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Investment Banking | Healthcare Finance | Consulting

Healthcare Deals and News – Week ending September 29, 2023

1. Pipeline Health to Sell White Rock Medical Center to Heights Healthcare of Texas, center will maintain contract with Paragon for EHR implementation.

Pipeline Health, based in El Segundo, California, is selling White Rock Medical Center in Dallas to Heights Healthcare of Texas, marking its exit from the Texas hospital market due to unsustainable financial losses. The sale is set to close by October 2nd. Pipeline's CEO, Robert Allen, stated that their primary goal was to keep the hospital open and stabilize its financial condition, which they achieved through cost-cutting measures. Heights Healthcare, led by Dr. Mirza Baig, plans to expand services, develop physician-led initiatives, and continue the hospital's contract with Paragon for a new EHR system. Pipeline will focus on its Los Angeles-area hospitals after the sale. ([Link](#))

2. Datavant, health data and analytics provider, Surpasses 70,000 US healthcare facilities in digital network, exchanging 60 million patient records annually, bolstered by acquisition of Healthjump, medical record sharing platform.

Datavant has achieved a significant milestone with over 70,000 US hospitals and clinics in its digital network, facilitating the exchange of 60 million patient records annually. The company, a leader in clinical data exchange, also completed its acquisition of Healthjump, a health data exchange specialist for value-based care organizations. This partnership aims to streamline compliant clinical data exchange, bridging care gaps, improving decision-making, and enhancing patient outcomes. Datavant, serving more than 65% of top US health systems, has digitized patient data exchange, while Healthjump's expertise in EHR data exchange will further support the healthcare industry's evolving needs. ([Link](#))

3. Medical Specialists of the Palm Beaches, physician group practice backed by Ascend, expands presence with acquisition of Metzger Comprehensive Care, a concierge medicine practice.

Medical Specialists of the Palm Beaches (MSPB) has acquired Metzger Comprehensive Care LLC, a concierge medicine practice in Boca Raton, FL, marking its third acquisition in 2023. This expansion extends MSPB's presence in South Florida and introduces them to the Boca Raton market. Dr. Charles Metzger and his team from Metzger Comprehensive Care will enhance MSPB's concierge medicine offerings. The move aims to bolster the delivery of high-

quality care while leveraging MSPB's CareAbout and care coordination network. MSPB, founded in 1995, is a multi-specialty physician group practice dedicated to value-based care and integrated healthcare delivery across South Florida. ([Link](#))

4. Cano Health (NYSE: CANO) Sells Senior-Focused Primary Care Centers in Texas and Nevada for \$66.7 Million to strengthen financial position and focus on Florida market

Cano Health, Inc. (NYSE: CANO) has announced the sale of its senior-focused primary care centers in Texas and Nevada to CenterWell Senior Primary Care. The transaction's total value is approximately \$66.7 million, with \$35.4 million in cash paid at closing and the release of certain liabilities. This strategic move allows Cano Health to streamline operations and enhance its financial position, focusing on its Florida market. The company expects the net cash proceeds to ensure compliance with debt covenants and plans to use part of the funds to repay a portion of its revolving credit facility. Cano Health continues to prioritize market-leading primary care services. ([Link](#))

5. Cartwheel, a platform addressing the pediatric mental health crisis in schools, secures \$20 Million in Series A funding led by Menlo Ventures, Backed by Reach Capital and existing investors

Cartwheel, a platform addressing the pediatric mental health crisis in schools, has secured \$20 million in Series A funding led by Menlo Ventures, with participation from Reach Capital and existing investors. Founded in 2022, Cartwheel offers evidence-based telehealth services without waitlists, including individual and group therapy, parent guidance, and medication support, accessible through private and Medicaid insurance plans. Currently serving 50 school districts, Cartwheel plans to expand to five new states and enhance its online portal. They work closely with schools to provide timely mental health care, supporting students, families, and staff to improve accessibility and sustainability in school-based mental health programs. ([Link](#))

6. Huntington, a \$189 billion regional bank holding company in Ohio, has partnered with healthcare fintech firm Veuu to revolutionize financial solutions through AI innovation

Huntington and Veuu have formed a strategic partnership aimed at addressing critical financial challenges in the healthcare sector. Huntington's expertise in healthcare banking will combine with Veuu's cutting-edge artificial intelligence capabilities to develop innovative solutions. These solutions aim to tackle issues such as protracted accounts receivable, rising denials, labor costs, administrative expenses, and compliance risks faced by healthcare providers and payors. The partnership recognizes the need for collaboration to address these challenges, as no single stakeholder can do it alone. The initiative is backed by Huntington Corporate Ventures, and both companies are committed to revolutionizing healthcare through AI-driven solutions. ([Link](#))

7. Tendo, healthcare software company, to bolster healthcare access and transparency with acquisition of MDsave Marketplace, a healthcare marketplace.

Healthcare software company Tendo is set to acquire MDsave, a healthcare marketplace connecting providers, employers, and consumers to affordable healthcare services, with the deal expected to finalize in October. The merger aims to enhance financial, operational, and health outcomes for both companies' clients. Tendo plans to integrate MDsave's marketplace into its platform, offering patients clear pricing and easier access to healthcare services. For providers, the acquisition promises greater transparency in pricing and payments, potentially attracting new patients. This move also addresses the challenge of rising healthcare costs, particularly for self-insured employers, aiming to provide a comprehensive healthcare solution. ([Link](#))

8. Virgin Pulse, a global health and wellbeing firm, and HealthComp, a benefits and analytics platform, announce merger to create innovative health platform-as-a-service, aiming to transform employee health and benefit management

Virgin Pulse, a global health and wellbeing firm, has unveiled plans to merge with HealthComp, a benefits and analytics platform. This strategic union aims to establish a technology-driven health platform-as-a-service organization that will address major industry challenges by enhancing health outcomes and cost reductions for members and employers through data-driven decision-making and AI-powered solutions. The merged entity will integrate plan design, management, payment integrity, health navigation, preventative care, and digital therapeutics, creating an end-to-end platform to serve over 20 million members and more than 1,000 self-insured employers. The merger is set to close in Q4 2023, subject to regulatory approvals. ([Link](#))

9. Midi Health, a digital healthcare platform specializing in women's midlife care, secures \$25 Million Series A funding led by Google Ventures with participation from existing investors and prominent figures like Frederique Dame and Cathy Friedman

Midi Health, a digital healthcare platform specializing in women's midlife care, has successfully closed a \$25 million Series A funding round, led by GV (Google Ventures). With participation from existing investors and prominent figures like Frederique Dame and Cathy Friedman, Midi Health has now raised a total of \$40 million. Since its consumer launch a year ago, the company has expanded its services to all 50 U.S. states and plans to further grow its operations and partnerships with major hospital systems and employers. The platform focuses on addressing the unmet needs of women going through perimenopause and menopause, providing personalized, insurance-covered care plans. ([Link](#))

10. [Doceree, healthtech saas startup, raises \\$35 Million in Series B funding round led by Creageis with Eight Roads Ventures and F-Prime Capital as Key Investors for Healthtech SaaS Expansion](#)

Healthtech SaaS startup Doceree has secured \$35 million in a Series B funding round led by Creageis, with participation from existing investors Eight Roads Ventures and F-Prime Capital. Doceree, founded in 2018, simplifies marketing for pharma and medical device companies by providing a platform for programmatic messaging between healthcare professionals (HCPs) and life sciences brands. The funding will be used to boost product development, expand technology, support global growth, and increase staffing. Doceree has already expanded into Africa, Southeast Asia, and the Gulf Cooperation Council, with new smart solutions in the pipeline. Their proprietary technology, ESPYIAN, verifies medical professionals. ([Link](#))

11. [CMA Clears UnitedHealth's \(NYSE: UNH\) £1.2bn Acquisition of EMIS, Eases Competition Concerns in NHS Digital Healthcare Sector](#)

The Competition and Markets Authority (CMA) has approved UnitedHealth's £1.2bn acquisition of patient software company EMIS, following initial concerns about potential competition issues. Although the firms offer different services to the NHS, there were fears that UnitedHealth's Optum could limit access to EMIS's patient record system. However, after a Phase 2 investigation, the CMA concluded that the deal would not harm competition or hinder data access for rivals. The NHS, aiming to enhance digital capabilities, welcomed the decision, as it aligns with its goal to provide electronic records to health and social care organizations by March 2025. ([Link](#))

12. [Biden Administration Mandates 12 Months of Continuous Healthcare Coverage for Children on Medicaid and CHIP, Aiming to Improve Access and Health Outcomes](#)

The U.S. Department of Health and Human Services, via the Centers for Medicare & Medicaid Services, has mandated that states must ensure 12 months of uninterrupted healthcare coverage for children under 19 on Medicaid and CHIP from January 1, 2024. This move aligns with the Biden-Harris Administration's commitment to expanding child coverage. HHS Secretary Xavier Becerra stressed the importance of this action, emphasizing the need for children to have consistent access to healthcare. CMS Administrator Chiquita Brooks-LaSure echoed this sentiment, highlighting the peace of mind it would bring to families. Research shows that continuous coverage reduces health disparities, financial barriers, and administrative burdens while enhancing health outcomes for children. States can also request extended coverage beyond 12 months. ([Link](#))