

Q4-2017 Home Health & Hospice Industry Update



Market Overview

The final months of 2017 delivered a number of landmark transactions within the home health & hospice sector, with two of the largest national providers announcing a merger, a payor making a major move into the sector, and private equity firms continuing to deploy significant capital into the space. The hospice sector, although having been somewhat stagnant from an M&A standpoint throughout 2016 and 2017, reemerged this quarter as two sizable providers were recapitalized by private equity investors. Bristol Hospice aligned with Webster Capital (previous owner of home healthcare operator Epic Health Services) and Midwestern giant St. Croix Hospice replaced capital partner Clearview Capital with another healthcare-focused fund, The Vistria Group. Provident expects the heightened transaction volume from 2017 to spur additional consolidation and investment activity in 2018.

SELECT TRANSACTIONS:

Month	Acquirer	Target Company	Details
December 2017	Humana, Inc. (NYSE: HUM)	Kindred Healthcare, Inc. (NYSE: KND)	Humana, Inc. (NYSE: HUM) along with private equity firms TPG Capital and Welsh, Carson, Anderson & Stowe, have agreed to acquire Kindred Healthcare, Inc. (NYSE: KND), representing a major strategic move into the post-acute care space by a national insurer with extensive exposure to Medicare Advantage and the senior population.
December 2017.	Noor, Inc.	Restorative Health Care	Noor, Inc., an investment company focused on staffing and recruiting services, has acquired Restorative Health Care ("RHC"). RHC provides home health services in Texas and relies on four offices and over 300 field clinicians providing an array of nursing and therapy services. RHC specializes in providing RN, OT, PT and ST services to patients from pediatric to seniors in care for chronic conditions, intermittent care, quadriplegics and disease management. Financial terms of the deal were not disclosed.
November 2017	LHC Group (NASDAQ: LHCG)	Almost Family (NASDAQ: AFAM)	LHC Group, Inc. (NASDAQ:LHCG) and Almost Family, Inc. (NASDAQ:AFAM) announced that they have agreed to combine in an all-stock merger of equals transaction pursuant to a definitive merger agreement unanimously approved by the Boards of Directors of each company. The combined Company will provide in-home care from 781 locations in 36 states with 31,000 employees and revenues of \$1.8 billion.
November 2017	Silver Oak Services Partners LLC	Caring People, Inc.	Silver Oak Services Partners, LLC acquired the assets of Caring People, Inc. in partnership with management. Founded in 1998 and headquartered in New York City, Caring People is a leading CHAP-accredited home healthcare agency. The Company offers hourly companion care, live-in care, and skilled nursing services to seniors from its branch locations in the Northeast and Florida. Financial terms of the deal were not disclosed.
November 2017	Hospice Source	Home Medical Professionals	Hospice Source, a full-service, national provider of medical equipment and respiratory therapy focused exclusively on the hospice market, acquired Home Medical Professionals. Georgia-based Home Medical Professionals is a provider of home medical supplies and equipment. Financial terms of the deal were not disclosed.
November 2017	Webster Capital	Bristol Hospice	Webster Capital, a Waltham, MA based private equity firm, has acquired Bristol Hospice. Bristol Hospice is a multi-regional hospice provider of hospice and palliative care services. The Company was founded in 2006 in Salt Lake City, UT and operates in 11 locations across seven states. Financial terms of the deal were not disclosed.
November 2017	The Ensign Group (NASDAQ: ENSG)	Excell Home Care and Hospice	The Ensign Group (NASDAQ: ENSG) has acquired Excell Home Care and Hospice and Excell Private Care Services ("Excell"). Based in Oklahoma City, OK and operating in various counties throughout the state, Excell offers a wide array of skilled nursing and rehabilitation services, hospice care, personal care, and geriatric care management. Financial terms of the deal were not disclosed.
October 2017	The Vistria Group	St. Croix Hospice	The Vistria Group has acquired a majority interest in St. Croix Hospice from Clearview Capital. Based in Oakdale, MN, St. Croix is a provider of hospice services to patients affected by a life-limiting illness. The company operates from 21 office locations across Minnesota, Wisconsin, Iowa, Nebraska and Kansas. Financial terms of the deal were not disclosed.