ACOs, CINs, IPAs, and PHOs Valuation Overview
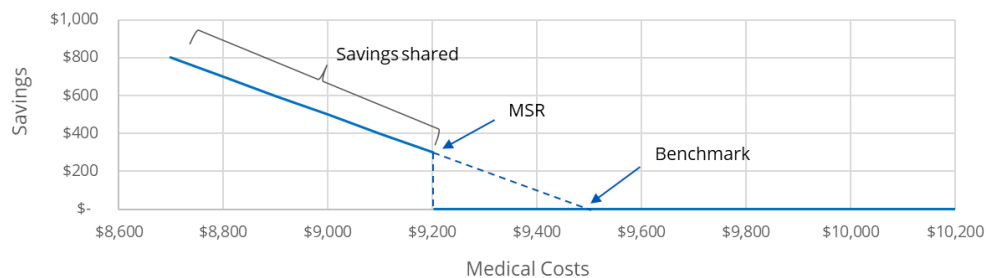
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Multi-provider networks, such as ACOs, CINs, IPAs, and PHOs, have an increasingly important role within the healthcare industry as it shifts to value-based care. Due to a variety of different cost structures and revenue streams, including risk-based contracts, each multi-provider network is different.

KEY FACTORS THAT INFLUENCE MULTI-PROVIDER NETWORK VALUATIONS

- History of success in risk-based arrangements and potential for improvement

- Terms of commercial contracts, if any

- History and potential for growing provider base, attribution, and payer contracts

- Performance relative to regional benchmarks

- Provider composition

- Technology and infrastructure

- Cost structure

- Size of the organization

- Additional revenue streams and opportunities

- Control-level of subject interest

PROBABILITY-ADJUSTING SHARED SAVINGS PAYMENTS

One of the biggest challenges in valuing multi-provider networks is probability-adjusting shared savings and other risk-based revenue streams. We use a modified option model because it best matches the structure of the payments.

Contact BFMV, at info@buckheadfmv.com for answers to questions regarding multi-provider network valuation issues or a proposal. BFMV is committed to providing fast, affordable and pain-free valuation services to healthcare organizations and their representatives. Visit buckheadfmv.com for more segment summaries.