

# Apprio to search for acquisitions in early 2020 to expand healthcare RCM biz, says CEO

14 JUN 2019

**Apprio**, a healthcare IT contractor for the federal government, has made one recent acquisition and plans to “aggressively” begin seeking another purchase in the first quarter of 2020, said CEO and founder Darryl Britt.

Washington, D.C.-based Apprio provides specialized technology solutions in healthcare IT, emergency response and financial management. It recently created a new division, ApprioHealth, which will target commercial hospital systems with revenue cycle management (RCM) solutions.

ApprioHealth President Donny Zamora said Apprio is looking to acquire targets that provide RCM services to hospitals and physician groups that focus on one or two service lines within the revenue cycle.

Zamora also said Apprio was interested in companies that could diversify its own service offerings while also allowing it to cross-sell additional services.

Britt noted the company would be opportunistic before 2020 “if something falls in our lap.”

Apprio acquired a target in the last 60 days, the executives said, declining to specify further because they were still working on branding, name recognition and determining the best way to operate in the target’s space.

RCM utilizes medical billing software to track finances at healthcare facilities during all aspects of patient interaction, from registration and appointment scheduling all the way through patient visits and the final payments of a balance.

Britt said Apprio didn’t need to raise capital for its most recent purchase and might not for the next. He said the company could potentially need “access” to capital for future targets, however, with an exact amount based on a target’s size and structure.

For the rest of 2019, ApprioHealth is planning to grow organically by continuing to fill out its executive team and sell RCM solutions.

Britt said the company traditionally has focused its government work on high-end technology and management services, but after it penetrates commercial hospital systems with ApprioHealth RCM solutions, it wants to leverage that experience back into the federal space to go after other major federal healthcare programs like Indian Health Services and the Defense Health Agency.

Britt founded the private company in 1998 and is the majority shareholder with key leaders owning minority stakes. He said Apprio is profitable with annual revenues somewhere between USD 35 and 50 million. He would not disclose EBITDA but said it was enough to support continued investment in the business.

Apprio works with several governmental agencies that include the Department of Health and Human Services, Centers for Medicare and Medicaid Services and Federal Emergency Management Agency. It also recently inked a deal with the Federal Bureau of Prisons.

The CEO said he's approached weekly about a sale but isn't "finished building that best company yet."

Zamora said competitors in the space include **Parallon, Conifer Health Solutions, Change Healthcare** and **Kemberton**.

Apprio uses **JP Morgan Chase** for commercial banking, **Holland & Knight** as its law firm and **Aronson** for accounting.

by James Ward in Charlottesville, Virginia