

PLATANO ADVISORS

SERVING HEALTHCARE FOUNDERS NATIONWIDE

How to Sell a Medical Practice

The Complete Guide. The insider playbook for physician owners and healthcare founders across the United States ready to turn decades of hard work into life-changing wealth.

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Chapter 1: Why Buyers Are Fighting to Acquire Healthcare Practices

There is more private equity capital chasing healthcare practices right now than at any point in history. Hundreds of millions of dollars are sitting in funds earmarked specifically for medical practices like yours. If you are a physician owner who has been heads-down building for the last decade, you might not realize just how dramatically that changes the game for your financial future.

The Healthcare PE Gold Rush

What's Happening	What It Means for You
More PE capital chasing practices than ever	Build to \$1M EBITDA and sell for \$7M+
Buyers paying 5–10× your annual earnings	Retain clinical autonomy post-close
You can sell and continue running your practice	Roll equity into a larger platform
Some owners collecting TWO massive paydays	Create generational wealth in 3–5 years
Healthcare is recession- and automation-proof	PE needs operators: they need YOU

PE firms are paying these multiples because healthcare is one of the most resilient, recession-proof sectors in the economy. It cannot be outsourced, it cannot be automated away, and demand only grows as the population ages. When a PE firm acquires your practice, they are buying predictable revenue, a loyal patient base, and a platform they can scale by adding more providers and locations. That is why competition for quality practices is at an all-time high.

Here's How the Math Works

 PRACTICING 20 YEARS

\$400K/Year

= \$8 Million Total

vs.

 SELLING YOUR PRACTICE

In 4 Years

= \$10M+ Total

Building to sell is the fastest path to wealth in medicine. A physician earning \$400,000 per year for twenty years accumulates eight million dollars in gross income. But a physician who builds a practice to \$1.5M EBITDA and sells at a 6× multiple collects nine million dollars in a single transaction, often with the opportunity to roll equity and collect a second payout worth millions more when the platform itself is sold three to five years later.

💡 **The Opportunity: More PE capital is chasing healthcare practices today than at any point in history. The window is open now, but it will not stay open forever. The firms that are paying premium multiples today are building platforms: once they have enough practices in your market, the buying slows down.**

Ready to find out what PE firms would pay for your practice?

Schedule Your Free Discovery Call

Chapter 2: What Your Practice Is Actually Worth

M&A INSIGHTS

What Your Practice Is Actually Worth: The Multiples Reality

By Platano Advisors · April 2026 · 5 min read

Every broker you talk to will dangle the highest possible multiple in front of you. It's how they win the listing. But the truth is that multiples vary dramatically based on the size of your practice, its structure, and the buyer pool available to you. If you go to market with unrealistic expectations, you'll waste months, burn out your team, and potentially leave real money on the table.

So let's get honest about what the market actually looks like.

The Three Tiers of Medical Practice Transactions

Where your practice falls in these tiers determines your realistic valuation range, the types of buyers available to you, and how competitive the process will be. The buyer landscape is broader than most owners realize: it includes strategic acquirers, independent sponsors, family offices, search funds, venture capital firms, private equity groups, and management companies.

Tier 1: Small Practice

1-3 Providers · \$500K-\$1.5M
EBITDA

Most common transaction in the
market

3x-5x

TYPICAL MULTIPLE
What most buyers will pay

4x-7x

PREMIUM MULTIPLE
<10% of buyers will go here

**Strategic fit
required**

Platforms building in your market

Tier 2: Mid-Size Group

3–8 Providers · \$1.5M–\$3M
EBITDA

Meaningful buyer competition starts
here

4x–6x

TYPICAL MULTIPLE

Broader buyer pool

6x–8x

PREMIUM MULTIPLE

Clean books + VBC contracts =
leverage

**Second bite
possible**

Rollover equity at this tier is valuable

Tier 3: Large Platform

8+ Providers · \$3M–\$5M+
EBITDA

Needs a special buyer: but the upside
is real

5x–7x

TYPICAL MULTIPLE

Without a strategic buyer

8x–12x

PREMIUM MULTIPLE

Requires the right strategic buyer

**Generational
wealth possible**

Second bite at this level is
transformational

Understanding Each Tier

Tier 1: The Small Practice (1–3 Providers)

If you're running a small practice with one to three providers and EBITDA between five hundred thousand and one and a half million, you're in Tier 1. This is the most common transaction in the market. Most buyers will pay three to five times EBITDA. Can you get higher? Occasionally. But fewer than ten percent of buyers will go above that range, and it almost always requires a very specific strategic fit.

Important: even solo practitioner practices are sellable at this tier. You won't command a premium without a transition plan, but with the right structure: where the owner stays on to help transfer relationships and operations: these practices sell at market value every day.

Tier 2: The Mid-Size Group (3–8 Providers)

Tier 2 is where things get more interesting. At this level, you start seeing meaningful buyer competition from strategic operators, independent sponsors, family offices, and search funds: not just private equity. Typical multiples land between four and six times, with premiums reaching six to eight times for practices with clean books and value-based care contracts.

Tier 3: The Large Platform (8+ Providers)

Tier 3 is the big league. These deals need a special buyer, but the upside is transformational. Standard multiples are five to seven times, and the right strategic acquirer might pay eight to twelve times. At this level, the second bite on your rolled equity can be worth as much as the initial sale.

THE TRUTH: Premium multiples are real: but they require the right buyer, the right timing, and a well-run process. Less than 10% of transactions achieve the top of the range.

The Hidden Gold Mine: Equity Rollover

Don't sleep on equity rollover. Say you sell a one and a half million EBITDA practice at three times. That's four and a half million. You take three million in cash, roll one and a half into the platform. Three to five years later, your rolled equity could be worth four to five million. Total payday on a "modest" three-times deal: seven to eight million dollars.

The Math

Sell for **\$4.5M** (3× EBITDA on \$1.5M practice)

Take **\$3M cash** + Roll **\$1.5M into platform**

That \$1.5M rollover → **\$4M–\$5M at platform's exit in 3–5 years**

Total payday on a "modest" 3× deal: **\$7M–\$8M**

Know your number. Know your tier. Then let a competitive process do the rest.

Want to Know Your Tier?

Schedule a confidential consultation and we'll walk you through where your practice falls and how to maximize your position.

[Schedule A Call](#)

Chapter 3: How to Maximize Your Valuation Before Going to Market

Buyers pay a premium for practices that are clean, scalable, and positioned for growth. Every dollar you invest in strengthening these areas before going to market returns six to ten times at closing. Whether you are a solo provider or a multi-provider group, the fundamentals of valuation remain the same: predictable revenue, operational excellence, and a practice that can thrive through an ownership transition.

What Buyers Are Actually Looking For

✔ What Buyers Love	❌ What Kills Your Multiple
Multiple providers distributing clinical revenue	Owner generates 100% of revenue AND no VBC or recurring contracts
Value-based care contracts and capitation	High Medicaid/Medicare-only payer mix with no commercial growth
Strong payer mix (commercial > Medicaid)	Messy books with personal expenses run through
Clean EMR hygiene and billing records	Undocumented workflows and no SOPs
Loyal, tenured clinical staff	No non-compete agreements from key physicians
Documented systems and SOPs	Declining patient volume or revenue trends
Geographic expansion potential	Pending regulatory issues or audits

The Key Stats That Matter

80%

Recurring Revenue Target

Memberships, capitation, contracts

3+

Providers on Staff

Ideal, but not the only path

5 yr

Clean Financial History

Audited or reviewed statements

Solo Providers: The Nuance Buyers Understand

There is a common misconception that solo providers cannot command strong valuations. That is not entirely accurate. A solo provider with value-based care contracts, strong recurring revenue, clean financials, a well-documented operation, and a loyal patient base attributed under capitation arrangements can still be an attractive acquisition target. Buyers in these cases are acquiring an infrastructure, a patient panel, and a revenue model that can be scaled by adding providers post-close.

Where solo providers struggle is when they combine single-physician dependency with pure fee-for-service revenue. In that scenario, the buyer is essentially purchasing a job that disappears when the physician leaves. There is no recurring revenue to underwrite, no attributed patient panel, and no scalable infrastructure. That combination will result in a significant valuation discount or, in many cases, no competitive offers at all.

 **The key takeaway: It is not about being solo versus multi-provider. It is about whether your practice has the structural elements: VBC contracts, recurring revenue, clean books, documented systems: that make it valuable regardless of who owns it. Build those elements, and buyers will compete for your practice.**

When to Start Preparing

Start twelve to eighteen months before you plan to sell. That gives you time to make the structural improvements that move the needle on your multiple: cleaning your financials, building recurring

revenue streams, pursuing VBC contracts, documenting your operations, and if possible, hiring associates to distribute clinical revenue. Every month of preparation translates directly into dollars at the closing table.

Ready to assess your practice's sale-readiness?

Schedule a Confidential Call with Platano Advisors

Chapter 4: Value-Based Care: The Biggest Multiplier

Medicine is moving away from fee-for-service toward Value-Based Care, and buyers know it. Practices with VBC contracts, quality performance records, and attributed patient panels are commanding meaningfully higher multiples in every market. This is not a trend or a buzzword. This is the direction of the entire healthcare industry, and the physicians who position themselves on the right side of this shift are the ones who will command premium exits.

VBC-enabled practices are the most sought-after acquisition targets in healthcare today.

Why VBC Increases Your Multiple

VBC Factor	Impact on Valuation
Shared savings & quality bonuses	Predictable, recurring revenue buyers can underwrite
Attributed patient panels	Defined, underwritable asset with known per-member revenue
Quality scores (HEDIS, Stars, CAHPS)	Signal operational excellence and care delivery sophistication
Aligned with payer direction	Revenue grows as payer dollars shift toward VBC models
Volume independence	Margin survives slow months: less revenue volatility
PE platform alignment	PE firms specifically seek VBC-ready practices for their networks

VBC Models That Buyers Pay For

Medicare Advantage capitation provides per-member-per-month revenue that is highly valued by acquirers. ACO and MSSP participation demonstrates shared savings with documented performance. Commercial risk contracts involving capitation or shared savings with private payers show payer diversification. Medicaid managed care capitation brings large attributed panels. In-house ancillaries like labs, imaging, and physical therapy aligned to care pathways add margin. Chronic disease

management programs with documented outcomes data prove that your model works and that results are measurable.

What a VBC-Ready Practice Looks Like to a Buyer

1,500+

Attributed MA or
commercial lives

4-Star+

HEDIS quality
performance

Bonus \$

Shared savings on
top of capitation

Plus: EMR configured for population health with care gap tracking and risk stratification, dedicated care coordination staff, and low avoidable ER utilization and hospital readmission rates.

⚡ **The Shift:** Fee-for-service practices are becoming harder to sell at premium multiples. If your revenue is 100% visit-based, start pursuing at least one VBC contract now. Even partial participation signals to buyers that you understand where medicine is going: and that your practice is built for the future, not the past.

Ready to position your practice for a premium VBC-driven exit?

[Schedule Your Free Discovery Call](#)

Chapter 5: Clean Your Books: It's Worth Millions

The single most overlooked value driver in a medical practice sale is clean, well-organized financial documentation. Buyers underwrite your EBITDA directly from your books. If they cannot trust your numbers, they will discount your valuation hard or walk away entirely. This is not an area where “good enough” works. In healthcare M&A, clean financials are the difference between a premium multiple and a fire sale.

The Financial Comparison That Changes Everything

● The Practice That Loses Value

✓ The Practice That Commands Premium

Personal car, travel, and meals run through P&L

Clean GAAP or accrual-basis financials

Inconsistent coding and billing records

Owner compensation properly normalized

No separation of owner compensation

Add-backs clearly documented with rationale

Cash transactions not documented

3 to 5 years of consistent revenue growth

Multiple years with financial restatements

Reviewed or audited by a CPA firm

Commingled personal and business accounts

Revenue segmented by payer, provider, and service line

The EBITDA Add-Back Opportunity

Many physician owners understate their true EBITDA without even knowing it. Add-backs are legitimate adjustments that increase your stated earnings, and every dollar of documented add-backs is worth six to ten times at closing. This is one of the highest-leverage activities you can undertake before going to market.

Common Legitimate Add-Backs Buyers Accept

Owner compensation above market rate gets added back as excess salary. One-time legal, accounting, or consulting fees that are not recurring normalize your financials. Personal vehicle expenses run through the business, personal health and life insurance premiums paid by the practice, and depreciation and amortization are always added back. One-time renovation, equipment, or relocation costs should be excluded from recurring EBITDA. Family member salaries above market compensation are also legitimate add-backs that sophisticated buyers will accept when properly documented.

Clean Books = \$1M–\$3M More at Closing

Every dollar of documented add-backs returns 6–10× at the closing table

Start 12–18 Months Before You Sell

The smartest move you can make is engaging an M&A-experienced CPA and healthcare attorney well before you plan to go to market. They will help you identify add-backs, normalize owner compensation, remove personal expenses from the P&L, and present your financials in a format that sophisticated buyers expect. Practices that prepare their books 12 to 18 months in advance close faster, at higher multiples, and with fewer due diligence surprises that chip away at the purchase price.

Ready to maximize the value of your medical practice?

Schedule Your Free Discovery Call

Chapter 6: Escape the Founder Trap: Build a Sellable Team

Most physician owners fall into what we call “The Founder Trap.” The practice is entirely dependent on them. When they leave, so does the revenue. Buyers absolutely hate this scenario because it means they are buying a job, not a business. If your practice cannot function without you for two weeks, you do not have a sellable asset. You have an expensive, exhausting career that no one will pay a premium to acquire.

You Charge LOW PRICES → LOW MARGINS

Low margins mean you can't build a team. No team = **No Exit.**

How to Escape the Founder Trap

The path out starts with hiring. Even one or two associate physicians dramatically de-risk the practice in a buyer's eyes. When clinical revenue is distributed across multiple providers, the business becomes transferable. Buyers can model the revenue surviving the transition because it does not all walk out the door with the founder.

Action	Why It Matters to Buyers
Hire associate physicians	Distributes revenue across providers, de-risks the acquisition
Delegate non-clinical work	Office Manager or COO handling admin, billing, and HR shows operational maturity
Document everything	Clinical protocols, billing workflows, and payer terms in writing prove repeatability
Build a management layer	Practice functioning at 80% capacity for 2 weeks without you is the gold standard
Create premium pricing	Higher fees fund competitive wages to attract and retain top talent
Sign employment agreements	Non-competes and clear contracts protect the buyer's investment
Reduce owner hours pre-sale	If you work 70 hrs/week, buyers assume EBITDA disappears when you step back

Brand Over Individual

Patients choosing your practice for its brand rather than just you personally is the signal buyers are looking for. A recognizable name, hundreds of strong reviews, documented patient loyalty across multiple providers, and operational systems that run without daily founder intervention all add meaningfully to your multiple. Premium practices hire premium talent, charge premium fees, and command premium exits.

60%+	2 Weeks	2-3×
Revenue from associates (not the founder)	Practice runs smoothly without you	Higher multiple for team-based practices

Need help building a sellable practice? Let's create your roadmap.

Schedule Your Free Discovery Call

Want this as a formatted PDF?

Download the complete guide as a professionally designed PDF you can reference anytime.

Chapter 7: Your Digital Reputation as a Trust Builder

Before a private equity firm or strategic buyer submits a letter of intent, they Google you. Your online reputation directly affects your negotiating position, your perceived value, and ultimately the multiple you command. In today’s healthcare M&A market, digital presence is not optional. It is a valuation driver that separates premium exits from average ones.

Build Your Practice “Brag Book”

Asset	Why It Matters to Buyers
500+ Google Reviews (4.7+ Stars)	Social proof that patient loyalty belongs to the brand, not just the physician
Optimized Healthgrades & Zocdoc	Multi-platform presence signals operational sophistication
Patient Video Testimonials	Emotional proof of patient outcomes and satisfaction
Press Coverage & Awards	Third-party validation builds credibility during buyer meetings
Referring Physician Letters	Demonstrates a referral network that survives ownership transitions

Your Digital Presence Checklist

Your Google Business Profile should be fully optimized with accurate hours, all services listed, and fresh photos uploaded weekly. Every review should receive a response within 48 hours, because buyers watch how you handle both praise and criticism. Your social media presence should be active and branded consistently. Your website needs a clear call-to-action, a high-adoption patient portal, and HIPAA-compliant online scheduling. These are not nice-to-haves. In the eyes of a buyer, they are operational fundamentals.

The Review System That Compounds

Ask at checkout right after a positive patient interaction, every single time. Send an automated text with a direct link to your Google Review page within two hours of the visit. Incentivize your staff with a small bonus per review collected during their shift. Run monthly contests where the most reviews earned wins a staff bonus. Respond personally to every negative review, because buyers will evaluate how you handle conflict. Once you cross 300 reviews, you have created social proof that justifies both premium pricing and premium valuation.

10 Minutes at Every Buyer Meeting

Spend 10 minutes showing your digital reputation at every buyer meeting. It crushes the “are patients loyal to you or the practice?” question instantly.

Want to build a practice reputation that commands a premium exit?

[Schedule Your Free Discovery Call](#)

Chapter 8: Revenue Growth Channels That Actually Work

If you want to add two to five million dollars in annual revenue to your medical practice before going to market, you need to master two marketing channels. Not ten. Not twenty. Two. Meta advertising (Facebook and Instagram) and Google Ads, including Local Service Ads, are the two highest-ROI patient acquisition channels in healthcare today. Everything else is a distant third.

Channel Comparison: Meta vs. Google

Metric	 Meta / Facebook & Instagram	 Google Ads + LSA
Cost Per Lead	\$30-\$60	\$80-\$150
Patient Intent	Discovery (browsing)	High intent (actively searching)
Best For	Elective / cash-pay services	Urgent care, specialty consults
Content Strategy	Video outperforms images 3:1	Reviews boost LSA rank directly
Key Advantage	Cheaper leads, audience building	Higher close rate, Google Guaranteed badge

 **Warning:** Most healthcare marketing agencies handle 100+ different industries. They don't understand payer mix, referral dynamics, or HIPAA. Use a healthcare-specific agency or bring it in-house.

The Math That Makes Millions

Here is the math that changes everything. Twenty new patient inquiries per week convert to roughly fourteen appointments, which yield five new high-value patients. At an average patient lifetime value of \$4,800, that is 260 new patients per year generating \$1.25 million in new annual patient revenue. This is not theory. This is the math that healthcare practices across the country are executing right now.

$$\begin{array}{ccccc} 20 & \rightarrow & 14 & \rightarrow & 5 \\ \text{Weekly inquiries} & & \text{Appointments} & & \text{High-value patients/week} \\ & & & & \\ & = & & & \$1.25\text{M} \\ & & & & \text{New annual revenue} \end{array}$$

Think Lifetime Value, Not Today's Appointment

One new patient is not worth a single consultation fee. That patient generates follow-up visits averaging four to six per year, potential membership or DPC enrollment, ancillary services like labs, imaging, and procedures, referrals to specialists you may own, family member referrals averaging 1.3 per patient, chronic condition management revenue, and annual wellness visits every year thereafter. When you measure five-year patient lifetime value instead of today's appointment, the ROI on patient acquisition marketing becomes overwhelming.

Ready to accelerate your practice's revenue growth before going to market?

[Schedule Your Free Discovery Call](#)

Chapter 9: Building a Referral Engine

Referrals are your most profitable patients. They cost nothing to acquire, they trust you before they walk in the door, and they refer others at significantly higher rates than patients who found you through advertising. If you are not systematically generating referrals, you are leaving your most valuable growth channel completely untapped. The goal is to build a system that makes referrals automatic, predictable, and compounding.

Why Referrals Are Your Best Patients

Referral Advantage	Impact on Your Practice
Zero acquisition cost	Every dollar of revenue drops straight to EBITDA
Pre-sold on quality	They trust you before their first visit: higher conversion rates
Spend 2–3× more	Higher lifetime value than acquisition-channel patients
Complain less, comply more	Better outcomes, lower operational burden
Refer others at higher rates	Creates a compounding growth cycle

The Physician Referral Network

Building a physician referral network requires consistent, proactive relationship-building. Host quarterly lunch-and-learns for referring doctors in your area to share clinical insights and build trust. Send regular updates on shared patients to keep communication flowing and demonstrate your commitment to coordinated care. Make the referral process effortless for their staff with streamlined intake forms and direct phone lines. Build these relationships well before you need the referral. Create a specialist directory that your primary care physicians can rely on, and co-market with complementary practices to expand both your networks simultaneously.

The Patient Referral Playbook

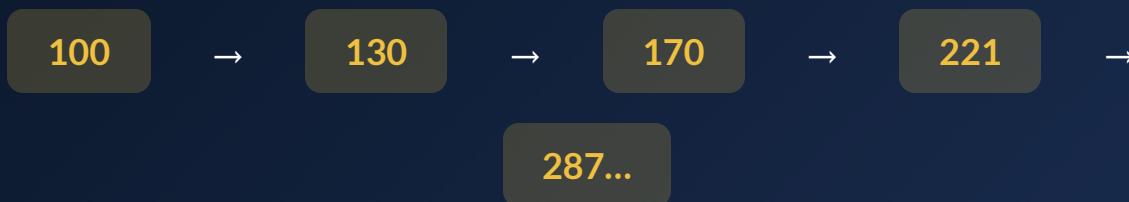
The best time to encourage a referral is at the happiest moment, right after a successful outcome or procedure when patient satisfaction is highest. Make it easy for patients to share their experience by providing simple links to your Google reviews or your website. Send a handwritten thank-you note to patients who recommend friends and family to your practice. Build a patient ambassador program

where your most loyal patients become organic advocates for your brand. Focus on delivering exceptional experiences that patients naturally want to tell others about: the best referral engine is outstanding care combined with genuine relationships.

 **Important:** Always ensure your referral practices comply with federal and state anti-kickback regulations. Never offer monetary incentives or anything of value in exchange for patient referrals. The strongest referral programs are built on clinical excellence and trust, not financial incentives.

The Referral Snowball

Every satisfied patient refers **1.3 people** on average



The snowball grows: and it costs you nothing.

Ready to build a referral engine that drives practice value?

[Schedule Your Free Discovery Call](#)

Chapter 10: The Full Sale Process From Start to Finish

Most physicians go to market without understanding what a medical practice sale actually involves. This is a problem because knowledge is leverage. When you understand every stage of the process, from preparation through closing, you are never caught off guard. You negotiate from a position of strength. Here is exactly what happens when you sell your healthcare practice, so you can walk into the process informed, confident, and in control.

The Six Stages of a Medical Practice Sale

Stage 1: Preparation (3–6 Months)

This is where the real work happens. You normalize and clean your financials, removing personal expenses and documenting every legitimate add-back. Your M&A advisor builds your Confidential Information Memorandum, the document that tells your practice's story to buyers. You identify and fix operational gaps, engage your attorney, and ensure your books can withstand intense scrutiny.

Stage 2: Go to Market

Your advisor conducts targeted outreach to qualified buyers, typically 150 to 300 potential acquirers per deal. Every buyer signs a non-disclosure agreement before receiving any information. Top prospects attend management presentations where you showcase the practice. The entire process is controlled to maximize competition among bidders.

Stage 3: Offers & LOI

You receive Letters of Intent from multiple buyers and negotiate price, deal structure, and rollover percentage. Understanding earnouts and clawback provisions is critical at this stage. The best buyer is not always the highest bid. Terms, cultural fit, and post-close plans matter enormously.

Stage 4: Due Diligence (60–90 Days)

The buyer reviews everything: financial records, legal compliance, clinical operations, and HR documentation. Clean books make this phase fast and smooth. Issues discovered here result in price reductions or deal termination. Up to 30% of deals fall apart during due diligence, which is why preparation is everything.

Stage 5: Definitive Agreement

Legal teams draft the Asset Purchase Agreement or Stock Purchase Agreement. Representations, warranties, employment agreements for key physicians, and non-compete terms are all negotiated in detail. This is where your healthcare attorney earns their fee.

Stage 6: Close & Transition

The wire transfer hits your account at closing. A transition period of one to three years is typical, during which you continue running the practice under new ownership. Your rollover equity is tracked with the new platform, and the clock starts ticking on your second bite of the apple.

 **Key Insight: The LOI is not the finish line: it's the starting gun. Practices that prepare 12–18 months in advance close at significantly higher rates and move from LOI to close in 60–90 days instead of 6+ months.**

Want an experienced M&A advisor guiding your sale process?

[Schedule Your Free Discovery Call](#)

Chapter 11: How to Crush Buyer Objections

Sophisticated buyers will probe every weakness in your medical practice before making a final offer. This is not adversarial. It is simply how smart capital operates. The physicians who command the highest multiples are the ones who anticipate every objection and walk into buyer meetings with data-backed answers ready to go. Here are the four most common buyer objections in healthcare M&A and exactly how to neutralize each one.

The Objection Playbook

✗ “Your EBITDA Is Too Dependent on the Owner Physician”

✓ Your Response:

“We’ve been actively building our associate physician bench over the past 18 months. Today, 60% of clinical revenue is generated by our associate team. Here’s the provider-by-provider breakdown, and here are their employment and non-compete agreements.”

✗ “Your Payer Mix Concerns Us: Too Much Medicaid”

✓ Your Response:

“You’re right that we’ve historically skewed toward Medicaid, and we’ve been intentional about shifting that mix. Over the last 12 months, commercial payers have grown from 38% to 54% of revenue. Here’s our contracting roadmap for two additional commercial payers launching in Q3.”

✗ “We’re Concerned About Patient Loyalty to the Doctor, Not the Brand”

✓ Your Response:

“We’ve tracked this specifically. Our patient retention rate is 91% year-over-year. When our associate physicians fill in, the no-show rate is identical. Here are three years of patient satisfaction scores: the brand scores higher than any individual physician.”

✗ “Your Valuation Expectation Is Too High”

✓ Your Response:

“Our multiple is supported by three comparable transactions that closed in the last 18 months in our specialty and geography. Here’s the comp set. We also have a second offer in hand at a similar valuation. We’re confident in the number, but we’re open to discussing structure.”

🔑 **Golden Rule: Always have a second buyer in play. Competition between buyers is the most powerful tool in your negotiation. A practice with three competing LOIs commands meaningfully better terms than one with only one offer on the table.**

The difference between a physician who gets their asking price and one who takes a discount is preparation. Every one of these objections is predictable. Every answer can be documented, rehearsed, and supported with data months before you sit across from a buyer. That preparation, combined with competitive tension from multiple interested parties, is what separates a good outcome from a great one.

Want help preparing for buyer negotiations? We’ve been on both sides of the table.

[Schedule Your Free Discovery Call](#)

Chapter 12: Tracking the Metrics That Drive Higher Sale Prices

The difference between a practice worth one million dollars and a practice worth ten million dollars is obsessive measurement. Buyers pay a premium for practices with data-driven management because it signals operational sophistication, predictability, and scalability. If you cannot answer the question “how did your month go?” with specific numbers, you are not running a sellable business. You are running a job.

The difference between a \$1M practice and a \$10M practice is **TRACKING**.

KPIs That Drive Premium Valuations

Clinical KPIs (Monthly)	Financial KPIs (Monthly)
Visits per provider per day	Revenue per visit by payer
No-show and cancellation rate	Days in accounts receivable (target: under 35)
New patient volume by source	EBITDA margin (target: 20–30%)
Patient satisfaction scores (NPS)	Overhead ratio by department
Chronic disease management compliance	Membership / recurring revenue percentage
Quality measure performance (HEDIS, Stars)	Staff cost as % of revenue (target: under 35%)

A Simple Tracking System That Works

You do not need expensive business intelligence software to run a data-driven practice. Start with a five-minute daily end-of-day report from your front desk, billing, and clinical leads. Hold a 30-minute weekly dashboard review with your management team every Monday. Schedule monthly one-on-ones with department leads tied directly to KPI performance. Conduct a quarterly EBITDA review with your accountant against sale-readiness targets. Run an annual market comp analysis to understand how your practice benchmarks against recent acquiree data. All of this data should live in your EMR plus a simple Google Sheet or practice management dashboard.

The Due Diligence Advantage

Buyers will ask for trailing 12-month data broken out by month. If you have been tracking this consistently, you walk into due diligence looking like a Fortune 500 operation. It signals sophistication, and sophistication commands a premium. Practices that present organized, monthly KPI data close faster, negotiate fewer price adjustments during diligence, and consistently achieve higher multiples than practices scrambling to reconstruct historical data from disorganized records.

5 min

Daily EOD reports

30 min

Weekly dashboard review

Monthly

KPI one-on-ones

Quarterly

EBITDA review

Ready to build a data-driven practice that commands a premium exit?

[Schedule Your Free Discovery Call](#)

Ready to Explore Your Options?

Whether you are ready to sell now or just exploring, our team helps healthcare founders nationwide navigate the process with clarity.

[Schedule a Discovery Call](#)

PLATANO ADVISORS

Ready to Explore Your Options?

Platano Advisors is a healthcare M&A advisory firm with 134+ closed transactions, over \$1 billion in deal value, and a network of 8,000+ vetted buyers. The conversation is free and confidential.

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