PHASE 1 - THE WHY?

- Why?
- Market & National Trends
- Market Assessment and Competitive Analysis
- Challenges

PHASE 2 - THE WHAT?

- Deal Issues & Major Considerations
  - Legal Entities (Operating Co. vs Real Estate)
  - Authority: Board Structure
  - Ownership Structure & Attractiveness, Anti-Compete
  - Personnel – HR – Organizational Issues
  - Financial Integrity & Strength / Growth Options
  - Liabilities: Financial, Risks, I.T.
  - Payer Mix and Revenue Cycle Management
  - License, Accreditation, CMS Certification Status
**PHASE 3**

- Valuation
  - EBITDA
  - Upside / Downside Influences
  - Contingencies: Medical, Legal, Financial, Facility
  - Normalization Parameters: Benchmarks
  - Adjustments
  - Multiple of Earnings
  - Negotiations & Working Capital

**PHASE 4 – THE HOW?**

- Details, Details, ... – Deep Dive & Timeline
  - ALL Personnel details
  - All Contracts, Meeting minutes, documents, P&P
  - Financial Details for 3 years, AR, AP, “accrual look”
  - Payer & CPT / ICD-10 details, Reimbursement
  - All Regulatory Compliance Inspections / Reports
  - Statistical Detail
  - Physician & Staff Surveys
  - Medical Governing Board, R & R, Issues / Anesthesia

**PHASE 5 – EXECUTION?**

- Final Points –
  - Line in the Sand Issues
  - Mis-Understandings / Mis-Representations
  - Last minute Changes
  - Withholds: Escrow for Contingencies
  - Working Capital Calculation – Requirements
  - Yada, yada, ya...
**PHASE 6 - TRANSITION**

- Transition of Power & Control
- Honeymoon Period
- The Changes & Cultural Transformation
- Settlement of Working Capital / Liabilities

**PHASE 7 - AFTERMATH**

- Hiccups
- Un-intended Consequences
- Implications
- Reality