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Blueprint to Buyout

A Strategic Guide for ASC Leaders Navigating Growth, Partnership, and Transaction Readiness

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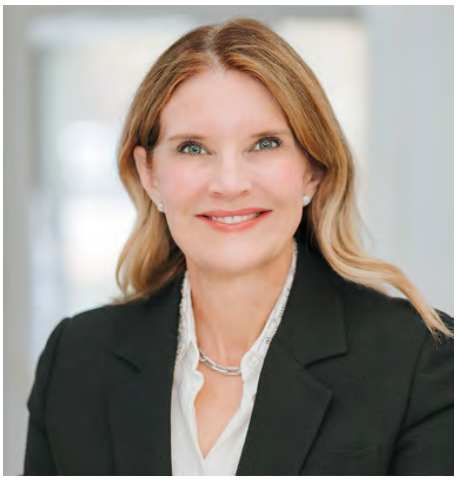

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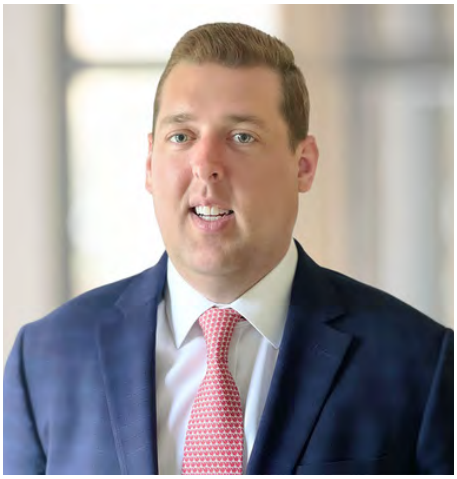

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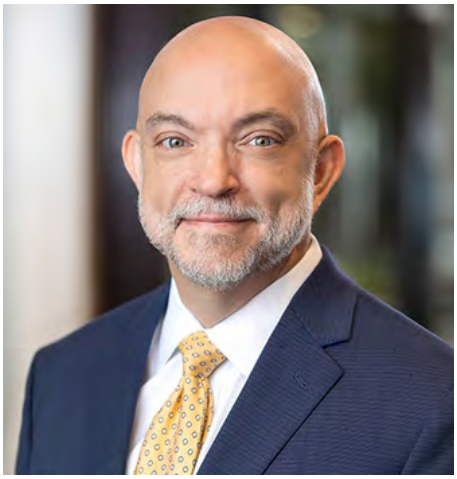

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Executive Summary

It's an active market for ambulatory surgery centers. As surgical procedures continue moving outside hospital walls, organizations looking to scale their ambulatory presence are increasingly pursuing established centers. While this environment opens doors for ASC leaders, from private equity partnerships to health system joint ventures, it also introduces more competing paths and more complex decisions.

Amid all the pitches, it's easy to find yourself evaluating options before you've had the chance to define what you're building toward. The costs of moving too fast often show up in compressed timelines, suboptimal valuations, and deal structures that don't fully reflect your organization's goals. More physician owners and medical groups are now pausing to ask: "What do I need to know and do now to protect and maximize the value of what I've built?"

The most advantageous position an ASC leader can occupy is one of readiness, regardless of whether a transaction ever occurs. A clear strategy, strong operations, and transparent governance don't just prepare you for a deal. They make your organization more valuable, more resilient, and more capable of choosing its own future.

The ASC Market Today

Few areas of healthcare are seeing the kind of momentum currently flooding the ambulatory care market. Roughly 10,000 ASCs now operate across the United States, a count that continues to climb, serving as the setting for procedures that, not long ago, would have required a hospital stay.[1]

Several forces are driving that growth: advances in surgical techniques and technology that have broadened what can be performed in ambulatory settings, Medicare's steady expansion of the ASC-approved procedures list, and stronger commercial payer support reflected in better in-network reimbursement rates over the past several years.[2] Continued pressure to move care to lower-cost settings has further reinforced the value proposition of ASCs, which can deliver meaningful savings compared to hospital outpatient departments (HOPDs).[3]

As the market has expanded, so has the number of stakeholders competing for a place in it. Physicians now ask about ownership earlier in their careers, viewing ASC equity as a pathway to long-term security. Many health systems are racing to buy the ASC footprint they cannot build or spin up fast enough on their own. And private equity players are assembling regional and national platforms and, in some deals, acquiring dozens of centers at once to reach rapid scale.[4]

Yet even in this market, buyers are looking at deals with a much more disciplined eye. Strong financial performance is important, but buyers want to understand what is driving that performance and whether it can be sustained. Diligence reaches into governance, compliance, and operational performance with a thoroughness that was uncommon a decade ago.

A center that's ready for that scrutiny will find conditions about as favorable as they've ever been. The ultimate advantage is that the work that makes an ASC attractive to a buyer tomorrow is the same work that makes it a stronger center today.

[1]Definitive Healthcare, "How Many Ambulatory Surgery Centers Are in the U.S.?" July 3, 2025, https://www.definitivehc.com/blog/how-many-ascs-are-in-the-us

[2]Medicare Payment Advisory Commission (MedPAC), Report to the Congress: Medicare Payment Policy, Chapter 10 (Washington, DC: MedPAC, March 2024).

[3]Ambulatory Surgery Center Association (ASCA), "Medicare Savings from Use of Ambulatory Surgery Centers," May 6, 2026, https://www.ascassociation.org/asca/about-ascs/savings/medicare-savings-from-use-of-ambulatory-surgery-centers

[4]Bain & Company, Global Healthcare Private Equity Report 2026: Healthcare Private Equity Market 2025 (Boston, MA: Bain & Company, 2026), https://www.bain.com/insights/healthcare-private-equity-market-2025-global-healthcare-private-equity-report-2026/

Strategic Clarity Before Structural Decisions

When the market heats up, inbound interest or competitive pressure can pull leadership teams straight into deal mechanics and multiples. An unsolicited pitch arrives, or a competitor down the street announces a health system joint venture, and ASC leaders start debating the merits of a recapitalization versus a minority sale.

Before jumping into options, you should step back and answer the single most important question: What are we building toward? If you're aiming to stay independent for the next decade, you'll make different choices than a center positioning for a sale in three years, and both differ from a group that requires a partner's capital to expand.

Three growth pathways come up most often, each carrying its own distinct trade-offs:

1 Organic Expansion

Organic growth may come through recruiting new surgeons, expanding specialty offerings, improving block utilization, adding ancillary services, or other avenues. While this path preserves autonomy and long-term flexibility, it places the entire operational burden and financial risk onto the balance sheet, demanding disciplined capital planning.

2 Strategic Partnership

Joint ventures with a health system or management company can offer payer leverage, secure referral pipelines, and deploy capital, but these arrangements are not one-size-fits-all. Modern structures can be highly complicated, sometimes bringing up to four distinct stakeholders to the table simultaneously, including the physician-owners, a local health system, an MSO, and a national corporate operator. Navigating these multi-party arrangements introduces complex governance dynamics and long-term autonomy and clinical control considerations.

3 Private Equity Recapitalization

Private equity recapitalization offers immediate partial liquidity alongside rollover equity that ties future upside to the platform's ultimate growth. This model typically injects the capital needed for enhanced infrastructure and rapid expansion, including regional or multi-site platform expansion. In exchange, it introduces performance and financial reporting expectations linked to an investment timeline set largely by the sponsor. Physician goals should align with longer-term planning considerations.

Alignment Among Physician Owners

No strategy succeeds without internal alignment. Before engaging partners or buyers, physician-owners must agree on where the organization is headed. If older physicians are focused on near-term liquidity while younger partners prioritize long-term independence, those differences should be resolved before entering the market. Even well-structured deals can lose momentum when stakeholders aren't working toward the same objective.

Structuring Agreements for Optionality

Strategy also needs the right legal foundation. Too often, a center's operating agreement reflects decisions made years earlier rather than the organization's future ambitions. Provisions that make it difficult to buy out retiring physicians, admit new partners, transfer equity, or accommodate institutional investment can become obstacles when opportunities emerge. Building flexibility into ownership structures early preserves optionality later.

Build vs. Buy Equation

With clear objectives in place, the next decision is often how to grow: Should you build an ASC from the ground up or buy an existing facility? The path you choose today will shape your growth trajectory and options when it comes time for a transaction or exit.

BUILD: A ground-up build offers the most control, allowing you to design the facility entirely around your specific needs. However, it requires intensive early capital, navigating strict regulatory or certificate of need (CON) hurdles, and creates a multi-year drag on profitability during construction. For practices planning an eventual sale or PE recapitalization, owners should consider what would make this facility attractive to potential partners or buyers down the road. Importantly, fracturing ownership across too many parties without a clear framework to unwind that complexity will force future buyers to discount valuation or walk away.

BUY: Acquiring an established, well-performing surgery center can make sense when speed to market is important. For organizations seeking immediate scale, acquisitions can provide existing operations, established payer relationships, an experienced clinical team, and an operating business with demonstrated financial performance. The trade-off is that buyers inherit the center's strengths and weaknesses alike, making rigorous due diligence an absolute prerequisite.

What Drives ASC Valuation: Beyond the Multiple

Conversations about ASC valuation often begin with a simple question: “What’s a good multiple?” It’s a natural starting point, but multiples are the outcome of valuation, not the starting point. At its core, valuation is a story about benefit and risk. Benefit reflects the cash flow an ASC can generate, while risk reflects the uncertainty about whether those results will continue. Buyers are ultimately assessing the durability and predictability of future earnings.

Valuation is ultimately a story told at the intersection of benefit and risk. Benefit is usually driven by cash flow, the result of volume and rates. Risk, in its purest form, is uncertainty. — ***Richard Romero, CVA, ABV, FHFMA, PAHM***

The fundamentals that drive valuation are the factors that shape this balance. They help determine not just current performance, but the reliability of that performance over time. Assessing how your center performs across the following areas is the first step toward strengthening your valuation.

Financial Health

Normalized EBITDA forms the foundation of valuation modeling. Buyers focus on true operating performance by adjusting for non-recurring expenses, related-party transactions, fair market value adjustments, compensation structures, and lease arrangements. The goal is to establish what the ASC realistically generates under normal operations. Inconsistent reporting or incomplete documentation increases perceived risk, driving down valuation.

Case Mix and Concentration Risk

A diversified case mix reduces reliance on any single service line or physician and supports more stable performance over time. By contrast, centers where a large share of volume is driven by one or two surgeons, or by a narrow set of procedures within a single specialty, carry higher concentration risk. The most balanced profiles typically include both high-reimbursement procedures and consistent “bread-and-butter” cases that stabilize volume and margin performance.

Payer Mix & Reimbursement Stability

A similar principle applies to payer mix. Stable reimbursement from established commercial contracts is generally viewed more favorably than revenue that’s heavily dependent on out-of-network payments or other less predictable sources. Reimbursement stability is a key input into how buyers assess the durability of future cash flows.

Physician Alignment

Physician alignment is another important driver of valuation. Clear ownership structures, well-defined voting rights, and succession planning may not drive headlines, but they help buyers understand how the organization will operate after a transaction and reduce the likelihood of surprises late in the process.

Operational Infrastructure

Buyers also look closely at operational infrastructure when determining value, including revenue cycle performance, compliance rigor, and data and benchmarking capabilities. Revenue cycle execution is not just about revenue generated, but how effectively it is collected. Centers with disciplined, transparent operational infrastructure are more likely to be viewed as scalable platforms. Those without it are often seen as operationally fragile.

Size and Scale

Larger, multi-site, or multi-specialty ASCs often command higher valuations because they offer immediate diversification and lower operational risk than standalone centers. This premium is one catalyst driving both private equity and national operators to aggressively assemble scaled regional and national portfolios through acquisitions.

Capacity Constraints and Growth Potential

Growth potential can increase valuation, but only when it is supported by available capacity. Operating room availability, staffing levels, and scheduling efficiency ultimately determine how much additional volume an ASC can realistically absorb. When a center is already operating near capacity constraints, whether in OR utilization or staffing, aggressive growth projections lose credibility and are typically adjusted downward by buyers.

Market Dynamics

Broader policy and market forces also influence valuation outcomes. The continued migration of procedures to outpatient settings and phase-out of the Inpatient Only (IPO) List support long-term growth potential.[5] The counterweight is site-neutral payment, whose expansion could compress the rates that make these centers attractive in the first place. Buyers incorporate these dynamics into forward-looking valuation assumptions.

[5]Centers for Medicare & Medicaid Services (CMS), "Calendar Year 2026 Hospital Outpatient Prospective Payment System (OPPS) and Ambulatory Surgical Center Final Rule," November 21, 2025, https://www.cms.gov/newsroom/fact-sheets/calendar-year-2026-hospital-outpatient-prospective-payment-system-opps-ambulatory-surgical-center

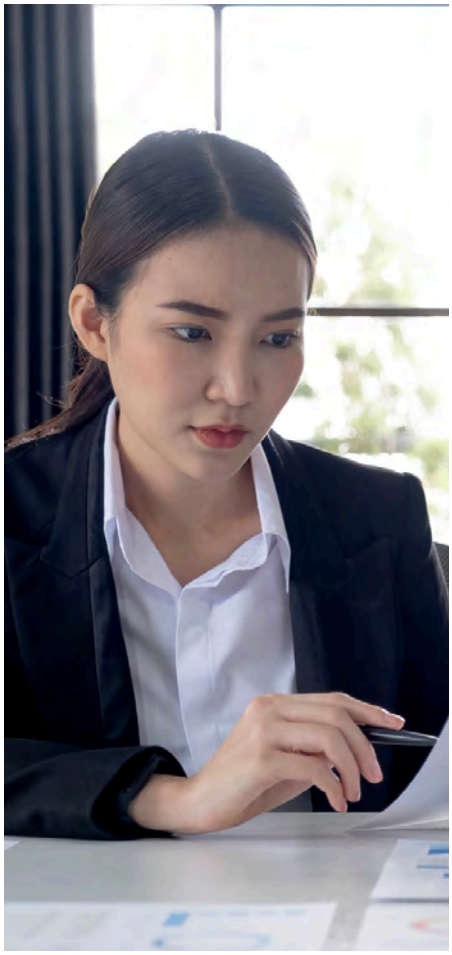
Preparing for a Transaction: A Deliberate Process

Transaction readiness does not begin when a letter of intent is signed. It begins months, often years, earlier. ASCs that wait until a buyer is at the table to organize their financials or sharpen their growth story end up explaining weaknesses instead of proving value. For independent groups planning to go to market, we recommend a 12-month runway. That window gives you time to find weaknesses before buyers do, fix what's fixable, and package the business in a way that lets investors underwrite it with confidence.

Preparation typically unfolds in three stages:

Phase I: Assessment

Before entering any transaction, you need a clear-eyed view of your center's current position. Start with financial normalization. Your profit-and-loss statements should reflect the true, ongoing earnings power of the business, with implant costs properly categorized, anesthesiology expenses broken out, and one-time or owner-specific items identified.



From there, move into a governance and ownership review: pull the operating agreements and read them the way a buyer would, flagging restrictive transfer rights, complex consent provisions, or any term that could complicate a deal. Perform a compliance and regulatory assessment to confirm documentation is current and defensible, a payer contract review to understand where your rates sit relative to market, and case volume and utilization benchmarking to find capacity and mix issues early. The goal is to find weaknesses early. Weaknesses identified now can be remediated on your timeline.

Weaknesses surfaced by a buyer during diligence get priced into the deal.

Phase II: Optimization

This phase is where operational improvements translate into valuation. Close revenue cycle gaps so collections match or exceed industry benchmarks and cash flow becomes predictable. Address EBITDA leakage by eliminating the small, recurring losses that compound across a year. Formalize governance policies so decision-making, distributions, and partner obligations are documented rather than informal. Strengthen compliance documentation to remove ambiguity during diligence. And enhance data reporting so the center can produce clean, consistent operational and financial metrics on demand.

Each of these improvements stands on its own as good operational hygiene. Together, they materially lift financial performance and, just as importantly, signal to buyers that your center runs on stable, repeatable systems.

Phase III: Market Preparation

The final phase is about packaging. By now, the fundamentals are in order. The work shifts to telling the story and proving it. Develop a clear and defensible growth narrative, covering geographic expansion, procedural growth, and payer rate opportunities, supported by data the center can realistically produce.

Organize financial and operational documentation into a structured diligence data room: contracts, licenses, regulatory filings, payer agreements, physician relationships, and historical financials. The more organized you are, the faster diligence moves and the fewer surprises emerge. And clarify post-transaction leadership expectations so buyers understand who is staying, in what capacity, and for how long. Leadership ambiguity is one way to erode buyer confidence late in a process.

This is also the right time to obtain a sell-side quality of earnings (QoE) report. A QoE normalizes historical earnings, stripping out one-time costs, owner-specific expenses, and non-recurring items so EBITDA reflects the ongoing earnings power of the business. Done well, it gives you credit for legitimate add-backs that you would otherwise have to argue for under pressure during diligence. Buyers will run their own QoE regardless; having yours first means you set the baseline and frame the add-backs on your terms.

Preparation Drives Better Outcomes

Think of this process as spring cleaning. Some issues are straightforward to tidy up; others take more time and discipline. By doing the work to get your center completely straight before going to market, you put your best foot forward and give buyers and partners the confidence they need to underwrite the deal.

It's painful to see when owners don't achieve the best possible outcome, because so much opportunity exists. That's why I encourage leaders to spend 12 months focused on building and optimizing. The reward at the end is well worth it. — ***Wendy Bruno Thomson, MBA, LHA***

Common Barriers to Optimal Outcomes

Buyers expect to uncover issues during diligence. The goal isn't perfection but rather eliminating avoidable sources of uncertainty before they affect negotiations. Most of the challenges below won't prevent a transaction, but they can weaken your negotiating position and lead to lower valuations or more restrictive deal terms.

Inconsistent Financial Reporting

Financial statements should clearly tell the story of your ASC's performance. When implant costs are not broken out, reporting is inconsistent, or expenses aren't normalized, buyers struggle to understand the center's true profitability.

Overreliance on Limited Surgeons

An ASC that depends heavily on one or two physicians for case volume presents concentration risk, however strong its current numbers. If those surgeons retire, relocate, reduce their clinical activity, or shift cases elsewhere, the center's financial performance could change materially.

Weak Compliance Documentation

Buyers will review records supporting physician ownership eligibility, ASC safe harbor requirements, credentialing, licensure, quality reporting, and other regulatory obligations. Documentation gaps or unverified tracking signal regulatory risk, which can stall a transaction. Clear, well-organized documentation demonstrates a disciplined approach to compliance.

An Underperforming Revenue Cycle

Operating at a fraction of your true collection potential is rarely perceived as an attractive growth opportunity. High denial rates, slow collections, or revenue leakage reduce current cash flow and suggest additional investment will be needed after closing.

Limited Operational Benchmarking

Strong performance is difficult to prove without meaningful benchmarks. Buyers want to understand how an ASC compares with peers on measures like OR utilization, block-time efficiency, reimbursement rates, case volume, and staffing productivity. Without benchmarking, it's hard to demonstrate operational strength or spot opportunities for improvement.

Complex Ownership Structures

Multiple ownership classes, restrictive transfer provisions, or unanimous consent requirements can complicate equity transfers or limit transaction flexibility. These issues often emerge when ownership structures and operating agreements are designed without a future transaction in mind, and they can block deals altogether.

Waiting Until a Buyer Is at the Table

Rushing to market without 12 months of preparation guarantees enterprise value is left on the table. Transaction readiness cannot be manufactured overnight, and trying to organize financials or improve operations while a buyer is already at the table forces you into a defensive position. Giving yourself a proper runway ensures you negotiate from a position of absolute strength.

Preserving Autonomy and Aligning Long-Term Strategy

A fear behind many ASC ownership decisions is loss of control, and it's often treated as the unavoidable price of a partnership or transaction. It does not have to be. The amount of control you retain is ultimately a question of how the deal is structured.

Start with the premise that a sale is not the right answer for every center. For some, the strongest position is continued independence, backed by the same operational discipline that would have made your ASC attractive to a buyer. The work of getting ready is worth doing even when the destination is staying put.

When a partnership is the right path, establish control before signing any agreement. Define governance rights, voting thresholds, leadership roles, compensation frameworks, and a clear exit timeline at the outset. These terms are far easier to set early than to unwind later, and owners who negotiate them deliberately are more likely to preserve what matters most through the transition.

When a deal includes rollover equity, physician-owners hold an ongoing stake in the performance of the business. That ongoing alignment can support stable referral patterns and reinforce commitment to the center's success, particularly when physicians remain both operators and investors.

Across all scenarios, the objective that should anchor every decision is your center's long-term sustainability. Liquidity may be an important milestone along the way, but it should not be the organizing principle. The strongest outcomes occur when physician owners align personal financial goals with organizational direction before entering negotiations.

Building Value Before You Need It: The Acuvance Coker Approach

Readiness is the most advantageous position at the negotiating table. Organizations that prepare early typically have more choices and greater flexibility when opportunities arise. The same discipline that prepares a center for a transaction also strengthens it if it stays independent. That is the purpose of this blueprint: helping ASC leaders build continuous value so growth remains a choice, not a reaction.

Evaluating growth, partnership, or transaction readiness requires more than market awareness. It requires objective analysis, operational discipline, and clarity around what success looks like for your physicians and your organization. ASC leaders rarely lack options. The greater challenge is determining which path strengthens long-term sustainability while preserving flexibility.

At Acuvance Coker, we support ASC organizations by providing independent, strategic guidance across the lifecycle of growth. Our multidisciplinary team works alongside physician owners and executive leadership to assess performance, identify risk, and strengthen the foundational drivers that influence value. That may include:

- Evaluating operational and financial readiness
- Clarifying governance and ownership structures
- Strengthening EBITDA sustainability
- Assessing partnership or recapitalization scenarios
- Preparing for the rigor of buyer diligence
- Or simply providing perspective on unsolicited interest

In many cases, our work begins well before a transaction is considered. For some organizations, the right strategy is to remain independent while improving operational performance and financial discipline. For others, partnership becomes the logical next step.

Our role is not to push toward a transaction, but to ensure that leadership teams move forward with confidence, informed by data, aligned around shared objectives, and prepared for the implications of structural change.

The ASC market will continue to evolve, with changes in capital availability and competitive dynamics influencing future opportunities. Organizations that invest in clarity and preparation are generally better positioned to navigate evolving market conditions. Strategic readiness helps preserve optionality, which in turn supports long-term value.

Ready to evaluate your ASC's strategic position?

Acuvance Coker's multidisciplinary team works alongside physician owners and executive leadership to assess performance, clarify governance, and strengthen the foundational drivers of value.

Connect with our team to start the conversation →

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