

For Healthcare Executives, Now May be a Good Time for a Private Equity Partnership

Healthcare was one of the top performing sectors in 2018, and we believe that it will remain an attractive area in 2019. Valuations, however, remain at record levels and, within the private equity community; an abundance of capital continues to drive intense competition in the M&A market. Given this back-drop, it is extremely important to “pick your spots” within healthcare and, if possible, team up with executives who have extensive experience and strong track records in the industry, as well as the desire to own and grow their own companies through a private equity partnership.



In 2019, there are many healthcare segments that will present opportunities for private equity investors and industry executives. We like behavioral health, home care and adult day care and population health management. Here’s why.

Special Needs and Autism Services

With a growing population of autistic children and other people on the autism spectrum, there has already been significant growth in the market for autism services, but we believe greater growth is still ahead. The key drivers in this market will continue to be the rapidly growing incidence and diagnosis of autism; the availability of mandated funding sources, both government and private insurance; a growing need for autism services, such as applied behavioral analysis therapy (ABA), across multiple care settings (i.e. at home, at school or in clinics). At the same time, the behavioral healthcare sector as a whole is a highly fragmented market, presenting a compelling opportunity for consolidation.

Executives who have a proven track record in managing multiple care settings and navigating multi-payer environments are well positioned to add value in the autism services market.

Home Care and Adult Day Care

As healthcare providers continue to pursue value-based care initiatives, which focuses on outcomes and quality of care delivered, there has been a corresponding shift to provide more care at home and in other less acute settings. The aging of the Baby Boomer generation has also contributed to the growth of the home health industry. In addition to cost and population trends, home-based care also addresses the desire of many “new elderly” to remain independent outside of clinical settings, while adult day care addresses the desire of the elderly for companionship outside of a custodial environment and at a lower cost point than with home aides.

This strong macro trend opens up opportunities for industry executives with background in personal care, home healthcare and related experience to oversee companies that address this growing market.

Population Health Management

Value-based care is also increasingly driving innovation and technology investment across the healthcare industry. One of the emerging beneficiaries of the increased attention is population health management companies, which are typically data analytics businesses. One of the unique opportunities for population health management technology is that it can help all the main constituents involved in healthcare – patients, providers and payers. For patients, effective population health management technology can reduce the number of hospital visits and their severity, which for providers can improve efficiency, while reducing costs for payers.

As a result, executives that have experience with data analytics and working across the healthcare spectrum, will be in high demand.

These are only a few of the healthcare segments that can offer executives a chance to utilize their experience to run and grow middle-market companies with the support of a private equity partnership. For us as a private equity firm that works with talented executives who are energized to contribute to shaping fast-growing markets in the healthcare space it’s all about picking both the right “spot” while partnering with the “right” executives to identify, acquire and manage successful businesses.