



# LAWRENCE, EVANS & CO., LLC

Investment Banking | Healthcare Finance | Consulting

## Healthcare Weekly News and Deals –November 15<sup>th</sup>, 2024

### 1. Cardinal Health (NYSE: CAH) to Acquire GI Alliance and Advanced Diabetes Supply Group for \$3.9 Billion, Expanding Specialty and At-Home Care Services

Cardinal Health announced plans to acquire a majority stake in GI Alliance, the leading gastroenterology management services organization, for \$2.8 billion, and Advanced Diabetes Supply Group for \$1.1 billion. These strategic acquisitions aim to accelerate Cardinal Health's growth in specialty care and at-home solutions. GI Alliance will operate within Cardinal Health's Pharmaceutical and Specialty Solutions segment, while ADSG will merge with the at-Home Solutions business. Both transactions are expected to close in early 2025, subject to regulatory approvals. Cardinal Health anticipates these acquisitions will boost revenue, segment profit growth, and non-GAAP earnings per share within the first-year post-closing. ([Link](#))

### 2. McKesson (NYSE: MCK) and Oracle (NYSE: ORCL) Emerge as Frontrunners in Billion-Dollar Bid for Veradigm's (MDRX) Electronic Medical Records Business

McKesson and Oracle are reportedly among the finalists vying to acquire Veradigm, an electronic medical records company. The deal is expected to exceed Veradigm's \$1B market cap, with reduced antitrust concerns under the incoming Trump administration. Private-equity firm Thoma Bravo is also interested, particularly due to its NextGen portfolio company. CVS Health reportedly considered but withdrew from the bidding. Sources suggest a potential small discount due to antitrust scrutiny related to medical data holdings. A deal is anticipated by Thanksgiving. The acquisition highlights the growing importance of electronic medical records in the healthcare industry and the consolidation trend in health technology. ([Link](#))

### 3. MB2 Dental, Charlesbank Capital Partners, Secures \$525 Million Investment from Warburg Pincus, Valuing Company at Over \$3.5 Billion

MB2 Dental, the largest dental partnership organization in the U.S., has announced a \$525 million strategic investment from private equity firm Warburg Pincus. This deal values MB2 at over \$3.5 billion and marks the company's third recapitalization in seven years. The transaction provides liquidity options for MB2's doctor partners and reaffirms its unique doctor-led partnership model. Since 2021, MB2 has added over 450 new partnerships and grown revenue and EBITDA by more than 30% annually. Charlesbank Capital Partners will continue its partnership with MB2, supporting the company's next growth phase alongside Warburg Pincus. ([Link](#))

### 4. Wellpath Holdings Inc., H.I.G. Capital, Files for Bankruptcy Amid Rising Labor and Legal Costs, Plans Restructuring

Wellpath Holdings Inc., a major healthcare provider for US prisons and jails, has filed for Chapter 11 bankruptcy in Texas. The H.I.G. Capital-backed company, facing \$644 million in debt, cited escalating labor and legal costs as primary factors. Wellpath has secured a \$522 million debtor-in-possession financing facility and plans to sell some businesses, aiming to reduce its correctional healthcare business debt by \$550 million. The company expects operations to continue normally during the court-supervised process. This development follows a trend of financial struggles

among private equity-owned prison-service companies. Wellpath's restructuring plan includes agreements with a majority of its lenders and potential sale of its recovery solutions business. ([Link](#))

**5. Reservoir Communications Group Secures Investment from Periscope Equity to Accelerate Growth in Healthcare Consultancy**

Reservoir Communications Group, a Washington D.C.-based healthcare consultancy, has announced a strategic investment partnership with Periscope Equity, a Chicago-based private equity firm. The collaboration aims to accelerate Reservoir's growth and scale in the healthcare sector. Founded in 2014, Reservoir specializes in advocacy, corporate communications, and market readiness for healthcare brands, trade associations, and non-profits. The partnership will focus on enhancing technology, infrastructure, and staffing support to meet clients' complex needs. Robert Schooling, Reservoir's Founder and President, expressed enthusiasm for the partnership, while John Findlay, Periscope Partner, highlighted Reservoir's differentiated value proposition in addressing challenging healthcare issues. ([Link](#))

**6. Atlanta-Based Private Equity Firm Eagle Merchant Partners Acquires Stake in AYA Medical Spa, Eyeing Nationwide Expansion**

Eagle Merchant Partners, an Atlanta-based private equity firm, has acquired a stake in AYA Medical Spa, a premier medical spa chain with nine locations in Atlanta and Dallas. Founded in 1998 by Jim Namnoum, AYA offers a range of aesthetic services, including neurotoxin injections, laser treatments, and skincare products. This marks Eagle's 12th multi-unit consumer deal and 7th platform investment in its inaugural fund. The partnership aims to expand AYA's geographic reach across the United States through organic growth and strategic acquisitions, leveraging Eagle's experience in building industry-leading brands within the multi-unit consumer sector. ([Link](#))

**7. MIGA Holdings Acquires Invacare's North American Business, Reshaping Healthcare Mobility Market**

In a significant industry move, MIGA Holdings LLC has acquired Invacare Corporation's North American business. This strategic acquisition aims to optimize Invacare's operations and accelerate growth in the region. MIGA Holdings, associated with C+A Global, Saris, and ZINK, brings a strong track record of transforming companies. Invacare's CEO, Geoff Purtill, expressed confidence that this change will benefit both North American and European/Asia Pacific operations. The deal allows each regional business to focus on specific customer needs. MIGA's CEO, Chaim Piekarski, emphasized their commitment to expanding Invacare's foundation of excellence and furthering its mission of "Making Life's Experiences Possible. ([Link](#))

**8. NationsBenefits Acquires Good Measures, Revolutionizing Food as Medicine in Healthcare**

NationsBenefits, a leading fintech and healthcare benefits platform, has acquired Good Measures, a food as medicine solutions provider. This strategic move positions NationsBenefits as the only vertically integrated platform combining fintech, healthcare, and outcomes. The acquisition enhances NationsBenefits' ability to deliver comprehensive nutrition solutions, including food prescriptions, meal delivery, and clinical coaching, to its extensive network of over 100 health plan clients and 20 million members. Good Measures' CEO Donna K. Lencki and Co-Founder Stefany Shaheen will continue to drive the mission forward, leveraging NationsBenefits' reach to scale their innovative nutrition solutions across the healthcare industry. ([Link](#))

**9. U.S. Oral Surgery Management Expands Northeast Presence with Strategic Partnership with Oral & Maxillofacial Surgery Inc, Massachusetts**

U.S. Oral Surgery Management (USOSM) has partnered with Oral & Maxillofacial Surgery Inc., a premier practice in Brockton, Massachusetts. The partnership brings three board-certified surgeons into USOSM's network, enhancing its presence in the Northeast. USOSM CEO Richard Hall praised the practice's exceptional skills and compassionate care. The surgeons, including Drs. Richard Catrambone, Meredith August, and Karina Catrambone, will maintain clinical autonomy while gaining USOSM's operational support and an ownership stake in the company. This collaboration aims to improve behind-the-scenes operations, particularly in areas like insurance management, while maintaining high-quality patient care. USOSM continues to expand its network across 28 states, setting industry standards for oral and maxillofacial surgery management. ([Link](#))

**10. Health In Motion Expands Wisconsin Presence with Acquisition of Spooner and Hayward Physical Therapy & Wellness**

Health In Motion (HIM), a member of Confluent Health, has acquired Spooner and Hayward Physical Therapy & Wellness (SHPT) in Wisconsin. This partnership expands HIM's footprint to 11 clinics across Wisconsin and Pennsylvania. SHPT will maintain its clinical care while gaining access to Confluent Health's management services, educational offerings, and resources like mōviHealth and Evidence in Motion. The acquisition aligns with HIM's mission to provide high-quality care in central and northern Wisconsin. Both companies express excitement about the merger, which promises to enhance services and deliver exceptional patient outcomes in the region. ([Link](#))

**11. Helping Hands Family Expands Autism Services with Acquisition of Mission Autism Clinics, Boosting Presence to 38 Locations**

Helping Hands Family, an autism therapy provider, has acquired Mission Autism Clinics, adding 13 centers to its network in Maryland and Pennsylvania. The merger brings Helping Hands Family's total locations to 38 across five states. Mission Autism Clinics, founded in 2019, offers in-center ABA therapy for young children and home, school, and community-based care for older individuals. Helping Hands Family plans to maintain current services and staff roles while eventually rebranding Mission Autism Clinics' locations. The acquisition aims to expand quality ABA therapy to more communities, addressing the industry's shortage of board-certified behavioral analysts. ([Link](#))

**12. Kian Capital and RF Investment Partners Launch US VisionMed Partners: A Pioneering MSO for Medically Focused Optometry Practices**

Kian Capital Partners and RF Investment Partners have announced the formation of US VisionMed Partners, a management services organization supporting medically focused optometry practices nationwide. The platform, which includes investment from Lakewood Healthcare Capital, aims to provide advanced patient care and reduce healthcare costs by focusing on specialty and medical services. US VisionMed plans to expand through strategic acquisitions and organic growth, led by CEO Vance Wells. The initiative targets the fragmented optometry sector, offering a unique consolidation opportunity for specialty practices. The platform is actively seeking partnerships with established practice groups and optometrists looking for growth support. ([Link](#))

### 13. Momentum Joins Mosaic's Living Innovations, Expanding Disability Services Across New England

Momentum, a Maine-based behavioral health provider, has joined Living Innovations, a service of Mosaic, expanding their reach across Maine, New Hampshire, Rhode Island, and Connecticut. The merger will serve approximately 1,500 individuals with intellectual and developmental disabilities through shared living, community support, and employment services. Dennis Strout, Momentum's founder, cited long-term stability as a key factor in the decision. The union combines Momentum's innovative programs like Nature Trek with Living Innovations' established services, promising enhanced support and resources for individuals with diverse needs. This collaboration strengthens their ability to provide quality care and support to people with intellectual and developmental disabilities across New England. ([Link](#))

### 14. NavaDerm Partners, BelHealth Investment Partners, Sells Bronx-Based Dermatology Practice to Schweiger Dermatology Group, Marking Third Such Sale in Past Year

NavaDerm Partners, a BelHealth Investment Partners portfolio company, has announced the sale of Dermatology and Surgery Associates to Schweiger Dermatology Group (SDG). This marks NavaDerm's third practice sale to SDG in the past year, highlighting a strategic shift in their portfolio. NavaDerm's CFO, Vera Abramova, noted continued growth in their remaining flagship practices, particularly in cosmetic dermatology. SDG's Chief Business Development Officer, Kevin Schirf, expressed excitement about expanding their Northeast footprint. The sale underscores ongoing consolidation trends in the dermatology sector, with NavaDerm refocusing on key locations while SDG continues its expansion strategy. ([Link](#))

## Venture and Other News

### 1. Fort Health Secures \$5.5M in Funding to Expand Virtual Pediatric Mental Health Services led by Twelve Below and Vanterra

Fort Health, a New York City-based virtual pediatric mental health company, has raised \$5.5 million in a funding round led by Twelve Below and Vanterra, bringing its total funding to \$16 million. The company plans to use the funds to expand its services into Texas and Illinois through a partnership with NovaWell. Founded by CEO Natalie Schneider, Fort Health integrates primary and behavioral health care, offering in-network, virtual therapy, psychiatry, and parent coaching. Developed in collaboration with the Child Mind Institute, the company currently operates in New Jersey, New York, and Pennsylvania, with plans for further expansion later this year. ([Link](#))

### 2. Bluespine Secures \$7.2M Seed Funding to Revolutionize Healthcare Cost Management for Self-Insured Employers led by Team8

Bluespine, an AI-driven claims cost reduction platform, has raised \$7.2 million in seed funding led by Team8. The startup aims to help self-insured employers reduce healthcare spending while mitigating financial and legal risks. Bluespine's unique approach involves using AI to analyze 100% of claims and leveraging multiple data sources for comprehensive analysis. The company has already onboarded clients like Mattel and DavidShield, with plans to expand its customer base. The funding will be used to strengthen R&D capabilities and grow the go-to-market teams, with plans to double the headcount. Bluespine's mission is to reduce wasteful healthcare spending and improve employee health services. ([Link](#))

**3. Impilo Secures \$11.5M Series A Funding to Revolutionize At-Home Healthcare Access led by Construct Capital**

Digital health platform Impilo has raised \$11.5 million in a Series A funding round led by Construct Capital, with participation from several other investors. Founded in 2020, Impilo aims to eliminate barriers to at-home healthcare by leveraging technology to connect patients, providers, and medical supplies. The platform offers comprehensive solutions including 4PL logistics, patient support, data connectivity, and a white-labeled ecosystem for healthcare providers. With this funding, Impilo plans to enhance its technology infrastructure, expand geographically, improve user experience, and launch new offerings. CEO Josh Stein expressed gratitude and excitement for the company's future growth and innovation. ([Link](#))

**4. Canadian-Led Medeloop Secures \$15.5M Series A to Revolutionize Clinical Research with AI led by Inovia Capital**

Medeloop, a Silicon Valley-based startup founded by Canadian surgeon and entrepreneur Rene Caissie, has raised \$15.5 million USD in Series A funding. Led by Inovia Capital, the round included participation from several prominent investors. The company's AI-powered platform aims to accelerate clinical research by automating various tasks. Caissie, motivated by his daughter's medical condition, brings extensive experience from the Canadian tech and healthcare sectors. Medeloop has partnerships with institutions like McGill University and Mila. The funding will be used to enhance the platform's speed and accuracy, addressing inefficiencies in medical research and potentially transforming the field. ([Link](#))