



WHITE PAPER

Capital Is Not a Strategy

The Transaction-Readiness Imperative
for Healthcare Owners & Buyers

A practical point of view for physician practices, ambulatory surgery centers, and health systems considering M&A, recapitalization, or sale-leaseback transactions in a selective 2026 market.

A transaction should be the output of readiness - not a substitute for it.

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EXECUTIVE SUMMARY

Capital availability does not prove readiness.

The five market and transaction publications reviewed for this paper address healthcare deals, physician-practice value, ASC real estate, and sale-leaseback risk. Triaxiom's synthesis is straightforward: access to capital is an opportunity, not evidence that the enterprise is ready to use it well. The decision must account for operating durability, regulatory readiness, buyer feasibility, and the organization that will remain after closing.

PwC describes a selective 2026 market in which deal value remained resilient even as volume softened. Physician medical groups accounted for 46% of first-quarter health-services deal volume; deal count within that subsector rose 18% year over year. KPMG's survey of 500 industry executives identifies efficiency and platform expansion as capital priorities. Its findings reflect executive expectations, not completed-deal outcomes. [1] [2]

Becker's reported a median healthcare-services EBITDA multiple of approximately 11.5x in 2025, down from 14.5x in 2024, citing Focus Investment Banking. That broad sector measure is not a physician-practice valuation benchmark. Specialty, scale, earnings quality, and deal structure still require organization-specific analysis. [3]

Sale-leasebacks carry the same lesson. They can unlock capital while replacing an owned asset with a long-term operating obligation. The economic, governance, and succession consequences may outlast the original decision-makers. Liquidity and resilience must be evaluated together. [4] [5]

46%

PHYSICIAN GROUPS' SHARE OF Q1
HEALTH-SERVICES DEAL VOLUME

+18%

YEAR-OVER-YEAR SUBSECTOR DEAL-
COUNT CHANGE

2024 median 14.5x

2025 median 11.5x

Broad healthcare-services context; not a physician-practice valuation benchmark.

TRIAXIOM POINT OF VIEW

The transaction is not the strategy. It is an instrument.

DECISION LENS

Five conclusions for owners and boards

The value of a transaction is measured by the strength, flexibility, and mission capacity the organization retains after the closing proceeds are spent.

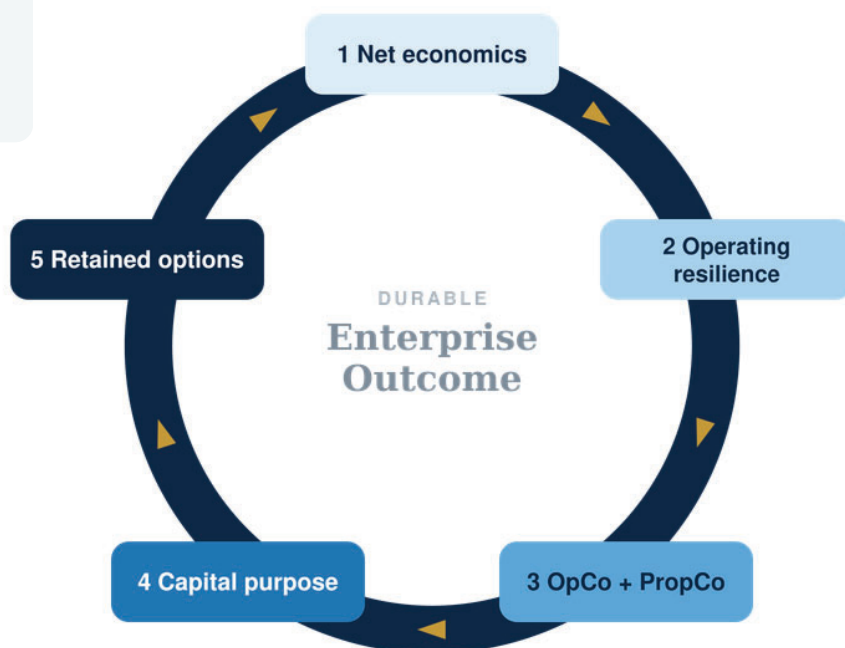
1 The highest headline multiple is not automatically the best economic outcome.

2 Liquidity is a financing event; resilience is an operating condition.

3 The operating company and the real estate must be evaluated as one future economic system, even when they are sold separately.

4 The use of proceeds is as consequential as the source of proceeds.

5 Control, flexibility, clinical independence, and succession alignment have economic value even when they are not visible on a term sheet.



The strongest decision protects the future enterprise—not merely the closing economics.

01 / MARKET CONTEXT

What the 2026 market is actually rewarding

PwC reports that buyers are examining reimbursement exposure, labor, compliance, and integration earlier in diligence. Technology attracts attention when it demonstrates operating impact. The implication for owners is not simply to improve the presentation. It is to reduce the gap between the organization's reported performance and the performance a successor can sustain. [1]

KPMG's emphasis on internal efficiency and expansion supports a related distinction: capital can strengthen an operating model without requiring a sale of the enterprise. In Triaxiom's view, the strongest starting point is the operating problem to be solved, followed by the capital structure best suited to solve it. [2]

What This Means for Owners

- Prove repeatable performance before asking a buyer to underwrite growth.
- Resolve material operating and compliance weaknesses before they define the negotiation.
- Compare a transaction with a credible stand-alone plan, not with an undefined status quo.

Preparation Is Not the Same as Readiness

PREPARATION

Organizes financial statements, contracts, the data room, advisers, and the offering narrative. It makes the organization easier to examine.

READINESS

Establishes whether the enterprise can support a transaction and whether the proposed transaction supports its future. It makes claims defensible.

A complete data room does not resolve founder dependence. Clean financial statements do not cure a flawed referral arrangement. An attractive offer does not establish that the buyer can close. Readiness requires evidence of durable earnings, lawful operating relationships, workable control rights, executable buyer options, and an accountable plan for the period after closing.

Preparation asks whether we can run a transaction process. Readiness asks whether the enterprise should transact, on what terms, and with whom.

Readiness is not perfection, and it does not obligate an owner to sell. It means material issues are understood, required remediation is addressed, and leadership retains credible alternatives. A stronger enterprise may be worth selling, partnering, refinancing, or continuing to own.

MARKET SIGNAL

Capital follows operating evidence.

Reliable Reporting



Disciplined Operations



Transferable performance



Negotiating Leverage



Transferable Performance

02 / VALUATION

The headline multiple trap

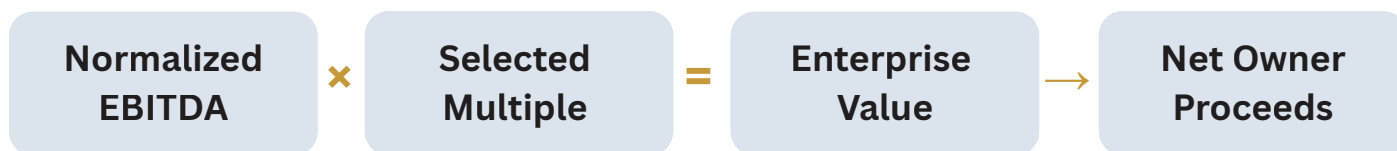
Physician owners understandably ask, 'What is my practice worth?' The market often answers with a multiple. That is useful shorthand, but it is not a complete answer. A multiple is applied to a definition of earnings, under a particular set of assumptions, with a particular allocation of risk. If the earnings are not normalized, transferable, compliant, and durable, the headline multiple becomes more marketing language than economic reality.

PRACTICAL DISTINCTION

Revenue is not earnings. Earnings are not necessarily transferable earnings. Enterprise value is not the same as the cash an owner receives at closing.

As a conceptual starting point, enterprise value is often discussed as normalized EBITDA multiplied by a selected market multiple. Owner proceeds may then be affected by debt, working-capital adjustments, transaction costs, taxes, escrow, earnouts, rollover equity, and other terms. This is not valuation guidance; it is a reminder that the price on the first page of a term sheet may be materially different from the value ultimately realized.

FROM HEADLINE VALUE TO REALIZED VALUE



VALUE REDUCTIONS

Debt, working capital, transaction costs, taxes, escrow.

CONTINGENT VALUE

Earnouts, rollover equity, indemnities, future performance.

INVISIBLE ECONOMICS

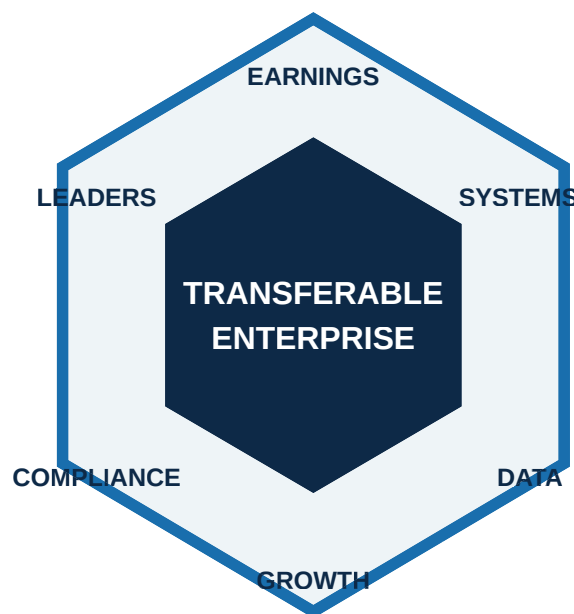
Control, flexibility, succession, and future strategic options.

Becker's reported broad specialty ranges and noted that platform investments can command several additional turns of EBITDA compared with add-on acquisitions. ASC ownership and ancillary revenue may also increase value. Those observations are directionally important, but they should not be used as a price list. The multiple reflects what the buyer believes can continue - and improve - without heroic effort from the selling physician. [3]

02 / VALUATION CONTINUED

What buyers are really buying

- A defensible earnings base, not a temporary cost cut or aggressive adjustment.
- Payer and referral diversity, not concentration disguised by current volume.
- Revenue-cycle discipline and reliable cash conversion, not merely booked production.
- A workforce and leadership model that can function after the founder reduces clinical or administrative effort.
- Compliant ancillary services and scalable infrastructure, not unmanaged complexity.
- Evidence that growth can occur without proportional increases in labor, friction, or risk.



This is why operational readiness is inseparable from transaction readiness. Buyers do not pay a premium for **how hard the owner works**. They pay for evidence that the enterprise can perform repeatedly, predictably, and **without depending on one person** to rescue the day.

Institutional capability means documented workflows, decision rights, management cadence, clinical leadership, revenue-cycle ownership, quality oversight, and a succession path.

Operational readiness converts founder effort into enterprise capability.

03 / SALE-LEASEBACK

A sale-leaseback is an operating decision

A sale-leaseback can be strategically sound. It can release capital trapped in an illiquid asset, simplify physician succession, reduce the burden of requiring incoming partners to buy into both the practice and the real estate, and finance modernization or expansion. But the proceeds are not free money. The organization gives up ownership and accepts a lease that may govern occupancy, assignment, improvements, capital expenditures, defaults, renewal, and future strategic options for many years. [4] [5]

CORE PRINCIPLE

A sale-leaseback is not a real estate transaction with an operating footnote. It is a new operating model funded by real estate proceeds.



Healthcare Business Today highlights rent escalation, master-lease cross-defaults, and restrictions that can constrain future operating choices. Owners must test those provisions against reimbursement pressure, site performance, capital needs, and potential changes in ownership. The regulatory analysis belongs within a broader review of the enterprise's financial relationships and governance, not in a real-estate workstream isolated from the practice. [4]

ASC News adds a practical owner-level warning: the details that increase the property sale price can also increase the tenant's future burden. Responsibility for roofs, HVAC systems, and other capital expenditures; the use of an absolute-net lease; rights of first refusal; and the rent assigned to highly specialized clinical space all affect both present value and future regret. A decision that suits a retiring physician may feel very different to a younger successor who expects to operate in the building for decades. [5]



03 / CAPITAL DISCIPLINE

The use-of-proceeds test

The quality of a sale-leaseback cannot be assessed solely at closing. It must be judged after the capital has been deployed and the lease obligation has begun. Proceeds used for measurable debt reduction, equipment modernization, capacity expansion, workforce stabilization, or technology with verified return may strengthen the enterprise. Proceeds used to mask recurring operating losses, defer difficult restructuring, or provide extraction without reinvestment can leave the organization weaker after the cash is gone.

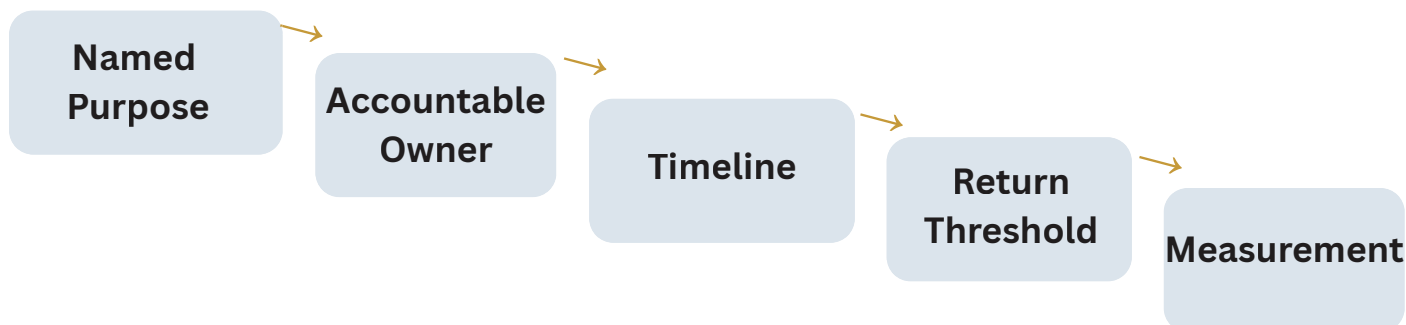
CAPITAL THAT STRENGTHENS

- Measurable debt reduction
- Equipment modernization
- Capacity expansion tied to demand
- Workforce stabilization
- Technology with verified return

CAPITAL THAT POSTPONES

- Masking recurring losses
- Deferring restructuring
- Extraction without reinvestment
- Vague growth initiatives
- Replacing governance with cash

CAPITAL DISCIPLINE SEQUENCE



The discipline is simple: every dollar released should have a named purpose, an accountable owner, a timeline, a return threshold, and a post-investment measurement plan. Capital should finance a designed change - not postpone recognition of a structural problem.

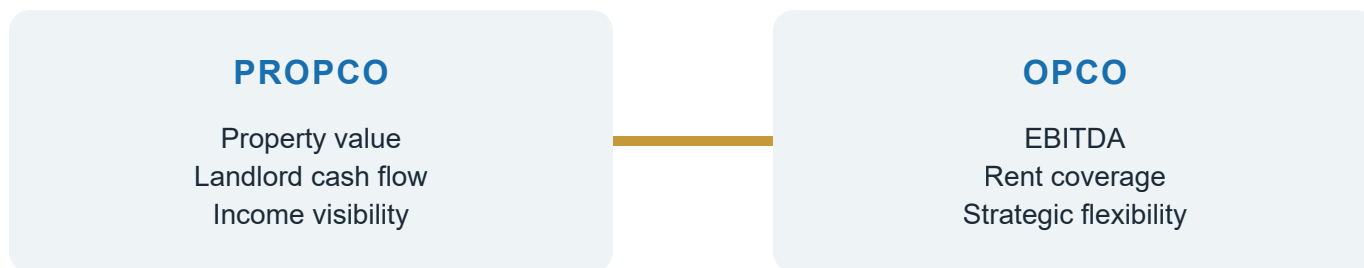
Liquidity is a financing event. Resilience is an operating condition.

04 / INTEGRATED ECONOMICS

One enterprise, two valuations

Physician groups and ASC owners frequently hold the operating company (OpCo) and the real estate (PropCo) in separate entities. That separation may be legally and financially appropriate, but it can create a dangerous analytical blind spot. The same term that increases value for the property company may reduce value or flexibility for the operating company.

Consider contract rent. A higher rent stream can make the real estate more valuable to an investor. The same rent reduces operating-company earnings and rent coverage, adds fixed-cost pressure, and may make the practice less attractive to a future buyer. This does not make higher rent inherently wrong. It means the owners must model the combined economics rather than celebrate value created in one pocket while ignoring value lost in another.



Decision	Potential PropCo effect	Potential OpCo effect	Question owners must answer
Higher initial rent	May support a higher property valuation	Reduces EBITDA and rent coverage	Does total owner value still improve after taxes, costs, and risk?
Aggressive escalators	Improves projected landlord cash flow	Can outpace reimbursement and margin growth	Can the operation absorb the lease in a downside case?
Absolute-net terms	Predictable income may attract pricing	Transfers more capital and maintenance risk to tenant	Has the operator reserved for lifecycle costs?
Long, restrictive term	Increases income visibility for buyer	Limits relocation, assignment, repurposing, or sale flexibility	Will successors retain workable strategic options?

Triaxiom synthesis of the operating, valuation, and lease considerations discussed across the reviewed sources. [3] [4] [5]

DECISION RULE

Optimize the enterprise, not the transaction component.

05 / REGULATORY READINESS

Regulatory readiness is enterprise readiness

Compliance is not merely a closing checklist. It helps determine whether the earnings, referral relationships, management arrangements, and control rights presented to a buyer can lawfully continue. A transaction cannot substitute for resolving a business model that depends on impermissible conduct.

Where applicable, the Stark Law restricts certain Medicare referrals involving physician financial relationships. The federal Anti-Kickback Statute addresses remuneration intended to induce or reward federal healthcare program business. The tests are not interchangeable: HHS OIG cautions that satisfying a Stark exception does not establish Anti-Kickback compliance, and fair market value alone does not resolve Anti-Kickback risk. [6] [7]

Management services organization (MSO) structures require the same attention to substance. Ownership documents and management agreements must be compared with who actually makes decisions. State corporate-practice-of-medicine rules vary; California, for example, reserves specified clinical and practice-control decisions to licensed physicians and prohibits delegating those decisions to an unlicensed MSO. An organizational chart is not sufficient evidence of lawful control. [8]



Compliance supports the transferability of earnings, relationships, authority, and operations.

Four connected areas of diligence

FINANCIAL RELATIONSHIPS

Physician compensation, referrals, ancillaries, management fees, leases, and actual operation.

GOVERNANCE AND CONTROL

Reserved decisions, authority, physician independence, and contract-to-practice alignment.

TRANSACTION REQUIREMENTS

Licenses, consents, notice or review obligations, tax-exempt considerations, and timing.

REMEDiation AND CONTINUITY

Corrections, accountable owners, completion evidence, and durable post-close controls.

Triaxiom's role is to make these questions visible in the operating plan and coordinate the work of qualified specialists. Counsel determines legal applicability and required action. Financial reserves, purchase-price adjustments, and indemnities do not make prohibited conduct permissible.

06 / BUYER FEASIBILITY

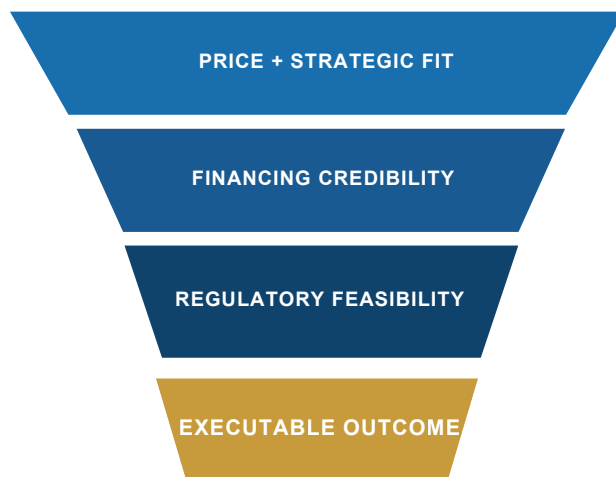
An attractive offer must also be executable

Buyer interest and buyer feasibility are different questions. Local market concentration, overlapping services, and the buyer's existing footprint can affect the practical set of potential acquirers. Owners should not assume that the most interested buyer, the best strategic fit, and the buyer most able to complete the transaction are the same party.

The FTC's August 2026 final consent order in the Ascension-AmSurg matter required divestiture of seven ambulatory surgery centers across five metropolitan areas, settling allegations that the acquisition would reduce competition for certain outpatient surgical services. This is a specific enforcement outcome, not a prediction that every healthcare acquisition faces the same result. [9]

For Triaxiom, the strategic lesson is to assess feasibility before exclusivity narrows the owner's alternatives. With transaction and antitrust counsel, map credible buyers, potential service-area overlaps, review requirements, and plausible structural changes. Separately assess financing credibility, operating capability, and the buyer's ability to deliver the proposed post-close plan.

Compare offers on net economics, completion risk, timing, and the enterprise that remains if remedies or carve-outs are needed. Consider the consequences of delay or failure while the seller is committed to one process. A higher price with a fragile path to closing may be less useful than a sound, executable alternative. Concentration risk does not automatically rule out a buyer; it makes early, fact-specific analysis essential.



BUYER DISCIPLINE

An offer is not an outcome.

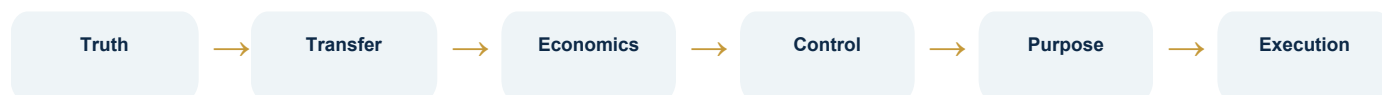
Evaluate the buyer's ability to close and operate the business alongside the price it is willing to propose.

07 / DIAGNOSTIC FRAMEWORK

The Triaxiom transaction-readiness tests

The six tests translate strategy into evidence. Regulatory readiness and buyer feasibility apply throughout, not after economic terms are agreed. The tests organize leadership's decisions; they do not replace quality-of-earnings, independent valuation, legal, tax, or transaction advice.

Readiness test	Core question	Evidence leadership should demand
Operating truth	What produces durable revenue, cash, access, and clinical capacity?	Normalized results; service-line economics; payer and referral mix; revenue cycle; workforce performance; identified compliance issues and remediation status.
Transferability	Can performance and lawful relationships continue when the founder steps back?	Leadership depth; repeatable workflows; physician alignment; reviewed referral and MSO arrangements; necessary consents and transition responsibilities.
Integrated economics	Does the combined structure create durable value for the enterprise?	OpCo, ASC, ancillary, and PropCo scenarios; normalized rent; after-tax proceeds; successor economics; delay, carve-out, and stand-alone alternatives.
Lease and control	Are operating obligations and decision rights workable after closing?	Rent and capex stress tests; assignment and change-of-control rights; defaults and renewal; documented clinical authority; alignment with actual practice.
Capital purpose	What will the proceeds accomplish that the current structure cannot accomplish as effectively?	Approved allocation plan; accountable owners; milestones; return thresholds; reserves; prohibited uses; comparison with non-transaction options.
Post-close execution	Can this buyer close, and can the combined team deliver the promised future?	Buyer-feasibility review; financing and closing dependencies; integration capacity; 30/60/90-day priorities; compliance ownership; benefit tracking.



ONE STANDARD

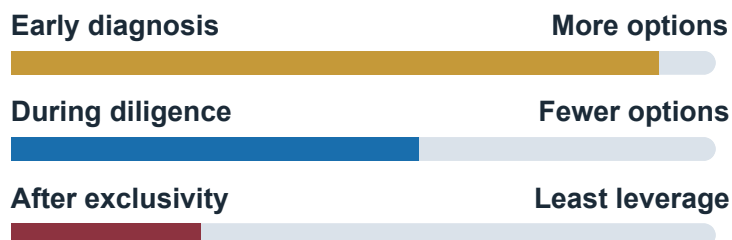
Evidence before aspiration.

07-08 / READINESS IN ACTION

Failure signals reveal where leverage is being lost

Common Failure Signals

- Multiples are negotiated before owners agree on normalized, transferable earnings.
- Proceeds are expected to cover recurring losses without a tested turnaround plan.
- Lease obligations have no reimbursement, volume, or labor downside case.
- Retiring owners, operating owners, and successors have unresolved economic conflicts.
- Performance depends on one producer, payer, referral source, or executive.
- Data-room completion is mistaken for resolution of operating or compliance issues.
- The preferred buyer has not been tested for concentration, financing, or closing risk.
- No one owns or measures the post-close value-creation plan.

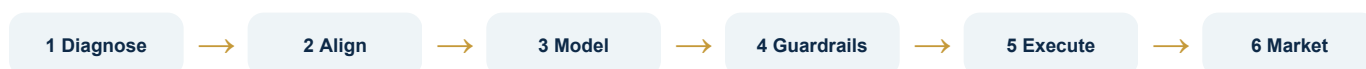


TIMING MATTERS

The earlier a failure signal is addressed, the more choices remain.

Sequence Creates Leverage

Entering the market can create competitive tension, but durable leverage usually begins earlier: reliable reporting, disciplined operations, leadership depth, physician alignment, credible compliance, and a viable stand-alone plan. Transaction preparation should make that readiness visible. It should not be used to disguise its absence.



- 1. Diagnose the enterprise.** Establish financial, operational, and regulatory reality; assign required remediation before a buyer defines the issues for you.
- 2. Align the decision-makers.** Clarify objectives, time horizons, non-negotiables, succession concerns, and the meaning of a successful outcome.
- 3. Model the combined economics and alternatives.** Evaluate OpCo, ASC, ancillary, and PropCo under base and downside cases, including continued ownership and other capital options.
- 4. Screen buyers and design guardrails.** Assess concentration and closing feasibility with counsel before exclusivity; set limits for economics, lease terms, control, integration, and capital use.
- 5. Build the post-close operating plan.** Assign responsibility for revenue, margin, access, workforce, compliance, technology, and culture, with measurable benefits and transition resources.
- 6. Enter the market from a position of evidence.** Confirm readiness, present what the operating record supports, and retain the ability to pause or decline if the proposed outcome fails the strategy.

08 / BOARD QUESTIONS

Questions owners and boards should answer before signing

STRATEGIC PURPOSE

1. What problem is this transaction solving, and is a transaction the best solution?
2. Are we merely prepared to run a process, or have we resolved the issues that determine readiness?
3. What would have to be true for walking away to be the better decision?

EXECUTION AND RESILIENCE

7. Can this buyer close on acceptable terms, and how would concentration concerns, delay, or required divestitures change the outcome?
8. What fixed costs, escalators, covenants, approvals, or control limits will remain after closing?
9. If volume falls or reimbursement tightens, can the organization still meet its obligations?

EARNINGS AND VALUE

4. Which earnings are recurring and transferable, and what evidence supports the compliance of the relationships producing them?
5. What portion of the proposed value depends on assumptions we cannot yet prove?
6. Does maximizing the real-estate transaction impair the operating-company transaction - or vice versa?

PEOPLE AND ACCOUNTABILITY

10. How will the deal affect patient access, clinical quality, staffing, physician alignment, and community obligations?
11. How are retiring owners and successor leaders affected differently?
12. Who controls the proceeds, and how will leadership measure whether they created lasting value?

A disciplined “no” can preserve more value than an executable but strategically wrong “yes.”

CONCLUSION

Prepare the enterprise, not just the deal

The 2026 healthcare transaction market offers legitimate opportunity. Physician practices remain active targets. Sale-leasebacks can release meaningful capital. Investors are willing to support platforms with credible growth pathways. None of that changes the central obligation of leadership: protect the enterprise that must continue operating after the money changes hands.

Triaxiom Advisors is not anti-capital, anti-consolidation, or anti-sale-leaseback. We are opposed to unexamined tradeoffs. A good transaction can accelerate a sound strategy. A weak transaction can monetize yesterday's asset while compromising tomorrow's operating freedom.

FINAL THOUGHT

What the organization becomes after closing matters more than what the check says at closing.

The owner who builds readiness early can negotiate from evidence, compare the full economics, address regulatory obligations, and assess whether a buyer can deliver. Just as importantly, that owner can choose not to transact. A sound enterprise retains options; capital is valuable when it advances a clearly defined future for the people who depend on it.

How Triaxiom Advisors Supports Transaction Readiness

Triaxiom Advisors helps healthcare owners, executives, and boards distinguish process preparation from enterprise readiness; clarify operating reality; align stakeholders; compare transaction and stand-alone alternatives; and build accountable post-close plans. As an operator-led strategic advisor, we connect operational findings with the work of independent healthcare and antitrust counsel, tax, accounting, valuation, investment-banking, and brokerage professionals. We do not replace their specialized judgments.

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SOURCES REVIEWED

Evidence behind the point of view



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2. **KPMG LLP.** *M&A Appetite Remains Robust Among Healthcare and Life Sciences Investors: KPMG Survey.* January 8, 2026.
3. **Patsy Newitt, Becker's ASC Review.** *How much are physician practices actually worth right now?.* June 10, 2026.
4. **David Nelson, Jennifer Kreick, and Jeremy Herskowitz, Healthcare Business Today.** *Capital Without Compromising Care: Legal Considerations for Structuring Sale-Leasebacks of Healthcare Real Estate.* August 22, 2026; updated August 26, 2026.
5. **Leslie Small, Ambulatory Surgery Center News.** *What ASC Owners Need to Know About Sale-Leasebacks.* August 7, 2026; reviewed September 3, 2026.
6. **Centers for Medicare & Medicaid Services.** *Physician Self-Referral.* Reviewed September 8, 2026.
7. **HHS Office of Inspector General.** *General Questions Regarding Certain Fraud and Abuse Authorities.* Questions 4 and 17; updated April 23, 2026. Reviewed September 8, 2026.
8. **Medical Board of California.** *Information Pertaining to the Practice of Medicine.* Corporate Practice of Medicine section. Reviewed September 8, 2026.
9. **Federal Trade Commission.** *FTC Approves Final Consent Order in Ascension Health-AmSurg Deal.* August 25, 2026.

Market and transaction sources were originally reviewed September 3, 2026; sources 1-4 and the added regulatory and competition references were reviewed September 8, 2026. Market data are attributed to the named publications and their underlying sources. Multiples are descriptive, not a valuation conclusion. Legal applicability depends on the facts, jurisdiction, and timing; the cited California guidance is an example, not a nationwide rule.

IMPORTANT NOTICE

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Market evidence



Operating analysis



Qualified advisers



Leadership judgment