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Investment Banking | Healthcare Finance | Consulting

Healthcare Weekly News and Deals – March 22, 2024

1. Frazier Healthcare Partners, a Healthcare Investment Firm Based in Seattle, Secures Acquisition of RevSpring to Enhance Healthcare Communication and Payment Solutions

Frazier Healthcare Partners, a healthcare investment firm based in Seattle, has acquired RevSpring, a company specializing in communication and payment solutions for the healthcare and financial services sectors. RevSpring, headquartered in Nashville and led by CEO Scott MacKenzie, is renowned for its digital platform featuring omnichannel communication, payments, and analytics tools, including its award-winning Best in KLAS® Patient Communications software. The acquisition details were not disclosed. Frazier Healthcare Partners, founded in 1991, has a significant history of healthcare industry investments, with over \$8 Billion of capital raised and more than 200 companies invested in across the U.S., Canada, and Europe. ([Link](#))

2. Hippocratic AI Raises \$53M in Series A Funding Led by General Catalyst and Premji Invest for AI-Driven Healthcare Solutions

Hippocratic AI, a safety-centric large language model company, announced a \$53 million Series A funding round, boosting its total funding to \$120 million and its valuation to \$500 million. The round was led by General Catalyst and Premji Invest, among others, supporting the launch of a digital staffing marketplace for healthcare systems to employ AI for low-risk tasks. The funding will also back phase three safety testing and further development. Founded by Munjal Shah, the company emphasizes reducing healthcare costs and addressing staff shortages, having established partnerships with 40 health systems and payors. ([Link](#))

3. Heritage Provider Network Eyes Sale with \$7-\$8 Billion Valuation Amidst Talks with Top Buyout Firms and Humana Interest

Heritage Provider Network Inc (HPN) is exploring a potential sale, targeting a valuation between \$7 billion to \$8 billion, including debt. HPN, led by Richard Merkin and pioneering in value-based care, is in early-stage talks with major buyout firms such as Advent International, Carlyle Group Inc, Hellman and Friedman, and TPG Inc. Humana Inc is also interested in acquiring a minority stake alongside a private equity firm. The sale process, advised by external consultants, revives after being previously hindered by financing issues and a data breach. The outcome remains uncertain as deliberations continue. ([Link](#))

4. Elevance Health to Acquire Kroger Specialty Pharmacy, Bolstering CaredonRx Services Amidst Healthcare Expansion

Elevance Health is set to acquire Kroger Specialty Pharmacy, a subsidiary known for aiding patients with chronic and complex conditions, aiming to integrate it into its CaredonRx business. The deal, anticipated to close in late 2024 pending regulatory approval, aligns with Elevance's expansion in healthcare services. Kroger Specialty Pharmacy, distinct from Kroger's in-store pharmacies and clinics, has been praised for its dedication to patient care since 2012. Financial details remain undisclosed. This acquisition follows Elevance's recent purchase of Paragon Healthcare, emphasizing its growth in specialized health services. ([Link](#))

5. Syllable, a Leading Artificial Intelligence and Process Automation Company in Healthcare, Acquires Actium Health to Enhance Healthcare AI and Automation Solutions

Syllable, a leading artificial intelligence and process automation company in healthcare, announced its acquisition of Actium Health. Actium Health will now operate under Syllable, aiming to optimize health systems' patient volume and capacity, alleviate staff burden, and improve patient access and outcomes. With the integration of Actium's CENTARI platform, the partnership aims to leverage EMR data to proactively identify and cater to patients requiring urgent care, especially those at high risk for chronic conditions. The merger promises to provide comprehensive, AI-driven solutions to address the evolving challenges of healthcare systems, ensuring efficient care delivery and access. ([Link](#))

6. TriasMD, Parent Company Of DISC Surgery Centers, Expands Its Reach in California with Acquisition of Thousand Oaks Surgery Center

TriasMD, the parent company of DISC Surgery Centers, has acquired Thousand Oaks Surgery Center, marking its latest expansion in California. The center, soon to be named DISC Surgery Center at Thousand Oaks, is accredited and equipped with modern facilities. Under the new partnership, TriasMD will become the majority partner and aims to enhance spine and orthopedic services in collaboration with Dr. Alexander P. Hersel. The acquisition follows previous acquisitions in Santa Clarita and Walnut Creek, further extending TriasMD's evidence-driven ASC model across the state. ([Link](#))

7. Waud Capital Partners, Private Equity Firm, Acquires Senior Helpers, Provider Of In-Home Senior Care Services, to Expand Home Care Offerings

Waud Capital Partners, a growth-oriented private equity firm, has acquired Senior Helpers, a leading provider of in-home senior care services, from Advocate Health. Senior Helpers operates over 380 locations in the U.S., Canada, and Australia, offering services such as meal planning, medication reminders, and specialized care for Alzheimer's and Parkinson's diseases. This acquisition marks Waud Capital's seventh investment in the home care and post-acute space, emphasizing its strategy to partner with industry-leading companies. ([Link](#))

8. Pockethealth, Platform Offering AI-Enabled Access to Medical Imaging And Health Records, Raises \$33 Million in Series B to Expand AI-Enabled Medical Imaging Access in North America

Pockethealth, a platform offering AI-enabled access to medical imaging and health records for patients and providers, has secured \$33 million in Series B funding, led by Round13 Capital with contributions from Deloitte Ventures, Samsung Next, Radical Ventures, and Questa Capital. The investment will support workforce expansion and scaling in the U.S. and Canada. This funding follows a \$16 million Series A round in 2022, aiming to enhance patient data accessibility, reduce care delays, and lower costs. PocketHealth's growth reflects a broader trend toward empowering patients with access to their medical records, similar to efforts by PicnicHealth. ([Link](#))

9. Walgreens Sells 11 VillageMD Clinics to Arches Medical Partners Amid Cost-Cutting Strategy

Walgreens has sold 11 VillageMD clinics in Rhode Island to Arches Medical Partners as part of a strategy to increase profitability and streamline operations after posting lower-than-expected earnings in the fourth quarter of 2023. The sale is in line with Walgreens' efforts to cut costs, including the closure of 60 underperforming VillageMD clinics, driven by a decrease in demand for COVID-19 vaccines and testing, and lower consumer spending. This acquisition marks Arches' expansion into the Providence metro area, leveraging its physician-advised management and proprietary technology to enhance healthcare operations. ([Link](#))

10. Trive Capital, a Dallas-based private equity firm, Invests in Formula Wellness to Boost Expansion and Leverage Growing Consumer Interest in Longevity Services

Trive Capital, a Dallas-based private equity firm, has invested in Formula Wellness Center (FWC), a leading provider of personalized health, wellness, and aesthetics services focused on longevity. Founded in 2016 with five locations in the DFW metroplex, FWC is set for expansion with Trive's backing, bringing on a seasoned healthcare management team to accelerate growth through new locations and acquisitions. This partnership aims to leverage consumer interest in med spa and longevity treatments, enhancing patient experiences and expanding geographically. Michael Bennett joins as CEO, alongside CFO Christopher Crosby, while founder Dr. Brian Rudman remains integral in a strategic and medical role. ([Link](#))

11. Ampersand Capital Partners Acquires Biologos, a Leading Provider of Sterile-Filtered Biologics, From Praesidian in Strategic Growth Move

Ampersand Capital Partners has purchased Biologos, a leading provider of sterile-filtered biologics for various applications, from Praesidian. This acquisition aims to leverage Ampersand's expertise and resources to accelerate Biologos's expansion and innovation in biopharmaceuticals and related fields. Founded in 1976, Biologos excels in producing cell culture media, reagents, and other critical biologics, serving the global health and research sectors from its advanced facility in Illinois. The partnership marks a new growth phase for

Biologos, backed by Ampersand's history of fostering development in life science organizations. ([Link](#))

12. Tom Donnelly Appointed as CEO of Supreme Group to Lead Expansion in Life Science and Healthcare Services

Supreme Group, supported by Trinity Hunt Partners, announces Tom Donnelly as its new CEO. Supreme Group, emerging from an investment in Supreme Optimization, has expanded by acquiring Clarity Quest. With over 20 years in healthcare marketing and a strong track record at Medical Knowledge Group and Evoke, Donnelly is set to drive Supreme Group's mission in the life science and healthcare sectors. His appointment aligns with the company's strategy to enhance its platform, offering superior business and commercialization services to a wide array of companies within these industries. ([Link](#))

13. GTCR, a Prominent Private Equity Firm, Acquires Language Interpretation Leader Cloudbreak Health from UpHealth

GTCR, a prominent private equity firm, has successfully completed the acquisition of Cloudbreak Health, a distinguished provider of tech-enabled, healthcare-focused language interpretation services, through a corporate carve-out from UpHealth, Inc. Based in Columbus, OH, Cloudbreak is renowned for its HIPAA-compliant video remote interpretation solution, Martti™, connecting patients with interpreters in over 250 languages worldwide. This strategic acquisition aims to bolster Cloudbreak's mission of democratizing healthcare by enhancing its technology and services, supported by GTCR's significant experience in healthcare technology investments. ([Link](#))

14. Oregon Regulators Investigate UnitedHealth's \$3.7 Billion Amedisys Acquisition Amid DOJ Scrutiny

Oregon regulators are examining UnitedHealth Group's Optum unit's proposed \$3.7 billion purchase of home health provider Amedisys, requiring approval from the Oregon Health Authority. The U.S. Department of Justice (DOJ) may sue to block the deal, raising antitrust concerns. The acquisition, announced last June for \$101 per share, faces scrutiny over potential market consolidation and anticompetitive effects in the home health sector. This comes amidst broader investigations into UHG's acquisitions and their impact on competition and consumer choice. ([Link](#))

15. NVIDIA Launches 25 New AI Microservices for Healthcare Innovation

NVIDIA Healthcare has unveiled 25 cloud-agnostic microservices aimed at revolutionizing healthcare applications with generative AI. These services are designed to bolster healthcare development by offering optimized AI models and interfaces for imaging, speech recognition, and digital biology. The initiative seeks to facilitate the integration of AI in healthcare, promising advancements in medical imaging, research, and patient care. Available on various platforms, including AWS, Google Cloud, and NVIDIA DGX Cloud, NVIDIA's new suite supports a broad spectrum of healthcare innovations, from drug discovery to medical data management. ([Link](#))