

OUR PRACTICE

Gastroenterology Transactions

Gastroenterology (GI) practices are navigating a rapidly changing landscape defined by consolidation, reimbursement pressures, technological advancements, and regulatory scrutiny. Patient demand is surging, not just for standard procedures like colonoscopy and endoscopy, but also for advanced diagnostics, infusion therapy, and AI-enhanced care. This shift has driven the rise of GI-focused ambulatory surgery centers (ASCs), endoscopy suites, pathology labs, and infusion centers.

The trend has shifted toward larger, more strategic acquisitions by major GI platforms. Approximately one in ten gastroenterologists now practice within private equity-backed platforms, driven by economies of scale and enhanced ancillary capabilities.

At the same time, reimbursement for core GI procedures has fallen, increasing financial pressure on independent groups. Practices are responding by developing diversified service lines, including integrating pathology, infusion, imaging, and advanced diagnostic services, and leveraging outpatient settings to reduce costs and improve margins. Regulatory oversight is escalating, particularly around private equity acquisitions, site-of-service payments, Stark Law/Anti-Kickback Statute compliance, and value-based care initiatives.

Baker Donelson's Health Care Transactions team helps GI practices thrive in this complex environment by providing the following strategic support across every phase of our clients' growth journey:

- **Strategic Growth and Capitalization:** We structure and negotiate deals that unlock value – ranging from practice sales and mergers to recapitalizations and platform expansions – tailored to private equity sponsors, health systems, and strategic acquirers.
- **Facility Development and Ancillary Integration:** We advise on vertically integrated GI platforms through ASC and endoscopy center joint ventures, pathology lab collaborations, infusion suite development, and advanced diagnostics. Our counsel supports licensing, contracting, and compliance.
- **Compliance and Governance:** Our team assists with management service organization (MSO) frameworks and governance models that navigate corporate practice of medicine (CPOM) rules, Stark Law, Anti-Kickback Statute, and state-specific regulations.

With deep industry insight and a proven track record, Baker Donelson is committed to helping GI practices anticipate change, seize opportunity, and achieve lasting success in today's evolving health care marketplace.



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.

- Represented a gastroenterology group and surgery center in a transaction with an Ohio health system.
- Represented a large gastroenterology group in New York in its joint venture with a national ASC management company.