



LAWRENCE, EVANS & CO., LLC

Investment Banking | Healthcare Finance | Consulting

Healthcare Weekly News and Deals – May 10th, 2024

1. Scheich Family Dentistry Joins Forces with MB2 Dental, a Portfolio Company of Charlesbank Capital Partners, in Strategic Affiliation

Scheich Family Dentistry, founded in 2003 by Drs. Jeff and Stephanie Scheich, has affiliated with MB2 Dental, a portfolio company of Charlesbank Capital Partners. The Castle Pines, Colorado-based practice, known for its personalized and patient-centered approach, was guided through the transaction process, receiving multiple offers and ultimately selecting MB2 Dental as the ideal partner. This affiliation marks a significant step in MB2 Dental's expansion in Denver, further enhancing its commitment to supporting skilled dental professionals. MB2 Dental continues to grow its national network of dentist partners, emphasizing collaborative success. ([Link](#))

2. Agiliti Inc., a Leading Provider of Medical Technology Management Services, Acquired by Thomas H. Lee Partners in \$2.5 Billion Deal

Agiliti Inc., a leading provider of medical technology management services to the U.S. healthcare industry, has finalized its acquisition by an affiliate of private equity firm Thomas H. Lee Partners (THL) for \$10.00 per share, valuing the company at \$2.5 billion. The agreement, leading to Agiliti's delisting from the NYSE, was first announced on February 26, 2024. Agiliti, boasting over 85 years in healthcare, looks to continue enhancing medical care efficiencies under THL's ownership. ([Link](#))

3. Olympus Cosmetic Group Acquires Artisan Plastic Surgery, Backed by VSS Capital Partners

Olympus Cosmetic Group, supported by VSS Capital Partners, has acquired Artisan Plastic Surgery and its medspa division, Artisan Beauté. Artisan, a female-founded firm based in Atlanta, offers a range of surgical and non-surgical aesthetic treatments. The acquisition marks Olympus' initial expansion, financed by an additional investment from VSS. VSS is known for partnering with physician-led healthcare services like Specialty1 Partners. ([Link](#))

4. American Clinical Research, Backed by Latticework Capital Management, Services Acquires Elixia, Expanding Capabilities in Nephrology, Neuroscience, and Infectious Diseases

American Clinical Research Services (ACRS), backed by Latticework Capital Management, announced the acquisition of Elixia, a clinical research network specializing in nephrology, neuroscience, and infectious diseases. This acquisition extends ACRS's reach beyond Southern California and Texas, adding Elixia's sites in Florida, Massachusetts, Michigan, and Missouri.

The merger enhances ACRS's ability to manage complex clinical trials and broadens its patient recruitment capabilities. Dustin Owen, CEO of ACRS, emphasized the strategic expansion of their clinical and geographical scope, aiming to improve patient outcomes in challenging therapeutic areas. ([Link](#))

5. Avel eCare, an Aquiline backed provider of clinician to clinician telemedicine services announced acquisition of Horizon Virtual, a MN based virtual hospitalist services provider

Avel eCare expands its nationwide telemedicine with the acquisition of Horizon Virtual. This is the 3rd acquisition in a year by Avel eCare. Available 24/7, Avel eCare's board-certified hospitalists and registered nurses become part of the local medical staff, partnering with bedside teams on-site to deliver and coordinate care. Avel provides its customers with technology workflows through its proprietary software making it easy to connect with Avel's virtual hospital team to ensure patients receive high-quality care. ([Link](#))

6. Rad AI Secures \$50M in Series B Funding Led by Khosla Ventures and WiL to Expand AI-Driven Radiology Solutions Globally

Rad AI, a startup providing AI solutions to enhance radiology workflows and reduce burnout, has raised \$50 million in Series B funding led by Khosla Ventures and WiL. The company, co-founded by the notably young radiologist Jeff Chang, MD, MBA, plans to use the capital to increase the global availability of its products. Rad AI's software, particularly Rad AI Reporting, is reputed to cut dictation times by 50%. Currently, its technology is used by one-third of U.S. hospital systems and 9 of the 10 largest radiology practices. ([Link](#))

7. Guardian Dentistry Partners Secures Investment from Morgan Stanley Private Credit to Fuel Expansion

Guardian Dentistry Partners, based in Miami, FL, has received an undisclosed investment from Morgan Stanley Private Credit. Led by CEO Danny Kawas, the dental partnership network plans to use the funds to accelerate growth and expand its geographical reach. Since its founding in 2018, Guardian has supported partners across multiple U.S. states, enhancing dental practices and patient care. This investment will enable further expansion and the enrichment of resources within their network, underscoring a commitment to creating sustainable, high-quality dental services. ([Link](#))

8. Flossy Secures Investment to Expand Affordable Dental Care Services Across Multiple States led by Forecast Labs of Comcast NBCUniversal, along with TTV Capital, The Family Fund, and B Capital

Flossy, a company dedicated to providing affordable dental care, has secured new equity funding led by Forecast Labs of Comcast NBCUniversal, along with TTV Capital, The Family Fund, and B Capital. Flossy offers a pay-as-you-go discount dental solution that connects uninsured and insured patients to top-rated dentists at reduced costs. The investment will enhance Flossy's outreach through TV and streaming ads, expanding its presence from seven states including Arizona, New Jersey, and Pennsylvania. This growth supports Flossy's mission

to alleviate the financial burden of dental care, aligning with increasing national dental expenditures projected to reach \$230 billion by 2030. ([Link](#))

9. Healthcare Realty Trust Incorporated (NYSE: HR) and KKR Form JV to Invest \$600 Million in Medical Outpatient Buildings

Healthcare Realty Trust Incorporated (NYSE: HR) and KKR have established a joint venture to invest in medical outpatient buildings. Healthcare Realty will contribute 12 properties valued at \$382.5 million to the JV, retaining a 20% interest and management responsibilities. KKR will own 80% and has committed up to \$600 million for future acquisitions. The partnership aims to capitalize on opportunities in the medical real estate sector amid current market conditions. Eastdil Secured and BlackBirch Capital acted as financial advisors for Healthcare Realty, while Newmark and Simpson Thacher & Barlett advised KKR. ([Link](#))

10. Sift Healthcare Secures \$20M in Series B Funding to Enhance AI Payment Solutions in Healthcare led by B Capital, with contributions from ALLos Ventures, First Trust Capital Partners, and Rock River Capital

Sift Healthcare, a leader in AI-driven payment solutions, has raised \$20 million in Series B funding led by B Capital, with contributions from ALLos Ventures, First Trust Capital Partners, and Rock River Capital. This funding will support expansion and the integration of AI technology to optimize healthcare revenue cycles. Sift's Payments Intelligence Platform unifies clinical and payment data, improving efficiency, and revenue collection. The funding will also aid the development of Sift's RevProtect, which integrates real-time insights into clinical workflows to enhance financial operations in healthcare. ([Link](#))

11. In-House Health Raises \$4M to Revolutionize Hospital Staff Management with AI Led by NEA and TMV, with contributions from Vine Ventures and Longevity Venture Partners

In-House Health, a Denver-based startup, has raised \$4 million in seed funding to combat inefficiencies in hospital staff management through its AI-driven platform. Led by NEA and TMV, with contributions from Vine Ventures and Longevity Venture Partners, the startup aims to streamline nursing schedules and reduce operational costs. Developed by experts in healthcare and technology, the platform promises to cut scheduling hours, lower labor costs, and enhance patient safety. Already in use in several hospitals, In-House Health's technology supports over 800 nurses, offering predictive analytics and real-time clinical demand prediction to improve healthcare delivery. ([Link](#))

12. Backpack Healthcare Raises \$14M Series A to Transform Pediatric Mental Health Care with AI Solutions led by PACE Healthcare Capital

Backpack Healthcare, previously Youme Healthcare, secured \$14 million in a Series A funding round led by PACE Healthcare Capital. The round included diverse investors like ECMC and Techstars, focusing on expanding AI-driven pediatric mental health services for Medicaid-

enrolled youth. The funds will enhance the company's app and teletherapy services, aiming to bridge the gap in accessible mental health care. Founded by Hafeezah Muhammad, Backpack Healthcare plans to expand its operations beyond Maryland and Virginia. Robert Johnson, ESQ, joins the Board of Advisors, enriching the company's focus on inclusivity and equity. ([Link](#))

13. Google Introduces Med-Gemini: An Advanced AI for Healthcare

Google and DeepMind have unveiled Med-Gemini, a set of large multimodal models (LMMs) designed to enhance healthcare services. Built on the Gemini architecture, Med-Gemini excels in complex clinical reasoning, achieving a 91.1% accuracy on the MedQA benchmark and surpassing both human experts and other LMMs in tasks like medical text summarization and writing referral letters. It improves electronic health records (EHR) searches by extracting relevant patient data and reducing clinicians' cognitive load. However, Google stresses that further specialization and adherence to responsible AI principles are needed before clinical deployment. ([Link](#))

14. Market Rumors: Sale Processes on Hold

Gen4 Dental Partners, a Tempe AZ DSO backed by Thurston Group, pulled its sale effort with Houlihan Lokey. Marketed \$40M EBITDA on \$220M revenues.

Oakpoint, a Raleigh NC DSO backed by Longshore Capital pulled its sale. Marketed \$17M EBITDA.

CenExel, a Salt Lake City, UT based clinical research site manager backed by Webster Equity Partners, halted their auction process. This is their second attempt of a process in 3 years.