

Healthcare IT

Q2 2024

Market Update

The healthcare information technology (HCIT) sector continued to experience significant momentum in Q2 2024 due to several persistent trends gaining prominence. Increased adoption of electronic health records (EHR) systems, driven by ongoing advancements in interoperability standards and government incentives, remained a crucial factor driving the space's investment activity. Additionally, the sustained investment in artificial intelligence and machine learning technologies continued to enhance data analytics capabilities, enabling more efficient patient care and operational management. The Change Healthcare cyberattack in Q1-24 underscored the importance of cybersecurity, leading to increased spending on HCIT solutions through the second quarter.











These combined factors fostered an environment conducive to innovation and growth within the HCIT sector in Q2-24. Provident anticipates these trends will persist, bolstering M&A activity throughout the remainder of 2024.

Notable Transaction

Model N, a San Mateo-based leader in revenue optimization and compliance for pharmaceutical, medtech, and high-tech innovators, was acquired by Vista Equity Partners in a \$1.25 billion take-private transaction. Model N's platform is used by companies such as Johnson & Johnson, AstraZeneca, and AMD to automate decision related to pricing, incentives, and compliance. The Company's software integrates with various data sources and internal systems to help companies analyze trends, pricing, efficacy, market demand, and more. The acquisition underscores Vista's commitment to nurturing innovative companies and driving digital transformation in the revenue management sector.



Select Transactions

Month	Investor	Target	Deal Description
June			Arcadia, a leading data platform for healthcare, acquired CareJourney, a preeminent provider of clinically-relevant healthcare data and AI-powered analytics and insights
June			Simulations Plus, a leading provider of modeling and simulation software and services for pharmaceutical safety, acquired Pro-ficiency Holdings, a provider of simulation-enabled performance and intelligence solutions for clinical and commercial drug development
June			Med-Metrix, an A&M Capital-backed provider of technology-enabled RCM solutions, acquired Hospital Billing & Collection Service ("HBCS") to bolster its end-to-end RCM offerings
June			Health Catalyst, a leading provider of data and analytics technology and services to healthcare organizations, acquired Carevive systems, a leading oncology-focused health technology company that focuses on improving care for cancer patients
May			Precision for Medicine, a leader in biomarker-driven clinical R&D acquired Algorics, one of the fastest-growing clinical technologies and biometrics service providers to the biopharma industry

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