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Investment Banking | Healthcare Finance | Consulting

Healthcare Weekly News and Deals – July 26th, 2024

1. Nelson Peltz's Trian Fund Management Acquires Significant Stake in Solventum (NYSE: SOLV), 3M's healthcare spinoff

Nelson Peltz's Trian Fund Management has acquired a substantial stake in 3M's healthcare spinoff, Solventum (SOLV.N), becoming one of its largest shareholders, according to Bloomberg News. Trian has approached Solventum to discuss strategies for enhancing shareholder value, emphasizing the need for organic growth, margin restoration, and potential asset sales. Trian views Solventum, a leading provider of medical equipment and consumables, as having significant value as a standalone company. Solventum, which reported Q1 net sales of \$2.02 billion, has yet to comment on Trian's proposals. Shares of Solventum rose 3.4% following the news. ([Link](#))

2. ABA Connect, Supported by MBF Healthcare Partners II, Acquires ABA Therapy of Houston, Expands Reach in Texas

ABA Connect (ABAC) has acquired ABA Therapy of Houston (ATH), adding a second clinic in Katy, Texas, and expanding to 12 locations across Texas and Colorado. This acquisition aligns with ABAC's mission to provide high-quality, play-based ABA therapy to children with autism. Camille Adams, ATH owner, will become Director of Payor Contracting and Credentialing. The expansion is driven by increased ASD diagnoses and insurance mandates for ABA therapy. Supported by MBF Healthcare Partners II, L.P., ABAC aims to broaden autism services and enhance care standards for families. ([Link](#))

3. Tindall Orthodontics Joins Forces with Southern Orthodontic Partners, Backed by Shore Capital Partners

Tindall Orthodontics, led by Dr. Mark Tindall, has affiliated with Southern Orthodontic Partners, backed by Shore Capital Partners. For over 19 years, Tindall Orthodontics has delivered top-tier orthodontic care in Manhattan, Kansas. Dr. Tindall praised the support and expertise throughout the transaction, expressing optimism about the new partnership. Southern Orthodontic Partners' Chief Development Officer, Jeremy Garner, highlighted their excitement to support Tindall Orthodontics' growth. Southern Orthodontic Partners offers strategic and operational support to enhance orthodontic practices while maintaining their unique identities. ([Link](#))

4. Crown Aesthetics, Hildred Capital Partners, Acquires Healeon LLC's Assets and Technology, Strengthening Leadership in PRP Solutions

Crown Aesthetics, a Crown Laboratories, Inc. company, has acquired assets and technology from Healeon LLC, enhancing its ProGen PRP® Eclipse brand. This acquisition strengthens Crown's position in the PRP market, enabling expanded product development and geographic reach. Crown Laboratories, known for its innovative skincare solutions, will offer a comprehensive portfolio to meet diverse patient needs. Jeff Bedard, CEO, highlights the strategic move's importance in providing groundbreaking, research-backed solutions. Crown Aesthetics, based in Dallas, Texas, continues to set industry standards in aesthetic care. ([Link](#))

5. Behavioral Framework Acquires BCPS, Expanding ABA Therapy and Autism Diagnostic Services via its financial sponsor Renovus Capital Partners

Behavioral Framework has acquired Behavior Consultation & Psychological Services (BCPS), enhancing access to ABA therapy and autism diagnostics for over 1,000 families across Maryland, Virginia, North Carolina, and the District of Columbia. The partnership strengthens Behavioral Framework's mission to deliver exceptional care across various settings and offers comprehensive resources and support for clinicians. BCPS founder Jason Cone will continue leading clinical operations in North Carolina. The merger aims to expand reach, improve care quality, and meet the unmet needs of families in these regions. ([Link](#))

6. PM Pediatric Care Expands Pediatric Urgent Care Network with Addition of 10 Florida Locations via its financial sponsors Scopia Capital Management, Jefferson River Capital and MassLight

PM Pediatric Care, the nation's largest provider of specialized pediatric urgent care, has expanded its network by adding 10 new Florida locations, formerly known as Night Lite Pediatrics. This strategic move, following the acquisition by Pediatrix Medical Group, brings PM's total offices to nearly 90 across 15 states. The new locations in Greater Orlando, Jacksonville, Melbourne, and Port St. Lucie will offer comprehensive in-person and telemedicine services, including pediatric mental and behavioral health care. The expansion aims to enhance patient care through shared knowledge and resources, further solidifying PM's commitment to excellence in pediatric healthcare. ([Link](#))

7. Astrana Health (NASDAQ: ASTH) to Acquire Collaborative Health Systems (NYSE:CNC), Expanding Care Delivery Network

Astrana Health, Inc. (NASDAQ: ASTH) plans to acquire Collaborative Health Systems (CHS), a Centene Corporation (NYSE:CNC) subsidiary, to enhance its care delivery capabilities. CHS serves over 129,000 beneficiaries across 17 states, notably in Connecticut, Georgia, Maryland, New Mexico, Virginia, and Texas, with over 350 primary care physicians. The acquisition aims to integrate CHS's provider base with Astrana's AI-driven Care Enablement platform, improving patient outcomes. The transaction, pending regulatory approval, is expected to close by year-end, with further details to be discussed in Astrana's August 7 earnings presentation. ([Link](#))

8. QuVa Pharma Acquires LogicStream Health to Enhance Drug Shortage Management and Clinical Analytics via its financial sponsors Bain Capital and Ergo Partners

QuVa Pharma has acquired LogicStream Health, a Minneapolis-based SaaS platform specializing in healthcare informatics, to form an advanced integrated healthcare solutions platform. LogicStream's AI-driven predictive analytics will bolster QuVa's drug shortage management and clinical process improvements. This combination aims to enhance patient safety, reduce costs, and improve outcomes for over 3,000 hospital and clinic customers. The acquisition, funded by Blue Owl Capital, will see LogicStream operate as a wholly owned subsidiary, providing enriched data insights and efficient formulary management for health systems across the U.S. ([Link](#))

9. AnewHealth Acquires HomeFree Pharmacy Services to Enhance At-Home Pharmacy Care for Complex Patients - Vistria Group has become a minority investor, with Nautic Partners remaining the controlling owner

AnewHealth, a national pharmacy care management provider, has acquired HomeFree Pharmacy Services, integrating it into its comprehensive at-home pharmacy solutions. This move aims to improve healthcare outcomes for patients with complex, chronic medical needs. AnewHealth collaborates with healthcare organizations, including top home health and primary care providers, to deliver personalized medication regimens and comprehensive pharmacy services. The acquisition expands AnewHealth's reach to nearly 110,000 patients nationwide. The Vistria Group has become a minority investor, with Nautic Partners remaining the controlling owner. ([Link](#))

10. Logiq(OTC Markets: LGIQ) Acquires MedLab Essentials in \$100 Million Deal, Targets Nasdaq Uplisting

Logiq, Inc. (OTC Markets: LGIQ) will acquire MedLab Essentials, LLC through a share exchange valued at \$100 million, making MedLab a wholly owned subsidiary. This strategic acquisition will diversify Logiq into the biotech sector, focusing on cell and gene therapy. The combined entity aims for Nasdaq or NYSE listing and significant capital raise by Q1 2025. Key MedLab executives will join Logiq's senior management, and CEO Brent Suen will step down. This deal marks the first of six targeted biotech acquisitions, positioning Logiq for substantial growth in the health innovation sector. ([Link](#))

11. Owens & Minor, Inc. (NYSE: OMI) to Acquire Rotech Healthcare Holdings for \$1.36 Billion, Enhancing Home-Based Care Portfolio

Owens & Minor, Inc. (NYSE: OMI) has announced a definitive agreement to acquire Rotech Healthcare Holdings, Inc. for \$1.36 billion in cash, netting approximately \$1.32 billion after tax benefits. The acquisition, expected to close by the end of 2024, will integrate Rotech's home medical equipment services into Owens & Minor's Patient Direct segment, aligning with its expansion strategy in home-based care. Rotech, with 4,200 employees and operations in 46 states, generated \$750 million in revenue in 2023. The deal aims to strengthen product offerings, achieve significant synergies, and accelerate revenue growth. ([Link](#))

12. Prime Healthcare to Acquire Nine Ascension Hospitals in Largest Deal to Date

Prime Healthcare is set to acquire nine hospitals, post-acute and senior living facilities, and associated physician practices from Ascension in Illinois. Financial terms are undisclosed. This is Prime's largest deal, adding to its 44 hospitals across 14 states. Prime plans a \$250M investment for improvements without incurring debt. Most associates will be retained, expanding community services. The acquisition enhances Prime's presence in the Chicago area. The deal, pending regulatory approval, is expected to close by Q1 next year, with interim independent operations under a consulting agreement. ([Link](#))

13. Medical Properties Trust Sells Hospital and Emergency Facilities to Dignity Health for \$160 Million

Birmingham-based Medical Properties Trust, a major healthcare real estate owner, completed the \$160 million sale of Arizona General Hospital and seven freestanding emergency department (ED) facilities in Phoenix to Dignity Health, part of CommonSpirit Health. Initially

built for \$92 million and operated by Adeptus Health until their 2017 bankruptcy, the facilities have been leased by Dignity Health since then. This transaction highlights Dignity Health's strategic investment in Arizona's growing healthcare market. Medical Properties Trust also manages properties for Steward Health Care, which filed for Chapter 11 bankruptcy on May 6. ([Link](#))

14. Blount Memorial Hospital Joins Prisma Health: Strategic Move Enhances Growth and Care Quality

Blount Memorial Hospital in Maryville, Tennessee, has signed a non-binding letter of intent to join Greenville, South Carolina-based Prisma Health, initiating a four-month period of exclusive negotiations and due diligence. The integration aims to enhance patient care, operating efficiencies, and growth. Prisma Health, the largest healthcare organization in South Carolina, brings extensive resources and capabilities. Blount Memorial, with over 2,700 employees and 200 physicians, will officially join Prisma Health in late 2024, strengthening both organizations' regional presence and healthcare delivery. ([Link](#))

15. Linus Health Acquires Together Senior Health, Enhancing Early Detection and Intervention for Cognitive Impairment

Linus Health has acquired Together Senior Health, including its RADAR algorithm, which identifies high-risk patients for Alzheimer's and cognitive decline. Together's evidence-based Moving Together program, combining gentle movement, music, and social interaction, will integrate with Linus Health's platform. This acquisition aligns with Linus Health's strategy to offer comprehensive brain health solutions, enhancing remote identification and early intervention for cognitive impairments. Together's co-founder, Deborah Barnes, will consult for Linus Health, emphasizing the shared mission to improve cognitive function and reduce emergency visits for those with cognitive decline. ([Link](#))

Venture Capital and Other

16. Pearl Secures \$58M Funding from Left Lane Capital, Smash Capital, and Others to Advance Dental AI Innovations Globally

Pearl, a Los Angeles-based dental AI company, raised \$58M in a funding round led by Left Lane Capital, with participation from Smash Capital, Alpha Partners, and existing investors Craft Ventures and Neotribe Ventures. The funds will advance Pearl's dental AI technologies, expanding its product line and regulatory and patent portfolio. Led by CEO Ophir Tanz, Pearl's FDA-cleared AI aids dentists in real-time x-ray analysis, providing accurate diagnoses and clear patient communication. With regulatory clearance in 120 countries, Pearl aims to transform global dental care with precise clinical decision support and enhanced patient care. ([Link](#))

17. CoachCare Secures \$48M Growth Investment from Integrity Growth Partners to Expand Remote Patient Monitoring Solutions

CoachCare, a remote patient monitoring (RPM) and virtual care management solutions provider, has raised \$48M in strategic growth investment led by Integrity Growth Partners (IGP). This funding will support the expansion of CoachCare's platform to address the rising prevalence of chronic diseases such as obesity, hypertension, and diabetes. The company's solutions have improved patient outcomes for over 150,000 patients and hundreds of

healthcare organizations. The partnership with IGP aims to accelerate growth and expand market reach, leveraging IGP's expertise in scaling technology-enabled businesses. ([Link](#))

18. TMRW Life Sciences Secures \$28M Series D Funding to Enhance Cryostorage Solutions

TMRW Life Sciences, the creator of the only FDA-cleared automated specimen management and storage platform for frozen human sperm, eggs, and embryos, has closed over \$28 million in Series D equity financing. The round was led by 5AM Ventures with participation from FIOS Venture Holdings, DF Investment Partners, Transformation Capital, Life Sciences Innovation Fund, Casdin Capital, GV, and actress Amy Schumer. The funding will support TMRW's mission to provide safer and more accurate cryostorage solutions to meet increasing demand from fertility clinics, enhancing accuracy, reducing risk, and improving operational efficiency. ([Link](#))