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## Clinicient snags \$17M from investors

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Health care software maker Clinicient has \$17.3 million more to help the company strengthen its balance sheet and cash-out some early backers.

The round features a mix of old and new backers. Piper Jaffray Merchant Banking, the private equity arm of investment bank Piper Jaffray Cos., is a major new Clinicient investor. PJMB Managing Director [Robert Rinek](#) is joining the company's six-member board, replacing the board representative of the Series A and B investors.

[Existing backer Catalyst Investors](#) also participated in this latest round.

"We wanted to provide liquidity to those early investors. A large chunk of the A and B investors have now cashed out," said CEO [T. Kent Rowe](#). "And we wanted to strengthen the balance sheet for opportunistic mergers and acquisitions."

The new round brings Clinicient's total funding to \$44 million.

Clinicient makes billing software that helps outpatient and rehabilitation centers automate parts of their billing and other management processes.



CLINICIENT

T. Kent Rowe said the new money will help Clinicient's clients adjust to new payment models.

The 15-year-old company has 131 employees and about 15,000 users nationwide. Its software manages about \$1 billion in client collections.

Clinicient is currently interested in deals that can boost its products in what's known as a value-based care model. With value-based care, or a Merit-based Incentive Payment System, reimbursement from insurance is based on outcomes, not how many procedures are done.

While physical therapy and other clinics served by Clinicient run on the traditional fee-for-service model, the company soon expects a mandatory shift to a MIPS model.

Clinicient has already made two acquisitions to prepare for that change. It acquired Austin-based Keet Health, which makes mobile outcomes reporting software that helps patients and clinicians stay connected, in December 2017. In June, the company acquired the intellectual property for the Rehab Outcomes Management System, a product developed by the Utah nonprofit health system Intermountain Healthcare. ROMS clinics can gather patient-reported outcome surveys and other analytics to evaluate care.

"We beat the competition to the punch with our MIPS strategy," Rowe said of the deals. "ROMS is an extension of that."

While Rowe doesn't intend to go on a hiring spree, the company does plan to hire based on expected growth. The company adjusted its workforce at the end of May by ending its in-house revenue cycle management function, and shifting that work to two long-time company partners, one in Florida and one in Arizona, Rowe said.

About 40 roles were affected and some employees were hired on by the Florida company, he added.

In addition to the new capital, the company is also preparing to move its headquarters from Southwest Third Avenue in downtown Portland to the U.S. Bancorp Tower. It subleased the seventh floor from chipmaker Lattice Semiconductor, which moved its team back to Hillsboro in January.

Rowe joined Clinicient in 2016. He replaced long-time board member Rick Jung, who held the job for about two years before leaving the company and the board.

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