

## INSIGHTS + NEWS

## Peter Martin Writes “Legal Consult: Unfriendly Interpretations of the ‘Friendly PC Model’”

BY PETER J. MARTIN • JANUARY 29, 2025

The bankruptcy of Steward Health Care has focused new attention on private equity transactions in the healthcare industry. In his article in *Worcester Medicine*, Peter Martin explains the “friendly PC model” and discusses two recent developments that exemplify different approaches that might gain momentum as businesses seek to aggregate or manage professional medical practices and other healthcare providers. Here is an excerpt:

In the decade ending 2021, private equity firms purchased 6,000 physician practices. These transactions typically involve separating the clinical assets from the non-clinical assets of the target practice and having a management services organization (MSO) own the non-clinical assets. The creation or designation of a physician practice, usually a professional corporation (PC) used to hold and operate the clinical assets of the practice, and a management services agreement and other agreements between the PC and the MSO that may include restrictions on successor ownership of the PC. This has been referred to as the “friendly PC model.”

Continue reading the full article “[Legal Consult: Unfriendly Interpretations of the ‘Friendly PC Model’](#)” on page 24 of the digital issue of *Worcester Medicine*.