

OUR PRACTICE

Dermatology Transactions

Dermatology has emerged as one of the most dynamic and competitive segments in health care investment, attracting private equity, strategic acquirers, and entrepreneurs alike. Baker Donelson brings deep transactional and regulatory experience to dermatology practices, management services organizations (MSOs), and platform companies at every stage of the deal lifecycle.

The dermatology sector has undergone a fundamental shift, evolving from independent practices into sophisticated, high-growth platforms that command significant attention from private equity and strategic investors. Our attorneys advise dermatology practices, MSOs, and platform companies on the full spectrum of transactions, from minority recapitalizations and practice acquisitions to de novo development and full-scale exits.

Our attorneys understand the unique structural and regulatory complexities that define dermatology transactions, including physician equity arrangements, MSO governance, ancillary service line integration, state-specific corporate practice of medicine restrictions, and the valuation dynamics of high-cash-pay, elective-care revenue streams. We structure transactions to withstand diligence, closing, and long-term operational realities.

Regulatory Compliance

The regulatory environment governing dermatology is layered, state-specific, and increasingly scrutinized by federal and state enforcement agencies. As platforms expand – adding locations, service lines, and ancillary offerings – compliance requirements grow with them. Baker Donelson helps dermatology practices and investors navigate this landscape proactively, building compliance programs designed to withstand both operational growth and regulatory examination.

Our regulatory team advises on a full range of issues that arise across the dermatology enterprise:

- Corporate practice of medicine (CPOM) and fee-splitting analysis
- Stark Law and Anti-Kickback compliance
- Scope-of-practice counseling
- State licensure and certificate of need (CON) matters
- HIPAA and data privacy
- FDA and FTC marketing compliance
- Compliance program development
- Payor and reimbursement matters

Corporate and Transactions

Private equity-backed platforms are rapidly scaling and merging, intensifying competition for independent practices. This wave of consolidation is reshaping the industry landscape, offering new opportunities while raising the stakes for those seeking to remain independent.

Baker Donelson partners with physician and non-physician owners and platforms to execute buy-side and sell-side transactions that preserve clinical autonomy and create lasting value. Our team guides dermatology groups through every stage of the deal lifecycle, including:

- Corporate document preparation
- MSO structuring and governance compliance
- Practice sales, mergers, and acquisitions with private equity sponsors, strategic platforms, payors, and health systems
- Assisting national platforms and strategic buyers with growth initiatives, including platform expansion, add-on acquisitions, and operational scaling across multiple markets
- Joint ventures and affiliations, including pathology lab partnerships and de novo launches
- Ancillary service expansion, such as in-house pathology and clinical research, to diversify revenue



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.

- Served as transactional and regulatory counsel to a large dermatology practice in the Northeast, with multiple clinical offices located in Massachusetts and New Hampshire, in connection with a strategic partnership with, and growth investment by, one of the largest private equity firms focusing on the physicians' service sector.
- Represented a dermatology group in a transaction with a private equity-backed platform.
- Represented a large, multisite medical and cosmetic dermatology practice in the Mid-Atlantic region in its strategic partnership transaction with a private equity-sponsored dermatology platform.
- Represented a dermatology practice in the Northeast in its sale and partnership transaction with a growing private equity platform in the region.
- Represented a dermatology practice in the Northeast in its sale to a private equity-sponsored dermatology platform.
- Represented a dermatology practice, including its ambulatory surgery center, in its sale to a private equity-backed dermatology consolidator.