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Healthcare Deals and News – Week ending Aug 04, 2023

1. HerMD Announces \$18 Million in Series A-1 Raise To Transform Women's Healthcare

HerMD, a women's health provider, raised \$18 million in a Series A-1 round led by JAZZ. The total funding is now nearly \$30 million. The investment will help expand physical locations, enhance virtual care, and hire more staff. HerMD aims to revolutionize women's healthcare with patient-centric and inclusive care, focusing on menopause and sexual health. They plan to open new locations in New York Metro and Nashville. ([Link](#))

2. FeelBetter raises \$5.9M for AI-enabled medication management platform

FeelBetter, a medication-management platform, secured \$5.9 million in funding led by Firsttime Ventures and Shoni Health Ventures, with participation from Random Forest VC, The Group Ventures, and existing investor Triventures. The platform focuses on polypharmacy, using AI to analyze patient health data, medical history, pharmacology, and clinical guidelines to optimize medication regimens. The latest funding round brings the total raise to \$8 million, which will be used to expand the platform's reach and capabilities. CEO Liat Primor expressed confidence in their pharmaco-clinical intelligence solution to address the global health challenge of suboptimal medication management. ([Link](#))

3. Firmament-Backed e4health Acquires eCatalyst, Expanding Coding & HIM Capabilities

Firmament-backed e4health, a leading healthcare mid-revenue cycle and IT solutions provider, has acquired eCatalyst Healthcare Solutions, a Phoenix-based company offering medical coding, auditing, and health information management services to U.S. hospitals and healthcare systems. This acquisition strengthens e4health's position as a top HIM and coding solutions provider, having partnered with over 400 hospitals across the nation. The combined company will benefit from the expertise and complementary services of both firms. eCatalyst's CEO and leadership team will remain with the new entity, and the move is expected to accelerate growth in the face of increasing demand for outsourced healthcare services. ([Link](#))

4. Fairview, Sanford Health cancel planned merger

The hospital merger between Fairview Health Services and Sanford Health in the Upper Midwest has been cancelled. It faced opposition from stakeholders and concerns about healthcare access and the University of Minnesota's medical school. Nurses' unions expressed relief over the decision. ([Link](#))

5. Houston health tech startup secures \$16M series A, prepares for first U.S. clinical trials

Medical device startup VenoStent, Inc. has secured \$16 million in a series A funding round led by Good Growth Capital and IAG Capital Partners. The company received FDA approval for its United States clinical trial, SAVE-FistulaS, aimed at improving outcomes for hemodialysis patients. VenoStent's CEO, Tim Boire, expressed optimism about the company's mission to enhance the quality and length of life for dialysis patients, citing positive results from preclinical studies and a feasibility study that earned them Breakthrough Designation. This approval marks a significant milestone for VenoStent's progress towards potential FDA Approval and better patient outcomes. ([Link](#))

6. HealthEdge and United Western Group Partner with Advantage Capital Holdings to Complete Recapitalization of Veridian Healthcare

HealthEdge Investment Partners, United Western Group, and Advantage Capital Holdings have completed the recapitalization of Veridian Healthcare, a leading manufacturer of in-home diagnostic and pain care products. Veridian's strong distribution network and custom private labeling capabilities have driven impressive growth in the market. The company aims to expand into digital healthcare solutions with the help of United Western's experienced executives. ([Link](#))

7. Healthmap raises \$100M to scale value-based kidney care management for payers, providers

Kidney health management company Healthmap raised \$100 million in funding, led by WindRose Health Investors and existing investors. Using technology and clinical expertise, they serve over 160,000 people with chronic kidney disease, managing \$3 billion in healthcare spend. Their scalable model aims to detect kidney disease early and provide personalized care. With a profitable outlook for 2023, the company is meeting the rising demand for cost-effective disease management. Other kidney care tech companies have also attracted significant investments due to the scale of the problem and the potential cost savings. ([Link](#))

8. Marathon Health Acquires Cerner Workforce Health Solutions Clinics

Marathon Health, a direct primary care provider for employers, has acquired Cerner Workforce Health Solutions (WHS), a group of onsite and near-site health clinics. The acquisition will expand Marathon's reach and population health model to more employers and locations. The deal adds 300 ambassadors, 21 clients, 35 health centers, and 300,000 members to Marathon Health. It also expands the company's presence in 15 states, including Chicago, Kansas City, and St. Louis. Both companies share a commitment to transforming healthcare delivery, and the acquisition aims to bring even more value to clients without any disruption to services for existing clients of either company. ([Link](#))

9. Henry Schein to Acquire a Majority Interest in Shield Healthcare

Henry Schein, Inc. (Nasdaq: HSIC), the world's largest provider of healthcare solutions to office-based dental and medical practitioners, has signed an agreement to acquire a majority ownership position in Shield Healthcare, Inc., a leading supplier of homecare medical products directly delivered to patients. This acquisition will enhance Henry Schein Medical's continuum-of-care delivery model and expand its homecare medical products platform with an annualized revenue of over \$300 million. The transaction is expected to be completed in Q3 2023 and will provide a wide range of products, including incontinence, urology, wound care, diabetes supplies, and continuous glucose monitoring devices, to patients' homes.

[\(Link\)](#)

10. TytoCare Announces \$49 Million Funding Round and Launches New Care Modules

TytoCare, a virtual care company, has raised \$49 million in additional growth funding, bringing their total funding to \$205 million. The round was led by Insight Partners, with participation from new investors like MemorialCare, Healthcare of Ontario Pension Plan, and Clal. TytoCare's Home Smart Clinic replicates a doctor's office at home, combining a handheld remote examination device, AI-backed smart diagnosis support, and engagement tools for accessible virtual care. The funding will be used to develop AI capabilities for diagnostic support and remote exam assistance, with a focus on longitudinal care for managing chronic conditions like asthma. Recent evidence shows TytoCare's impact in reducing costs and improving healthcare outcomes. [\(Link\)](#)

11. CMS, Maximus investigating data breach involving personal health information

The Department of Health and Human Services (HHS) and Centers for Medicare and Medicaid Services (CMS) are responding to a data breach that occurred in May. The breach happened in Progress Software's MOVEit Transfer software on the corporate network of Maximus Federal Services, a contractor to the Medicare program. The breach exposed the personally identifiable information (PII) and protected health information (PHI) of about 612,000 Medicare beneficiaries. HHS and CMS stated that their systems were not affected, but Maximus and other organizations using MOVEit were impacted. The breach involved a vulnerability in the third-party MOVEit application. Healthcare data breaches have become increasingly costly and are a growing concern in the industry. [\(Link\)](#)

12. Amazon bets big on virtual care, unveils nationwide telehealth service through its website, mobile app

Amazon Clinic, an online virtual medical clinic, is expanding its services to all 50 states in the U.S., offering nationwide telehealth services through its website and mobile app. Initially launched in November, the clinic provides virtual consultations for common health concerns and connects users with licensed clinicians who can diagnose, treat, and prescribe medication. The service is now available in all states and Washington, D.C., offering video visits with providers. As of now, Amazon Clinic operates on a cash-pay basis and does not accept insurance. The expansion was delayed earlier due to lawmakers' concerns about privacy practices and potential risks to patient health data. [\(Link\)](#)

13. Duke Health and Microsoft partner to 'ethically harness' generative AI

Duke Health and Microsoft have entered a five-year partnership to establish the Duke Health AI Innovation Lab and Center of Excellence. The collaboration aims to promote reliability, transparency, and safety in generative AI models. Microsoft will build a secure cloud environment for training and nurturing a cloud-savvy IT workforce at Duke Health. The partnership seeks to accelerate innovation and develop AI solutions using Microsoft's Azure OpenAI Service to enhance healthcare experiences for providers and patients, potentially automating administrative tasks and personalizing patient education. The initiative emphasizes ethical AI use and follows Microsoft's formation of the Frontier Model Forum to ensure trustworthy large-scale machine-learning models. ([Link](#))

14. New CMS Rule Promotes High-Quality Care and Rewards Hospitals that Deliver High-Quality Care to Underserved Populations

The Centers for Medicare & Medicaid Services (CMS) issued a final payment rule for inpatient and long-term care hospitals, in line with the Biden-Harris Administration's focus on supporting historically underserved communities and ensuring the highest quality care for all. The rule updates Medicare payments and policies, incorporates hospital quality measures for safety and equity, and acknowledges homelessness as an indicator of increased resource utilization. Acute care hospitals participating in quality reporting and using electronic health records will see a 3.1% increase in operating payment rates, while LTCH payments are expected to increase by approximately 0.2%. CMS aims to promote health equity, recognize hospitals treating underserved populations, and improve patient safety. ([Link](#))