

## Health Care Transactions

The Lathrop GPM Health Care team provides the highest levels of skill, experience, and knowledge in analyzing, negotiating, and closing contractual relationships, mergers, acquisitions, affiliations, and joint ventures of all shapes and sizes. Our knowledge empowers our clients to go confidently forward with their work.

Our clients include large urban hospitals as well as rural and governmental hospitals; physician practices ranging from large, multi-specialty group practices to small, single specialty providers; ancillary service providers; home health; long-term care; and everything in between. Because we can draw on our experience representing health care organizations across the country, our attorneys can assist our clients in moving efficiently and effectively through the most complex — or straightforward — health care transactions.

We are skilled at representing tax-exempt health care providers, as well as navigating the complex relationships created in a joint venture involving both for-profit and tax-exempt partners. We bring a practical perspective and approach to our transactional work, helping our clients engage in transactions that meet their needs while addressing regulatory, tax, reimbursement, antitrust, and other sometimes less obvious risks present in the venture. We are consultative and creative by nature, and seek to provide our clients with multiple options to meet their goals. We understand that our clients sometimes need us to tell them what the legal limits are, but we also point out the possibilities.

### Representative Experience

- **Private Equity Acquisition.** We have assisted a number of providers in private equity transactions which have resulted in significant financial benefit to the owners while ensuring the ongoing provision of care in the community.
- **Hospital Acquisition.** Over a period of a number of years, we assisted a large health system with the affiliation and eventual

acquisition of a community hospital, providing needed specialty care providers, capital, and stability of operations to the hospital.

- **Hospital Merger.** We represented our client in a two-step merger with another hospital through which the two competing hospitals combined operations. We continue to serve as outside general counsel to the resulting entity.
- **Ambulance Company Acquisition.** We assisted a regional health system in negotiating the acquisition of an ambulance company to facilitate the system's operations in rural areas.
- **Formation of Largest Non-Hospital Owned Multi-Specialty Practice in Minnesota.** We represented the formation of the faculty practice plan affiliated with the University of Minnesota, which involved negotiating the acquisition of more than 28 separate physician practices over an 18-month period, resulting in the largest non-hospital owned physician practice in Minnesota.
- **Sale of Group Practice.** We represented a specialty surgical group in selling its group practice to and entering into a favorable, long-term contractual relationship with a hospital system.
- **Purchase of Group Practice.** We represented a hospital in an asset acquisition of a small, single-specialty practice to provide much-needed capital and technology improvements for the practice. Assets acquired included real estate, equipment, professional and non-professional staff, as well as the value of the practices a going concern.
- **Multi-Specialty Group Practice Acquisition of Specialty Practice.** We worked for a number of years to successfully combine a substantial cardiology practice into a multi-specialty group practice to form one of the largest cardiology practices in the region. The acquisition included both professionals and non-professionals, including clinic administration. Key elements of the transaction included negotiating long-term employment agreements with each physician as well as a related, long-term services agreement with a hospital system through which the combined physicians provide system-wide leadership and professional services.
- **Specialty Practice Affiliation with Hospital System.** We represented a specialty physician practice in the first large specialty affiliation in the Twin Cities. Through the complex negotiations, the physicians were able to retain significant autonomy over their clinical practice while working collaboratively with the hospital to achieve significant clinical and operational success.

- ***Specialty Practice Affiliation with Clinic.*** We represented a surgical group in negotiating a successful affiliation with a regional clinic through which the physicians retained a certain level of autonomy as well as favorable financial terms.
- ***Single-Specialty Combination.*** We worked with a large physician practice in acquiring, through an asset acquisition, the clinical operations of more than five family practice clinics and hundreds of professional and non-professional staff at those sites. Those staff were combined into the larger physician practice to achieve economies of scale and enhanced contracting leverage.
- ***Long-Term Professional Services Agreements.*** We have represented both hospitals and physician practices in negotiating long-term professional services agreements to provide long-term financial security to the physician practice while ensuring the hospital or health care system has continued access to high-quality physicians. Call coverage and recruiting responsibilities as well as compensation terms and noncompetes are key components to these relationships.
- ***Service-Line Management Agreements.*** As hospitals and health systems seek ways to more fully integrate key physician leaders into their organizations, the development of management agreements under which physicians provide key leadership and direction to specific service lines or departments have become a unique vehicle through which both physician and hospital needs can be satisfied. We have represented both hospitals and physicians in negotiating these complex agreements to ensure compliance with all health care and tax regulations as well as achievement of the business needs of both parties.
- ***Numerous Joint Venture Representations.*** Our joint venture experience includes representations of:
  - a hospital and multiple physician practices in formation of joint venture LLC to own and operate ambulatory surgery center
  - a physician group in the formation of joint venture LLC with for-profit management company and tax-exempt hospital to own and operate ambulatory surgery center
  - a tax-exempt physician group in formation and operation of joint venture provider LLC with for-profit physician practice
  - a physician group, assisting with the formation of two LLCs, one to operate an ambulatory surgery center, the other to own the property on which the surgery center was located

- an academic medical center's faculty practice plan in joint venture with hospital system for creation of radiation therapy LLC
- LLCs as healthcare joint venture vehicles including equipment joint ventures, provider ventures, and many others