

2026

L. EDWARD BRYANT, JR.
NATIONAL HEALTH LAW
TRANSACTIONAL COMPETITION

OFFICIAL PROBLEM

Introduction

Welcome to the 2026 National Health Law Transactional Competition!

This year, your firm is retained as legal counsel for CuraLink Management Services Organization LLC (“CuraLink”), a dynamic health management services organization based in the state of Loyola. CuraLink has positioned itself at the forefront of integrating specialty care for gastrointestinal (“GI”) cancers and autoimmune diseases, serving independent physician groups across its home state and beyond. With innovation and a passionate drive to improve patient outcomes, CuraLink is on the cusp of another transformative deal—one that could reshape the landscape of specialty GI and autoimmune care.

Background

CuraLink

CuraLink provides management and operational support to seven (7) independent physician group practices that specialize in the treatment, prevention, and management of GI cancers and autoimmune diseases. CuraLink’s principal business model is to coordinate centralized non-clinical organizational tasks, such as information technology (“IT”), electronic medical records (“EMR”), telehealth, supplier contracting, payor negotiations, and daily office and human resources support, for its affiliated practices. CuraLink itself owns the non-clinical assets used by these physician groups—such as real estate interests, administrative office facilities, IT and EMR systems, staff infrastructure (including the systems and processes that support human resources and administrative functions), and contractual supplier relationships. Clinical assets, including medical and diagnostic equipment, are generally individually owned by each physician practice. CuraLink generally leases non-clinical assets to its affiliated practices and manages service agreements, with compensation based on aggregate practice revenue. By centralizing supplier negotiations and payor contracts, CuraLink achieves notable economies of scale and leverages considerable purchasing power, which translates into favorable pricing with vendors and competitive reimbursement from both public and private payors. This collaborative integration model has rendered CuraLink an efficiency leader, supporting high clinical quality and operational profitability across its network.

Recognizing new market opportunities, CuraLink’s leadership now seeks to expand operations to include another high-performing practice group—GI Nexus Specialists PLLC (“GI Nexus”), a prominent physician group practice based outside Loyola, in the neighboring state of Caduceus.

GI Nexus

GI Nexus is a multi-physician specialty group devoted to GI cancers and autoimmune disease care, distinguished for its advanced imaging and radiation facilities, strong clinical ratings, and comprehensive laboratory and telehealth capabilities. The practice fully owns all of its clinical assets—most notably, sophisticated X-ray and radiation equipments—and maintains all required licenses and certifications. GI Nexus owns office and administrative assets, IT infrastructure, and maintains a portfolio of supplier, payor, and hospital contracts. One key contractual and equity relationship is with Saint Raphael Regional Medical Center (“Saint Raphael”), a respected nonprofit hospital which holds a thirty percent (30%) equity interest in GI Nexus and, per the affiliation agreement, requires that GI Nexus provide a set minimum volume of charity care to

underserved populations, alongside developing and maintaining an ongoing patient assistance program.

GI Nexus features ten (10) physician owners who refer patients—often those originating at Saint Raphael—for specialty services, frequently including diagnostic imaging and radiation. These internal referral patterns are an important source of business for GI Nexus. GI Nexus’s charity care obligations are fulfilled annually, but hospital leaders have at times questioned its reporting and outreach efforts. In particular, Saint Raphael has sent two written inquiries in the past eighteen (18) months requesting clarification on charity care patient counts and supporting documentation. These communications indicate concerns regarding potential mission misalignment, underperformance, or deficiencies in communication and reporting related to charitable goals. Since Saint Raphael maintains a direct equity stake and appoints two (2) out of five (5) members to the Board—with both directors’ affirmative votes required for any major transaction—and given that the physician owners routinely refer patients to their own practice’s designated health services, it is crucial for GI Nexus to preserve this vital flow of patients for both clinical care and charitable initiatives. Ensuring that these referral pathways and patient engagement remain intact is an important consideration for GI Nexus to participate in any major transaction.

Recently, GI Nexus experienced two (2) significant regulatory issues. First, a health data breach occurred a week ago that exposed sensitive electronic medical records for several hundred patients due to a failure in remote access protocols. The breach was picked up by local news outlets and quickly reported across public media channels, bringing unexpected public attention to GI Nexus. Second, in response to ongoing staff shortages, the nurse manager directed medical assistants to take on tasks typically performed by licensed nursing staff. This approach was noted during a recent inspection by the Board of Nursing of Caduceus, which has subsequently requested additional details regarding the specific roles and responsibilities assigned to medical assistants within the practice.

CuraLink is particularly interested in GI Nexus for several reasons. First, GI Nexus offers advanced clinical equipment and maintains exceptional clinical quality ratings, significantly surpassing other practices in the region. Second, its integrated charity care program aligns strategically with CuraLink’s broader commitment to social impact. Third, GI Nexus’s strong geographic presence would expand CuraLink’s brand into new territory and serve as a clinical hub, facilitating the efficient sharing of high-value equipment among all seven (7) practice groups within the network.

As legal counsel, your task is to advise CuraLink on the optimal transaction structure for affiliating with GI Nexus in a way that best supports CuraLink’s strategic, legal, and operational goals, as further described below. Consider and assess the available options, then provide a reasoned recommendation based on your analysis.

In addition to complying with all federal laws and regulations, the proposed transaction must comply with relevant state laws, including:

- **Corporate Practice of Medicine (“CPOM”):** Loyola restricts non-physician entities from employing physicians or owning clinical assets, but allows certain exceptions—such as “friendly physician” arrangements, joint ventures with minority ownership—as long as

licensed physicians retain clinical control. In contrast, Caduceus generally limits ownership and control of clinical assets strictly to physicians or physician-owned entities, with only very narrow exceptions that may permit non-physician entities to hold an indirect financial interest, and still require that clinical decisions remain entirely with physicians.

- **Health Data Privacy:** All covered entities in Caduceus must safeguard patient health information, promptly report data breaches to affected patients and the Health Department within ten (10) business days of discovery, and take immediate action to mitigate any improper access. For breaches involving more than one hundred (100) patient records, entities are additionally required to offer complimentary credit monitoring services to affected individuals for at least one (1) year.
- **Change of Ownership Requirements for Facility and Clinical Asset Licenses:** In Caduceus, any direct or indirect change in ownership of a healthcare facility (e.g., hospital, pharmacy, etc.) or its clinically regulated assets (e.g., X-ray or MRI machines) must be reported to the state department of health at least sixty (60) days before closing. Required filings include an application detailing the anticipated post-transaction ownership structure, key personnel information, operational changes, and disclosure of any prior disciplinary actions related to the facility or incoming owners. The department reviews the submission to ensure uninterrupted patient care, confirm new owner qualifications, and assess any potential adverse impacts on patient access or service quality. The department may request additional information before approval to address specific regulatory or compliance concerns.

Assistance Required

CuraLink requests your expert legal, strategic, and operational counsel in deciding whether to proceed with a transaction with GI Nexus. Prepare a memorandum response of no more than twenty-five (25) double-spaced pages that responds to the following prompts:

1. **Regulatory Risks:** Analyze the regulatory risks associated with each transaction structure, including pre- and post-transaction exposure under the CPOM doctrine in both states, HIPAA/data breach liability, scope-of-practice violations, change of licensure or ownership filings, and risks under the anti-kickback and Stark laws. Propose strategies and solutions to address or mitigate these risks.
2. **Potential Liabilities:** Identify and evaluate potential liabilities that CuraLink may inherit through each affiliation option, and recommend approaches for addressing or allocating these risks during the structuring and implementation phase.
3. **Informational Gaps and Due Diligence Needs:** Identify key missing facts or information that could affect your recommendation, and discuss how unresolved or unknown factors may alter your analysis and advice. Provide prioritized recommendations for supplemental due diligence (distinguishing between high and low priority items) and articulating objectives for each diligence request.

4. **Analysis and Final Recommendation:** Present the pros and cons of each strategic option – including, but not limited to, asset purchase (clinical and/or non-clinical), equity acquisition, joint venture, or MSO service affiliation with GI Nexus - and deliver an ultimate recommendation for CuraLink’s path forward, with rationale based on legal, operational, and business factors.