

Healthcare Staffing

Q2 2023

Market Update

Healthcare facilities continue to experience labor shortages, yet numerous staffing firms experienced reduced volumes and declining bill rates in Q2. With declining bill rates, nurse pay continues to fall. Technology continues to benefit firms from a recruitment, credentialing, and placement perspective. According to SIA, approximately 72% of revenue is generated from firms using technology-enabled solutions.

While there continues to be a nurse shortage because of retirements, or nurses leaving the profession earlier due to the pandemic, demand for therapists, clinical social workers, speech pathologists, and psychiatrists remains high. Many staffing firms have expressed interest in school-based settings because of stable rates, longer contract terms, and government investment.

Notable Transaction

LRS Healthcare, headquartered in Omaha, Nebraska, partnered with Jackson Healthcare in June.

One of the largest US healthcare staffing firms, Jackson, headquartered in Atlanta, has been acquisitive in the past, having acquired Avant Healthcare, Tyler & Company, and Kirby Bates Associates, among others. The group has sixteen businesses and delivers medical staffing, search, and technology capabilities to health systems, hospitals, and other medical facilities throughout the US.



Select Transactions

Month	Acquirer	Target	Deal Description
June			In early July of 2023, Aya Healthcare, a healthcare talent software and staffing company, acquired Flexwise Health. Flexwise will be added to Aya's software solution options to optimize capacity and cost savings for healthcare organizations through predictive analytics.
May			NewSpring Capital, a PA based private equity firm, announced they have made a strategic investment in Healthworks, a provider of specialty nursing and technical personnel to healthcare providers. The investment is set to allow Healthworks to expand outside of its current core PA market.
May			Nurses 24/7, a provider of nurse staffing services for healthcare professionals in acute care facilities, announced it has received a growth investment from Sier Capital Partners.
April			Following an April acquisition from Boca Raton based strategic Health Advocates Network, Horizons Healthcare Agency ("Horizons") has become an operating division of HAN. A provider of nationwide healthcare staffing services, Horizons will bolster HAN's operations with the addition of a Midwest regional office.

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