

# TM Capital's Healthcare Cost Containment Spotlight







Spring 2025



## TM Capital Experience

Our team architects highly complex, market-defining outcomes for companies offering healthcare cost containment strategies including utilization management, equipment lifecycle management, and other specialty outsourced services to employers, payors, providers and others in the healthcare ecosystem.



	Target	Acquiror	Acquisition Synopsis
Utilization Management		 	<ul style="list-style-type: none"> <li>• Centre Partners and Health Enterprise Partners jointly invested in Toney Healthcare Consulting (“THCC”).</li> <li>• THCC is a clinically-oriented healthcare consulting firm providing services in strategy, compliance, management and clinical operations for health plans in areas including utilization management, care management and value-based care.</li> <li>• The Company offers complex case management and cost containment strategies and utilization management and transitions of care programs, including UM committee development to meet CMS Final Rule requirements.</li> <li>• Centre Partners is a lower middle-market private equity firm focusing on the consumer and healthcare sectors, with offices in New York and Los Angeles and approximately \$2.6 billion of equity capital invested in over 90 transactions.</li> <li>• Health Enterprise Partners invests in privately held, lower middle market healthcare services and information technology companies. Central to HEP’s strategy is its unique and extensive hospital system and health plan network, 41 members of which are investors in HEP’s funds. HEP seeks to invest in companies that improve the quality of the patient experience, expand access, and reduce the cost of healthcare.</li> <li>• A senior member of TM Capital’s healthcare team was involved in this transaction at a prior firm.</li> </ul>
Technology Services		 	<ul style="list-style-type: none"> <li>• TechHealth acquired by OneCall Care Management, a portfolio company of Odyssey Investment Partners.</li> <li>• TechHealth is a leading provider of cost containment services for workers’ compensation, that uses proprietary technology to provide cost containment solutions for physical therapy, equipment and device management, home health, diagnostics, and transportation and language services to insurance carriers, third party administrators and self-insured employers.</li> <li>• One Call Care Management, a portfolio company of Odyssey Investment Partners, is the nation’s leading provider of specialized cost containment services to the workers’ compensation industry.</li> <li>• The acquisition of TechHealth provides One Call Care Management entry into the physical therapy market as well as the opportunity to integrate best-of-breed services, strategies and technologies in the other markets served by the companies.</li> <li>• Odyssey Investment Partners, with offices in New York and Los Angeles, is a leading private equity investment firm with a more than 25-year history of partnering with skilled managers to transform middle-market companies into more efficient and diversified businesses with strong growth profiles. Odyssey makes majority-controlled investments in industries with a long-term positive outlook and favorable secular trends.</li> </ul>

# Sponsor Landscape



## Demand Drivers

Commercial health care spending growth is estimated to grow to its highest level in 13 years, according to PwC's newest research into annual medical cost trend. PwC's Health Research Institute (HRI) is projecting an 8% year-on-year medical cost trend in 2025 for the Group market and 7.5% for the Individual market. This near-record trend is driven by inflationary pressure, prescription drug spending and behavioral health utilization. . . . This unfavorable trend reflects higher than expected utilization of glucagon-like peptide-1 (GLP-1) drugs as well as higher acuity (higher levels of care) inpatient and outpatient utilization. Inpatient and outpatient utilization were driven by demand from care deferred since the pandemic, which was met by newly created capacity as sites of care shifted to outpatient, professional and ambulatory care settings. . . . The same inflationary pressure the healthcare industry has felt since 2022 is expected to persist into 2025, as providers look for margin growth and work to recoup rising operating expenses through health plan contracts. - Explore U.S. health spending trends with an interactive tool developed by KFF at the above link.



## Sector Insights

The "bending" of the healthcare cost curve is an increasing point of emphasis amongst the more progressive healthcare services sponsors. Supported by an increasing interest in services to providers of care (as opposed to investment directly in providers of care), a growing need for focus on cost and operational efficiency in light of shrinking margins and ballooning regulatory compliance needs, and a brighter light being shone on rising costs and systematic waste in the current political landscape, assets that help employers, providers, payors and facilities adapt to this new environment are commanding more value than ever. In employer-sponsored healthcare, outsourced service providers like TPAs helping to manage costs driven by the continually rising health insurance premiums have become must-have, and the resulting increased financial sponsor interest has resulted in an active market for growing, differentiated assets. Value-add service offerings that seek to meaningfully improve member experience while being higher touch and lower cost are a bright spot in the category.

**Josh Mastracci**  
Managing Director, TM Capital

# Sector Activity



Target (Date)	Acquirer	Synopsis
Vitori Health (Jan. '25)	Global Excel Management	Vitori Health is a health plan administrator focused on expense reduction and increased value through evidence-driven design, and payment integrity controls.
Point C (Shore Capital) (Nov. '24)	Shore Capital	TPA of medical benefits, cost containment and other administrative services for self-insured employers recapitalized through Shore Capital's Healthcare Advantage Fund.
Healthcare Bluebook (Primus Capital) (July '24)	Valenz Health (Kelso & Company)	Healthcare Bluebook uses industry-leading objective quality and price data and claims-driven ROI reporting to deliver insights to consumers, employers, healthcare providers and payors.
Lucent Health (NaviMed Capital) (Apr. '24)	Gauge Capital	Lucent is a TPA and cost containment solution provider to self-insured employers, helping reduce healthcare costs while simultaneously improving member experience and outcomes.
ReviewWorks (Jan. '24)	MedLogix	ReviewWorks is a premier provider of medical cost containment solutions and disability management services, delivering cost savings and accuracy that improves claims processing.
Ametros Financial (Jan. '24)	Webster Financial (NYSE: WBS)	Ametros offers post-settlement medical administration and is a trusted partner for thousands of members receiving funds from workers' compensation and liability settlements.

## In the News

**Employers seek healthcare price transparency to control costs**

**Breaking the cost barrier: A wake-up call for U.S. healthcare**

**HOSPITAL MARGINS STABILIZING, BUT DON'T LET UP ON COST CONTAINMENT**

**Payers Possess the Tools to Tackle Rising Healthcare Costs**

To learn more about TM Capital or to discuss our work with clients in this sector, please contact any of TM's healthcare team members listed below:



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## ABOUT TM CAPITAL

Founded in 1989 and now part of Janney Montgomery Scott, TM Capital is the client-first investment banking team advising industry leading companies across North America and around the world. In everything we do, our professionals share a relentless commitment to engineering extraordinary outcomes with an unmatched standard of client care. Over the last three decades, we have completed more than 350 transactions with a combined value in excess of \$25 billion. With offices in Atlanta, Boston and New York, our mission critical capabilities include complex mergers and acquisitions; debt and equity financings; minority and majority recapitalizations; restructurings; and board advisory services. TM Capital is also a founding member firm of Oaklins, the world's most experienced mid-market M&A advisor with 700 M&A professionals in 60 offices operating in the major financial centers around the world. For more information, please visit [www.tmcapital.com](http://www.tmcapital.com).