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Investment Banking | Healthcare Finance | Consulting

Healthcare Deals and News – Week ending July 28,2023

1. Zavation, a Gemspring Capital Portfolio Company, Acquires CoreLink

Zavation Medical Products, a spinal implant and biologics manufacturer owned by Gemspring Capital, has acquired CoreLink, a leading provider of spinal implant and instrumentation systems. Both companies are known for engineering unique spinal solutions and enhancing patient quality of life. They will continue to operate under their respective brands, with Zavation CEO Jeffrey Johnson leading the combined business and CoreLink CEO Jay Bartling becoming Chairman of the Board. The acquisition brings together complementary product portfolios, expands geographic footprints, and offers greater opportunities for growth and innovation. Gemspring will maintain a minority stake in the combined entity.. ([Link](#))

2. PaceMate Announces Strategic Investment from Lead Edge Capital

PaceMate, a leading cardiac data management platform, has received a strategic growth investment from Lead Edge Capital, a technology-focused investment fund known for backing successful companies like Spotify and Alibaba Group. PaceMate offers comprehensive cardiac data management software and clinical service solutions, excelling in electronic health record interoperability. The investment will support the company's expansion, product portfolio growth, and delivery of flexible solutions to healthcare institutions. PaceMate has seen remarkable growth, with revenues exceeding 100%, and gained significant momentum with top cardiac practices and health systems as customers. ([Link](#))

3. Hippocratic AI Raises \$15M, Partners with Three Health Systems

Hippocratic AI, a healthcare-focused artificial intelligence platform, has secured \$15 million in funding and partnered with three health systems. Cincinnati Children's, HonorHealth, and Universal Health Services are the founding partners of the platform, with Cincinnati Children's and HonorHealth also investing in the startup. Hippocratic AI, co-founded by Meenesh Bhimani, MD, aims to revolutionize healthcare delivery through its generative AI technology. The founding partners will contribute to the development of the platform, establish use cases, and validate its clinical and patient safety applications. The company previously raised \$50 million in funding from General Catalyst and Andreessen Horowitz. ([Link](#))

4. Axxess, a leading home health tech provider, acquires Complia Health

Axxess — a home-based care technology company that provides agencies with cloud-based software solutions — has acquired Complia Health. Dallas TX-based Axxess works with over

9,000 organizations that serve more than 3 million patients around the world. On its end, Complia Health is a home health and hospice technology solutions provider. The company aims to help providers simplify clinical, financial and back-end operations. Complia Health works with more than 200 clients. ([Link](#))

5. Smartlinx Announces Strategic Investment From Lone View Capital

Workforce management solutions provider Smartlinx has received a strategic investment from private equity firm Lone View Capital, gaining a majority ownership stake. The investment aims to support Smartlinx's Healthcare Workforce Platform as it expands its innovative software and human capital solutions to meet the evolving needs of long-term care, post-acute, and adjacent senior care industries. Lone View's operational expertise will enable Smartlinx to enhance its offerings and develop new solutions. Both parties expressed excitement about the partnership, emphasizing Smartlinx's leadership in workforce management solutions and Lone View's commitment to accelerating the company's growth. ([Link](#))

6. One Rock Capital Partners Sells Kova International to LGC Group

One Rock Capital Partners, a value-oriented private equity firm, has completed the sale of Kova International, a developer, manufacturer, and marketer of in vitro diagnostic products, to LGC Group. Kova, headquartered in Garden Grove, California, operates in urinalysis controls and toxicology controls. During their partnership, One Rock worked with Kova to enhance its leadership in urinalysis and expand into toxicology controls. The financial terms of the transaction were not disclosed. One Rock expressed confidence in Kova's future success under new ownership. Kova International, formerly the urinalysis division of Hycor Biomedical, serves healthcare customers worldwide. Baird acted as Kova's financial advisor for the sale. ([Link](#))

7. Chembio acquires Qualigen's FastPack diagnostics business

Chembio Diagnostics, a subsidiary of BIOSYNEX Group, has acquired Qualigen Therapeutics' FastPack diagnostics business in an all-cash deal. The FastPack platform, launched in 2001, is known for its rapid and accurate immunoassay testing system. It includes the FastPack analyzer and single-use disposable test pouch with various tests, including prostate cancer and thyroid function. The acquisition allows Qualigen to focus on its therapeutics pipeline, particularly the QN-302 small molecule G-Quadruplex selective transcription inhibitor, which received orphan drug designation. Chembio's expertise in rapid diagnostics is expected to expand FastPack's presence in the global in vitro diagnostics market. ([link](#))

8. RapidAI secures \$75m to improve AI innovation to support more diseases

RapidAI, a company specializing in AI and technology workflow solutions for neurovascular, cardiac, and vascular diseases, has secured \$75 million in Series C funding. The funding was led by Vista Credit Partners, a subsidiary of Vista Equity Partners, known for its expertise in enterprise software and technology markets. The investment will be used to enhance the platform's support for various diseases, expand into new regions and product verticals, and further establish its leadership in clinical AI solutions. RapidAI's offerings include FDA-approved modules for stroke solutions, cerebral aneurysm management, and detection of

suspected pulmonary embolism. Vista Credit Partners aims to support the company's growth and impact on patient care. ([Link](#))

9. New Day to acquire German diagnostics company Epigenomics for \$12m

US-based New Day Diagnostics is set to acquire Epigenomics, a German molecular diagnostics company specializing in early cancer detection, for up to \$12 million. The deal comes after New Day's recent merger with EDP Biotech. The agreement includes cash payments of \$1.8 million and up to \$8 million contingent on meeting specific milestones related to Epi proColon, a non-invasive colorectal cancer screening test. Epigenomics will also receive a 3% shareholding in New Day Diagnostics, valued at \$2.25 million, as well as license payments and royalties until October 2043. The acquisition adds innovative biomarker technology to New Day's cancer diagnostics portfolio. ([Link](#))

10. Calibre Scientific Acquires Mervilab, a Provider of Laboratory Consumables and Equipment in Spain

Calibre Scientific has acquired Material y Equipos de Vidrio de Laboratorio S.A. (Mervilab), a Spanish company providing laboratory consumables and equipment for various industries. This marks Calibre Scientific's third acquisition in Spain, strengthening its position as a leading laboratory products and services provider in the country. Mervilab offers a wide range of products, including reagents, consumables, laboratory equipment, and consulting services. The acquisition expands Calibre Scientific's global presence and product offerings, allowing them to better serve customers in Spain. Both companies express excitement about the partnership, expecting to drive growth, innovation, and customer satisfaction. Calibre Scientific is a diversified global provider of life science products. ([link](#))

11. Dynamic Access Acquires Priority PICC Solutions in Chicago

Dallas-based company Dynamic Access, a prominent provider of vascular access services, has acquired Priority PICC Solutions in Chicago, Illinois. Priority PICC Solutions, established in 2008 by Mary Santiago and Dr. Julio Santiago, offers expert services to healthcare facilities in the area. The acquisition aims to provide better opportunities and clinical excellence in the ever-changing healthcare environment. Dynamic's CEO, Peter Harris, expressed excitement about the collaboration, stating that it strengthens their presence in the Midwest and aligns with their goal of becoming a national platform for vascular access services. Dynamic Access is already the leading outsourced provider for peripherally inserted central catheters (PICCs) in the nation. ([link](#))

12. Sanguina Raises \$2.8M in Series A Funding to Drive Innovation in Home-Based Testing and Wellness Management

Biotech company Sanguina has successfully completed its \$2.8m Series A funding round, led by Veritus Holdings and with notable investors such as George Hornig and Stephen Ippolito. The funds will be used to accelerate the development of Sanguina's blood health management digital and at-home platforms. The company's mission is to empower individuals by providing accessible tools for diagnosing, monitoring, and managing wellness and chronic conditions from home. Sanguina's flagship product, the AnemoCheck app, estimates hemoglobin levels and helps manage anemia. The funding will further enhance their technology with AI and

machine learning models, introducing new biomarkers and indications for home-based testing. ([Link](#))

13. Robotic-assisted systems developer iotaMotion secures \$12m via Series A

Surgical robotic assistive technology provider iotaMotion has raised \$12 million in a Series A funding round to accelerate the global expansion of its iotaSOFT Insertion System. The system is designed to aid cochlear implant surgery with advanced robotic assistance, allowing surgeons to hold the implant securely while performing other tasks. Research Corporation Technologies led the funding round, joined by ISA Ventures, Next Level Ventures, and Mutual Capital Partners. iotaMotion plans to capitalize on a first-to-market opportunity in the US and worldwide. The company has also strengthened its board of directors and scientific advisory board with key additions. ([Link](#))

14. Proprio Raises \$43M in Series B Funding

Seattle-based surgical technology company, Proprio, secured \$43 million in Series B funding with undisclosed backers. The funds will be used to expedite the commercialization of their AI-driven surgical navigation platform, Paradigm™, in both the US and international markets. The platform, developed by CEO Gabriel Jones and his team, utilizes light field technology and AI to create real-time 3D visualizations of surgical procedures. With its recent 510(k) clearance from the FDA, the Paradigm system eliminates the necessity for intraoperative scans, reducing radiation exposure for patients and surgical staff. ([link](#))

15. Cigna sued for allegedly using algorithm to deny claims

Cigna is facing a class action lawsuit in the Eastern District of California, with two members claiming the payer denied their claims through an algorithm called PXDX. The algorithm allegedly allows automatic rejection of claims without individual physician review, leaving many patients without coverage and facing unexpected bills. A ProPublica report revealed that Cigna denied 300,000 requests for payments over two months through the algorithm, spending very little time on each case. The lawsuit has raised concerns about the use of automation in claims processing and highlights potential negative impacts on patients and members. Cigna defends PXDX, stating it accelerates physician payments. ([Link](#))