

CHOOSING THE RIGHT MEDICAL PRACTICE VALUATION CONSULTANT

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WHY CHOOSING AN EXPERT MEDICAL PRACTICE VALUATION CONSULTANT MATTERS

The physician who obtains an independent valuation gains a better understanding of the practice's value. An independently prepared valuation prepared by a qualified, experienced accredited or certified business appraiser with medical practice experience will help to insure that you make an informed and proper decision. In addition, the medical practice valuation consultant will often be available to offer advice regarding the parameters for setting an asking price, deal terms and restrictive covenants.

RECOGNIZED BUSINESS VALUATION CREDENTIALS INCLUDE:

- Accredited Senior Appraiser (ASA), a designation of the American Society of Appraisers;
- Accredited in Business Valuation (ABV), a designation of the American Institute of Certified Public Accountants; and
- Certified Valuation Analyst (CVA), a designation of the National Association of Certified Valuation Analysts.

THE IMPORTANCE OF BUSINESS VALUATION CREDENTIALS AND EXPERTISE

All three designations require extensive training, continuing professional education and experience. Individuals with these credentials have all passed rigorous examinations and have been certified to perform business valuations. Additionally, physicians should use business appraisers who have health care expertise (including medical, dental, surgery centers, and hospitals). The health care industry is highly specialized and regulated, and the appraiser must be knowledgeable regarding practice risks, regulatory compliance, changes due to Health Care Reform, reimbursement rate trends, and more. Health care appraisers have also invested in health care databases, industry information and sources that contain information on medical practice sales, practice cost structures and physician compensation, to name a few.

OUR HEALTH CARE VALUATION REPORTS

In our health care practice, we have found that physicians desiring to transition by either retiring or taking in a partner often do not require a full detailed valuation of their practice for determining a purchase price. A reduced scope valuation, termed a "calculation of value" (as defined in the AICPA's Standard on Standards for Valuation Services) is appropriate in many of these settings and is less costly than a full detailed valuation. Valuation reports can either be oral or written, summary or detailed – all depending on the needs of our client. Our medical practice consultancy group includes experienced professionals with each of the aforementioned designations.

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