

Healthcare M&As slow down in 2022—here's why

Article



The news: Healthcare M&As were booming in the last couple of years, but there's been a sharp decline in 2022 so far, [per](#) KPMG's recent report.

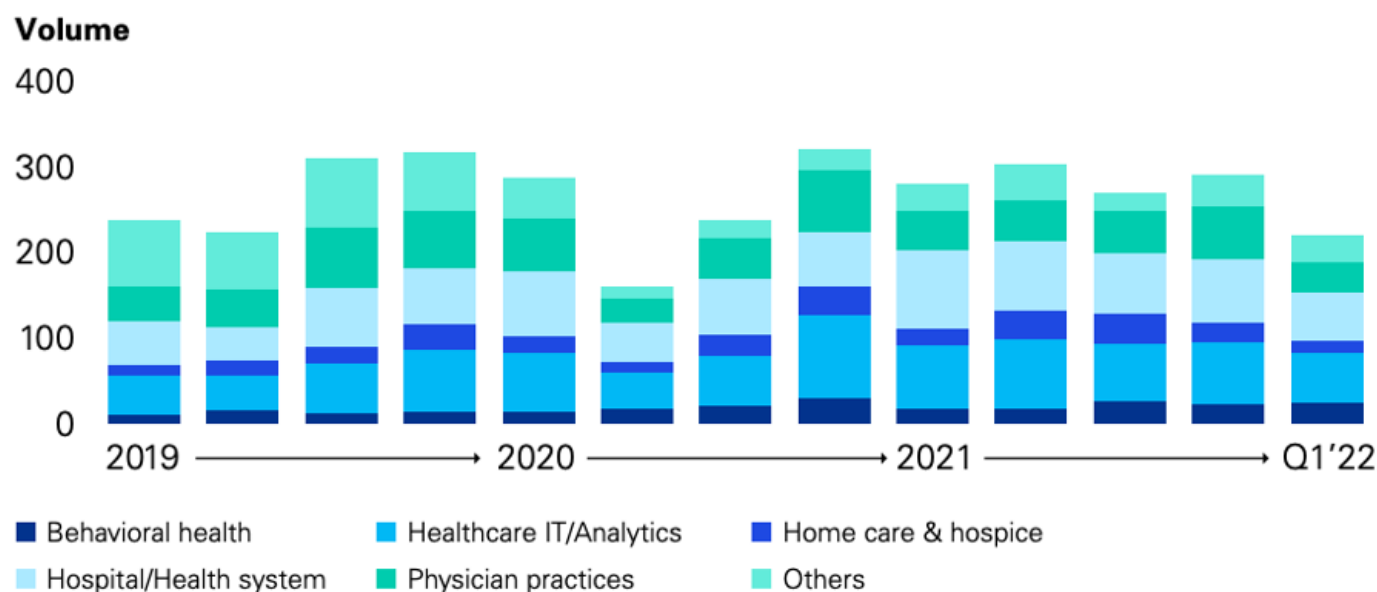
- Healthcare M&A deals went down by 34% from Q4'2021 to Q1'2022. Private equity-related M&A deals went down even more sharply, by 50%.
- The biggest deals in Q1'2022 were focused on digital health.

The biggest deals in Q1'2022:

- **R1 RCM** acquired **Cloudmed** for \$4.1 billion.
- **Centene** acquired **Magellan Health** for \$3.27 billion.
- Medtech firm **Stryker** acquired digital care coordination company **Vocera** for around \$3 billion.
- Telehealth company **SOC Telemed** was acquired by healthcare investment firm **Patient Square Capital** for \$385 million in February.
- Digital clinical trials platform **Medable** acquired digital dermatology care firm **Omhu**.

Strategic deal volume

Healthcare overall acquisition deal volume (quarterly)



What's behind the healthcare M&A slump? After the spike in healthcare M&As during the peak of the pandemic, healthcare companies are probably now taking stock of their business and figuring out how to optimize their integration of new products and services. Plus, healthcare M&As are slowing down in parallel with the economy's downturn in general, facing challenges like high interest rates and inflation.

What's next for digital health companies? As many digital health players navigate pandemic-era growth and partnerships, all signs are pointing towards comprehensive care.

- For example, with so many digital health solutions on the market, it can be overwhelming for providers, payers, or employers to choose a vendor. So, it makes sense for digital health vendors to set up one-stop-shop platforms offering a variety of digital health products and services that meet a range of healthcare needs.