

# Q2-2019 Emergency Medical Services Update



## Market Update

Although consolidators have been active in the emergency medicine market for almost two decades, private equity investors and their portfolio companies continue to identify and execute acquisition opportunities. Given the high capital expenditure associated with purchasing ambulance transportation assets, acquisitions will remain an essential tool for industry stakeholders. Within the urgent care market, access to working capital and relevant retail operating experience continues to motivate companies to leverage private equity partnerships. In the second quarter of 2019, Provident observed transaction activity throughout multiple sub-sectors of emergency medicine such as ambulance services, urgent care, and emergency services.

As a byproduct of consolidation within emergency medicine, outsourced vendors to emergency medical providers are developing new tools to better serve a more sophisticated client base. Medsphere Systems, a healthcare IT provider, recently launched Wellsoft Urgent Care to provide a new suite of turnkey services to urgent care facilities. This shift in product development is a manifestation of an evolving urgent care environment that requires more advanced IT services to support scale and growth. Provident expects activity to continue for the foreseeable future across all of emergency medical services.

## Notable Transactions:

Month	Acquirer	Target	Target – Number of:		Deal Significance
			Locations	States	
Urgent Care:					
June	HCA Healthcare	MedSpring	24	1	HCA Healthcare has acquired 24 urgent care centers from Fresenius Medical Care, which will be rebranded to CareNow Urgent Care. The deal complements HCA’s network of 150+ urgent care centers with the expansion into Texas.
April	Great Point Partners	Little Spurs Pediatric Urgent Care	12	1	Little Spurs Pediatric Urgent care has partnered with Great Point Partners in a majority recapitalization. Little Spurs was motivated to expedite the company’s growth, and their five year relationship led to the deal.
Emergency Medicine:					
April	Emergency Care Partners	Ascension Emergency Physicians	N/A	1	Emergency Care Partners, a portfolio company of Varsity Healthcare, has completed its second transaction of the year with the acquisition of Louisiana-based Ascension Emergency Physicians.
Ambulance Services:					
April	Air Medical Group Holdings (AMGH)	SevenBar	N/A	6	Air Medical Group Holdings, a portfolio company of KKR, has acquired SevenBar Aviation, with the intent of integrating the air ambulance provider with Med-Trans. Med-Trans now operates 100+ bases in ~30 states.

## Provident Industry Coverage Team

Ajeya Shekar  
Vice President  
[ashekar@providenthp.com](mailto:ashekar@providenthp.com)  
(617) 226-4251

Eric Major  
Vice President  
[emajor@providenthp.com](mailto:emajor@providenthp.com)  
(617) 226-4212

Bill Bolding  
Analyst  
[bbolding@providenthp.com](mailto:bbolding@providenthp.com)  
(310) 359-6616