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Investment Banking | Healthcare Finance | Consulting

Healthcare Weekly News and Deals –November 22nd, 2024

1. R1 RCM (NASDAQ: RCM) Acquired by TowerBrook and CD&R for \$8.9 Billion

R1 RCM, a healthcare revenue management leader, has been acquired by TowerBrook Capital Partners and Clayton, Dubilier & Rice for \$14.30 per share, valuing the company at \$8.9 billion. The transaction, announced on August 1, 2024, has now been completed, resulting in R1's delisting from Nasdaq. Joe Flanagan has returned as CEO, replacing Lee Rivas. Flanagan, with over 20 years of management experience, aims to drive operational excellence and technology leadership. The acquisition is expected to boost R1's innovation in intelligent automation and expand its market presence. ([Link](#))

2. Honeywell (NASDAQ: HON) Sells Personal Protective Equipment Business to Protective Industrial Products, Inc for \$1.325 Billion

Honeywell has agreed to sell its Personal Protective Equipment (PPE) business to Protective Industrial Products, Inc. for \$1.325 billion in cash. This divestiture completes Honeywell's exit from PPE and aligns with its strategy to simplify its portfolio and focus on three megatrends: automation, future of aviation, and energy transition. The PPE business, with 5,000 employees and a global footprint, will benefit from PIP's expertise in the sector. The transaction, expected to close in the first half of 2025, follows Honeywell's recent strategic acquisitions and announcement to spin off its Advanced Materials business, demonstrating the company's commitment to optimizing its portfolio and driving growth. ([Link](#))

3. TigerConnect Acquires Twiage to Enhance Pre-Hospital Communication in Healthcare via its financial sponsor Vista Equity Partners

TigerConnect, a leading clinical collaboration platform, has acquired Twiage, a health technology company specializing in pre-hospital communication. This strategic move aims to streamline emergency care coordination between EMS and hospitals. The acquisition enhances TigerConnect's portfolio by introducing pre-hospital communication and transfer center workflows, enabling real-time patient information sharing during transit. Twiage, founded in 2015, is trusted by over 100 hospitals and health systems. The merger aligns with TigerConnect's broader strategy to empower health systems by improving clinician productivity, strengthening care team connections, and extending care beyond hospital walls. This acquisition marks a significant step in unifying communications across the healthcare journey. ([Link](#))

4. Madison Industries Acquires SimX, Expanding Virtual Reality Healthcare Training Portfolio

SimX, a leading virtual reality healthcare training software producer, has been acquired by Madison Industries on November 13, 2024. Founded in 2013, SimX offers comprehensive XR training software for healthcare professionals across 30 countries and is used by top US hospitals. This acquisition follows Madison's previous purchase of CAE Healthcare in 2023. SimX's platform allows learners to interact with dynamic virtual patients and environments, addressing the global clinician shortage and reducing medical errors. The merger aims to improve healthcare education, patient safety, and accelerate the development of next-generation XR training technologies.

Madison Industries continues its mission to make the world safer, healthier, and more productive through innovative solutions. ([Link](#))

5. **Verisma Acquires Olah Healthcare Technology, Strengthening Healthcare Data Management Solutions via financial sponsor Sope Creek**

Verisma, a leading provider of health data management solutions, has acquired Olah Healthcare Technology, known for its Enterprise Archiving Solution (EAS). This strategic move combines Verisma's expertise in release of information and audit management with Olah's proficiency in legacy data archiving. The acquisition aims to create a comprehensive platform for healthcare providers, enhancing data accessibility, security, and regulatory compliance. Both companies have received recognition in their respective fields, with Verisma being honored by Black Book and Olah rated highly by KLAS Research. The merger is expected to streamline data management processes and improve efficiency in healthcare facilities nationwide. ([Link](#))

6. **3 Boomerang Capital Acquires Majority Stake in Clinical Documentation Integrity Leader Enjoin**

3 Boomerang Capital, a healthcare-focused private equity firm, has made a majority growth investment in Enjoin, LLC, a leader in Clinical Documentation Integrity solutions. Founded in 1988 by Dr. Garry L. Huff, Enjoin provides tech-enabled CDI and revenue integrity services to hospitals and health systems nationwide. The investment aims to support Enjoin's expansion of capabilities and market reach. Enjoin's CEO, Justin Schmidt, expressed enthusiasm about partnering with 3 Boomerang, citing their sector expertise. The deal aligns with 3 Boomerang's strategy of investing in founder-led healthcare businesses across four key sectors, including tech-enabled services. ([Link](#))

7. **TA Associates Completes Strategic Investment in Vee Healthtek, Boosting Healthcare Tech Solutions**

Global private equity firm TA Associates has finalized a strategic growth investment in Vee Healthtek, a provider of technology-enabled solutions for healthcare organizations. This partnership aims to enhance Vee Healthtek's technology capabilities and expand its offerings. Vee Healthtek, based in India and the US, offers comprehensive services including revenue cycle management and health information management. The investment will support both organic growth and strategic acquisitions. TA brings extensive experience in healthcare and technology sectors, having invested in over 560 companies across various industries. Vee Healthtek serves over 150 US customers, including six of the top 10 healthcare systems, and plans to leverage TA's global resources to drive client success. ([Link](#))

8. **Kelly Education (NASDAQ: KELYA, KELYB) Expands Pediatric Therapy Services with Acquisition of Children's Therapy Center in Minnesota**

Kelly Education, a division of Kelly Services (NASDAQ: KELYA, KELYB), has acquired Children's Therapy Center (CTC) in Minnesota, specializing in occupational, physical, and speech therapy for children up to 18 years old. The acquisition, completed on November 13, aims to expand Kelly Education's pediatric therapy services portfolio beyond its core substitute teacher business. CTC will be integrated into Kelly's existing services, allowing Minnesota school districts to access comprehensive special education support. The move aligns with Kelly Education's strategy to enter higher-margin adjacencies in whole-student education. Financial terms of the deal were not disclosed. ([Link](#))

9. H.I.G. Growth Partners Invests in Carebox, Revolutionizing Clinical Trial Access for Patients

H.I.G. Growth Partners has made a significant investment in Carebox, a software platform connecting patients with clinical trials. Carebox's CareboxConnect uses AI to match patients with relevant studies based on their medical profiles. The platform has been used by over two million physicians and patients. Carebox partners with 40+ life sciences firms and research organizations. Brian Weiss, Carebox's CEO, emphasizes the importance of connecting patients with potentially life-saving treatments. H.I.G. Growth's Albert Koh highlights Carebox's innovative technology and their expertise in scaling healthcare companies. The investment aims to expand Carebox's reach and impact in clinical trial accessibility. ([Link](#))

10. LiquidAgents Healthcare Acquires Travel Nursing Assets from Republic Health Resources, Expanding Its Market Presence

LiquidAgents Healthcare, an award-winning healthcare staffing agency, has acquired the travel nursing and allied business assets from Republic Health Resources. The acquisition allows Republic's healthcare professionals to transition into LiquidAgents' network, gaining access to nationwide job opportunities, competitive pay packages, and comprehensive benefits. Republic Health Resources will continue to operate independently under its own brand. LiquidAgents CEO Sheldon Arora expressed excitement about the acquisition, viewing it as a step forward in their mission to support healthcare workers and clients. With over two decades of experience and numerous industry awards, LiquidAgents Healthcare aims to strengthen its position in the healthcare staffing market through this strategic move. ([Link](#))

11. Summit Spine & Joint Centers Expands Southeast Presence with Acquisition of Integrated Pain Solutions via its financial sponsors Fulcrum Equity Partners and MSouth Equity Partners

Summit Spine & Joint Centers, a minimally invasive spine platform specializing in chronic pain treatment, has acquired Integrated Pain Solutions (IPS), expanding its footprint to 41 locations across Georgia, Tennessee, and North Carolina. This marks Summit's first add-on acquisition, bringing 18 providers and 11 locations in North Carolina into its network. The move aligns with Summit's strategy of partnering with entrepreneurial physicians and hospital systems. Dr. Amit Patel of Summit expressed enthusiasm about the partnership, emphasizing their commitment to providing high-quality care. The acquisition strengthens Summit's position as a leading chronic pain management provider in the Southeastern U.S. ([Link](#))

12. Medical Technology Associates Acquires Major Medical Hospital Services, Expanding Northeast Presence in Medical Gas Services Via its financial sponsor Riverarch Equity Partners

Medical Technology Associates, LLC (MTA) has acquired Major Medical Hospital Services, Inc., the largest provider of medical gas services in the Northeast. The acquisition, announced on November 19, 2024, will expand MTA's presence in Northeast Regional markets, enhancing its ability to deliver medical gas testing and equipment alongside existing services. Major Medical's management team and employees will continue in their current roles, maintaining their focus on patient safety and facility compliance. Paul Rumbos, president of Major Medical, expressed excitement about the partnership's potential for accelerating growth. Val Marks, CEO of MTA, praised Major Medical's exceptional business and service culture, anticipating a bright future for the combined entities. ([Link](#))

Venture and Other News

1. Synapticure Secures \$25 Million Series A Funding Led by B Capital to Revolutionize Virtual Care for Neurodegenerative Diseases

Synapticure, a virtual care company focused on neurodegenerative diseases, has raised \$25 million in Series A funding led by B Capital. The round included investments from CommonSpirit Health, CVS Health Ventures, and others. Founded by patient-advocates Brian Wallach and Sandra Abrevaya, Synapticure aims to improve access and outcomes for patients with Alzheimer's, Parkinson's, and related conditions. The funding will be used to expand partnerships, enhance their technology platform, accelerate clinical research, and scale their national medical group. Synapticure provides rapid access to specialist care, addressing the growing demand for accessible treatment as the population ages. ([Link](#))

2. Zarminali Health Secures \$40M Seed Funding to Revolutionize Pediatric Care Nationwide

Zarminali Health, a pioneering outpatient pediatric care provider, has announced a \$40 million seed funding round led by General Catalyst. Founded by Danish Qureshi, former co-founder of LifeStance Health, the company aims to transform pediatric healthcare by integrating primary and specialty care services. Zarminali's innovative approach addresses the current fragmented system, alleviating burdens on families and clinicians. The funding will support the company's go-to-market strategy and the opening of initial locations in fall 2024. With a focus on streamlined care journeys, improved health outcomes, and advanced technology, Zarminali seeks to create a seamless, coordinated healthcare experience for children and families nationwide. ([Link](#))

3. Citizen Health Secures \$14.5M Seed Funding to Revolutionize Patient-Centric Healthcare with AI

Citizen Health, a San Mateo-based AI-powered consumer health platform, has raised \$14.5 million in seed funding. The round was led by Transformation Capital, with participation from Wavemaker 360 and angel investors. The Chan Zuckerberg Initiative also provided a strategic program investment and partnership. Co-founded by Farid Vij and Nasha Fitter, Citizen Health is developing a comprehensive health knowledge base that captures patients' complete health journeys. This platform aims to provide patients with experience-based answers and accelerate drug development for researchers. The company plans to announce new partnerships and product features in the coming months, potentially transforming healthcare delivery and research. ([Link](#))

4. TailorMed Secures \$40 Million in Funding led by Windham Capital Partners to Revolutionize Healthcare Affordability and Access

TailorMed, a leader in healthcare technology, has raised \$40 million in a combined equity and debt financing round. The funding, led by Windham Capital Partners, will support TailorMed's mission to transform medication access, adherence, and affordability across the United States. The company has built the nation's largest affordability network, connecting patients, providers, pharmacies, and life science companies. With this investment, TailorMed aims to expand its platform to address all barriers along the medication continuum, from cost to access and adherence. The funding round included participation from various investors, including health system investment arms and continued support from early backers. ([Link](#))