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Investment Banking | Healthcare Finance | Consulting

Healthcare Weekly News and Deals – September 20, 2024

1. Cardinal Health (NYSE: CAH) to Acquire Integrated Oncology Network for \$1.115 Billion, Expanding Community Oncology Services

Cardinal Health announced its acquisition of Integrated Oncology Network (ION), a physician-led independent community oncology network, for \$1.115 billion in cash. ION, with over 50 practice sites across 10 states, will join Cardinal Health's Navista oncology practice alliance. This acquisition aims to bolster Cardinal Health's specialty segment by enhancing its support for independent community oncology practices with advanced services, technology, and analytics. The transaction, expected to close after regulatory approval, is anticipated to be accretive to non-GAAP earnings per share within 12 months. ([Link](#))

2. Northwest Urgent Care, Subsidiary of Community Health Systems, Inc. (NYSE: CYH), Acquires 10 Arizona Urgent Care Centers from Carbon Health, Expanding Tucson Healthcare Network

Northwest Urgent Care, a subsidiary of Community Health Systems, Inc. (NYSE: CYH), will acquire 10 Arizona urgent care centers from Carbon Health, enhancing its network to over 80 sites in Tucson. The acquisition aims to increase patient access and strengthen the competitive position of Northwest Healthcare. Over the past five years, Northwest Healthcare has invested \$200 million in the Tucson area, adding two new hospitals. Community Health Systems, one of the largest healthcare companies in the U.S., owns or leases 70 hospitals and operates over 1,000 care sites across 15 states. ([Link](#))

3. Encore Clinical Holdings Corp Expands Wound Care Services in Northeast Ohio with Acquisition of Ohio Wound Care

Encore Clinical Holdings Corp has acquired a controlling interest in Ohio Wound Care, expanding its wound care services across Ohio, Pennsylvania, and Kentucky. The acquisition, effective September 1st, increases the number of wounds treated to 8,000 per week. Ohio Wound Care, established in 2020, currently serves over 1,000 patient beds in Northeast Ohio. The partnership aims to enhance patient outcomes through innovative, technology-driven care models. Neall French of Encore praised the collaboration, highlighting its impact on attracting top talent and reinforcing Encore's commitment to high-quality wound care. ([Link](#))

4. CentralReach Acquires Behavior Science Technology Inc., Insight Partners and Arc Capital Development, to Enhance ABA Care with AI-Powered Treatment Fidelity Solutions

CentralReach, a leader in Autism and IDD care software, has acquired Behavior Science Technology Inc. (BST), a platform specializing in measuring treatment fidelity in Applied Behavior Analysis (ABA) therapy. The acquisition aims to integrate BST's standardized fidelity measurement tool into CentralReach's Care360 platform, enhancing clinical quality and RBT retention. This move supports the adoption of measurement-based care and value-based models, offering ABA providers a

comprehensive solution for demonstrating improved outcomes. Co-founders of BST will join CentralReach to lead the integration, further expanding CentralReach's impact in the autism and IDD care industry. ([Link](#))

5. Vyne Medical Acquires Extract Systems to Enhance Healthcare Automation and Data Management Capabilities via its Financial Sponsors, Health Catalyst Capital Management and TJC

Vyne Medical, a leader in healthcare communication process management, has acquired Extract Systems, an award-winning provider of data extraction solutions. This strategic move bolsters Vyne Medical's position as a healthcare automation leader by integrating Extract Systems' AI and machine learning capabilities with Vyne Medical's Trace® platform. The combined technologies will streamline data management, enabling faster and more accurate data transcription and redaction across the healthcare continuum. The acquisition will also expand Vyne Medical's reach into the government services sector. Terms of the deal were not disclosed. ([Link](#))

6. RLDatix Acquires SocialClimb to Enhance Healthcare Operations with Comprehensive Patient Insights and Reputation Management via its financial sponsors Nordic Capital, Pantheon International, Torreal, Resolve Growth Partners, Susquehanna Growth Equity, TA Associates Management, and Five Arrows Principal Investments

RLDatix, a leader in connected healthcare operations software, has acquired SocialClimb, a healthcare technology company specializing in patient satisfaction and reputation management solutions. This acquisition enables RLDatix to offer a 360-degree view of healthcare providers, integrating patient-reported outcomes, satisfaction scores, and demographic data into its existing capabilities. The combined solution aims to improve care quality, operational efficiency, and patient safety by providing healthcare organizations with actionable insights. The merger also enhances revenue growth and patient retention through predictive algorithms, reducing administrative burdens and advancing safer patient care. ([Link](#))

7. SubjectWell Acquires Trials24 to Expand Global Patient Recruitment Capabilities and Enhance Diversity in Clinical Trials via its Financial Sponsor WindRose Health Investors

SubjectWell, a leading patient recruitment platform, has acquired Trials24, a provider of global digital patient recruitment solutions. This acquisition aims to enhance SubjectWell's ability to connect patients to transformative healthcare opportunities worldwide. With Trials24's advanced technology, digital marketing expertise, and local engagement centers in over 13 European countries, combined with SubjectWell's Patient Network of over 13 million patients, including 6 million people of color, the partnership will set a new standard in global patient recruitment. The collaboration will expand SubjectWell's global reach, drive diversity in clinical trials, and improve patient access to clinical research. Integration of the two companies' operations has already begun, ensuring a seamless transition for customers and patients. ([Link](#))

8. MedeAnalytics Acquires SubPop Health, a spinout from Hashed Health, to Enhance Employer Healthcare Benefits Management via its Financial Sponsor JLL Partners

MedeAnalytics, a leader in healthcare enterprise data enrichment and analytics SaaS, has acquired SubPop Health, a company specializing in fiduciary procurement marketplaces for employer healthcare benefits. This acquisition aims to provide employers with advanced tools for managing healthcare benefits through data-driven decision-making. SubPop Health's CEO, Chris Gormley, will join MedeAnalytics as General Manager of Employer Solutions & Marketplace, focusing on expanding employer-focused offerings. The combined capabilities of MedeAnalytics' Health

Fabric™ and Managed Action™ with SubPop's marketplace solutions will help employers optimize healthcare benefits, reduce costs, and enhance employee support. ([Link](#))

9. Blue Matter Acquires Sam Brown Inc., Expanding Strategic Communications Capabilities in Life Sciences via its Financial Sponsor Baird Capital

Blue Matter, a global consulting firm serving the life sciences industry, has acquired Sam Brown Inc., a leading healthcare communications and public relations agency. This acquisition enhances Blue Matter's integrated advisory and market research services across medical affairs, market access, and commercialization. Sam Brown, known for its strategic communications in biotechnology and pharmaceuticals, will retain its name and leadership under founder Laura Liotta, who will join Blue Matter's executive team. ([Link](#))

10. Panacea Healthcare Solutions Acquires CBIZ KA Consulting to Expand Revenue Integrity and Compliance Services via its Financial Sponsors Columbia Pacific Capital Partners and The Firmament Group

Panacea Healthcare Solutions, backed by Firmament, has acquired CBIZ KA Consulting Services, a provider of eligibility, clinical coding, auditing, and revenue integrity solutions for U.S. hospitals and healthcare systems. This acquisition will bolster Panacea's capabilities in delivering comprehensive financial, compliance, and clinical products and services. KA Consulting's executive team, including Chief Operating Officer George Kelley, will join Panacea, with Kelley becoming President of the new KA Consulting division. The combined expertise aims to provide healthcare providers with an enhanced suite of revenue-oriented services. ([Link](#))

11. Agape Care Group Expands Hospice Services with Acquisition of Select Crossroads Hospice Facilities Across Four States via its financial sponsors Audax Private Equity, H.I.G. Capital and Ridgemont Equity Partners

Agape Care Group, backed by Ridgemont Equity Partners, has acquired Crossroads Hospice facilities in Oklahoma, Kansas, Missouri, and Georgia. Post-acquisition, these locations will operate under the ACG Hospice and Georgia Hospice Care brands. Crossroads Hospice will continue its operations in Tennessee, Ohio, and Pennsylvania. This expansion aligns with Agape Care Group's growth strategy, now serving around 5,000 patients across nine states with over 2,000 employees. CEO Troy Yarborough highlighted the company's efforts in building infrastructure to support this acquisition and looks forward to enhancing care delivery in the new markets. ([Link](#))

Other and Venture News

1. XVIVO Perfusion Acquires FlowHawk Software Platform to Enhance US Transplant Clinical Workflow Automation Healthtech Solutions Inc. (OmniLife)

XVIVO Perfusion AB has acquired the FlowHawk™ software platform from Healthtech Solutions Inc. (OmniLife) to streamline transplant clinical workflows in the US. The acquisition, valued at USD 6 million with a potential milestone payment of USD 1 million, aims to improve communication and planning for transplant centers, reducing inefficiencies in the complex transplant process. FlowHawk enables HIPAA-compliant, traceable workflows, already adopted by leading US transplant centers. XVIVO expects the platform to generate an additional USD 300,000 in revenue in Q4 2024. Integration is set to complete in 2025, with minimal impact on the company's financials. ([Link](#))

2. Candid Health Secures \$29M in Series B Funding Led by 8VC, Joined by First Round Capital, BoxGroup, and Y Combinator to Transform Medical Billing with Automation

Candid Health, a platform innovating revenue cycle automation for healthcare providers, secured \$29M in a Series B funding round led by 8VC, with participation from First Round Capital, BoxGroup, and Y Combinator. This brings the company's total funding to \$47M. Candid Health aims to simplify the medical billing process, addressing the inefficiencies and high costs in the U.S. healthcare system. By leveraging automation, the platform optimizes claim submissions, achieving first-pass resolution rates of 95-99% for its 150+ customers. CEO Nick Perry emphasizes the focus on accurate initial submissions to reduce post-claim corrections and costs. ([Link](#))

3. Scriptology Acquires RxLive, Accelerating Growth with AI-Driven Medication Management Platform

Scriptology, a tech-enabled medication management startup, has acquired RxLive, a competitor known for its AI and analytics platform, significantly accelerating Scriptology's growth by several years. The acquisition boosts Scriptology's technical infrastructure and workforce, adding RxLive's AI-based risk stratification technology that identifies high-risk patients who could benefit from clinical pharmacist intervention. Scriptology CEO Erin Hendrick highlighted that RxLive's established technology and data from over 250,000 patients will strengthen Scriptology's capabilities and revenue potential through its software-as-a-service model. RxLive's clinical teams will continue providing services under the new ownership. ([Link](#))

4. Fabric Expands Virtual Healthcare Network with Acquisition of TeamHealth VirtualCare

Fabric, a leading healthcare technology company, has acquired TeamHealth VirtualCare, expanding its virtual care network to all 50 states. This acquisition marks Fabric's fourth in 18 months, enhancing its offerings to payers, employers, and health systems. The deal brings additional multi-specialty physicians and advanced practice providers into Fabric's network, including expertise in cardiology, sports medicine, OB/GYN, family medicine, and emergency medicine. Fabric and TeamHealth will collaborate to improve patient access and efficiency through advanced technology, supporting omni-channel care experiences and reducing provider work time in virtual settings. Fabric is backed by General Catalyst, Thrive Capital, GV (Google Ventures), Salesforce Ventures, Vast Ventures, BoxGroup, and Atento Capital. ([Link](#))