



IPC-The Hospitalist Co. Mulls IPO

By Brian Gormley 3/15/2007

IPC -- The Hospitalist Co., a 12-year-old company that provides hospitals with physicians who specialize in inpatient care, is considering an initial public offering to fuel its expansion plans, according to President R. Jeffrey Taylor.

Taylor, who spoke at the Cowen & Co. Healthcare Conference on Tuesday, said IPC is growing within the 14 states in which it already operates and is also considering expansion into new territories. Revenue in 2006 was about \$150 million, up from \$110 million in 2005 and \$91 million in 2004. This year, the North Hollywood, Calif., company expects to grow its revenue by 20%, Taylor said.

While the company hasn't made the decision to go public yet, it's an option it's considering, according to Taylor. Earnings before interest, taxes, amortization and depreciation are rising as well: Ebitda was \$6.5 million in 2006, up from \$4.3 million in 2005, he said.

Venture investors have poured more than \$47 million into IPC since 1998, according to VentureOne, a market tracker owned by Dow Jones & Co., publisher of this newsletter. Sightline Partners, Morgenthaler Ventures and Bessemer Venture Partners are among its investors.

IPC, according to Taylor, is now the largest provider of hospitalists -- physicians who work in hospitals and don't have an outpatient practice. Hospitalists lead doctor teams that provide inpatient care, Taylor said, adding that roughly three-quarters of hospitals with 500 beds or more use them. IPC provides hospitalists at more than 200 locations in states such as California, Michigan, Missouri, Florida, Tennessee, Texas and Nevada.

There's room to expand into new hospitals and to acquire competing hospitalists companies within those states, said Taylor, who estimated the total market opportunity to be in the \$7 billion range.

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