



# LAWRENCE, EVANS & CO., LLC

Investment Banking | Healthcare Finance | Consulting

## Healthcare Weekly News and Deals - February 02, 2024

### 1. Cardinal Health (NYSE: CAH), Expands Specialty Portfolio with \$1.2B Acquisition of Specialty Networks, Boosting Advanced Technologies and Analytics for Independent Specialty Providers

Cardinal Health (NYSE: CAH) is set to acquire Specialty Networks, a technology-driven multi-specialty group purchasing organization, for \$1.2B in cash. This move aligns with Cardinal Health's strategy to boost growth in its Specialty business, offering advanced technologies and capabilities. Specialty Networks, known for its PPS Analytics leveraging AI, complements Cardinal Health's downstream analytics and services. The acquisition aims to enhance the holistic suite of clinical, practice management, and distribution solutions for specialty practices. The deal, subject to regulatory approvals, is expected to be accretive to non-GAAP earnings per share within 12 months. Specialty Networks' CEO will continue leading the business under Cardinal Health. ([Link](#))

### 2. Detroit-Based Primary, Behavioral and Social Care Provider, Accompany Health, Launches with \$56 Million Series A Funding

Detroit-based healthcare startup Accompany Health has launched with \$56 million in series A funding, supported by investors like Venrock and Arch Venture Partners. Targeting low-income patients with complex needs, the company offers primary, behavioral, and social care through at-home visits, virtual care, and 24/7 support. Accompany plans to use the funding to expand and enhance its technology, aiming to prove that their integrated care model can improve healthcare for vulnerable communities. The startup, currently serving 8,000 patients in Detroit, collaborates with a national payer and emphasizes building collaborative relationships with existing healthcare providers. ([Link](#))

### 3. Pediatric Dental Support Organization, Lone Peak Dental Group Secures Strategic Investment from BlackRock Impact Opportunities Fund

Pediatric dental support organization, Lone Peak Dental Group, secures a strategic investment from BlackRock Impact Opportunities Fund to expand its clinic platform nationwide and address pediatric dental care gaps in underserved communities. With 69 offices across 13 states, Lone Peak's 'owner-dentist model' emphasizes bilingual staff and serves low-income children under Medicaid. The investment aims to increase access to routine pediatric dental care, addressing the link between dental issues and school absenteeism. Memorial Hermann Health System also participated in the investment. Lone Peak aligns with BlackRock's commitment to improving economic outcomes in undercapitalized communities. ([Link](#))

#### 4. University of California to Acquire Four Hospitals from Tenet Healthcare in \$975 Million Deal, Expanding UCI Health's Presence in Orange County and Advancing Academic Medicine Access

The University of California is set to acquire four hospitals from Tenet Healthcare Corp. for \$975 million, pending regulatory approval. The hospitals will join UCI Health, expanding its presence in Orange County. Tenet aims to complete the deal in spring 2024, reducing leverage and generating a combined revenue of \$1 billion in 2023. UCI Health's CEO highlights enhanced accessibility to academic medicine, emphasizing top-notch care and research opportunities. Tenet recently completed a \$2.4 billion deal selling three South Carolina hospitals to Novant Health. The agreement aligns with UCI's commitment to regional healthcare and academic advancement. ([Link](#))

#### 5. ArteraAI, AI-Driven Personalized Cancer Care Provider, Secures \$20 Million Funding Round Led by Prosperity7 Ventures and EDBI to Advance Personalized Cancer Therapy through AI-enabled Tests

ArteraAI secures an additional \$20 million in funding from investors, including Prosperity7 Ventures and EDBI, propelling its mission to personalize cancer therapy through AI-enabled tests. CEO Andre Esteva emphasizes the funds' role in international expansion and commercial growth. The announcement follows ArteraAI's recent Centers for Medicare and Medicaid Services decision on payment rates for the Prostate Test, ensuring broader accessibility to AI-enabled personalized care. Less than a year after emerging from stealth mode with an initial \$90 million funding, ArteraAI has made significant progress in distribution, partnerships, and establishing a foundation for global expansion in personalized cancer care. ([Link](#))

#### 6. Cohere Health, Clinical Intelligence and Prior Authorization Automation Leader, Secures \$50M in Funding Led by Deerfield Management to Accelerate Expansion of AI-Driven Intelligent Prior Authorization Platform

Clinical intelligence and prior authorization automation leader, Cohere Health, has secured \$50 million in equity funding, led by Deerfield Management. This brings Cohere's total funding to \$106 million, supporting its expansion to meet growing demand for its intelligent prior authorization platform. The funding will aid compliance with the Centers for Medicare & Medicaid Services Interoperability and Prior Authorization rule. Cohere's AI-driven solutions reduce prior authorization denial rates, providing faster patient access to care by five days. With over 700 employees, Cohere currently serves five health plans, processing 5.5 million prior authorizations annually for 15 million members and 420,000 healthcare providers nationally. ([Link](#))

## 7. Avation Medical, a Columbus, OH-based Neuromodulation And Digital Health, company Raises \$22M+ Led by ShangBay Capital and Asahi Kasei for U.S. Launch of Vivally System, Backed by Angelini Ventures, JobsOhio, and Medtronic

Columbus-based Avation Medical secured over \$22 million in equity funding led by ShangBay Capital and Asahi Kasei, featuring participation from Angelini Ventures, JobsOhio Growth Capital Fund, and others. The funds will propel the U.S. launch of its FDA-cleared Vivally System, a wearable neuromodulation device for urge urinary incontinence and overactive bladder syndrome. The system, available with prescription, integrates a mobile app for personalized therapy. Avation Medical, led by CEO Jill Schiaparelli, aims to redefine OAB care and plans to introduce the Vivally System in key markets in early Spring 2024. ([Link](#))

## 8. Fabric, NYC-Based Health Tech Firm, Expands Health Tech Reach with Acquisition of Conversational AI Leader Gyant, Boosting Patient Navigation and Engagement

NYC-based health tech firm Fabric has acquired San Francisco's Gyant, a conversational AI care assistant, and patient engagement suite, in a significant all-cash deal. While the exact amount remains undisclosed, the acquisition expands Fabric's team to 130 employees. Gyant's virtual assistant aids patients in navigating healthcare processes, deeply integrating with clinical workflows and electronic health records. Fabric, founded by Aniq Rahman, empowers healthcare providers through its care enablement system, offering In-Person Care, Virtual Care, and Engagement Suites. The company has rapidly grown, with 70 enterprise health customers and surpassing 8 figures in ARR since emerging from stealth in the past year. ([Link](#))

## 9. Wisedocs, AI-powered Medical Record SaaS, Secures \$9.5M in Series A Funding Led by Information Venture Partners, Thomson Reuters Ventures, and ManchesterStory for Claims Process Revolution

Medical record review SaaS, Wisedocs, secures \$9.5M in Series A led by Information Venture Partners, Thomson Reuters Ventures, and ManchesterStory. The funding, following a successful \$4.1M seed round in 2022, will aid team, product, and sales expansion. Wisedocs employs AI to streamline insurance claims processes, offering a platform with Generative AI and Large-Language Models. The 2023 launch of its Summaries platform accelerated its growth, allowing quicker, more accurate claims processing. The company aims to revolutionize the claims ecosystem for insurance carriers, healthcare providers, law firms, and TPAs. Wisedocs has seen exponential growth, doubling its customer base in 2023. ([Link](#))

10. Vital Interaction Secures \$15 Million in Series A Funding Led by Next Coast Ventures to Enhance Healthcare Communication Technology, Utilizing Patient Data for Personalized Outreach and Improved Clinical Outcomes

Healthcare technology company Vital Interaction has closed a \$15 million Series A funding round led by Next Coast Ventures. The Austin-based company utilizes healthcare data, business intelligence, and workflow automation to personalize patient communications. Vital Interaction analyzes millions of patient touchpoints to improve patient retention, reduce no-show appointments, and re-engage existing patients. The funding will be used to scale its go-to-market strategy, hire additional staff, and invest in product research and development. The company's technology facilitates over 40 million messages annually to more than 5 million patients, focusing on improving healthcare outcomes through better communication. ([Link](#))

11. Premier Medical Spa MD Esthetics Expands Territory with Strategic Acquisition of InjectZen in Massachusetts, Focusing on Geographical Optimization and Uniting Industry-Leading Brands for Enhanced Patient Care and Educational Excellence

MD Esthetics proudly announces the acquisition of InjectZen, a well-established medical spa in North Shore, Massachusetts. This strategic addition expands MD Esthetics' reach from southern New Hampshire to Worcester and Cape Cod, enhancing their market presence. The merger aligns with MD Esthetics' commitment to excellence and ongoing education, synergizing the brands' clinical values. CEO Michael Pedro highlights geographical optimization, while Ashley Penta, former InjectZen owner, emphasizes shared dedication to optimal patient outcomes. MD Esthetics plans to leverage its marketing prowess and operational expertise to fuel substantial growth in this new territory. The move also presents an opportunity to extend MD Esthetics Academy into a fresh market. ([Link](#))

12. Constellation Quality Health, Health Care Quality Consulting Organization, Expands Capabilities with Acquisition of Workshop Wizard™ - Leading Public Health Software Program

Health care quality consulting organization, Constellation Quality Health, has acquired Workshop Wizard™, a leading public health software program. Workshop Wizard, previously owned by PAC Software, is utilized in 14 states for securely managing and collecting data on evidence-based programs. The acquisition is deemed a strategic move for Constellation Quality Health's growth, aiming to enhance Workshop Wizard for real-time client needs. The software tracks participant data, manages referrals, provides PRAPARE screening tool support, and generates reports on social determinants of health. Constellation Quality Health, founded in 1983, focuses on improving system performance and delivering patient-centered, cost-effective care. ([Link](#))

### 13. Cigna (NYSE: CI) to Sell Medicare Businesses for \$3.7 Billion to Health Care Service Corporation, Focusing on Evernorth Health Services and Cigna Healthcare Growth

Health insurer Cigna is set to sell its Medicare Advantage, Supplemental Benefits, Medicare Part D, and CareAllies businesses to Health Care Service Corporation for approximately \$3.7 billion. The deal includes a four-year services agreement, with Cigna's subsidiary Evernorth Health Services continuing to provide pharmacy benefit services. The move, part of Cigna's portfolio management strategy, aims to focus resources on growing Evernorth Health Services and Cigna Healthcare. The transaction is expected to enhance growth opportunities, be accretive to Cigna's earnings per share in 2025, and align with the company's capital deployment priorities, including share repurchases. The deal is set to close in Q1 2025, pending regulatory approval. ([Link](#))

### 14. Humana's (NYSE: HUM) CenterWell Senior Primary Care Expands Holistic Approach Nationwide, Unveils Plans for 2024 Expansion Into Three New Locations and 30-50 Centers by 2025, Focusing on Underserved Communities

Humana's CenterWell Senior Primary Care is set to expand in 2024, opening centers in Asheville, NC, and Baton Rouge and New Orleans, LA, while adding new locations in existing markets. The organization plans to open 30-50 new centers by 2025, focusing on underserved communities. Operating under a value-based model, it provides holistic care to seniors, with interdisciplinary teams addressing social, behavioral, and financial needs. The goal is to improve health outcomes, reduce emergency visits, and enhance overall satisfaction. The expansion follows a successful 2023, introducing in-home primary care services through the Primary Care Anywhere program. ([Link](#))

### 15. Healthcare Capital Markets & Innovation Summit HCMIS opens registration for its 4<sup>th</sup> Annual dealmaking and investment event June 5<sup>th</sup>-6<sup>th</sup> 2024 in Columbus OH- The "Smart Health City"

This conference is where leading healthcare industry executives gather and speak on the latest investment and partnership topics. In addition to hearing from top healthcare innovators, attendees will also have access to:

- Dealmaking & networking with industry leaders, executives, PE, VC, family offices, bankers, accountants, lawyers, and venture studios and other professionals
- In-person one-on-one meetings with fellow event participants that can be locked in with a dedicated meeting scheduler
- Company presentations from executives seeking capital, partnerships, or to sell.
- New subsection on Healthcare Venture Studio Executives and Investors