Transaction Advisory Group Healthcare

Our Integrated Approach

2019

ALVAREZ & MARSAL

A & M

About A&M's Integrated Healthcare Practice

The A&M Healthcare Industry Practice has a significant track record of working with equity investors, management, boards of directors and stakeholders of both investor-owned and non-profit organizations.

- Combines world-class pre-acquisition financial accounting and operational diligence services with deep healthcare industry and post-acquisition advisory services
- Over 150 dedicated healthcare industry professionals with deep financial, operational, and advisory experience
- Strong history of effectively serving the needs of the private equity community in the U.S. and Europe through both our proprietary deal-flow and extensive performance improvement capabilities

A&M Transaction Advisory Healthcare Group

Dedicated healthcare vertical with over 20 professionals providing financial accounting due diligence to private equity and corporate healthcare clients.

Deep Sector expertise including:

- Physician Practice Management
- Hospital and Health Systems
- Long Term Care
- Payors and Payor Services
- Home Health and Hospice
- Behavioral Health
- Life Sciences
- Outsourcing
- Labs and Imaging

Integrated Diligence Approach that:

- **Assists clients in validating investment thesis**
- **Monitor industry trends and translate changes in industry dynamics (reimbursement, product rollout and acceptance, cost structure, etc.)**
- **Provides comprehensive suite of complementary services for healthcare acquirers, including:**
  - **Guidance on complex accounting issues**
  - **Transaction tax advice**
  - **Healthcare consulting services, including (but not limited to) operational improvement, interim management and strategy development and execution**

Leveraging our Experience

A&M applies decades of experience in providing services to both failing and challenged companies to build a comprehensive consulting practice offering high quality consulting services throughout a company's entire lifecycle – from early stage due diligence and strategy services through exit or turnaround advisory services. Our team of regionally based senior professionals, many with C-Level experience, provides actionable strategies to today's financial, operational and regulatory issues across the entire healthcare continuum.

- Reputation for "on time, on budget" performance
- Multi-disciplinary, local market experience and presence
- Long history of market credibility / accountability
- Small, dedicated teams of operating professionals

COMPLIANCE / INVESTIGATIONS

- Board Advisory
- TJC, HIPAA and Sarbanes-Oxley Compliance
- Dispute and Reimbursement Resolution
- Fraud / Abuse Investigation
- Licensing Advisory Services
- Government Settlements
- Billing Practices and Policies
- Intellectual Property Licensing
- Expert Testimony
- IND/EOPII/NDA Filings
- Regulatory Strategy Development
- Manufacturing Audits and Remediation
- PAI Readiness and Oversight
- Annual Report Preparation
- CMS Compliance

EXIT / SUPPORT

FINANCE ADVISORY

- Sell-Side Financial Operation and Tax Due Diligence
- Sell-Side Advisory and Asset Disposition
- Valuation Opinions and Testimony

DUE DILIGENCE / ACQUISITION SUPPORT

PERFORMANCE IMPROVEMENT / GOVERNANCE

STRATEGY

- Market Positioning
- Brand Development
- Service Line Development
- Capital Planning and Investment
- Physician Relations and Integration
- Continuum of Care
- Mission and Vision
- Long-Term Strategic Plans

TRANSACTION ADVISORY

- Buy-Side Financial, Operational and Tax Due Diligence
- Real Estate Advisory
- Financial Modeling
- Merger Integration
- Deal Structuring
- Capital Sourcing

FINANCIAL PERFORMANCE

- Revenue Cycle
- Business Office Efficiency
- Managed Care Strategy
- Risk Advisory
- Budgeting / Financial Planning
- Capital Programs
- Supply Chain
- Labor Productivity
- Clinical Documentation and Coding Reviews
- Third-Party Reimbursement

CLINICAL QUALITY

- Clinical Process Redesign
- Public Reporting of Quality and Safety Indicators
- Evidence-Based Care
- Resource Utilization and Cost of Quality
- Pay for Performance
- Care and Case Management Process

OPERATIONAL EFFECTIVENESS

- Patient Access, Throughput and Level of Care
- Clinical Efficiency and Outcomes
- Human Resources and Labor Management
- Performance Benchmarking
- Process Work Flow Analysis and Redesign

MANUFACTURING

Drug Product and Development

- Formulation Development
- Excipient / Ingredient Selection
- Analytical Methods Development
- Report Documentation
- Strain Selection
- Feed and Media Optimization
- Protein Fermentation and Purification
- Biocatalysis Strategy Development
- Clinical Process Redesign
- Public Reporting of Quality and Safety Indicators

Supply Chain Strategy

- Technology Transfer Planning and Management
- Vendor Selection
- Vendor Audits
- Manufacturing Strategy
- Manufacturing Process Development and Validation
- Process Assessment and Optimization
- Manufacturing Scale-Up
- Technology Transfer

Cost of Goods Analysis

- API Manufacturing Cost Estimates
- Model Manufacturing Processes
- Detailed Cost Analysis
- Analysis of Technical and Cost Challenges of Synthetic Route
- Understand Labor / Facility Costs and Raw Material Cost Contribution
- Direct Your Drug Development Efforts to Drive Down Cost
- Resource Utilization and Cost of Quality

TURNAROUND ADVISORY

INTERIM MANAGEMENT

- C-Level Expertise (CRO, CEO, CFO, Controller, Compliance Officer)
- Crisis Management
- Contract Management
- Liquidity Management
- Reimbursement Management
- Asset Management

RESTRUCTURING

- Financial Advisory
- Financial and Operational Restructuring
- Turnaround Advisory Plans
- Change Management
- Organizational Development
- Risk Advisory
- Unsecured and Secured Lender Advisory
- Creditor Consultancy Management
- Capital Management

Michael S. Cole

Managing Director and Healthcare Industry Leader | Transaction Advisory Group

- Mike Cole is a Managing Director and leads the Healthcare Practice of Alvarez & Marsal Transaction Advisory Group. For more than 25 years, Mr. Cole has specialized in spearheading financial accounting healthcare due diligence projects for complex public and private company transactions.
- As the Healthcare Practice Leader of A&M's Transaction Advisory Group, Mr. Cole ensures delivery of the firm's integrated diligence offering to both private equity firms and strategic buyers around the United States.
- Mr. Cole has assisted numerous strategic buyers and private equity firms with transactions across a wide spectrum of healthcare and life sciences segments, including acute care hospitals, long-term care, home health, hospice, managed care specialty and institutional pharmaceuticals, ambulatory surgical centers, clinical laboratories, physician and dental practices and clinics, pharmacy benefit management, disease management, contract research organizations and other healthcare service organizations.
- Mr. Cole specializes in providing accounting and transaction structuring advice, throughout the transaction lifecycle, assessing quality of earnings and key business and earnings drivers, as well as SEC and GAAP accounting and reporting requirements. He critiques financial models and purchase agreements and reviews the financial performance of target companies to identify cost reductions and / or operating efficiencies. He has worked with management teams of private equity-backed portfolio companies to complete add-on acquisitions and direct platform investments.
- Prior to joining A&M, Mr. Cole was a Partner and the National Leader of Private Equity - Healthcare at Ernst & Young. In this role, he led financial accounting due diligence projects for private equity investor groups and strategic buyers, and the development and coordination of the firm's go-to-market and service delivery strategies for private equity funds with healthcare interests. Previously, Mr. Cole was with the Audit & Business Advisory practice of Arthur Andersen in Nashville.
- Mr. Cole earned a bachelor's degree in accountancy, with high honors, from the University of Kentucky. He is a Certified Public Accountant (CPA) in Tennessee and Kentucky, and an active member of the American Institute of Certified Public Accountants (AICPA) and the Tennessee State Society of Certified Public Accountants (TSCPA). He was named to the Nashville Health Care Council Board of Directors in July 2017.

MICHAEL S. COLE, CPA

Andrew Henoch

Senior Director | Transaction Advisory Group

- Andrew Henoch is a Senior Director with Alvarez & Marsal's Transaction Advisory Group in Chicago. With over five years of transaction-related experience, Mr. Henoch focuses on accounting and financial analysis for buy-side and sell-side transaction matters for both private equity firms and strategic buyers. In addition, He has participated in a variety of post-merger operational improvement projects, with responsibilities ranging from the preparation of business plan reviews to the construction of financial models capable of incorporating performance improvement scenarios.
- Mr. Henoch primarily focuses on serving clients in the healthcare and life sciences industries, including acute and sub-acute care hospitals, outpatient physical therapy, durable medical equipment, home health, hospice, managed care, nurse staffing, disease management, and specialty pharmaceuticals. Additionally, he has performed financial accounting due diligence projects across various other industries, including manufacturing, construction, publishing, agriculture, communications, distribution, retail and engineering services.
- Prior to joining A&M, Mr. Henoch was a Senior Associate with the Private Company Services practice at PricewaterhouseCoopers. During this time, he worked with high growth private and small-cap public clients to assess key performance indicators, analyze financial risk, evaluate internal controls for Sarbanes-Oxley compliance and provide audited financial statements. In addition, Mr. Henoch has participated in several engagements for clients during the sale processes, where he gained exposure to purchase accounting, operational and financial integration, internal control implementation, and other transaction related issues from both the buyer's and seller's perspectives.
- Mr. Henoch earned a bachelor's degree, cum laude, in finance and accounting from the Freeman School of Business at Tulane University in New Orleans, Louisiana. He is a Certified Public Accountant (CPA), licensed in the state of Illinois.

ANDREW HENOCH, CPA

Raheel Khan

Senior Director | Transaction Advisory Group | Healthcare

- Raheel Khan is a Senior Director with Alvarez & Marsal's Transaction Advisory Group. He specializes in providing buy-side and sell-side financial due diligence services, with a specialization in healthcare.
- Prior to joining A&M in New York and then Atlanta, Mr. Khan was with the Transaction Services group of PricewaterhouseCoopers in New York City, where he worked with large private equity and corporate clients on buy-side and sell-side transactions.
- Since arriving at A&M, Mr. Khan has focused on healthcare transactions and brings expertise in physician practice management, behavioral healthcare, dental service organizations, revenue cycle management, hospice and home health, senior living, and various other healthcare sub-industries.
- Mr. Khan focuses on determining historical earnings quality, historical revenue quality, working capital requirements, and identifying debt-like items of acquisition targets through analysis of financial statements and discussions with management to provide clients with key information in purchase price negotiations. He also identifies key business drivers and trends to determine the sustainability of earnings and the growth potential of acquisition targets. Mr. Khan ensures that acquisition and financing agreements reflect the proper deal structure and link with financial due diligence findings.
- Mr. Khan serves on the Virginia Tech Pamplin College of Business Accounting Advisory Board. He was also awarded the 2011 Pamplin College of Business Outstanding Recent Graduate Award by Virginia Tech.
- Mr. Khan earned his bachelor's degree, summa cum laude, and master's of accountancy, in Accounting with an option in Finance from Virginia Tech. Mr. Khan became a Certified Public Accountant in Virginia in 2008 and New York in 2009.

RAHEEL KHAN, CPA

Richard Sober

Managing Director | Transaction Advisory Group

- Richard Sober is a Managing Director with Alvarez & Marsal's Transaction Advisory Group in Atlanta. With more than 16 years of experience, he specializes in providing all aspects of accounting and transaction advice. He has led and participated in numerous buy-side and sell-side transactions for both private equity and corporate clients.
- For the past 13 years, Mr. Sober has focused on healthcare transactions, and brings deep expertise in home health, hospice, acute care, hospital, dental practices, long-term care (SNF, ALF, LTACH), managed care, physician practice management and nurse staffing companies. Additionally, he has diverse experience in complex carve-out, public-to-private deals and sell-side transactions. Prior to his healthcare experience, he led and participated in diligence projects in the manufacturing, consumer products and telecommunications industries.
- Mr. Sober provides expert advice throughout the transaction lifecycle, assessing quality of earnings and key business and earnings drivers, as well as SEC and GAAP accounting and reporting requirements. He critiques financial models and purchase agreements, and reviews the financial performance of target companies to identify potential operating efficiencies. He has worked with management teams of private equity-backed portfolio companies to complete numerous add-on acquisitions and platform investments.
- Before joining A&M, Mr. Sober was a senior manager with the transaction advisory services practice of Ernst & Young in Atlanta. In this role, he led financial due diligence projects for large and middle market private equity clients with investments in healthcare and corporate healthcare acquirers.
- Mr. Sober earned a bachelor's degree in accounting, with a minor in economics, and a master's degree in accounting from the Fisher School of Accounting at the University of Florida. He is a Certified Public Accountant (CPA) in Georgia.

RICHARD SOBER, CPA