

Payor Services

Q1 2024

Market Update

The payor services sector rang in the New Year with four strategic transactions. Two of the transactions, Remodel Health's acquisition of PeopleKeep and Alivia's acquisition of SourcEdge, were largely driven by an interest to improve the buyer's technology offerings and provide a more comprehensive suite of services. Rite Aid's divestiture of Health Dialog should provide both Rite Aid and Carenet Health with an improved focus on the company's core businesses of patient engagement.

Provident anticipates an uptick in strategic payor services deals following last quarter's platform creation and the appetite of strategic players to enhance their tech offerings, expand the breadth of services offered, and improve their core business model.

Notable Transaction

PeopleKeep, the first company to market an Individual Coverage Health Reimbursement Arrangement (ICHRA), helps employers manage personalized employee benefits through a unique cloud offering.

Remodel Health helps employers navigate the process of customizing ICHRA health benefits solutions tailored to their organization's needs with an emphasis on customer service.

The acquisition will ensure clients experience the best each company has to offer, starting with the customization of Remodel Health's white-glove service now complemented by the efficiency and technological innovation of PeopleKeep's automated solutions.



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February 2024

Select Transactions

Month	Investor	Target	Deal Description
March			Rite Aid has entered into an asset purchase agreement to divest a majority of its Health Dialog business to Carenet Health, a healthcare engagement platform for 100+ commercial and government plans. Rite Aid's Health Dialog company provides population health services to risk-bearing organizations, offering member engagement and medication adherence programs, multi-channel health coaching, and shared decision-making tools. This aligns with Rite Aid's emphasis on a lean, brick & mortar store and provides Carenet with a significant portfolio of assets necessary for its core business. The deal is set to close in Q2-24.
February			Rite Aid has completed the sale of Elixir Solutions to MedImpact Healthcare Systems for \$577M. Elixir is a PBM company serving health plans, employers, and TPAs. MedImpact helps commercial and government health plans manage healthcare benefits and reduce drug costs for millions of consumers across the country.
February			Alivia, a leading AI-powered healthcare payment integrity platform for fraud, waste, and abuse, acquired SourcEdge, a national provider of claims systems modernization and maintenance. Together, the combined company will offer an end-to-end tech-enabled solution spanning payment integrity, pre- and post-pay reviews, and technology optimization to its 35+ health plan clients.

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