

Q4-2016 Healthcare IT Update



Market Overview

Healthcare Information Technology (HIT) deal flow continued its momentum into the last quarter of 2016, as broad-based IT and revenue cycle management companies aggressively acquired niche-focused providers to enhance the scope of their services. Most notably, Evolent Health acquired Valence Health for approximately \$219 million. Through this acquisition, Evolent diversifies its healthcare IT product offerings and enhances its ability to serve its clients navigating the changing reimbursement environment. Moving into 2017, Provident anticipates that healthcare providers will continue to seek the most advanced technology to improve patient care and adapt to the broader reimbursement changes in the industry, resulting in consolidation among HIT companies who will utilize M&A as a means to innovate products and offer a greater array of services to their clients.

Select Transactions

Month	Acquirer	Target Company	Details
December 2016	BioTelemetry	Telecare Corporation	BioTelemetry, a developer of wireless medical technology focused on the delivery of health information, acquired Telecare Medical Supply, a digital-health company that specializes in providing diabetes management through cloud-based analytics and care management tools, for a purchase price of \$7 million. Through the acquisition, BioTelemetry increases its offerings to address the diabetic health market.
November 2016	nThrive Health	Adreima	nThrive Health, an independent patient-to-payment solutions company, announced the acquisition of Adreima, an Illinois-based provider of revenue cycle management services. Through this acquisition, nThrive enhances its portfolio of revenue cycle management services and will strengthen its patient-to-payment model using Adreima's expertise in this arena. Financial terms of the deal were not disclosed.
November 2016	Aya Healthcare	HealthCare Select	Aya Healthcare, one of the largest travel nurse staffing providers, completed the acquisition of HealthCare Select, a workforce solutions provider to hospitals throughout the United States. As a result of this acquisition, Aya Healthcare will gain access to an expanded suite of workforce solutions (VMS and MSP offerings) in addition to HealthCare Select's client base. Financial terms of the deal were not disclosed.
October 2016	NueCura Partners	Expression Health Analytics	Expression Health Analytics, a Nashville-based provider of business intelligence analytics to healthcare organizations and providers, received a \$315,000 growth investment from NueCura Partners, an angel investment company that focuses on early-stage healthcare companies. With the investment from NueCura Partners, Expression Health Analytics plans to scale its technology for continued growth.
October 2016	Silversmith Capital Partners	Nordic Consulting Partners	Silversmith Capital Partners, a Boston-based private equity firm, made an investment in Nordic Consulting Partners, a healthcare IT consulting firm headquartered in Madison, Wisconsin. Nordic provides diversified HIT advisory services and employs more than 750 individuals. The investment will allow Nordic Consulting Partners to complete add-on acquisitions and further diversify its scope of services. Financial terms of the deal were not disclosed.
October 2016	Evolent Health	Valence Health	Evolent Health, a broad-based healthcare IT services company, acquired Valence Health, a provider of value-based care solutions to hospitals and health systems, for approximately \$219 million. This acquisition demonstrates the opportunity for HIT companies to utilize acquisitions as a way to expand their suite of services and address clients' desires to employ technologies as a means to adapt to the shifting reimbursement environment.