Nine Questions to Ask Before Selling Your Practice to a Hospital

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Here are nine questions that can help reveal if becoming acquired by a larger system is the right move for you and your practice.

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Are you considering selling your medical practice to a larger healthcare system? Make sure you ask the right questions first.

Here are nine questions that can help reveal if becoming acquired and employed by a larger health system is the right move for you and your practice:

1. **What are your long-term strategic objectives?** Determine where the health system hopes to be in the next few years, and whether you will be comfortable aligning with its current and future goals, Bill Cherry, a principal at Pinnacle Healthcare Consulting recently told Physicians Practice. For instance, consider what health reform initiatives the larger system plans to participate in, how it defines quality patient care, and whether it plans to acquire other nearby practices.

2. **What is your strategic vision for my practice?** Make sure that the larger healthcare system is seeking to acquire you for the right reasons, Jennifer Snider, vice president of operations at The Halley Consulting Group recently told Physicians Practice. Make sure that the health system has a strategic vision for your practice, and that it is not just acquiring your practice because it fears a competing health system is going to acquire it.

3. **What are your expectations of my practice?** Before acquiring your practice, the larger healthcare system may develop financial projections for it for the next few years, said Snider. Make sure you are aware of those projections, consider whether they are realistic, and consider whether the health system provided you with an opportunity to share your input and feedback.

4. **What authority will I retain and in what areas?** Define what decisions will continue to reside with you, and what decisions will need to be made at a higher level, said Cherry. Make sure you can thrive in that environment.

5. **Will I have a voice in the broader decision-making?** Make sure that you will have the opportunity to share your input regarding decisions that will lie outside your purview, said Snider. "The hospital is the one that has the capital dollars to support those practices and to reinvest in those physician practices, so ideally there is some kind of governance model that has that partnership between the physicians and the hospital administration."

6. **What's going to happen to displaced staff?** If the larger system plans to make staffing changes at your practice, it may be able to provide displaced staff with opportunities to work in other areas of the healthcare system, Daniel Stech, a principal at Pinnacle Healthcare Consulting recently told Physicians Practice. Make sure that the acquisition will not leave your loyal staff members out in the cold.

7. **What's going to happen to my existing technology?** If the health system will require you to adopt its technology, make sure that it has a dedicated transition plan and support system in place, Wade Thomas, a regional manager at Healthcare Strategy Group recently told Physicians Practice.

8. **Do you plan to add another physician to my practice?** A new physician might help your practice grow, but he could also hinder your productivity. That's a big consideration to take before...
selling your practice, especially if the compensation plan the hospital has outlined for you is tied to productivity, said Snider.

9. **Who will be involved with managing my practice?** The larger system may appoint an individual to manage relations between it and its acquired practices, and/or it may appoint an individual to oversee management of all of its acquired practices. Regardless of the particular arrangement, ensure that this individual has experience on the practice side of things, not just on the hospital side of things. "Hospital business and ambulatory business are two different things," said Snider. "Does the hospital realize that and put the right management team in place to manage the practice?"

*What other questions should a physician ask before selling his practice to a larger healthcare system?*

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