



# *Hospital M&A: Valuations Surviving The Pandemic*

*Market Insights* by Matt Caine  
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Matt Caine, Managing Director at SOLIC Capital Advisors, participated as a panelist in Irving Levin Associates' webinar last week entitled "Hospital M&A: Valuations Surviving the Pandemic" which addressed the outlook for hospital M&A in 2021. Here are a few key takeaways:

**Key Takeaway #1:** Hospital and health systems will remain active in non-hospital acquisitions including telehealth, lab, and post-acute services to effectively advance strategies with reaching consumers

**Key Takeaway #2:** Healthcare providers will focus on improving margins during the next 6-12 months including evaluating opportunities to partner with or acquire other providers as scale is ever more important in this operating environment

**Key Takeaway #3:** Transaction volume is likely to increase in 2021 with increased activity levels given the vaccine rollout, ongoing lifting of restrictions and increasing pressures for providers to repay or recoup CARES Act funding support

**Key Takeaway #4:** Hospital valuations are beginning to bounce back to pre-pandemic levels

**Key Takeaway #5:** Traditional high-margin inpatient procedures continue to rapidly move to outpatient settings, as well as the movement of other patient care to telehealth and other lower cost settings

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