



# LAWRENCE, EVANS & CO., LLC

Investment Banking | Healthcare Finance | Consulting

## Healthcare Deals and News – Week ending October 13, 2023

### 1. Healthcare automation company Cohere Health Plans \$50M-\$100M Series C to Expand AI-Driven Prior Authorization Automation in Healthcare

Healthcare automation company Cohere Health plans to raise between \$50 million and \$100 million in a Series C funding round in mid-2024. The CEO, Siva Namasivayam, revealed this at the HLTH conference in Las Vegas. Cohere Health uses AI and machine learning to streamline the paperwork-heavy prior authorization process for healthcare providers. It aims to expand its prior authorization software with the new funding, targeting 50 to 60 health provider clients in the next three years. Cohere's successful Series C will be an up round, with undisclosed revenue nearing nine digits. The company is also considering M&A opportunities. ([Link](#))

### 2. Main Street Health Secures \$315 Million in Funding to Expand Value-Based Care Models in Rural Communities, Targeting 26 States. Investors include some of the investors included UnitedHealthcare, Humana, Elevance, Centene and CVS

Nashville-based healthcare startup Main Street Health has raised \$315 million in funding, totalling \$342 million, with a focus on value-based care in rural areas. In contrast to urban and suburban areas, the rural market lacks the patient density for major payers to establish clinics or provider assets. Main Street Health partners with small-town primary care practices, typically consisting of one doctor and one nurse practitioner, to introduce value-based care models. The startup deploys "health navigators" to assist with care coordination activities and employs data feeds to monitor patient needs. The company plans to expand to 26 states with its recent funding. ([Link](#))

### 3. Prime Healthcare Agrees to Sell Alvarado Hospital Medical Center to UC San Diego Health

Prime Healthcare has signed an Asset Purchase Agreement (APA) with UC San Diego Health for the sale of Alvarado Hospital Medical Center in San Diego, California. Prime Healthcare acquired the struggling hospital in 2010, investing over \$90 million to transform it into an award-winning facility. UC San Diego Health plans to continue existing services and hire current employees, ensuring a seamless transition. The sale is expected to finalize in December 2023, pending approval from the California Department of Public Health. Prime Healthcare is known

for rescuing financially distressed hospitals and is nationally recognized for its quality care and social responsibility initiatives. ([Link](#))

#### 4. SurgNet Health Partners, Ambulatory Surgery Center (ASC) development and management company, secures major investment from Fulcrum Equity Partners, Leavitt Equity Partners, and Harpeth Capital

SurgNet Health Partners, based in Nashville, is a rapidly growing Ambulatory Surgery Center (ASC) development and management company. It recently secured funding from Fulcrum Equity Partners, Leavitt Equity Partners, and Harpeth Capital, enabling it to make significant acquisitions. Co-founders Chase Neal and John D. Brock lead a seasoned leadership team with a focus on enhancing patient care and physician experiences in ASC facilities. Their adaptability and flexible model set them apart, and their holistic approach is expected to result in expanded services and higher-quality care. SurgNet plans to aggressively expand through acquisitions, De Novo projects, and center management strategies, ushering in a new era in ASC operations. ([Link](#))

#### 5. Commons Clinic, health system provider, raises \$19.5 Million in Series A funding, RA Capital Management led the funding round, with participation from existing investors Floating Point and Courtside Ventures

Los Angeles health system provider, Commons Clinic, has secured \$19.5 million in Series A funding, bringing their total funding to \$33.5 million. RA Capital Management led the funding round, with participation from existing investors Floating Point and Courtside Ventures, and new investor Time BioVentures. The company has also welcomed two new board members, Prithviraj Singha Roy and John Loser. Commons Clinic, founded in 2021, offers a comprehensive health system that combines value-based care, a network of ambulatory facilities and surgical centers, and a virtual clinic for services like total joint replacements and spinal fusions. The funding will support the company's expansion efforts. ([Link](#))

#### 6. Yale New Haven Health System Expands with Acquisition of PhysicianOne Urgent Care, Gaining 18 Connecticut Clinics

Yale New Haven Health System has acquired PhysicianOne Urgent Care, encompassing 18 Connecticut clinics, expanding their reach from Ridgefield to Groton and Enfield, with additional locations in Massachusetts and New York. Founded in 2008, PhysicianOne offers both in-person and virtual appointments. This acquisition builds upon existing affiliations with Tufts Medical Center in Massachusetts and Yale New Haven Health, which already operates urgent care and orthopedic clinics. The merger, approved by the Connecticut Department of Public Health in August, aligns with Yale New Haven Health's commitment to accessible patient care. Christopher O'Connor, Yale New Haven Health CEO, expressed enthusiasm for the expansion. ([Link](#))

## 7. MedaSystems, Menlo Park-Based Pharma-Physician Network, Secures Seed Funding from Industry Pioneers and Healthtech VC including Young Sohn, a founder of Veeva Systems, Vlocity, and Nomadic Systems and nina.capital, a specialist healthtech venture capital fund based in Barcelona

MedaSystems, a Menlo Park-based pharma-physician network developer, has secured undisclosed Seed funding from notable participants including Young Sohn, a Veeva Systems founder, Nina.Capital, a healthtech venture fund from Barcelona, and the company's management team. The funds will be used to enhance their real-world data capture, automation, and machine learning capabilities. MedaSystems offers a SaaS platform streamlining collaboration between medical affairs, clinical operations, regulatory, and shipping teams, facilitating the rapid processing of treatment inquiries and real-world data capture. For pharmaceutical manufacturers, the platform accelerates drug discovery, regulatory submissions, and clinical trial design through real-world data collection and various program support. ([Link](#))

## 8. Access Healthcare, Revenue Cycle Management company, acquires Envera Health, patient engagement, healthcare transformation service provider

Access Healthcare, a global leader in revenue cycle management (RCM), has acquired Envera Health, a patient engagement services market leader. This strategic move enhances Access Healthcare's RCM services by integrating Envera's patient engagement capabilities, creating a comprehensive end-to-end solution. The acquisition strengthens their ability to prevent claim denials, maximize collections, and improve patient experiences. The combination of Envera Health's patient services with Access Healthcare's technology-enabled RCM services aims to deliver superior outcomes. This acquisition underscores Access Healthcare's commitment to providing innovative RCM solutions and solidifies its position as a pioneer in healthcare services. ([Link](#))

## 9. Cosmos Health (NASDAQ: COSM) Makes Strategic Leap into \$30.1 Billion Drug Repurposing Market with Acquisition of AI-Powered Platform Cloudscreen®

Cosmos Health (NASDAQ: COSM) has announced its acquisition of Cloudscreen®, an AI-powered platform specializing in drug repositioning and repurposing. The deal includes the software, trademark, and knowledge, with Cloudscreen's founders and scientific team continuing to lead research in this field. Cloudscreen plans to initiate five repurposing projects, aiming for patent filings upon successful in vitro validation. The global drug repurposing market is projected to reach \$30.1 billion by 2028, making this acquisition strategically valuable. Cosmos Health sees this move as an inflection point and a promising foray into the lucrative drug repurposing market, combining AI and healthcare innovation. ([Link](#))

10. Health Care Originals, a leading pulmonary care innovator, expands respiratory care reach through acquisition of Dawn Health's Virtual Care Platform

Health Care Originals (HCO) has acquired Dawn Health's virtual care platform, aiming to expand healthcare offerings with insurance-based reimbursement for chronic conditions. Dawn Health's national presence complements HCO's mission of delivering personalized respiratory care. The integration will enhance patient outcomes and benefit healthcare providers, insurers, and patients. HCO's CEO, Sharon Samjit Singh, expressed enthusiasm for revolutionizing the respiratory sector, with a focus on asthma and COPD care. Former Dawn Health CEO, Rahul Shivkumar, thanked investors and the community for their support and emphasized the shared vision of accessible, affordable healthcare. The acquisition reflects their commitment to improving lives through evidence-based Nightingale services. ([Link](#))

11. ECLAT, Healthcare revenue cycle solutions provider, Acquires Excite Health Partners HIM Division, Paving the Way for Healthcare Innovation and Global Expansion

ECLAT Health Solutions announced its acquisition of the Health Information Management (HIM) division of Excite Health Partners, forging a transformative partnership in healthcare. This strategic move combines two distinguished organizations with a shared commitment to excellence and innovation. ECLAT will now offer expanded HIM services, leveraging Excite's expertise and network. This union extends their global presence, enabling them to serve a broader clientele and explore new markets. The merger underpins a dedication to exceptional service while preserving their respective cultures. Excite Health Partners, known for its culture, integrity, and innovation, will operate alongside ECLAT Health Solutions, enhancing healthcare offerings globally. ([Link](#))

12. Metamora Growth Partners, an investment firm focusing on healthcare and technology, Invests in Perspecta, data management solutions provider, and Drives Merger with TalisPoint, health data management software

Metamora Growth Partners, an investment firm focusing on healthcare and technology companies, has invested in Perspecta, a leading provider of physician directories and provider data management solutions for health plans, third-party administrators, and workers' compensation carriers. Ali Evans, Metamora's CEO, has joined Perspecta's Board of Directors. This investment follows the merger of Perspecta and TalisPoint, a workers' compensation and property & casualty medical provider data management software company. The collaboration between Metamora, 5th Century Partners (which acquired Perspecta in February 2023), Perspecta, and TalisPoint aims to accelerate product innovation and growth in the healthcare industry. ([Link](#))

13. Indianapolis dental software firm, Plan Forward, Raises \$2M in Seed B Funding, Led by Elevate Ventures and joined by IU Ventures and Revere Partners, to expand team and advance technology for comprehensive membership plan solutions

Indianapolis-based dental software firm, Plan Forward, has secured \$2 million in Seed B funding, spearheaded by Elevate Ventures and joined by IU Ventures and Revere Partners. The funding will bolster the team and further technological advancements. Co-CEOs and co-founders, Jane Levy and Megan Lohman, lead the company in providing an all-encompassing solution, featuring a new platform for customized dental membership plan creation, management, and analysis. Their integrated platform, Plan Forward Advanced, aids existing practice workflows. The company's client base spans 40 states, serving both large dental organizations and independent practices, with a focus on promoting membership growth and compliance. ([Link](#))

14. Gender-Lens VC Fund Mindshift Capital Joins \$3 Million Seed Funding Round for Healthtech Firm MDisrupt, Boosting Access to Top-Tier Health Experts

UAE and US-based gender-lens VC fund Mindshift Capital has participated in a \$3 million seed funding round for US healthtech company MDisrupt, along with several other international venture capital firms. MDisrupt, founded by Ruby Gadelrab in 2020, operates a marketplace connecting healthtech and life science companies with vetted health experts. The funding will support MDisrupt in expanding its client base and launching its Expert Marketplace platform, offering access to top-tier clinicians and health experts. Mindshift Capital expressed confidence in MDisrupt's potential to enhance healthcare through technology. MDisrupt also aims to assist companies looking to enter the US market with expert guidance. ([Link](#))

15. Health & Wellness Partners, Medical Communications Innovators, acquires Hybrid Healthcare Communications, Medical Content solution provider, Forging a Powerful Synergy in Medical Communications and Digital Media

Health & Wellness Partners, LLC (HWP) has acquired Hybrid Healthcare Communications, LLC, uniting their strengths in medical communications and digital media. HWP, a women-founded and women-led firm, offers medical affairs, medical marketing, and speaker bureau services with a focus on strategy and scientific content. Hybrid specializes in interactive digital solutions for medical content. The partnership will combine HWP's educational content with Hybrid's digital tools to enhance engagement and behavior change. Both companies are based in New Jersey, and the move is seen as a win-win for their clients. HWP had previously partnered with NMS Capital for growth. ([Link](#))

## 16. 2024 Medicare Part B Premiums and Deductibles Rise as CMS Announces Healthcare Cost Adjustments; Focus on Immunotherapy Drugs and Income-Related Adjustments

The Centers for Medicare and Medicaid Services (CMS) has announced the 2024 premiums, deductibles, and adjustments for Medicare Part A, Part B, and Part D. The standard monthly premium for Medicare Part B will increase to \$174.70, with an annual deductible of \$240. Additionally, a premium of \$103 is set for immunosuppressive drugs in 2024. For Part A, the hospital deductible will rise to \$1,632, and daily coinsurance amounts have been adjusted. Part D income-related monthly adjustments continue to impact around 8% of beneficiaries. Streamlined enrollment in Medicare Savings Programs aims to make coverage more affordable for many, while the Part D low-income subsidy helps with prescription drug costs. ([Link](#))