



## Institutional Research Group



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### Contents

Key takeaways	1
\$42.9 billion in PE-backed RCM deal value since 2017	3
PE-backed RCM exit value tallies \$22.5 billion since 2017	4
RCM holding periods (years) are modestly extended on the surface	7
RCM holding periods are more extended considering the context	8
Top VC-backed RCM competitors	9
Hospital CVC investments in venture-backed RCM companies	10
Industry profits shrink even under elongated adoption scenario	12

## EMERGING TECH RESEARCH

# AI Kills the RCM Star: PE Should Be Wary of RCM Deals as Agentic AI Guts Take Rates

RCM revenue pool to shrink over 50% by 2040

### Key takeaways

- RCM has been a favorite area for PE sponsors, with \$42.9 billion in PE deals and \$22.5 billion in exits since 2017, and a recently announced \$12 billion transaction on the horizon.
- However, US public markets are revealing something about RCM disruption potential. Shares are down 43% YTD for Waystar, a high-quality near-AI-native vendor with organic revenue growth of 11% in Q1 2026. Is this a typical overreaction to increased uncertainty or something more?
- Discussions with multiple industry participants have led us to estimate that the cost-to-collect percentage, or percent of net collections, will fall from the 4% to 5% range to below 1% (some say to a subscription-based model) because of agentic automation combined with increased competition. The result will be a substantial shrinkage in available profit dollars for the industry that will be incremental revenue for non-RCM-native competitors. For us, the question is more of timing (speed of transition) than outcome.

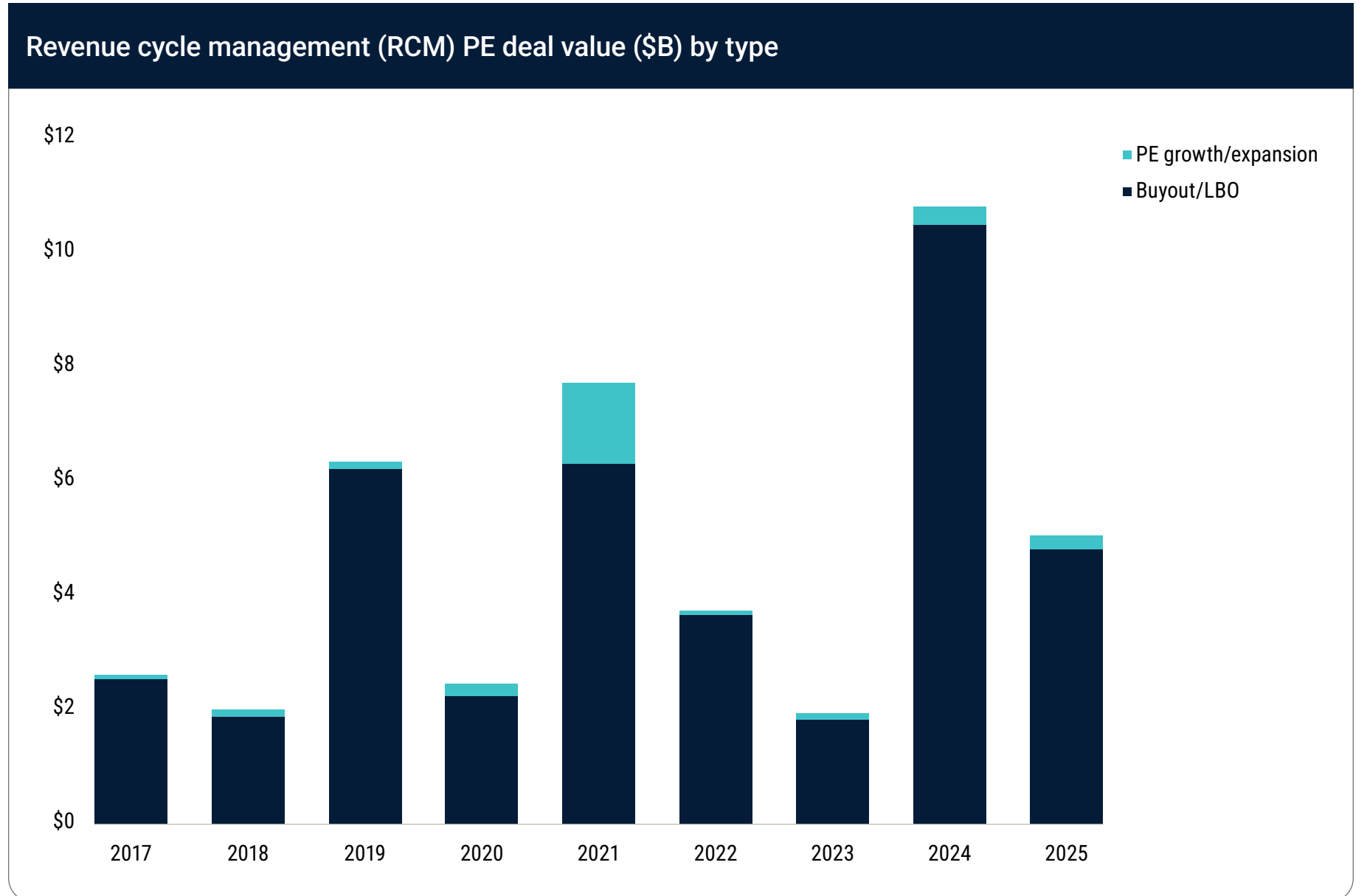


- The PE automation play is intuitively obvious. Let agentic AI replace the majority of outsourced Indian labor for the business process operations component of RCM, and the gross margin profile increases from the 20% to 30% range to a software-based 60% to 70%-plus range. After all, the RCM incumbents have not just a right to win the business, but a moat in existing customer relationships.
- However, sandboxes overlap now, and integrated agentic solutions beyond RCM are also incumbents for the same customer base. They are rapidly developing and deploying agentic RCM capabilities with a critical difference: Any RCM revenue is entirely incremental revenue for them, and they have an AI-native cost structure.
- These competitors include AI-native agentic competitors and clinical decision-support solutions, including ambient scribes.
- Add to the mix EHR vendors, such as Epic and ModMed, and other data and analytics competitors, such as Innovaccer, which recently expanded its value-based offerings to agentify traditional RCM capabilities via its acquisition of CaduceusHealth in May.
- CommonSpirit Health announced in Q1 that it is paying Tenet's RCM subsidiary, Conifer Health Solutions, \$1.9 billion to prematurely end its RCM contract six years ahead of its expiration. This was followed by its announced insourcing partnership with Midstream Health weeks later. Both are indicative of the pricing pressures the industry is just beginning to see.
- We believe EHR-based competitors—such as ModMed—with strong integrated AI-native solutions and more significant moats as systems of record have the clearest medium-term path to victory in integrating RCM capabilities into their platforms; leading AI-native agentic companies may find their best outcome through acquisition.
- AI-native solutions that are not integrated into clinical workflows are likely to struggle, as the burden on care providers to click in and out of systems of record will prove too cumbersome.



# \$42.9 billion in PE-backed RCM deal value since 2017

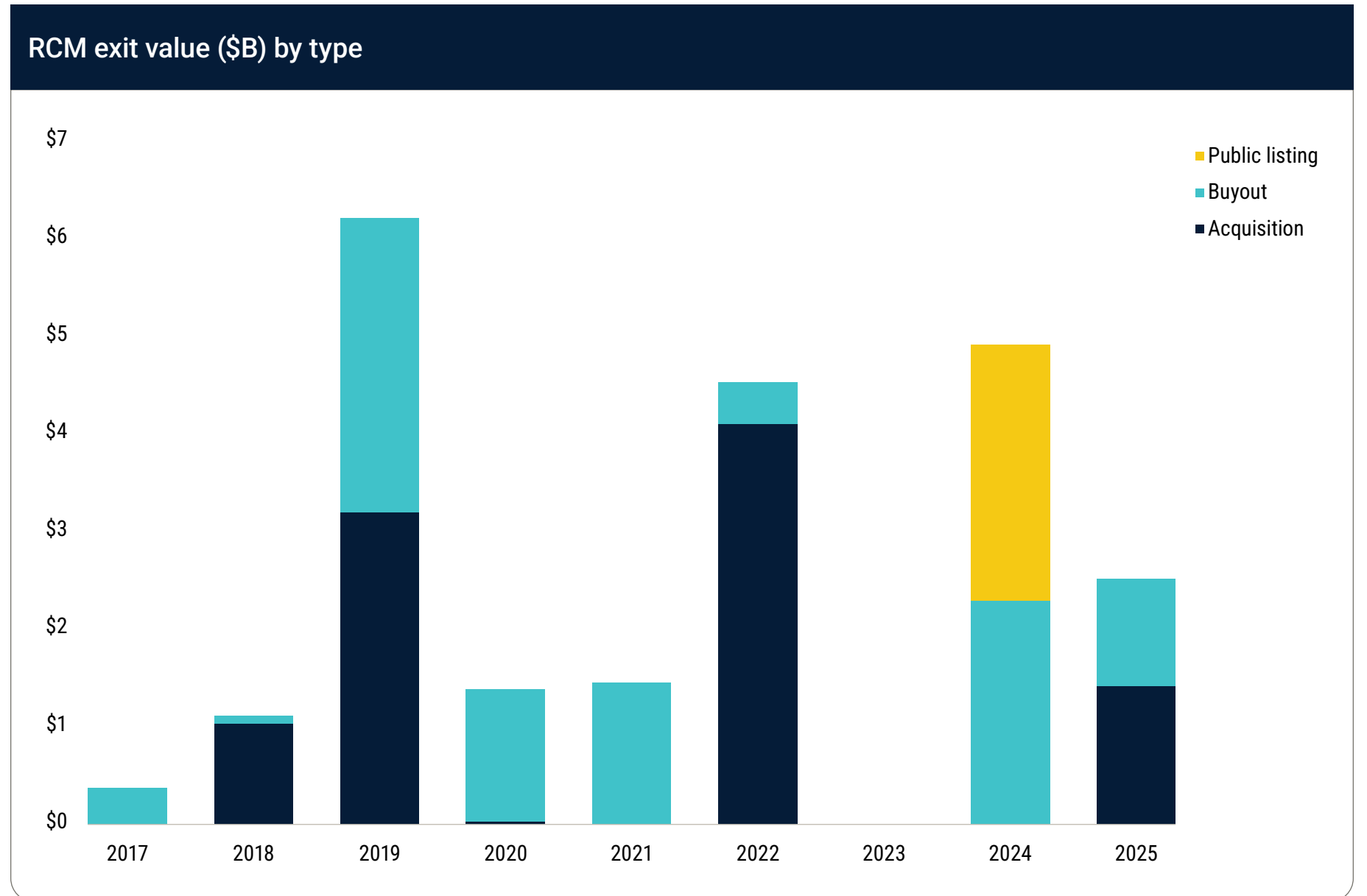
Since 2017, PE firms have seen \$42.9 billion in deal value in the RCM industry, with an additional \$22.5 billion in deal exits. The data consists of closed deals and excludes M&A deals, including the recently announced \$12 billion acquisition of Ensemble Health Partners by the Thoreau Group in June.



Source: PitchBook • Geography: Global • As of June 3, 2026



# PE-backed RCM exit value tallies \$22.5 billion since 2017



Source: PitchBook • Geography: Global • As of June 3, 2026



## Top RCM PE exits

Company	Close date	Exit value (\$M)	Post-money valuation (\$M)	EV/EBITDA	EV/revenue	Investor(s)	Exit type
Cloudmed	January 10, 2022	\$4,100.0	\$4,100.0	N/A	12.4x	R1 RCM	M&A
Equian	September 13, 2019	\$3,200.0	\$3,200.0	N/A	11.5x	UnitedHealth Group	M&A
Waystar Health	September 12, 2019	\$2,700.0	\$2,700.0	N/A	N/A	CPP Investments, EQT, Ergo Partners	Buyout/LBO
Waystar Health	June 7, 2024	\$2,615.7	\$3,583.2	N/A	N/A	N/A	IPO
eSolutions	September 23, 2020	\$1,350.0	\$1,350.0	N/A	N/A	CPP Investments, EQT, Waystar Health	Buyout/LBO
RevSpring	March 12, 2024	\$1,270.0	\$1,270.0	N/A	N/A	22C Capital, Frazier Healthcare Partners, New Enterprise Associates	Buyout/LBO
Iodine Software	October 1, 2025	\$1,259.8	\$1,259.8	N/A	10.1x	Waystar Health	M&A
AGS Health	July 31, 2025	\$1,100.0	\$1,200.0	20.0x	8.0x	Blackstone	Buyout/LBO
FinThrive	January 28, 2021	\$1,000.0	\$1,000.0	N/A	36.4x	Clearlake Capital Group, Flexpoint Ford	Buyout/LBO
Gebbs Healthcare Solutions	September 5, 2024	\$840.0	\$840.0	16.8x	4.2x	EQT	Buyout/LBO

Source: PitchBook • Geography: Global • As of June 3, 2026



## Top RCM PE exits (continued)

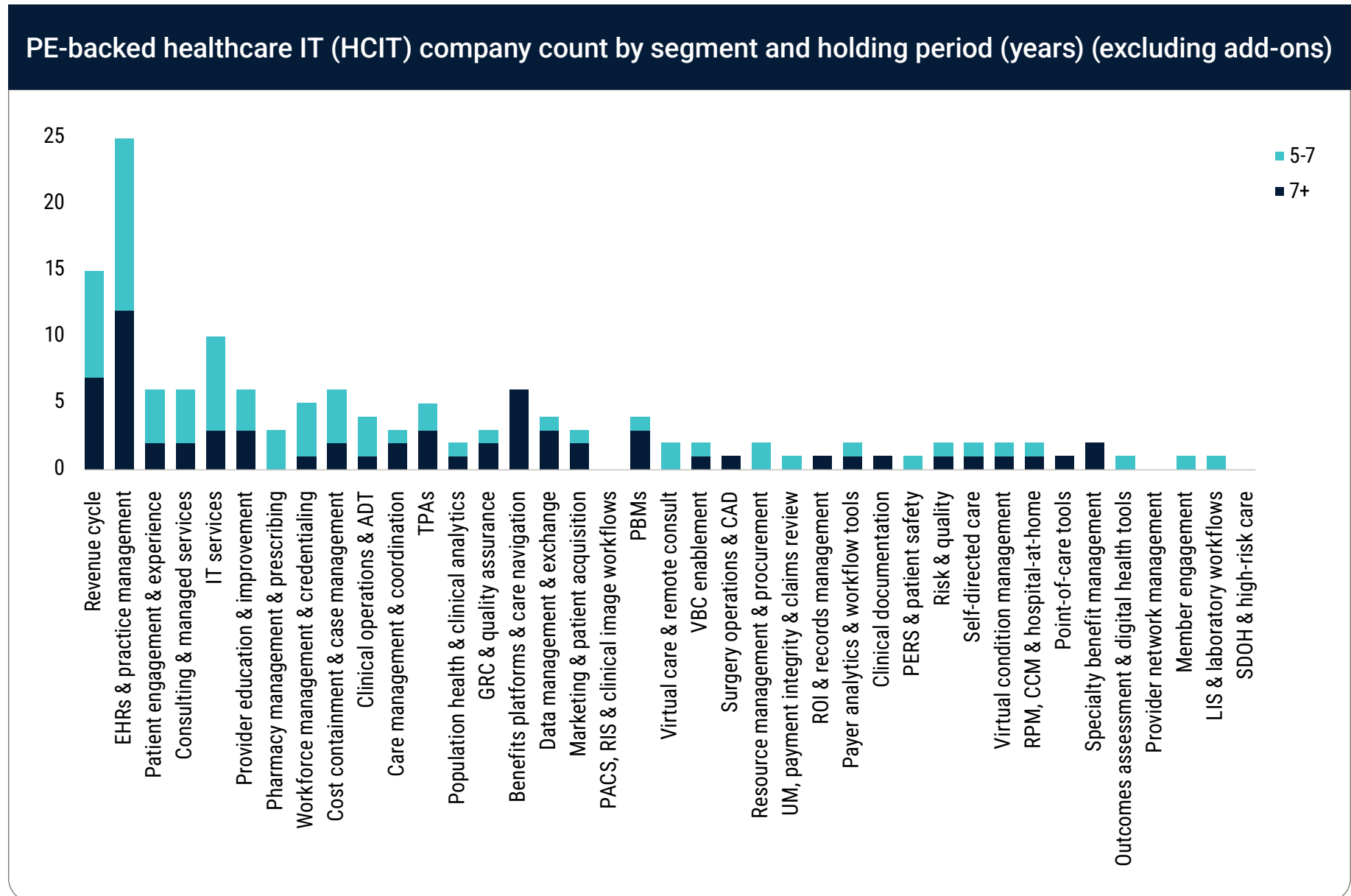
Company	Close date	Exit value (\$M)	Post-money valuation (\$M)	EV/EBITDA	EV/revenue	Investor(s)	Exit type
<b>Bolder Healthcare Solutions</b>	March 12, 2018	\$485.0	\$485.0	N/A	N/A	Cognizant Technology Solutions	M&A
<b>Intermedix</b>	February 26, 2018	\$460.0	\$460.0	9.6x	2.4x	R1 RCM	M&A
<b>Patientco Holdings</b>	August 24, 2021	\$455.0	\$455.0	N/A	N/A	Bain Capital, CPP Investments, EQT, Waystar Health	Buyout/LBO
<b>SpendMend</b>	March 1, 2022	\$427.2	\$427.2	N/A	N/A	Churchill Asset Management, Constitution Capital Partners, Man Direct Lending, Morgan Stanley Investment Management	Buyout/LBO
<b>AGS Health</b>	March 14, 2019	\$320.0	\$320.0	N/A	4.3x	EQT Private Capital Asia	Buyout/LBO
<b>Cloudmed</b>	December 13, 2017	\$250.0	\$250.0	8.3x	N/A	New Mountain Capital	Buyout/LBO
<b>Health Prime</b>	January 20, 2024	\$190.0	\$237.5	N/A	N/A	Aquiline Capital Partners	Buyout/LBO
<b>AccessOne</b>	November 12, 2025	\$160.0	\$160.0	N/A	4.6x	Phreesia	M&A
<b>MTBC-Med</b>	January 12, 2017	\$123.5	\$123.5	N/A	N/A	Formativ Health, Pamplona Capital Management	Buyout/LBO
<b>Quick Med Claims</b>	October 31, 2018	\$75.0	\$75.0	N/A	N/A	GreyLion	Buyout/LBO

Source: PitchBook • Geography: Global • As of June 3, 2026



# RCM holding periods (years) are modestly extended on the surface

- PE holding periods (excluding add-ons) are most extended for electronic health records (EHRs) & practice management.
- RCM is the next highest category.
- Traditionally, holding periods excluding add-ons have been the standard to judge aged asset inventory, but given our view of fundamental challenges, including add-ons may be more appropriate for RCM.

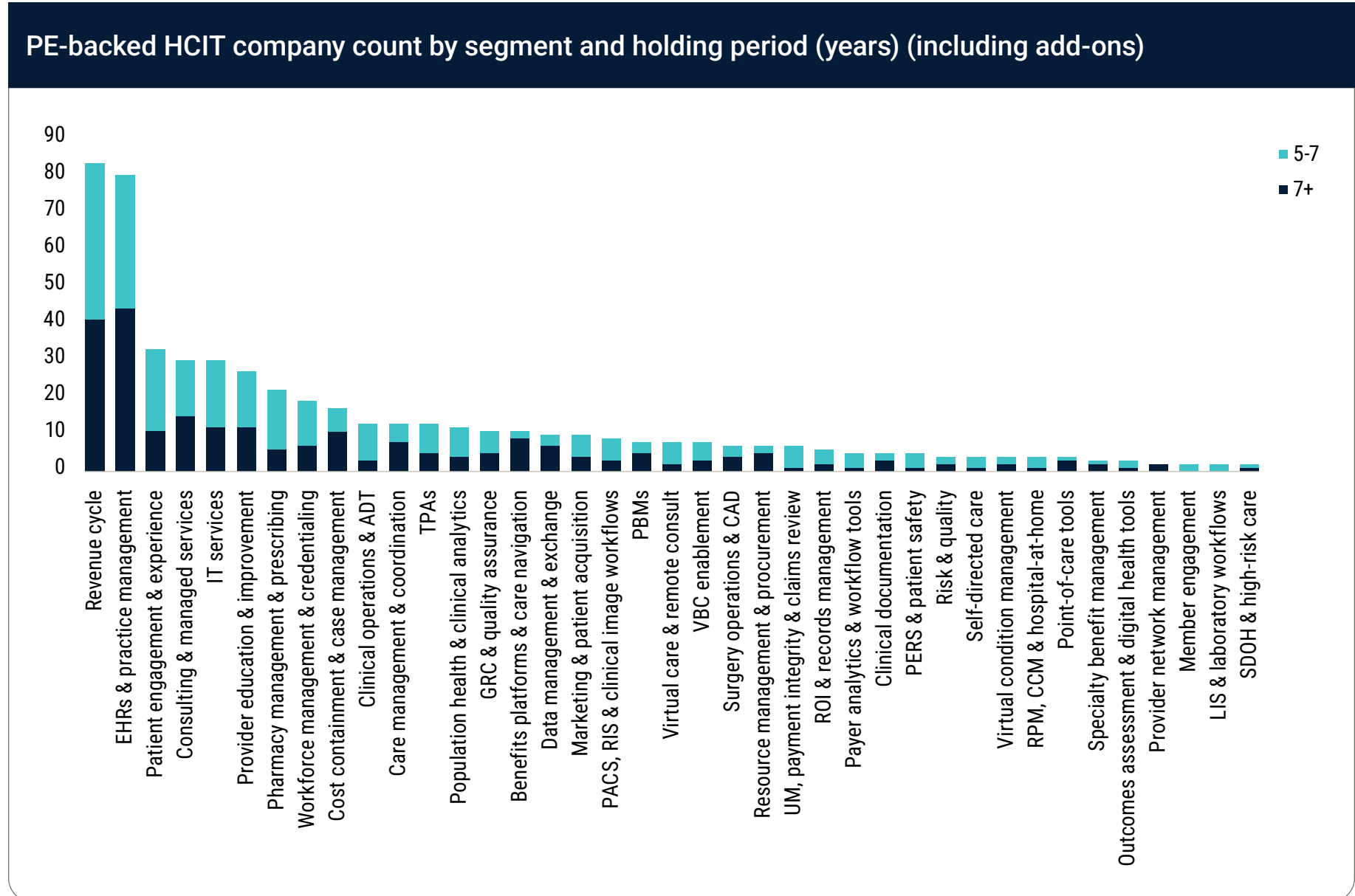


Source: PitchBook • Geography: Global • As of June 11, 2026



# RCM holding periods are more extended considering the context

- PE holding periods are most extended for RCM, followed by EHRs & practice management when factoring add-ons.
- The number of aged assets for both RCM and EHRs & practice management is more than double the next highest category.
- There are over 80 PE-backed RCM companies with holding periods greater than five years.



Source: PitchBook • Geography: Global • As of June 11, 2026



# Top VC-backed RCM competitors

## Top VC-backed RCM companies by total VC raised to date

Company	VC raised (\$M) to date	Success probability	IPO probability	M&A probability
AKASA	\$205.0	79%	27%	52%
Cohere Health	\$198.1	83%	32%	51%
CodaMetrix	\$109.0	64%	7%	57%
Nym	\$94.2	82%	6%	76%
Candid Health	\$92.5	93%	39%	54%
Camber	\$73.5	80%	41%	39%
Janus Health	\$64.2	70%	4%	66%
Fathom	\$60.3	89%	6%	83%
Klaim	\$58.6	89%	13%	76%
Anomaly	\$52.2	83%	6%	77%

Source: PitchBook • Geography: Global • As of June 3, 2026  
 Note: Probability data is based on PitchBook [VC Exit Predictor methodology](#).

## Top VC-backed RCM companies by most recent post-money valuation

Company	Post-money valuation (\$M)	Success probability	IPO probability	M&A probability
AKASA	\$1,020.0	79%	27%	52%
Cohere Health	\$750.0	83%	32%	51%
CodaMetrix	\$395.0	64%	7%	57%
Candid Health	\$250.0	93%	39%	54%
Fathom	\$200.0	89%	6%	83%
Camber	\$180.0	80%	41%	39%
Charta Health	\$125.0	N/A	N/A	N/A
Nym	\$109.2	82%	6%	76%
Osigu	\$87.5	85%	3%	82%
Anomaly	\$80.1	83%	6%	77%

Source: PitchBook • Geography: Global • As of June 3, 2026  
 Note: Probability data is based on PitchBook [VC Exit Predictor methodology](#).



# Hospital CVC investments in venture-backed RCM companies

- Cedar raised a \$102 million Series C round (\$77 million equity) from Kaiser Permanente in 2020, followed by a \$200 million Series D in March 2021 and a \$268 million round in June 2021, with Memorial Hermann Foundation participating.
- Memorial Hermann also participated in a \$51.5 million Series C round of Infinitus Systems in October 2024.
- Cedars-Sinai Health Ventures took part in a \$46 million Series B round in November 2022.

## Hospital corporate venture capital (CVC) investments in VC-backed RCM companies

Hospital system/ sponsor	Investment vehicle (CVC arm)	Portfolio company	Category	Round/date	Status
Cedars-Sinai Medical Center	Cedars-Sinai Health Ventures	Fathom (autonomous medical coding)	AI-native RCM-coding	\$46M Series B—November 9, 2022	Active
Cedars-Sinai Medical Center	Cedars-Sinai Accelerator (Techstars)	Fathom (autonomous medical coding)	AI-native RCM-coding	Accelerator cohort—2021	Active (earlier stage)
Memorial Hermann Health System	Memorial Hermann (direct strategic)	Infinitus Systems (AI voice agents)	AI-native RCM-payer-provider phone automation	\$51.5M Series C—October 23, 2024	Active
CommonSpirit Health	CommonSpirit Ventures	Midstream Health (claims/payer automation)	AI-native RCM-claims/denial/payer underpayments	Strategic investment—February 10, 2026	Active
Kaiser Permanente	Kaiser Permanente (direct strategic)	Cedar (patient billing & engagement)	Patient financial experience	\$102M Series C (\$77M equity + \$25M JPM debt)—June 22, 2020	Active
Providence Health (lead) + UnityPoint Health + OSF HealthCare	Allumia Ventures (formerly Providence Ventures), UnityPoint Health Ventures, OSF Ventures	TailorMed Medical (financial navigation)	Patient financial experience	\$25M Series B (initial \$20M June 7, 2021, + \$5M extension September 29, 2021)	Active
UPMC	UPMC Enterprises	RAAPID (risk adjustment AI)	Midcycle coding/risk adjustment	Series A extension—March 18, 2026	Active

Sources: PitchBook MCP queries (May 27, 2026); company press releases via BusinessWire, PRNewswire, GlobeNewswire, Phreesia, Cedar, Rialtic, Cedars-Sinai newsroom, Edifecs, IMO; Becker's Hospital Review; Fierce Healthcare; HIT • Geography: Global • As of June 3, 2026



### Hospital CVC investments in VC-backed RCM companies (continued)

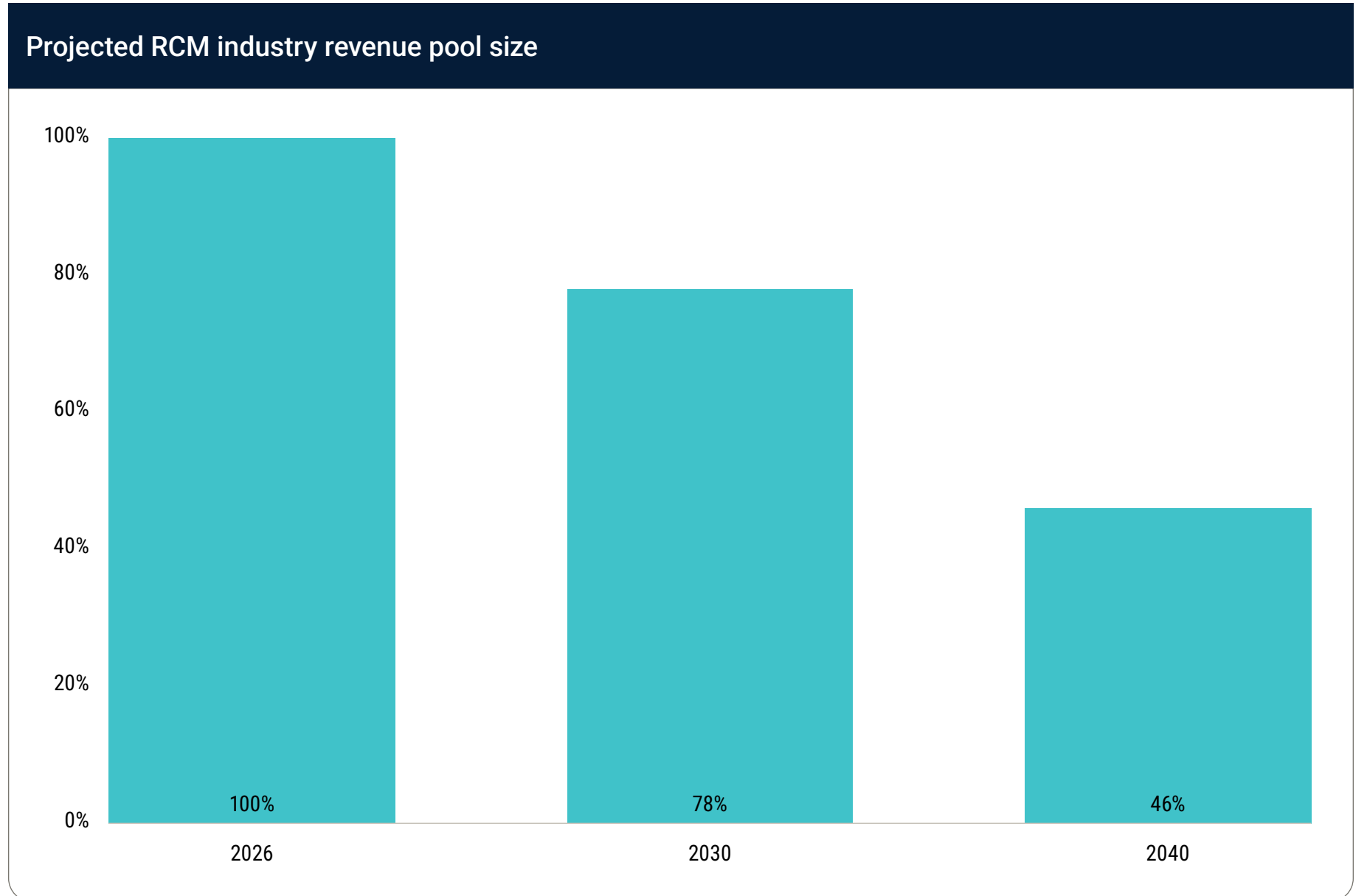
Hospital system/ sponsor	Investment vehicle (CVC arm)	Portfolio company	Category	Round/date	Status
UPMC	UPMC Enterprises	Rialtic (claims editing/ payment integrity)	Claims integrity/ payment accuracy	\$37M Series B— August 4, 2023 (announced January 26, 2024)	Active
UPMC + Memorial Hermann + MemorialCare + UNC Health + Tampa General + Mass General Brigham + U. Colorado + UnityPoint (consortium)	UPMC Enterprises (lead), Memorial Hermann, MemorialCare Innovation Fund, Rex Health Ventures, Tampa General Hospital Ventures, Mass General Brigham Ventures, CU Healthcare Innovation Fund, UnityPoint Health Ventures	Carta Healthcare (AI clinical data abstraction)	Clinical data/midcycle adjacent	\$18.3M Series B1— May 7, 2025 (prior \$25M Series B June 8, 2023)	Active—7+ hospital CVCs
Northwell Health	Northwell Holdings	Proluent Health (workforce intelligence)	Workforce management/labor optimization	Series A extension— October 16, 2024	Active
Ascension (and other LPs)	Ascension Ventures	Hallmark Health Care Solutions (workforce management)	Workforce management/ labor optimization	PitchBook record: September 15, 2023 (preceding October 6, 2023, Summit Partners round)	Active
Providence Health	Allumia Ventures	MacroHealth (payer-provider data)	Payer-provider data/ network optimization	PitchBook record: June 10, 2020	Active

Sources: PitchBook MCP queries (May 27, 2026); company press releases via BusinessWire, PRNewswire, GlobeNewswire, Phreesia, Cedar, Rialtic, Cedars-Sinai newsroom, Edifecs, IMO; Becker's Hospital Review; Fierce Healthcare; HIT • Geography: Global • As of June 3, 2026



# Industry profits shrink even under elongated adoption scenario

Assuming provider revenue increases a robust 7% per annum and cost-to-collect rates decline from 4.5% in 2026 to 2.5% in 2030 and 0.75% in 2040, RCM industry profits in the US would decline approximately 22% by 2030 and roughly 54% by 2040. Certain functions, such as collections, will likely remain on a percent-of-net-revenue or a percent-of-cash-collections basis. However, the entire funding available for the RCM industry is likely to shrink substantially.



Source: PitchBook estimates • Geography: Global • As of June 3, 2026



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