

Q4-2022 Revenue Cycle Management Update

Market Update

The past quarter reflected some of the market's hesitancy to software investment. There were only six deals in Q4-22, a two-year quarterly low and down from Q3-22's 10 deals. This is part of a larger trend of a slowdown in software investment, as broader SaaS acquisitions have continued to slow and valuation multiples for publicly traded companies have compressed.

Provident believes RCM acquisitions will weather the software M&A slowdown better than many other SaaS verticals. Companies providing consumer and discretionary software services will struggle though a potential recession more than those offering software-enabled revenue cycle management services to the healthcare provider universe.







Notable Transaction



Optum, a diversified health services company and part of UnitedHealth, acquired Change Healthcare, a leader in software enabled services within the healthcare industry. The \$13 billion transaction is complete following months of litigation from the DOJ.

The combined company will focus on simplifying and connecting core clinical, administrative, and payment processes. Improving efficiency and reducing bottlenecks will benefit the entire healthcare system, resulting in lower costs and for all stakeholders

Select Transactions:

Month	Acquirer	Target	Deal Description
December	 CorroHealth	 VERSALUS HEALTH	CorroHealth has acquired Versalus Health, which will operate under the name "Corro Clinical". Versalus Health's clients will now have access to a broader range of technology and solutions, and CorroHealth's clients will benefit from Versalus Health's healthcare analytics leadership.
October	 KNOWTION HEALTH™	 AMPLUS®	Knowtion Health acquired Amplus, a healthcare revenue cycle accounts receivable resolution and technology service provider. This acquisition will accelerate Knowtion's plan to expand often negated low balance recovery technologies to reach Knowtion's scalability goals.
October	 National Medical Billing Services	 MEDTEK REVENUE CYCLE SPECIALISTS A National Medical Company	National Medical Billing Services, an industry leading healthcare revenue cycle management company serving the surgical market and backed by Aquiline Capital Partners, acquired MedTek, a provider of RCM solutions to ambulatory surgery centers, hospitals, clinics, and specialty groups nationwide.

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