



# Healthcare DEAL MAKING SUMMIT

The  
Pre-Summit  
Workshop

September 29 - October 1, 2010 | The Hermitage Hotel | Nashville, TN

## Factors Driving Valuations & Transactions in a Post-Healthcare Reform World

September 29, 2010 | 8:30 am – 5:00 pm

2010 may well be known as the “year of reform” within the healthcare business community. The legislation’s intention may be to insure millions of Americans currently lacking healthcare coverage, but much broader implications will inevitably result.

The business of providing healthcare services must now be reevaluated. Acquisitions have taken on added complexity as transaction valuations have changed and new strategies must now be employed. Credit markets continue to present an additional layer of challenge. Only those equipped with the strongest tools and business intelligence will be able to make the deals that will improve their positions and company value.

*Factors Driving Valuations & Transactions in a Post-Reform World*, the Workshop of the Healthcare Deal Making Summit, will bring together expert advisors who will provide analysis of deal making in the current business environment. Ranging from valuations to acquisition strategies to post-transaction integration, the Workshop will provide the premier opportunity to gain the tools and intelligence required for a transforming market.

### Workshop Agenda

7:30 – 8:30 Registration and continental breakfast

8:30 – 8:45 Welcome and Opening Comments by the Workshop Chair  
**George W. Bishop III**, *Partner*, WALLER LANSDEN DORTCH & DAVIS LLP

8:45 – 9:30 **THE EFFECTS OF REFORM ON DEAL VALUATION**

Healthcare legislation will have a powerful impact on the business of providing care. As business models are forced to evolve, the lens through which deal valuations are examined must be refreshed. This presentation will discuss how best to reevaluate deal valuations in the current business environment.

Speaker:

**Jon O’Sullivan**, *Senior Principal and Founding Member*, VMG HEALTH

9:30 – 10:15 **STRATEGIC OPTIONS FOR INDEPENDENT PROVIDERS IN A POST-REFORM ENVIRONMENT**

One of the clear messages of healthcare reform is that providers will have to “do more with less.” As a result, leaders of many independent hospitals are evaluating whether they can implement the necessary operational/financial changes to remain viable as independent organizations. This presentation will provide insight into the “strategic options assessment” process for independent hospitals and the types of transactions that are being completed in anticipation of healthcare reform.

Speaker:

**Victoria Poindexter**, *Managing Director*, SHATTUCK HAMMOND PARTNERS

10:15 – 10:45 *Morning Break*

10:45 – 11:30 **REIMBURSEMENT ISSUES AND THE IMPACT ON HEALTHCARE DEALS**

Healthcare reform will deeply impact provider service reimbursements. The margins between the cost of providing services and the reimbursement fee being paid will shrink and M&A deals will need to be evaluated in this light. This presentation will provide insight into how deals will be impacted and what buyers and sellers need to know.

Speaker:

**Reginald E. McGaugh**, *Managing Director*, HOULIHAN SMITH & COMPANY, INC.

11:30 – 12:15 **THE ROLE OF INFORMATION TECHNOLOGY:  
COST IMPLICATIONS IN HEALTHCARE TRANSACTIONS**

Required investments in information technology infrastructure could cause some deals to fall apart and motivate others to occur. The key difference is understanding each potential deal individually, the specifics involved and how the costs will alter the deal structure. This presentation will cover the key IT issues that need to be understood before a deal is made, including the implications of the HITECH Act, the evolving definition of “meaningful use,” the impact of Electronic Health Records and the shift toward cloud computing.

Speaker:

**E. Andrew Norwood**, *Partner*, WALLER LANSDEN DORTCH & DAVIS LLP

12:15 – 1:30 *Workshop Luncheon*

1:30 – 2:15 **LOOKING TO NON-PROFITS AS ACQUISITION, AFFILIATION AND  
BUSINESS DEVELOPMENT TARGETS**

For-profit healthcare companies have long coveted non-profit healthcare organizations as a source of growth via acquisitions. Now, more than ever, non-profits are proactively seeking to enter into mergers, acquisitions, and joint ventures with for-profits and other non-profits alike. However, creative healthcare companies are looking at more than just takeovers. This presentation will explore reasons for this increased activity, how best to approach these deals for the benefit of all stakeholders and in addition will consider current alternatives to traditional acquisition models.

Speakers:

**Michael A. (“Trey”) Crabb, III**, *President*, HEALTH STRATEGY PARTNERS, LLC

Special Guest:

**Elizabeth “Beth” Ward**, *EVP & CFO*, WELLMONT HEALTH SYSTEM

2:15 – 3:00 **TAPPING INTO CREDIT MARKETS IN AN ERA OF RECOVERY**

The credit markets over the past few years have been especially difficult to navigate. As the capital financing markets begin to re-emerge from a period of extreme tightness, dealmakers are eager to put these funds to work and make the moves that will strengthen their organizations. Discussing the current state of

the credit markets, this presentation will provide an analysis of what dealmakers need to know.

Speaker:

**Gerald F. Mace**, *Partner*, WALLER LANSDEN DORTCH & DAVIS LLP

3:00 – 3:30 *Afternoon Break*

3:30 – 4:15 **PHYSICIAN INTEGRATION AND DEAL MAKING:  
MAXIMIZING VALUE VIA BEST-PRACTICE ALIGNMENT STRATEGIES**

A core element in provider strategies, physician alignment will be a key factor in success as providers weather the regulatory shift. There is no one-size-fits-all plan for alignment, particularly in an environment of reimbursement tension where the two sides are often at odds. This session will explore the menu of alignment options available to providers seeking to craft a consistent and effective alignment strategy, and discuss tools for avoiding potential technical and political missteps on this complex path.

Speaker:

**J. William Morrow**, *Partner*, WALLER LANSDEN DORTCH & DAVIS LLP

4:15 – 5:00 **POST-REFORM M&A STRATEGY AND EXECUTION –  
FROM PLAN TO INTEGRATION AND DIVESTITURES**

To stay ahead of competition and harness the advantages of healthcare reform, organizations must understand factors specific to the healthcare sector. When considering M&A strategic options, a strategy should not only help identify appropriate counterparties, frame the negotiation process, and determine the appropriate transaction structure, but should help mitigate the many inherent M&A risks – particularly in a post-reform environment. Apart from a comprehensive approach toward strategy and due diligence, there are also several factors critical to the effective integration of a healthcare acquisition.

Speakers:

**Brian Flanigan**, *Principal, M&A Consulting Services*, DELOITTE CONSULTING LLP

**Kyle Woitel**, *Partner*, DELOITTE TAX LLP

Workshop Concludes