

Q1-2023 Payor Services Update

Market Update

The first quarter of 2023 kicked off a strong start within payor services as strategic buyers remain acquisitive. Of the transactions completed this quarter, the bulk of target companies serve employers and offer benefit management solutions.

Provident anticipates strategic acquisitions of payor services companies to continue at a similar pace as 2022. The sector remains attractive as many individuals, approximately 70% of working adults, are covered by employer sponsored health plans according to the Employee Benefit Research Institute. Given the prevalence and expense of self-funded plans, payor services companies that position themselves to serve employers will continue to draw interest from strategic partners and financial sponsors.

Notable Transaction

❖ one medical

Has been acquired by

amazon

February 2023

Amazon has acquired One Medical, a primary care platform that offers group memberships to employers in convenient urban locations as well as telemedicine visits.

The acquisition gives Amazon access to One Medical's 200+ brick-and-mortar medical offices in 26 markets, serving approximately 815,000 members. Subsequently, this acquisition marks another step into healthcare for the global online retailer and enhances its expertise in providing a comprehensive medical care experience.

Select Transactions:

Month	Acquirer	Target	Deal Description
March			SimpleTherapy, an industry-leading digital musculoskeletal pain recovery solution platform, has acquired PhysMetrics, a musculoskeletal benefit management provider. The combined forces allow SimpleTherapy to further expand on its existing virtual physical therapy programs through a multidisciplinary care team
February			Assured Partners acquired IFS Benefits, a full service cost containment platform designed to help employers manage benefits, claims reviews, and compliance. IFS Benefits plans to continue serving their loyal clients in the Mid-Atlantic while leveraging the resources and expertise of a larger partner.
January			Voya Financials, a leading health, wealth, and investment company, has acquired Benefitfocus, an industry-leading benefits administration technology company. As a result of the acquisition, Benefitfocus reinforces Voya's strategy in health and wealth solutions and benefit administration capabilities that expands their reach across workplace benefits and savings

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