STRATUM HEALTH ADVISORS

CASE STUDY N° 18 · DECISION ANALYSIS

The Cash-Pay Curve

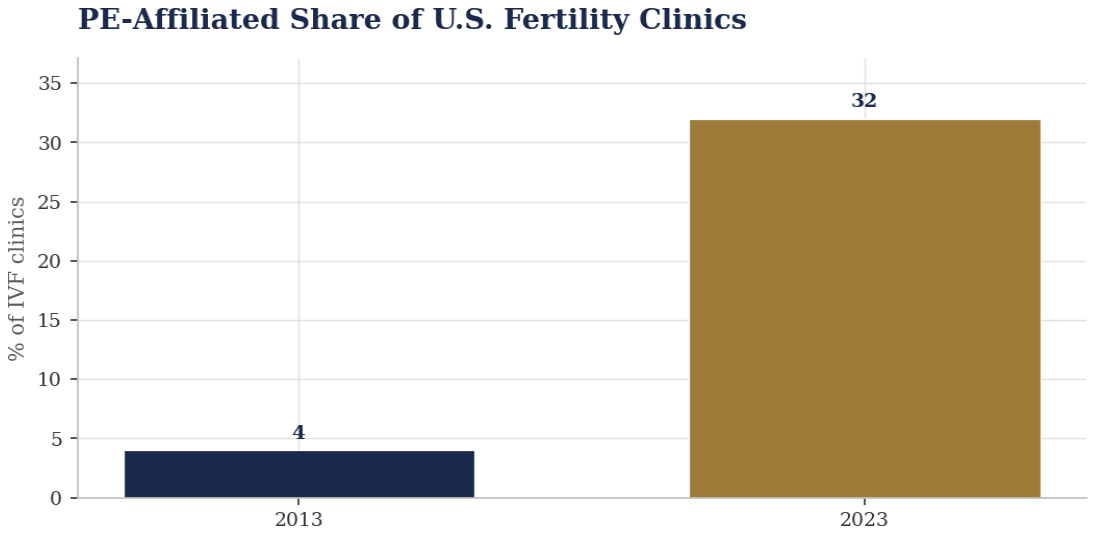
Fertility went from 4% private-equity-affiliated to a third of clinics in a decade — concentrated in metros, driven by cash-pay demand. What a fast, geographically concentrated consolidation teaches a clinic founder. A fertility-services consolidation and geography analysis.

1. The Fork

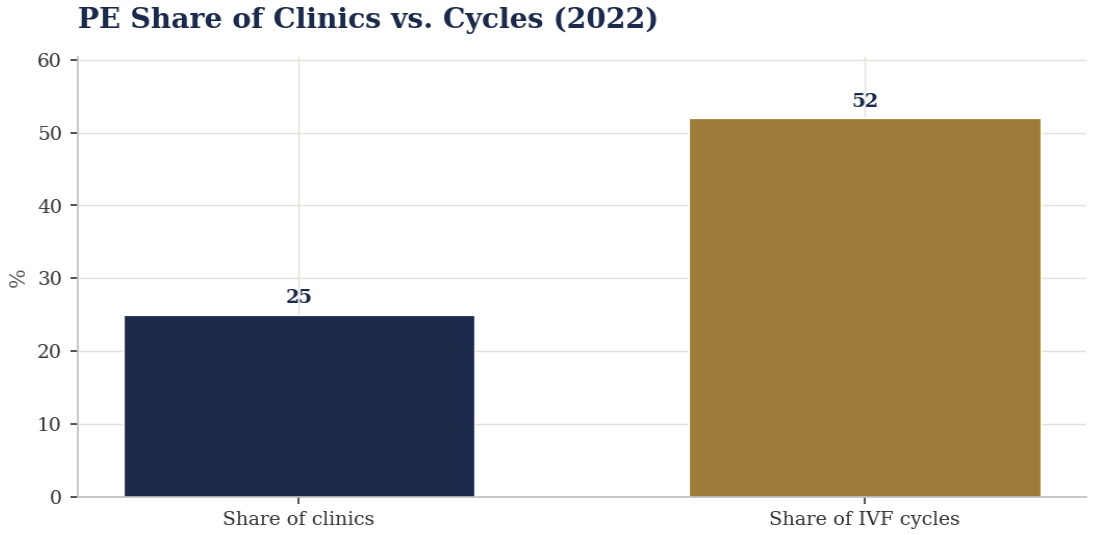
A fertility-clinic founder decides whether to join one of the well-capitalized networks now consolidating the space, sell outright, or stay independent. Fertility is a revealing case because its consolidation has been fast, is concentrated in specific geographies, and rests on an unusual economic foundation: IVF is largely cash-pay, not insurance-reimbursed, which changes both where clinics thrive and what makes them valuable. This is an analysis of that decision in a cash-pay, metro-concentrated market.

2. The Landscape Before the Decision

The consolidation curve is steep and recent. The share of U.S. fertility clinics affiliated with private equity grew from 4% in 2013 to roughly 32% by 2023, and PE-affiliated clinics performed about 52% of all U.S. IVF cycles in 2022 despite being only about a quarter of clinics[1] — the affiliated clinics do a disproportionate share of the volume.



Source: JAMA / Ke et al. (2025).



Source: JAMA / Ke et al. (2025).

Demand is the engine: the U.S. performed more than 449,000 IVF cycles in 2024, the first year more than 100,000 IVF babies were born domestically, with egg-freezing volume up nearly 40% year over year and employer fertility benefits and state mandates both expanding[2]. A few well-capitalized networks — Pinnacle Fertility, US Fertility, Inception Fertility — are driving most of the consolidation, each building multi-state portfolios with standardized operating models.

3. The Decision Logic — Steelmanned

For a fertility founder, affiliating with a network is rational for reasons specific to the cash-pay model. Because IVF is largely paid out of pocket, patient acquisition, financing options, and brand matter enormously — and a network provides marketing scale, financing partnerships, and operational infrastructure that an independent clinic struggles to match. The networks are betting that the operator with the best infrastructure captures a disproportionate share of a fast-growing cash-pay market, and for a founder, joining that infrastructure can mean both liquidity and access to

growth capital in a capital-intensive specialty. The bet is reasonable: demand tailwinds are real and durable.

4. The Landscape After

But the market has recently cooled on new deals even as the underlying demand grows: bankers reported few fertility transactions through 2025, partly because a great deal of consolidation has already occurred and partly because PE sponsors who invested pre-pandemic are only now reaching their exit windows[3]. US Fertility, operator of Shady Grove, was in a sale process in 2025.

The geographic and cash-pay lessons combine into the real insight. Because IVF is cash-pay, clinics cluster where the demand and the disposable income are — major metros, high-income coastal and urban markets, and increasingly where employer benefits and state mandates concentrate. A clinic's value to a consolidator is therefore heavily a function of its market's demographics and payer environment: a metro clinic serving a high-income, benefit-covered population is a premium target; a clinic in a thin market is not, regardless of clinical quality. And because roughly 30% of North American patients now consider lower-cost options abroad, domestic clinics compete partly on justifying their cost — which favors the branded, well-run networks over undifferentiated independents. The founder's leverage depends on being in a demand-rich geography with a defensible brand, not on clinical outcomes alone.

5. The Strategic Read — For Any Cash-Pay Clinic Founder

In a cash-pay specialty, geography and brand drive value more than in insurance-reimbursed care. The tradeoff space:

FACTOR	JOIN A NETWORK	STAY INDEPENDENT
Patient acquisition	Network marketing + financing scale	Self-funded; harder in cash-pay
Growth capital	Provided — IVF is capital-intensive	Constrained
Value driver	Metro demographics + brand	Same — but without network leverage
The failure mode	Joining from a thin market at a discount	Competing on cost against networks and overseas options

6. The Stratum Outlook

> **IN PLAIN TERMS**
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> Strip away the mechanics and it is this: fertility clinics went from almost no big-money ownership to a third of the market in about ten years, and the big networks now do more than half of all IVF in the country. The thing that makes fertility different is that patients mostly pay cash, so clinics live or die on being in a place with enough well-off people who want the service — big metros, high-income markets, places with good employer benefits. If your clinic is in one of those markets with a real brand, you are a prize the networks want. If you are in a thin market, clinical excellence alone will not make you one. And with a third of patients now shopping treatment overseas for a lower price, the independents

> competing only on cost are in the worst spot. Know whether your geography is your asset before you decide to sell it.

7. Where Stratum Fits

A fertility founder weighing affiliation needs the market's demand demographics, payer/benefit environment, and brand defensibility quantified — the factors that actually determine value in a cash-pay specialty. Stratum builds that analysis. Start a conversation at stratumhealthadvisors.com.

References

All figures in this analysis are drawn from the following public sources, current as of publication (July 2026).

[1] Ke, J., et al. “Trends in Private Equity Affiliations with Fertility Clinics in the US.” JAMA, 2025. doi:10.1001/jama.2025.24516. (4% (2013) → 32% (2023); 52% of 2022 cycles at PE-affiliated clinics.)

[2] PatientPay / JAMA data, 2026; industry reporting. (449,000+ IVF cycles in 2024; egg-freezing +39%; Pinnacle, US Fertility, Inception as lead consolidators.)

[3] Fertility Bridge / Inside Reproductive Health, “Fertility M&A in 2025,” Oct 2025. (Sluggish deal market; prior consolidation; PE exit-window timing; US Fertility sale process.)

Figures reflect the most recent public sources available and may change as ownership and market conditions evolve. This reference list is provided for transparency and does not constitute an endorsement by the cited parties.