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Investment Banking | Healthcare Finance | Consulting

Healthcare Deals and News – JPM'24

1. Amazon Partners (NASDAQ: AMZN) with Omada Health to Launch Health Conditions Program, Connecting Customers to Virtual Care Benefits for Diabetes and Hypertension

Amazon has launched a health conditions program, partnering with virtual care provider Omada Health to offer virtual care benefits for diabetes and hypertension. The program helps customers find and enrol in employer or health plan-sponsored virtual care benefits at no extra cost. When users search for health-related products on Amazon, they may be prompted to check eligibility for chronic condition management programs. Omada, with over a million members, will be the first partner in this initiative. The collaboration aims to make health benefits more accessible and raise awareness about available digital health services. Amazon plans to partner with more digital health companies. ([Link](#))

2. Mayo Clinic Enters Multi-Million Dollar Partnership with Cerebras Systems to Develop AI Models for Healthcare, Utilizing Advanced Computing Chips for Analysis of Anonymized Medical Records

The Mayo Clinic is partnering with Silicon Valley startup Cerebras Systems to develop artificial intelligence (AI) models for healthcare. Mayo will utilize Cerebras' computing chips to analyze decades of anonymized medical records, creating AI models to read and summarize lengthy records, identify patterns in images, and analyze genome data. The AI won't make medical decisions, but aims to augment doctors' expertise. Mayo plans to share the outcomes on its data network, the Mayo Clinic Platform. While the financial details remain undisclosed, Cerebras CEO Andrew Feldman confirmed a "multi-million-dollar" agreement spanning several years. ([Link](#))

3. CVS Health Ventures (NYSE: CVS) Invests Undisclosed Amount in WellBe Senior Medical to Boost National Expansion and Innovative In-Home Care for Seniors Facing Complex Health Challenges

CVS Health Ventures, CVS Health's venture capital arm, has invested in WellBe Senior Medical, a Chicago-based home-based medical care provider for seniors facing complex health challenges. The undisclosed funds will support WellBe's national expansion, aiming for a presence in 12 markets by the end of 2024. WellBe, with over 107,000 Medicare Advantage members, plans to utilize the investment for growth, focusing on Medicaid opportunities. CVS Health Ventures sees this collaboration as aligning with its vision to redefine healthcare

delivery for seniors, following its recent acquisitions of Signify Health and Oak Street Health. ([Link](#))

4. Bristol Myers Squibb (NYSE: BMY) to Acquire Karuna Therapeutics (KRTX) for \$14 Billion, Bolstering Neuroscience Portfolio with Transformative Psychiatric Medicine KarXT

Bristol Myers Squibb (BMY) is set to acquire Karuna Therapeutics (KRTX) for \$14.0 billion, or \$12.7 billion net of cash, in a definitive merger agreement. Karuna focuses on transformative medicines for psychiatric and neurological conditions, with lead asset KarXT showing promise in schizophrenia treatment. The deal, approved unanimously by both boards, expands BMY's neuroscience portfolio, anticipating significant revenue from KarXT, expected to launch in late 2024. The transaction, with a \$330.00 per share cash consideration, is expected to close in H1 2024, subject to customary conditions. Karuna's innovative treatments align with BMY's growth strategy in neuroscience. ([Link](#))

5. Bristol Myers Squibb (NYSE: BMY) to Acquire RayzeBio (RYZB) for \$4.1 Billion, Expanding Oncology Portfolio with Innovative Radiopharmaceutical Therapeutics Platform for Precision Cancer Treatment

Bristol Myers Squibb (BMY) will acquire RayzeBio (RYZB) for approximately \$4.1 billion, strengthening its oncology portfolio with RayzeBio's innovative radiopharmaceutical therapeutics platform. RayzeBio focuses on actinium-based treatments for solid tumors, addressing unmet needs in cancers like gastroenteropancreatic neuroendocrine tumors and small cell lung cancer. Bristol Myers Squibb plans to leverage RayzeBio's potential for stronger efficacy and targeted delivery, marking a significant move in the rapidly growing radiopharmaceutical field. The deal, unanimously approved by both boards, is expected to close in H1 2024, financed primarily through new debt issuance. ([Link](#))

6. Merck & Co (NYSE: MRK) to Bolster Oncology Portfolio with \$680 Million Acquisition of Harpoon Therapeutics (HARP.O), Expanding Immunotherapy Offerings to Offset Keytruda Patent Expiry

Merck & Co (MRK.N) is set to acquire cancer drug developer Harpoon Therapeutics (HARP.O) for \$680 million, strengthening its oncology portfolio with immunotherapies. This move is aimed at offsetting potential revenue losses from the upcoming patent expiration of its blockbuster immunotherapy, Keytruda. The acquisition, offering a 118% premium at \$23 per share in cash, is focused on Harpoon's two early-stage immunotherapies for lung cancer and multiple myeloma. Harpoon's expertise in directing T cells to combat cancer aligns with Merck's strategy to sustain its position in the competitive pharmaceutical landscape, prompting a more than doubling of Harpoon's stock premarket. ([Link](#))

7. Nvidia (NASDAQ: NVDA) Expands Drug Development Footprint with Amgen's deCode Collaboration and BioNeMo Platform, Unveils MolMIM for Controlled Molecular Generation; Recursion Joins, Offering Phenom-Beta Program for Wider Use in AI-Based Drug Development

Nvidia is expanding its presence in drug development, partnering with Amgen's deCode for genomics foundation models using Nvidia's supercomputer and BioNeMo AI platform. Comparable to R and Python in data science, BioNeMo's packages aim to be integral in drug development, with MolMIM as its foundational model for controlled molecular generation. Recursion, a top AI-based drug developer, joins BioNeMo, offering its Phenom-Beta program for wider use. Recursion's proprietary data stays internal, but basic programming is available through BioNeMo, aligning with Nvidia's mission to empower healthcare companies with their data for enhanced drug discovery. ([Link](#))

8. Johnson & Johnson (NYSE: JNJ) Expands Antibody-Drug Conjugate (ADC) Portfolio with \$2 Billion Acquisition of Ambrx Biopharma, Gaining Access to Prostate Cancer ADC ARX517 with Encouraging Phase 1 Results

Johnson & Johnson has acquired Ambrx Biopharma for \$2 billion, bolstering its antibody-drug conjugate (ADC) pipeline. The deal includes Ambrx's promising ADC, ARX517, which demonstrated a 50% or more reduction in prostate-specific antigen levels in over half of the patients during a phase 1 trial. J&J's move follows industry trends, with ADCs driving a fourth-quarter spike in licensing deals. The acquisition underscores J&J's focus on precision engineering of protein therapeutics and adds to its existing ADC ventures, including collaborations with Mersana Therapeutics and LegoChem Biosciences. The transaction is set to close in the first half of the year. ([Link](#))

9. Boston Scientific Expands Urology Portfolio with \$3.7 Billion Acquisition of Axonics, Diversifying into Sacral Neuromodulation for Overactive Bladder and Fecal Incontinence Treatment

Boston Scientific has announced its acquisition of Axonics for \$3.7 billion, facilitating entry into sacral neuromodulation for overactive bladder and fecal incontinence treatment. The deal involves a cash payment of \$71 per share, a 23.3% premium to Axonics' last closing price. Axonics' products, including Axonics R20 and Axonics F15, deliver sacral neuromodulation therapy through mild electrical pulses to the sacral nerve. The acquisition, set to conclude in H1 2024, aligns with Boston Scientific's expansion in urology. Axonics is projected to generate \$366 million in net revenue in 2023, contributing to Boston Scientific's urology business growth in 2024. ([Link](#))

10. [Novartis \(SWX: NOVN\) Explores \\$10 Billion Cytokinetics Acquisition Post-Aficamten Triumph, CEO Narasimhan Downplays Deal Amid Focus on Sub-\\$5 Billion Assets](#)

Novartis is reportedly in advanced talks to acquire Cytokinetics for \$10 billion, following the success of Cytokinetics' cardiovascular drug aficamten in a phase 3 trial for obstructive hypertrophic cardiomyopathy. However, Novartis CEO Vas Narasimhan refuted the acquisition rumors, emphasizing a focus on sub-\$5 billion assets. ([Link](#))

11. [Novartis \(SWX: NOVN\) Acquires Calypso Biotech for \\$250 Million, Advancing Leadership in Autoimmune Therapies with IL-15 Targeted Antibody CALY-002](#)

Calypso Biotech, a leader in Interleukin-15 (IL-15) targeted therapies, has agreed to be acquired by Novartis for \$250 million upfront, plus potential development milestones of up to \$175 million. Calypso, a Merck spin-out, focuses on monoclonal antibodies for autoimmune diseases, with expertise in IL-15 biology. Novartis gains full rights to Calypso's lead candidate, CALY-002, a potential best-in-class antibody neutralizing IL-15. The acquisition aligns with Novartis' commitment to innovative autoimmune therapies. CALY-002 is in Phase 1b for Celiac Disease and Eosinophilic Esophagitis. The deal signifies a pivotal moment for Calypso, reducing development risk for CALY-002 under Novartis' portfolio. ([Link](#))

12. [Isomorphic, Alphabet \(NASDAQ: GOOGL\) Affiliate, Secures Transformative Pharma Partnerships with Eli Lilly \(NYSE: LLY\) and Novartis \(SWX: NOVN\) , Valued at Nearly \\$3 Billion, Amplifying Google DeepMind's AlphaFold AI for Accelerated Protein Structure Prediction and Drug Discovery](#)

Isomorphic, affiliated with Alphabet, has secured major pharmaceutical deals with Eli Lilly and Novartis, totaling nearly \$3 billion. Leveraging Google DeepMind's AlphaFold AI, Isomorphic predicts protein structures, expediting target discovery. Eli Lilly's pact involves \$45 million upfront for small molecule therapies, with over \$1.7 billion in potential milestones. The Novartis deal, akin to Lilly's, includes \$37.5 million upfront and \$1.2 billion in potential payments. Isomorphic's AlphaFold, led by founder Demis Hassabis, extends beyond protein predictions to small molecules and nucleic acids. The company, backed by Nobel laureates, maintains a low profile since its 2021 launch. ([Link](#))

13. [Shanghai Argo Biopharmaceutical and Novartis \(SWX: NOVN\) Forge Historic \\$4.165 Billion Global Partnership for Advanced Cardiovascular RNAi Therapeutics](#)

Shanghai Argo Biopharmaceutical has inked two exclusive license and collaboration agreements with Novartis PHARMA. The first grants Novartis global licenses for a Phase 1 program with an option for compounds against two additional cardiovascular disease targets. The second provides an ex-Greater China license for a Phase 1/2a clinical-stage program. These RNAi therapeutics, developed with Argo's platform, boast industry-leading efficacy. The deals

could be worth up to \$4.165 billion for Argo, with tiered royalties. Argo's president, Dongxu Shu, lauded the partnership, calling Novartis an ideal collaborator to advance drug candidates globally. The second agreement is pending Hart-Scott-Rodino clearance. ([Link](#))

14. [Innovaccer Launches Sara Scribe, an AI Assistant Revolutionizing Ambulatory Care Documentation: Real-time Transcription, Clinical Insights, and Time Savings for Providers](#)

Innovaccer has launched Sara Scribe, an AI assistant for ambulatory care settings that transcribes, analyzes, and summarizes provider-patient conversations. The tool, available for enterprise and individual use, integrates with major EHRs, generating real-time encounter notes and clinical insights. The enterprise version works with InNote, while the individual offering is a standalone web-based tool with a mobile app. Free for the first 200 notes, subsequent notes cost \$1 each. Innovaccer aims to address burnout and increase productivity, with Sara Scribe saving about 7 minutes in a 20-minute visit. The tool's success metrics show 90-95% accuracy in transcription and SOAP note conversion. ([Link](#))

15. [Cityblock Health Expands Medicaid Services in Ohio through Partnership with Buckeye Health Plan, Targeting 10,000 Recipients in Cleveland-Akron-Canton Area](#)

Cityblock Health is expanding its services to Medicaid patients in Ohio through a partnership with Buckeye Health Plan. The New York-based company, founded in 2017 out of Alphabet's Sidewalk Labs, focuses on delivering integrated community-based care to historically underserved communities. The collaboration with Buckeye aims to provide care for about 10,000 Medicaid recipients in the Cleveland-Akron-Canton area. Cityblock's tech-enabled care model will be leveraged to reduce preventable emergency room visits, offer proactive disease care, and provide wrap-around services. The partnership, starting this month, will connect Cityblock providers with members to enhance preventive care. The company, valued at \$5.7 billion, is on a growth trajectory. ([Link](#))

16. [Option Care Health Partners with Palantir Technologies \(NYSE: PLTR\) for Multi-Year AI Integration, Enhancing Infusion Services and Operational Efficiency in Post-Acute Care](#)

Option Care Health has entered a multi-year partnership with Palantir Technologies, using its Artificial Intelligence Platform (AIP) to enhance operations in home and alternate site infusion services. Palantir's AIP will optimize nurse scheduling, patient onboarding, and supply chain execution. The partnership was announced at the J.P. Morgan Healthcare Conference. Palantir has expanded its presence in healthcare, with eight contracts, including Cleveland Clinic and HCA Healthcare. Option Care Health aims to increase efficiency, reduce administrative burdens, and enhance patient-clinician interactions. Palantir's AIP integrates AI and large language models, supporting organizations in optimizing decision-making through a unified operating picture. ([Link](#))

17. Uber (NYSE: UBER) Health and Socially Determined Collaborate to Address Social Determinants of Health, Utilizing Analytics and Logistics for Targeted Patient Support

Uber Health is collaborating with analytics firm Socially Determined to address patients' social determinants of health needs. Socially Determined will utilize its social risk analytics technology to identify vulnerable Medicaid, Medicare Advantage, and commercially insured beneficiaries in need of transportation, pharmacy, and food-based benefits. Uber Health will leverage its logistics and mobility solutions to coordinate the delivery of medications, groceries, and provide transportation for medical appointments. The partnership aims to streamline access to services, enhancing patient care and outcomes. The move builds on Uber Health's previous expansions into healthcare, including prescription and grocery delivery services. Over 3,000 healthcare organizations currently use Uber Health for benefits coordination. ([Link](#))