hone your existing skills*.

Valuation Track—You will be introduced to the primary value drivers at the practice level and the regulatory constraints faced by practitioners in the healthcare community. The course will cover the minimum valuation standards approved by NACVA (consistent with IRS and current AICPA guidelines) and will help you to understand the IRS, Stark, and Fraud & Abuse laws that determine permissible activities and define the government's position on fair market value. Using these basics the course will present several forms of engagement deliverables, including practice valuations, reasonableness opinions, compensation planning and structures, and on-call compensation issues—all from a fair market value perspective with outlines and formats to assist you in developing your own reports.

Consulting Track—The consulting track is designed to walk you through a soup-to-nuts understanding of the medical practice financial and operational environment. You will be introduced to the details of medical practice revenue, cost, compensation and productivity drivers, as well as the theory and practice of medical practice benchmarking

through hands on experience. Attendees will gain insight on how to help maintain and even bolster the bottom line by benchmarking the subject practice against similar practices.

Program Schedule

Day 1 AM: Basic to ALL Five Days—Physicians and Group Practices—Introductory Level

- Minimum valuation standards
- IRS, Stark and Anti-trust regulations applicable to medical practices
- How to design a defensible valuation
- Common report errors to avoid

Day 1 PM: Physicians and Group Practices—Intermediate Level

- Hands-on application for the cost, market, and income approaches
- How best to strike a balance in the normalization process
- Understanding the dynamics of full-time equivalency and measuring comparable compensation for the purposes of your modeling
- Developing a better understanding of risk assessment concepts applicable to your cost of capital calculations and employing sanity checks to validate your findings

Day 2 AM: Physician Compensation Plans and Arrangements

- Discussion of restrictions that impact upon physician compensation models
- Review of the MGMA Johnson & Keegan recommended process for compensation planning
- Discussion of aligning compensation reimbursement strategies and tying them to specific reward mechanisms for clinical objectives and practice efficiency
- Exploration of case examples of compensation arrangements

Day 2 PM: On-Call Compensation and the Economics behind It

- A review of recent changes in on-call coverage requirements under the Emergency Medical Treatment and Labor Act (EMTALA)
- Understand the implications of EMTALA for hospitals' Emergency Departments (ED) for an on-call panel of back-up physicians
- Kinds of alternative compensation arrangements currently in play

Day 3 All Day: Healthcare Benchmarking for Increased Efficiency (Laptop required)

- Using benchmarking to quickly identify areas of a practice that are negatively impacting profitability and effectiveness (this is extremely useful to anyone interested in valuing a medical practice)
- How best to interpret productivity levels, staffing costs, overhead costs, and contribution to owners' compensation

- How to utilize MGMA data resources to better understand profitability and cost management, productivity, capacity, and staffing; accounts receivable and collection efficiency
- Hands-on experience applying benchmarking principles using the MGMA's compensation and production CD-ROM as well as MGMA's cost survey CD. This will enable participants to implement the lessons learned here in their offices

for CPAs, M&A professionals, and business owners. Since 1997, he has partnered with the Medical Group Management Association (MGMA) to develop the MGMA's interactive survey CDs, which provide data and benchmarking tools on physicians' compensation, business costs, and coding practices.

Note: While the content of each session described above for the Phoenix location remains the same, due to instructor scheduling conflicts in Philadelphia, Day 5 will be taught on Tuesday, Day 2 on Wednesday, Day 3 on Thursday, and Day 4 on Friday.

Day 4 All Day: Valuation of Healthcare Ancillary Services Enterprises

- The impact of regulations on the valuation of ancillary services providers, including specialty hospitals, diagnostic imaging centers, outpatient cancer treatment centers, and dialysis facilities
- The means by which intangible assets are valued with an emphasis on the ancillary services provider industry
- How assets are classified in the healthcare and ancillary services provider industry

Dates/Locations

September 10–14 — Phoenix, AZ

October 29–November 2 — Philadelphia, PA

2007 Pricing (before early registration discounts)

	Non-member	Member
Individual Days	\$500.....	\$450
Five-Day Workshop.....	\$2,500.....	\$2,250

* For NASBA-related information on CPE, Program Standards (PS), and Fields of Study (FoS), please refer to the Training Section of NACVA's website: www.nacva.com

Day 5 AM: Physicians and Group Practices—Advanced Level I

- Goodwill vs. Going Concern concepts and their applicability
- How to handle imbedded capital gains in "C" Corp valuations
- "S" Corporation valuations—debt to equity relationship
- Engagement letter drafting

Day 5 PM: Physicians and Group Practices—Advanced Level II

- How to build a healthcare medical practice niche
- Forecasting cash flow or earnings
- Using indication of value reports (i.e., less than full valuation engagements and reports under the new consulting guidelines of NACVA/AICPA)
- Reasonableness opinions in healthcare transactions with real world examples

The Development and Instruction Team

The program is written by nationally known NACVA member and healthcare expert Greg Reardon. President of Philadelphia-based Reardon Consulting, Inc. and Valuation Advisors, Inc., Greg brings with him over 25 years of consulting experience in physician-related issues, and experience as the past president of a regional medical center and as chairman of several public company post Sarbanes-Oxley board committees. Mark Ashlock of Ashlock and Valentine, CPAs, brings with him international experience from his membership in the big eight plus over 25 years of experience in providing services to physicians, medical groups, hospitals, payors and other related healthcare entities. Robert J. Cimasi, ASA, CBA, AVA, CBI, CM&AA, CMP, president of Health Capital Consultants, LLC, has over 22 years of experience in serving clients, in over 45 states, with a professional focus on the financial and economic aspects of healthcare service sector entities, including valuation consulting, litigation support, business intermediary and financing services, certificate-of-need consulting, and healthcare transactions, including sales, mergers, and acquisitions. David Fein is the chief executive officer of ValuSource, which for over 20 years has been the leading provider of business valuation software, data, and report writers

