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Investment Banking | Healthcare Finance | Consulting

## Healthcare Deals and News – Week ending November 17<sup>th</sup>, 2023

1. [AAPC, education and credentialing organization, Elevates Healthcare Revenue Cycle Management with Acquisition of Semantic Health, Pioneering AI-Powered Inpatient Medical Auditing Software](#)

Healthcare revenue cycle management provider AAPC has successfully acquired Semantic Health, a Toronto-based healthcare technology company specializing in AI-powered inpatient medical auditing software. AAPC's CEO, Bevan Erickson, expressed excitement about integrating Semantic Health's advanced technology to enhance healthcare quality and efficiency. Semantic Health's platform streamlines auditing processes, reduces denials, and improves documentation quality. The acquisition aims to empower AAPC's members with innovative tools, keeping them at the forefront of healthcare's digital transformation. The collective teams plan to expand the platform's functionality and elevate AAPC's product offerings, focusing on improving revenue cycle management efficiency through cutting-edge technology solutions. ([Link](#))

2. [Private Equity Firm GTCR to Acquire Cloudbreak Health for \\$180 Million in Corporate Carve-Out, Strengthening Position in Tech-Enabled Healthcare Language Interpretation Services](#)

Private equity firm GTCR has signed a definitive agreement to acquire Cloudbreak Health, a leading provider of tech-enabled healthcare language interpretation services, in a \$180 million corporate carve-out from UpHealth. Cloudbreak's Martti™ offers a HIPAA-compliant Video Remote Interpretation solution, connecting patients with interpreters in over 250 languages. The transaction aims to strengthen Cloudbreak's position in interpretive telehealth services, with GTCR planning substantial investments for growth. The deal is expected to close in Q1 2024, subject to regulatory and stockholder approvals. GTCR, experienced in healthcare technology, aims to enhance Cloudbreak's product offering and advance its position in the healthcare interpretation market. ([Link](#))

3. [Ajinomoto \(TYO:2802\) to Acquire Gene Therapy Specialist Forge Biologics in \\$620 Million Deal, Expanding Bio-Pharma Services and Accelerating Growth in Strategic Healthcare Areas](#)

Japanese manufacturer Ajinomoto is set to acquire gene therapy specialist Forge Biologics for \$620 million in an all-cash deal expected to close by the end of Q4 2023. The acquisition

includes Forge's 200,000-square-foot facility in Columbus, Ohio, known as "the Hearth," and its 300-plus staff. Forge, a viral vector and plasmid contract development and manufacturing organization (CDMO), received \$120 million in funding in 2021 to expand capacity. The move aligns with Ajinomoto's ASV Initiatives 2030 Roadmap, aiming to accelerate growth in strategic areas like medical food, regenerative medicine cell culture mediums, ADCs, and oligonucleotide drugs. Forge's capabilities will enhance Ajinomoto's Bio-Pharma Services business. ([Link](#))

#### 4. Bradford Health Services, provider of addiction treatment and recovery services, Expands Reach with Acquisition of Vertava Health, behavioral healthcare provider

Bradford Health Services has successfully acquired Vertava Health of Southaven, MS, expanding its reach in the Southeast for addiction treatment and mental health services. This strategic move strengthens Bradford's commitment to delivering high-quality care in North Mississippi and surrounding areas. Lisa Evans, CEO of Bradford, expressed excitement about welcoming Vertava Health's team, aiming to enhance services and promote recovery. The acquisition aligns with Bradford's dedication to affordable, quality care for substance use disorders, offering expanded resources and services. ([Link](#))

#### 5. Medical Specialists of the Palm Beaches, multi-specialty physician group practice by Care About Health and Ascend Health, Expands Concierge Medicine Practice with Strategic Acquisition of Tequesta Family Medical Center, medical practice offering concierge medicine

Medical Specialists of the Palm Beaches (MSPB) has acquired Tequesta Family Medical Center, expanding its presence in northern Palm Beach County and bolstering its concierge medicine practice. MSPB, a multi-specialty physician group in South Florida, aims to enhance patient care and lower costs through the acquisition. Dr. Mark Corry, a respected physician and Board of Trustees member at Jupiter Medical Center, and his team will join MSPB. Casey Waters, MSPB's CEO, anticipates leveraging the resources and experience to deliver exceptional care. The growth aligns with MSPB's commitment to value-based, integrated healthcare. Ascend Partners and CareAbout Health are involved in the healthcare-focused venture. ([Link](#))

#### 6. AristaMD, San Diego-Based Digital Healthcare Innovator, Merges with Sitka, Pioneering Video-Consult Specialist Network, Secures \$16.5M in Series C Funding for Expanded eConsult and Referral Management Services

an Diego-based digital healthcare firm AristaMD, specializing in eConsults, merged with Sitka, a video-consult specialist network supporting value-based care providers. The combined entity, led by CEO Brooke LeVasseur, secured \$16.5m in Series C funding from undisclosed backers. AristaMD's care transition solutions now include eConsult, vConsult, and referral management tools. The merger integrates Sitka's video consults and virtual specialty provider group, enhancing AristaMD's services. Kelsey Mellard, Sitka's founder, becomes AristaMD's

president, while Dr. Julia Jezmir serves as Chief Medical Officer. The collaboration aims to streamline electronic physician-to-physician consultations and optimize patient care. ([Link](#))

## 7. NYC-Based Fortuna Health Secures \$4M in Seed Funding Led by Andreessen Horowitz Bio + Health for Consumer-First Medicaid Navigation Platform, Accelerating State Expansion and Key Partnerships in Medicaid Space

Fortuna Health, a NYC-based Medicaid navigation platform, has secured \$4m in seed funding led by Andreessen Horowitz Bio + Health, with participation from BoxGroup, Y Combinator, and notable healthcare figures. The funds will propel state expansion and partnerships with Medicaid stakeholders. Fortuna's consumer-centric platform, led by CEO Nikita Singareddy, streamlines Medicaid processes, offering eligibility screening, enrollment, and recertification in multiple languages. By eliminating the need for state portals, the platform utilizes third-party accounts for efficient application completion. With existing partnerships in Minnesota, New York, and Pennsylvania, Fortuna aims to enhance Medicaid accessibility nationwide. ([Link](#))

## 8. Healthtech Forward Secures \$100M from Khosla Ventures, Founders Fund, and Softbank to Launch AI-Powered CarePods for Self-Serve Health Screening and Diagnosis

Healthcare startup Forward has unveiled CarePods, self-serve modules using AI for health screening and diagnosis, deployed in malls and offices in the San Francisco Bay Area, New York, Chicago, and Philadelphia. Backed by a recent \$100 million series E funding round from Khosla Ventures, Founders Fund, and Softbank, Forward aims to scale healthcare using technology. CarePods offer diagnostic tools, continuous monitoring, and care plans for \$99/month. The modules cover skin cancer scanning, mental health monitoring, routine blood draws, and COVID-19 testing. Forward plans to expand its capabilities for prenatal care, advanced cancer screening, and polygenic risk analysis. ([Link](#))

## 9. Fulcrum Equity Partners Expands Behavioral Health Portfolio with Acquisition of Defining Wellness Centers, a Leading Substance Use Disorder Treatment Provider, Paving the Way for Growth and Program Expansion under New CEO Drew Rothermel

Fulcrum Equity Partners has acquired Defining Wellness Centers, a substance use disorder treatment provider in Jackson, Mississippi, as part of its expansion into behavioral health. The Atlanta-based investment firm, focusing on healthcare services and B2B tech, aims to grow Defining Wellness and enhance its behavioral health presence. With 95% in-network insurance reimbursement, the 26-acre campus treats 95-100 patients monthly. Drew Rothermel, appointed as CEO, plans to refine and expand programs, replicating the model in other areas through a de novo growth strategy. Fulcrum is also exploring opportunities in eating disorder services to create a comprehensive behavioral health company. ([Link](#))

10. [Regent Surgical Health Expands Joint Venture with Oregon Surgical Institute, Secures Majority Ownership to Propel Internationally Recognized Outpatient Surgery Center's Leadership in Complex Orthopedic and Total Joint Care](#)

Regent Surgical Health has expanded its joint venture partnership with Oregon Surgical Institute (OSI), gaining majority ownership of the internationally recognized outpatient surgery center specializing in complex cases. The increased investment aims to enhance OSI's clinical capabilities, particularly in orthopedics and total joint care. Regent's support since their 2016 partnership has enabled OSI to excel in treating complex cases outside traditional hospital settings. With nearly half of OSI's procedures now involving total joint replacements, the collaboration positions OSI as a leader in outpatient care delivery. Regent operates ASC facilities in over 15 states, focusing on health system joint ventures. ([Link](#))

11. [Sonic Healthcare Expands Global Presence with \\$150 Million Acquisition of Salt Lake City's Pathology Watch, Accelerating Digital Pathology Transformation and AI Integration](#)

Sydney-based Sonic Healthcare acquires Salt Lake City's Pathology Watch for \$150 million, aiming to expedite its shift to digital pathology. Sonic plans to utilize existing funds and debt for the acquisition, anticipating enhanced earnings and return-on-invested-capital. The deal, set to conclude in December 2023, incorporates Pathology Watch's founders and staff into Sonic's global operations. Pathology Watch, a digital pathology service focusing on dermatology, modernizes lab processes through AI integration, allowing real-time case reviews and computer-aided pathology diagnoses. Founded in 2017 in New York, the company relocated to Utah for cost efficiency and talent, securing \$25 million in a recent Series B funding round. ([Link](#))

12. [Providence Regional Medical Center Everett Nurses Conclude 5-Day Strike, Contract Talks Unresolved Amid Demands for Safer Conditions, Competitive Pay, and Staffing Improvements](#)

A five-day nurses strike at Providence Regional Medical Center Everett concluded, but negotiations persist. While the hospital claims a smooth return to work, over 1,300 nurses emphasize no agreement has been reached. Nurses sought higher pay, increased staff, and improved patient safety. Temporary replacements were brought in during the strike, and management's rejected contract offered a 21.5% wage increase over three years. The nurses union argues this isn't sufficient to retain and attract quality staff, impacting patient care. Long wait times for critical services were cited, highlighting the need for better conditions in one of the region's busiest medical centers. ([Link](#))