

# Revenue Cycle Management

Q3 2023

## Market Update

The Revenue Cycle Management (RCM) sector experienced an uptick in consolidation activity through Q3-23 as six companies were acquired by larger strategic competitors. The majority of acquired companies had both a specific target end user and leveraged cutting edge technology such as AI and Natural Language Processing (NLP).

Acquisitions this quarter were largely driven by the opportunity to diversify services, add depth to existing services, leverage new technology, and increase subscriber bases. While some of the buyers have experience in M&A, other strategic consolidators acquired their first company. We believe the rapid development of AI paired with a tightening lending environment lends itself to an uptick in strategic deals and potentially a continued slowdown in platform formation.

## Notable Transaction

Aspirion, a tech-enabled RCM provider for complex claims, acquired Continuum Health Solutions, a trusted motor vehicle accident (MVA) and third-party liability (TPL) RCM company. Continuum reinforces Aspirion's market leadership in complex claims management, specifically within MVA and TPL services.

Aspirion will leverage Continuum's innovative technologies to continue focusing on recovering unrealized revenue from complex MVA and TPL claims for hospitals and health systems.



## Select Transactions

Month	Acquirer	Target	Deal Description
September			ModuleMD, a leading healthcare technology company, has acquired Diversified Health Care Management and MedEase Practice Management software, two players in the RCM industry with over 75 years of combined experience. The acquisition will benefit clients via expanded service offerings and enhanced technology.
September			iCoreConnect, a cloud-based software company focused on increasing customer productivity and profitability, acquired Preferred Dental Services. Preferred Dental Services is a provider of dental billing, claims, and insurance management services.
August			E4health acquired eCatalyst Healthcare Solutions to build the leading national provider of middle RCM services, including coding, auditing, clinical documentation improvement, revenue integrity, master patient index, and strategic information technology services.

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