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Investment Banking | Healthcare Finance | Consulting

Healthcare Deals and News – Week ending October 27,2023

1. TT Capital Partners Invests in Cantata Health Solutions, Healthcare Technology Solutions Provider, to Revolutionize Healthcare Technology for Behavioral Health and Beyond

TT Capital Partners (TTCP) has made a majority investment in Cantata Health Solutions, a prominent healthcare technology solutions provider for behavioral health, human services, acute care, and post-acute care facilities. Cantata offers a comprehensive platform, including an integrated electronic health records (EHR) system, revenue cycle management, and clinical solutions that can be tailored to individual needs. Cantata's EHR system, Arize, is designed with the clinician in mind. The company serves over 280 healthcare facilities in 45 states, as well as internationally. This partnership aims to provide modern healthcare technology tailored to clinician needs, offering flexibility and enhanced client engagement across the continuum of care. ([Link](#))

2. Sheridan Capital Partners Launches Ascend Plastic Surgery Partners, a Physician Practice Management Company, Uniting Five Plastic Surgery Practices and Two MedSpas to Elevate Patient Care and Clinical Excellence in the Aesthetics Field

Sheridan Capital Partners has announced the establishment of Ascend Plastic Surgery Partners, a physician practice management company located in Atlanta, Georgia. Ascend unites five plastic surgery practices and two MedSpas, offering comprehensive plastic surgery and med spa services across Alabama, New Mexico, South Carolina, and Utah. Dr. William Hedden, a seasoned plastic surgeon, will serve as Chief Medical Officer. Sheridan, alongside the company's surgeons and management, has invested in Ascend. This partnership aims to redefine excellence in plastic surgery and elevate patient experiences. Ascend is positioned to become a leading platform in the cosmetic plastic surgery market, enhancing clinical standards and patient care. ([Link](#))

3. Madison Industries to Acquire CAE's (CAE.TO) Healthcare Business for C\$311 Million, CAE Streamlining for Technological Advancements

Canada's CAE has announced the sale of its healthcare business to Chicago's Madison Industries for C\$311 million. The move is part of CAE's strategy to streamline its operations and focus on its core training and simulation markets. The company plans to use the sale

proceeds for technological advancements and cost optimization. CAE, which also serves civil aviation and defense sectors, expects the deal to close before the end of fiscal year 2024. CAE's healthcare unit, contributing about 4% of the company's revenue, offers integrated education and training solutions. The decision is aimed at efficiently allocating capital and resources. ([Link](#))

4. [SurgNet Health Partners, Ambulatory Surgery Center \(ASC\) development and management company, after securing Investment from Fulcrum Equity Partners, Leavitt Equity Partners, and Harpeth Capital, LLC, few days back expands with acquisitions of Executive Ambulatory Surgery Center and Lippy Surgery Center](#)
Nashville-based Ambulatory Surgery Center (ASC) development and management company, SurgNet Health Partners, Inc., has completed the acquisitions of Executive Ambulatory Surgery Center in Dearborn, Michigan, and Lippy Surgery Center in Warren, Ohio, within a 45-day funding period. SurgNet, led by Co-Founder and CEO Chase Neal and President and COO John D. Brock, brings industry expertise and support to these centers, allowing physicians to focus on patient care. SurgNet aims to shape the future of patient care and enhance ASC success through acquisitions, De Novo ventures, and center management strategies. The company is funded by Fulcrum Equity Partners, Leavitt Equity Partners, and Harpeth Capital. ([Link](#))

5. [Kingsway Financial Services Acquires Digital Diagnostics Imaging for \\$11 Million, Expanding its Xcelerator Portfolio with Leading Outsourced Cardiac Monitoring Provider](#)

Kingsway Financial Services Inc. has acquired Digital Diagnostics Imaging, Inc. (DDI) for \$11.0 million in an all-cash deal, funded by \$5.4 million in cash and \$5.6 million in debt financing. DDI offers outsourced cardiac monitoring telemetry services to long-term acute care and inpatient rehabilitation hospitals in the U.S. The company, with a presence in 42 states, ensures continuous remote monitoring of ECGs. Peter Dausman, now CEO of DDI, praised DDI's strong reputation, recurring revenue, and growth potential. Kingsway President J.T. Fitzgerald expressed enthusiasm for this acquisition, which expands their Xcelerator portfolio. Thomas Corney, DDI's founder, will advise during the transition. ([Link](#))

6. [Betteromics, provider of a clinical-grade compliant software-as-a-service platform, Secures \\$20 Million in Series A Funding Led by Sofinnova Partners and Triatomic Capital, with SHAKTI Participation, to Propel AI-Driven Life Science Data Platform in Redwood, CA](#)

Redwood, CA-based Betteromics has secured \$20 million in Series A funding, led by Sofinnova Partners and Triatomic Capital, with SHAKTI participating. The company, headed by Angela Lai, Chetan Patel, and Jack Menzel, plans to use the funds to expand its team and bolster marketing and sales efforts. Betteromics offers a clinical-grade compliant SaaS platform that empowers scientists, researchers, and clinicians to harness advanced computation and AI for insights

from large datasets. Their Omics AI Cloud facilitates the creation of knowledge graphs, integrating data from diverse sources and serving a broad user base, from product developers to biotech manufacturers for real-time quality monitoring. ([Link](#))

7. RadiantGraph Launches Innovative Healthcare Engagement Platform After Securing \$5 Million in Seed Funding from True Ventures and XYZ Ventures with participation from Remus Capital

RadiantGraph, a healthcare engagement platform utilizing AI and ML, has officially launched after securing \$5 million in Seed funding from investors including True Ventures and XYZ Ventures. The platform leverages data, including medical claims and biometrics, to provide personalized healthcare experiences, improving communication, patient satisfaction, and healthcare outcomes. It aims to address the challenge of low consumer engagement in health plans and chronic condition management. RadiantGraph reduces data engineering expenses for healthcare companies and accelerates AI model deployment, potentially cutting acquisition costs by up to 50% and increasing revenue by 5-15%. Pioneering a more efficient approach, it enables healthcare organizations to enhance patient care management and reduce costs. ([Link](#))

8. Rymedi Secures \$9 Million in Series A Funding Led by RW3 Ventures and White Star Capital to Advance Blockchain-Powered Healthcare Data Exchange

Healthcare data exchange platform Rymedi has secured \$9 million in a Series A funding round led by RW3 Ventures and White Star Capital, with participation from Blockchange Ventures and others. Rymedi, currently serving over 1 million patients across the US, Africa, and Australia, plans to enhance data security and accessibility while reducing healthcare data entry errors and costs globally. Rymedi's blockchain-based platform supports clients like Clemson University and automates data transfer in areas such as clinical trials, laboratory information management systems, and occupational health. The innovative technology connects disparate healthcare data systems, aiming to improve patient care and research efficiency. ([Link](#))

9. A1 Health Ventures Invests \$4 Million in Prolucent, a healthcare workforce optimization software and services provider

Prolucent, a healthcare workforce optimization software and services provider, has secured \$4 million in funding from A1 Health Ventures, a venture capital firm developed in partnership with Abundant Venture Partners and First Trust Capital Partners. Joe Greskoviak, a healthcare executive and Partner at Abundant Venture Partners, has joined Prolucent's Board of Directors. The funding will support Prolucent's mission to develop workforce optimization solutions that help healthcare providers control labor costs and build more balanced workforces. Prolucent's technology-driven platform, Liquid Compass, utilizes AI and advanced analytics to centralize the management of all labor types, offering cost savings and operational efficiency to the healthcare industry. ([Link](#))

10. TREND Health Partners Strengthens Healthcare Payment Accuracy Solutions with Acquisition of PrecisionGx, solution provider for healthcare payment accuracy, and Its Advanced AI and ML Capabilities for Enhanced Efficiency and Savings

TREND Health Partners has acquired PrecisionGx, a leader in AI and machine learning solutions for healthcare payment accuracy. PrecisionGx's Astria platform uses AI and ML to identify and prevent inaccurate healthcare payments, offering enhanced intelligence at a lower cost. This strategic move enhances TREND's position in credit balance management and payment accuracy solutions, extending their capabilities to membership integrity and automated intelligence for clinical and non-clinical audits. The acquisition aims to drive positive change in the healthcare ecosystem, with the combined expertise and scale of the two organizations. TREND Health Partners is an independent healthcare payment integrity company. PrecisionGx focuses on automating payment and membership integrity processes for health insurers and claims administrators. ([Link](#))

11. PicnicHealth, a healthcare data company, Acquires AllStripes, a company focused on generating clinical evidence in rare diseases to Bolster Rare Disease Clinical Evidence Generation and Patient-Centric Research Initiatives

PicnicHealth, a healthcare data company, has acquired AllStripes, a company focused on generating clinical evidence in rare diseases. Both companies aim to harness patient communities to collect real-world data for medical product and drug development, reducing clinical site operation costs. PicnicHealth organizes electronic medical records and patient-reported outcomes, offering a comprehensive view of a patient's healthcare journey. AllStripes collects data from individuals with rare diseases to improve clinical trial designs. The acquisition aims to integrate AllStripes' patient experience into PicnicHealth's platform, aligning with their shared vision of patient-centric research. The financial terms of the deal were not disclosed. ([Link](#))

12. Court upholds \$2.7 billion Blue Cross antitrust settlement

The 11th Circuit panel in Atlanta upheld a \$2.7 billion antitrust class action settlement against the Blue Cross Blue Shield Association, allowing benefits to be distributed to subscribers who sued the insurer for violating the Sherman Antitrust Act. The settlement, approved by an Alabama District Court in August 2022, aimed to increase competition among insurers. Appeals, including one from Home Depot, contending that the settlement violated public policy, were rejected by the court, which stated it wouldn't impede public enforcement of antitrust laws. The allocation of monetary awards, favoring fully insured subscribers, was deemed unequal but not unfair. Companies that opted out of the class action and health providers still have pending claims. ([Link](#))

13. Physician-Owned Hospitals Could Save Medicare Over \$1B

A recent study revealed that physician-owned hospitals in the U.S. treated Medicare beneficiaries at lower costs, with payments 8-15% lower compared to traditional hospitals in the same market, despite serving similar patient populations. The research estimated

potential Medicare savings of \$1.1 billion if patients were treated at physician-owned hospitals, translating to a 12% cost reduction compared to traditional hospitals. The findings have prompted congressional discussions to ease restrictions on physician-owned hospitals, aiming to improve patient care and lower costs. However, the American Hospital Association opposes such changes, claiming physician-owned hospitals cherry-pick patients, potentially harming full-service hospital access. ([Link](#))

14. Payers shortchanged \$1.1B in ACA risk adjustment payments as Bright, Friday fail to meet obligations: CMS

Bright Health Group and Friday Health Plans, both involved in the 2022 Affordable Care Act (ACA) risk adjustment pool, failed to pay their dues, costing over \$1 billion, according to the Biden administration. Bright Health made a partial payment but fell short by nearly \$380 million. Most of the shortfall was in Florida, with \$199.3 million owed. Bright Health withdrew from ACA exchanges for 2023. Friday Health Plans, facing financial issues, paid only 5% of its \$780 million dues. The Centers for Medicare & Medicaid Services will pursue debt collection to recover the outstanding sums, prompting discussions about changes to the risk adjustment program. ([Link](#))