



The Most Undervalued Asset in Health Systems Isn't a Building — It's the Physician Enterprise

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Perspectives from the inside: Chris George brings 30+ years of leadership across academic, community, and for-profit health systems, as well as large physician organizations. He has served on the board of a 13-hospital system and chaired the Finance Committee for its highest performing community hospital. As a Managing Director in A&M's Healthcare Industry Group and Health System Practice Leader, he helps hospitals, health systems, and physician organizations tackle their most complex challenges and deliver measurable outcomes.

As health systems enter 2026, they are facing unprecedented changes to federal funding as well as sustained margin pressure, capital constraints, payer friction, and ambulatory migration. Many leadership teams are asking the same question—where does scalable growth come from?

It's not another inpatient tower or incremental rate negotiation, or cost cutting alone.

In my experience, the most undervalued asset in most health systems today is the physician enterprise. And in many organizations, it is still being managed like a department—not as a strategic platform.

The Strategic Shift: From Medical Group to Enterprise Platform

The systems that are outperforming today are reframing the physician enterprise as a fully integrated asset class, central to:

- Ambulatory growth, including consumer access, and high quality medical in the right place and at the right time.
- Revenue cycle yield, capturing every dollar that is owed to them.
- Workforce optimization, highest and best use of the team.
- Capital allocation and investing in the right infrastructure to scale and grow the health



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system.

They are building what I would call an Enterprise Physician and Ambulatory Platform, not just a managed medical group.

The Measurement Problem

Physician enterprises are too often evaluated on narrow practice-level metrics:

- Practice EBITDA
- Subsidy per wRVU
- Compensation/productivity ratios

This lens is void of enterprise contribution/value creation. I worked in a health system where the CEO used to refer to this as the “Halo Effect.” For example, a primary care practice drives:

- Downstream hospital and specialty revenue
- Reduced leakage in high-margin service lines
- Attribution in Medicare Advantage and ACO contracts
- Payer leverage through controlled lives

When physician groups are evaluated only at the clinic or individual provider level, health systems are undervaluing their highest-leveraged asset.

Read the full article to explore what this shift means for health system leaders, physician enterprises, and the future of sustainable growth.

[Read the full article](#)

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