

Q4-2017 Emergency Medical Services Update



Market Overview

Following a trend prevalent throughout healthcare, the emergency medical services sector experienced strong transaction volume and investor interest during the fourth quarter of 2017. While transaction volume amongst hospital-based emergency medicine groups was a bit stagnant during the final months of the year, it's Provident's view that this stemmed from outside initiatives drawing resources away from major buyers such as TeamHealth and Envision as opposed to a long-term market tightening. Private equity continues to drive consolidation throughout all areas of emergency medical services, and in particular within the urgent care sector two notable platform investments were finalized during the fourth quarter as Adeptus Health, Inc. and Ocean State Holdings, LLC both secured alignments with leading healthcare private equity funds. In ambulance services, American Medical Response's acquisition of Chicago-based Kurtz Ambulance demonstrated that the largest provider of ground EMR services in the country will remain an active consolidator even as the Company's owner Envision Healthcare (NYSE: EVHC) is reportedly in talks to divest the business.

SELECT TRANSACTIONS:

Month	Acquirer	Target Company	Details
Ambulance Services			
November 2017	American Medical Response	Kurtz Ambulance	American Medical Response (AMR), the largest provider of ground emergency medical response services in the U.S., announced the acquisition of Kurtz Ambulance Service, a family-owned ambulance service provider in the greater Chicago market. The acquisition expands AMR's presence in the Chicago market. No financial terms were disclosed.
October 2017	Covalent Health	St. Vincent Ambulance Services	Century Ambulance, an ambulance service provider and subsidiary of New Heritage Capital's portfolio company Covalent Health, has completed the acquisition of St. Vincent Healthcare, an ambulance provider in the Jacksonville market. This transaction marks the fourth add-on acquisition completed by Covalent Health. No financial terms were disclosed.
Emergency Department Management			
December 2017	QGenda	Tangier Software	QGenda, a leading cloud-based physician scheduling software company, has announced the acquisition of Tangier, a provider of scheduling software for emergency medicine, hospital medicine, and urgent care physicians. The combined company now provides automated physician scheduling for more than 2,500 customers, 170,000 providers, and 20 million monthly shifts hours.
Urgent Care			
November 2017	New Harbor Capital	Ocean State Holdings, LLC	New Harbor Capital, a Chicago-based private equity fund, has completed a majority recapitalization of Ocean State Holdings, LLC (dba Ocean State Healthcare), which provides primary care, urgent care, and occupational health care to over 200,000 patients annually through 60 clinicians that treat patients out of 20 sites across Rhode Island.
October 2017	Concentra Group Holdings, LLC	U.S. HealthWorks	Concentra Group Holdings, LLC ("Concentra") has agreed to acquire U.S. HealthWorks from Dignity Health, subject to the satisfaction of closing conditions. U.S. HealthWorks operates occupational healthcare centers with over 250 clinics across 21 states. This transaction comes subsequent to a joint venture formed earlier in 2017 between Select Medical Corporation (a significant shareholder of Concentra) and Dignity Health to construct and operate a 60-bed acute inpatient rehabilitation hospital in the greater Las Vegas area.
October 2017	Deerfield Management	Adeptus Health, Inc.	Deerfield Management, an investment fund with approximately \$8 billion in assets under management, has acquired Adeptus Health, Inc., the largest operator of freestanding emergency rooms in the United States with 99 sites in seven markets. This transaction was consummated in conjunction with Adeptus Health, Inc.'s emergence from Chapter 11 bankruptcy, and the Company is now privately held (previously traded on the NASDAQ).