



LAWRENCE, EVANS & CO., LLC

Investment Banking | Healthcare Finance | Consulting

Healthcare Deals and News – Week ending October 06, 2023

1. PT Solutions, physical therapy services provider and backed by General Atlantic, Completes Acquisition of ActivePro Rehab Partners

PT Solutions Physical Therapy has completed its acquisition of ActivePro Rehab Partners, a physical therapy practice with 64 locations in New Jersey, Pennsylvania, and Maryland. PT Solutions, based in Atlanta, Georgia, aims to expand access to high-quality physical therapy services. ActivePro will continue to provide services to existing patients while enhancing its focus on patient care. PT Solutions offers a range of physical therapy services and professional development opportunities for clinicians. The acquisition aims to bring experienced specialists to ActivePro locations in the Northeast, offering quality, evidence-based therapy and sports medicine services to a broader patient base. ([Link](#))

2. Veradigm Inc. (NASDAQ: MDRX) and Holmusk, behavioral health real-world evidence company, expand collaboration to advance behavioral health innovation and real-world evidence generation

Veradigm Inc. (NASDAQ: MDRX) and Holmusk have announced a strategic collaboration aimed at advancing innovation in behavioral health. Veradigm will contribute millions of behavioral health patient cohorts and de-identified clinical data to Holmusk's NeuroBlu Database. This partnership follows Veradigm's earlier investment in Holmusk's Series B financing round. The collaboration aims to address gaps in behavioral health evidence and move towards outcome-based reimbursement and a learning healthcare system. Holmusk's expertise in analyzing clinical real-world data will facilitate new insights, benefiting behavioral health outcomes worldwide. This expansion enhances Holmusk's database and empowers research into challenging behavioral health questions. ([Link](#))

3. U.S. Physical Therapy, Inc. (NYSE: USPH) Expands Reach with Acquisitions in Alaska and Colorado, Bolstering National Presence in Outpatient Care Sector

U.S. Physical Therapy, Inc. (USPH) has acquired two physical therapy practices, expanding its presence in Alaska and marking its entry into Colorado. USPH purchased a 70% equity interest in both practices while the current owners retain 30%. The combined cost of the acquisitions was \$13.9 million, generating around \$7.2 million in annual revenue and 48,000 annualized visits across five clinics. Over the past year, USPH has acquired eight practices with 44 clinics, totaling over \$39 million in revenue for \$72.5 million. CEO Chris Reading is

optimistic about future acquisitions as the company continues to expand its footprint in the industry. ([Link](#))

4. Elara Caring, Backed by Blue Wolf Capital Partners, Palladium Equity Partners, and Kelso, expands presence in Midwest with acquisition of American Family Home Health

Elara Caring, the multi-state home health provider, has acquired American Family Home Health in Huntley, Illinois, expanding its presence in the Midwest. This move aligns with Elara's mission to enhance access to high-quality home healthcare. The acquisition follows Elara's recent addition of hospice services in Tinley Park, Illinois, and the acquisition of Assisted Daily Living in Rhode Island. Elara Caring is backed by Blue Wolf Capital Partners, Palladium Equity Partners, and Kelso. Elara's care platform employs advanced technology and data to anticipate patient needs and empower caregivers, emphasizing a compassionate approach. American Family Home Health sees this as an opportunity to improve community lives and offer more to their team. ([Link](#))

5. CVS Health Ventures (NYSE: CVS) Invests in Amalgam Rx's EHR-Integrated Decision Support Platform to Enhance Data-Driven Healthcare

CVS Health Ventures has joined the Series B investment round for Amalgam Rx, a healthcare decision support platform. This investment aims to scale Amalgam's electronic health record (EHR)-integrated platform for point-of-care decision making, benefiting both healthcare providers and patients. It also supports shared savings agreements between payers and providers. CVS Health's commitment to simplifying and enhancing healthcare delivery aligns with Amalgam's goal of leveraging patient-specific data and provider workflows to improve outcomes. Aetna, a CVS Health company, is collaborating with Amalgam to implement EHR-integrated decision support solutions to improve care outcomes and reduce costs for Aetna members. ([Link](#))

6. GeBBS Healthcare, Healthcare RCM Solutions Provider, ChryCapital's company, expands its healthcare services portfolio through acquisition of Medical Record Associates, coding, auditing, and cancer registry service provider

GeBBS Healthcare Solutions, a leader in technology-enabled Revenue Cycle Management (RCM) for healthcare, has announced its acquisition of MRA, a Boston-based provider of HIM, auditing, and cancer registry services. This strategic move expands GeBBS' market reach, services, and geographic footprint, creating an integrated RCM solution offering for clients. GeBBS plans to leverage MRA's expertise in medical coding, auditing, and cancer registry, enhancing its service delivery and client support in the United States. The acquisition solidifies GeBBS' position as a national leader in end-to-end Revenue Cycle Services and Technology, with a focus on automation and expertise in the healthcare industry. ([Link](#))

7. S&S Health, provider of health plan administration and technology, secures majority growth investment from private equity firm Lovell Minnick Partners to boost healthcare solutions

S&S Health, a leading provider of health plan administration and technology solutions for small and mid-sized businesses, has secured a majority growth investment from Lovell Minnick Partners (LMP), a private equity firm specializing in financial services and technology. The partnership aims to fuel S&S's organic growth initiatives, boost operational efficiency, and enhance healthcare outcomes on a national scale. S&S, founded in 1994, offers comprehensive healthcare services, including its proprietary claims adjudication platform. The deal's terms remain undisclosed, and the transaction is set to close in Q4 2023, pending regulatory approvals. This partnership is expected to drive innovation and client-focused solutions in the benefits marketplace. ([Link](#))

8. Health Data Innovations , healthcare data integration platform, secures strategic investment from Hughes & Company to expand healthcare data integration services

Health Data Innovations, LLC (HDI), a healthcare data integration platform serving value-based care providers and payers, has secured a strategic investment from Chicago-based private equity firm Hughes & Company. The investment will support HDI's data integration services for healthcare stakeholders and enable them to pursue strategic partnerships. HDI's CEO Jonathan Kaye expressed enthusiasm for this growth opportunity. Hughes & Company's Managing Partner, Matt Simas, highlighted HDI's market-driven approach. Bowen, the exclusive financial advisor to HDI, praised the alignment of the partnership. HDI specializes in claims data management for value-based care, while Bowen provides M&A advisory services, and Hughes & Company invests in healthcare software and tech-enabled services. ([Link](#))

9. Avel eCare elevates its senior care telehealth services with acquisition of Fident Health, expanding reach and enhancing access to quality care

Avel eCare has acquired Fident Health, a virtual telehealth provider, in a merger that will expand their reach in senior care, serving over 220 senior care facilities nationwide. Avel aims to address staffing shortages and clinician burnout, while also expanding telehealth access in underserved areas. Fident Health's experienced team of virtual clinicians will join Avel to enhance telemedicine support. Avel's senior care services offer 24/7 coverage through telehealth and on-site assessments, focusing on collaboration rather than replacing existing care teams. This merger reflects the growing role of telehealth in senior care while addressing concerns about the loss of in-person interactions. ([Link](#))

10. Alpha II enhances healthcare revenue cycle management with acquisition of RCxRules, offering comprehensive automation and coding accuracy solutions

Alpha II, a prominent healthcare revenue cycle management (RCM) tech solutions provider, has successfully acquired RCxRules, an innovator in healthcare revenue cycle automation.

This strategic move aims to enhance Alpha II's product suite by combining its proprietary rules engine with RCxRules' robust workflow and AI-driven solutions. This synergy will create a comprehensive denials management solution, improve coding accuracy, and increase productivity for healthcare providers. The acquisition underscores Alpha II's commitment to evolving its solutions to meet the industry's complex demands. The terms of the deal were not disclosed, marking a milestone in Alpha II's mission to revolutionize healthcare RCM through cutting-edge technology. ([Link](#))

11. Healthtech Leader Commure Announces Merger with Athelas to bolster position in health system market, Secures \$70 Million investment for accelerated growth

Healthcare technology firm Commure is set to merge with Athelas, a healthcare workflow automation software provider, in a bid to expand its presence in the health system market. The merger, slated for completion by October's end, will retain the Commure name and be led by Athelas CEO Tanay Tandon. Commure's current CEO, Ashwini Zenooz, M.D., will take on a non-executive director role and serve as a senior adviser, while Hemant Taneja, co-founder of Commure, remains executive chair. A \$70 million investment from General Catalyst, valuing the combined entity at \$6 billion, will support Commure's growth in the digital healthcare sector. ([Link](#))

12. Health Data Analytics Institute (HDAI), having lead investor Invus, secures oversubscribed series C funding to expand AI-Driven predictive risk platform for healthcare optimization and improved patient outcomes

Health Data Analytics Institute (HDAI) has secured substantial Series C funding to expand its predictive risk platform, aiming to empower clinicians, optimize care pathways, and enhance patient outcomes through AI and analytics. The oversubscribed round has attracted support from investors who recognize the potential of transforming vast health data into actionable insights. HDAI collaborates with renowned health systems, such as Houston Methodist and Cleveland Clinic, deploying AI and Generative AI for care optimization. With over 40 Medicare Accountable Care Organizations as partners, HDAI generates 50 million weekly predictions for one million patients. The company's goal is to revolutionize healthcare in the U.S. with its advanced technology platform. ([Link](#))

13. NYC-Based Mental Healthcare Tech startup Headway raises \$125M in Series C funding, led by Spark Capital with Key participation from Thrive Capital, Accel, and Andreessen Horowitz

New York-based mental healthcare tech startup, Headway, has successfully raised \$125 million in a Series C funding round, valuing the company at \$1 billion. Spark Capital led the round, with participation from existing investors including Thrive Capital, Accel, and Andreessen Horowitz, alongside Health Care Service Corporation. Headway, founded by CEO Andrew Adams, is on a mission to revolutionize mental healthcare by eliminating historical

barriers for providers, payers, and patients. Their software-enabled network of therapists who accept health insurance has facilitated over 300,000 monthly appointments since its launch in April 2019. The funds will be used to expand their operations and reach. ([Link](#))

14. [ProHealth Care teaming with Optum \(NYSE: UNH\) on revenue cycle, other tech solutions and enhance patient care](#)

ProHealth Care, based in Wisconsin, is collaborating with Optum, part of UnitedHealth Group, to improve its technology solutions and enhance patient care. Optum will take over ProHealth Care's revenue cycle management, IT, informatics, analytics, and inpatient care management. ProHealth Care employees in these departments will transition to Optum, gaining access to new tools and opportunities for professional growth. This partnership aligns with Optum's similar agreements with other healthcare systems, aiming to streamline operations, invest in technology, and prioritize patient care. Optum's strong Q2 performance contributed to UnitedHealth Group's revenue growth, reflecting its focus on value-based care arrangements and innovation. ([Link](#))

15. [More than 75,000 unionized employees of Kaiser Permanente, one of the nation's largest not-for-profit health providers, launched the largest healthcare worker strike in US history, advocating for improved wages and staffing](#)

75,000 unionized employees of Kaiser Permanente, a major not-for-profit health provider, commenced the largest healthcare worker strike in US history. The strike, spanning multiple states, was called by a coalition representing 40% of Kaiser Permanente's staff. Key demands include better staffing levels, higher wages, protections against outsourcing, and earlier notice for remote work transitions. Kaiser Permanente has made some concessions but remains at odds with unions on issues like wage increases. The strike is set to end on October 7, with the possibility of a more extended strike in November if an agreement is not reached. ([Link](#))