



Focused Advisory Services to Optimize Your Nephrology Group's Success with Outside Investment Opportunities

There is more strategic activity in nephrology this year than there has ever been! With the advancement of value-based care and the announcements of the KCF and CKCC programs, private equity and venture capital money is flowing into our specialty at record levels.

You may have already been approached or will likely be approached by various organizations with offers to invest in your practice. Discussions could include purchasing part of your revenue stream, helping you become more efficient, and the promise of bringing value-based care contracts to you. Organizations may tell you they can reduce your overhead, improve your collections, or provide you with other opportunities to increase your revenue.

Remember, if it seems too good to be true, it usually is. Who is your team to advocate for your interests?

Do you understand the value of your practice? Some high-level questions to consider:

- What issue/problem is your group trying to address or solve?
- How will this entity get its money back and make a profit on its investment? They do not come into this deal without that expectation.
- Are the groups telling you that you can still run your practice like you always have? That is true as long as you are producing enough revenue to provide the return on investment they need; if not, there may be another discussion.
- What happens to your compensation after you agree to one of these deals and for how long? What happens if there is never a "liquidation event" in the future that gives you that payout that they promise?
- What are your tax implications?
- What do you do with future partners if you join an organization like this? How can future partners benefit from this new arrangement?
- What do you do with former partners if there is a big payout after they retire?
- How can you get out of the arrangement if expectations are not realized? How much will it cost?

If you are approached by investing organizations, it is critical to seek legal counsel and engage business advisors to represent you in these discussions to ensure a full understanding of the outcomes associated with exploring these opportunities. This type of transaction will affect the rest of your career and potentially your community. Please contact us for a complimentary initial consultation.

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For assistance navigating these changes or for more information, please contact:

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