

HCIT Deals Update

News and Notable: Emerging Themes in HCIT

Healthcare Utilizes the “Gig” Work Revolution with Just-in-Time Staffing

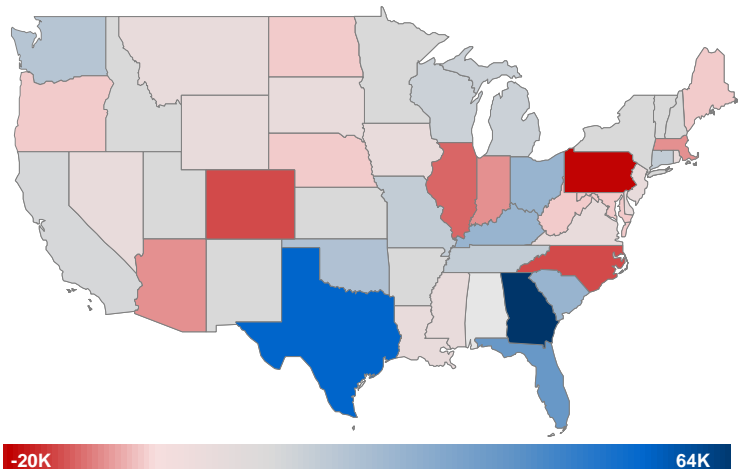
Prior to the COVID-19 pandemic, McKinsey was forecasting a shortage of 200 – 450K nurses by 2025. The majority of U.S. nurses in McKinsey’s study cited flexible scheduling as key to employment satisfaction.

Although a number of research organizations report a slowdown in VC funding, deals in the healthcare staffing space continue to get done. Companies like Clipboard Health, Vivian Health, and Nomad do not provide healthcare services, but act as matchmakers for health systems and medical staff. These companies are technology-based and able to scale quickly.

The term “gig” work has had its detractors that point out companies may use contracting means to skimp on employee benefits or avoid liabilities, but for skilled workers that desire flexibility or have the capacity to work additional hours, gig work provides opportunities to choose their schedules and increase their income.

The incredible rise in travel nursing during the pandemic revealed nurses and other healthcare professionals are highly motivated by competitive pay and not as strongly tied to a location or employer as they were in the past.

Registered Nurses Gap / Surplus to 2026 (Mercer)



Nurse mobility put additional pressure on hospitals that had lower pay, understaffed work environments, or were in less attractive locations. Using just-in-time staffing providers could help these facilities fill gaps in their schedules, easing the burden on full-time employees, and provide flexibility to workers who value the ability to set their own schedules.

Notable Recent Deals in Provider Staffing

**Nomad**  
Received growth capital from  
Adams Street **ICON**

Transaction Details  
Date: June 27, 2022  
Raise: \$105M

- Nomad Health was the first online marketplace for temporary clinical jobs
- Nomad was founded in 2015, but grew rapidly during the pandemic as healthcare staffing shortages accelerated
- Adams Street Partners, Icon Ventures, HealthQuest, AlleyCorp, and other VCs have now invested ~\$220M in Nomad

**Nomad Health raised \$105M in a later-stage financing led by Adams Street Partners and Icon Ventures**

**Medallion**  
Received a Series C investment in a round by  
SPARK CAPITAL **G/**

Transaction Details  
Date: June 23, 2022  
Raise: \$35M

- Medallion provides licensing, credentialing, and payer enrollment software to medical practices
- This new raise valued Medallion at \$350M post-money with \$85M raised total
- Spark Capital is an early-stage technology VC and GV is Alphabet’s former “Google Ventures” investment fund

**Credentialing platform Medallion raised \$35M in a Series C round led by Spark Capital and GV**

**vivian**  
Announces a primary and secondary investment by  
**THOMABRAVO**

Transaction Details  
Date: April 26, 2022  
Investment: \$60M

- Vivian Health is a healthcare jobs marketplace, connecting 700,000 providers with contract, travel, per-diem, and permanent roles across the U.S.
- IAC is a diversified holding company which acquired Vivian in 2019 for \$15M
- The funds will be used to accelerate growth and support acquisitions

**IAC (NASDAQ:IAC) announced a \$60M investment in its subsidiary Vivian Health led by Thomas Bravo**

**CLIPBOARD HEALTH**  
Received a Series C investment in a round led by  
**SEQUOIA**

Transaction Details  
Date: April 18, 2022  
Raise: \$30M

- Sequoia Capital led a \$30M raise in Clipboard Health with participation from Muse Health, Precursor Ventures, and other VC funds
- Clipboard Health is an app-based talent marketplace that matches healthcare professionals with open shifts at nearby healthcare facilities

**Sequoia Capital led a \$30M Series C round in Clipboard Health for a post-money valuation of \$1.3B**

HCIT Deals Update

News and Notable: Emerging Themes in HCIT

Intense Focus on Patient Engagement to Drive Down Healthcare Costs

Over the past quarter digital healthcare deals continue to make headlines, although the size and valuations are starting to cool with the market. Companies that are still gaining investor confidence demonstrate results via user engagement statistics and cost savings.

The ability to drive real behavioral change has also attracted providers to digital health tools. Providers face frustrating problems like a lack of patient adherence to prescription, rehabilitation, and lifestyle modifications which can keep their patients from achieving health goals. As insurers and providers explore adopting value-based payment models, it's become more critical to find ways to improve patient adherence.

The pandemic also highlighted and exacerbated healthcare concerns for U.S. consumers. According to a WebMD survey, over half of U.S. consumers exercised less (54%) and gained weight (also 54%) while in quarantine during the COVID-19 pandemic. Coupled with stress and social isolation, most patients are feeling less healthy and want to improve their health.

**81% of Healthcare Consumers Are Ready to Make Health Improvements in 2022<sup>1</sup>**

Providers are seeking tools activate patients, reminding them about missed preventative screenings, increasing follow-up appointment attendance, and improving adherence to care plans, all of which both improve patient health and drive revenue for providers.

Many of the larger EMR providers that have approached the patient engagement space have done so with mixed results, leaving opportunities for small innovators, employee wellness platforms, and niche care management companies to gain market share.

**Key Market Players in Patient Engagement**



In addition to the Notable Deals this quarter, recent collaborations like Luma Health and Change Health's Patient Engagement Suite are resulting from existing HCIT providers seeing revenue opportunities in providing more robust patient engagement tools.

**Q2 2022 Notable Deals**

**Transaction Details**  
Date: June 6, 2022  
Valuation: Undisclosed

- Health Outcomes Performance Company ("HOPCo") will acquire both the msk.ai and myrecovery brands in the deal, along with remote patient monitoring ("RPM"), AI, and motion caption technologies
- HOPCO is data and analytics platform providing value-based care models for musculoskeletal ("MSK") population health
- HOPCo is backed by Audax Group and Linden Capital Partners

**HOPCo acquired Future Health Works via an LBO for an undisclosed amount**

**Transaction Details**  
Date: April 11, 2022  
Valuation: Undisclosed

- Terryberry is an employee engagement and rewards / recognition SaaS provider
- Walker Tracker is an employee wellness and challenge provider focused on fitness programs which track steps via a mobile application
- Terryberry will be able to cross-sell its platform to existing Walker Tracker customers and increase its own offering to Terryberry customers

**Terryberry acquired fitness application Walker Tracker in a private transaction**

**Transaction Details**  
Date: Apr. 5, 2022  
Valuation: \$2.0B

- Tivity Health provides a health and fitness platform, including a leading brand focused on the growing senior market
- The cash transaction valued Tivity Health at \$32.50 per share, a 20%+ premium from the stock's 90-day average price, resulting in significant shareholder value
- Stone Point is a \$40B fund with investments in several asset classes

**Stone Point Capital is taking Tivity Health private at an implied valuation of 4X revenue or ~13X EBITDA**

Note: <sup>1</sup>Actium Health Survey, Feb. 2022; Sources Markets and Markets, "Patient Engagement Solutions Market"

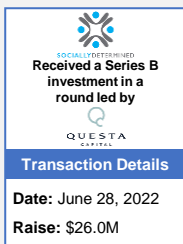
## HCIT Deals Update

### News and Notable: Emerging Themes in HCIT

#### Companies with Health Outcome Risk Prediction Capabilities Are Getting Attention

The second quarter of 2022 continued to see deal activity with companies building the infrastructure for value-based care. These companies offer predictive and risk assessment capabilities necessary to properly price and forecast risk, enabling per patient payment models.

#### Q2 2022 Notable Deals



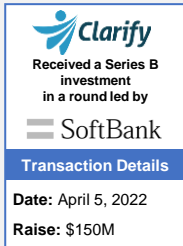
- Questa Capital led the Series B growth raise in Socially Determined with participation from follow-on investors
- Socially Determined is a healthcare analytics platform which identifies factors to contributing to patient health outcomes, such as produce access or transportation
- The company's clients include insurance plan administrators, senior care providers, and nonprofit health systems

**Data platform Socially Determined raised \$26M for a post-money valuation of \$84M**



- Lightbeam Health Solutions delivers a model for population health management and risk assessments to ACOs, payers, providers, and health systems
- Jvion is a software developer with an AI-based solution that better predicts disease incidence in populations and potential financial losses
- Lightbeam is backed by Primus Capital and Healthcare Growth Partners

**Lightbeam Health Solutions acquired Jvion, Inc., a prescriptive AI and SDOH analytics company via an LBO**



- Clarify Health is a real-time data and predictive analytics platform that uses AI for patient navigation and workflows
- The company combines health claims with SDOH data to aid providers in real-time assessments of patient needs
- Clarify has raised over \$350M to date from SoftBank, Insight Partners, BlackRock, KKR, Spark Capital, and other venture capital firms

**Clarify Health raised \$150M for a \$1.5B post-money valuation in a Series D round led by SoftBank**

#### Social Determinants of Health (“SDOH”)

Many of the companies offering health cost and risk prediction models also evaluate the social determinants of health. To understand why these tools are valuable, it's helpful to look at the highest cost areas in population health and what providers see as challenges when moving to outcomes-based care models. It's often the payers, such as self-funded employers, and primary care providers, who see patients on a regular basis, that are most aware of how SDOH factors are contributing to patient's health challenges.

The most commonly identified SDOH are:

1. **Healthcare Access and Quality** – includes access to primary care, insurance, and ability to pay
2. **Education Access and Quality** – includes level of education obtained and language / literacy
3. **Social and Community Context** – includes community cohesion, work, and play
4. **Economic Stability** – issues include income levels, food, and housing security
5. **Neighborhood and Built Environment** – includes air and water quality, transportation, and safety

SDOHs are important in risk factor analysis because they enable or prevent a patient from following care plans. Lack of coverage can lead patients to not follow-through on procedures or prescriptions. Lack of transportation can keep them from follow-up appointments. High stress may lead to unhealthy habits and high-cost, chronic conditions such as diabetes.

In 2019, 5% of the U.S. population accounted for nearly half of all healthcare spending. While some of this spending is inevitable due to aging or cancer, much of the spending is related to serious or chronic diseases, such as heart disease, high blood pressure, high cholesterol, and diabetes. In a 2017 study by Quest Diagnostics, they found most of their highest claimants outside of cancer had chronic conditions which were considered “impactable”, meaning proper management and programs could reduce claims.

While tobacco cessation or weight management programs may help motivated employees, chronic patients lacking access to transportation to appointments or dealing with stress or depression will have difficulty improving their health. SDOH factors deliver a more accurate picture of patient health risks.

Sources: Willis Towers Watson, “2022 Global Benefits Attitudes Survey”; CDC.gov; KKR

## Waller Helms Advisors At a Glance



## Relevant WHA Attributes

<b>70</b> Transactions Since Jan. 1 <sup>st</sup> , 2019	<b>\$18.6B+</b> Aggregate Value of Deals Since Jan. 1 <sup>st</sup> , 2019	<b>~\$300M</b> Average Deal Value	<b>27</b> Investment Banking Professionals
--	--	--------------------------------------	--

## Healthcare Practice Areas of Focus

<b>Healthcare Benefits</b> Benefits distribution, administration, and technology	<b>Digital Health</b> Telemedicine, provider access, and care delivery
<b>Healthcare Enterprise Services</b> Provider tools, EMR systems, PBMs, and other HCIT	<b>Care Coordination</b> Provider communication and care management
<b>Population Health</b> Healthcare data and analytics, AI tools, and value-based care	<b>Digital Engagement &amp; Wellbeing</b> Patient and employee engagement tools
<b>Diagnostics &amp; Remote Monitoring</b> Biometric collection, remote monitoring, and med. device	<b>Revenue Cycle Management</b> Eligibility, billing, claims management, and payments

Please feel free to reach out to any of our healthcare leadership to discuss these industry updates further.

### Waller Helms Advisors Team Contacts



**David Helms**  
Managing Director  
David.Helms@wallerhelms.com  
(312) 763-9901



**Alex Weiss**  
Managing Director  
Alex.Weiss@wallerhelms.com  
(312) 763-9911



**Kari O'Brien**  
Vice President  
Kari.OBrien@wallerhelms.com  
(312) 319-4404