Pain Management Services M&A

KPMG Corporate Finance LLC

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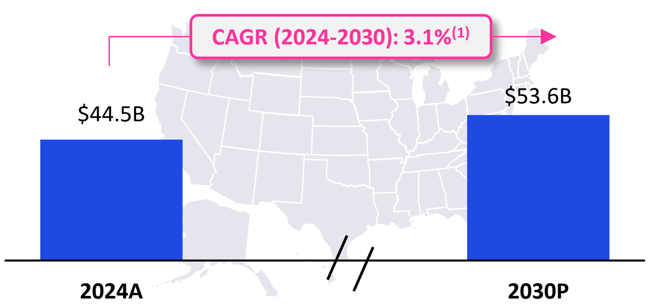
corporatefinance.kpmg.us

Industry Snapshot: Pain Management Services

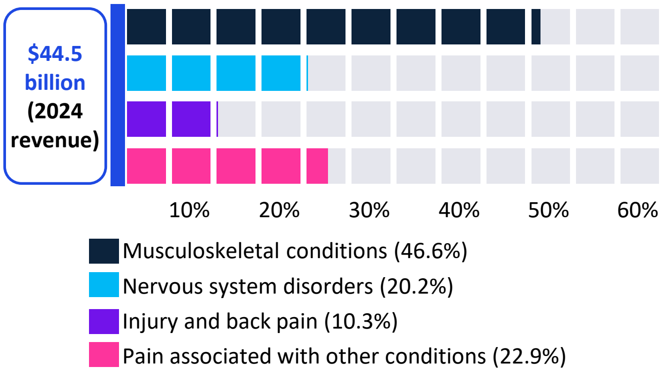
The U.S. pain management market to hit $53.6 billion by 2030 amid 24.3% chronic pain prevalence and $725 billion economic burden.

- The pain management industry currently includes 35,830 specialized physicians, and the sector is projected to grow from $44.5B in 2024 to reach $53.6B by 2030 (a steady CAGR of 3.1%).[1]
  - Between 2019 and 2023, the prevalence of chronic pain rose from 20.4% to 24.3%, reflecting a broader rise in chronic conditions. Spending on pain management is rising as chronic pain prevalence increases and new treatment technologies, such as neuromodulation devices, become available.[2]
- Chronic pain management imposes a national economic burden exceeding $725 billion annually, excluding additional costs from lost productivity and missed workdays.[3]
- Demand for interventional pain management services is experiencing steady growth, driven by the aging population, increasing prevalence of chronic pain conditions and the rising demand for minimally invasive, non-opioid and non-pharmacologic treatments.
- These procedures, such as epidural steroid injections, nerve blocks, radiofrequency ablation, and spinal cord stimulation, offer targeted relief, often reducing the need for major surgery and long-term opioid use.

Pain management services market size[1]



Pain management services market segmentation[1]



Strong industry trends

Prevalence of chronic pain conditions

Chronic conditions such as back pain, arthritis, neuropathy increasing demand for effective pain management solutions.

24.3%
adults are affected by chronic pain[4]

Increasing geriatric population

Chronic pain is highly prevalent in older adults and older adults will comprise one-fifth of the U.S. population by 2030.

~30%
of population aged 65 or older by end of the century[5]

Shift toward opioid-sparing therapies

Therapies which often do not involve opioids, provide a safer and more sustainable option for pain relief, further boosting their adoption.

60%
drop in morphine use via multimodal interprofessional pain management[6]

Preference for minimally invasive effective treatments

Patient preference for non-surgical outpatient pain relief options that offer shorter recovery times and reduce post-operative pain.

- ✓ **Reduced side effects and recovery time**
- ✓ **Faster and cost-effective**

Technological advancements

Robotic-assisted and AI-guided needle placement in interventional procedures reduces failure rates and improves safety and efficacy.

- ✓ **Advanced interventional technology**
- ✓ **Digital therapeutics and adjunct therapies**

Sources:
[1] IBISWorld, "Pain Management Physicians in the US" (December 2024); [2] CDC, "Chronic Pain and High-impact Chronic Pain in U.S. Adults" (November 2024); [3] Medscape, "A Nation in Pain" (May 2025); [4] CDC, "Chronic Pain and High-impact Chronic Pain in U.S. Adults" (November 2024); [5] U.S. Census Bureau (Last revised - November 2023); [6] ONS, "Multimodal Interprofessional Pain Management Offers Relief With Less Opioids" (February 2025).

Sector Tailwinds and M&A Market Overview

Growing aging population, rising chronic disease prevalence, and a shift towards cost-effective pain management are key drivers of the sector.

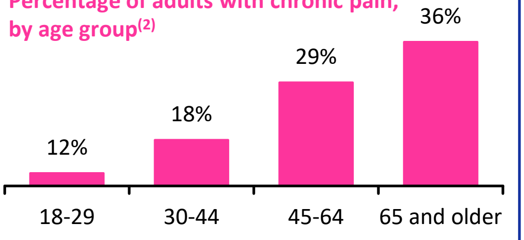
Factors driving demand for pain management services

The changing age of America

The 65+ population is expanding, bringing higher rates of arthritis, neuropathy, and other chronic pain conditions.

- People aged 65+ are expected to increase from 17% in 2023 to over 24% by 2060, reaching ~30% by the end of the century, guaranteeing a large and growing patient pool for pain providers.[1]
- The prevalence of chronic pain increases significantly with age, disproportionately impacting older adults.

Percentage of adults with chronic pain, by age group[2]



Regulatory environment driving non-pharmacological, opioid-sparing treatment alternatives

1. **CDC guidelines:** The CDC recommends non-opioid and non-pharmacologic therapies as first-line treatments for chronic pain, emphasizing their safety and effectiveness.
2. **CMS policies:** Under the Consolidated Appropriations Act of 2023, the CMS will provide additional payments for select non-opioid pain treatments in the HOPD and ASC settings, from January 1, 2025, to December 31, 2027.
3. **NO PAIN Act:** Effective 2025, the NO PAIN Act allows Medicare to reimburse non-opioid pain treatments like nerve blocks, aiming to expand access and reduce post-surgical opioid use.

Shift towards cost efficient outpatient care

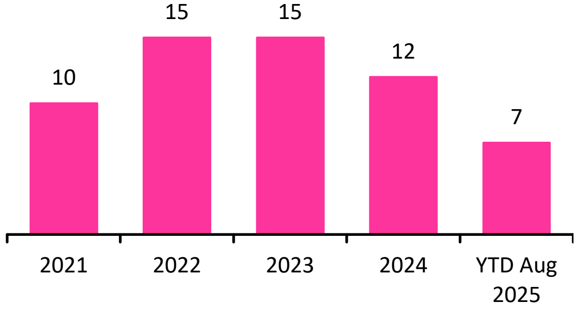
- Advances in minimally invasive techniques enable more procedures in ambulatory clinics. In pain management, many treatments can now be done safely in outpatient clinics or ASCs.
- This site-of-care shift reduces costs and is often more convenient for patients, driving volume to outpatient pain centers. Payers and patients prefer pain treatment outside hospitals, boosting outpatient pain providers.

Key valuation drivers

Recurring revenue & growth	High-margin services	Comprehensive services	Diversified reimbursement sources
Recurring revenue & growth: Chronic pain patients often require ongoing treatment, producing recurring revenue.	**High-margin services:** Interventional procedures and ASC ownership yield higher margins than purely evaluation-based practices.	**Comprehensive services:** Practices that own ancillaries like procedure centers, imaging, physical therapy, and lab services increase revenue per patient.	**Diversified reimbursement sources:** Mix of payors such as Medicare, commercial, VA, etc., increases stability and diversifies revenue.

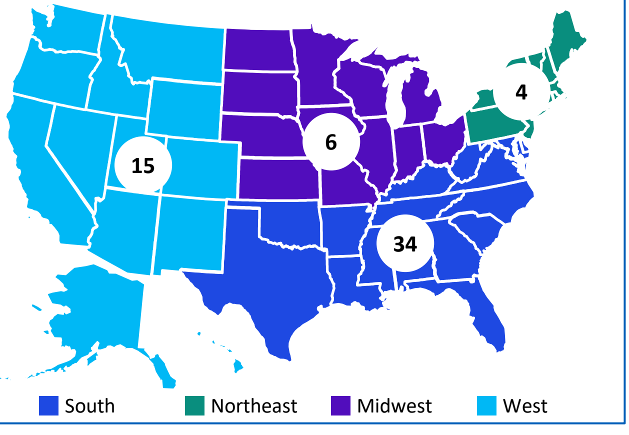
Deal activity[1]

Deal activity since 2021



Sources:
[1] Capital IQ, Pitchbook, and Press releases.

Deals activity by geography since 2021



Sources:
[1] U.S. Census Bureau (Last revised - November 2023); [2] CDC, "Chronic Pain and High-impact Chronic Pain in U.S. Adults" (November 2024).

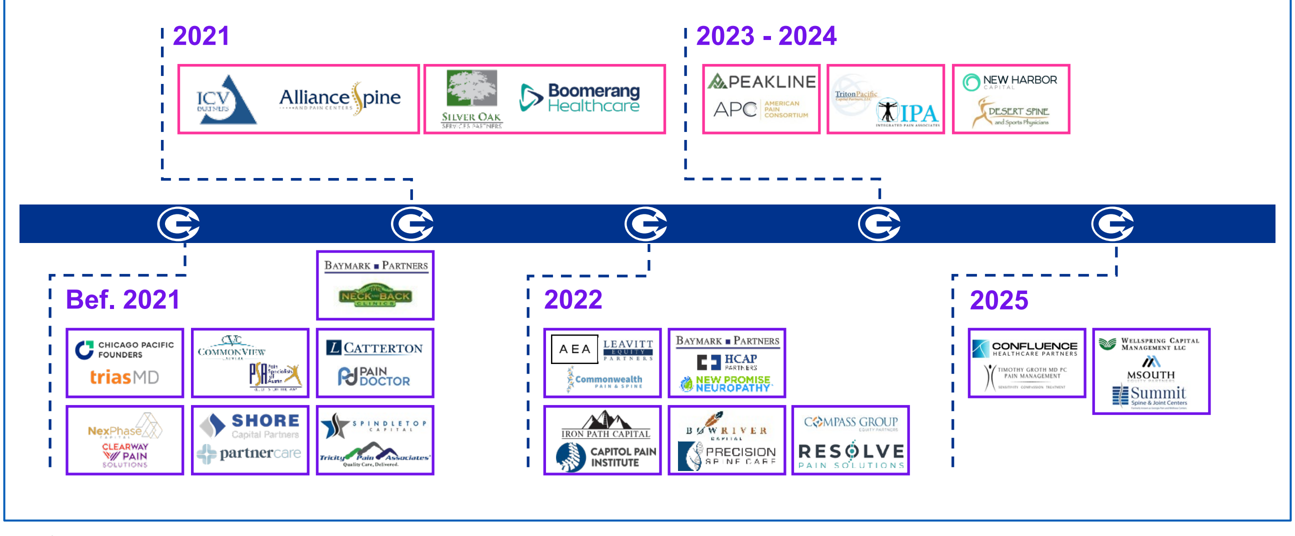
Pain Management Practice Platform Landscape

Momentum in pain management consolidation has built over the last few years as the sector continues to receive significant private equity attention.

- The Southeast region, particularly Texas and Florida, remains a focal point for activity, with multiple platforms deeply invested in these states, reflecting high patient volume and demand for pain management services.
- The industry remains highly fragmented, creating opportunity for roll-ups. As of 2023, 8.2% of U.S. pain physicians worked at PE-backed groups (up from 0.4% in 2013), indicating significant room for further consolidation.(1)
- Several PE-backed platforms, including National Spine & Pain Centers, Capitol Pain Institute, Clearway Pain Solutions, are expanding via add-ons. These platforms are competing to acquire high-quality clinics and establish regional dominance.
- In 2025, PE-backed pain management platform, Summit Spine & Joint underwent a second round of recapitalization by Wellspring Capital and other platforms may pursue a similar "second bite" in the near term.
- Strategic healthcare acquirers are also entering the space, seeking to integrate pain management with broader care networks. For instance, Surgery Partners formed a joint venture with Nevada Pain in 2023 to expand its ASC footprint in pain and OrthoCarolina acquired a pain-focused surgery center in 2024 to integrate pain management into its offerings.

PE-backed platform headquarters*

Timeline of current PE-backed platform investments



Note: *Information presented sourced from publicly announced transactions. Excludes strategic-owned market participants.
Sources:
(1) JAMA Network, "Trends in Private Equity Acquisition of Pain Management Practices" (December 2024).

Select Pain Management Services Transactions

Closed date	Target name	Target location	Target primary sub-sector	Acquirer name (sponsor/parent)
Jul-25	West Alabama Spine and Pain Specialists	AL	Provides nonsurgical treatment for pain.	Clearway Pain Solutions Institute (NexPhase Capital)
Jul-25	Lubbock Spine Institute	TX	'Provider of interventional spine and pain management services across West Texas.	Integrated Pain Associates (Triton Pacific)
Apr-25	Atlanta Osteoarthritis Center	GA	Provides non-surgical treatment for the relief of pain, including knee pain, shoulder pain, and other joint pain.	Integrated Health Services
Apr-25	Summit Spine & Joint Centers	GA	Operates ambulatory surgery centers and pain management clinics.	Wellspring Capital; MSouth Equity
Feb-25	Eastern Neurodiagnostic Associates	NJ	Provides diagnosis and treatment of neurological disorders and resulting pain conditions.	Clearway Pain Solutions Institute
Jan-25	Timothy Groth MD	NY	Provider of interventional pain management services.	Confluence Healthcare Partners
Jan-25	Carolinas Center For Advanced Management of Pain	SC	Provides comprehensive diagnosis, treatment, and ongoing care for chronic and acute pain conditions.	Commonwealth Pain & Spine (AEA Growth, Leavitt Equity Partners)
Dec-24	Louisiana Pain Specialists	LA	Operates a pain management centers treating various chronic and acute pain conditions.	Resolve Pain Solutions (Compass Group Equity)
Nov-24	Christiana Spine ASC	DE	Provider of an ASC intended to perform minimally invasive spinal and pain management procedures.	Virtua Health (UnitedHealth Group)
Nov-24	Integrated Pain Solutions	NC	Offers pain management medication services to reduce chronic pain.	Summit Spine & Joint Centers (MSouth Equity; Fulcrum Equity)
Nov-24	Advanced Spine & Rehabilitation	NV	Provides rehabilitation and chiropractic care treating back pain, sports injuries, and accidents conditions.	First Care Medical
Oct-24	MI Spine and Joint Care	TX	Offers chiropractic adjustments, physical therapy, pain management, RF ablation, spinal cord stimulation.	Physician Partners of America
Oct-24	Midwest Orthopedic and Musculoskeletal Alliance	WI	Provider of interventional pain management, specializing in non-surgical chronic pain.	Surgery Partners
Oct-24	Cincinnati Comprehensive Pain Center	OH	Provides multidisciplinary treatments for chronic pain.	Integrated Pain Solutions / American Pain Consortium
Aug-24	Neurosurgical and Pain Management Practice	CO	Operator of neurosurgical and pain management clinic, specializing in musculoskeletal care.	Neurosurgery One (JV: AdventHealth)
Jul-24	Journey Surgery Center	CA	Offers pain management services.	Excel Health
Apr-24	Pain Care Surgery of Louisville	KY	Operates as an ambulatory surgical center offering pain management services.	Capitol Pain Institute
Jan-24	BioSpine Institute	FL	Offers relief from neck and back pain through minimally invasive surgery and non-surgical treatments.	Praesentia Healthcare
Jan-24	American Pain Consortium Holdings	IN	Provides administrative, support, and pain management services to interventional pain practices and ASCs.	American Discovery Capital; Cedar Pine; Cresset Partners

Sources:
Capital IQ, Pitchbook, and Press releases.

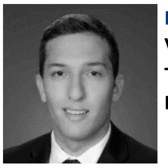
KPMG Corporate Finance LLC Transactions

KPMG CardiologyPartners Has partnered with Cardiovascular Associates of America *A portfolio company of* Webster Equity Partners **Closed**	KPMG NeuroPsych Wellness Center, P.C. *Has partnered with* BEACON *A portfolio company of* Latticework Capital Management **Closed**	KPMG CBH Comprehensive Behavioral Health *Has been acquired by* Psych Associates of Maryland *A portfolio company of* New Harbor Capital **Closed**	KPMG ATS Autism Therapeutic Services *Has been acquired by* HealthPro Heritage *A portfolio company of* Wellspring Capital Management LLC **Closed**	KPMG XRA Medical Imaging *Has been acquired by* Rhode Island Medical Imaging **Closed**
KPMG Pinnacle GI Partners *The affiliated MSO for* CDH *Has been recapitalized by* HIG Growth Partners **Closed**	KPMG Fortem Holdings *Raised acquisition financing for the purchase of* Children & Teen Dental **Closed**	KPMG Renal Services *Has been acquired by* DaVita Kidney Care **Closed**	KPMG Digestive Care *Has been acquired by* GastroHealth *a portfolio company of* Audax Group **Closed**	KPMG LYNIATE *A portfolio company of* Hg *Acquired* NextGate **Closed**
KPMG assurecare *Has received investment from* Vista Equity Partners **Closed**	KPMG Coker *Has been recapitalized by* Trinity Hunt **Closed**	KPMG LabGenomics *Acquisition by* QDxPathology **Closed**	KPMG Billing Solutions for Behavioral Healthcare *Has been acquired by* Medusind *A portfolio company of* ALPINE **Closed**	KPMG Talis Clinical *Has been acquired by* GETINGE **Closed**
KPMG R3 Wound Care and Hyperbarics *Has been acquired by* 3RC 3 Rivers Capital **Closed**	KPMG REVENTICS A Provider Engagement Company *Has been acquired by* Omega Healthcare **Closed**	KPMG OLYMPUS *Acquisition of* Image Stream Medical **Closed**	KPMG LI-COR *Has been acquired by* Battery **Closed**	KPMG TOXIKON Right. From the start. *Has been acquired by* labcorp **Closed**

KPMG Corporate Finance LLC Healthcare Investment Banking Team

Services Team

Walter J. Olshanski
Managing Director, Sector Lead
T: 332-259-3301
E: wolshanski@kpmg.com



Michael Cordaro
Vice President
T: 551-588-1642
E: mcordaro@kpmg.com

Nicholas A. Schmidt
Senior Associate
T: 312-550-0968
E: naschmidt@kpmg.com

Life Sciences/ Med Tech Team

Shawn Fitz
Managing Director
T: 501-533-3398
E: shawnfitz@kpmg.com

Drew Jones
Managing Director
T: 501-533-3422
E: andrewljones@kpmg.com

Patrick Masciangelo
Director
T: 464-206-9348
E: pmasciangelo@kpmg.com

KPMG Corporate Finance[1]

2,000+
Closed Transactions in the Last 5 Years

2,500+
Global Corporate Finance Professionals

2000-2024 global advisor ranking[2]		# of Deals
1.	KPMG	11,358
2.	PricewaterhouseCoopers	10,626
3.	Houlihan Lokey	7,676
4.	UBS	7,629
5.	Deloitte	7,037
6.	Ernst & Young LLP	6,721
7.	Rothschild & Co	6,375
8.	JP Morgan	5,101
9.	Goldman Sachs & Co	4,708
10.	Lazard	4,575

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80+
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The M&A Atlas Awards Winner Americas Middle Markets has named **KPMG Corporate Finance LLC** Global M&A Transaction Advisor of the Year 2018

Global coverage. Industry knowledge. Middle-Market focus.

KPMG Corporate Finance LLC was recently named Transaction Advisory Firm of the Year by The Global M&A Network and was previously named investment Bank of the Year by the M&A Advisor. KPMG Corporate Finance LLC provides a broad range of investment banking and advisory services to its domestic and international clients. Our professionals have the experience and depth of knowledge to advise clients on global mergers and acquisitions, sales and divestitures, buyouts, financings, debt restructurings, equity recapitalizations, infrastructure project finance, capital advisory, portfolio solutions, fairness opinions, and other advisory needs.

Note:
(1) Represents the global Corporate Finance practices of KPMG International's network of independent member firms; (2) Refinitiv. Each set of figures is taken from the league table press releases issued for that year. Middle market is defined as deals less than US $500 million. Jan.1 2000 - Dec.31 2024

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