

# OUR PRACTICE

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## Orthopedic and Spine Transactions

**Orthopedic, spine surgery, and pain management practices are experiencing a wave of consolidation, with private equity firms and health systems actively acquiring and building multisite platforms. Outpatient migration is accelerating, as more joint replacements, spine procedures, and pain interventions are performed in ambulatory surgery centers (ASCs), driven by advances in minimally invasive techniques and changing reimbursement models. Practices are also expanding into ancillary services such as imaging, physical and occupational therapy, durable medical equipment, biologics, urgent care, and occupational health to diversify revenue and improve patient outcomes.**

At the same time, reimbursement pressures and regulatory scrutiny are intensifying. Medicare and commercial payers continue downward adjustments to reimbursements, while also expanding the types of surgical procedures that can be performed in an ASC. Orthopedic and other musculoskeletal (MSK) providers are also engaging more "bundled payment" and other innovative programs both with Medicare and commercial payors.

Baker Donelson's Health Care Transactions team provides comprehensive legal counsel to orthopedic, spine, and pain management practices navigating this dynamic environment. Our attorneys advise on strategic transactions, including practice sales, mergers, acquisitions, recapitalizations, and joint ventures with private equity sponsors, health systems, and strategic partners. We assist with facility development, including ASC formation, licensing, and ownership arrangements, as well as the integration of imaging, therapy, biologics, and urgent care services.

We also advise on management services organization (MSO) structures and governance models that comply with corporate practice of medicine (CPOM) laws and Stark and Anti-Kickback laws and regulations.

We are also active in connection with the negotiation of professional service agreements, co-management arrangements, and other affiliation models with hospitals and health systems. Moreover, we have advised a number of orthopedic and spine surgeons who are dissatisfied with their hospital employment and professional service arrangements on separations that allow them to enter into new partnership transactions with MSK-focused investors and strategic platforms.

With deep experience representing orthopedic, spine, and pain management groups in strategic transactions, joint ventures, and ancillary service development, Baker Donelson is committed to protecting physician interests, maximizing practice value, and supporting operational growth.



### 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 large orthopedic surgery group and ambulatory surgery center in Pennsylvania in an affiliation with a large health system.
- Represented a large orthopedic surgery group in Virginia in a transaction with a private equity-backed platform.
- Represented an orthopedic surgery group as a founding practice in a large orthopedic surgery supergroup.
- Assisted an orthopedic group practice in negotiating several agreements related to a strategic health partnership with a hospital system.

- Completed the sale of a large orthopedic practice to private equity, negotiated the definitive agreements, and led the management team through the stages of the transaction to its closing and the transition to private equity ownership.
- Negotiated the sale of an add-on orthopedic practice to an existing private equity platform and assisted in a self-disclosure and settlement on a regulatory matter.
- Closed the sale of a practice to private equity as an add-on to a platform in another state. Given the size and prestige of the client, this was effectively a platform acquisition in Colorado. The sale required heavy negotiation focused on business goals and contractual provisions to protect the client's interest and guard against client concerns.
- Represented orthopedic practices in connection with their respective sales to a prominent orthopedic group practice entering into the New Jersey market.
- Represented an orthopedic surgery practice in its merger with a large supergroup in New Jersey.
- Represented an orthopedic surgery practice in the sale of its physical therapy division to a New York-based private equity-backed physical therapy platform.
- Represented an orthopedic group with locations in New York and Connecticut in its sale to a strategic private equity buyer.
- Represented a pain and spine practice in Nevada in its joint venture with a national ambulatory surgery center (ASC) management company.
- Represented an orthopedic group practice in negotiating several agreements related to a strategic health partnership with two separate hospital systems.