

Primary Care

Q2 2023

Market Update

Investment opportunities in primary care continued to be attractive in the investor community in Q2 2023 with a focus on value-based care. Investors recognize the value of improved healthcare, across both adult and pediatric populations, that VBC brings, and the spending associated, more than 1.6 trillion dollars between Medicare and Medicaid.

Provident expects consolidation activity to continue since primary care physicians are the largest subsector within PPM. Investors will continue to evaluate opportunities directly with providers, VBC enablers and the technological services market. The Centers for Medicare & Medicaid Services (CMS) goal of having all Medicare beneficiaries and majority of Medicaid beneficiaries in an accountability for quality cost of care by 2023 is why the investor community will remain bullish on the space.

As consolidation continues, we have seen fewer risk taking primary care assets for the aggregators. This is not surprising considering the primary care market is 71% fee-for-service. This has led consolidators to explore independent FFS practices with the goal of layering on risk over time. Independent practices also have been transitioning to the shared savings model and then potentially a shared risk model by working with the primary care enablers. In a recent podcast, Provident sat down with Jonah Broulette at Milliman to discuss this evolving primary care landscape in the transition to risk and the value of a covered life.

Select Transactions

Month	Acquirer	Target	Deal Description
June			Palm Medical Centers, a FL-based primary care expanded its care model into Texas acquiring two Fort Worth practices, Texas Family Medicine and Fort Worth Primary Care.
April			Kaiser Permanent launched Risant Health with the acquisition of Geisinger Health. Risant will grow by acquiring nonprofit community-based health systems.
April			Palm Beach Digestive Associates was acquired by Medical Specialists of the Palm Beach, backed by Ascend Capital Partners. PBDA will be the Gastrointestinal Division of MSPB.
April			Viytalize Health, backed by Enhanced Healthcare Partners, acquired Independent Physician Association of New York ("IPA NY") to accelerate Vytalize's expansion into Medicare Advantage, commercial and Medicaid.

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Podcasts

Podcast

[Craig Sager and Dustin Thompson spoke with Jonah Broulette at Milliman](#)