

Revenue Cycle Management

Q4 2023

Market Update

The Revenue Cycle Management (RCM) sector experienced a continued uptick in consolidation activity through Q4-23 as seven companies were acquired, three by private equity backed platforms, two by larger strategic players, and two new private equity platforms were formed. The second half of 2023 saw 13 transactions in the space with multiple new platforms, leading Provident to believe there is runway for further acquisitions in the near-term and significant recapitalizations in the long-term.

Strategic and financial acquirers have continued to partner with companies that offer complementary technologies in overlapping sectors with a strong appetite for automation and off-shore workforces, driven by the need to maintain margins as the companies scale.

Notable Transaction

ACU-Serve Corp., a leading provider of end-to-end revenue cycle management services, was acquired by Lovell Minnick Partners (LMP). This transaction represents LMP's entry to the RCM space.

The ACU-Serve platform is a comprehensive solution offering encompassing patient intake, billing review, AR management, and analytics. The Company serves clients within the DME/HME and home infusion sectors.

LMP's investment will enable ACU-Serve to expand its suite of solutions, accelerate technological innovations, and continue its acquisition strategy.









Has been acquired by



October 2023

Select Transactions

Month	Acquirer	Target	Deal Description
October			WellSky, a leading HCIT company backed by Leonard Green & Partners, acquired Corridor, an end-to-end tech-enabled services platform designed for the post-acute care industry. Corridor has a proven track record servicing post-acute providers at nearly 2,700 client sites. The acquisition allows WellSky to strengthen its position in end-to-end home health RCM and move into SNF billing.
October			CPSI (NASDAQ: CPSI), a healthcare software solutions company, acquired Viewgol, a provider of ambulatory RCM analytics and outsourcing services. Viewgol provides RCM services and analytics software solutions to 38 customers in 15 states. The acquisition will help CPSI continue offshoring its workforce and drive margins at scale.
October			Alpha II, a leading healthcare RCM solutions provider backed by TA Associates, acquired RCxRules, an innovator in front-end RCM automation. The acquisition will combine the complementary tech-enabled services provided by both companies, largely to the ambulatory and post-acute clients.

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