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Investment Banking | Healthcare Finance | Consulting

## Healthcare Deals and News – Week ending December 29, 2023

1. Digital Healthcare Innovator Custom Health Inc. to Go Public in \$185 Million Merger with Berenson Acquisition Corp. I (NYSE: BACA), Unveiling a Strategic SPAC Move for Swift Market Access and Innovative Medication Management Solutions for Chronic Patients

Digital healthcare leader Custom Health Inc. is set to go public through a merger with Berenson Acquisition Corp. I, a SPAC, valuing Custom Health at \$185 million. The deal entails a \$11.1 million injection from the SPAC to Custom Health, with potential additional financing. Anticipated to conclude in Q2 2024, the merger underscores the trend of companies opting for SPACs for quicker access to public markets. Custom Health specializes in technology-driven medication management for poly-med patients with chronic conditions, aiming to revolutionize modern healthcare. Post-merger, it will continue trading on NYSE, solidifying its presence in the public domain. ([Link](#))

2. East Baltimore Entrepreneur Chris Simon's BTST Services, Virtual and In-Person Mental Healthcare Service Provider, Secures Investment from Webster Equity Partners, Paving the Way for Mental Health Innovation and Expansion

East Baltimore native Chris Simon, co-owner of BLK Swan restaurant and real estate investor, is making strides in the mental health sector through his company, BTST Services. Recently securing an investment from Webster Equity Partners, BTST aims to lead in mental health and social work with research, programming, and professional training. The partnership positions BTST as the cornerstone of Webster's Community Behavioral Health Services platform, marking the investment firm's inaugural venture into mental health. Simon anticipates significant expansion, emphasizing the potential for mergers and acquisitions to broaden their impact on individuals in need of mental health support. ([Link](#))

3. Businessman Júnior Secures UHG (NYSE: UNH) Approval for \$412 Million Acquisition of Amil Taking on Both Past and Future Liabilities, Overcoming Competition in High-Stakes Bid for Leading Health Group

Businessman José Seripieri Filho, known as Júnior, has secured approval from UnitedHealth Group's (UHG) Board of Directors to purchase Amil's operations for \$412 million, supported

by financing from BTG, Bradesco, Santander, BRPartners, and Itaú. The acquisition includes past and future liabilities estimated at approximately \$2 billion. Júnior, founder of Qualicorp and Qsaúde, returns to the health sector after a failed 2020 attempt to acquire Amil's individual portfolios. Facing competition from Bain Capital, Dasa, and Nelson Tanure, Júnior emerges as an underdog. The challenge lies in managing Amil's substantial liabilities, 60% of which are tax debts. ([Link](#))

#### 4. Probo Medical Expands Global Footprint with Definitive Acquisition of Alpha Source Group, Enhancing Diagnostic Imaging Solutions Platform and Unlocking Transformational Growth Opportunities in North American Healthcare

Probo Medical, a global provider of medical imaging solutions, is set to acquire Alpha Source Group, enhancing its diagnostic imaging platform. Alpha Source, established in 1986, specializes in field service, depot repair, equipment refurbishment, and parts distribution for North American healthcare. With over 100 engineers and Centers of Excellence across the U.S., Alpha Source's expertise spans various modalities, including nuclear medicine, CT, and PET/CT. The acquisition aims to expand Probo's capabilities, integrating Alpha Source's technical proficiency to optimize parts distribution, system refurbishment, and field service. Probo, backed by Avista Capital Partners, anticipates significant growth opportunities through this transformative deal. ([Link](#))

#### 5. HCMS Napa, LLC Acquires Lobo Solutions, Inc., a Leading California-Based Medical Billing and Coding Services Provider

California-based Lobo Solutions, Inc. (LSI), a prominent medical billing and coding services provider, has been successfully acquired by HCMS Napa, LLC of Napa, California. The deal, finalized on December 4, 2023, marks LSI's commitment to innovation and client-centric solutions. HCMS, known for its coding expertise, employs specialized software for efficient data analysis and communication. ([Link](#))

#### 6. Harris Computer Corporation, a Subsidiary of Constellation Software (TSE:CSU), Bolsters Healthcare Portfolio with the Acquisition of MEDHOST, a Leading Provider of Ambulatory Care EHR Solutions

Constellation Software Inc.'s subsidiary, N. Harris Computer Corporation, has acquired MEDHOST, Inc., a leading provider of electronic health record (EHR) solutions. This aligns with Harris' commitment to the healthcare sector, adding MEDHOST to its portfolio to expand its reach in ambulatory care EHR. MEDHOST's solutions, including physician practice management and patient engagement tools, enhance Harris' capabilities to serve healthcare providers effectively. Operating MEDHOST as a stand-alone business, Harris aims to leverage its proven acquisition strategies for mutual growth. Jerry Canada, Group President at Harris, expresses confidence in the acquisition benefiting both companies and patients. ([Link](#))

## 7. American Environmental Partners (AEPT) Announces Definitive Merger Agreement with SCWorx Corp (NASDAQ: WORX), Data Management Platform for Healthcare Provider, Paving the Way for Nasdaq Listing

American Environmental Partners, Inc. (AEPT) has signed a definitive merger agreement with SCWorx Corp. The deal, expected to close in Q1 2024, will result in the combined company trading on Nasdaq as AEPT. AEPT shareholders will receive 83% of the combined company's fully diluted shares, with Worx shareholders holding the remaining 17%. The transaction is contingent on shareholder and regulatory approval, a pre-merger capital raise of up to \$6 million by AEPT, and Nasdaq's approval of the listing application. The new board will consist of five directors, with four from AEPT and one from Worx. ([Link](#))

## 8. NewYork-Presbyterian Hospital Settles for \$300K in Landmark Case Over Patient Privacy Breach Through Third-Party Tracking Pixels on Website; Agrees to Policy Reforms and Audits to Safeguard Patient Data

NewYork-Presbyterian Hospital settles with the New York State Attorney General, paying \$300,000 for breaching patient privacy through third-party tools on its website. The hospital allegedly used tracking pixels, violating HIPAA by sharing visitors' health information with external entities from June 2016 to June 2022. The Attorney General claims the hospital lacked proper policies to vet these tools, exposing users' data. In addition to the monetary penalty, NewYork-Presbyterian commits to policy updates, regular audits, and instructing third parties to delete any collected protected health information. The settlement aims to enhance privacy safeguards for the hospital's over 2 million annual patient visits. ([Link](#))