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Investment Banking | Healthcare Finance | Consulting

Healthcare Deals and News – Week ending November 3, 2023

1. First Stop Health, virtual care provider, Acquires SentryHealth, AI-driven employee health and well-being platform, to Enhance Virtual Care Solutions and Personalized Employee Health and Well-being

First Stop Health (FSH), a prominent virtual care provider, has announced its acquisition of SentryHealth Inc., an AI-driven employee health and well-being platform. The move is intended to enhance FSH's virtual care solutions and benefit both employers and their employees by offering personalized care. Teira Gunlock, CEO of FSH, emphasized the importance of providing support and engagement in patients' healthcare. The acquisition aligns with a shared focus on quality, accessibility, and cost savings, as stated by Kevin Porter, President & CEO of SentryHealth. This strategic alignment aims to create a more supportive healthcare experience and bolster FSH's growth. ([Link](#))

2. Nightingale, home care provider, Services Joins Forces with Honor Health Network, a portfolio company of Webster Equity Partners, Expanding Home Care Services in the Southeastern United States

Nightingale Services, Infusion, and Pharmacy have partnered with Honor Health Network, a portfolio company of Webster Equity Partners, in a significant transaction. Nightingale, a leading home care provider in Georgia, offers personal care, skilled nursing, infusion, and pharmacy services across the state. This partnership marks Honor Health Network's entry into the Southeast region and its seventh affiliated state. The deal was led by Managing Director Kevin Palamara and Vice President Jake Vesely. Legal counsel for Nightingale was provided by Bouhan Falligant, while Goodwin Procter served as legal counsel for Honor Health Network. The collaboration expands home care services in the Southeastern United States. ([Link](#))

3. Havencrest Capital Management Expands Avid Health at Home Platform with Acquisition of Chicago's Independence 4 Seniors, Bolstering High-Quality Home Care Services in the Midwest

Dallas-based healthcare private equity firm Havencrest Capital Management has announced its third acquisition under the Avid Health at Home platform, acquiring Independence 4 Seniors (I4S), a Chicago-area home care provider. I4S has been offering personalized home care to older adults in DuPage County and Western Cook County since 2002, marking Avid's second acquisition in the Chicago market. Avid aims to expand its presence in the Midwest through

strategic acquisitions, focusing on delivering high-quality, value-based home care while leveraging innovative technologies. Havencrest Capital Management manages healthcare-focused private equity funds with over \$600 million in assets under management. ([Link](#))

4. American Health Staffing Group, healthcare staffing platform, Enhances Specialized Healthcare Services with Acquisition of PediaStaff, a Leading Pediatric Therapy and Educational Staffing Provider

American Health Staffing Group (AHSF) has announced its acquisition of PediaStaff, a prominent provider of pediatric therapy and educational staffing services. This strategic move bolsters AHSF's commitment to expanding its specialized healthcare offerings. By combining PediaStaff's expertise with AHSF's resources, the company aims to deliver enhanced services and streamline processes for clients. The acquisition provides access to a larger pool of skilled professionals, benefiting patients and students. The acquisition, finalized on Oct. 27, supports AHSF's growth strategy, enabling a broader impact on pediatric therapy and educational staffing while ensuring children receive high-quality care and support. ([Link](#))

5. TELEO Capital's Portfolio Company Wellcove Acquires AssuriCare to Enhance Senior Care Services with Innovative Software Solutions

TELEO Capital Management, LLC, a private equity firm, has announced the acquisition of AssuriCare, a provider of electronic visit verification and nurse assessment software for long-term care insurance, by its portfolio company Wellcove. Wellcove, a leader in senior market and eldercare programs administration, is set to benefit from AssuriCare's software tools, which will streamline the claims process and improve the quality of services in the senior care market. AssuriCare has played a significant role in modernizing long-term care management and claims processing. This acquisition enhances Wellcove's offerings, aligning with their goal to deliver high-quality, personalized services to the senior care market. ([Link](#))

6. Covera Health Raises \$50M in Series C Funding Led by Insight Partners, Bolstered by CoRead Acquisition to Scale Innovative AI-Enabled Radiology Quality Assurance Marketplace

New York City-based AI diagnostic tech firm Covera Health has secured an additional \$50 million in Series C funding, with \$25 million already committed. Insight Partners led the funding round. Covera Health plans to use this extra funding, along with its acquisition of CoRead, an AI quality assurance company serving over 2,000 hospital sites, to expand its two-sided marketplace connecting healthcare payers and providers. Lawrence Ngo, former CEO of CoRead, will join Covera Health as Senior Vice President, Quality Assurance Platform, reporting to President Aaron Friedkin. Covera Health specializes in radiology performance measurement and aims to enhance patient care quality through its AI-enabled platform. ([Link](#))

7. Pittsburgh's Free Market Health Raises \$20M in Equity Funding with Questa Capital Leading, Joined by Alta Partners, Highmark Ventures, and 653 Investment Partners

Pittsburgh-based healthcare tech firm, Free Market Health, has secured \$20 million in equity funding, with Questa Capital leading the investment round. Existing investors Alta Partners, Highmark Ventures, and 653 Investment Partners also participated. The funds will support the company's business expansion, the launch of channel partnerships, and the scaling of its care-focused marketplace platform. Free Market Health, under the leadership of CEO Joe Cardosi, collaborates with payers and specialty pharmacies to simplify the specialty medication fulfillment process, ensuring patients' access to vital medications. Their platform currently handles over 200,000 specialty drug claims annually, striving to optimize care quality and cost efficiency. ([Link](#))

8. Zotec Partners, Healthcare Revenue cycle management provider, Completes Successful First-Lien Term Loan B Refinancing with Francisco Partners, Enhancing Healthcare Business Improvement Capabilities and Technological Innovation

Zotec Partners, a leader in healthcare business improvement, has successfully completed its first-lien term loan B refinancing in collaboration with Francisco Partners. The company, known for its revenue cycle management solutions, replaced its existing public facility with a new five-year term loan maturing in 2028, enhancing its financial flexibility. This move aligns with Zotec's commitment to advancing healthcare outcomes through technology and trusted services. Francisco Partners, a global investment firm specializing in technology businesses, is excited to support Zotec's future growth. The refinancing will enable Zotec to invest in advanced data-driven technologies to optimize revenue cycle management and enhance patient experiences. ([Link](#))

9. Mirion Technologies Inc (NYSE:MIR) Acquires ec2 Software Solutions LLC and NUMA LLC, Leading Providers of Nuclear Medicine Workflow Software, for \$33 Million in All-Cash Transaction

Mirion Technologies Inc (NYSE:MIR) also announced the acquisition of ec2 Software Solutions LLC and NUMA LLC (collectively ec2), a leading provider of end-to-end nuclear medicine workflow software. The purchase price was \$33 million through an all cash purchase. ec2 is estimated to generate a total of \$12 million in revenue and \$5.5 million of proforma adjusted EBITDA for full year 2023, inclusive of pre-acquisition financial results. ([Link](#))

10. IKS Health, backed by ace-investor Rakesh Jhunjhunwala's Rare Enterprises, Acquires AQuity Solutions, tech-enabled medical coding and clinical documentation company, for \$200 Million, Bolstering AI-Enabled Care Platform and Scaling Reinforced Learning Capabilities

IKS Health, a care enablement platform, has acquired AQuity Solutions, a tech-enabled medical coding and clinical documentation company, for \$200 million. This acquisition will boost IKS' AI solutions, leveraging AQuity's datasets for Reinforced Learning Through Human Feedback (RLHF). The merged entity, operating as IKS Health, will have an annual revenue exceeding \$330 million and a global workforce of 14,000+ employees, including clinicians, medical coders, and technology experts. IKS previously partnered with Abridge to reduce administrative burdens for healthcare professionals and made a strategic investment in Sift Healthcare. This move aligns with the broader trend of AI-powered administrative solutions in the healthcare sector. ([Link](#))

11. LocumTenens.com, a Jackson Healthcare Company, Enhances Healthcare Workforce Management Capabilities with Acquisition of Kimedics, workforce management platform provider

LocumTenens.com, a part of Jackson Healthcare, has acquired Kimedics, a workforce management platform provider, to enhance healthcare organizations' workforce planning and management capabilities. The acquisition expands LocumTenens.com's suite of solutions, providing actionable insights for healthcare organizations to optimize their staffing operations. This strategic move aims to empower customers with real-time insights and innovative workforce strategies, ensuring efficient healthcare staffing in an increasingly complex landscape. Kimedics will continue to operate independently under the LocumTenens.com umbrella, maintaining its brand identity. The acquisition reflects a commitment to improving patient care through strategic workforce planning technologies. ([Link](#))

12. Commure, healthcare technology company, Integrates Rx.Health Clinical Care Coordination Platform, no-code platform to streamline patient care, as "Commure Engage" to Transform Healthcare Delivery and Patient Engagement

Commure, a healthcare technology company, has integrated Rx.Health's clinical care coordination platform into its suite of solutions, now known as Commure Engage. Rx.Health offers a low-code, no-code platform to streamline patient care efforts for healthcare systems, payors, and life science organizations. The platform combines digital therapeutics, automated nudges, devices, and AI analytics to support patients in their care journey. Commure aims to improve care quality, reduce administrative burdens, and boost patient engagement, ultimately transforming healthcare delivery. With more than 500 customizable digital navigation pathways, the platform seeks to enhance outcomes and patient experiences while expanding its customer base. ([Link](#))

13. Vizient, healthcare performance improvement company, Enhances Healthcare Efficiency with Acquisition of PrefTech OR's Preference Card Management Software, Offering Advanced Operating Room Optimization and Cost Savings Solutions

Vizient has successfully acquired PrefTech OR, a cloud-based software for preference card management in healthcare, aiding operating room optimization, cost reduction, and enhanced patient care. The technology monitors preference card quality, offers cost-saving insights, and minimizes clinical variation. Vizient's Spend Management strategy leverages this acquisition to enhance analytics and data-driven insights in healthcare spending. The integration of PrefTech OR with Vizient's expertise and data assets aims to provide a comprehensive, technology-enabled solution for healthcare providers, improving efficiency, staff and physician satisfaction, and clinical outcomes. Operating rooms play a pivotal role in hospitals' finances, and this move supports Vizient's commitment to high-value care. ([Link](#))

14. CMS Finalizes 1.25% Cut To Medicare Physician Fee Schedule

The Centers for Medicare & Medicaid Services (CMS) have finalized the Medicare Physician Fee Schedule (PFS) for calendar year 2024, which includes a 1.25 percent reduction in physician service payments. The conversion factor for CY 2024 is set at \$32.74, a decrease of \$1.15 from the previous year, resulting in a 3.4 percent reduction. Various physician trade associations, including the AMA, American Hospital Association, and MGMA, opposed this reduction, citing its harm to physician practices. The final rule also introduces new payment policies to enhance rates for primary care and mental healthcare and covers training for caregivers and services related to community health integration and social determinants of health. ([Link](#))