

HEALTHCARE: THE BIG UNCERTAINTY



INDUSTRY PRESSURES



Potential changes to healthcare

legislation will shape the industry



Regulatory compliance creates **unavoidable financial pressures**

IMPACT ON THE SECTOR

INCREASED DISTRESS



Healthcare bankruptcies & consolidation has **increased** over the last **three years**

Distressed M&A healthcare deals

INCREASED
86%

from 2013-2014 to 2015-2016



Over 80 hospitals

in rural areas have closed since 2010

CHANGE IN COMPETITION



Physicians are moving

from private practice to hospitals & larger healthcare systems



There will be **2,800+** retail clinics by 2018



These factors threaten profitability

of independently employed physicians

TIPS TO SURVIVE THE UNCERTAINTY



Shift to **longer-term**, extended care revenue streams, such as **cancer treatment & rehabilitation**



Strategically manage competition with low-cost retail clinics

Explore options to **LEVERAGE HARD ASSETS**



Dispose of **non-strategic** facilities



Monitor changes to reimbursements, incentives & the insured pool



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