
Arsenal Capital Partners Signs Agreement to Acquire Knowtion Health

Strategic Partnership with Existing Investor Sunstone Partners to Accelerate Knowtion's Leadership in Revenue Cycle Management

NEW YORK, August 22, 2024 – Arsenal Capital Partners (“Arsenal”), a leading private equity firm specializing in building market-leading, technology-rich healthcare and industrial growth companies, today announced it has signed a definitive agreement to acquire Knowtion Health (“Knowtion”) a leading provider of revenue cycle insurance claim resolution services supported by AI enabled technologies. Sunstone Partners (“Sunstone”), the current majority owner, will maintain a significant strategic co-investment in the company. The terms of the transaction were not disclosed.

Knowtion Health has been at the forefront of delivering specialty revenue cycle services to help hospitals and health systems resolve insurance claims, recover low balance accounts, increase their revenue and optimize patient experience. Service areas include coordination of benefits and patient-involvement denials; clinical denials; low balance recovery; complex claims, such as motor vehicle accidents, Veterans Administration, third party liability, and workers compensation; and payer defense audits. Knowtion leverages its innovative ClaimBRAIN™ AI enabled platform to combine human expertise alongside AI enabled technology to resolve insurance claims at higher levels of effectiveness and efficiency. This approach leverages multiple AI technologies, including machine learning, natural language processing, and generative AI with dynamic prompting to transform data into actionable insights and address denials at scale.

Arsenal's acquisition of Knowtion underscores the firm's commitment to investing in companies that harness specialized expertise, advanced technology, and data-driven solutions to address critical inefficiencies in the healthcare system. Knowtion is distinctively positioned to optimize hospital and health systems' insurance claim resolution and recoveries, supported by its robust scale, comprehensive solution offerings, deep domain knowledge, and cutting-edge technology and analytics.

“We are thrilled to partner with Arsenal, whose resources and healthcare and operational expertise will significantly enhance our ability to best serve our clients,” said Jayson Yardley, CEO of Knowtion. “This partnership aligns with our shared vision and commitment to expanding our offerings through both organic growth and strategic acquisitions, further cementing our leadership in denials management.”

John DiGiovanni, an Investment Partner of Arsenal, added, “Arsenal is dedicated to partnering with organizations that not only improve healthcare efficiency but also contribute to systemic improvements in healthcare outcomes. Knowtion has a well-established track record of optimizing hospital and health system revenue cycles, and we are eager to work alongside management and Sunstone Partners to support Knowtion's continued growth.”

Martin Coulter, an Operating Partner of Arsenal, said, “Knowtion provides essential services to support hospitals and health systems as they face increasing margin pressure. We are excited to support the talented team at Knowtion and its mission to reduce the burden of denials and underpayments on the healthcare system.”

Arneek Multani, Managing Partner and Co-Founder of Sunstone Partners, added, “Since our initial investment, Knowtion has established itself as a leader in specialized revenue cycle management solutions that drive revenue optimization to hospitals. We are proud of the work the entire management team has done to reach this important milestone. As we look to the future and next phase of growth, we are excited to continue to partner with management and the team at Arsenal.”

William Blair acted as the exclusive financial advisor and Choate Hall & Steward LLP served as legal advisor to Sunstone and Knowtion for this transaction.

Robert W. Baird and Raymond James acted as exclusive financial advisors and Sidley Austin, LLP served as legal advisor to Arsenal Capital Partners.

About Knowtion Health

Knowtion Health is a leading provider of technology-enabled revenue cycle management services. The company leverages AI-driven technology and deep domain expertise to reduce denials and underpayments across all denial types, low balance accounts and complex claims, while also enhancing patient experience and satisfaction. Recognized as an Inc. 5000 fastest-growing company, Knowtion Health is a multi-year recipient of the Black Book award, which honors top partners as ranked by provider clients. For more information, visit [KnowtionHealth.com](https://www.knowtionhealth.com)

About Arsenal Capital Partners

Arsenal Capital Partners is a leading private equity investment firm that specializes in building market-leading industrial growth and healthcare companies. Since its inception in 2000, Arsenal has raised institutional-equity investment funds totaling over \$10 billion, completed more than 300 platform and add-on acquisitions and achieved more than 35 realizations. The firm works with management teams to build strategically important companies with leading market positions, high growth, and high value-add. For more information, visit www.arsenalcapital.com.

About Sunstone Partners

Sunstone Partners is a growth-oriented equity firm that invests in technology-enabled services and software companies. The firm seeks to partner with exceptional management teams, often as their first institutional capital partner, to help accelerate organic growth and fund acquisitions. Founded in 2015, the firm has \$1.7 billion committed capital to its three funds. Sunstone Partners has been recognized as one of Inc. Magazine's "Founder-Friendly Investors" list in 2020, 2021, 2022 and 2023. For more information, visit www.sunstonepartners.com

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