



 INDUSTRY RESEARCH

Healthcare IT Report

PE trends and investment strategies

Q2
2024





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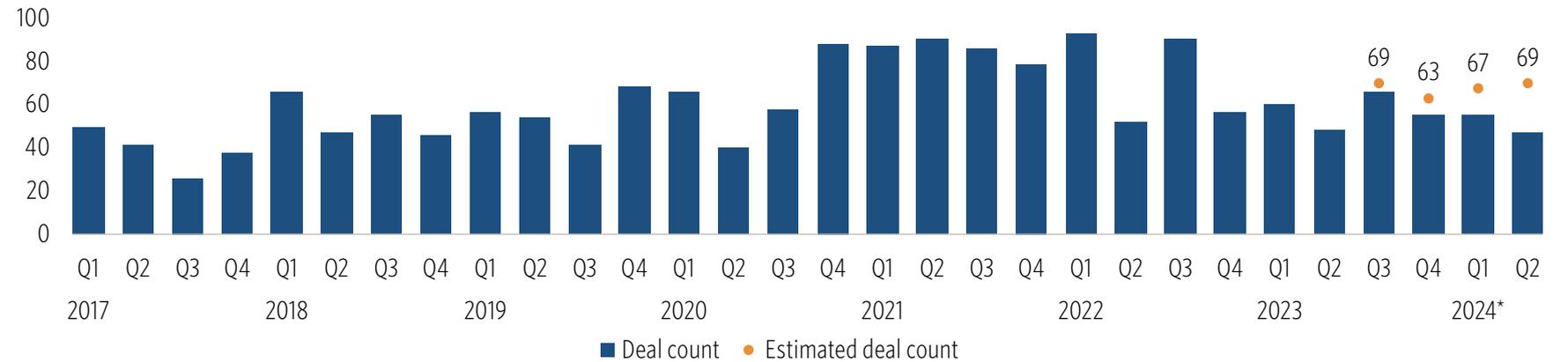
Vertical overview

Healthcare IT comprises software and tech-enabled services for the payer (including employers and benefit management) and provider end markets. Previous editions of this report covered healthcare IT software across PE and VC. This quarter, we are relaunching the report as a more comprehensive review of PE healthcare IT deal activity. Our refreshed taxonomy is detailed below. We will continue to publish updates on VC healthcare IT deal activity in separate quarterly notes.

Healthcare IT growing in importance

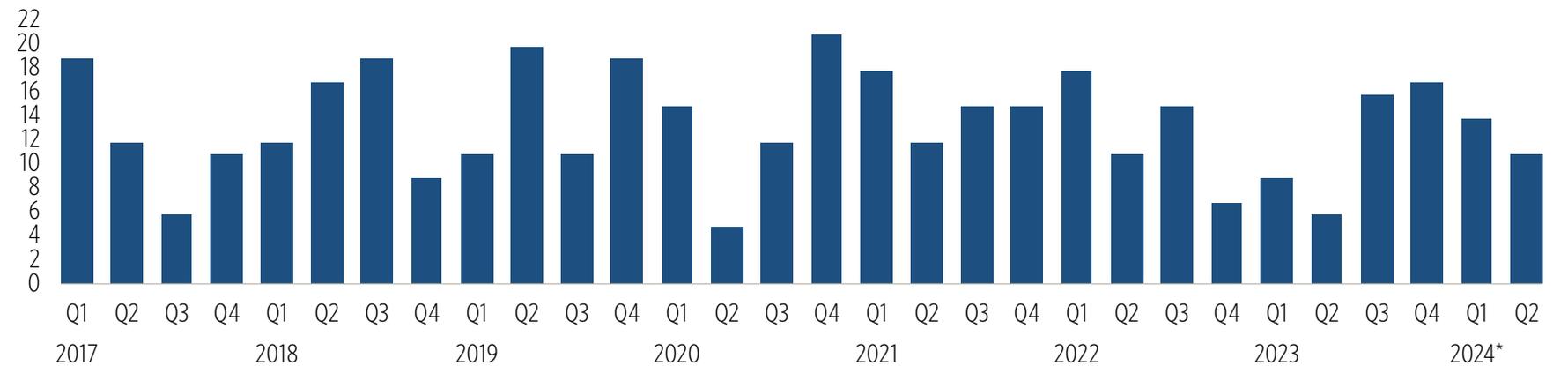
Although healthcare IT has historically accounted for a smaller proportion of healthcare PE deal activity than healthcare services (providers), the vertical has grown in importance in recent years and has been more resilient. We recorded 25 healthcare IT platform buyouts in the first half of 2024 compared with 28 in healthcare services over the same period. For healthcare services, these figures represent a projected annual dealmaking pace more than 2.5x slower than what we saw in 2021, while healthcare IT is only 25% off 2021's pace. Furthermore, we expect the tide to keep shifting in favor of healthcare IT as regulatory uncertainties and limited exit opportunities for larger healthcare provider assets push

Healthcare IT PE deal count by quarter



Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024

Healthcare IT PE platform deal count by quarter



Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024



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investors to diversify their healthcare exposure away from direct care delivery. (See our [Q2 2024 Healthcare Services Report](#) for more detail on these dynamics.) Although the healthcare IT vertical presents a mixed picture in terms of opportunity and risk—as described below—we expect the vertical to play a growing role in healthcare PE portfolios over the next few years.

When add-on and minority equity deals are included, PE sponsors announced or closed an estimated 69 healthcare IT deals in Q2 2024, keeping pace with the previous three quarters. Although sponsors remain in a risk-off stance overall, the healthcare PE market became more seriously active in Q2, and we expect to see the pace of deal announcements pick up modestly in the second half of the year. Moreover, with the broadly syndicated loan market back online and rate cuts imminent, we can expect a steady flow of larger deals. Two deals announced in August—Blackstone’s \$1.4 billion acquisition of provider consultant The Chartis Group and Clayton, Dubilier & Rice (CD&R) and TowerBrook Capital Partners’ \$8.9 billion take-private of R1 RCM—underline this. Soft valuations for anything resembling digital health in the public markets—especially in contrast with some of the more aggressive multiples that sponsors have paid lately

for premium healthcare IT assets in buyout deals—may also facilitate additional take-privates.

In the lower middle market, we are beginning to see more examples of a phenomenon we have anticipated for a while: PE firms and PE-backed companies acquiring VC-backed startups. Lower-middle-market PE firms perennially complain that VC-backed companies expect too-high multiples, and these firms would generally prefer to invest on a multiple of EBITDA rather than a multiple of revenue. However, we expect a greater convergence of the two asset classes over the next few years. These deals will generally take two forms: PE acquisitions of larger, profitable or nearly profitable VC-backed companies that have seen the writing on the wall and started to prioritize margin over growth; and PE-backed tuck-ins of smaller VC-backed companies that have run out of runway and sell at a discount to their previous valuation but can deliver a useful technology enhancement to a PE-backed platform.

Themes to watch

The innovation opportunity in the fragmented and process-heavy healthcare technology ecosystem is clear. This opportunity ranges from relatively straightforward

interventions, such as outsourcing traditional revenue cycle functions for midsize clinics to a scaled, tech-enabled managed services provider, to more transformative efforts, such as leveraging AI and payer-provider data interoperability to predict readmission risk for post-acute patients and inform proactive, remote interventions. PE investors will gravitate toward one end of this spectrum or the other depending on their investment style, although they will generally seek either positive EBITDA or a clear line of sight toward it and will leave companies piloting truly cutting-edge technologies and product categories to the VC investors. SAIGroup’s acquisition of GetWellNetwork from Pamplona Capital Management is an interesting example of an asset evolving along this spectrum. Originally a provider of in-room entertainment and smart boards to hospitals, GetWellNetwork has pushed deeper into the patient journey with engagement, recapture, and care navigation services and will focus on AI enablement of these functions under its new owner.

For buyout shops seeking a conservative bet, healthcare IT offers several tried-and-true playbooks that remain investable, including revenue cycle management (RCM) and ambulatory electronic health records (EHRs)/practice management software. Investments in both of these categories typically

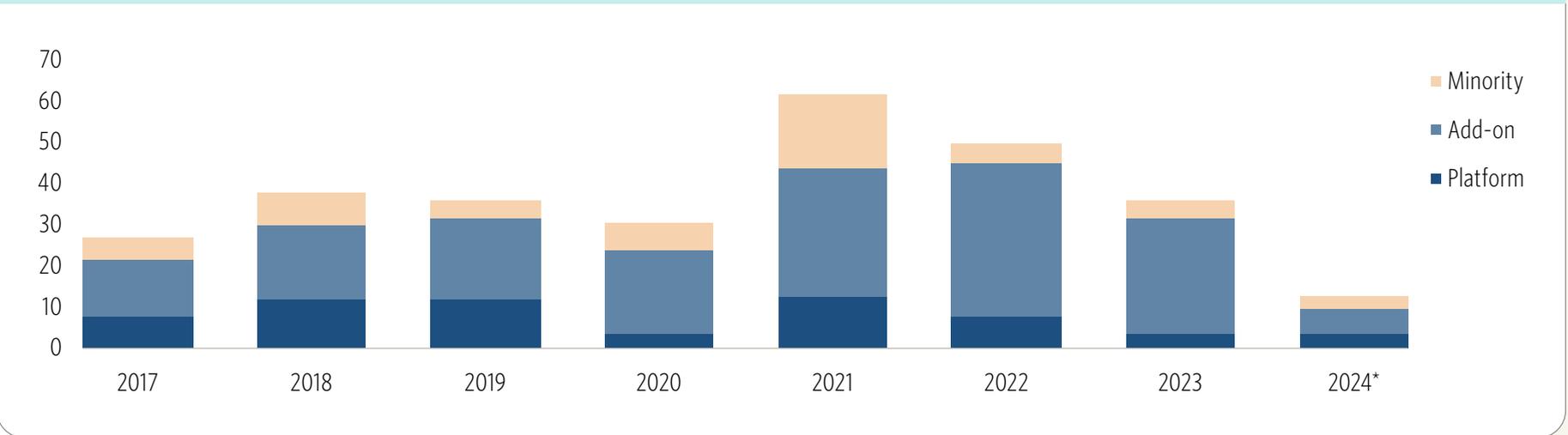


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follow a buy-and-build playbook, combining regional M&A with back-end technology improvements and a moderate level of new product development. Both categories also represent mission-critical line items for healthcare provider organizations and tend to offer long-term, sticky contracts. CD&R and TowerBrook Capital Partners' take-private of R1 RCM underlines the perennial attractiveness of revenue-cycle-outsourcing businesses to PE because this market remains highly fragmented. EQT- and CPPIB-backed Waystar's successful IPO in June highlighted the premium valuations achievable for a scaled, software-based revenue cycle play. The company currently [trades at over 6x LTM revenue](#) and is projected to achieve a 40% EBITDA margin for 2024. On the ambulatory EHR side, many physician and post-acute categories have already been consolidated, but a few pockets of opportunity remain. Thoma Bravo's \$1.8 billion take-private of NextGen and TPG's \$1.4 billion buyout of Nextech, both in late 2023, were the most recent large deals in this category. ModMed, which has large market shares in dermatology, ophthalmology, and orthopedics, has signaled that it will remain active in M&A even as Warburg Pincus' investment in the company ages past seven years.¹

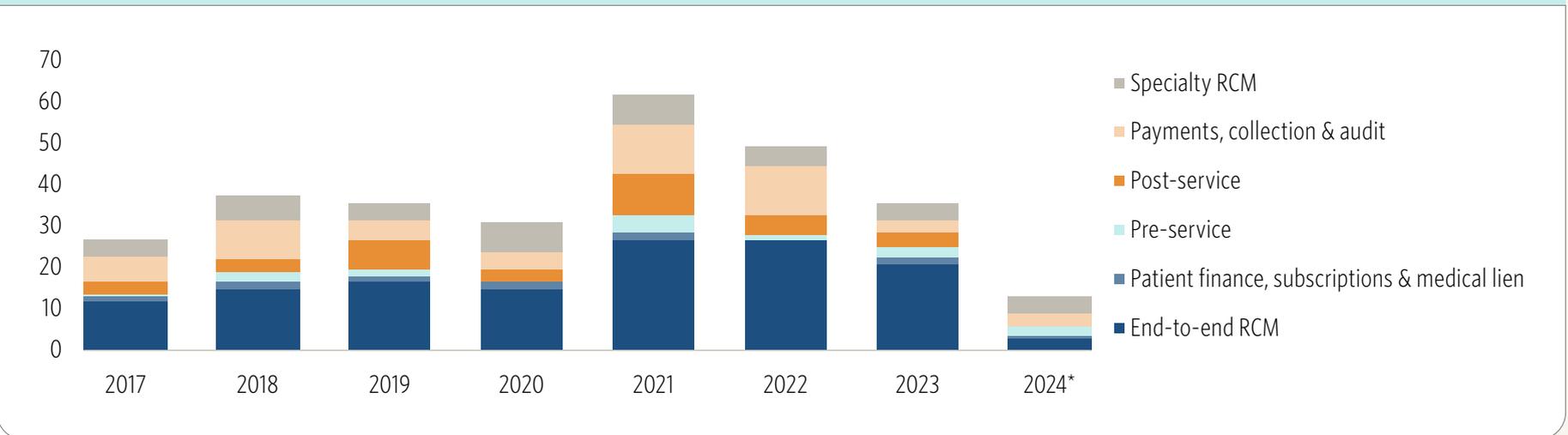
1: "Warburg's ModMed Shopping for Growth," Axios, Claire Rychlewski, August 19, 2024.

Revenue cycle PE deal count by type



Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024

Revenue cycle PE deal count by subcategory



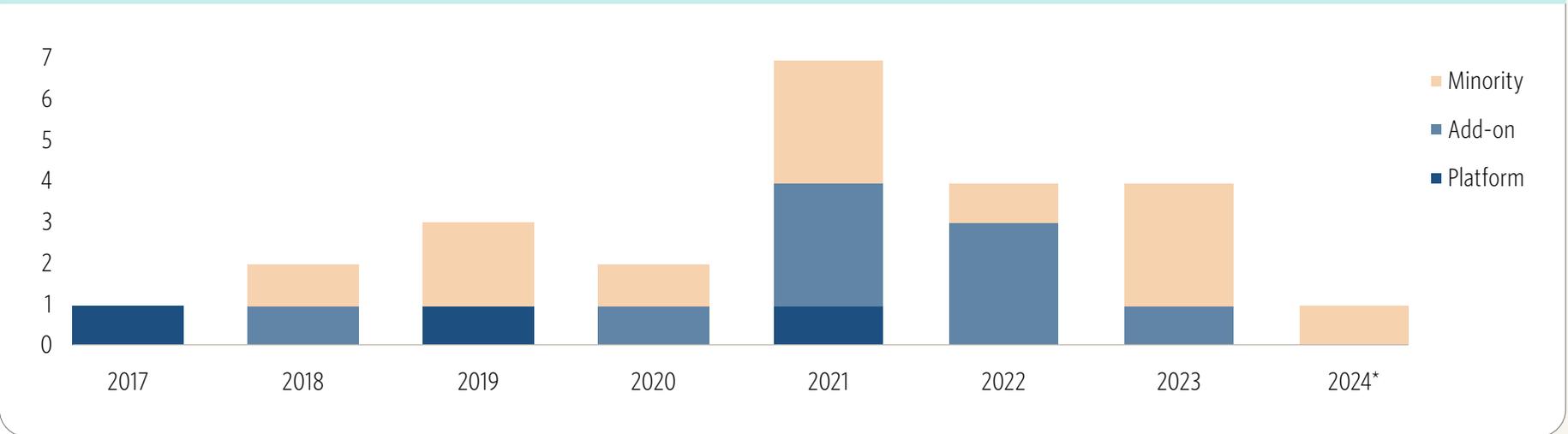
Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024



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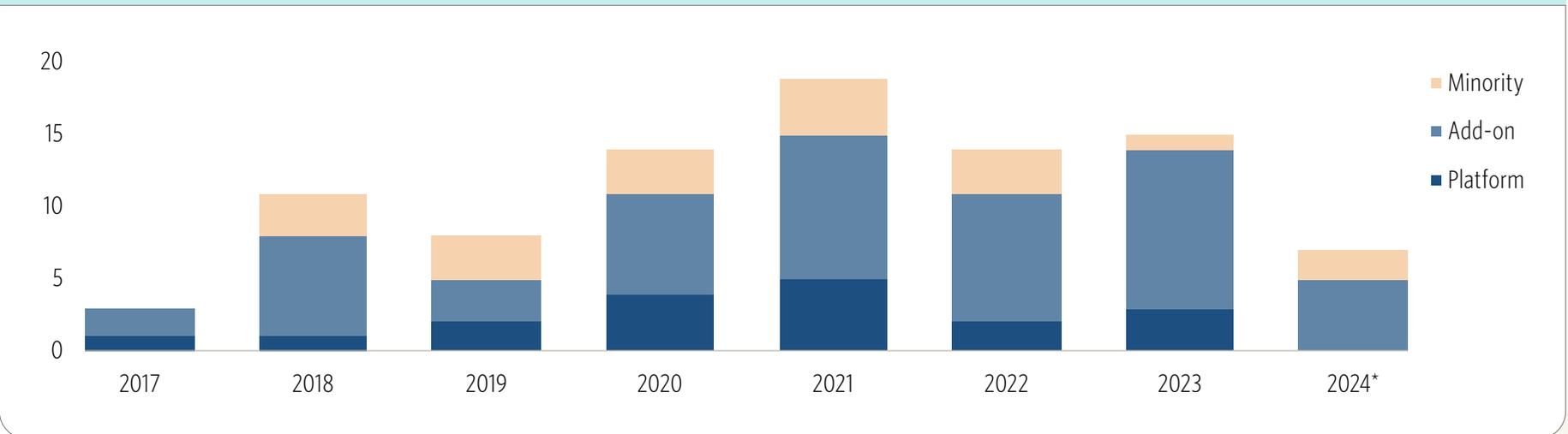
Further up the innovation ladder, PE sponsor interest is growing in other tech-enabled services markets. Chief among these is remote patient monitoring (RPM) and chronic condition management (CCM), a category that typically combines varying levels of tech enablement with outsourced services. The recent headline deal in this category was Sunstone Partners' March acquisition of Accuhealth, reportedly at a rich multiple following a competitive process. Accuhealth has already begun to execute on a buy-and-build strategy, expanding into CCM with the acquisition of Signallamp in June. We expounded on both the risks and opportunities in the RPM category—which is fragmented and growing rapidly but can suffer from thin margins and limited clinical integration—in our [Q1 2024 Healthcare IT Report](#). One company to watch in this category is StrideMD, a fast-growing and profitable diabetes-focused RPM provider. The company recently announced a partnership with Advanced Diabetes Supply, the largest distributor of diabetes durable medical equipment. (For more on the convergence of continuous glucose monitor distribution and CCM, see our [Q1 2024 Healthcare Services Report](#).) Some of the larger VC-backed RPM companies are also fielding sponsor interest.

RPM, CCM & hospital-at-home PE deal count by type



Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024

IT services PE deal count by type



Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024



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We are also seeing activity in managed IT services, which increasingly focus on cloud migration and cybersecurity. Although traditionally these markets have been dominated by larger players that provide services across industries, recent deals have underlined investor appetite for healthcare-specific providers, including FFL Partners’ buy of Medicus IT in July after a red-hot auction and Lumerity Capital’s acquisition of Ellit Groups in the same month.

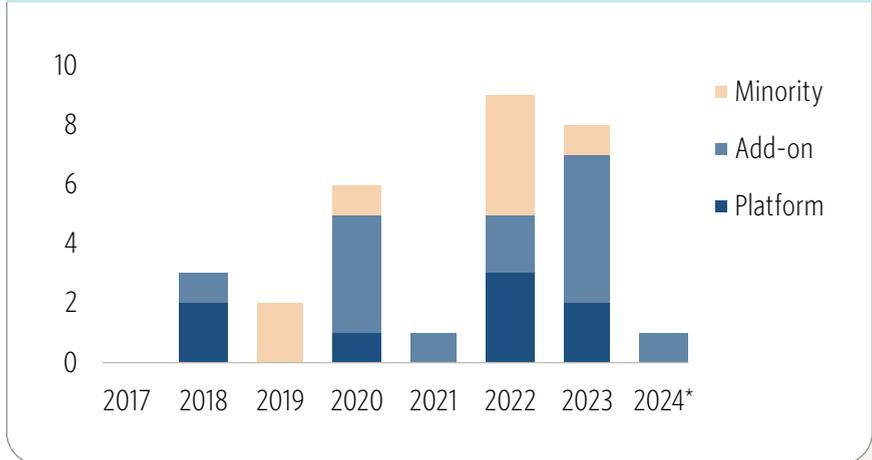
Looking ahead, we are watching a few additional categories:

- Utilization management (UM), payment integrity & claims review: UM—particularly specialty providers focused on categories such as chronic conditions, telemedicine, behavioral health, or laboratory testing—is an area of both growing need and growing technological opportunity. We outlined opportunities in this space in our [Q4 2023 Healthcare IT Report](#). Employer healthcare costs are expected to rise between 8% and 9% in 2025, driven by specialty drugs, including GLP-1s, as well as overall inflationary pressures resulting in negotiated rate increases.² At the same time, advances in AI and EHR interoperability have put decision-support tools that detect

rising risk and nudge clinicians onto best-practice care pathways increasingly within reach. Reported take-private interest for Evolent from CD&R, KKR, and TPG, along with Elevance, would represent a marquee deal in this category if it materializes. Additionally, in July, Parthenon Capital announced a partial recapitalization of Summit Partners-backed Medical Review Institute of America. In payment integrity, New Mountain Capital announced in September that it will create a \$3 billion multispecialty behemoth by merging portions of Apixio, which New Mountain acquired from Centene in 2023, with Varis (acquired as part of the deal) and The Rawlings Group (acquired in April 2024).

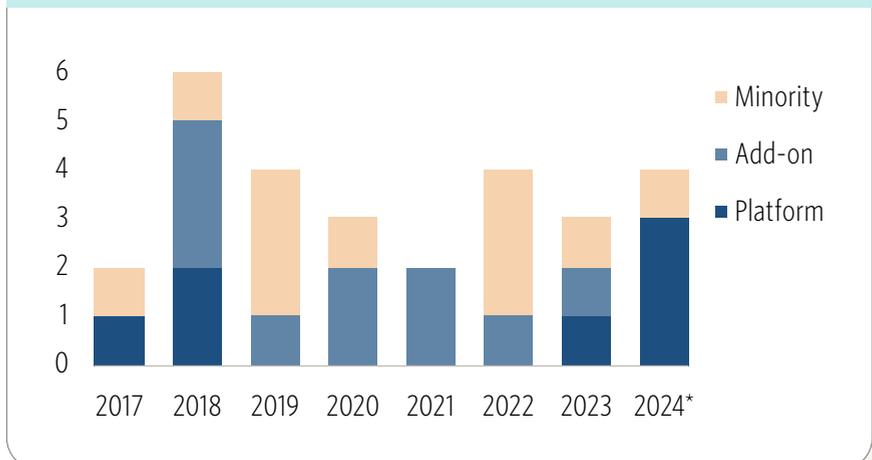
- Benefits platforms & care navigation: Several trends are converging to make this an attractive space. After proliferating in 2021, digital health point solutions are struggling to stay above water in the employer market. This presents a compelling opportunity for platforms that pick point solution winners, integrate them into a single front-end access point, and drive meaningful employee engagement. Additionally, mandated payer and provider price transparency data can help provide a backbone that, when paired with quality and outcomes data, should empower

UM, payment integrity & claims review PE deal count by type



Source: PitchBook • Geography: North America & Europe
*As of June 30, 2024

Benefits platforms & care navigation PE deal count by type



Source: PitchBook • Geography: North America & Europe
*As of June 30, 2024

2: “Employers Project 8%-9% Rise in Health Care Costs for 2025,” SHRM, Kathryn Mayer, n.d., accessed August 28, 2024.



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benefits navigators to more effectively direct patients to the right providers at the right time. Noteworthy recent transactions on this theme include the July acquisition of Healthcare Bluebook by Kelso & Company and Guidon Partners-backed Vālenz, and Altaris' announced take-private of Sharecare. Population health analytics platform Arcadia's acquisition of CareJourney is also a noteworthy adjacent move. Although Arcadia is currently a provider- and payer-focused product, its acquisition of CareJourney's quality benchmarking sets it up to begin reaching further into the employer-facing market. Finally, Warburg Pincus-backed Quantum Health has been on our IPO watchlist for a while.

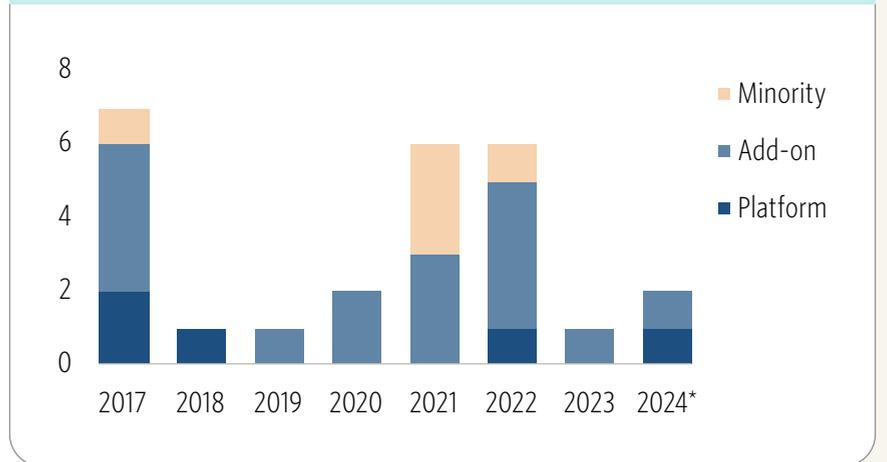
- Care management & coordination: Although we have not seen much deal flow in this space, we have seen an opportunity to aggregate and tech-enable outsourced providers in this fragmented market for a while. As providers, payers, and value-based care (VBC) enablers engage more and more high-risk patients, there is a growing need for skilled workers to reach out to patients to provide critical between-visit follow-ups, as well as for technology to prioritize that work and sync follow-up actions with care providers. Business models here can vary from fee-for-service outsourcing to per member per month with quality

or outcome overlays to full capitation, and can spill over into adjacencies in risk assessment, RPM/CCM, and VBC enablement. We know of a couple of companies, ranging from early stage to mature, in market currently. Guidehealth, which raised a \$14.0 million Series A led by Memorial Hermann in August, is a noteworthy earlier-stage player. The company is a multi-line-of-business VBC enablement management services organization (MSO) serving health system clients with RCM, care coordination, and other services orchestrated via a technology platform.

The EHR problem

The greatest challenge for the healthcare IT market, which we have been highlighting in our healthcare IT reports for a while, is the extreme level of risk aversion and point solution fatigue among health system buyers. To generalize, health system chief information officers (CIOs)/chief technology officers (CTOs) are inundated with software pitches and reluctant to embark on purchasing decisions that regularly take 12 to 18 months, followed by complex and potentially disruptive integration and implementation work. In many cases, a roughly equivalent EHR solution is available as an additional module for a marginal cost increase to the existing EHR contract and

Care management & coordination PE deal count by type



Source: PitchBook • Geography: North America & Europe
*As of June 30, 2024

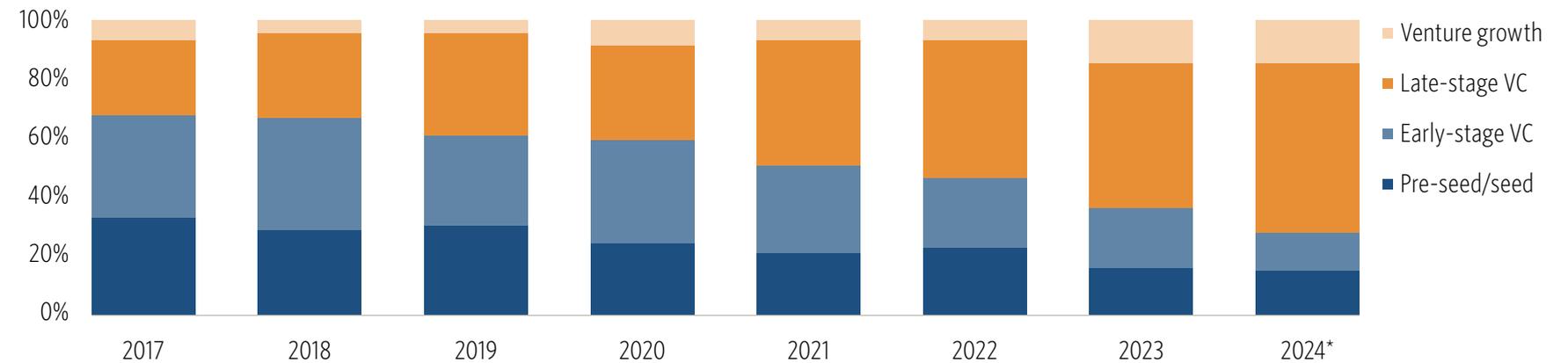


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with relatively frictionless deployment. EHR vendors can also crowd out third-party point solutions by creating friction in the integration process. These factors combine to create significant risk for any investor in an EHR-adjacent software solution selling into the health system market. We have heard versions of this narrative repeated by both late-stage VC and PE investors, as well as by leaders of both smaller and quite large (over \$500 million) healthcare IT companies. As one illustration of this, our VC healthcare IT data shows a steady drift toward more established companies over the past five years, with late- and growth-stage deals increasing their proportion of VC deal count each year, from 40.8% in 2020 to 72.3% in the first half of 2024.

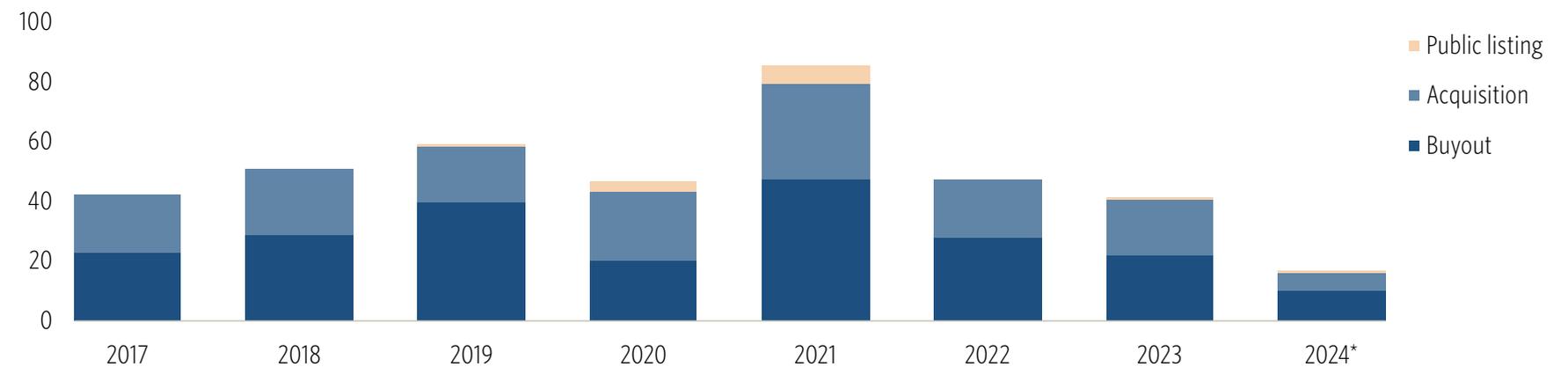
Mitigating strategies include carefully segmenting target markets and understanding the behavior and strategic initiatives of the dominant EHRs in each relevant market; and building products that can be sold to health system leaders other than the CIO/CTO, such as the chief nursing officer or department heads. Many PE investors have focused on companies that specialize in serving ambulatory provider groups—although in that space, investors must contend with limited appetite for solutions outside core EHR, revenue cycle, and patient acquisition functions, as well as ongoing provider

Share of healthcare IT VC deal count by stage



Source: PitchBook • Geography: Global • *As of June 30, 2024

Healthcare IT PE exit count by type



Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024



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consolidation, which has tended to move the largest groups onto the dominant EHRs over time.

Finally, we also receive many inquiries from technology companies seeking to break into the VBC/risk-bearing provider group end market, as this is where, in theory, technologies that improve outcomes and drive down the total cost of care should align best with provider incentives and effectively pay for themselves. In our view, this market is already fairly vendor saturated, although there will likely be opportunities to replace homegrown platforms with third-party vendors over time. Broadly speaking, the three most pressing problems that risk-bearing entities are interested in solving via technology are provider behavior change, network design/referral management, and value-based payment architecture.

Outsourced services companies, which often fill essential functions and can plug in more easily as self-contained ancillaries to a provider's technology stack and clinical

workflows, are often a more attractive investment than software companies in the provider end market. We are also seeing strong investor interest in companies that serve the payer end market—which is also point solution fatigued, but not to the same extent as the provider market. (In a sense, payer tech stacks are built for point solutions: They tend to be cobbled together from disparate pieces, and purchasing decisions are often made by state or regional plans.) KKR's acquisition of a 50% stake in Cotiviti was the headline payer tech deal of the past year. An additional megadeal is in the works as Bain Capital and Parthenon Capital are reportedly in talks to sell a minority stake in payments giant Zelis at a roughly \$17 billion valuation.³ One of the main hindrances of the payer-facing healthcare IT market is that there simply are not as many assets available as there are on the provider side of the house, and we expect those that do come to market to command strong valuations.

³: ["Zelis Owners in Talks to Sell Stake at \\$17 Billion Value," Bloomberg, Michelle F. Davis and Ryan Gould, September 8, 2024.](#)

About the data

The Healthcare IT Report series tracks PE deals for payer and provider software and tech-enabled services companies headquartered in North America and Europe. PitchBook clients have access to the complete analyst-curated underlying data, which includes more than 1,700 companies segmented into 45 categories and subcategories.

Estimated deal count: Estimated deal count adjusts for normal lags in data collection. We arrive at our estimation by reviewing historical datasets. We do not provide this estimation at the segment or category level due to lower data counts.

Platform, add-on, minority: In our methodology, an "add-on" is any acquisition by a PE-backed company, regardless of target size, and a "platform" is any buyout (majority equity acquisition) that is not an add-on, regardless of size. "Minority" refers to any minority equity investment, including follow-on investments by the same PE firm, and corresponds to the "PE growth/expansion" deal type in the PitchBook Platform.



VERTICAL OVERVIEW

Select healthcare IT PE deals in Q2 2024*

Company	Close date	Deal value (\$M)	Category/subcategory	Deal type	Exiting company/investor(s)	Acquirer/investor(s)
CareJourney	June 26	N/A	Population health & clinical analytics	Add-on	N/A	Arcadia Solutions (Peloton Equity, et al.)
Sharecare	June 21	\$518.0	Benefits platforms & care navigation	Take-private	N/A	Altaris
GetWellNetwork	June 21	N/A	Patient engagement & experience	Buyout	Pamplona Capital Management	SAI Group
Signallamp Health	June 20	N/A	RPM, CCM & hospital-at-home	Add-on	Baleon Capital, UPMC Enterprises	Accuhealth (Sunstone Partners)
RedSail Technologies	June 17	N/A	Pharmacy management & prescribing	Buyout	N/A	Leonard Green & Partners; Francisco Partners reinvesting
XIFIN	June 10	N/A	Revenue cycle: Specialty RCM	Minority	N/A	Ares Management
Waystar Health	June 7	\$967.5	Revenue cycle: End-to-end RCM	IPO	EQT, CPPIB	N/A
Mobile Health	June 5	N/A	Benefits platforms & care navigation	Buyout	N/A	H.I.G. Growth Partners
Solarity	June 3	N/A	Data management & exchange	Buyout	N/A	TA Associates Management

Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024



VERTICAL OVERVIEW

Select healthcare IT PE deals in Q2 2024, continued*

Company	Close date	Deal value (\$M)	Category/subcategory	Deal type	Exiting company/investor(s)	Acquirer/investor(s)
Infinx	May 21	\$150.0	Revenue cycle: End-to-end RCM	Minority	Norwest Venture Partners	Kohlberg Kravis Roberts
Sagility	May 10	N/A	Consulting & managed services	IPO	N/A	BPEA EQT
Kleer-Membersy	May 1	N/A	Revenue cycle: Patient finance, subscriptions & medical lien	Platform creation	Spectrum Equity	Charlesbank Capital Partners
Cotiviti	April 30	\$5,600.0	Payer analytics & workflow tools	Buyout	N/A	KKR; Veritas retaining 50% stake
The Rawlings Group	April 2	N/A	Revenue cycle: Specialty RCM	Buyout	N/A	New Mountain Capital

Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024



Healthcare IT PE investor map

Investor map is a representative overview of active investors in buyouts and growth equity globally. Investors are classified by the size of the fund out of which they primarily invest in healthcare IT.

[Click to view the full list on the PitchBook Platform.](#)

Lower middle market (less than \$500 million)



Middle market (\$500 million to \$2 billion)



Upper middle market (\$2 billion to \$5 billion)



Large cap (\$5 billion+)





Segment overview

Clinical information systems

The backbone of the healthcare provider technology anatomy

Provider operations

Software and services that manage clinical, operational, and revenue functions for providers

Virtual & remote care

Technologies that extend care provision beyond the clinic

Analytics & value-based care

Data-driven workflows that power care delivery transformation

Managed care

Companies helping to ensure access to care as well as care quality and cost-effectiveness



Clinical information systems

Clinical information systems encompass EHRs and other platforms that support primary clinical workflows, as well as tools and services that directly contribute to clinical encounter and diagnostic documentation. The clinical information systems segment consists of the following categories:

Clinical documentation: Technologies and scribing services that assist with the process of documenting clinical encounters in the EHR.

EHRs & practice management: Software platforms that document patient encounters and typically serve as the foundational operating system for most clinical, and many operational, workflows. This category serves generalist (multispecialty) and hospital-focused EHRs; vertical EHRs that offer workflows tailored for one or more medical specialties; and software platforms used by other types of providers, including residential facilities, home-based care agencies, and emergency medical transportation services.

Laboratory information systems (LISs) & laboratory management: Systems that allow pathology and clinical laboratories to track referrals, specimens, test workflows, and results, and to communicate results back to providers. They may also support aspects of RCM and practice management.

Outcomes assessment & digital tools: Companies that provide software-based measurement or treatment tools to support diagnosis and therapy, such as in musculoskeletal care or behavioral health.

Pharmacy management & prescribing: Software and services used by both standalone pharmacies and by other healthcare providers to support in-house pharmacies or prescribing workflows. This category includes pharmacy management systems, controlled substance surveillance, dispensing technologies, and e-prescribing.

Picture archiving and communication systems (PACSs), radiology information systems (RISs) & clinical image workflows: Systems that allow radiology labs and other providers to store and manage clinical images. These tools may also incorporate clinical decision support, such as AI detection of abnormalities in an MRI; referral workflows, such as referring incidental findings to appropriate specialists; and/or other radiology practice management functionalities.

Clinical information systems PE market map

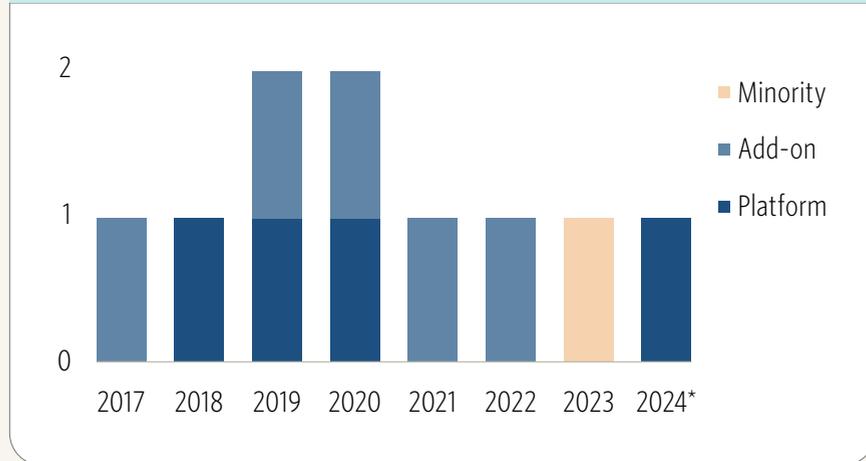


[Click to view the full map on the PitchBook Platform.](#)



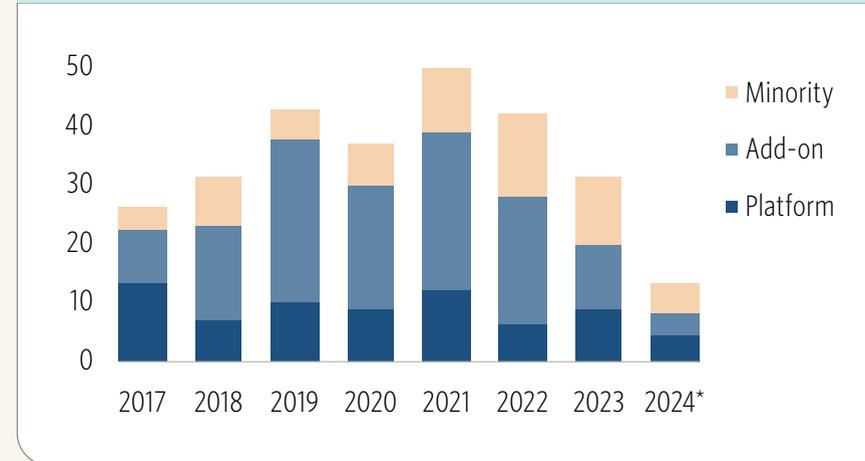
CLINICAL INFORMATION SYSTEMS

Clinical documentation PE deal count by type



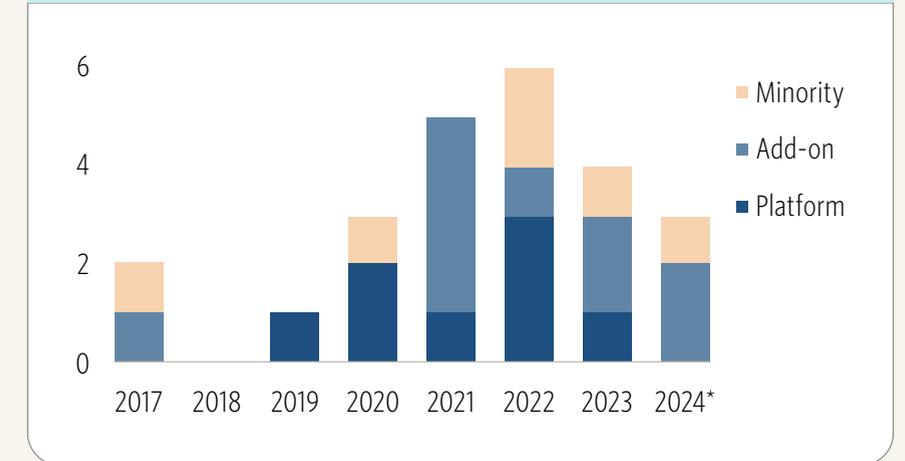
Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024

EHRs & practice management PE deal count by type



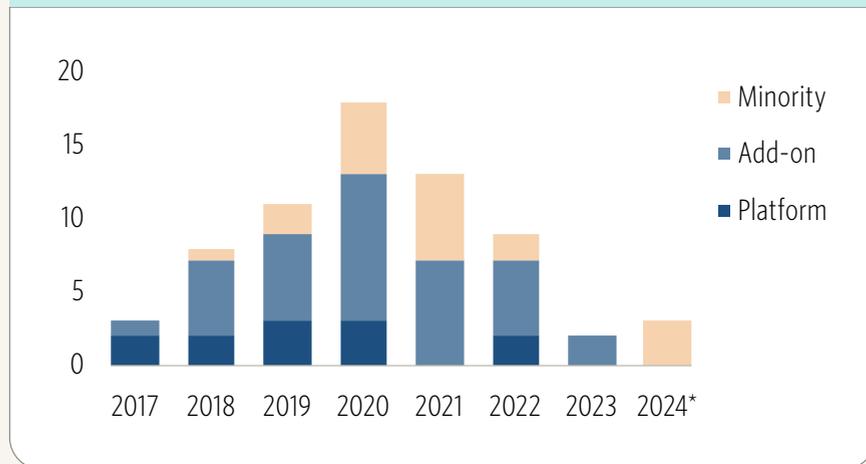
Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024

LISs & laboratory management PE deal count by type



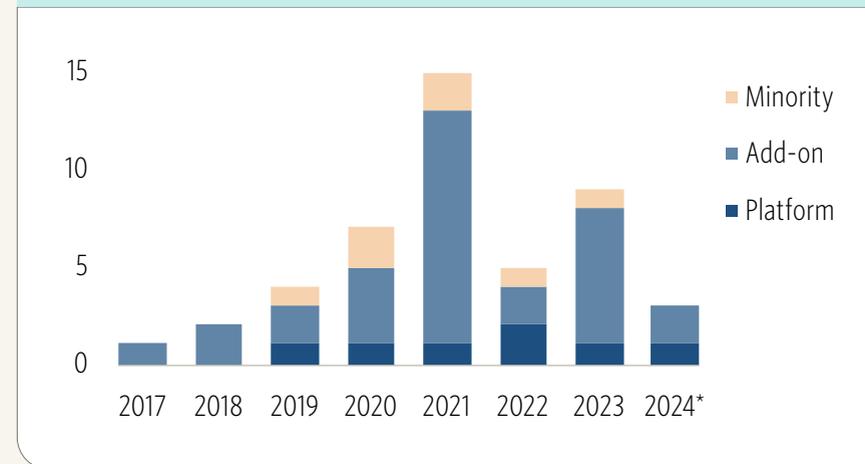
Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024

Pharmacy management & prescribing PE deal count by type



Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024

PACs, RISs & clinical image workflows PE deal count by type



Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024



Provider operations

This broad segment covers software and services that enable aspects of back- and front-office administration outside of clinical encounters and documentation for healthcare providers of all sizes. This includes both clinical and nonclinical operations, RCM, and technology infrastructure. The provider operations segment consists of the following categories:

Clinical operations & admission, discharge and transfer

(ADT): Technologies and services that help providers, primarily hospitals, manage patient flow and bed allocation; care orchestration; ADT workflows; and other clinical operations workflows, such as blood, tissue, and transplant organ logistics and nonemergency transportation. This category also includes patient surveillance, telenursing, and virtual translation services.

Consulting & managed services: Companies that offer management consulting exclusively to healthcare providers and payers, as well as companies that offer managed services, such as call centers, that do not belong in other categories or that offer a variety of managed services, such as IT and revenue cycle. This category includes MSOs.

Provider operations PE market map

2 Provider operations

Clinical operations & ADT



Consulting & managed services



Data management & exchange



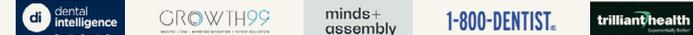
GRC & quality assurance



IT services



Marketing & patient acquisition



Patient engagement & experience



Resource management & procurement



Revenue cycle: Pre-service



Revenue cycle: Post-service



Revenue cycle: End-to-end RCM



Revenue cycle: Specialty RCM



Revenue cycle: Patient finance, subscriptions & medical lien



ROI & records management



Surgery operations & CAD



Workforce management & credentialing



[Click to view the full map on the PitchBook Platform.](#)



PROVIDER OPERATIONS

Data management & exchange: Companies that provide data science services such as data cleaning/enrichment, data migration, and database architecture design or that facilitate information exchange between healthcare organizations (including health information exchanges).

Governance, risk & compliance (GRC) & quality assurance: Platforms and services that facilitate GRC processes and quality assurance exercises, including those mandated in specific jurisdictions.

IT services: Service providers that offer telecom, data, AI transformation, EHR implementation, cloud migration, cybersecurity, and other IT-related services.

Marketing & patient acquisition: Software platforms and agencies that provide data to support business and growth planning and that help manage marketing and other patient acquisition campaigns.

Patient engagement & experience: Software and services that support health risk assessments, appointment scheduling, intake, appointment follow-up, and patient experience management (including in-hospital entertainment, navigation systems, and sentiment research).

Provider education & improvement: Companies that support ongoing formal education and informal professional development for healthcare providers.

Resource management & procurement: Software platforms that track and optimize a provider's equipment, supplies, and facility resources or that facilitate procurement.

Revenue cycle: Outsourced services and software that enable the provider revenue cycle. This category is further divided into the following subcategories:

- **Pre-service:** Providers of revenue cycle services or software focused on eligibility checks, prior authorization, and other workflows that take place before care is performed.
- **Post-service:** Providers of revenue cycle services or software focused on coding, billing, and other workflows that occur after care is provided, including clinical documentation improvement, billing specialists, and clearinghouses.
- **Payments, collections, and audit:** Providers of revenue cycle services or software focused on provider workflows carried out after a claim has been submitted to a payer, including

patient bill pay, debt collection, denials resolution and prevention, and responding to payer audits.

- **End-to-end RCM:** Companies that manage all or most of the revenue cycle, typically as a managed service.
- **Patient finance, subscriptions & medical lien:** Companies that provide specialty financing solutions to support or replace out-of-pocket patient payments, including patient finance products, services that allow medical or dental clinics to offer subscription-based pricing, and services that prepay medical lien revenue for providers.
- **Specialty RCM:** Companies that provide RCM services tailored to a specialty or to complex or unusual claims workflows, such as motor vehicle accident and workers' compensation claims.

Release-of-information (ROI) & records management: Companies that provide archival and document management services to help healthcare providers comply with medical records preservation rules and respond to patient ROI requests, including during EHR software migrations.



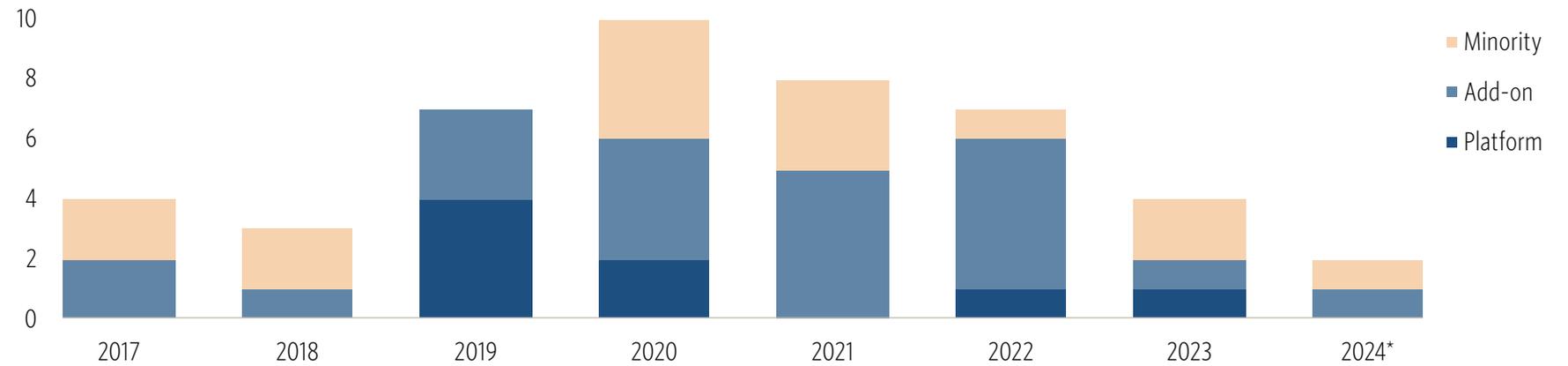
PROVIDER OPERATIONS

Surgery operations & computer-aided design (CAD):

Companies that provide software to help orchestrate surgical procedures, including patient preparation, scheduling, supply management, intraoperative surveillance, and post-visit care management. This category also includes CAD technologies that help providers in various specialties digitally plan and execute implant procedures.

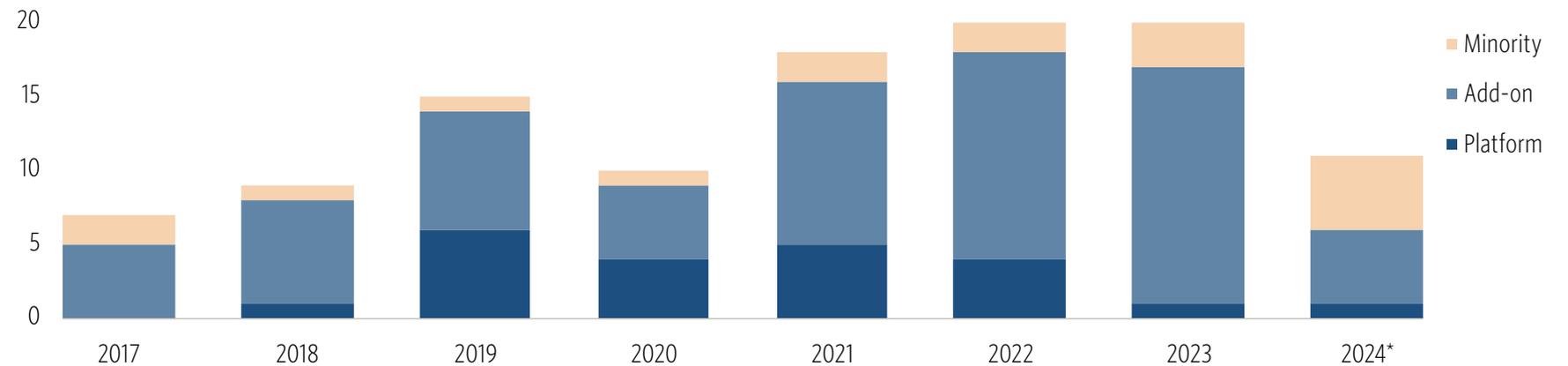
Workforce management & credentialing: Software and services that support the hiring, scheduling, and/or credential verification of clinical staff.

Clinical operations & ADT PE deal count by type



Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024

Consulting & managed services PE deal count by type

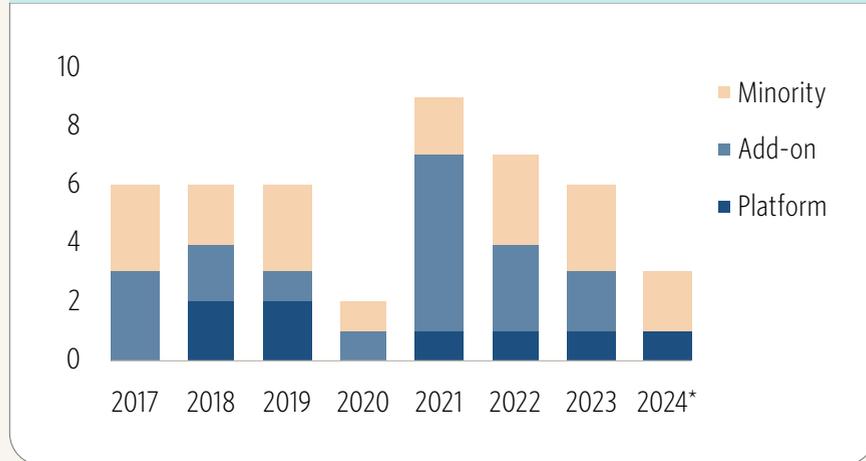


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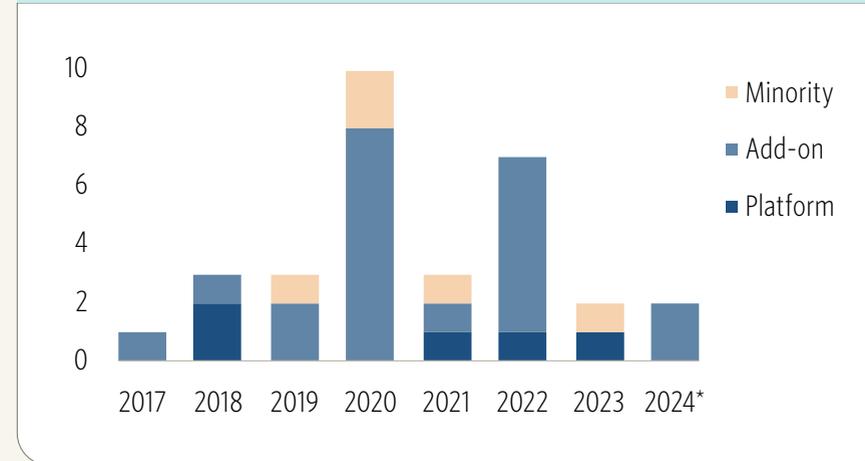
PROVIDER OPERATIONS

Data management & exchange PE deal count by type



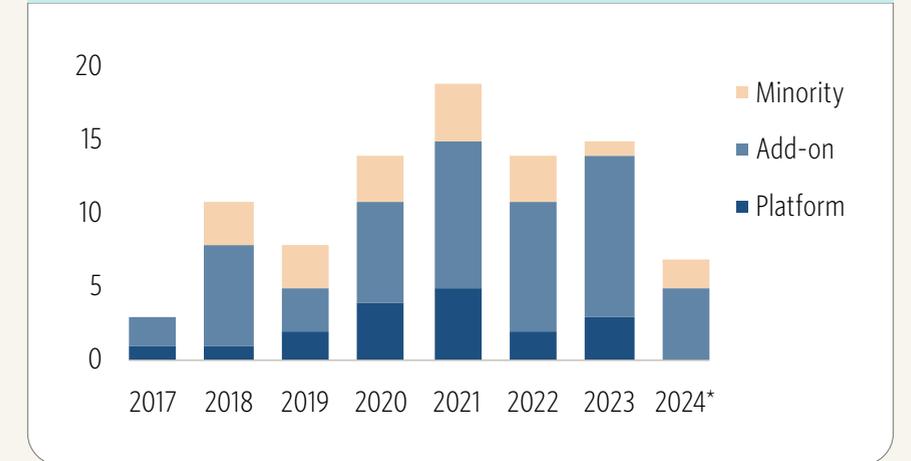
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GRC & quality assurance PE deal count by type



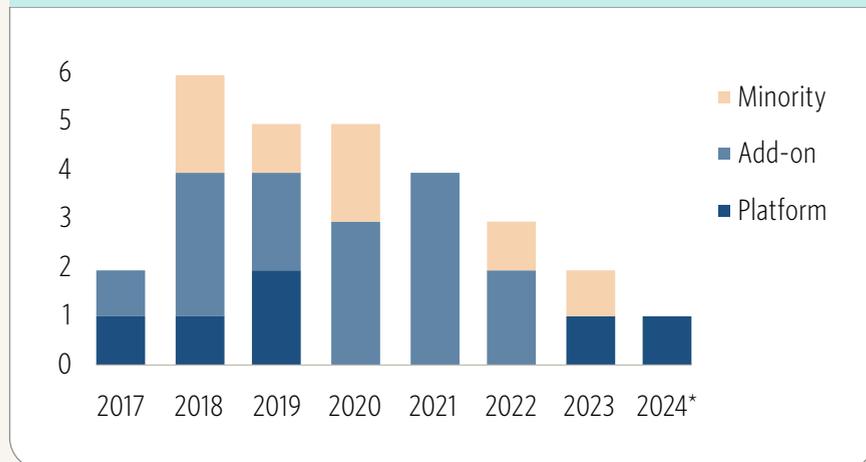
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IT services PE deal count by type



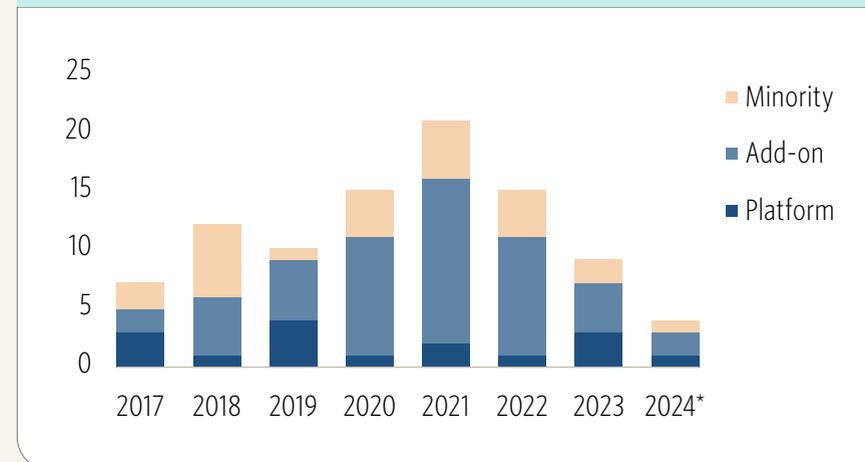
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Marketing & patient acquisition PE deal count by type



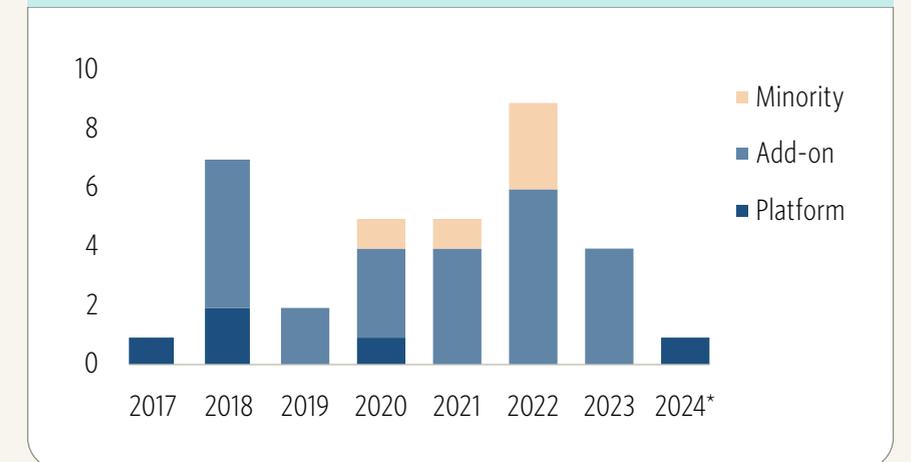
Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024

Patient engagement & experience PE deal count by type



Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024

Provider education & improvement PE deal count by type

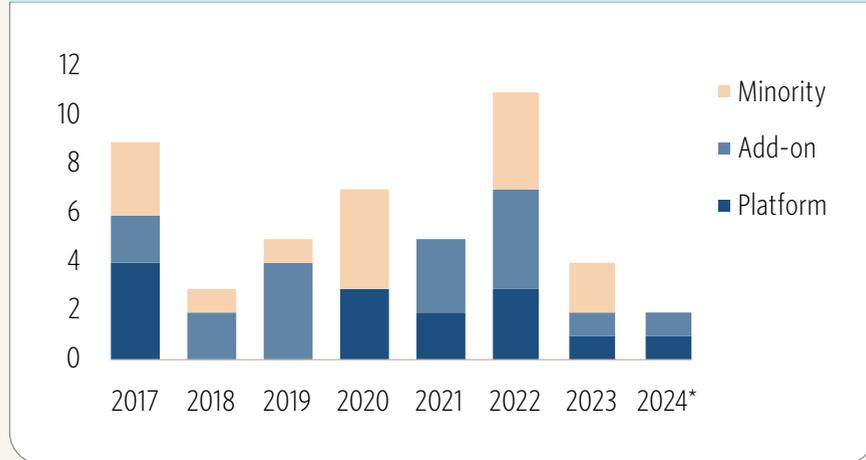


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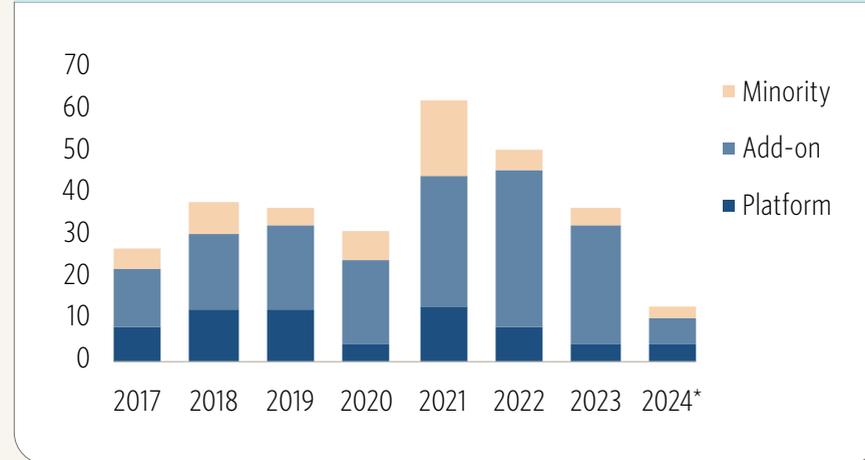
PROVIDER OPERATIONS

Resource management & procurement PE deal count by type



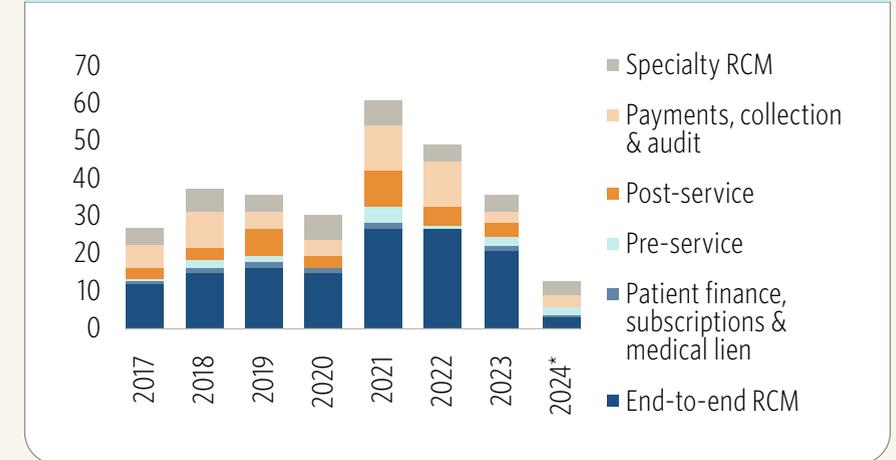
Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024

Revenue cycle PE deal count by type



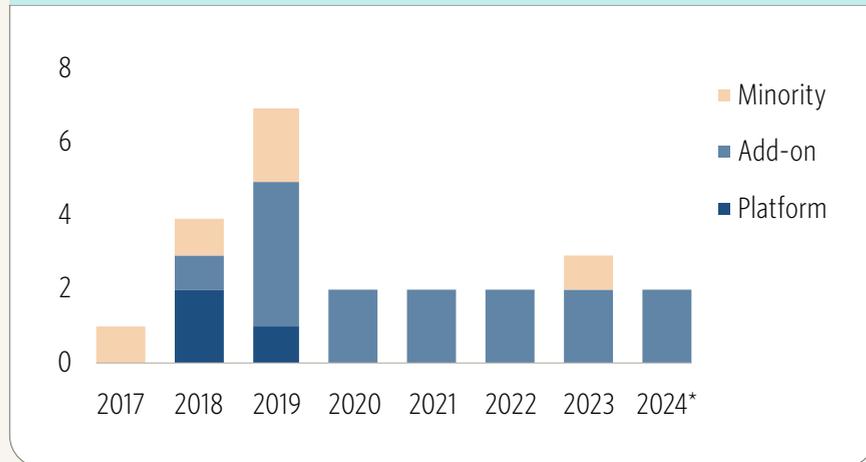
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Revenue cycle PE deal count by subcategory



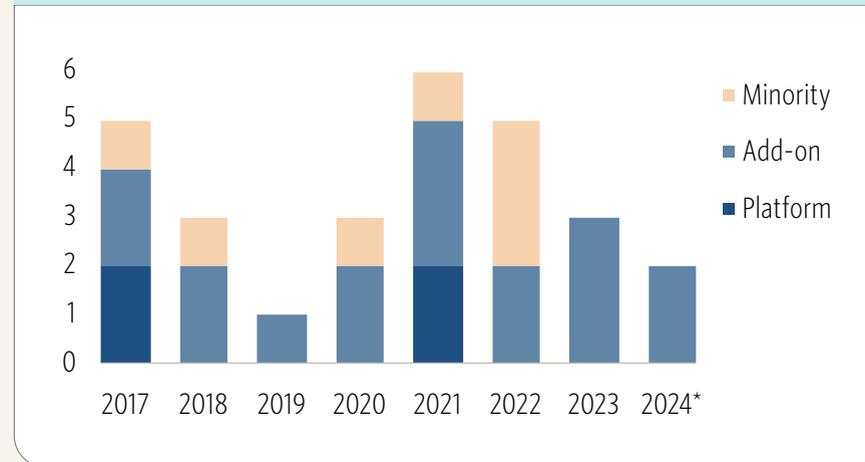
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ROI & records management PE deal count by type



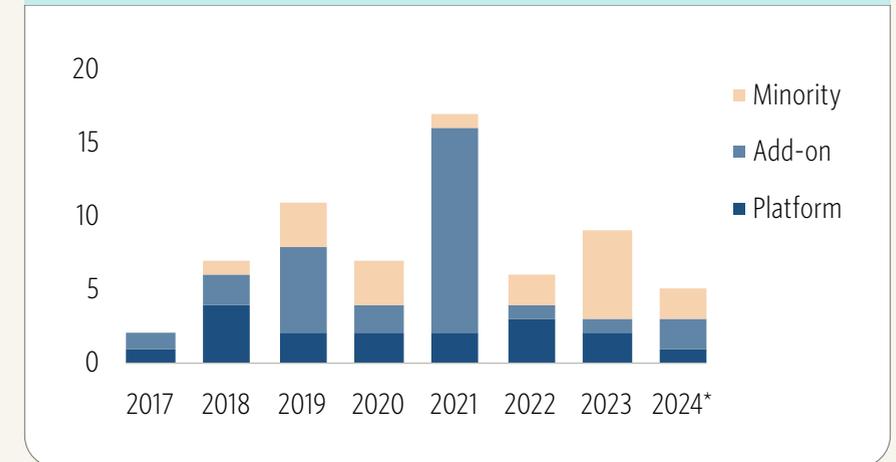
Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024

Surgery operations & CAD PE deal count by type



Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024

Workforce management & credentialing PE deal count by type



Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024



Virtual & remote care

Recent years have seen an explosion in site-of-care innovation, with increasingly complex patient care being delivered virtually and/or in home settings, as well as improved virtual collaboration among providers. Companies in this segment offer outsourced services and software platforms to enable care outside the hospital or clinic. The virtual & remote care segment consists of the following categories:

Personal emergency response system (PERS) & patient safety: Providers that offer device-based solutions that automatically alert, or let patients alert, caregivers in the event of a fall or other emergency. These systems may be deployed in a residential facility or in the home. The category also includes other patient safety technologies, including remote video-based monitoring and RFID-based solutions.

RPM, CCM & hospital at home: Companies offering services and software platforms that allow providers to offer RPM, CCM, or hospital-at-home programs. This typically involves attaching a service to a care provider as an ancillary and referring patients back to that provider as needed.

Virtual care & remote consult: Companies that provide telehealth software platforms or staffed telehealth services, including direct-to-patient, provider ancillary, and provider-to-provider consultation models.

Virtual condition management: Companies that typically provide a tech-enabled service offering closed-loop or nearly closed-loop management of specific patient populations. Unlike RPM, CCM & hospital-at-home companies, companies in the virtual condition management bucket primarily sell services to employers and payers rather than providers.

Virtual & remote care PE market map

3 Virtual & remote care

PERS & patient safety



RPM, CCM & hospital at home



Virtual care & remote consult



Virtual condition management

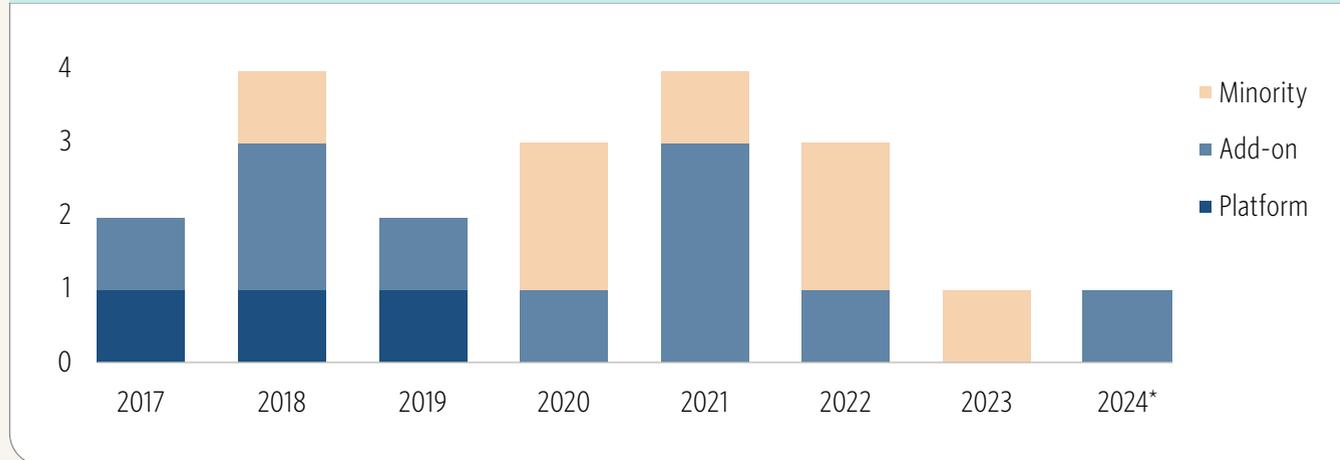


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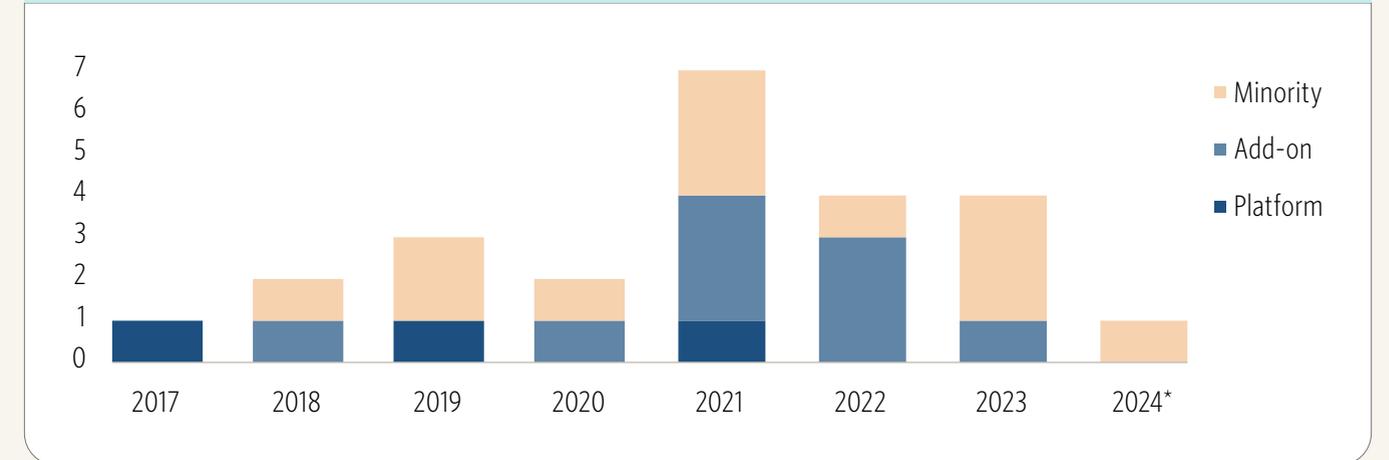
VIRTUAL & REMOTE CARE

PERS & patient safety PE deal count by type



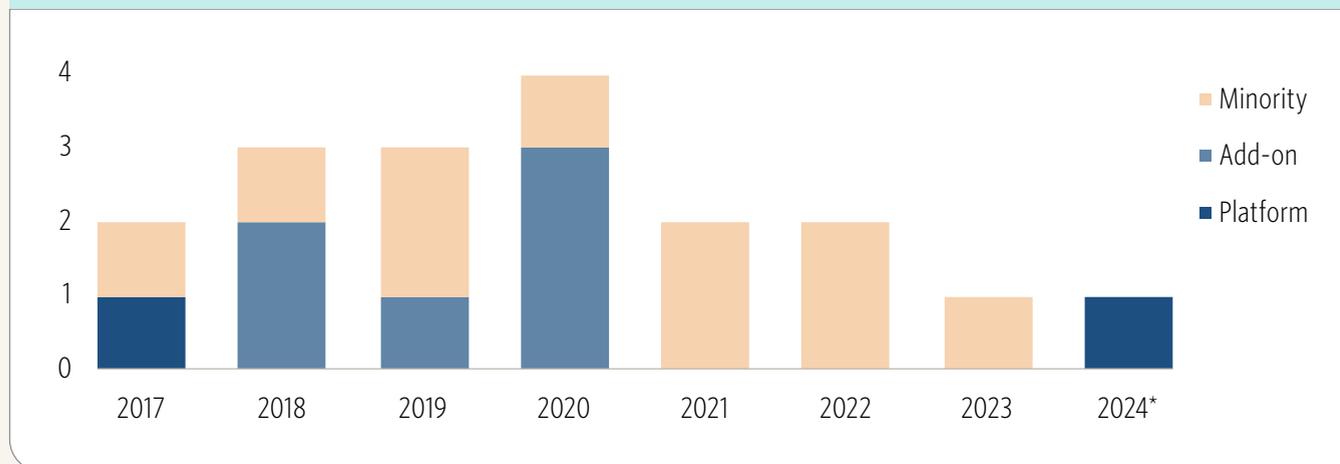
Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024

RPM, CCM & hospital-at-home PE deal count by type



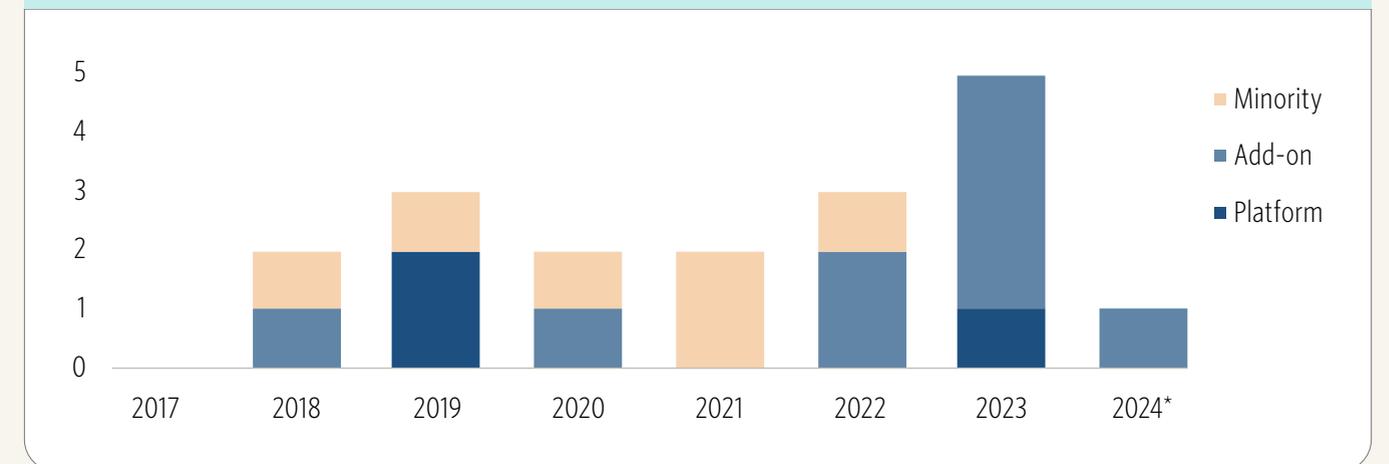
Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024

Virtual care & remote consult PE deal count by type



Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024

Virtual condition management PE deal count by type



Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024



Analytics & value-based care

This segment covers the growing array of companies that offer solutions for detecting and stratifying health risks and prompting clinical interventions on a population level. Business models in this category can range from software-as-a-service platforms to [VBC enablement](#) arrangements in which the enabler assumes downside risk on behalf of provider clients. The analytics & VBC segment consists of the following categories:

Point-of-care tools: Software that aims to shape provider behavior and decision-making by analyzing patient data and making diagnostic and treatment suggestions at the point of care, often presented in an EHR overlay or ribbon.

Population health & clinical analytics: Companies that provide software platforms that facilitate analysis of population-level clinical metrics used to improve care quality and VBC financial performance, such as risk stratification, disease prevalence and progression, average length of stay, and readmission.

Social determinants of health (SDOH) & high-risk care:

Companies that provide software and/or services to assess, document, and address patients' SDOH needs (such as housing and food security). This category also includes companies that engage specific high-risk populations on behalf of payers or risk-bearing entities and provide virtual, in-home, and/or in-clinic medical care and social support services.

VBC enablement: Companies that partner with healthcare provider organizations to help them increase and improve their participation in VBC. In the classic enablement model, this involves providing population health and/or point-of-care software, in-market and/or remote clinical and administrative resources, and payer contracting services while assuming downside risk in VBC contracts and sharing upside with the provider. We also include companies that facilitate VBC contracting and payments in this category.

Analytics & value-based care PE market map

4 Analytics & value-based care

Point-of-care tools



Population health & clinical analytics



SDOH & high-risk care



VBC enablement

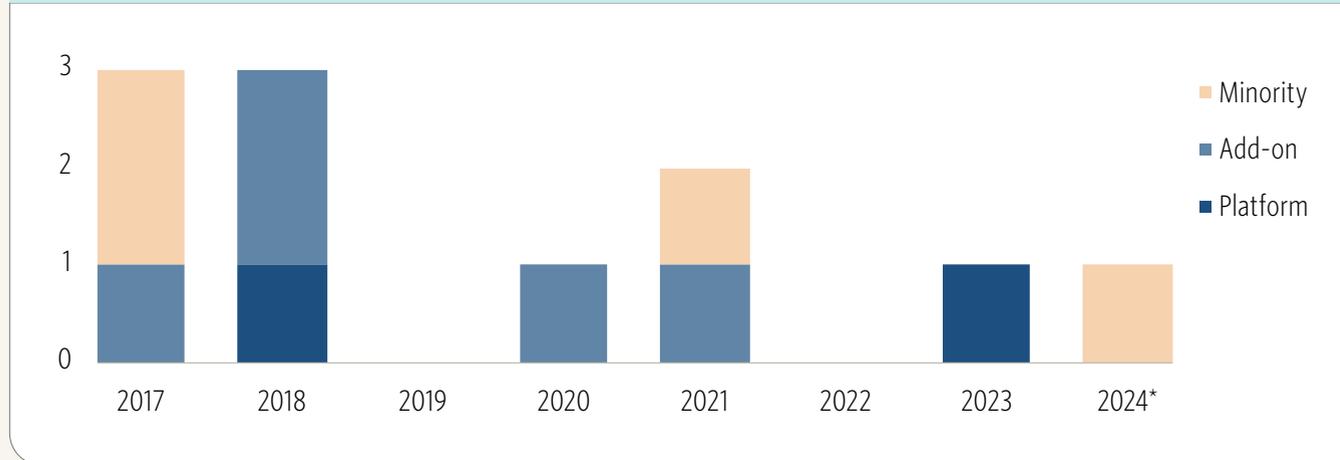


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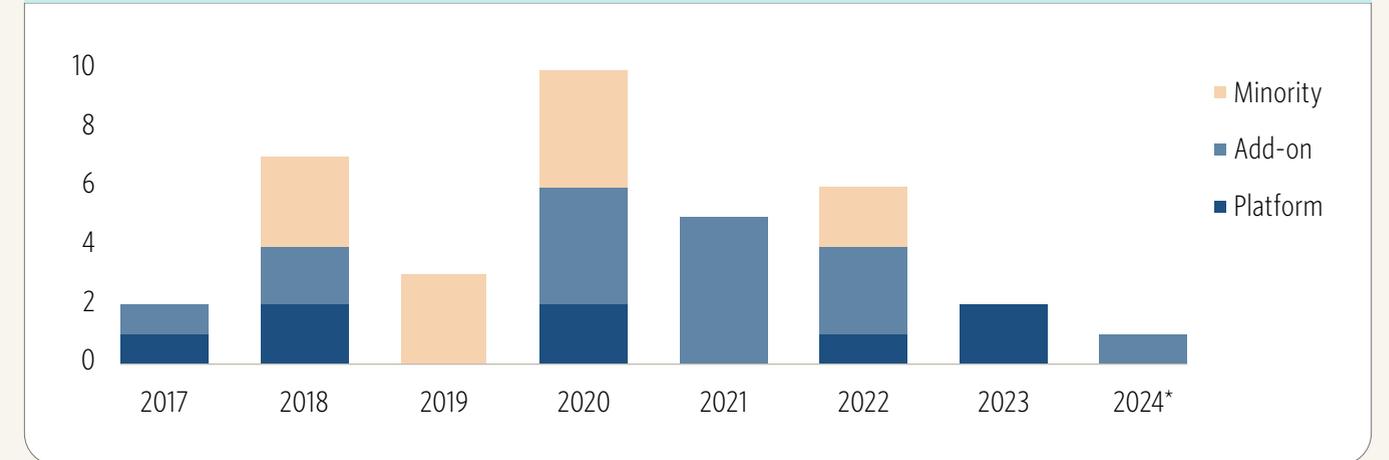
ANALYTICS & VALUE-BASED CARE

Point-of-care tools PE deal count by type



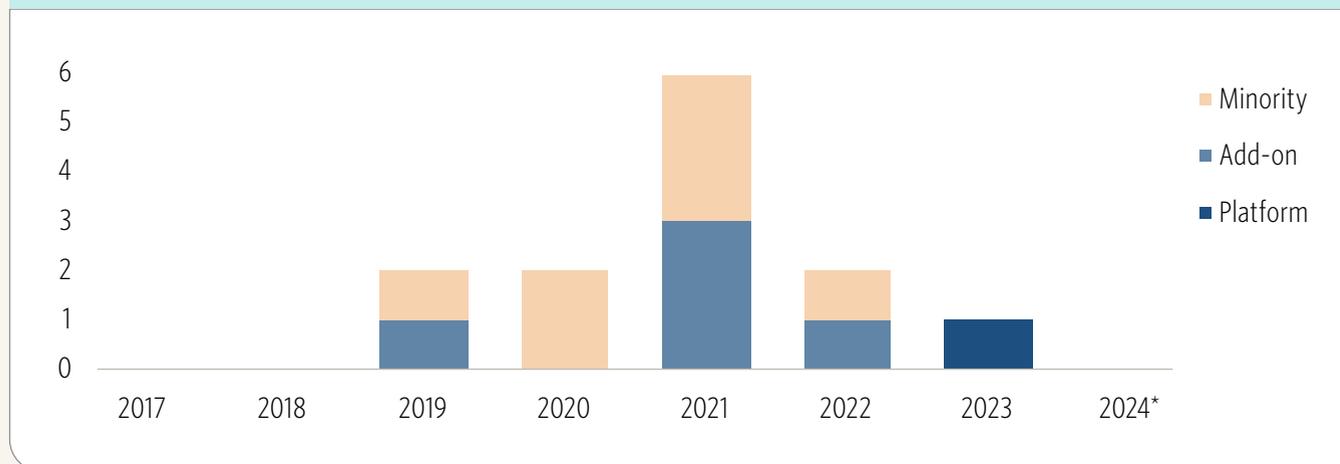
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Population health & clinical analytics PE deal count by type



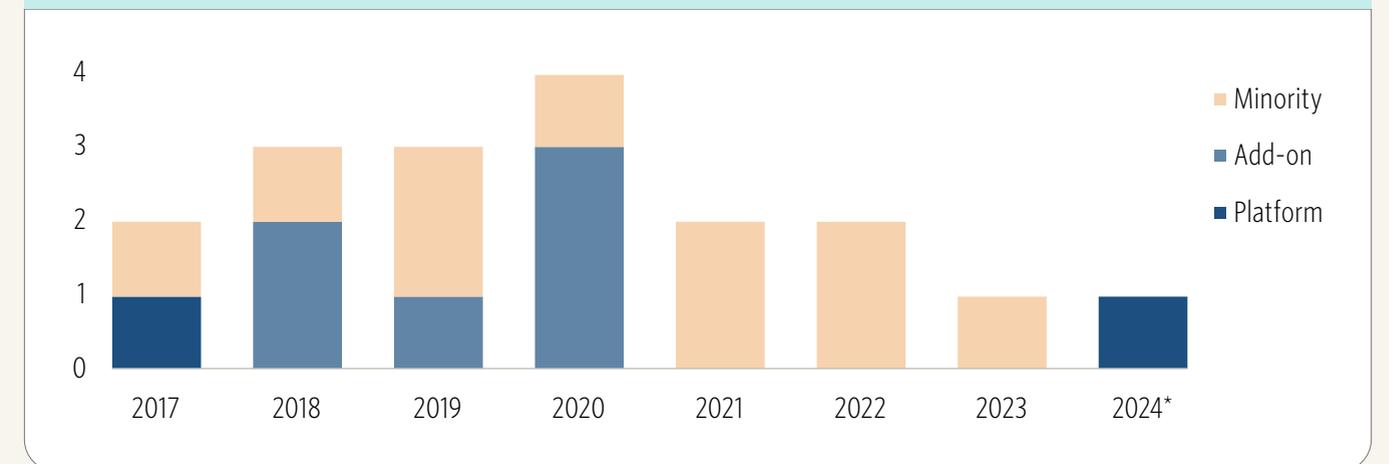
Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024

SDOH & high-risk care PE deal count by type



Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024

VBC enablement PE deal count by type



Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024



Managed care

The managed care segment includes diverse software and services sold primarily to payers, employers, and benefits intermediaries such as pharmacy benefit managers (PBMs) and third-party administrators (TPAs). These range from back-end process and workflow tools to employee-facing software and services. The segment also includes PBMs, TPAs, and other benefit managers; it excludes payers. The managed care segment consists of the following categories:

Benefits platforms & care navigation: Companies that offer a variety of tools and services that help employees access health benefits and in-network providers and guide them through care journeys. They also help employers manage benefits, including benefit planning and engagement initiatives, on the back end. Some companies in this category may also act as benefit consultants/brokers and/or provide UM services.

Care management & coordination: Companies that provide managed services to help patients understand and adhere to care plans, answer patient questions, close referral loops, and ensure information is communicated among a patient's care team. The category also includes software that supports care management workflows.

Managed care PE ecosystem market map

5 Managed care

Benefits platforms & care navigation



Care management & coordination



Cost containment & case management



Member engagement



Payer analytics & workflow tools



PBMs



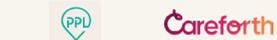
Provider network management



Risk & quality



Self-directed care



Specialty benefit management



TPAs



UM, payment integrity & claims review



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MANAGED CARE

Cost containment & case management: Companies that help ensure patients receive clinically appropriate care with the goal of improving outcomes and lowering costs in the workers' compensation and other specialty insurance markets.

Member engagement: Providers of software and services that help payers and TPAs encourage patients to engage in wellness and preventative activities, and that provide digital plan navigation experiences for patients.

Payer analytics & workflow tools: A broad category encompassing companies that offer software and services to help payers, TPAs, and benefit managers process claims, analyze trends, and optimize workflows.

PBMs: Companies that manage prescription drug benefits on behalf of health insurers, employers, and other plan sponsors.

Provider network management: Companies that provide software or services to help payers maintain accurate provider directories; optimize plan networks for care quality, access, and price; and engage their provider networks to improve care delivery.

Risk & quality: Primarily focused on the Medicare Advantage market, companies that offer software and services focused on risk assessment, hierarchical condition category (HCC) coding, and other workflows that optimize risk adjustment outcomes; as well as companies that support plans in projecting and improving quality metrics, including Healthcare Effectiveness Data and Information Set (HEDIS) scores, Consumer Assessment of Healthcare Providers & Systems (CAHPS) surveys, and star ratings.

Self-directed care: Companies that help administer self-directed care, in which a Medicaid recipient elects to receive paid in-home care from a family member or other hired caregiver.

Specialty benefit management: Benefit managers that administer and oversee a specific type of care, such as diagnostic testing or post-acute care, or care for a specific condition, such as cancer or chronic kidney disease.

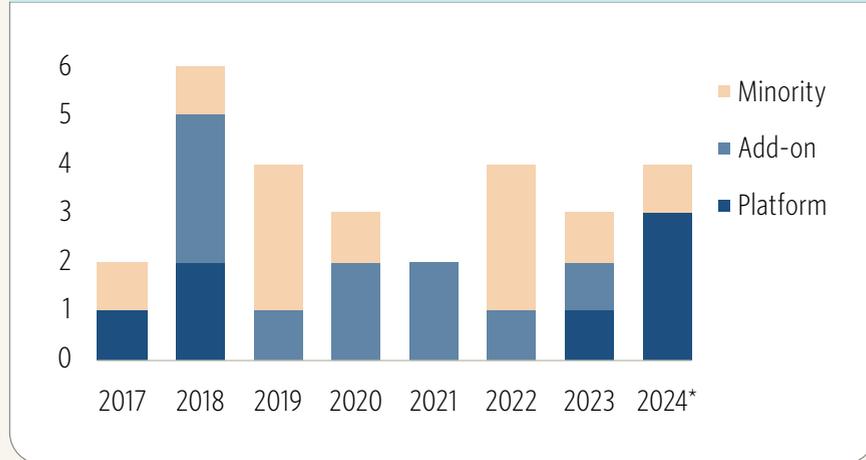
TPAs: Companies that provide administrative services relating to an employer's (often self-insured) health plan, such as claims processing, benefits administration, and regulatory compliance.

UM, payment integrity & claims review: Companies that help ensure patients receive clinically appropriate care with the goal of improving outcomes and lowering costs in the government and commercial markets, including via care management, prior authorization workflows, and pre- and post-service claims review.



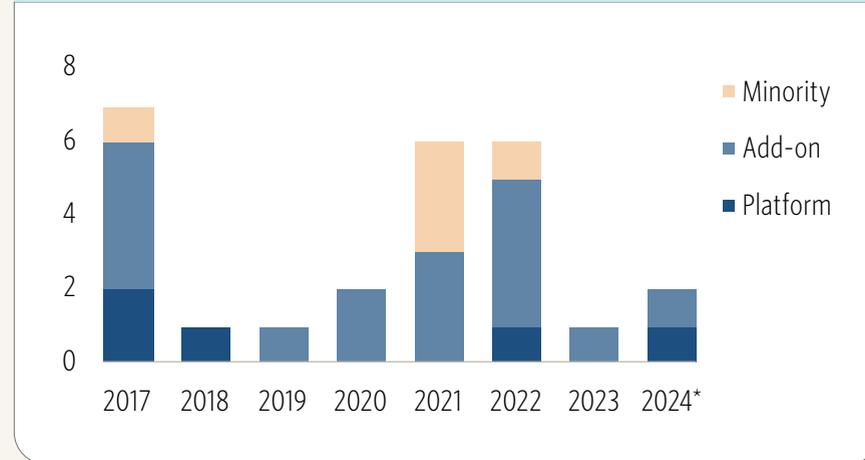
MANAGED CARE

Benefits platforms & care navigation PE deal count by type



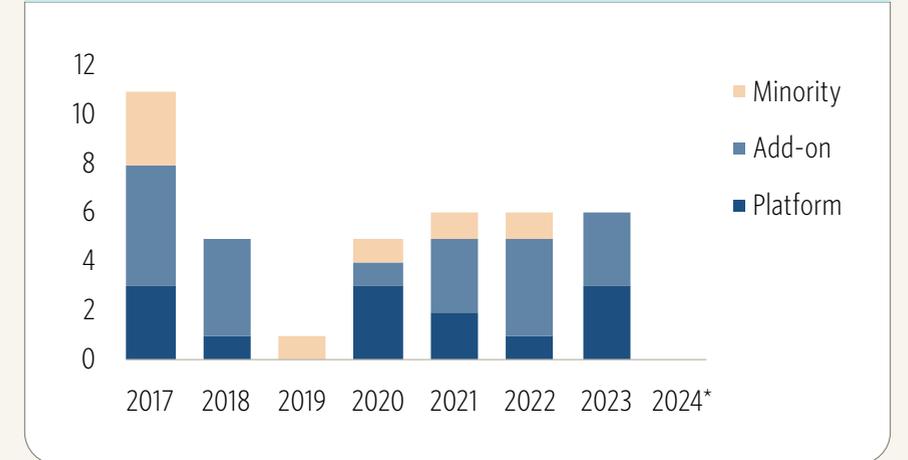
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Care management & coordination PE deal count by type



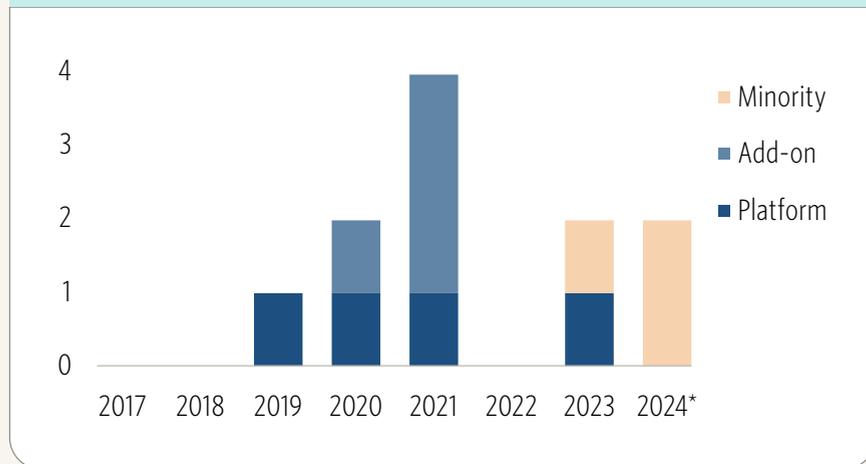
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Cost containment & case management PE deal count by type



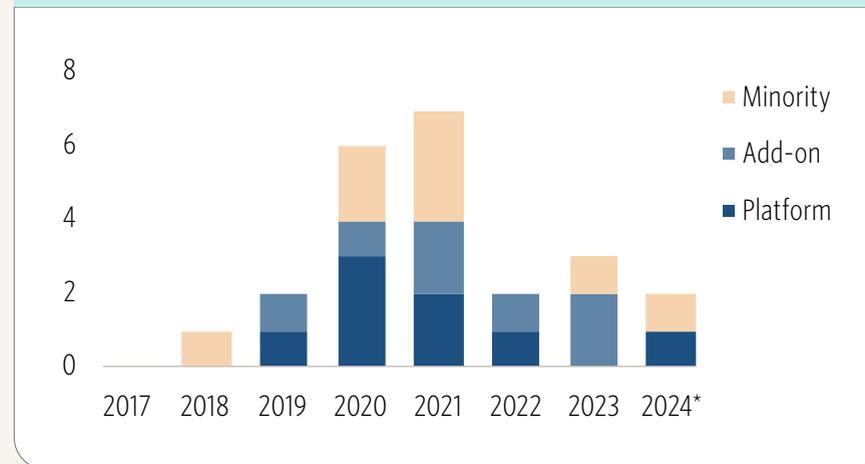
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Member engagement PE deal count by type



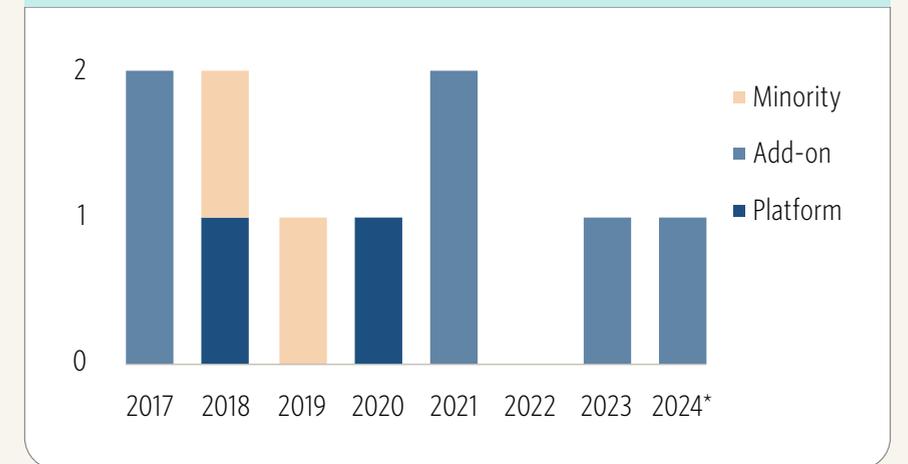
Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024

Payer analytics & workflow tools PE deal count by type



Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024

PBMs PE deal count by type

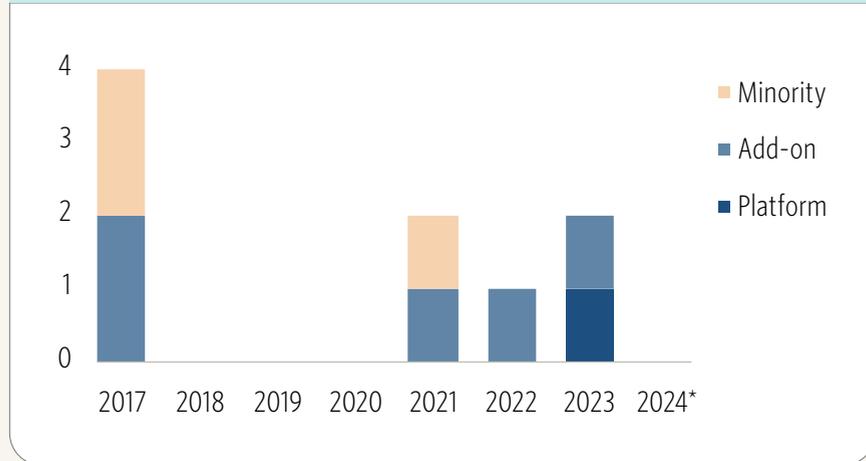


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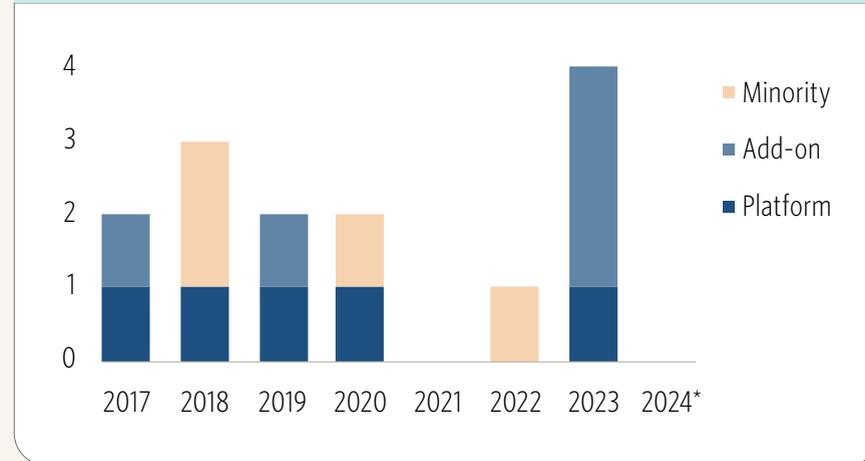
MANAGED CARE

Provider network management PE deal count by type



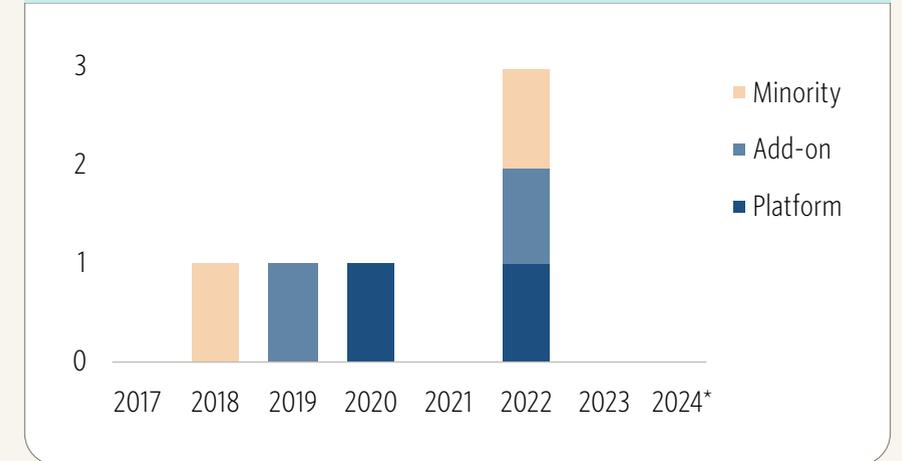
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Risk & quality PE deal count by type



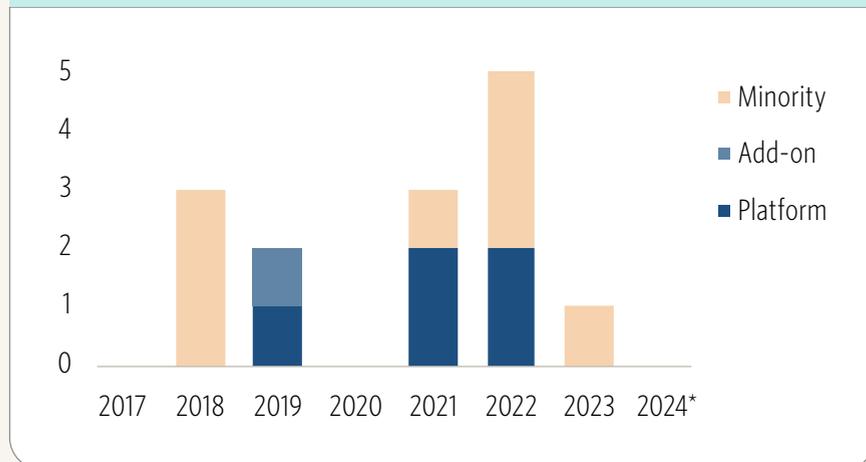
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Self-directed care PE deal count by type



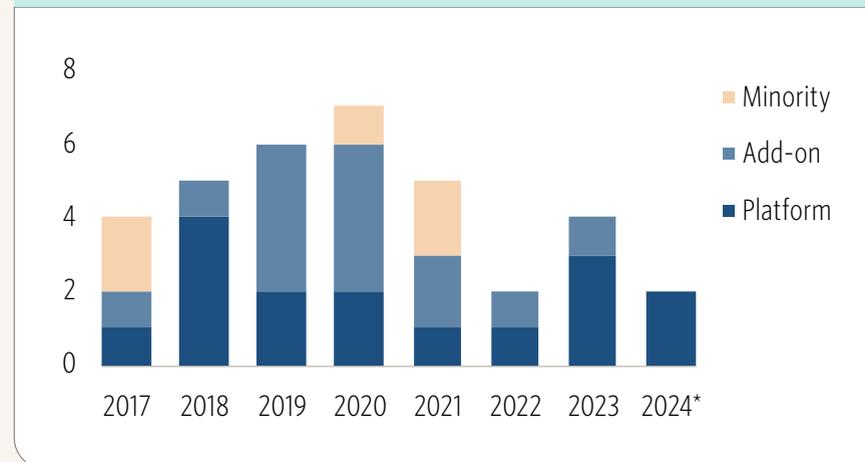
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Specialty benefit management PE deal count by type



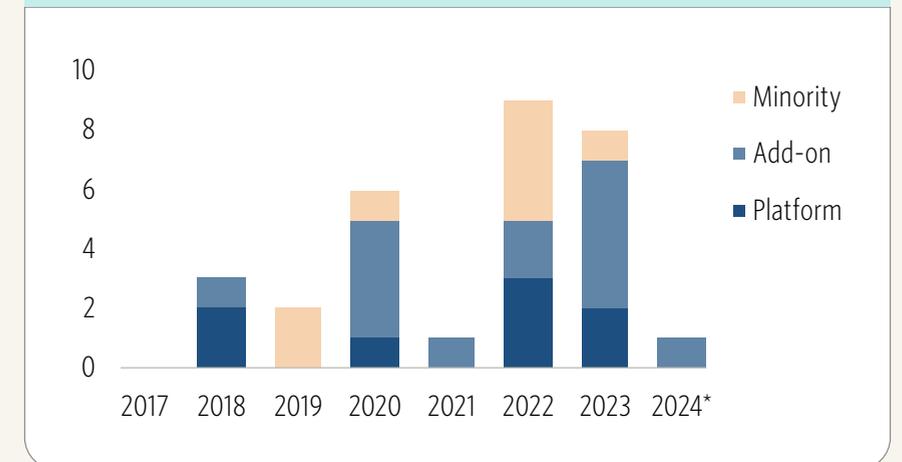
Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024

TPAs PE deal count by type



Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024

UM, payment integrity & claims review PE deal count by type



Source: PitchBook • Geography: North America & Europe • *As of June 30, 2024



Appendix



APPENDIX

Top PE investors in healthcare IT by number of platform investments since 2021*

Investor	Deal count	Primary investor type
Francisco Partners	4	PE/buyout
Main Capital Partners	4	PE/buyout
Thoma Bravo	3	PE/buyout
TPG	3	PE/buyout
ACE & Company	3	PE/buyout
Bain Capital	3	PE/buyout
Kohlberg Kravis Roberts	3	PE/buyout
Aquiline Capital Partners	3	PE/buyout

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PitchBook Data, Inc.

Nizar Tarhuni Executive Vice President of Research and Market Intelligence

Paul Condra Head of Emerging Technology Research

Additional research

Healthcare PE



Q2 2024 Healthcare Services Report

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Q1 2024 Launch Report: Pharma Services

Download the report [here](#)



H1 2024 Healthcare Funds Report

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Q2 2024 Digital Health & Healthcare IT Public Comp Sheet and Valuation Guide

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