PALM MEDICAL CENTERS · PHYSICIAN PARTNERS

What Buyers Look At

A Practice Value Checklist for Independent Primary Care Physicians

Whether you opened your doors a few years ago or have built your practice over decades, it helps to know what a buyer or partner looks at. This checklist walks through the areas that shape a primary care practice's value. Use it to see where your practice is strong, what records to pull together, and which questions to ask before any conversation.

There's no score and no dollar figure here. Every practice is different, and value depends on how these factors fit together. Check off what you already have in hand, and note anything you'd like to talk through.

1. Your patient panel

Buyers start here: an active, loyal panel is the core of a primary care practice.

- ☐ Number of active patients seen in the last 12-18 months
- ☐ How the panel has grown or changed over the last three years
- ☐ Patient retention, and how many patients have been with you five years or more
- ☐ Age mix of your panel, including the share of patients 65 and older
- ☐ New patient volume and where new patients come from

2. Payer mix

Who pays for your patients' care affects both revenue today and the opportunity ahead.

- ☐ Share of patients on Medicare Advantage, traditional Medicare, Medicaid and commercial plans
- ☐ Whether a large share of revenue depends on one health plan
- ☐ Current health plan contracts, and any value-based or shared-savings arrangements
- ☐ Reimbursement trends on your largest plans over the last few years

3. Revenue and collections

Clean, consistent financials make a practice easier to understand and evaluate.

- ☐ Three years of profit and loss statements
- ☐ Collection rate and days in accounts receivable
- ☐ Revenue by provider and by location
- ☐ One-time or unusual expenses you can explain
- ☐ Owner compensation and personal expenses run through the practice

4. Coding, documentation and quality

For Medicare patients especially, accurate coding and quality reporting carry real weight.

- ☐ How chronic conditions are documented and coded (risk adjustment, or HCC, coding)
- ☐ Whether you have coding support or audits today
- ☐ Performance on quality measures your health plans track
- ☐ Care gap closure for preventive screenings and chronic disease management

5. Providers

A practice's value often rests on who delivers the care and whether they plan to stay.

- ☐ Number of physicians, nurse practitioners and physician assistants
- ☐ Each provider's plans for the next three to five years
- ☐ How much of the panel depends on one physician
- ☐ Hospital privileges, board certification and credentialing status

6. Your team

Experienced, stable staff keep patients happy and make any transition smoother.

- ☐ Key staff roles, tenure and turnover over the last two years
- ☐ Who handles billing, scheduling, referrals and front desk today
- ☐ Employment agreements, benefits and payroll records

7. Locations and facilities

Where you practice, and on what terms, matters to any partner.

- ☐ Lease terms for each location: length, renewal options and whether the lease can be assigned
- ☐ Condition of the space and room to grow
- ☐ Major equipment owned or leased, and its age

8. Operations and technology

Systems shape how easily a practice can grow or join a larger group.

- ☐ Electronic health record (EHR) system and contract terms
- ☐ Billing handled in-house or outsourced
- ☐ Scheduling, patient portal and phone systems
- ☐ Vendor contracts and when each one renews

9. Compliance and legal

Buyers review these items in diligence, so it helps to know where they stand.

- ☐ Current licenses, DEA registrations and CLIA certificates
- ☐ Health plan credentialing up to date for every provider
- ☐ Any open audits, payer recoupments or legal claims
- ☐ HIPAA policies, compliance program and malpractice coverage history
- ☐ Ownership structure and any partner or shareholder agreements

10. Your goals

The right partnership starts with what you want. These answers shape everything else.

- ☐ How long you want to keep practicing, and in what role
- ☐ What matters most for your patients and staff
- ☐ Your ideal timeline for a decision
- ☐ How involved you want to stay in the practice's direction

Ready to talk it through?

Palm Medical Centers is looking to acquire, invest in, and partner with primary care practices at every stage. If you'd like a second set of eyes on this checklist, I'd welcome the chance to share our story, hear more about you, and explore whether a partnership makes sense. There's no obligation, and everything we discuss stays confidential.

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This checklist is general information to help physicians prepare. It is not a valuation, an offer, or legal, tax or financial advice. Talk with your own attorney and accountant about your situation.