

HEALTHCARE VALUATION and financial advisory services

Health Systems, physician groups, payers, and other healthcare organizations are facing significant industry changes and reform. These payers and providers are evaluating various paths to reduce costs, increase efficiency, improve quality of care, maintain/grow market share, and sometimes, to simply remain relevant and viable. Whether the path involves acquisition, merger, joint venture, other financial arrangement; clients and their legal counsel want a trusted partner who can provide comprehensive, cost-efficient valuation guidance that will withstand scrutiny in a complex dynamic regulatory environment. Navigant's dedicated Healthcare Financial and Valuation Advisory team consists of professionals with extensive experience valuing businesses, partial ownership interests, current assets, fixed assets, intangible assets, service arrangements, and compensation arrangements related to a wide range of healthcare entities and arrangements.

These entities and arrangements include:

- » For-profit/nonprofit hospitals
- » Single and Multi-specialty physician practices
- » Ambulatory surgery centers
- » Diagnostic imaging centers
- » Rehabilitation and physical therapy clinics
- » Home health
- » Skilled nursing facilities and LTACHs
- » Biotechnology and pharmaceutical companies
- » Employed physician compensation
- » Call coverage arrangements
- » Cancer treatment centers
- » Renal care centers
- » Behavioral health centers
- » Anatomical and clinical labs
- » Sleep centers
- » Third party administrators
- » HMOs and PPOs
- » Care management companies
- » Medical directorships
- » Physician consulting arrangements



providing comprehensive

CUSTOMIZED SOLUTIONS

Our clients rely on us to provide valuations related to their specific needs and not just a “black box” solution. Common motivations for our valuation solutions include regulatory compliance, transaction planning, strategic planning, tax compliance, financial reporting, and litigation and arbitration support.

CHALLENGE

TRANSACTION SUPPORT AND REGULATORY COMPLIANCE: PHYSICIAN EMPLOYMENT MODEL

SOLUTION

Navigant was engaged by a non-profit health system to determine the fair market value of certain primary care and specialty physician practices for potential acquisition. The client retained Navigant under a master services agreement to provide business and asset valuations of the targeted physician practices.

CHALLENGE

STRATEGIC DECISION MAKING: HOSPITAL JOINT VENTURE PLANNING

SOLUTION

Navigant was engaged by a children's hospital to determine the fair market value of the hospital and the pediatric unit of a general acute care hospital for joint venture planning purposes. Navigant advised client management on the relative equity value split for the joint venture based on a comprehensive discounted cash flow analysis of both entities.

CHALLENGE

VALUATION AND REGULATORY COMPLIANCE: CARDIOLOGY PRACTICE

SOLUTION

Navigant was engaged by a health system to value the business enterprise, personal property, and intangible assets of a cardiology practice for transaction planning and regulatory compliance purposes. In addition, Navigant's engagement included a fair market opinion on the proposed post-transaction physician compensation.

navigating our clients with valuation expertise and

INDUSTRY INSIGHT

CHALLENGE

REGULATORY AND TAX COMPLIANCE: FAIR MARKET VALUE OF SERVICES

SOLUTION

Navigant was engaged by a non-profit health system to determine the fair market rate of various services provided to a jointly-owned specialty hospital that would be co-located at one of the health system's facilities. The services included various employee services, purchased services, administrative services, and information technology services. Navigant conducted detailed market benchmarking, cost, and profit margin analysis in order to support a range of fair market rates for each of the service arrangements for regulatory and tax compliance purposes.

CHALLENGE

FINANCIAL REPORTING: GOODWILL IMPAIRMENT

SOLUTION

Navigant was engaged by a complex care management company to perform a goodwill impairment valuation analysis in accordance with FASB ASC 350 and FASB ASC 820. Navigant's assistance included estimating the fair value of the company's equity utilizing discounted cash flow, guideline public company, and similar transaction valuation approaches.

CHALLENGE

DISPUTE RESOLUTION: VALUATION EXPERT WITNESS

SOLUTION

Navigant was engaged by the legal counsel of a nonprofit entity to estimate the fair market value of a hospital related to a transaction dispute. The Navigant valuation expert provided an expert report and a rebuttal report, as well as a deposition and court testimony.



CONTACT

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SERVICES

The professionals in Navigant's healthcare practice work with organizations all along the continuum of care: health systems, physician groups, payers and life sciences companies. Clients turn to Navigant to achieve profitable growth, operate more efficiently, deploy capital effectively and manage risk proactively. Our healthcare consulting team consists of professionals with extensive experience in the field, including hospital, health plan, physician group and healthcare finance program executives, MDs, pharmacists and many other clinical professionals. The Navigant team is committed to working with healthcare clients to design, develop and implement solutions that create high-performing physician organizations and healthcare systems.

Our integrated team stays attuned to the continually changing regulatory drivers that affect valuations in the healthcare industry, including:

- » Medicare and Medicaid "fraud and abuse" laws (Anti-Kickback Statute)
- » Physician Self-Referral ("Stark") Regulation
- » Internal Revenue Code 501(c)(3) private inurement and private benefit restrictions
- » State Attorney General review mandates
- » State Certificate of Need (CON) laws
- » Office of Inspector General (OIG) Advisory Opinions

WHY NAVIGANT?

Navigant's dedicated healthcare valuation team members have many years of healthcare industry valuation experience and are committed to providing insightful and responsive client service. To ensure our clients receive the highest level of technical valuation proficiency, we often draw upon the expertise of our healthcare practice professionals for the latest insights affecting specific specialties. This uniquely, integrated approach provides our clients with supportable and defensible healthcare valuation opinions that are unmatched.

ABOUT NAVIGANT

Navigant (NYSE: NCI) is a specialized, global expert services firm dedicated to assisting clients in creating and protecting value in the face of critical business risks and opportunities. Through senior level engagement with clients, Navigant professionals combine technical expertise in Disputes and Investigations, Economics, Financial Advisory and Management Consulting, with business pragmatism in the highly regulated Construction, Energy, Financial Services and Healthcare industries to support clients in addressing their most critical business needs. Navigant has offices in over 43 cities in North America, Europe and Asia.

MORE INFORMATION

Contact Jerry Chang or send an email to **HCVvaluations@navigant.com** to be added to our mailing list and receive timely updates affecting healthcare valuations.