ClinicOps

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Private Equity Offer Question List

40 questions to answer in writing before you sign a letter of intent, with a clarity score

A letter of intent is a few pages; the agreements behind it run to a hundred. This list turns the offer into 40 questions in six groups. Tick a question only when the draft documents answer it, write the clause next to it, and score the result before any exclusivity period starts.

6.5%
of US physicians worked in private equity-owned practices in 2024, up from about 4.5% in 2020 and 2022
AMA benchmark survey, 2025

16.5 pts
lower chance a physician is still at the practice two years after a PE owner sells it
JAMA Health Forum, 2025

90 days
notice California requires before certain PE, hedge fund and MSO transactions
AB 1415, from Jan 1, 2026

How to use it

1. Ask the buyer for the draft management services agreement (with its decision schedule), the purchase agreement and your employment agreement before you agree to exclusivity.
2. Read the drafts with your own counsel. For each question, tick the box only if a document answers it, and note the clause (for example "MSA 4.2").
3. Fill the score on page 4. Under 20 of 40, do not start exclusivity. Bring the unanswered questions to the next meeting as a written list.
4. Bring your practice manager in when counsel says you can: they know which systems and people hold the practice together.

Practice: _____ Buyer or platform: _____

Letter of intent dated: _____ Exclusivity would end: _____

Our counsel: _____ Reviewed by and date: _____

Not legal, tax or financial advice
This is an operations tool for owner-physicians. State law decides who may own and control a medical practice; your own healthcare counsel decides what the documents mean. For the plain-English background, read the guide on clinicops.us: A Private Equity Offer for Your Practice.

A. What you would be selling

☐ **1. Are we the platform or an add-on, and who else is in the group today?**
Platforms set the terms add-ons inherit. Clause: _____

- [ ] **2. Exactly which assets or shares are being bought, and what stays with the physicians?**
  Write the list down; it defines what you still own. Clause: _____
- [ ] **3. Who will own the clinical entity's shares after closing, and can anyone else decide who holds them?**
  Share restriction agreements are where control hides. Oregon limits them (SB 951). Clause: _____
- [ ] **4. What is the management services agreement's term and renewal, and how can our side end it?**
  A long term with automatic renewal and no exit is a sale in effect. Clause: _____
- [ ] **5. What fee will the management company charge the practice, how is it set, and how can it change?**
  Ask what share of a normal year's operating profit it would take. Clause: _____
- [ ] **6. How long is exclusivity, and what ends it early?**
  Exclusivity is when your bargaining power ends. Clause: _____
- [ ] **7. Which documents will we see before we sign the letter of intent?**
  Ask for drafts, not summaries. Clause: _____

Answered in writing in this group: _____ of 7

B. Price and what you keep

- [ ] **8. How much is paid at closing, and what adjustments can reduce it?**
  The headline number is rarely the closing number. Clause: _____
- [ ] **9. How much is paid as a stake in the buyer's company, how is it valued, and what rights come with it?**
  Rollover ownership is only worth what the next sale pays. Clause: _____
- [ ] **10. When and how can that stake be sold, and who decides?**
  You may wait for the investor's exit. Clause: _____
- [ ] **11. What part of the price depends on future targets, who controls the levers, and for how long?**
  Targets you no longer control are hard to hit. Clause: _____
- [ ] **12. How much is held back after closing, for how long, and for what?**
  Held-back amounts may never arrive. Clause: _____
- [ ] **13. What pay for us is assumed in the earnings the price is built on?**
  See the assumed pay in writing before agreeing the multiple. Clause: _____

Answered in writing in this group: _____ of 6

C. Who decides after closing

- [ ] **14. Who hires, fires and sets pay for physicians and other clinicians?**
  Oregon bars MSO final authority here (SB 951). Clause: _____
- [ ] **15. Who sets physician schedules, patient volume and time per visit?**
  California bars PE groups from setting patient numbers or hours (SB 351). Clause: _____
- [ ] **16. Who sets clinical protocols, tests and referrals?**
  Physician judgment; California bars interference (SB 351). Clause: _____
- [ ] **17. Who owns the medical records and decides what goes in them?**
  California keeps this with physicians. Clause: _____
- [ ] **18. Who approves clinical equipment and supplies?**
  California keeps approval with physicians. Clause: _____

- [ ] **19. Who sets the prices the practice charges?**
  Oregon bars MSO final authority (SB 951). Clause: _____
- [ ] **20. Can the group move us onto its EHR, phone and scheduling systems, and when?**
  A forced migration is an operations project with someone else's deadline. Clause: _____
- [ ] **21. Who approves adding or removing physicians or a location?**
  Growth decisions shape your future practice. Clause: _____

Answered in writing in this group: _____ of 8

D. Your role and pay

- [ ] **22. What pay is fixed, for how long, and what formula applies after?**
  The fixed period always ends. Clause: _____
- [ ] **23. Who can change the pay formula, and with what notice?**
  A formula the other side can change is not a formula. Clause: _____
- [ ] **24. How long is the employment term, and what happens if either side ends it early?**
  Read the early-exit clauses together with the noncompete. Clause: _____
- [ ] **25. What noncompete and no-criticism terms apply, and are they enforceable in our state?**
  California (SB 351) and Oregon (SB 951) limit them; other states differ. Clause: _____
- [ ] **26. What leadership role do we keep, and which decisions does it carry?**
  A title without decisions is not control. Clause: _____
- [ ] **27. What happens to our role and pay if the platform is sold?**
  The next owner inherits your agreement, or rewrites it. Clause: _____

Answered in writing in this group: _____ of 6

E. Team, patients and compliance

- [ ] **28. Who employs the manager and front office after closing, at what pay and leave?**
  Your team's working lives change most. Clause: _____
- [ ] **29. Which staff roles move to a central team, and when?**
  Central teams change who answers your phones. Clause: _____
- [ ] **30. How and when will patients be told, and by whom?**
  Plan the words before the rumor. Clause: _____
- [ ] **31. What patient information will the buyer see in due diligence, and through what secure process?**
  Due diligence is health care operations; minimum necessary applies (45 CFR 164.501). Clause: _____
- [ ] **32. Who files the CLIA change notice, and by when?**
  Within 30 days of a change in ownership or director (42 CFR 493.39). Clause: _____
- [ ] **33. Do any DEA or state controlled substance registrations need to change?**
  Registrations are personal and not transferable without DEA's written consent (21 CFR 1301.52). Clause: _____
- [ ] **34. Who keeps the HIPAA policies and training records after closing?**
  Kept 6 years (45 CFR 164.316(b)(2)). Clause: _____

Answered in writing in this group: _____ of 7

F. The investor's exit

- [ ] **35. What is the fund's expected holding period for this platform?**
  Owners target exits in 3 to 7 years (JAMA Health Forum, 2025). Clause: _____
- [ ] **36. Who are the likely next buyers?**
  Another fund, a health system or a public company changes your future. Clause: _____
- [ ] **37. What happens to our stake in that sale?**
  Paid out, rolled again or diluted. Clause: _____
- [ ] **38. Do our agreements survive a change of control unchanged?**
  Your protections may end at the next sale. Clause: _____
- [ ] **39. Do we get tag-along rights or a vote on the sale?**
  Minority holders need equal terms. Clause: _____
- [ ] **40. Which state notice rules apply to this deal, and who files them?**
  California: 90 days to OHCA for certain deals (AB 1415). Clause: _____

Answered in writing in this group: _____ of 6

Your offer clarity score

Count the ticked questions in each group. The total tells you whether you understand the offer well enough to start exclusivity. The control count tells you how much of the practice you would still run.

Group	Questions	Answered in writing	Notes
A. What you would be selling	7	_____	
B. Price and what you keep	6	_____	
C. Who decides after closing	8	_____	
D. Your role and pay	6	_____	
E. Team, patients and compliance	7	_____	
F. The investor's exit	6	_____	
Total	40	_____	Score = answered / 40 x 100 = _____

Total answered	What it means	Do this next
32 to 40	You understand the offer	Final review with counsel; decide on the terms you still dislike
20 to 31	Gaps remain	Send the unanswered list in writing; do not extend exclusivity
Under 20	You are being asked to commit blind	Do not start exclusivity until the drafts answer the gaps

Control kept: of the 8 questions in group C, how many answers leave the decision with the physicians? _____ of 8. Below 5, most daily decisions would move to the buyer's company; read that schedule again with counsel, and see the services-or-control table in What Is an MSO in Healthcare.

Worked example (sample data, not a client)

Group	Answered	What the owners did
A. What you would be selling	4 of 7	Asked for the share restriction agreement
B. Price and what you keep	3 of 6	Asked for the assumed physician pay in writing
C. Who decides after closing	2 of 8	Asked for the MSA decision schedule; control kept 2 of 8
D. Your role and pay	3 of 6	Asked how the pay formula can change
E. Team, patients and compliance	1 of 7	Brought the practice manager in, with counsel's agreement
F. The investor's exit	1 of 6	Asked about change-of-control terms
Total	14 of 40 (35%)	Did not start exclusivity; 31 of 40 two weeks later

When it goes wrong

When this happens	Do this
The buyer wants exclusivity before sharing drafts	Ask for the drafts first, or a short exclusivity that ends if drafts do not arrive by a date.
Answers come by phone, not in documents	Thank them, then send the question in writing and ask where the draft will say it.
The buyer's counsel offers to explain the documents	Use your own healthcare counsel. Their counsel works for them.
Staff hear about the deal before you tell them	Tell them what you can, when counsel allows, and who to ask. Silence breeds resignations.
Patient data is requested early in diligence	Share the minimum necessary through a secure data room and log it (45 CFR 164.501).
A partner wants to sell and another does not	Score the list separately, compare answers, then take the disagreement to counsel.
The offer is tempting because operations are exhausting	Price fixing the operations first. Selling solves who owns the problem, not the problem.

Sources

Each figure and rule was checked against its source on Nov 18, 2026. Rules change: confirm anything time-sensitive on the source page.

1. AMA Physician Practice Benchmark Survey 2024 (PE-owned 6.5%), via Minnesota Medical Association (Jun 5, 2025). mnmed.org/news-and-publications/news/report-more-physicians-working-practices-ow

2. Berquist, Klarnet, Dafny. Sale of private equity-owned physician practices and physician turnover. JAMA Health Forum 6(2):e245376 (Feb 2025). jamanetwork.com/journals/jama-health-forum/fullarticle/2829954

3. Oregon SB 951, summary by Arnall Golden Gregory (2025). agg.com/news-insights/publications/new-oregon-law-strengthens-prohibition-on-the

4. California SB 351, summary by Foley (Oct 2025). foley.com/insights/publications/2025/10/california-sb-351-signed-limits-on-priva

5. California AB 1415, summary by Davis Wright Tremaine (Oct 2025). dwt.com/insights/2025/10/california-pe-hedge-funds-healthcare

6. Medical Board of California, decisions that belong with a physician (current). mbc.ca.gov/Licensing/Physicians-and-Surgeons/Practice-Information/

7. 45 CFR 164.501 and 164.316; 42 CFR 493.39; 21 CFR 1301.52 (current). ecfr.gov/current/title-45/section-164.501

Where this list stops

It makes sure you understand what you would sign. It cannot tell you whether the problem you are selling to solve could be fixed for far less.

- **It cannot tell you what the documents mean in your state: that is your counsel's job.**
- **It cannot value the offer or your stake: that needs your own accountant and valuation professional.**
- **It cannot tell you which of your problems are operations problems you could fix without selling, or what fixing them would be worth.**
- **It cannot keep the practice running well while the owners spend months on a deal.**

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