HEALTHCARE FAIR MARKET VALUATION

Our healthcare valuation experts are at the leading edge of all the healthcare business valuation methods. It was our experts who brought rigorous, empirical, cutting edge methodologies to the profession. The accuracy and independence of our work, our ability to defend our opinions, along with sophisticated methods and robust analysis are proven before various State and Federal government regulators and the courts. Marshall & Stevens is the “go to” firm at some of the nation’s most prestigious healthcare attorneys and companies.

Fair Market Value (FMV) Opinions

Our healthcare valuation experts perform FMV reviews of physician service arrangements for clients that range from large, multi-state health systems to independent physician and optical practices. We specialize in healthcare business valuations for buy-sell and joint venture (JV) transactions, tax, and financial reporting purposes.

Our healthcare experts provide valuation services that support transactional healthcare fair market value (FMV) requirements with a process that includes:

- Detailed situational assessments
- In-depth fact-finding and interviews
- Clinical contracts and clinical assessment agreements
- Market analysis, including co-management agreements
- Extensive financial modeling
- Rigorous valuation methodologies
- Understanding the value of healthcare claims and receivables

Compensation Valuations

Marshall & Stevens team of healthcare valuation experts have the experience and data base resources to help with complex compensation valuations for a complete range of compensation structures and issues. Our valuation experts are equipped to provide the highest level of expertise that meets legal and regulatory requirements.

Compensation reviews of service arrangements for clients range from large, multi-state health systems to independent physician practices. Our healthcare valuation experts utilize approaches that are tailored to our client’s situation and comply with the unique requirements of the healthcare regulatory environment.

Going through the valuation process that supports transactional healthcare compensation requirements entails performing:

- Detailed situational assessments
- In-depth fact-finding and interviews
- Market analysis, including compensation surveys and data

- Extensive financial modeling
- Rigorous valuation methodologies
- Understanding the value of healthcare claims and receivables

Our healthcare valuation experts follow standards and methods that are consistent with the professional practice of appraisal. We utilize the following approaches:

Market-Based Method: A market-based method is often used in the fair market value appraisal of a physician compensation arrangement. The best source of market data for comparative analysis is physician compensation surveys. The surveys include data from physician-owned practices and those owned by a health system and are provided by location and type of service. The major providers of survey data are Medical Group Management Association (MGMA), Sullivan, Cotter and Associates, Hospital & Healthcare Compensation Service, American Medical Group Association (AMGA), and Towers Watson Data Services. An appraiser will assess the comparability of the market data with the subject agreement. Productivity is often the primary factor in a benchmarking analysis. Market-based methods based on productivity include the percentile matching technique, median rate technique, compensation by quartile technique, and workload analysis.

Cost Approach: The cost approach may be utilized to recreate the cost of providing the same or similar services as outlined in the compensation agreement. A cost buildup method may include market-based data or historical costs that were previously negotiated in an arm's length transaction. An appraiser may rely upon the historical compensation of a physician as a comparison for compensation under an employment contract. Adjustments can be made depending on similarities or differences in the scope of services provided in the past compared to the proposed arrangement. For example, the employment agreement may include hospital call coverage or administrative responsibilities.

Earnings-Based Methods: The earnings-based methods analyze the revenues associated with physician services less the cost of providing those services. The physician's net earnings can be an indication of the value of a physician's services to an employer. The income approach can be utilized to determine the present value of future economic benefits received by either party to the compensation agreement.

Our healthcare valuation experts opine on all types of compensation arrangements. These compensation service arrangements include the following:

- Physician services
- Employment contracts
- Medical Director services
- Overall management services
- Marketing services
- On-call services
- Tele-medicine arrangements
- Performance Pay arrangements
- Clinical integration network
- Management service organizations
- Co-management arrangements
- Employee leasing services
- Pay "per click" arrangements
- Clinical research and trial activities
- Billing and collection services
- Recruitment service fee arrangements
- Other types of professional services

Transfer Pricing

Marshall & Stevens transfer pricing group includes an experienced team of economists (Ph.Ds., MSs, and MBAs) and valuation specialists. Our team has a broad understanding of the U.S. Internal Revenue Service and other tax authorities necessary to implement defensible transfer pricing policies and procedures. Marshall & Stevens team of professionals extends this expertise to help healthcare service companies develop arms-length agreements between and among separate healthcare organizations. We specialize in creating optimal financial analytics to support compliance requirements.

Fair Value for Financial Reporting (Compliance)

Marshall & Stevens provides a combination of in-depth healthcare industry knowledge with a strong understanding of the nuances and best practices surrounding fair value in a GAAP reporting environment, including purchase price allocations, intangible asset and goodwill impairment testing, not-for-profit entities, and other assets, liabilities, and equity securities.

Our team of Chartered Financial Analysts, CPAs, appraisers and corporate finance experts help you successfully navigate mergers, offers, unusual transactions, reporting requirements and other difficult challenges. We're known for taking on and solving the most difficult problems — the ones our competitors aren't sure how to handle.

Intellectual Property and Intangible Asset Valuation

Marshall & Stevens has extensive experience in valuing intellectual property and other types of intangible assets. Having analyzed and overseen the valuation of hundreds of businesses, our healthcare valuation experts have gained the technical background necessary to analyze complex intellectual property valuations including:

- Contract-related (e.g., favorable supplier or other product/service contracts)
- Customer-related (e.g., customer lists and customer relationships)
- Data processing-related (e.g., computer software, automated databases)
- Engineering-related (e.g., patents, trade secrets)
- Goodwill-related (e.g., going-concern value)
- Human capital-related (e.g., employment agreements, a trained and assembled workforce)
- Internet-related (e.g., domain names, process applications, services, and delivery systems)
- Literary-related (e.g., literary copyrights, musical composition copyrights)
- Location-related (e.g., leasehold interests, certificates of need)
- Marketing-related (e.g., trademarks and trade names)
- Technology-related (e.g., engineering drawings and technical documentation)

Fixed Asset Valuations

Marshall & Stevens healthcare valuation experts are recognized for their knowledge and expertise performing FMV fixed asset valuations for transactions and other financial schemes taken part in by physicians, hospitals and other healthcare organizations. As medical equipment plays an important role in the healthcare industry, reliable and defensible FMV opinions are crucial. Our healthcare valuation experts offer our clients peace of mind on each project.

Fixed asset valuations include fair market value, orderly and forced liquidation valuations of medical equipment, office and computer equipment, software, leasehold improvements and supplies inventory.
Our fixed asset valuation services serve a variety of purposes for our clients, including:

- Anti-Kickback Statute and Stark Law Compliance
- Medical Equipment Leasing and Financing
- Impairment of Fixed Assets
- Loan Collateralization and Support
- Strategic Planning
- Mergers and Acquisitions
- Purchase Price Allocation
- Tax Purposes

EXPERTISE IN ACTION

Founded in 1932, Marshall & Stevens provides valuation consulting, transaction advisory, and litigation support services. The firm’s specialists are relied upon by businesses, investors, and advisors for analyses utilized in complex transaction and legal matters.

From the boardroom to the courtroom, Marshall & Stevens delivers clarity, independence, and results.

NEED ASSISTANCE OR WANT TO LEARN MORE?

CONTACT FORM:

Scan the QR Code or click HERE to fill out our contact form and a specialist from our team will connect with you soon.