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Healthcare Deals and News – Week ending December 01, 2023

1. Insurers Cigna (NYSE: CI) and Humana (NYSE: HUM) reportedly in talks to merge

Insurers Humana and Cigna are considering a merger exceeding \$60 billion, potentially creating a \$140 billion company, with talks suggesting a stock-and-cash deal focusing on Medicare Advantage plans. The move aims to achieve scale and competitiveness against industry giants like UnitedHealth Group. Antitrust concerns may arise, especially if Cigna sells its Medicare Advantage business. Humana's expertise in Medicare and Cigna's commercial insurance strength could form a formidable combination. Shares dropped after the news, with Cigna's market value at \$83 billion and Humana's at \$62 billion. Both companies had explored a merger in 2015, which didn't materialize. ([Link](#))

2. Elon Musk's Neuralink Secures \$43M in Additional Funding, Valuation Estimated at \$5B, Advances Human Trials for Brain-Computer Interface Implant

Neuralink, owned by Elon Musk, has secured an additional \$43 million in venture capital, as per a filing with the SEC. This follows a previous funding round increase from \$280 million to \$323 million in August, led by Peter Thiel's Founders Fund. Neuralink's valuation, undisclosed recently, was estimated at \$5 billion in June. The company, founded in 2016, utilizes a sewing machine-like device to implant ultra-thin threads in the brain, connecting to a chip with electrodes for neuron data. Neuralink is recruiting for human trials, aiming to enable individuals with paralysis to control devices through a brain-computer interface. ([Link](#))

3. Premier Senior Living Expands Portfolio with Three New Communities in Hilton Head, SC, and Concord, NC, Enhancing Southeastern Presence in Senior Living Management

Premier Senior Living proudly welcomes three new communities to its management services, marking expansion in October 2023. In Hilton Head, SC, Village Cove Assisted Living (42 units) and Harbor Cove Memory Care (32 units) joined, boasting high resident satisfaction and occupancy. COO Eric Hadley expresses excitement for these additions. Concurrently, Concord Place Assisted Living (56 units) in Concord, NC, aligns with Premier's Southeastern growth strategy. Headquartered in Mount Pleasant, SC, Premier Senior Living specializes in managing and developing senior living communities, emphasizing intentional growth while preserving local identity. ([Link](#))

4. Otsuka Pharmaceutical (TYO 4578) Expands Women's Health Portfolio with \$425 Million Acquisition of U.S. Company Bonafide Health, Strengthening Presence in Supplements and Skin Care Markets

Japanese drugmaker Otsuka Pharmaceutical, via its U.S. subsidiary Pharmavite, has acquired U.S. women's health food company Bonafide Health for \$425 million. The move aims to diversify Otsuka's women's health product portfolio. Bonafide Health, founded in 2017, reported \$53.8 million in fiscal year 2022 revenue, offering products for skin and hair care, along with women's health supplements. Otsuka Holdings, the parent company, emphasized the strategic partnership's potential to grow the business. Otsuka Pharmaceutical has been actively expanding in women's health through mergers and acquisitions, including the 2021 purchase of U.S. company Uqora, specializing in women's urinary tract supplements. ([Link](#))

5. Santé Ventures Facilitates \$400 Million Acquisition of Laminar, Inc. by Johnson & Johnson Medtech, Advancing Innovative Treatment for AFib-Related Stroke Risk

Healthcare investment firm Santé Ventures has announced the acquisition of its Fund III portfolio company, Laminar, Inc., by Johnson & Johnson Medtech. The deal involves an upfront payment of \$400 million and additional milestone payments expected in 2024 and beyond. Laminar, focused on addressing left atrial appendage (LAA) in patients with non-valvular AFib, will join Biosense Webster, Inc., a global leader in cardiac arrhythmia treatment. Santé, the sole venture capital investor in Laminar, played a crucial role in the company's development. The acquisition aligns with Johnson & Johnson's efforts to advance LAA treatment for the millions affected by AFib worldwide. ([Link](#))

6. Peregrine Health, Inc. Emerges as a National Mental and Behavioral Healthcare Powerhouse Through Merger of Integrative Life Network and Integrative Health Centers, Securing \$7M in Series A Funding Led by BIP Ventures

Integrative Life Network (ILN) and Integrative Health Centers (IHC) have merged to form Peregrine Health, Inc., a comprehensive mental and behavioral healthcare company. Peregrine will offer a national platform, combining ILN's residential programs and IHC's telemedicine platform. The \$7M Series A fundraising round, led by BIP Ventures, supports Peregrine's vision to address gaps in mental health services. The leadership team, including CEO Ryan Chapman, plans a multi-year integration to strengthen the continuum of care. The merger aims to enhance patient support through telehealth, outpatient, and residential services, filling critical gaps in mental and behavioral healthcare delivery. ([Link](#))

7. Houston-based RepeatMD Secures \$50M in Series A Funding Co-Led by Centana Growth Partners and Full In Partners, with Participation from PROOF and Mercury Fund, Alongside a \$10M Debt Facility from Silicon Valley Bank, to Expand Inbound Revenue Platform for Aesthetic and Wellness Practices

Houston-based SaaS company RepeatMD secured \$50M in Series A funding, co-led by Centana Growth Partners and Full In Partners, with participation from PROOF and Mercury Fund. The round also included a \$10M debt facility from Silicon Valley Bank. RepeatMD, led by CEO Phil Sitter, plans to expand its strategic partner network, enhance its product, and integrate AI to improve the patient shopping experience. The Inbound Revenue Platform, powered by the MedCommerce Engine, automates revenue generation for over 2,500 medical, aesthetic, and wellness practices nationwide, offering ecommerce solutions, mobile rewards, memberships, and customized marketing campaigns. ([Link](#))

8. Pennant Group (NASDAQ: PNTG) Expands Arizona Footprint with Acquisition of Southwestern Palliative Care & Hospice, Strengthening Commitment to Quality End-of-Life Services Amid Accelerated Growth in Home-Based Segment

The Pennant Group Inc. (NASDAQ: PNTG) has acquired Southwestern Palliative Care & Hospice in Arizona, expanding its home health and hospice services. The undisclosed deal strengthens Pennant's commitment to southern Arizona and its goal of providing quality end-of-life care. The acquisition follows a series of strategic moves by Pennant, including the purchase of Guardian Hospice and Valor HospiceCare, signaling accelerated growth in its home-based segment. With a focus on meeting the rising demand for end-of-life care in Arizona, Pennant aims to leverage its solid relationships in the community to enhance services for seniors, who constitute 18.8% of the state's population. ([Link](#))

9. Experian (EXPN) Broadens Healthcare Services Through Acquisition of Wave HDC, Enhancing AI-Driven Data Curation for Swift Insurance Coverage Identification and Patient Demographics at Healthcare Onset

Experian, a global information services company, has acquired Wave HDC, a healthcare technology leader specializing in AI-enhanced data curation solutions. This acquisition strengthens Experian Health's portfolio, offering advanced healthcare coverage identification and automation capabilities. Wave HDC's insurance curators, including Coordination of Benefits and Eligibility, enhance patient access products, capturing crucial registration data in real time. The integration aims to address claim denial challenges in healthcare, providing a comprehensive solution to improve accuracy in medical billing and increase reimbursement efficiency. The move aligns with Experian Health's mission to simplify healthcare processes and improve financial solvency for providers. ([Link](#))

10. PayGround, the healthcare fintech payments platform, secures \$19.7M in oversubscribed Series A funding, led by SixThirty, featuring participation from Rally Ventures, IA Capital Group, FCA Venture Partners, and Plug and Play Ventures

Healthcare fintech payments platform, PayGround, has successfully closed a \$19.7M oversubscribed Series A financing round led by SixThirty, with participation from Rally Ventures, IA Capital Group, FCA Venture Partners, and Plug and Play Ventures. The funding will support PayGround's rapid expansion into hospitals and health systems, building on its 560% annual revenue growth over the past three years. PayGround aims to simplify healthcare payments by offering a dedicated digital wallet for managing and paying all provider bills in one place, benefiting both patients and healthcare providers. The funds will also be used to enhance the platform's features for improved payor connectivity. ([Link](#))

11. Lead Capital Partners Announces Strategic Investment in Viva Day Spa, Securing Partnership with Co-Founders; Petra Capital Partners and Harbert Credit Solutions Join as Co-Investor

Healthcare-focused private equity firm Lead Capital Partners (LCP) has announced its first platform investment in Viva Day Spa, LLC. Viva, founded in 2005, operates four locations in Austin and Round Rock, Texas, offering a range of award-winning spa treatments and medical aesthetic services. LCP's investment aims to support Viva's strategic growth, maintaining its culture and values. Viva's existing management team, co-founders, and Petra Capital Partners and Harbert Credit Solutions also participated in the transaction. Lead Capital Partners specializes in healthcare services investments and is based in Nashville, Tennessee. ([Link](#))

12. Emanate Health Files Lawsuit Alleging UnitedHealth Group's Optum Violated Antitrust Laws Through Anti-Competitive Practices, Patient Mismanagement, and Contract Threats Impacting Hospital Agreements

California-based health system Emanate Health has filed a lawsuit accusing UnitedHealth Group's Optum of violating antitrust laws and employing anti-competitive practices. The suit alleges that Optum failed to inform patients when physicians left its Optum-Covina practice to join Emanate Health Medical Group, transferring patients without their knowledge. Emanate claims Optum engaged in anti-competitive behavior since December 2021, attempting to monopolize the primary care physician market in areas where Emanate patients reside. Optum allegedly threatened contract terminations unless Emanate agreed to terms favoring Optum's dominance. Emanate's refusal led to Optum terminating hospital service agreements, impacting patient admissions. ([Link](#))