



# LAWRENCE, EVANS & CO., LLC

Investment Banking | Healthcare Finance | Consulting

## Healthcare Weekly News and Deals – October 25<sup>th</sup>, 2024

### 1. Cigna (NYSE: CI) Reinitiates Merger Discussions with Humana (NYSE: HUM) Following Abandoned 2022 Efforts

Cigna Group has revived informal discussions to merge with Humana (HUM.N) after a previous attempt last year fell through over pricing disagreements. Humana's stock rose 6% in after-hours trading, while Cigna's dropped by 5%. Valued at around \$94 billion, Cigna is selling its Medicare Advantage (MA) business, recently agreeing to a \$3.3 billion sale to Health Care Service Corp. Meanwhile, Humana, with a market cap of about \$32 billion, is facing challenges from declining enrollments and rising healthcare costs. A final decision on the merger remains pending, with discussions possibly extending into 2025. ([Link](#))

### 2. CorroHealth Secures Strategic Investment from Patient Square Capital to Drive Growth in Revenue Cycle Management Solutions

CorroHealth, a prominent provider of revenue cycle management (RCM) solutions for healthcare, has entered into definitive agreements for a strategic investment from Patient Square Capital. Existing shareholders, including Carlyle, TT Capital Partners, Sanaka Group, and CorroHealth management, will retain stakes, with Carlyle and Patient Square jointly controlling the company. CorroHealth, with over 15,000 employees globally, aims to enhance healthcare financial performance through analytics and technology. This partnership aligns with CorroHealth's mission to expand capabilities and deliver financial solutions to healthcare systems, underscoring its growth potential with Patient Square's expertise in healthcare investment. ([Link](#))

### 3. CodexIT Acquires Kyval to Strengthen Healthcare IT Services with Data Migration and Archiving Capabilities

CodexIT, a leading healthcare technology provider, has acquired New York-based Kyval, a company specializing in healthcare data migration, validation, and archiving. This acquisition, CodexIT's fourth in two years, aims to expand its professional and clinical services by adding data solutions. CodexIT CEO Wes Strickling highlights the synergy between Kyval's specialty-focused services and CodexIT's patient-centric solutions, enhancing data management for healthcare clients. Randy Marsden, Kyval's founder, believes the partnership will accelerate Kyval's impact on the growing healthcare data migration market, driven by new EHR technologies and regulatory demands. ([Link](#))

### 4. Audax Private Equity Acquires Avantor's Clinical Services Business, Rebrands as Resonant Clinical Solutions

Audax Private Equity has acquired the clinical services division of Avantor, Inc., rebranding it as Resonant Clinical Solutions. Resonant integrates three established brands—EPL Archives, MESM, and Therapak—which offer extensive support to pharmaceutical, biotechnology, CRO, and diagnostic lab clients. Audax intends to propel Resonant's growth through both organic strategies and mergers and acquisitions, aiming to expand existing capabilities and add new ones. This acquisition aligns with the rising demand for specialized outsourcing in clinical trials, driven by the increasing complexity within the field. ([Link](#))

5. [WellSky Acquires Bonafide, Expands into DME/HME Market to Meet Rising Demand for Home-Based Healthcare Solutions via its financial sponsors Leonard Green & Partners, Filangieri Capital Partners and Ardan Equity](#)

Healthcare technology leader WellSky has acquired Bonafide, a software provider for durable and home medical equipment (DME/HME) companies, expanding its footprint in this rapidly growing sector. The acquisition brings Bonafide's comprehensive enterprise workflow platform under WellSky's umbrella, integrating billing, inventory, supply chain, and analytics to enhance operational efficiency for DME/HME providers. WellSky CEO Bill Miller expressed excitement over the partnership, highlighting a shared goal to address the growing needs of aging populations and patients with chronic conditions through home-based care solutions. Bonafide will retain its leadership under CEO Mark Ludwig, while gaining access to WellSky's extensive referral network. ([Link](#))

6. [hc1 Acquires Accumen to Transform Lab Data into Strategic Assets for Health Systems](#)

Healthcare IT leader hc1 has acquired Accumen, a healthcare performance consulting company, to offer an integrated solution that turns diagnostic labs into strategic assets for health systems. Leveraging hc1's Lab Insights Platform and Accumen's lab expertise, the combined entity aims to improve patient care, streamline lab operations, and boost financial performance. This merger enables health systems to harness lab data for actionable insights, impacting 90 million patients across 450 hospitals. The partnership enhances lab efficiency, reducing costs while maintaining quality, and offers seamless integration without IT disruptions. Learn more about hc1's vision at their upcoming webinar. ([Link](#))

7. [THL Partners Acquires Majority Stake in Red Nucleus; CEO Transition to Drive Global Expansion in Life Sciences Commercialization Services](#)

Red Nucleus, a leading life sciences strategic service provider, has received a majority investment from THL Partners to expand its global commercialization offerings. CEO Ian Kelly transitions to Chief Relationship Officer and Vice Chairman, while Mike Menta, former Syneos Health executive, steps in as CEO. Red Nucleus, with 700 professionals in seven countries, aids 200+ clients, including major pharmaceutical companies, in advancing therapies. The strategic partnership with THL, a veteran investor in pharma services, marks a new growth phase as Red Nucleus continues supporting patient-focused health outcomes worldwide. ([Link](#))

8. [Bluesight Expands Medication Compliance Portfolio with Acquisition of Compliance Platform Sectyr via its financial sponsor Thoma Bravo](#)

Bluesight, a leader in Medication Intelligence solutions for healthcare, has acquired Sectyr, a top compliance and audit management platform, to broaden its offerings for health systems and hospital pharmacies. The acquisition adds specialized 340B Drug Pricing Program audit and compliance tools to Bluesight's portfolio, addressing customer demand for improved regulatory support. Bluesight CEO Kevin MacDonald emphasized that Sectyr's compliance expertise aligns with Bluesight's mission to enhance medication safety and operational efficiency. Sectyr's platform will now strengthen Bluesight's tools for comprehensive 340B program management and audit readiness, supporting pharmacy compliance across North America. ([Link](#))

9. [Providence Expands Home Care with Joint Venture alongside Compassus](#)

Providence Health System is partnering with home care provider Compassus to launch "Providence at Home with Compassus," a joint venture offering home health, hospice, palliative care, and private duty services. The JV will initially operate 24 home health locations across Alaska,

California, Oregon, and Washington, with 17 hospice and palliative care sites also covering Texas. Compassus will manage operations, with the venture aimed at reducing patients' length of stay, improving care access, and supporting Providence's financial turnaround. The initiative aligns with the growing demand for home health services, pending regulatory review in Oregon. ([Link](#))

**10. Ascend Learning Expands Workforce Solutions with Acquisition of StaffGarden and Versant Healthcare Competency Solutions via its financial sponsors CPP Investments and Blackstone**

Ascend Learning has acquired StaffGarden, a digital platform supporting clinical talent development, to address workforce challenges for healthcare institutions. StaffGarden's tools enhance workforce management through competency tracking, structured career advancement, peer reviews, and residency support. This acquisition empowers over 800 hospitals to retain and develop their nursing staff. Additionally, Ascend purchased Versant Healthcare Competency Solutions, integrating more resources for competency management. StaffGarden and Versant leaders will join Ascend's team to further innovation in workforce development. ([Link](#))

**11. Zabel Companies Acquires Golden Ceramic Dental Lab with Strategic Financial Backing**

The Zabel Companies has acquired Golden Ceramic Dental Lab (GCDL), a full-service dental laboratory based in Prospect Heights, IL. Known for its expertise in implants, removables, crowns, bridges, and clear aligners, GCDL is a leader in custom dental prosthetics for various dental practices. The acquisition was supported by a financing package that includes both debt and equity investments, aimed at accelerating GCDL's growth. Zabel, with its extensive experience in supporting founder-led businesses, plans to work closely with GCDL's team to expand operations and scale service offerings across the dental industry. ([Link](#))

**12. Medbridge Acquires Rehab Boost, Launches AI-Powered Motion Capture for Enhanced Patient Care via its financial sponsors Brentwood Associates, Ebridge Ventures and LLR Partners**

Medbridge has acquired Rehab Boost, a motion capture and movement-based AI company, to enhance its AI-driven healthcare solutions. Rebranded as Medbridge Motion Capture within the Medbridge AI platform, this integration aims to improve patient outcomes through early injury prevention, personalized rehabilitation, and data-driven treatment. Key executives from Rehab Boost, including founder Paul Jaure and Director of Commercial Operations Garth Savidge, join Medbridge to drive innovation. This strategic move highlights Medbridge's commitment to using advanced technology to improve accessibility and quality in patient care across the healthcare continuum. Financial details remain undisclosed. ([Link](#))

**13. Martis Capital Poised to Acquire Three Oaks Hospice in \$150-\$160 Million Deal Amid Hospice Sector M&A Revival**

Martis Capital is reportedly set to acquire Three Oaks Hospice, a Dallas-based hospice care provider owned by Petra Capital, for an estimated \$150-\$160 million, according to sources in Axios. Three Oaks, generating \$10-\$13 million in EBITDA, has expanded since its 2019 inception, fueled by a \$21 million investment and strategic acquisitions. The deal is brokered by Harris Williams. This acquisition signals renewed interest in hospice mergers and acquisitions, with industry experts predicting transaction activity will rise over the next few quarters as valuations stabilize and interest rates decline. ([Link](#))

#### 14. US Investment Firm Welltower (NYS: WELL) Acquires UK Care Home Chain Care UK in Unannounced Deal Amid Healthcare Lobbying Efforts

Leading UK care home chain operating over 150 facilities, has been acquired by the American real estate investment trust Welltower. The deal, revealed in Companies House filings, marks the conclusion of Bridgepoint Advisers' ownership, which began in 2010 with a £420m purchase. Though the sale price remains undisclosed, Care UK settled loans exceeding £300m before the takeover. The acquisition aligns with lobbying efforts by private healthcare providers, including Care UK, offering to assist the NHS with backlog challenges. Care UK has received £840m in government contracts since 2016 but reported losses of £2.6m in 2023. ([Link](#))

#### 15. US Heart & Vascular Partners with Birmingham Heart Clinic to Enhance Cardiovascular Care in Alabama

US Heart & Vascular (USHV), a national cardiovascular support services provider, has partnered with Birmingham Heart Clinic (BHC), a 15-physician group offering comprehensive cardiovascular care. This collaboration aims to expand patient access and improve outcomes in Alabama, an underserved market. USHV's CEO, Robbie Allen, emphasized the alignment between USHV's value-based care strategy and BHC's commitment to high-quality, innovative care. BHC's Dr. Robert Yoe expressed excitement over the partnership, anticipating enhanced patient access. Founded in 2021, USHV focuses on supporting independent cardiologists nationwide by providing essential non-clinical resources for quality care delivery. ([Link](#))

#### 16. Parkview Dental Partners Acquires Breezy Dental, Expands Gulf Coast Presence via its financial sponsors Cathay Capital Private Equity and Barings

Parkview Dental Partners, a Sarasota-based Dental Support Organization (DSO), has acquired Breezy Dental in Tampa, Florida. This strategic move strengthens Parkview's footprint in the Gulf Coast region. CEO Rene Sauerteig emphasized that the acquisition aligns with Parkview's commitment to quality care. Dr. DiPiazza, owner of Breezy Dental, expressed excitement about gaining operational support while maintaining personalized patient care. As part of Parkview, Breezy Dental will now access comprehensive services, including financing and revenue cycle management. Founded by Dr. Liszewski, Parkview supports dental practices through best-in-class management services. ([Link](#))

#### 17. Schweiger Dermatology Group Expands in Florida with Acquisition of ClearlyDerm via its financial sponsors LLR Partners, LNK Partners, RVM Enterprises Investment Group and Zenyth Partners

Schweiger Dermatology Group has expanded its presence in Florida by acquiring ClearlyDerm, a renowned dermatology practice founded by Dr. Andrea Colton. The acquisition includes five new office locations in South Florida: Boca Raton, West Boca Raton, Boynton Beach, Delray Beach, and Fort Lauderdale. Dr. Colton and her team of 25 healthcare providers, known for their patient-focused approach, will join Schweiger's network. Dr. Eric Schweiger, CEO, praised the alignment in patient care values between the groups. This addition supports Schweiger's growth strategy, now encompassing over 120 locations nationwide. ([Link](#))

#### 18. Help at Home Expands Florida Presence with Acquisition of Caregiver Services, Inc.

Help at Home, a leading national provider of in-home care services, has acquired Caregiver Services, Inc. (CSI) to strengthen its presence in Florida. This acquisition expands Help at Home's reach to Medicaid and private-pay populations across 49 counties, including key areas like Miami, Tampa, and West Palm Beach. Operating in nine out of eleven Managed Long-Term Services and

Supports (MLTSS) regions in Florida, Help at Home aims to enhance its in-home care offerings for aging and underserved populations. The acquisition aligns with Help at Home's commitment to quality care and helping seniors age in place. ([Link](#))

#### 19. Double Point Ventures to Acquire Lumos Pharma (NAS: LUMO) in \$38M Deal with Milestone-Based Contingent Payout

Double Point Ventures (DPV) will acquire Lumos Pharma for \$38 million, paying \$4.25 per share in cash from its existing resources, with no financing conditions. Shareholders will receive a non-transferable contingent value right (CVR), offering future payouts if LUM-201, Lumos Pharma's growth hormone deficiency treatment, meets specific revenue milestones through 2037. Expected to close by year-end 2024, the acquisition has the backing of 17.7% of Lumos Pharma's shareholders and requires additional regulatory approvals. Lumos will continue as a DPV subsidiary, based in Austin, Texas. The FDA has also approved Lumos' Phase III trial design for LUM-201, starting in 2025. ([Link](#))

## Venture and Other News

#### 1. PeopleOne Health Secures \$32.3 Million in Series B Funding, Led by Google Ventures, to Expand Value-Based Primary Care Model Across the U.S.

PeopleOne Health, a value-based primary care provider, has raised \$32.3 million in Series B funding led by GV (Google Ventures), with contributions from healthcare entrepreneur Glen Tullman. This investment will support PeopleOne Health's mission to improve preventive healthcare and reduce employer costs by up to 30%, offering comprehensive, no-cost care to employees. With operations across nine centers, including new expansions in Florida, the company provides access to a range of healthcare professionals and boasts a 90+ NPS satisfaction score. The funding will drive growth, technology upgrades, and market expansion to redefine primary care nationwide. ([Link](#))

#### 2. OncoLens Raises \$16M in Series A Funding to Advance AI-Driven Cancer Treatment Planning

Atlanta-based oncology health tech startup OncoLens raised \$16 million in Series A funding, co-led by BIP Capital and Cross Border Impact Ventures, with participation from Martin Ventures and SeedToB. The funding will fuel development expansion for its AI-based platform, which helps cancer centers optimize treatment by identifying patients who may have missed critical diagnostics or therapies. Led by CEO Anju Mathew, OncoLens serves major cancer centers, including national institutes and integrated delivery networks, and has expanded globally with the OncoLens Research Network to support real-world evidence and diversity in clinical trials. ([Link](#))