

Eli's Hospice Insider

Hospice News: Humana, Equity Firms Plan Big Buy

The same group of purchasers making the massive **Kindred at Home** acquisition are planning another buy in the market.

Insurer **Humana Inc.** and private equity firms **TPG Capital** and **Welsh, Carson, Anderson & Stowe** have announced an agreement to pay \$1.4 billion for privately held hospice chain **Curo Health Services**. Mooresville, North Carolina-based Curo has 245 locations in 22 states, the group says in a release. The transaction, expected to close this summer, will give Humana a 40 percent minority interest.

The acquisition seems to be part of Humana's strategy to build out its provider network, notes Forbes. "Insurers see acquisitions of providers who treat Medicare patients as a way to lock in more customers and lock out providers affiliated with other health plans," the Forbes article says.

Merging its Kindred at Home and Curo acquisitions will create the largest hospice provider in the country, notes CNBC. Analysis from financial services firm **Cantor Fitzgerald** says the deal indicates **Wal-Mart** will not take over Humana, as speculated previously, reports Louisville Business First. But Humana and Wal-Mart may develop "a deeper relationship," the analysis suggests.

Humana and its private-equity firm partners' attempt at "building a portfolio in home care and hospice ... is synergistic with its [Medicare Advantage] book of business," said analysis from **Leerink Partners**, Business First adds.