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Healthcare Weekly News and Deals – May 17th, 2024

Events

The 4th annual **Healthcare Capital Markets & Innovation Summit HCMIS** June 5th-6th Columbus OH
Registration is open; Save \$200 off REGISTER NOW: <https://healthcarecapitalmarkets.com>

400+ investors and dealmakers coming to "The Smart Healthcare 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 other professionals
- In-person 1-on-1 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.
- Association for Corporate Growth (ACG) Columbus in collaboration with event
- New to 2024 –Healthcare Venture Studios Experience (top leaders and investors in the space)

1. Aledade Acquires Medical Advantage, Expanding Michigan Physician Network from 35 to 700

Aledade has acquired Medical Advantage, a Michigan-based provider of practice performance improvement and value-based care enablement solutions. This acquisition enhances Aledade's status as the leading primary care Accountable Care Organization network in the U.S. and significantly increases its Michigan physician partnerships from 35 to approximately 700. Medical Advantage President Paul MacLellan will become the new president of Aledade's Michigan market. The partnership aims to optimize value-based care performance and support the sustainability and performance of independent physician practices across Michigan. ([Link](#))

2. Cardio Partners, a Division of Sarnova, Acquires One Beat Medical & Training to Expand SCA Preparedness Solutions Nationwide

Cardio Partners, Inc., a division of Sarnova, has acquired One Beat Medical & Training, LLC, a leading distributor of automated external defibrillators (AEDs) and CPR training services, as of May 14, 2024. Headquartered in Miramar, FL, One Beat's portfolio includes trusted brands like American AED and Altra Medical. This merger enhances Cardio Partners' ability to offer comprehensive sudden cardiac arrest (SCA) solutions and training programs. Leaders from both companies, including Niraj Patel of Cardio Partners and Lawrence Franchetti of One Beat, emphasize the strengthened commitment to improving SCA survival rates and customer service excellence. ([Link](#))

3. Ascend Plastic Surgery Partners Welcomes Tallahassee Plastic Surgery Clinic to Elite Network

Ascend Plastic Surgery Partners has added Tallahassee Plastic Surgery Clinic to its distinguished network of leading plastic surgeons and aesthetic centers. The partnership highlights Ascend's dedication to innovation, excellence, and professional growth. Dr. William Hedden, Chief Medical Officer, and Anthony Milonas, CEO, emphasize the union's focus on collaborative expertise and patient care. Dr. Larry Harper and Dr. Alfredo Paredes, founders of the Tallahassee clinic, alongside Dr. Jeffrey Rawlings, express enthusiasm for advancing aesthetic medicine. This collaboration aims to enhance patient outcomes and foster a supportive community of top-tier professionals. ([Link](#))

4. Versant Diagnostics, Backed by Iron Path Capital, Acquires Associate Pathologists of Joliet, Expanding Midwest Presence

Versant Diagnostics, a leading physician services company, has acquired Associate Pathologists of Joliet, Ltd., a multi-specialty pathology practice in Joliet, Illinois. This acquisition expands Versant's nationwide network and strengthens its Midwest presence. Dr. James Urban, President of the Joliet group, will join Versant's team. CEO Jim Billington highlights the collaboration's potential to enhance patient care. Versant Diagnostics, founded in 2021, focuses on anatomic and digital pathology, offering extensive subspecialty services. Backed by Iron Path Capital, Versant is dedicated to advancing digital pathology and expanding into new markets and specialties. ([Link](#))

5. Pennant Group (NASDAQ: PNTG) Expands Hospice Operations with Acquisition of Nurses on Wheels Inc.

The Pennant Group, Inc. (NASDAQ: PNTG) acquired Corpus Christi, Texas-based hospice provider Nurses on Wheels Inc. as part of its recent expansion efforts. This follows acquisitions of Utah-based South Davis Home Health and South Davis Hospice, and Arizona-based Southwestern Palliative Care & Hospice. CEO Brent Guerisoli emphasized Pennant's strategy of empowering local leaders and targeting underperforming M&A opportunities. In Q1 2024, Pennant reported a 24.1% revenue increase to \$156.9 million, with significant contributions from its home health and hospice segments. Pennant now operates 112 home health and hospice agencies and 53 senior living communities across 13 states. ([Link](#))

6. Truveris Secures \$15M Series E to Revolutionize Pharmacy Benefit Management Led by Canaan Partners and New Leaf Venture Partners

Truveris, a leader in pharmacy cost containment, raised \$15 million in Series E funding led by Canaan Partners and New Leaf Venture Partners. The investment will fuel Truveris' corporate development and operational growth. Truveris' technology platform revolutionizes traditional PBM contracting by creating a transparent marketplace that drives significant savings and improved contract terms. It also provides ongoing claims analysis to ensure compliance and optimization. CEO Nanette Oddo highlighted the validation of their solutions and growth potential, while investors emphasized the platform's ability to control pharmacy costs for employers and members. ([Link](#))

7. Chapter Raises \$50M in Series C to Accelerate Medicare Navigation Platform Led by XYZ Venture Capital, With Participation from Narya Capital, Addition, Susa Ventures, and Maverick Ventures.

Chapter, the leading Medicare navigation platform, secured \$50 million in Series C funding led by XYZ Venture Capital, with participation from Narya Capital, Addition, Susa Ventures, and Maverick Ventures. The funding will enhance product development and hiring, allowing Chapter to scale and support more Americans with Medicare coverage. Chapter's platform provides unbiased Medicare guidance, aligning advisor incentives with consumer needs. The company, which influenced recent regulatory changes, partners with financial institutions, health systems, and content publishers. Additionally, Chapter launched an Over The Counter (OTC) product to simplify benefit redemption for consumers. ([Link](#))

8. Watershed Health Secures \$13.6M to Expand Real-Time Care Coordination Platform Across the US Led by First Trust Capital Partners, With Contributions from FCA Venture Partners

Watershed Health raised \$13.6M in a funding round led by First Trust Capital Partners, with contributions from FCA Venture Partners and others. The funds will support the expansion of their real-time care coordination SaaS platform, which reduces costs and improves patient outcomes by connecting providers and facilitating seamless data sharing. Founded by Dr. Chip Grant in 2013, Watershed serves over five million patients and includes major US health plans and healthcare systems among its clients. The company aims to address the costly issue of uncoordinated care in the healthcare industry. ([Link](#))

9. Hamilton Health Box Secures \$10M Series A Funding to Expand Rural Healthcare Services Led by 1588 Ventures, with contributions from Memorial Hermann Health System, Impact Ventures by Johnson & Johnson Foundation, Texas Medical Center Venture Fund, and the Sullivan Brothers

Hamilton Health Box (HHB), a Houston-based primary care provider, has raised \$10 million in a Series A funding round led by 1588 Ventures, with contributions from Memorial Hermann Health System, Impact Ventures by Johnson & Johnson Foundation, Texas Medical Center Venture Fund, and the Sullivan Brothers. Established in 2019, HHB's innovative microclinics deliver affordable primary care through a hybrid in-person and telemedicine model. The funding will accelerate HHB's expansion into rural markets, enhancing healthcare accessibility for the 98 million Americans in Health Professional Shortage Areas. Dr. Toby R. Hamilton, an emergency physician, founded the company. ([Link](#))

10. Crosby Health Launches Apollo LLM, Secures \$2.2M in Pre-Seed Funding to Revolutionize Healthcare Denial Management

Crosby Health, a healthtech company, launched its advanced clinical large language model (LLM), Apollo, alongside securing \$2.2 million in pre-seed funding led by Amplo Ventures.

Apollo surpasses other clinical models like Google's Med-PaLM, automating tasks such as medical coding and denial management, and significantly reducing the time to generate appeal letters. With a 91.8% score on medical license board exams, Apollo enhances efficiency and revenue for healthcare providers. EmpowerMe, a startup using Apollo, reported a 300% increase in their denial appeals process speed. Crosby Health aims to transform healthcare revenue cycle management through continued innovation and partnerships. ([Link](#))

11. Jefferson and Lehigh Valley Health Network Sign Definitive Agreement to Form Top 15 Nonprofit Health System

Jefferson and Lehigh Valley Health Network (LVHN) have signed a definitive agreement to merge, creating an integrated academic healthcare system and a national research university. The deal, expected to close later this summer, will establish one of the top 15 nonprofit health systems in the U.S. Joseph Cacchione will serve as CEO, with Brian Nester as EVP/COO and president of LVHN, and Baligh R. Yehia as EVP/CTO and president of Jefferson Health. The combined entity will enhance clinical care, research, education, and health plan access, operating 30 hospitals and over 700 care sites. ([Link](#))

12. SmarterDx Secures Seed Funding to Revolutionize Healthcare Revenue Integrity with Clinical AI Led by Transformation Capital

SmarterDx, a clinical AI company, raised seed funding in 2022 to enhance healthcare revenue integrity. By providing second-level reviews of patient charts, SmarterDx helps hospitals recover missed, rejected, or underpaid claims, securing an average of \$2 million in additional revenue per 10,000 patient discharges. Co-founded by Dr. Michael Gao, SmarterDx focuses on accurate clinical documentation and coding, achieving a 5:1 ROI and a 100% client retention rate. With support from Transformation Capital, the company plans to expand its clinical and financial data integrations, further refining its proprietary algorithms for better quality, revenue, and care. ([Link](#))