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Investment Banking | Healthcare Finance | Consulting

Healthcare Weekly News and Deals- January 19th 2024

1. HealthEdge Investment Partners, a leading lower middle market healthcare-focused private equity fund, Completes Strategic Investment in Radsource, the Nation's Leading Provider of Subspecialty Orthopedic and Neurological MRI Interpretations and Innovator of ProtonPACS Medical Imaging Technology

HealthEdge Investment Partners has completed an investment in Radsource, the largest provider of subspecialty orthopedic and neurological MRI interpretations in the U.S. Radsource also offers ProtonPACS, a medical imaging technology solution. The ProtonPACS solution features a hybrid architecture for reliability, advanced tools, customized features, and an affordable pricing model suitable for various imaging environments. Radsource's partnership with HealthEdge aims to expand the reach of their solutions. HealthEdge focuses on healthcare investments, and Radsource is known for its clinical excellence in musculoskeletal and neurological MRI interpretation. The deal involved debt financing from Avante Capital Partners, LP. ([Link](#))

2. Pyx Health Strengthens Social Health Solutions with Acquisition of InquisitHealth, a New Jersey-based population health management company, Adding Clinical Expertise and Innovative Technologies to Combat Chronic Conditions

Pyx Health has acquired InquisitHealth, a New Jersey-based population health management company, enhancing its social health-focused solution. The acquisition brings new capabilities and expertise, seamlessly integrating technology with peer-to-peer mentoring to address chronic conditions. InquisitHealth's clinical insight and innovation will complement Pyx Health's mission to combat loneliness and improve social and overall health outcomes. InquisitHealth's CEO, Dr. Ashwin Patel, joins Pyx Health as Chief Medical Officer, while co-founder Brijesh Patel becomes Executive Vice President of Product and Business Intelligence. The move signifies a strategic investment in reshaping the social health landscape. Financial terms of the transaction were not disclosed. ([Link](#))

3. Graphium Health, Anaesthesia Solutions Provider, Strengthens Anaesthesia Solutions with Acquisition of ABG Anesthesia Data Group, Enhancing Quality Data Management and Reporting for Improved Patient Outcomes

Healthtech company Graphium Health has acquired The ABG Anesthesia Data Group (ABG) to enhance anaesthesia solutions. ABG specializes in Quality Clinical Data Registry (QCDR) management and MIPS reporting for anaesthesia, aiming to improve patient outcomes and operational efficiency. The acquisition enables Graphium Health to bolster its mobile software platform for quality data management, easing clinical documentation and reporting burdens. ABG's QCDR integration will offer enhanced features, including Quality Improvement reports and MIPS-compliant patient surveys. Graphium Health plans to support ABG's clients during the transition and aims to provide comprehensive analytics for hospitals, anaesthesiologists, and surgical services. ([Link](#))

4. Advanced Medaesthetic Partners Expands to 15th State with Strategic Partnership, Welcomes H-MD Medical Spa in Oklahoma City, Elevating Aesthetic Excellence and Innovation in Cosmetic Medicine

Advanced Medaesthetic Partners (AMP) announces its partnership with H-MD Medical Spa in Oklahoma City, expanding its presence to 15 states. AMP, a leader in aesthetic medicine, selects partners based on high medical standards and client satisfaction. H-MD Medical Spa, led by Dr. Jennie Hunnewell, aligns with AMP's commitment to excellence. The collaboration offers H-MD access to resources, research, and industry collaboration. Nicole Chiaramonte, CEO of AMP, welcomes H-MD into their family of practices, aiming to elevate aesthetic standards. The partnership aims to enhance client experiences and advance innovation in aesthetic treatments. ([Link](#))

5. KKR-Backed BrightSpring, Community Healthcare Services Provider, Aims for \$960 Million IPO, Valuation of \$3.1 Billion; Simultaneously Seeks \$400 Million in Convertible Securities

Community healthcare services provider BrightSpring, backed by KKR, aims to raise around \$960 million in an initial public offering (IPO) by offering 53.3 million shares at \$15 to \$18 each. The IPO could value the Kentucky-based company at up to \$3.1 billion. Simultaneously, BrightSpring plans to raise an additional \$400 million through the sale of 8 million tangible equity units. The IPO, scheduled to price on January 25 and trade the following day, signals KKR's potential exit from its 2019 investment. The proceeds will be used to repay debt and general corporate purposes. Goldman Sachs, KKR, and others lead the offering. ([Link](#))

6. Health Assurance Transformation Corporation (HATCo), a subsidiary of General Catalyst, Enters Letter of Intent to Acquire Summa Health, Paving the Way for a For-Profit Model in Greater Akron, Ohio's Integrated Healthcare; Focus on Patient-Centric Innovation and Community Health Investment

Venture capital firm General Catalyst's subsidiary, Health Assurance Transformation Corporation (HATCo), has expressed intent to acquire healthcare delivery company Summa Health in Greater Akron, Ohio. The acquisition aims to leverage Summa Health's integrated system for healthcare innovation, transitioning it into a for-profit entity. The deal includes the creation of a community foundation to address social determinants of health. HATCo CEO Dr. Marc Harrison envisions a patient-centric model as beneficial for both patients and business. The companies are in the due diligence phase, with the final agreement expected in the coming months, pending regulatory approvals. Summa Health will continue operations in Ohio. ([Link](#))

7. VMG Health, a Healthcare Compliance and Advisory Firm, Acquires Compliance Risk Analyzer (CRA) from DoctorsManagement to Strengthen Healthcare Compliance Solutions, Boost Predictive Analytics, and Expand Client Support

VMG Health, a healthcare compliance and advisory firm, has acquired Compliance Risk Analyzer (CRA) from DoctorsManagement. CRA, developed by industry experts Frank Cohen and Scott Buchanan, offers software-based auditing and predictive analytics tools to enhance coding compliance for healthcare organizations. VMG Health aims to proactively identify and address risk areas, combining CRA technology with its expertise in billing and coding audits. The acquisition is expected to empower VMG Health to meet evolving client needs and expand into more health systems. CRA Founder Frank Cohen expresses confidence in the partnership's ability to accelerate product development and deliver greater value to clients. ([Link](#))

8. Forta, AI-Powered Autism Therapy Startup, Secures \$55 Million in Series A Funding Led by Insight Partners for Expansion and Research in Personalized ABA Therapy

San Francisco-based autism therapy firm Forta has secured \$55 million in a Series A funding round led by Insight Partners, featuring participation from Alumni Ventures and Exor Ventures, along with founders from notable companies. Forta utilizes AI and LLMs in tandem with a 50-hour parent training program to offer personalized applied behavior analysis (ABA) therapy for autism. The funds will support the expansion of Forta's autism therapy practice, ongoing research in AI and LLMs, and further development of clinical algorithms. CEO Ritankar Das aims to empower caregivers with AI tools, initially focusing on autism therapy and later exploring applications in memory care and other chronic conditions. ([Link](#))

9. Epicore Biosystems Secures Strategic Investments from Pegasus Tech Ventures and Denka Company to Expand Connected Hydration Wearables Across Asia, Addressing Rising Demand for Health-Monitoring Tech Amidst Growing Wearable Market

US-based Epicore Biosystems secured investments from Pegasus Tech Ventures and Denka Company to expand its wearable technology in Japan and Asian markets. The funds will aid in scaling Epicore's connected hydration device, a wearable tracker that monitors sweat and electrolyte levels to prevent dehydration, particularly in regions experiencing extreme temperatures. The device, with global partnerships including Chevron and PepsiCo, provides heat injury alerts and has been trialed in various industries. As the wearable technology market in the medical sector is projected to surpass \$100 billion by 2023, Epicore plans a commercial launch early this year, addressing the growing demand for health-monitoring wearables. ([Link](#))

10. Aya Healthcare, Healthcare Talent software and Staffing Company, Expands Global Reach with Acquisition of UK-Based Workforce Solutions Leader ID Medical, Facilitating Cross-Atlantic Collaboration and Innovation in Healthcare Staffing and Technology

Aya Healthcare, the largest healthcare talent software and staffing company in the U.S., has acquired ID Medical, a prominent workforce solutions provider in the U.K. ID Medical, with over 20 years of experience, specializes in innovative workforce solutions for the National Health Service (NHS). As part of the acquisition, Aya Healthcare's technology will be extended to the NHS and U.K. clinicians. ID Medical will retain its brand in the U.K. and continue supporting healthcare professionals and organizations. The collaboration aims to share best practices between markets. Aya Healthcare emphasizes the transformative impact of the partnership on global healthcare. ([Link](#))

11. Virtual Care Innovator, 98point6 Technologies, Bolsters Growth with Strategic Acquisition of Bright.md Assets, While Introducing Asynchronous Module to Combat Clinician Burnout and Elevate Patient-Centric Care

98point6 Technologies, a leader in virtual care software, has unveiled an asynchronous module, augmenting its flagship technology to offer both live and asynchronous care. This innovation addresses clinician burnout, prevalent in over 45% of healthcare workers, by providing flexibility in patient communication. The company has intensified its growth strategy by acquiring Bright.md's remaining assets, focusing on services for clients like Baptist Health and UAB Medicine. The asynchronous module employs machine learning for intelligent decision support, paving the way for future innovations. 98point6 aims to empower healthcare providers, enhance patient engagement, and broaden access through its multi-functional virtual care platform. ([Link](#))

12. ClinicMind, Inc. Elevates Healthcare Practice Management with Majority Stake Acquisition of Billing Dynamix, Expanding Revenue Cycle Management Services

ClinicMind, a leading healthcare practice management solutions provider, has acquired a majority stake in Billing Dynamix, a billing solutions company. This move enhances ClinicMind's revenue cycle management (RCM) services, offering Credentialing, Prior Authorization, and Coding. Clients now have access to a comprehensive suite of solutions on the same platform, streamlining practice workflows. The acquisition aligns with ClinicMind's inorganic growth strategy, following four other acquisitions in 2023. The integration aims to deliver greater value, optimize administrative controls, and maintain service excellence, ensuring financial success for clients in the dynamic healthcare landscape. ([Link](#))

13. CPSI (NASDAQ: CPSI) Announces Strategic Divestiture of American HealthTech, a Leading Electronic Health Record (EHR) Solutions Provider, to PointClickCare, Focusing on Core Healthcare Solutions and Business Transformation

Healthcare solutions company CPSI (NASDAQ: CPSI) has divested its subsidiary, American HealthTech, Inc. (AHT), a leading electronic health record (EHR) solutions provider for the post-acute care market, to PointClickCare, a Toronto-based healthcare technology platform. CPSI aims to focus on its core business transformation, discontinuing AHT product development. Chris Fowler, CPSI's CEO, sees PointClickCare as an ideal fit due to shared values and service excellence. The divestiture allows CPSI to pursue new market opportunities, emphasizing revenue cycle management (RCM) and EHR solutions. CPSI, with over four decades of experience, remains committed to supporting healthcare providers across the care continuum. ([Link](#))

14. Innovaccer Inc., Healthcare Technology Firm, Elevates Healthcare Engagement with Strategic Acquisition of Cured, Healthcare-Specific Digital Marketing and CRM Platform

Innovaccer, a prominent healthcare technology firm, has acquired Cured, a renowned healthcare-specific digital marketing and CRM platform. This strategic move expands Innovaccer's reach, incorporating 20+ health systems and digital health clients. The synergy combines Innovaccer's robust data platform and AI capabilities with Cured's patient engagement expertise, enabling personalized patient journeys, improved outcomes, and revenue boosts. The acquisition revolutionizes healthcare CRM by leveraging AI for contextual engagement and optimizing ROI. Cured's co-founders will assume leadership roles within Innovaccer, ensuring a smooth transition. Innovaccer's CEO, Abhinav Shashank, highlights the alignment with their strategy to enhance patient experiences in healthcare. ([Link](#))

15. CMS Launches Eight-Year Innovation in Behavioral Health Model to Enhance Care Coordination for Medicaid and Medicare Beneficiaries with Mental Health and Substance Use Disorders

The CMS has introduced the Innovation in Behavioral Health (IBH) Model, an eight-year initiative part of the Biden Administration's HHS Roadmap for Behavioral Health Integration. Designed for Medicare and Medicaid beneficiaries with moderate to severe mental health conditions and substance use disorders, the state-based model encourages care coordination among physical, behavioral, and social providers. Community-based behavioral health practices will form interprofessional care teams, receiving federal funding for the initial three years. The IBH Model aims to improve access to mental health services, enhance health outcomes, and transition practices to alternative payment models. It is set to launch in the fall, initially in up to eight states. ([Link](#))