

SEGMENT SUMMARY

ACOs, CINs, IPAs, and PHOs Valuation Overview



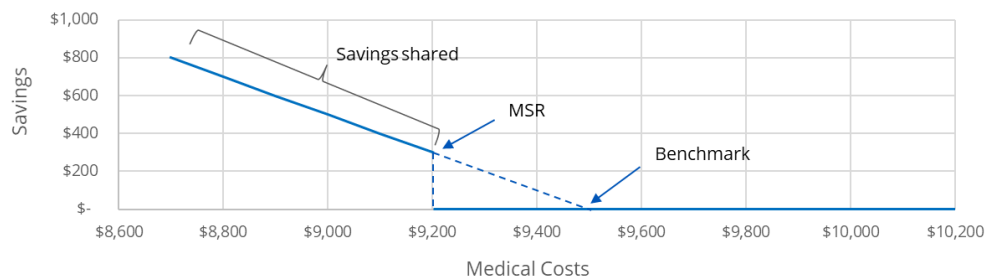
Multi-provider networks, such as ACOs, CINs, IPAs, and PHOs, have an increasingly important role within the healthcare industry as it shifts to value-based care. Due to a variety of different cost structures and revenue streams, including risk-based contracts, each multi-provider network is different.

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