

# OUR PRACTICE

---

## Cardiology Transactions

**The cardiology sector is undergoing transformational changes. Fueled by rising demand for outpatient care, ongoing reimbursement pressures, and the prevalence of cardiovascular disease, the market is seeing unprecedented private equity and health system interest. In the 2008-2016 timeframe, many cardiology groups sold to or partnered with hospital systems, but since 2019, private equity consolidations of cardiology practices have risen sharply from a handful to more than 50 transactions by 2023, driven by Medicare's rules allowing interventional cardiac procedures to be performed in ambulatory surgery centers (ASCs).**

Many independent cardiology practices are now exploring affiliation options as administrative complexity, staffing shortages, and revenue cycle challenges mount. As consolidation accelerates, private equity platforms have more than doubled in the last several years, and competition and deal activity remain elevated, while state-level regulations add complexity.

Strategic transactions with private equity, health systems, and national physician and ASC platforms are reshaping the industry, creating new avenues for innovation and value creation. In this environment, having the right legal partner is essential.

Baker Donelson's Health Care Transactions team delivers the insight and experience that cardiology practices need to thrive. We have represented dozens of cardiology groups in complex transactions nationwide – with private equity platforms and hospitals – guiding clients through every stage of the deal process. Our attorneys understand the unique opportunities available to cardiology groups, including the development and optimization of ancillary services such as:

- Ambulatory surgery centers (ASCs) for a growing number of interventional cardiology procedures
- Office-based laboratories (OBLs) for a wide range of cardiology procedures
- Advanced imaging (nuclear medicine, PET-CT, MRI, X-ray, ultrasound)
- Cardiac rehabilitation programs
- Remote patient monitoring
- Cardiology urgent care

We regularly advise clients on a full spectrum of transactional matters, including strategic affiliations with health systems and private equity sponsors, practice sales, mergers, acquisitions, and joint ventures. Further, we have advised on several transactions involving "extractions" of dissatisfied cardiologists from hospital employment and professional service arrangements. Our team also assists with the structuring and scaling of ancillary service lines, managed care arrangements, regulatory compliance, and post-transaction integration. Our approach is collaborative and business minded.



### Representative Matters

*Results may vary depending on your particular facts and legal circumstances. Some of these matters were handled by a current Baker Donelson professional while associated with a prior firm.*

- Closed the sale of the country's largest independent cardiology practice to private equity. The sale added 90 cardiologists and 50 advanced practice providers specializing in all areas of cardiovascular care, as well as 30 locations, to a platform primarily based in the Southern U.S.

- Advised a cardiology group located in Texas in the sale of their practice and ASC to a large Texas health system.
- Advised a large cardiology practice in Colorado on its extraction from a purchase and sale agreement (PSA) with a large health system and its subsequent strategic private equity investment transaction.
- Represented a cardiology group in its sale to a large New Jersey health system.
- Represented a cardiology group in Colorado in its negotiation of a PSA with a large Colorado health system.
- Represented a cardiology practice in the mid-Atlantic region in connection with a sale transaction with a private equity sponsor.
- Represented a cardiology practice and its office-based labs and ambulatory surgery centers (ASCs) in connection with a sale to a regional health system.
- Represented a large Midwestern cardiovascular group in a transaction with a private equity-backed platform.
- Represented a cardiology group in an affiliation with a large New York health system.
- Represented a large cardiology group in Maryland in the renewal and amendment of its affiliation with a Maryland health system.
- Represented a cardiology group in an extraction from a national practice and a new affiliation with a health system.
- Represented a cardiology group in an extraction from hospital employment and return to private practice.