

Physician Acquisitions and Mergers: Recent Developments in Light of Heightened Federal and State Governmental Enforcement

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As a result of various market conditions and reimbursement initiatives, the healthcare industry has witnessed increased activity in the area of physician consolidation. It is not uncommon for providers to attempt consolidation through the means of acquisitions, mergers, and other joint venture relationships. This activity may be based upon numerous reasons, such as meeting competition from larger independent physician groups or hospital-controlled physician practices or providing a broader geographic base for payor contracting purposes. Also, consolidation may be for the purpose of coordination of care, economies of scale, or being in a position to quickly and effectively address changes in the delivery of healthcare.