

Payor Services

Q4 2023

Market Update

Payor services transactions continued at a steady pace in Q4-23. Three companies were acquired this quarter, two by strategic consolidators and one by a private equity fund. Provident has noted a steady appetite for companies that service self-insured clients.

Provident anticipates a predictable flow of payor services acquisitions in the near-term, particularly within the case management vertical spurred by NMS Capital. Provident also expects to see rising strategic interest in cost containment companies, particularly within the self-insured market, as a combination of labor shortages and inflation will put pressure on employers pressed to maintain margins and a reliable employee base.

Notable Transaction

VONA, a leading provider of medical case management services to self-insured employers, workers' compensation carriers, and TPAs was acquired by NMS Capital. VONA is the first payor services investment by NMS Capital, representing a major landmark for both VONA and NMS Capital.

The acquisition will empower VONA to grow geographically and expand its breadth of services. Since the acquisition, VONA has increased coverage within Florida, Ohio, and California.

Given NMS' emphasis on add-on acquisitions, Provident expects an increase in case management M&A in the coming years.



Select Transactions

Month	Acquirer	Target	Deal Description
December			Advent Health Partners, a leading medical record review process service provider, was acquired by Trend Health Partners, a healthcare payment integrity company. Advent's payor solutions cover over 100M insured members and lead to an average 32% reduction in administrative expenses. The acquisition will ensure Trend remains at the forefront of AI-driven payment accuracy and revenue integrity for both healthcare payers and providers.
October			Ryan Specialty, an international insurance provider, acquired AccuRisk Holdings, medical stop loss managing general underwriter that serves employer groups, brokers, and TPAs. The acquisition expands Ryan Specialty's breadth of services and provides self-insured clients a "one-stop-shop" solution.

Provident Industry Coverage Team

Eric Major
Managing Director
(617) 226-4212
emajor@providenthp.com

Rich Sciretta
Vice President
(617) 226-4215
rsciretta@providenthp.com

Ankit Amin
Associate
(617) 226-4253
aamin@providenthp.com

Daniel O'Brien
Associate
(617) 226-4292
dobrien@providenthp.com

Henry Nimey
Senior Analyst
(617) 226-4296
hnimey@providenthp.com