

Sheppard Mullin Advises Prospect Health System in its Agreement to Sell Certain Businesses and Assets to Astrana Health

11.08.2024

Sheppard Mullin's Healthcare team is representing Prospect Health System (Prospect), an integrated clinical care delivery system, in its definitive agreement to sell certain of its businesses and assets, including a fully accredited acute care hospital with 177 licensed beds, to Astrana Health, Inc. (NASDAQ: ASTH) for \$745 million. The transaction creates a national healthcare delivery platform that will provide technology-driven, longitudinal and patient-centered care to a combined 1.7 million members across the country.

Prospect is an integrated care delivery system which facilitates and coordinates the delivery of high-quality clinical care for all. With a network of around 3,000 primary care providers and 10,000 specialists across Southern California, Texas, Arizona and Rhode Island, Prospect is enabling providers to deliver payer-agnostic, patient-centered care to approximately 610,000 members across Medicare Advantage, Medicaid and Commercial lines of business.

As part of the agreement, Astrana will acquire Prospect's California licensed health care service plan (Prospect Health Plan), medical groups in California, Texas, Arizona and Rhode Island (Prospect Medical Groups), management service organization (Prospect Medical Systems), pharmacy (RightRx), and its fully accredited acute care hospital, Alta Newport Hospital dba Foothill Regional Medical Center.

Prospect's established presence in key U.S. markets opens new geographic opportunities for Astrana Health, including in the Southwest. Already a leading provider-centric, technology-powered healthcare company, Astrana Health plans to make significant investments in Prospect and its infrastructure to further enhance access and quality of care for patients in local communities.

The sale is expected to close in the middle of 2025, subject to regulatory approvals.

The Sheppard Mullin Healthcare team advising Prospect is led by partners Nioura Ghazni, Eric Klein and Megan Rooney with invaluable assistance from Matthew Goldman, Babak Yousefzadeh, Keith Gercken, Jared Nagley, Michael Baranovic, Kanasha Herbert, Jami Fogelhut, Krysten Thomas and Christina Nguyen.

[Click here to read the press release.](#)

Attorneys

Michael J. Baranovic

Jami Fogelhut

Keith R. Gercken

Nioura F. Ghazni

Matthew J. Goldman

Kanasha S. Herbert

Eric A. Klein

Jared P. Nagley

Christina M. Nguyen

Megan R. Rooney

Krysten Thomas

Babak G. Yousefzadeh

Practice Areas

Corporate

Healthcare

Industries

Healthcare