

Paladina Health to Acquire Healthstat, Bringing Together Two of the Nation's Leading Direct Primary Care Providers



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Acquisition further establishes Paladina Health as a national player with 350 clinics in 32 states

DENVER, Oct. 12, 2020 /PRNewswire/ -- Direct primary care provider [Paladina Health](#) announced today that it has signed an agreement to acquire Charlotte-based [Healthstat](#), a leading provider of onsite, near-site, shared and virtual employer-sponsored health centers, dramatically expanding its footprint and more than tripling its number of clinics across the U.S. The acquisition brings together two patient-focused organizations committed to helping employers reduce healthcare costs and improve the health of their employees through onsite and near-site health clinics and 24/7 access to virtual care.

Direct primary care provider Paladina Health announced today that it has signed an agreement to acquire Charlotte-based Healthstat, a leading provider of onsite, near-site, shared and virtual employer-sponsored health centers, dramatically expanding its footprint and more than tripling its number of clinics across the U.S.

Paladina Health currently operates 120 clinics concentrated in the Midwest and Western U.S. The Healthstat acquisition will add more than 230 clinics in 13 additional states, including in the Southeast where Paladina Health does not have a presence. After the acquisition is complete, Paladina Health will operate 350 clinics and remain the nation's second-largest direct primary care provider.

"Paladina Health and Healthstat share a common mission and vision to transform healthcare in America, and this integration expands our reach, scale and expertise to pursue our commitment on a truly national level," said Paladina Health Chief Executive Officer Chris Miller. "Both

organizations have innovative, data-driven, patient-centric care models that are proven to reduce employer costs while improving health outcomes and employee satisfaction. Combining our companies makes both of us stronger and represents a huge step forward in fixing America's broken healthcare delivery model."

"Healthstat began in the earliest days of direct primary care and developed a nationally recognized, proprietary healthcare delivery model centered on patient engagement that improves health and productivity and at the same time lowers costs," said Crockett Dale, Chief Executive Officer of Healthstat. "Through the years it has been our great honor to care for employees and families across the nation, and we're thrilled to have Paladina Health help us carry this legacy forward as we continue on our mission to make healthcare and wellness more accessible to diverse workforces throughout the U.S."

Healthstat has a partnership with [Johns Hopkins HealthCare Solutions](#) to integrate its evidence-based disease management and behavior assessment programs into its network of employee health clinics. In addition to in-person and virtual primary care services, Healthstat offers occupational health services to improve workplace safety and reduce lost time from work; condition management programs to tackle the root causes of chronic illnesses; and wellness programs focused on healthy nutrition, exercise and resiliency. It also has a multi-faceted, technology-enabled program called Ment4Me to educate, diagnose, treat and help patients manage both their mental and physical health for the long term.

Paladina Health has made significant investments in a technological infrastructure to scale the company and create a flexible and highly integrated system for cross-clinic utilization nationwide. Paladina Health's co-management of the health of entire communities for multiple employers produces measurable benefits for both patients and their employers. In fact, 95% of individuals with chronic conditions are engaged with Paladina Health to improve their health, and employers see up to a 40% reduction in the total cost of care. The Paladina Health direct primary care system's extended appointment times and 24/7 access are credited for the model's positive outcomes because they allow for a personal relationship to develop between the provider and the patient, which serves as the foundation for a healthy future.

Paladina Health, which is backed by global venture capital firm [New Enterprise Associates](#) (NEA), [Oak HC/FT](#) and other strategic investors, serves a wide range of clients across multiple sectors and operates clinics for a significant number of union and Taft-Hartley plans. It also has partnerships with several health systems including [Common Spirit Health](#) (which was created by the alignment of Catholic Health Initiatives and Dignity Health), [SSM Health](#) and [The Christ Hospital](#).

"This strategic acquisition enables Paladina Health to accelerate growth into new markets and further scale its operations across the country," said Mohamad Makhzoumi, General Partner and Head of Healthcare Services Investing at NEA. "With the added expertise, services and partnerships that Healthstat brings to the table, Paladina Health will be able to meaningfully amplify its impact with members and employers alike."

About Paladina Health

Paladina Health is the second largest direct primary care provider in the U.S., operating 120 health clinics in 19 states located at or near the facilities of its employer, union and other benefit sponsor clients. Paladina Health's data-driven, patient-centric healthcare delivery model aligns incentives to benefit the patient, the physician and the benefit provider, all while reducing the total cost of care. Patients receive convenient, low- or no-cost access to physicians and 24/7 virtual care, reducing the need for costly ER use. Paladina Health is consistently recognized for clinical outcomes that exceed HEDIS commercial PPO benchmarks, and its clients typically reduce their overall healthcare costs by 20%. Paladina Health is based in Denver. For more information, visit www.paladinahealth.com.

About Healthstat

Headquartered in Charlotte, North Carolina, Healthstat is a leading provider of onsite and virtual primary care, health-risk intervention, chronic care management and occupational medicine in employer facilities. Healthstat offers a nationally recognized, proprietary healthcare delivery model that centers on patient engagement to improve health and productivity and lower healthcare costs for employers and their employees. In 2019, Healthstat announced a 5-year agreement with Johns Hopkins HealthCare, LLC to market, license and implement employee health programs developed by Johns Hopkins Medicine. For more information, visit www.healthstatinc.com.