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Investment Banking | Healthcare Finance | Consulting

Healthcare Weekly News and Deals – April 26th, 2024

1. GeBBS Healthcare, a ChrysCapital Portfolio Company, Acquires CCD Health to Expand Patient Experience Services

GeBBS Healthcare Solutions, a ChrysCapital portfolio company specializing in technology-enabled Revenue Cycle Management (RCM) and Risk Adjustment solutions, has acquired CCD Health, a Dominican Republic-based provider of patient experience services. This acquisition expands GeBBS' market reach, bolstering its front-end RCM capabilities and bilingual services. CCD Health, known for AI-enabled appointment scheduling for outpatient radiology practices, will join GeBBS' 14,000-strong global workforce. The partnership allows CCD Health clients to access GeBBS' comprehensive revenue cycle management services and automation tools. CEOs Milind Godbole (GeBBS) and Kalil Diaz (CCD Health) expressed excitement about the growth opportunities and improved patient experience this collaboration brings. ([Link](#))

2. Lumeris Secures, a St. Louis-based Healthcare Technology Firm, \$100M Equity Capital Raise Led by Deerfield Management and Endeavor Health to Fuel Expansion in Value-Based Care

Lumeris, a St. Louis-based healthcare technology firm specializing in value-based care, has completed a \$100 million equity capital raise, led by Deerfield Management and new investor Endeavor Health. Existing investors, including Kleiner Perkins, Sandbox Industries, BlueCross BlueShield Venture Partners, and JDLinx, also participated. This funding will support Lumeris' rapid growth and expansion of provider partnerships, focusing on value-based care models for large health systems and physician groups. Lumeris' success is highlighted by its Medicare Advantage plan, Essence Healthcare, which has earned a 5-star CMS rating for three consecutive years. The company aims to continue driving improvements in healthcare outcomes and cost management. ([Link](#))

3. Epiphany Dermatology Partners with Dermatology and Laser Center of Charleston, Expands South Carolina Presence

Epiphany Dermatology, a leading dermatology company, has expanded its South Carolina presence through a partnership with Todd Schlesinger, MD, and his team at Dermatology and Laser Center of Charleston. Founded in 2005, the Charleston-based clinic offers high-quality dermatology and cosmetic services. Dr. Schlesinger, a board-certified dermatologist, and his team, which includes Dr. Kimberly Maino and several physician assistants, will gain access to Epiphany's extensive resources in operations, marketing, compliance, and clinical training. Epiphany's CEO, Gheorghe Pusta, expressed enthusiasm for the partnership, citing cultural alignment and a shared commitment to quality care and patient accessibility. ([Link](#))

4. Confluent Health, Partners Group, with Access Physical Therapy & Wellness, Expanding to 750 Outpatient Locations

Confluent Health has partnered with Access Physical Therapy & Wellness (ACCESS PT), adding 66 outpatient locations across Connecticut, New York, North Carolina, and Pennsylvania to its network. ACCESS PT, established in 2003, specializes in physical, occupational, pelvic health, and hand therapy. The partnership aims to enhance patient care while providing ACCESS PT with expanded resources, management services, and advanced education. Confluent Health's CEO, Kristi Henderson, praised ACCESS PT's dedication to patient care. The collaboration broadens Confluent Health's reach to 750 locations, solidifying its position as a leading comprehensive musculoskeletal health provider in the U.S. ([Link](#))

5. Ivy Rehab Partners, Backed by Waud Capital Partners, with Hilltop Physical Therapy, Expanding Reach in Virginia

Ivy Rehab, a leading outpatient musculoskeletal rehabilitative service provider, has partnered with Hilltop Physical Therapy, furthering its reach in Virginia. Known for its holistic approach and focus on restoring patients to peak performance, Hilltop joins Ivy Rehab to enhance service offerings. Hilltop's owners, Kristen Park and Steve Kang, see the partnership as a strategic move to maintain their legacy while gaining access to Ivy's resources. Ivy Rehab CEO Michael Rucker highlighted that the partnership underscores Ivy's commitment to expanding high-quality physical therapy services nationwide. Together, Ivy Rehab and Hilltop aim to revolutionize rehabilitative care in Virginia and beyond. ([Link](#))

6. Avesi Partners Invests in First Steps Recovery to Expand Substance Use Disorder Treatment Services

Avesi Partners has invested in First Steps Recovery (FSR), a prominent provider of substance use disorder (SUD) treatment, to support its growth and expand its addiction recovery care services. FSR, headquartered in Fresno, California, offers a range of treatment programs including medical detox, residential treatment, and telehealth therapy. Avesi's investment will enable FSR to enhance its medical-focused approach and extend its services to additional markets in California and nationwide. Josh Beauchaine, FSR's founder, expressed enthusiasm for the partnership, citing Avesi's expertise in behavioral health and commitment to high-quality care as key reasons for the collaboration. ([Link](#))

7. Midi Health, a Virtual Care Company Focusing on Women, Secures \$60M in Series B Funding for Women's Midlife Health Expansion

Midi Health, a virtual care company focusing on women over 40, announced a \$60 million Series B funding round, led by Emerson Collective, bringing its total funding to \$100 million. Notable investors include GV, Icon Ventures, and Susan Wojcicki. The California-based firm provides a network of nurse practitioners overseen by physicians and researchers, offering interventions ranging from lifestyle coaching to prescription medication for perimenopausal and menopausal women. The new funds will help Midi Health expand insurance coverage, diversify services, and grow its clinician network. ([Link](#))

8. Summer Health, New York-based Digital Health, raises \$11.65M in Series A Funding to Expand Pediatric Support Services

Summer Health, a New York-based digital health company providing 24/7 pediatric support to parents, raised \$11.65 million in Series A funding. The round was co-led by 7wire Ventures and Lux Capital, with additional participation from Sequoia Capital, Metrodora Ventures, Box Group, Shrug Capital, Pivotal Ventures, and Leaps by Bayer. Key board members include Alfred Lin from Sequoia Capital and Chelsea Clinton from Metrodora Ventures. Summer Health plans to use the funds to expand its text-based pediatric support services through consumer and employer channels, offering urgent medical guidance, lactation support, sleep training, and more. ([Link](#))

9. Serent Capital Invests in Medical Informatics Engineering, Boosting Healthcare IT Expansion

Medical Informatics Engineering (MIE), a leading health IT provider, has secured significant investment from Serent Capital, a private equity firm with expertise in healthcare technology. Founded in 1995, MIE pioneered health information exchanges and electronic health records (EHRs). It now offers a cloud-based occupational health software platform, Enterprise Health, for corporations, health systems, universities, and government agencies. The investment will help MIE scale its platform and expand market reach. MIE's President Jeff Donnell highlighted the need for capital and expertise to support continued growth. Serent Capital has invested in over 27 healthcare technology companies in the last decade. ([Link](#))

10. Green Security, a Leading SaaS Healthcare Company, Secures Growth Investment Led by Spire Capital and Strattam Capital to Expand SaaS Platform for Healthcare Compliance

Green Security, a leading SaaS healthcare compliance and access management solutions provider, received a majority growth investment led by Spire Capital and Strattam Capital. The company's software provides credentialing for non-employee individuals seeking access to health systems and hospital facilities. This investment will support the expansion of Green Security's SaaS platform, which is used by over 60,000 approved vendors across more than 100 healthcare systems and 800 facilities in the United States. The partnership aims to meet the growing customer demand and address challenges in healthcare facility security and compliance. ([Link](#))

11. ABOUT Healthcare, a Patient-Management Company, Acquires Edgility to Enhance AI-Based Patient Progression Solutions

ABOUT Healthcare, a patient-management company formerly known as Central Logic, announced the acquisition of AI analytics platform Edgility to bolster its patient progression solutions with predictive and prescriptive analysis. The acquisition aims to enhance ABOUT's product-care suite, allowing for more efficient patient movement across various care settings, including acute care and home-based care. Edgility's AI solution, EdgeAi, provides real-time metrics to improve patient placement in hospitals. ([Link](#))

12. Auxa Health, a NYC-Based Provider of AI-Powered Benefit Navigation Technology, Raises \$5.2M in Seed Funding

Auxa Health, a NYC-based company specializing in AI-powered benefit navigation, secured \$5.2M in Seed funding. The round was led by Zeal Capital Partners with AlleyCorp, K50 Ventures, Laconia Capital Group, and Chaac Ventures also participating. The funding will support technology development, expanded benefit coverage, and team growth. Its payer-agnostic platform helps users understand drug and benefit coverage, discover eligibility, manage prior authorizations, and enroll patients into various health programs and community services. ([Link](#))

13. Pacifica Companies Acquires Senior Living Portfolio from Retirement Housing Foundation for \$180.5M

San Diego-based Pacifica Companies, LLC acquired a 15-community senior living portfolio from Retirement Housing Foundation (RHF) for \$180,500,000, with stages of the acquisition closing through late 2022, 2023, and early 2024. The portfolio, spans six states and includes 3,200 market-rate independent living units, 850 assisted living and memory care beds, and 563 skilled nursing beds. This acquisition marks the majority of RHF's presence in market-rate senior housing. Stuart Hartman, RHF's president, described the sale as bittersweet but noted their focus on affordable housing for limited-income seniors, people with disabilities, and families. ([Link](#))

14. Phorcys Capital Partners Acquires Assisted Living Facility in Wickliffe, Ohio for \$13 Million

Phorcys Capital Partners, LLC (PCP), the investment advisor for the Phorcys Senior Housing Recovery Fund LP, has acquired a 160-unit assisted living facility in Wickliffe, Ohio, through a trustee-directed short sale for \$13 million. The facility, now rebranded as "Prosper at Wickliffe," will be managed by Prosper Life Care. The acquisition is part of PCP's ongoing focus on winding down municipal-financed bond transactions to add assets to its senior living portfolio. Prosper Life Care plans to offer affordable, top-rate care, continuing its mission of providing outstanding care to residents and staff. ([Link](#))

15. Kaiser Permanente Notifies 13.4 Million Members of Data Breach Linked to Tracking Technologies

Kaiser Permanente, a major healthcare provider, revealed a data breach affecting approximately 13.4 million health plan members, related to tracking technologies on its websites and mobile apps. The breach, stemming from third-party tracking tools that shared personal information with advertisers such as Microsoft and Google, was reported to the Department of Health and Human Services on April 12, with public disclosure following. The shared data included patient names, IP addresses, and online activity. Kaiser Permanente has since removed the tracking technologies and stated that no misuse of the data has been identified. This breach marks the largest in healthcare so far this year. ([Link](#))

16. LECO Health IT, Digital Health, and RCM Q1 2024 Newsletter

Lawrence, Evans & Co., LLC releases their Q1 2024 Health IT, Digital Health, and Revenue Cycle Management M&A and Investment newsletter ([Link](#))