

## Payor Services

Q3 2023

### Market Update

Q3-23 saw a steady pace of transactions within the payor services sector. Three companies were acquired this quarter, all by strategic consolidators. The continued theme in target companies is a focus on the self-insured / employee benefits market. All four companies either exclusively or largely serve self-insured plans.

Provident anticipates continued interest by strategic consolidators in acquiring smaller companies that service the employee benefit market. As noted in the previous quarter, employer sponsored health plans are gaining popularity, driving increased interest from a diverse array of strategic companies looking to provide quantifiable ROI to clients.





### Notable Transaction

Marathon Health, a leading clinic provider offering onsite, network, and virtual models, acquired Cerner Workforce Health Solutions (WHS), an innovator in the onsite healthcare vertical.

The acquisition expands Marathon's footprint in 15 states by adding about 300 employees, 21 clients, 35 health centers, and 300,000 members. Marathon's self-insured clients will benefit from the improved onsite primary care and pharmacy services resulting from the deal.



### Select Transactions

Month	Acquirer	Target	Deal Description
September	 <b>Perspecta</b>	 <b>TalisPoint</b>	Perspecta, a leading provider of data management solutions for payors, merged with TalisPoint, a provider of workers' compensation, employer plan, and P&C services including provider networks for IMEs and referrals, on-site compliance, and data validation.
September	 <b>Kapnick</b>		Kapnick Insurance, an insurance provider, announced the acquisition of Michigan Group Benefits, a provider of employee benefit management solutions. Services offered include analytics into underlying costs, compliance, well-being programs, and system automation. This transaction represents a significant milestone in Kapnick Insurance's growth, expanding their capabilities, geographic footprint, and solidifying their position as a leading service provider in the group benefits industry.

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