



## HOT COLLABORATION CONSIDERATIONS: HEALTHCARE JOINT VENTURES IN 2025 AND BEYOND

June 30, 2025 | 4:30 P.M. - 5:30 P.M.  
Presented by Jennifer C. Hutchens & Thomas D. Spellman



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## Presenters



**Jennifer C. Hutchens**, a partner in Dechert's corporate practice, leads the firm's healthcare regulatory practice and is a leader for multi-disciplinary healthcare and life sciences initiatives. She represents healthcare providers, ancillary service providers, licensed agencies, nonprofits, management services organizations and other industry-based clients of all sizes. Jennifer takes pride in building and maintaining long-term relationships with clients and strives to be a trusted partner and adviser.

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**Thomas D. Spellman** is an Associate General Counsel; Vice President at Fresenius Medical Care North America. Tom primarily focuses on U.S. and international acquisitions, divestitures, venture capital investments, and joint venture transactions for Fresenius' kidney dialysis business line. He also provides general corporate and commercial legal advice to the dialysis business and other areas of Fresenius' activity.

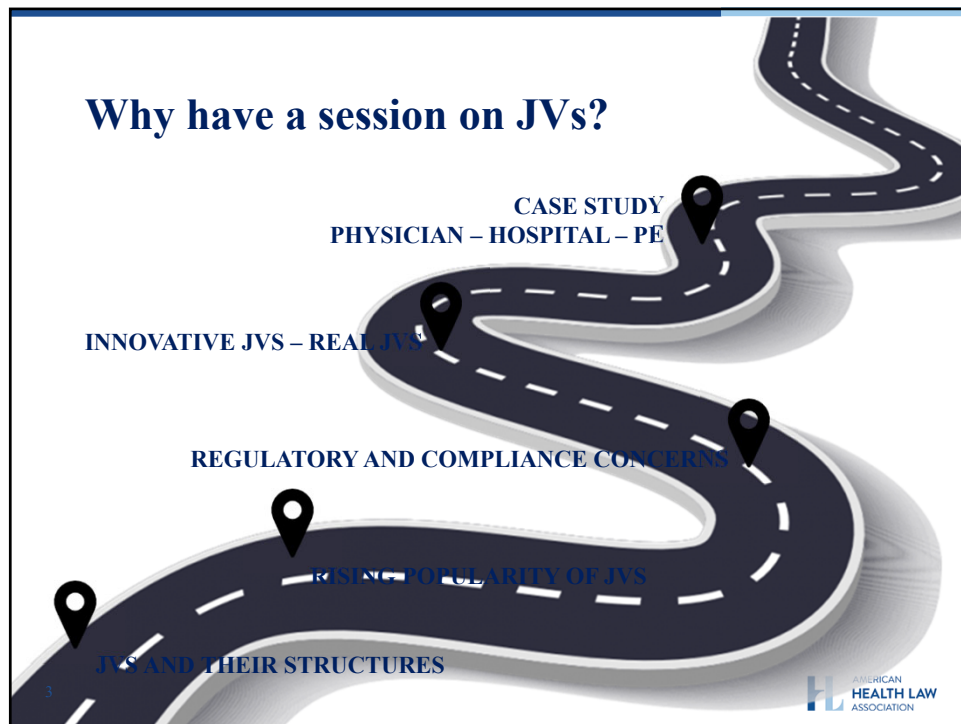
**Fresenius Medical Care North America** | Associate General Counsel | Corporate Headquarters – Waltham, MA Office | 781.699.2193 | [Thomas.spellman@fmc-na.com](mailto:Thomas.spellman@fmc-na.com)

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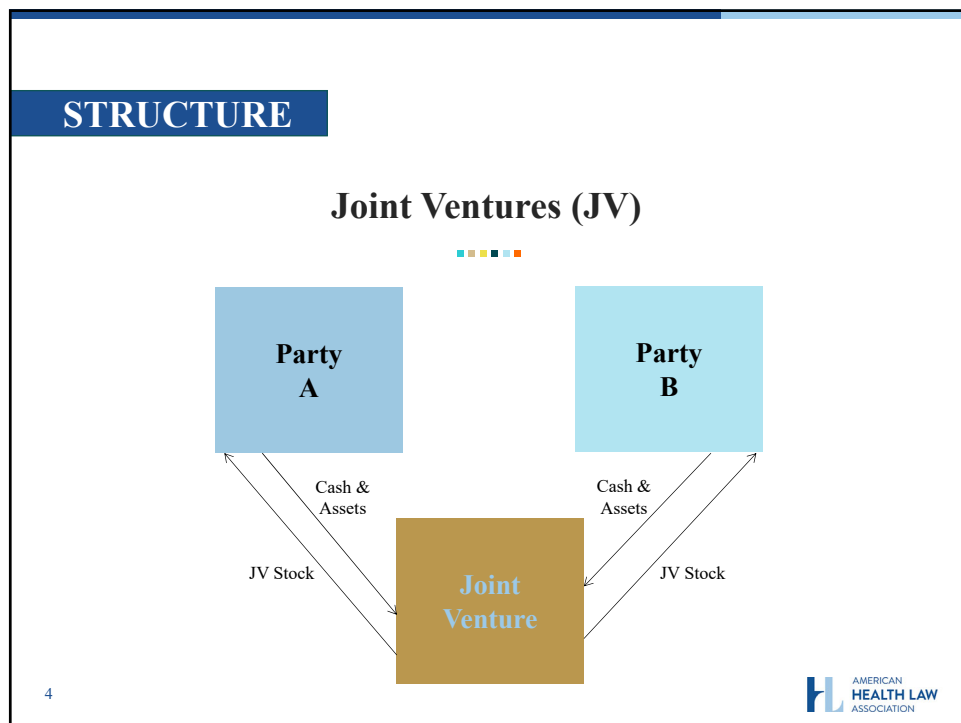


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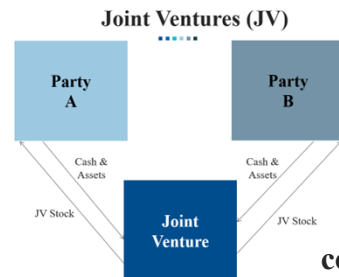


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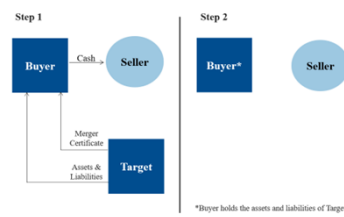
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## STRUCTURE CONT'D



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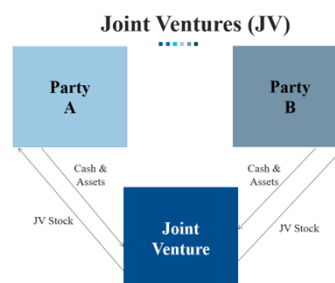
## Mergers and Acquisitions (M&A)



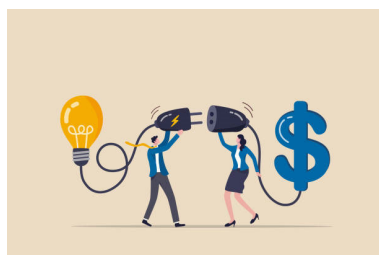
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## STRUCTURE CONT'D



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## WHY JVs?

# SYNERGY

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## WHY JVs? CONT'D

### What Makes Joint Ventures Great?



EXPERIENCE MANAGEMENT  
TASK SUCCESS PROGRESS LEADER  
MOTIVATION ACTION COLLABORATION PARTNERS  
GOALS SKILLS TEAMWORK STRATEGY  
EFFORT PROJECT PRODUCTIVITY  
OUTCOME PROCESS CREATIVITY SYNERGY MEMBERS  
COOPERATION PLAN GROUP SOCIAL UNITED  
TRAINING TEAM COMMON

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## WHY JVs? CONT'D

### Access to New Markets



JVs open opportunities for both parties to enter new geographic regions or secure new patient demographics that they might not have been able to access independently

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## WHY JVs? CONT'D

### Risk Allocation



JVs allow entities to distribute financial, operational, and strategic risks, reducing the burden on any single participant

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## Regulatory Compliance



- Corporate Practice of Medicine (“CPOM”)
- Stark Law
- Anti-Kickback Statute (“AKS”)

### Additional Sessions:

- 6/1, 8:00 A.M. - Law and Order-ing: Doubling Down on Life Sciences Arrangements
- 6/1, 10:45 A.M. - Be Careful What You Say: Physician Affiliation Tricks of the Trade to Reduce your Risk

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## Corporate Practice of Medicine Doctrine (“CPOM”)

### Understanding Corporate Practice of Medicine and What It Means for Your Professional Medical Corporation



#### What is Corporate Practice of Medicine?

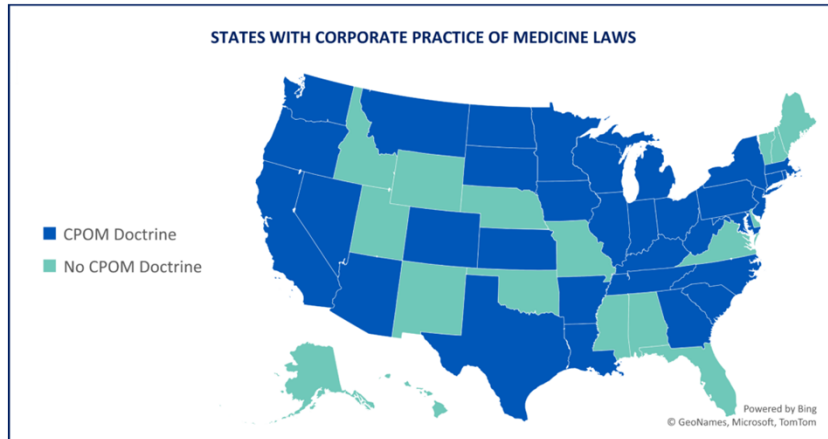
Corporate Practice of Medicine (CPM) is a legal doctrine that prohibits corporations from practicing medicine or hiring a physician to provide medical services. This rule was created to prevent the commercialization of the practice of medicine, and prevent corporations from interfering with a physician's medical judgment.

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## Corporate Practice of Medicine Doctrine (“CPOM”) Cont’d



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## The Comparison of Stark Law & the Anti-Kickback Statute (“AKS”)

### Stark Law:

- Civil penalties
- Applies only designated health services paid for by Medicare
- Is strict liability (no intent required)
- Must involve a physician and an entity
- Exceptions Available

### Anti-KickBack Statute:

- Civil And Criminal Penalties
- Applies to medicare and any federal Healthcare program
- Requires proof of improper intent
- Applies to any referral source (not just physician)
- Safe harbor available

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## EXCEPTIONS

### Stark Law

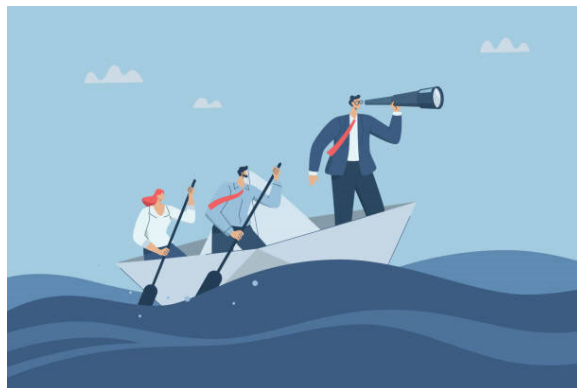


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## SAFE HARBORS

### Anti-Kickback Statute

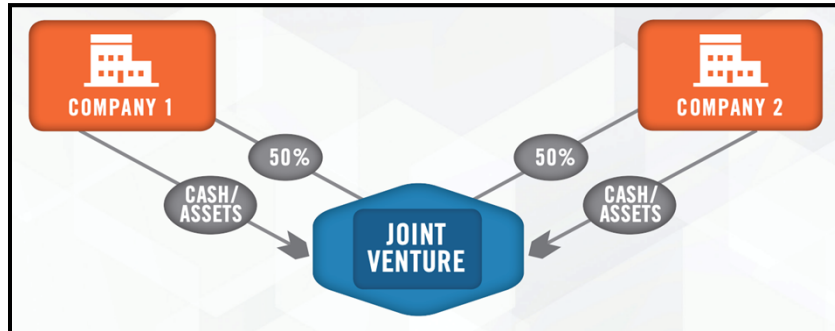


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## Valuation Issues



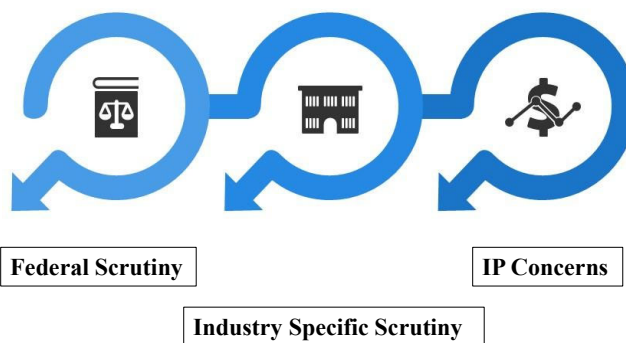
### Other Valuation Considerations

- External Economics / Market Conditions
- Financial Forecasts
- Transfer Restrictions and Marketability

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## Antitrust Risk of Joint Ventures



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## HIPAA, Privacy and Data Ownership



### HIPAA / Privacy Concerns

- Protected Health Information (PHI) sharing must comply with HIPAA privacy and security rules
- Covered Entity vs. Business Associate
- Establish breach notification protocols aligned with HIPAA and state-specific laws

### Data Protection / Ownership Concerns

- Defining data ownership rights in the joint venture agreement
- Allocate control over data use, licensing and commercialization

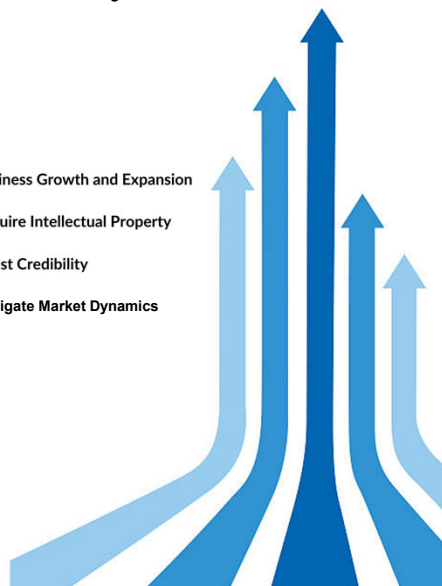
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## The Popularity of Joint Ventures

- 1 New Source of Investment
- 2 Save on More Costs
- 3 Gain Knowledge
- 4 Enter a New Market
- 5 Business Growth and Expansion
- 6 Acquire Intellectual Property
- 7 Boost Credibility
- 8 Navigate Market Dynamics



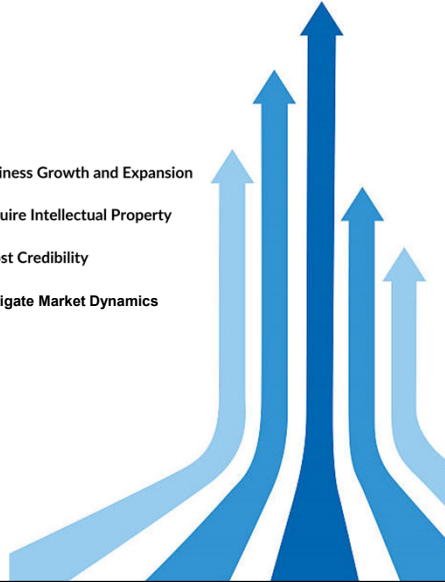
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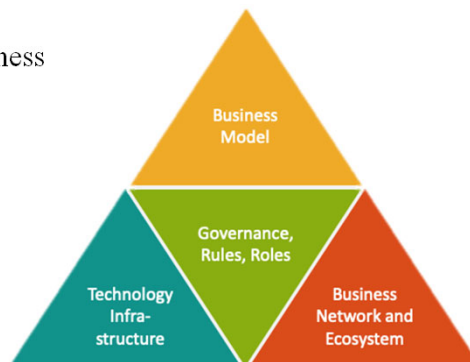
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## Key Business Considerations

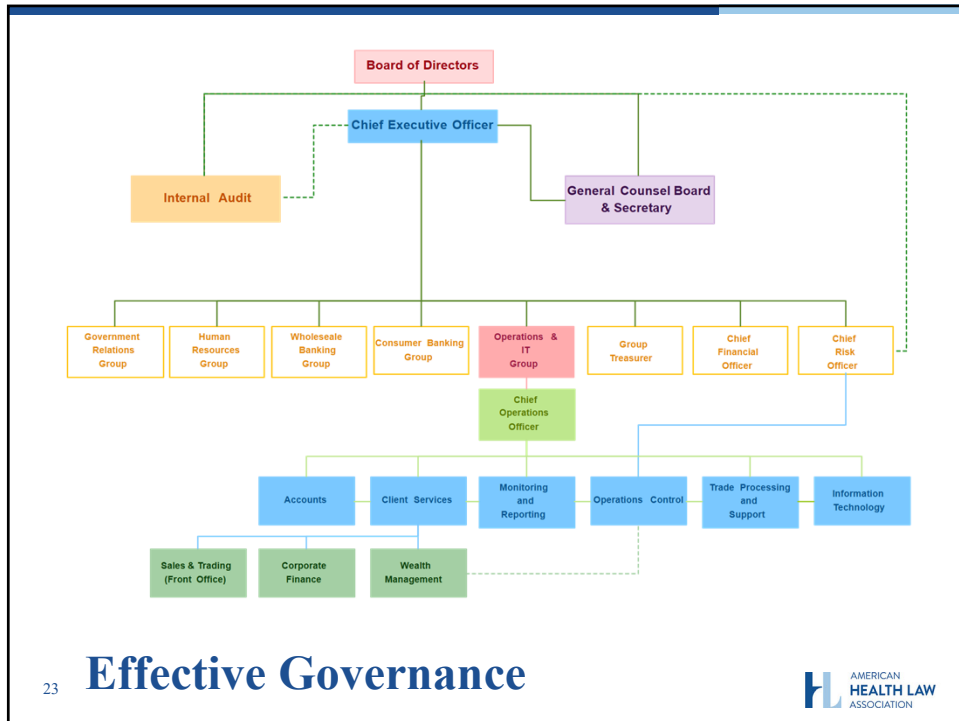
- Membership
- Financials
- Current and Future Business
- Restrictive Covenants
- Exit and Wind-Down



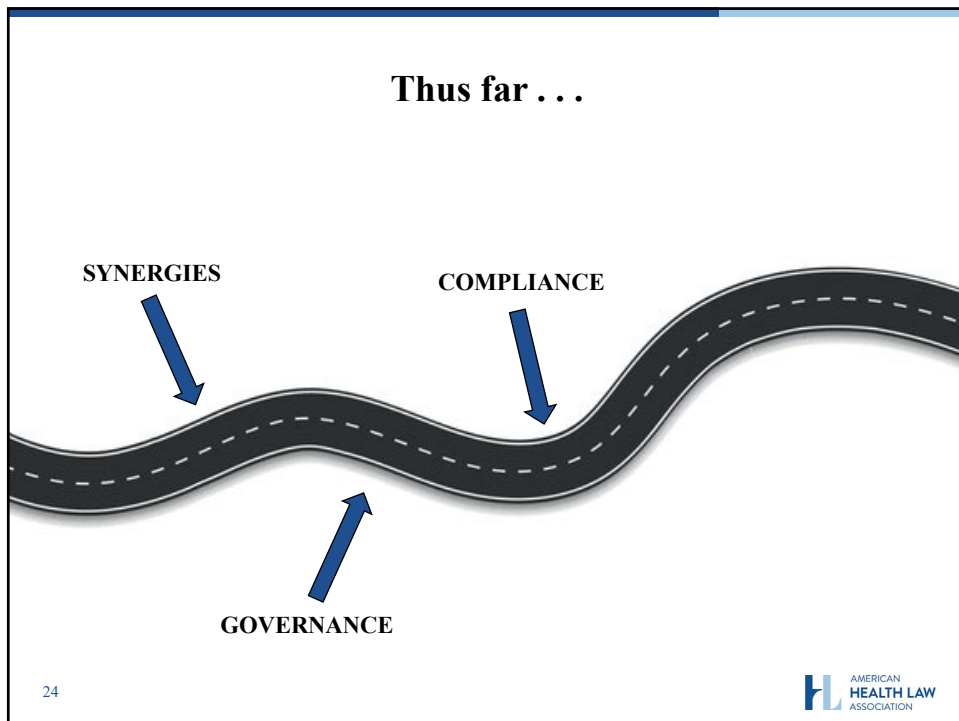
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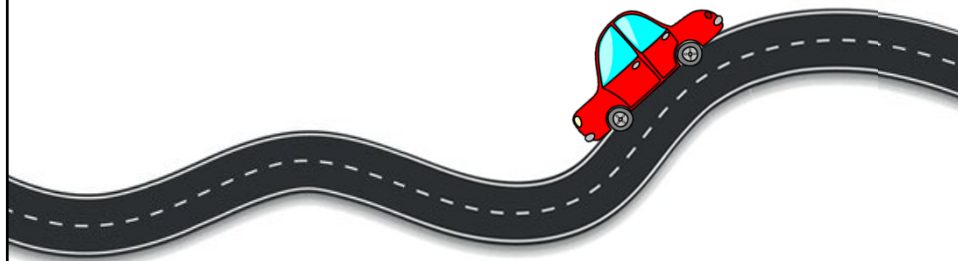


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**Onward. . .**



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## **SB Tempus: Real-World Application**



SB TEMPUS plans to sequentially offer precision medicine services in Japan, including genetic testing, medical data collection and analysis, and AI-driven treatment proposals, leveraging the expertise and technology Tempus has developed through its operations in the United States.

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## SB Tempus: Synergy in Action



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## SB Tempus: Bridging U.S. Healthcare Data



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## SB Tempus: Individual Strengths Overview

### SoftBank

- Utilize institutional knowledge of non-U.S. markets
- Own and share control over strategic asset that can grow in value
- Participate in an otherwise inaccessible service

### Tempus

- Direct entry into a new market with reduced risk
- Maintains ownership and control over its developed technology
- Protects branding, scientific integrity and clinical standard

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## SB Tempus: Strategic Growth



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## Onduo: Another Real-World Application



Onduo's mission is to revolutionize diabetes management through digital health solutions. By combining Verily's expertise in data analytics and wearable technology with Sanofi's pharmaceutical knowledge, Onduo provides personalized diabetes care.

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## Onduo: Core Initiatives and Strategy



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## Onduo: Synergies

### Verily

- Cutting-edge wearable technology
- Data Analytics

### Sanofi

- Deep pharmaceutical knowledge
- Experience in diabetes care

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## Case Study



Key Players	Business Lines	Lawyers' Role
<ul style="list-style-type: none"><li>• Physicians</li><li>• Hospital</li><li>• Private Equity</li></ul>	<ul style="list-style-type: none"><li>• Physician Practice</li><li>• ASC</li><li>• Research</li></ul>	<ul style="list-style-type: none"><li>• Is a JV permitted?</li><li>• What needs to be kept in mind?</li></ul>

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## The Lawyer's Role in Structuring a JV

- Clarifying the JV's objectives, scope, and governance structure
- Align financial and operational goals
- Navigate legal and regulatory hurdles
- Translate strategy into structure (i.e., draft and negotiate the agreements that reflect the parties' intent, roles and long-term vision)



## The Lawyer's Role: Key Areas of Tension

### Partnership Formation

- Advise on who the JV partners are, their long-term alignment, and how to structure entry/exit rights and future ownership changes

### Financial Structure

- Ensure clarity around capital contributions, money-in verse money-out mechanics, reinvestment needs and distribution rights

### Governance and Control

- Navigate decision-making authority, board structure, voting rights, and protections for minority interests



## The Lawyer's Role: Anticipating Growth and Exit Challenges

### Dispute Anticipation and Mitigation

- Identify likely points of conflict early and draft provisions (e.g., deadlock resolutions, buy-sell mechanism) to manage future disagreements

### Affiliate Transactions

- Draft protections to prevent self-dealing, ensuring fairness while preserving operational flexibility with related entities

### Restrictive Covenants

- Advise on non-compete, exclusivity and member restrictions that may impact JV growth or strategic direction

### Exit and Wind-Down Mechanism

- Structure clear exit rights, dissolution procedures, and buy-sell provisions to reduce friction if (and when) the JV ends

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## Key Takeaways



Healthcare JVs offer a unique opportunity to:

- Combine strengths
- Mitigate risks
- Navigate complexities of the modern healthcare landscape



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