

Christal Contini speaks at INVEST Conference, quoted in Behavioral Health Business article



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Christal Contini, a Member at McDonald Hopkins, Chair of the firm's Mergers and Acquisitions practice, and the Vice Chair of the Business Law Department, recently spoke at the Behavioral Health Business INVEST Conference. Christal's panel presentation was summarized and statements from her presentation were also included in the Behavioral Health Business article "Behavioral Health Players Likely to Place Bets on Smaller Deals, Outpatient Businesses in 2023," by Laura Lovett.

At the INVEST Conference, Contini spoke about the financial climate pertaining to mega deals in behavioral health in 2023.

"The pressure in the market, it's obviously going to have an impact on transactions, but the world ... I play in is predominantly in the transaction value of between \$10 million and \$100 million. So for that space, I have not actually seen a slowdown. It's as busy as it was six to 12 months ago."

Contini also spoke about how digital providers using the 1099 contract model instead of employing full-time clinicians can lead to compliance and billing difficulties and that making the change from contractors to full time employees can cut into profits.

"So then a buyer comes in and now they are thinking, 'Okay, what do I need to do in order to make this business successful into the future?' And the buyer starts thinking, 'Well, maybe I need to actually make them all employees just so that I can have the policies in place.'" Potentially, the cost goes up, so that cuts

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into your EBITDA, at least the way the buyer is looking at it on their numbers. So it is a bit of a catch 22.”

To read the full article from Behavioral Health Business, [click here](#).