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Investment Banking | Healthcare Finance | Consulting

Healthcare Weekly News and Deals –December 13th, 2024

1. **Patterson (NASDAQ: PDCO) to Go Private in $4.1 Billion Deal with Patient Square Capital**
   Patterson Companies, a dental and animal health equipment supplier, has agreed to a $4.1 billion private takeover by Patient Square Capital. The $31.35 per share offer represents a 35.7% premium over the previous closing price. The deal includes a 40-day period for alternative proposals. Patterson had been exploring strategic options after lowering its profit forecast due to declining dental product demand and disruptions from a hack at Change Healthcare. The company's animal health segment, which contributes over 60% of revenue, remains strong. The transaction is expected to close in Q4 of Patterson's fiscal 2025, pending customary approvals. (Link)

2. **Amulet Capital Partners Acquires Theoria Management to Expand Tech-Enabled Senior Care Services**
   Amulet Capital Partners has acquired Theoria Management, a tech-enabled management service organization providing value-based primary care to senior living communities across 21 U.S. states. Theoria, led by founder and CEO Dr. Justin Di Rezze, employs a patient-centric model leveraging proprietary technology to enhance care coordination and outcomes for high-acuity patients in skilled nursing and senior living facilities. This partnership aims to accelerate Theoria's growth, expand its offerings, and address clinician shortages in post-acute care. Amulet, a healthcare-focused private equity firm managing $2.7 billion in assets, sees Theoria as a transformative force in senior healthcare delivery. Financial terms were undisclosed. (Link)

3. **Carta Healthcare Acquires Realyze Intelligence, Boosting AI-Powered Clinical Data Solutions**
   Carta Healthcare, a provider of AI-driven data abstraction technology, has acquired Realyze Intelligence, a UPMC Enterprises portfolio company specializing in AI-powered clinical trial matching. The merger aims to enhance their combined AI platforms, focusing on expediting research and reducing costs in healthcare. Realyze Intelligence's expertise in oncology and rapid patient cohort assembly will complement Carta Healthcare's data abstraction capabilities. The integrated technologies are expected to significantly improve clinical trial feasibility, data abstraction for cancer registries, and insights generation across various medical specialties. This acquisition follows Carta Healthcare's recent $25 million Series B financing and aligns with both companies' missions to leverage data for improving healthcare outcomes. (Link)

4. **Crown Laboratories and Revance Therapeutics Amend Merger Agreement; Crown to Acquire Revance (NASDAQ: RVNC) for $3.10 per Share**
   Crown Laboratories and Revance Therapeutics have revised their merger agreement, initially set in August 2024. Crown will acquire all outstanding shares of Revance at $3.10 per share in cash, following unanimous approval from Revance's board. The merger aims to enhance Crown's aesthetic offerings by integrating Revance's innovative solutions. The transaction, expected to close in Q1 2025, is contingent on shareholder approval and customary conditions. Post-merger, Revance will be delisted from Nasdaq. The merger follows Revance's settlement with Teoxane over distribution disputes, impacting its financial outlook. (Link)

5. Healthcare AI Firm SpinSci Secures $53M Investment to Revolutionize Patient Engagement from Aldrich Capital Partners
   SpinSci, a Dallas-based healthcare technology company, has secured a $53 million majority investment from Aldrich Capital Partners. The company specializes in AI-powered patient engagement solutions that support the entire patient journey. SpinSci's platform includes human-assisted contact centers, GenAI-powered self-service tools, and integrated workflows for major healthcare providers. The funding will be used to accelerate growth and innovation in delivering seamless digital experiences for healthcare providers and patients. Founder Rajit Kumar expressed enthusiasm for growing in Dallas, citing the city's talent and resources as key factors in the company's success. (Link)

6. ACCESS Physical Therapy & Wellness, Confluent Health, Expands Reach with Acquisition of Physical Therapy Associates of Schenectady
   ACCESS Physical Therapy & Wellness has acquired Physical Therapy Associates of Schenectady (PTAS), a therapist-owned practice with seven clinics in Massachusetts and New York. This partnership expands ACCESS PT's footprint to 73 clinics across five states. PTAS will now benefit from Confluent Health's management services, talent development, and practice enablement resources. The acquisition aims to enhance patient care and strengthen the combined presence in the region. Both organizations emphasize their shared commitment to patient-centered care and professional development. The move is expected to provide PTAS with additional tools and resources to support continued growth and success. (Link)

7. Morgan Stanley Capital Partners to Acquire Prescott's, Expanding Healthcare Services Portfolio
   Morgan Stanley Capital Partners (MSCP) has entered into an agreement to acquire Prescott's, a leading healthcare-focused outsourced clinical engineering services company, from Atlantic Street Capital. This acquisition marks MSCP's fourth investment in the healthcare outsourced services sector and is expected to strengthen Prescott's platform in clinical engineering services for critical surgical suite equipment. Prescott's operates throughout the U.S. and the UK, providing services to healthcare providers. The transaction, subject to customary closing conditions, represents a strategic move for MSCP to bolster its presence in the healthcare services market. (Link)

8. Greenlight Health Data Solutions and Pattern Health Merge to Create Powerhouse in Healthcare Data and Patient Engagement
   Greenlight Health Data Solutions and Pattern Health have announced their merger. The combined entity, retaining the Greenlight Health Data Solutions name, aims to revolutionize healthcare, life sciences, and insurance industries by offering streamlined access to real-world and EHR data. Ed Barber, former CEO of Pattern Health, will lead the new company as CEO, while Steve Malik, Greenlight's founder, becomes Chairman. The merger is backed by a $6 million investment to boost sales and marketing efforts. The integration promises to enhance clinical trials, patient engagement, and data-driven healthcare solutions. (Link)

9. Dynamic Infusion, Backed by RiverGlade Capital, Expands Atlantic Footprint with Acquisition of Solution Nursing
   Dynamic Infusion, a leading home infusion nursing service provider, has acquired Solution Nursing, expanding its operations in Maryland, Delaware, Pennsylvania, and Northern Virginia. The acquisition brings over 30 years of industry experience to Dynamic, solidifying its presence in the Atlantic region. Solution's co-owners will continue leading regional operations. The combined

entity now serves patients across 14 states, conducting over 25,000 home visits annually for more than 60 specialty pharmacies. Dynamic Infusion, backed by RiverGlade Capital, aims to enhance its reach and maintain high-quality patient care in home-based infusion therapy services. (Link)

10. Principle Health Systems Acquires Telos PGX, Bolstering Personalized Medicine in Long-Term Care

    Principle Health Systems, a leading mobile diagnostic provider for long-term care, has acquired Telos PGX, a pioneer in pharmacogenetic testing. This strategic move aims to revolutionize healthcare by expanding personalized medication solutions, particularly for Skilled Nursing Facilities. Telos PGX's proprietary program helps reduce adverse drug reactions and optimize treatment plans. D.J. Hart, Telos PGX's founder, will join Principle Health Systems as Director of Pharmacogenetic Operations. The acquisition combines Principle's resources and experience with Telos's innovation, accelerating the adoption of personalized medicine and improving patient outcomes in long-term care settings. (Link)

11. Proven Behavior Solutions, via its Financial Sponsor Health Enterprise Partners, Acquires Prism Autism Education & Consultation, Expanding Autism Services Across New England

    Proven Behavior Solutions, a leading autism therapy provider in Massachusetts, has acquired Prism Autism Education & Consultation of Connecticut. This strategic move expands Proven's geographic reach and service offerings in New England. Prism, known for its clinical center-based Applied Behavior Analysis and private special education school, will continue to operate under its brand. The partnership aims to integrate operations, share best practices, and increase access to high-quality autism services. Scott Snider, CEO of Proven, expressed excitement about the merger, while Rachael Coburn, CEO of Prism, highlighted the benefits of improved technology and additional resources for professional growth and client care. (Link)

12. Nationwide Medical Partners with Heritage Group for Growth

    Nationwide Medical, a leading provider of home medical equipment and clinical services for chronic sleep and respiratory conditions, has announced a strategic partnership with Heritage Group, a healthcare-focused private equity firm. The California-based company, serving over 100,000 patients across 49 states, aims to leverage Heritage Group's expertise to accelerate growth and enhance its tech-enabled offering. CEO David Siegel expressed excitement about the partnership, highlighting the company's commitment to patient care. Heritage Group's Partner, Jesse Bland, emphasized the alignment with their investment strategy in high-quality healthcare services. (Link)

13. Espire Dental, via its financial sponsors Ironwood Capital and Rallyday Partners, Expands into Washington State with Two Major Acquisitions of Tranquility Dental Wellness, a four-practice group in Tacoma, and Sauvage Dentistry, a five-practice group in Seattle

    Espire Dental, a Denver-based cosmetic and multi-specialty dental group, has announced two significant acquisitions in Washington State. The company has partnered with Tranquility Dental Wellness, a four-practice group in Tacoma, and Sauvage Dentistry, a five-practice group in Seattle. These acquisitions mark Espire's expansion into the Pacific Northwest, bringing their total practice count to 39 across six states. Founded in 2018, Espire Dental aims to elevate the dental experience for providers and patients alike. The company offers comprehensive business support services, allowing dentists to focus on patient care. Both acquisitions align with Espire's mission of providing exceptional dental care and fostering positive team experiences. (Link)(Link)

14. Kristopher Stice, Capital Eleven, and Willowbridge Group Facility Acquired Doctor's Hospice of Idaho Enters New Era Under New Ownership

    Doctor's Hospice of Idaho, a locally owned and operated hospice facility, has been acquired by Kristopher Stice, Capital Eleven, and Willowbridge Group. The acquisition aims to enhance patient care and employee well-being while building upon the legacy established by Cody Freston. Ashley Copeland, the newly appointed CEO/Administrator, emphasizes creating a world-class hospice experience. The new ownership brings extensive healthcare experience and a commitment to community service. Capital Eleven, an investment firm, sees this as an opportunity to make a positive impact in the hospice sector. The acquisition promises to maintain the facility's dedication to celebrating patients' lives and providing exceptional care. (Link)

15. Valsoft Corporation, via its financial sponsors Coatue Management and Viking Global, Investors Acquires Exeevo, Bolstering AI-Driven CRM Solutions for Life Sciences Industry

    Canadian software acquisition specialist Valsoft Corporation has acquired Exeevo, a leading provider of AI-powered CRM solutions for the Life Sciences industry. The acquisition aims to accelerate digital transformation in healthcare by combining Valsoft's resources with Exeevo's innovative platform. Exeevo's unified CRM solution, built on Microsoft technology, streamlines operations and enhances customer engagement for pharmaceutical, biotech, and medical device organizations. The deal maintains Exeevo's leadership team and focuses on expanding its global impact. This strategic move underscores the growing importance of AI-driven technologies in advancing healthcare outcomes and fostering deeper connections with stakeholders in the Life Sciences sector. (Link)

16. Community Health Systems to Sell Lake Norman Regional Medical Center to Duke Health for $280 Million

    Community Health Systems (CHS) has agreed to sell the 123-bed Lake Norman Regional Medical Center in Mooresville, North Carolina, to Duke University Health System for $280 million. The deal, expected to close in Q1 2025, marks Duke Health's significant expansion beyond its current three hospitals in the Raleigh-Durham area. This sale comes after CHS's previous attempt to sell the facility to Novant Health failed due to regulatory concerns. The transaction aligns with CHS's ongoing strategy to divest hospitals and generate liquidity, targeting over $1 billion in proceeds from hospital sales this year. Duke Health views this as an opportunity to extend care to more communities. (Link)

17. CareTrust REIT Expands Portfolio with $97 Million Midwest Acquisition and Progresses on $245 Million Tennessee Deal

    CareTrust REIT has acquired a 46-facility, 3,820-bed/unit portfolio in the Midwest for $97 million. The deal includes a 15-year triple-net master lease with an 11% year-one contractual yield. Simultaneously, CareTrust closed on 14 of 31 facilities in a previously announced Tennessee portfolio, investing $245 million through a joint venture. This brings CareTrust's annual investment total to over $1.3 billion. The Midwest acquisition introduces a new relationship with a skilled nursing operator, while the Tennessee deal involves a partnership with a large healthcare real estate owner. Both transactions were funded using cash on hand, reflecting CareTrust's aggressive growth strategy in the healthcare real estate sector. (Link)

Venture and Other Healthcare

1. ### Wanda Health Secures £1M Funding to Boost AI-Driven Remote Patient Monitoring Platform led by EMV Capital Partners Limited

   Wanda Health, a Bristol-based remote patient monitoring and virtual care platform provider, has raised £1M in funding led by EMV Capital Partners Limited. The company plans to enhance its AI capabilities, expand its US market presence, develop solutions for its partner network, and advance FDA clearance for a cardiovascular risk indicator. Following the fundraising, EMV Capital's equity holding in Wanda Health increased to 21.9%, valued at £1.35m. The company, a UCLA spinout, recently partnered with the COPD Foundation to refine its disease monitoring platform. Wanda Health's SaaS solution utilizes proprietary ML and AI to enable early detection of health exacerbations across various disease spaces. (Link)

2. ### MiSalud Health Appoints New CEO, Secures $8M Funding to Expand Bilingual Telehealth Services for Hispanic Communities

   MiSalud Health, a digital health platform offering bilingual telehealth services, has appointed co-founder Bismarck Lepe as CEO. The company also secured $8 million in funding led by Samsung Next. MiSalud focuses on providing affordable, same-day Spanish/English health consultations in the U.S. and Mexico, targeting Hispanic communities in healthcare deserts. The platform serves industries such as agriculture, manufacturing, and hospitality, aiming to improve health outcomes and reduce strain on the healthcare system. With the new funding, MiSalud expects to serve over 1 million people in the next two years, addressing the growing need for culturally-relevant healthcare services for the Hispanic population. (Link)

3. ### Anise Health Secures $3M Seed Funding to Expand Culturally-Responsive Mental Health Care for Asian Americans

   Anise Health, a digital mental health platform specializing in culturally-responsive care for Asian Americans, has raised $3 million in seed funding. The round was led by Kicker Ventures, with participation from various investors and a grant from the National Institute of Mental Health. This follows their $1.2 million pre-seed round in June 2023. The platform, which expanded from California to New York last year, aims to address the growing mental health needs within the Asian American community. Co-founder Alice Zhang reported a 97% completion rate for the first four sessions, significantly higher than the average dropout rate for people of color. (Link)

4. ### Sollis Health Secures $33M Series B Funding led by Foresite Capital to Expand Concierge Medicine Services Nationwide

   Sollis Health, a New York City-based concierge medicine provider, has raised $33 million in Series B funding led by Foresite Capital. The round saw participation from Torch Capital, Montage Ventures, and others. Sollis Health plans to use the funds to accelerate nationwide expansion, starting with new clinics in Silicon Valley, Miami, and Texas. The company offers a membership model providing 24/7 access to ER-trained physicians, specialists, and advanced diagnostic capabilities. Led by CEO Brad Olson, Sollis Health aims to eliminate wait times and simplify healthcare access. The company currently operates in New York, the Hamptons, Los Angeles, San Francisco, and South Florida. (Link)

5. Oregon Startup Special Touch Nursing Services Expands into AI-Driven Elder Care Management After $1.3M Seed Funding

   Special Touch Nursing Services Inc., an Oregon-based elder care startup, has announced its expansion into cost management consulting and AI-based health management services following a $1.3 million seed funding round led by LSK Investment. The company, which already offers nursing, hospice care, medical staffing, and diagnostics, aims to address challenges in elder care through innovative technology and compassionate care. The new services will help care homes optimize operations, enhance patient care, and manage health proactively. CTO Thomas O'Leary emphasized the company's mission to improve elder care quality through innovation and collaboration, positioning the startup for growth in the expanding global elder care market. (Link)

6. Evidently Secures $15M Series A Funding to Revolutionize Healthcare AI

   Evidently, a Palo Alto-based healthcare AI platform provider, has raised $15M in Series A funding led by DN Capital, with participation from FRAMEWORK, Clear Ventures, and Fellows Fund. The company plans to use the funds to meet product demand and expand into population health and clinical research analytics. Evidently's cognitive AI platform acts as an AI resident, synthesizing information from various sources and providing actionable summaries with real-time decision support. Led by CEO Feng Niu and CPO Kalie Dove-Maguire, MD, the platform aims to empower clinicians, reduce burnout, and drive institutional success in healthcare. (Link)

LECO Research and Newsletters

1. The Healthcare Venture Studio Industry Report released

   The Healthcare Venture Studio HCVS industry report was released by Lawrence, Evans & Co., LLC and Healthcare Development & Innovation Group. This Report is the most comprehensive overview of all known healthcare focused venture studios. Learn more about what venture studios are, who they are, what they are investing into, who they are partnering with, their area of focus and of course who the executives and contacts to these organizations. Report available (Link) More detailed information for subscribers of HDIG www.HealthcareDIG.com