

Q1-2019 Pharmacy Services Update

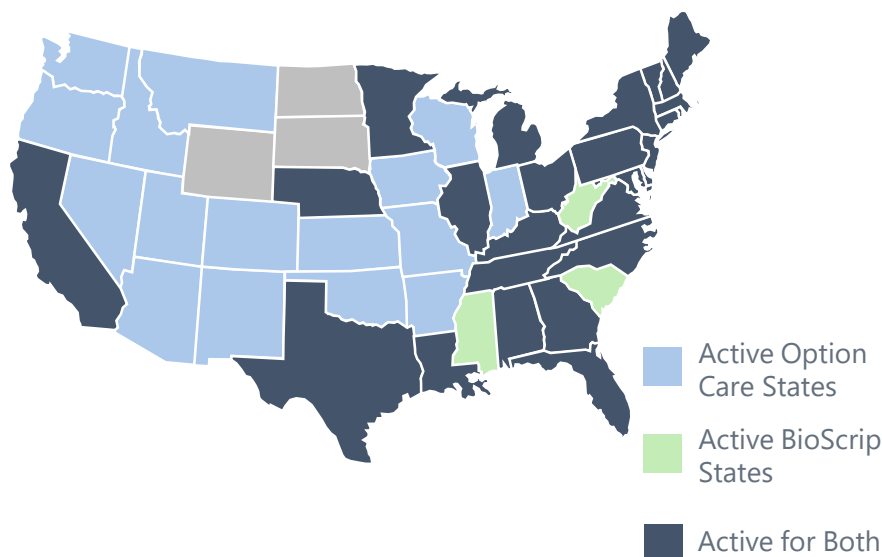


Market Update:

The first quarter of 2019 was a change of pace in consolidation activity within the pharmacy services space. In the latter half of 2018, a wave of vertical deals involving Aetna, Optum, and Cigna represented a heightened focus on cost control and medication adherence through payor – patient relationships. Despite this recent vertical alignment, there is still room for horizontal mergers, acquisitions, and middle-market private equity recapitalizations, evidenced by the transaction activity that occurred in this most recent quarter.

BioScrip's merger with Option Care was a significant deal for the pharmacy space, creating one of the largest national players across both site and home infusion.

BioScrip / Option Care Expansion:



Select Transactions:

Month	Acquirer	Target	Pharmacy Sub-Sector	Deal Significance
March	BioScrip	Option Care	Infusion Services	BioScrip and Option Care have merged to establish a national presence in home and site infusion. With 46 states and 96% of the U.S. population under its coverage, the combined entity will be well positioned to procure LDD agreements and favorable payor contracts.
March	Centene	WellCare	Institutional Pharmacy	Centene announced their acquisition of WellCare, which is expected to close in 2020. The combined entity will service 12 million Medicaid recipients, and 5 million Medicare recipients, creating the undisputed leader in Medicaid services.
February	Village Fertility	Integrity Rx	Specialty Pharmacy	Village Fertility, a portfolio company of BelHealth Investment Partners has acquired Integrity Rx, one of the leading fertility-focused specialty pharmacies in the U.S. With this deal, Village Fertility is positioned as the only national specialty pharmacy in the fertility space.
February	Consonance Capital	Orsini Pharmaceutical Services	Specialty Pharmacy	Consonance Capital completed a majority recapitalization of Orsini Pharmaceutical Services, a national specialty pharmacy based out of Illinois. The thesis for the investment was centered around medication adherence in rare and difficult disease specialties.

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Upcoming Conferences:



Asembia Specialty Pharmacy Summit 2019
 April 29th – May 2nd Las Vegas, Nevada