

# JOINING A PRACTICE

THE INFLUENCE OF PRIVATE EQUITY

Thomas Stone, MD  
Retina Associates of Kentucky  
ASRS Business of Retina  
March 28, 2025

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# Financial Disclosures

Company	Relationship	Has Ended?
Regeneron	Advisory Board Member	Has not ended
Genentech	Advisory Board Member	Has ended
Alcon	Advisory Board Member	Has ended
Ocular Therapeutix	Advisory Board Member	Has ended
Beigeneix	Consultant	Has ended
Alimera	Advisory Board Member	Has ended
Vertex Surgical	Stock Private	Has not ended
Endive Medical Education	Speaker Bureau	Has ended

- Member of a private practice group acquired by Private Equity in 2021

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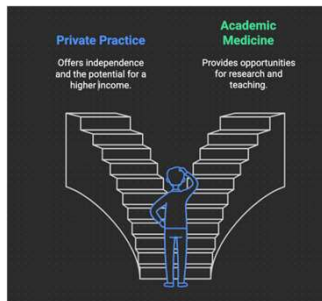
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# The Traditional Pathway



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## Private Practice

**Solo Private Practice**

Offers independence and control over practices but may lack collaborative support.

**Retina Only Group Practice**

Focuses on specialized retina care with a team but may limit broader practice scope.

**Multiplicity Group Practice**

Provides diverse specialties and collaborative opportunities but may involve shared decision-making.



- Any of these can join with Private Equity

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## By The Numbers

- 2022: 8% Ophthalmology in PE
- 2024: Over 35 Organizations
- Particular interest in Retina Injectables

A 2019 study identified 3,113 retina providers in the US, consisting of 2,113 retina specialists and 1,000 comprehensive ophthalmologists who also perform retina procedures (referred to as "hybrid providers")<sup>[5]</sup>. However, it's worth noting that this data is now several years old and the numbers have likely increased since then, given the growth trend in the industry.

Source: [unreadable text]

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## The Typical View of PE



**Increases in Medicare Spending and Use after Private Equity Acquisition of Retina Practices**

Authors: [unreadable text]

**Managed Healthcare**

"Our staff will always view the PE (private equity) sale as harmful to them," argued **Richard S. Kaiser, M.D.**, a retina surgeon at the Wills Eye Hospital in Philadelphia. "They will not be motivated to work as hard for you or the practice. Junior partners feel universally betrayed by sale."

When it came time for the AAO audience to vote on who won the debate, Kaiser prevailed by a wide margin, 91% vs. 9% over the private equity's proponent, **David M. Brown, M.D.**, an officer and stockholder in Retina Consultants of America, one of the largest private equity-owned retina groups in the country, which lists 104 locations on its website.

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# Types of Private Equity Entities

- Traditional Private Equity with or without prior healthcare assets
- Management Service Organizations (MSOs)
- Platform Companies
- Secondary Strategies with Eyecare Experience
  - This is mainly what we're seeing in this space

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**BECKER'S ASC REVIEW**

**10 private equity giants behind the ophthalmology industry**  
Clare Wallace • Wednesday, May 19th, 2021

The private equity backed giants control over 300 ophthalmology practices nationwide, having a major hand in the industry. Here are the 10 largest private equity companies in ophthalmology:

1. **Blue Bird Capital Partners** is a private equity firm and a value-added partner that provides business growth solutions. Blue Bird controls several ophthalmology brands, including leading platform company EyeCare and corporate brand, Designer Group Eyecare.
2. **Novell Vision Partners** is a private equity fund offering operational, administrative, revenue cycle and marketing services to the 15 practices in the Southeast.
3. **Retina Consultants of America** is the largest retina care provider in the nation, managing over 220 practices in 200 practices across 26 states.
4. **Prism Vision Group** is an integrated eye care organization that affiliates with independent eye practices to create them. It is affiliated with 52 practices in the East Coast.
5. **EyeSouth Partners** is a private equity backed management firm with 15 affiliated practices and 206 physicians across 100 hospitals.
6. **Vision Integrated Partners** is a private equity backed medical and ASC management company. It has 23 practices and 12 ASCs across 10 locations.
7. **Valley Vision Partners** provides growth opportunities for its partners. It has 17 ophthalmology and ASC practices nationwide.
8. **RightNet** is a multi-specialty vision providing services for its 18 vision care centers and nine ophthalmology across Florida.
9. **EyeCare Partners** is a physician led, private equity backed management organization with 65 ophthalmology and specialty practice partners nationwide.
10. **Advancing Eyecare** is backed by private equity firm Atlantic Stone Capital. It has one of the largest portfolios of ophthalmology practices and instruments in the U.S.




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# My Background

- Training
- Retina Only Private Practice 2002
  - 4 Retina Surgeons 
  - Expanded Clinically 2013-2020 to 8
- Acquired by EyeCare Partners 2021

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## Why Should You Care?

- Will I have control over my practice?
  - Schedule, locations, staffing, equipment
  - How much control do I want?
- What is my potential income?
  - Salary and benefits
  - Capital appreciation



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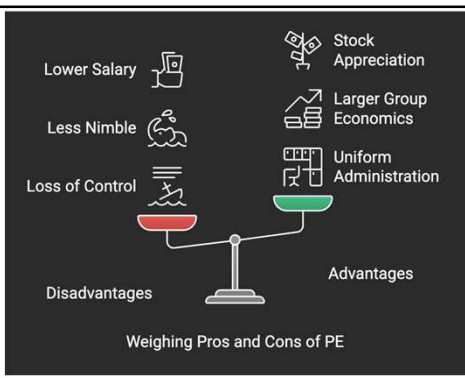
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## Disadvantages of Private Equity

- Disadvantages
  - Loss of administrative control
  - Less nimble
  - Lower salary

1. **Loss of Autonomy** – Physicians may have less control over clinical decisions, scheduling, staffing, and overall practice management.
2. **Pressure to Increase Revenue** – Private equity firms focus on maximizing profits, which can lead to increased patient volume, more procedures, or cost-cutting that affects care quality.
3. **Short-Term Focus** – PE firms typically operate on a 3-7 year investment cycle, aiming for quick profitability, which may not align with long-term patient care goals.
4. **Higher Patient Costs** – To boost revenue, practices may introduce higher fees, more aggressive billing, or out-of-network charges, potentially impacting patient satisfaction.
5. **Physician Burnout** – Increased productivity demands, longer hours, and financial performance targets can lead to dissatisfaction and burnout.
6. **Job Insecurity** – After acquisition, PE firms may restructure, leading to layoffs, reduced salaries, or altered employment agreements for physicians and staff.
7. **Decline in Practice Culture** – A shift from a physician-led model to a corporate structure can change the workplace atmosphere, making it feel more like a business than a medical practice.
8. **Exit Uncertainty** – After the PE firm sells the practice to another investor (which is inevitable), future ownership may bring further changes, creating instability.
9. **Reputational Risk** – Patients and referring providers may view a PE-owned practice as prioritizing profits over care, potentially damaging trust and referrals.

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# Advantages of Private Equity

- Control
  - Uniform administration
  - HR issues, Coding/billing issues
- Financial
  - Larger group economics
    - Drugs, equipment and supplies
  - Appreciation of Stock

- 1. Immediate Financial Payoff** – Physicians who own the practice may receive a significant upfront payment, providing liquidity and financial security.
- 2. Operational Efficiency** – Private equity firms often bring business expertise, streamlining operations, cutting costs, and stopping revenue cycles.
- 3. Access to Capital** – Practices gain access to funding for new technology, equipment, expansion, and infrastructure improvements.
- 4. Negotiating Power** – Larger consolidated groups may have better leverage in negotiating insurance contracts, vendor pricing, and reimbursement rates.
- 5. Reduced Administrative Burden** – Management services provided by the private equity firm can handle billing, compliance, HR, and other back-office functions, allowing physicians to focus more on patient care.
- 6. Growth Opportunities** – PE-backed groups can expand more rapidly, opening new locations, acquiring smaller practices, or integrating additional services.
- 7. Economies of Scale** – A larger network can distribute costs more effectively, reducing overhead per physician.
- 8. Exit Strategy** – For physicians nearing retirement, PE acquisition can provide an attractive exit plan without the burden of selling the practice independently.

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# The Debate

EDITORIAL • J Vitreoretin Dis. 2023 Jul 13;7(4):271-272. doi: 10.1177/24751264231178991 ©

## Private Equity Purchases of Retina Practices: Their Focus on Profit Is a Threat to Healthcare

John T. Thomason

Article notes • Copyright and License information  
PMCID: PMC10621709 PMID: 37927321

### Why We Partnered

"We look forward to leveraging the resources of Retina Consultants of America to allow us to enhance our ability to offer the highest quality and most personalized retina care to our patients. This alliance will also offer promising new therapies from the broad clinical research portfolio of Retina Consultants of America."

— Dr. John Thomason




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# Your Decision

- Geography
- Family Considerations
- Reputation of the Group
- Position within the Group
- Financial Considerations

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### More Considerations

- If I join a private practice, will it be acquired by Private Equity?
- If I join a Private Equity owned practice, what are my opportunities for getting stock?

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### My Opinion

- The best PE practice is better than most Private Practices
- Former Fellows Experience
- RAK Experience
  - Pros: Admin help, larger group
  - Cons: Not as nimble, unsure financial

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### Thank You

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