



LAWRENCE, EVANS & CO., LLC

Investment Banking | Healthcare Finance | Consulting

Healthcare Deals and News – Week ending December 22, 2023

1. Employer Direct Healthcare, a network company for employers who self-fund healthcare coverage, Secures \$92M from Insight Partners, Achieves \$1B Valuation; Expands Executive Team and Cancer Care Direct Platform for Self-Funded Employer Health Solutions

Employer Direct Healthcare secures \$92 million in a secondary investment from Insight Partners, elevating its valuation to \$1 billion. New executive hires include Chief Growth Officer Jamie McLeod and Chief Product Officer Jeremy Leventhal. The Texas-based company, offering specialty network and payment services to self-funded employer healthcare, plans to expand its Cancer Care Direct platform and enhance partnerships with employer solutions and national health plans. The investment follows collaborations with OneOncology to lower cancer care costs. Competitor Carrum Health, a California-based self-funded insurance platform, recently raised \$45 million to expand oncology benefits and scale surgical care services. ([Link](#))

2. CipherHealth, New York-based patient engagement platform, Explores Sale Amidst Early-Stage Process, Backed by JMI Equity and Generating \$10-\$15M EBITDA

New York-based patient engagement platform CipherHealth is exploring a sale, with financial sponsors expected to participate in the early-stage process. Backed by JMI Equity, the company generates \$10m-\$15m in EBITDA. In 2018, JMI Equity made a significant growth investment of about \$37.6m. CipherHealth received growth capital financing from CIBC Innovation Banking in 2020. The company, founded in 2009, is assessing whether to become a buyer or seller in the next 12 to 24 months. A comp, PerfectServe, projected \$30m EBITDA in 2023 while evaluating a sale. ([Link](#))

3. Residential Hospice, a Graham Healthcare Group Division (NYSE: GHC), Expands Central Illinois Presence with Acquisition of Safe Haven Hospice from Christian Horizons, Strengthening Commitment to Accessible and Exceptional End-of-Life Care

Residential Hospice, a division of Graham Healthcare Group, has acquired Safe Haven Hospice in Central Illinois from Christian Horizons, expanding its services to Cass, Lenard, Macon, and Menard counties. The move aligns with Residential's commitment to accessible hospice care.

CEO Justin DeWitte expresses the goal of optimizing patient and family quality of life. Both Residential Hospice and Christian Horizons plan to collaborate for ongoing exceptional end-of-life care in Central Illinois. Retaining Safe Haven's team, Residential commits to a seamless transition, offering enhanced benefits and technology improvements. The acquisition is part of Graham Healthcare Group's dedication to providing comprehensive healthcare services. ([Link](#))

4. Henry Schein, Healthcare solutions, Expands Orthopedic Footprint with Majority Stake in TriMed and Strategic Partnership with Extremity Medical, Accelerating Growth in \$5.5 Billion Market

Healthcare solutions provider Henry Schein has acquired a majority interest in TriMed, a California-based orthopedic extremity treatment device maker with 2022 revenues of around \$48 million. The acquisition is set to be completed in Q1 2024. Concurrently, Henry Schein has established a strategic relationship with Extremity Medical, a New Jersey-based company focused on lower extremity and wrist products. TriMed's founders will remain in the management team. Henry Schein aims to expand its presence in the rapidly growing orthopedic extremities market, leveraging TriMed and Extremity Medical's portfolios, and anticipates a global acceleration of their reach. ([Link](#))

5. A16Z and Flare Capital Partners Lead \$20M Series A Funding Round for Knownwell's, Boston-based primary care and metabolic health company, Expansion of Virtual and In-Person Metabolic Health Services

Boston-based primary care and metabolic health company Knownwell has secured \$20 million in a Series A funding round led by A16Z, with participation from Flare Capital Partners, bringing its total funding to \$24.5 million. Knownwell provides virtual and in-person care, accepting insurance, and focuses on weight-inclusive primary care and metabolic health. The funding will support expansion into new regions, technology investment, and pharmaceutical partnerships for clinical trials. Knownwell also launched a program for adolescent metabolic health. CEO Brooke Boyarsky-Pratt emphasizes the lifelong nature of obesity as a treatable disease and the importance of providing patients with a healthcare home. ([Link](#))

6. Hudson Robotics and Art Robbins Instruments, Backed by Argosy Healthcare Partners, Acquires Tomtec Inc. to Expand Liquid Handling Capabilities and Enter Bioanalytic Sample Preparation Market

Hudson Robotics and Art Robbins Instruments, part of Argosy Healthcare Partners, have acquired Tomtec Inc., a provider of automated liquid handling instruments for mass spectrometry sample preparation. This enhances Hudson's liquid handling capabilities, introducing a 96-head automated liquid handler and marking its entry into bioanalytic sample preparation. The collaboration combines Tomtec's instrumentation with Hudson's automation solutions, aiming to streamline workflows in new markets. Andrew Witschi, CEO of Hudson,

expresses excitement about expanding capabilities and entering new markets, while Tomtec's CEO Sal Iacono anticipates contributing to growth initiatives and providing enhanced solutions for mass spectrometry customers. ([Link](#))

7. NEORIS Completes Strategic Acquisition of ForeFront, Salesforce's Top Partner providing services for Healthcare, Life Sciences and High-Tech industries, Accelerating Global Digital Transformation with Enhanced Capabilities and Innovation

NEORIS, a global digital accelerator, has successfully acquired ForeFront, a top partner of Salesforce, solidifying its position in digital transformation. The U.S.-based ForeFront will operate as a wholly-owned subsidiary, leading NEORIS' Salesforce practice worldwide. The acquisition is part of NEORIS' expansion plan, strengthened by a partnership with private equity investor Advent International. The collaboration with ForeFront enhances NEORIS' capabilities, offering integrated services in AI-driven analytics, ERP solutions, and Cloud computing. The strategic move aligns with NEORIS' commitment to innovation and its goal of revolutionizing the digital market through the combined expertise of both companies. ([Link](#))

8. Mental Health Startup Forte (Formerly Paraclete) Raises \$3.3M in Seed Round Led by AlignPact's Tom Blaisdell, Focused on Employee Well-being with SoulCare Program

Mental-health startup Forte, formerly Paraclete, has secured \$3.3 million in a seed round led by AlignPact's Tom Blaisdell, with participation from Cubit Capital, Fairbridge Park, and Sovereign's Capital. Forte, based in Highland, Md., previously raised \$1.5 million in a pre-seed round in 2022. Co-founded by ex-Marine Vineet Rajan and Stanford classmate William Norvell, Forte aims to improve employee mental health through its program, SoulCare, offering unlimited counseling sessions. Rajan emphasizes the importance of recognizing employees as complete individuals beyond their work roles, drawing on lessons from his decade-long Marine service. ([Link](#))

9. CoachCare Strengthens Dominance in Remote Patient Monitoring with Fourth Acquisition, Adding Verustat's Expertise in Primary Care and Cardiology to Propel Growth in \$175.2 Billion Market by 2027

CoachCare, a leading remote patient monitoring (RPM) and virtual health company, has acquired Nashville-based Verustat in its fourth acquisition within a year, boosting its presence in the rapidly growing \$175.2 billion RPM market. Founded in 2020, Verustat specializes in primary care and cardiology, aligning well with CoachCare's focus on chronic conditions like hypertension and diabetes. The strategic move enhances CoachCare's remote care platform, offering patients a comprehensive solution and providing healthcare providers with expanded expertise. The acquisition aims to improve patient outcomes, increase provider revenue, and enhance overall efficiency in the healthcare system. ([Link](#))

10. [TREND Health Partners Acquires Advent Health Partners to Revolutionize Healthcare Payment Integrity with AI-Driven Platform Integration](#)

Healthcare payment integrity company TREND Health Partners has acquired Advent Health Partners, a leading healthcare technology firm, to enhance its platform with Advent's proprietary technology, CAVO®. CAVO® utilizes artificial intelligence to streamline medical record reviews for revenue cycle and payment integrity processes. The integration aims to improve reimbursement accuracy, reduce administrative costs, and foster collaboration between payers and providers. The combined company, backed by Lone View Capital, will serve over 50 health plans and nearly 1,000 hospitals, providing a comprehensive solution for clinical and non-clinical data analytics in a single platform. ([Link](#))

11. [GuideHealth, an AI-driven value-based care provider, Expands AI-Driven Value-Based Care with Acquisition of Arcadia's Services Division and Managed Services; Joint Platform to Address Health System Challenges and Enhance Patient Outcomes](#)

GuideHealth, an AI-driven value-based care provider, has acquired Arcadia's value-based care services division and managed services organization. The agreement allows GuideHealth to use Arcadia's data analytics platform alongside its predictive and generative AI. GuideHealth's platform provides AI insights for targeted patient care, virtual health guides, and workflow tools. The acquisition of Arcadia's managed services organization enhances capabilities in referral management, preauthorization, payments, and visit access processes. Dr. Sanjay Doddamani, GuideHealth's CEO, sees this combination as a solution to challenges faced by health systems, aiming to stabilize finances and improve patient outcomes. ([Link](#))

12. [Community Health Network Settles \\$345 Million Medicare Fraud Case Over Alleged Illegal Physician Referral Scheme Dating Back to 2008, Ignoring Stark Law Violations and Bogus Compensation Tactics](#)

Community Health Network will pay \$345 million to settle allegations of Medicare fraud through an illegal physician referral scheme dating back to 2008. The DOJ claims CHN's senior management recruited hundreds of physicians, paying them inflated salaries tied to referrals, violating the Stark Law. The complaint alleges CHN provided false compensation figures to a valuation firm and ignored warnings about overpayment. CHN denies wrongdoing, stating the settlement, paid from reserves, has no impact on patient care. In addition to the settlement, CHN faces a five-year Corporate Integrity Agreement with HHS' Office of Inspector General. ([Link](#))