

Q3-2022 Payor Services Update

Market Update

The past quarter showcased a steady flow of transactions in the payor services sector, with interest primarily from strategic consolidators. Provident believes in the near term that more private equity funds will form payor services platforms.

Provident expects an uptick in private equity interest in the payor services sector, evidenced by NMS Capital, a leading private equity sponsor in healthcare services, partnering with Pat Rowland. Ms. Rowland is joining the fund's operating executive council specifically to help identify, partner with, and build payor services businesses. She will bring over 30 years of industry expertise to NMS Capital as it looks to invest in the payor services sector.

Notable Transaction











August 2022

Mollie Kallen Case Management (MKCM) has a national presence providing medical field and telephonic workers' compensation case management, and catastrophic case management for the workers' compensation industry.

With the addition of MKCM to its portfolio, IMA further expands its national case management services in its rapidly growing Payer Services division. IMA continues its mission to provide highly personalized client, employee focused, and results-oriented case management services. This marks IMA's fourth acquisition of the year.

Select Transactions:

Month	Acquirer	Target	Deal Description
September			The acquisition accelerates Prescriptive's market penetration and expands access to Prescriptive's blockchain-powered mobile solution, bringing convenience, transparency, choice, and control over prescription drug pricing.
July			SyTrue is the pioneer in healthcare natural language processing technology, creating a seamless and cohesive solution for clinical, coding and medical record reviews. The acquisition will empower health plans to leverage SyTrue's technology to transform data into actionable insights to deliver more effective and accurate payment integrity programs.
July			PES, an employee benefits technology, administration and education company, has acquired AllyHealth. AllyHealth seeks to improve health and wellness for health plan members, increase productivity, decrease healthcare costs, and enhance benefits plans with industry leading engagement and utilization.
August			Zelis, a leading healthcare payments and pricing company, entered into a definitive agreement to acquire Payer Compass. Payer Compass works with health plans to reprice more than \$200 billion in claims, generate more than \$1.5 billion in annual savings, and serve more than 10 million lives.

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