LAWRENCE, EVANS & CO., LLC

Investment Banking | Healthcare Finance | Consulting

Healthcare Weekly News and Deals –December 30th, 2024

1. Omega Healthcare receives an investment from Ontario Teachers' Pension Plan and joins Goldman Sachs as Co-Lead Investor, Boosting Tech-Enabled Healthcare Solutions

   Ontario Teachers' Pension Plan has made a significant investment in Omega Healthcare Management Services, joining Private Equity at Goldman Sachs Alternatives as co-lead investors. Goldman Sachs Alternatives has been an investor in Omega since 2019. Omega, a leading technology-enabled healthcare management solutions provider, will benefit from this partnership to strengthen its market position and enhance its intelligent automation platform. Founded in 2003, Omega has approximately 35,000 employees across 14 delivery centers globally. While transaction terms were not disclosed, the deal highlights the potential for growth in healthcare revenue cycle management. (Link)

2. Avel eCare Acquires Hospital Pharmacy Management, Expanding Telemedicine Footprint via its financial sponsor Aquiline Capital Partners

   Avel eCare, a leading telemedicine provider, has acquired Hospital Pharmacy Management, Inc. (HPM), enhancing its remote pharmacy services. The acquisition adds 51 hospitals across four states to Avel's portfolio, strengthening its position in the telepharmacy market. This strategic move addresses critical staffing shortages in healthcare systems, particularly in rural areas. Avel's expanded pharmacy team will offer 24/7 access to licensed pharmacists for medication order processing, reviews, and clinical services. The deal aims to improve patient safety, reduce burnout among healthcare professionals, and enhance care delivery in hospitals and health systems. (Link)

3. Reliance Digital Health Acquires 45% Stake in US Health Tech Firm, Health Alliance Group Inc. (HAGI), for $10 Million, Boosting Virtual Healthcare Access

   Reliance Industries' subsidiary, Reliance Digital Health Ltd, has agreed to acquire a 45% stake in Health Alliance Group Inc. (HAGI) for $10 million. HAGI, a US-based healthcare technology company, focuses on innovative solutions for underserved communities globally. The investment aims to develop a virtual diagnostic and care platform, expanding healthcare access. The deal, expected to close in two weeks, requires no regulatory approvals. This move aligns with Reliance's strategy to expand its digital health presence. Meanwhile, Reliance Industries reported a 3.6% year-on-year decline in Q2 consolidated net profit to ₹19,101 crore, though it showed a 9.5% quarter-on-quarter increase. (Link)

4. Versant Diagnostic, Iron Path Capital, Expands Network, Affiliates with Avero Diagnostics in Strategic Pacific Northwest Move

   Versant Diagnostics, an independent physician services company, has announced its affiliation with Avero Diagnostics, a leading anatomic pathology provider based in Bellingham, Washington. This strategic partnership expands Versant's nationwide network and strengthens its presence in the Pacific Northwest. Dr. Ryan Fortna will serve as the Regional Managing Director of the growing practice. The collaboration aims to improve patient outcomes and expand access to Versant's network of subspecialty experts. This move aligns with Versant's rapid advancement in digital pathology technology and its strategic growth plan, positioning the company as a leader in the digital transformation of anatomic pathology. (Link)

5. SALT Dental Collective Expands Portfolio with 58th Partnership, Attracting Investor Attention in Pediatric Dentistry Sector

   SALT Dental Collective has announced its 17th partnership of the year, bringing its total to 58 practices. The latest addition is Smile Valley Pediatric Dentistry in Washington DC, led by Dr. Roya Pilcher. Known for their concierge-level service and award-winning care, Smile Valley enhances SALT's presence in the pediatric dental market. This strategic move demonstrates SALT's continued growth and ability to attract high-quality practices, potentially piquing investor interest in the dental service organization sector. The partnership underscores SALT's commitment to expanding its network while maintaining a focus on exceptional patient care and practice reputation. (Link)

6. Strawberry Fields REIT (NYSE: STRW) Expands Portfolio with $24M Acquisition of Six Kansas Healthcare Facilities, Boosting Annual Rents by $2.4M

   Strawberry Fields REIT, Inc. (NYSE: STRW) has entered into a $24 million agreement to purchase six healthcare facilities in Kansas, comprising five skilled nursing facilities and one assisted living facility with 354 licensed beds. The acquisition, expected to close by year-end, will be funded through working capital. The facilities will be leased to Advena Living for an initial 10-year period with two 5-year options, increasing the company's annual rents by $2.4 million with 3% annual increases. This expansion adds to Strawberry Fields' existing portfolio of 123 healthcare facilities across ten states. (Link)

Venture and Other Healthcare News:

1. Rapha Capital Leads $14M Series A-4 Funding for FIZE Medical, Joined by Valitas Venture Capital and eHealth Ventures, to Expand Innovative Fluid Management Technology

   FIZE Medical has secured $14 million in Series A-4 funding, led by Rapha Capital Management, with participation from Valitas Venture Capital and eHealth Ventures. This brings total Series A funding to $29 million. The investment will support FIZE's expansion of its groundbreaking fluid management technology, FIZE-kUO®, in U.S., EU, and Asian markets. The device detects early signs of kidney deterioration and integrates AI-enabled algorithms for improved patient outcomes. FIZE plans to launch AI-based predictive capabilities as a Decision Support System. The funding will accelerate market penetration and advance technological development in the $12 billion AI-based critical care market. (Link)

2. Vitalic Launches Geriatric Mental Health Platform with $4M Seed Funding from Redesign Health and VNS Health

   Vitalic, a Boston-based mental health startup, has launched its geriatric behavioral health care platform with $4 million in seed funding. The investment was led by Redesign Health and VNS Health, a Medicare Advantage payor. Vitalic's platform aims to address the often overlooked mental health needs of older adults, using a proprietary engagement model to identify and enroll high-cost, polychronic members with untreated behavioral health challenges. The company's team-based clinical model includes geriatric-trained specialists such as psychiatrists, nurse practitioners, therapists, and mental health coaches. Vitalic's goal is to improve patient satisfaction, close care gaps, reduce unnecessary utilization, and lower overall care costs. (Link)

3. IA Ventures Leads $7M Seed Funding for Portal Biotechnologies, Advancing Cell Engineering Platform
Portal Biotechnologies, a Cambridge, MA-based cell engineering platform company, has secured $7M in Seed funding. The round was led by IA Ventures, with participation from Pear VC, Undeterred Ventures, Page One VC, IKJ Capital, and other existing investors. Founded by CEO Armon Sharei, Portal aims to revolutionize intracellular delivery for RNA, gene editing, and molecular design technologies. The company's proprietary mechanical delivery system uses microscopic holes in a silicon surface to deliver various cargoes to different cell types. The funds will support Portal's growth and the launch of new products, potentially impacting biological research and cellular therapeutics. (Link)

4. Bluenote Secures $10M in Funding for AI-Powered Life Sciences Platform, Backed by Lux Capital including Elad Gil, Anthropic, and McKesson Ventures.
Bluenote, a generative AI platform for life sciences companies, has raised $10 million in financing led by Lux Capital, with participation from prominent investors including Elad Gil, Anthropic, and McKesson Ventures. Co-founded by former Color Health executives Fatima Sabar and Katsuya Noguchi, Bluenote aims to streamline regulatory and compliance workflows in the life sciences industry. The platform offers 15+ applications for various teams, with fine-tuned models that are 90% preferred over off-the-shelf alternatives. Bluenote's technology is designed to increase accuracy, reliability, and timeliness of regulatory filings, potentially accelerating time-to-market for new therapies and devices. (Link)

5. Royal Health Secures Minority Investment from HealthQuest Capital, Boosting Valuation and Expansion Plans
Royal Health, a radiology software provider, has secured a minority investment led by HealthQuest Capital. The undisclosed funding resulted in a nearly eightfold increase in enterprise valuation since 2019. The investment aims to scale operations, enhance technology offerings, and expand into U.S. and international markets. CEO Peter Nassif views this as a significant milestone for the company. HealthQuest Capital's partner, Sharath Reddy, praised Royal Health's role in transforming radiology with cutting-edge technology. This news follows Royal Health's recent selection by LucidHealth for multistate outpatient imaging-center operations and expanded partnerships with Concord Technologies and eviCore 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

2. Meet with bankers and innovators from Lawrence, Evans & Co., LLC at the JPM Healthcare Conference Events January 13-16th 2025 Members of the Lawrence, Evans & Co., LLC healthcare deal team will be attending this year's JPM Healthcare Conference Events Jan 13-16th 2025 in San Francisco CA. Contact us today to schedule a meeting if you are in the city. info@lawrenceevans.com

Healthcare Capital Markets & Innovation Summit

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Healthcare Capital Markets & Innovation Summit (HCMIS) 2025 is based in Columbus OH "The Smart Healthcare City" This conference is where leading healthcare industry executives gather and speak on the latest investment and partnership topics.

In addition to hearing from top healthcare innovators, attendees will also have access to:

- Dealmaking & networking with industry leaders, executives, PE, VC, family offices, bankers, accountants, lawyers, and other professionals
- In-person one-on-one meetings with fellow event participants that can be locked in with a dedicated meeting scheduler
- Company presentations from executives seeking capital, partnerships, or to sell.
- ACG Columbus in collaboration with a breakfast event
- Healthcare Venture Studios (top leaders and investors in the space)

Proposed Panels and Speaker Topics

- Private Equity Investment and 2025 Outlook
- New Administration Healthcare Policy
- Growing Interest in Medspas, Injectables and Obesity Drugs
- Value Based Strategy and Update
- Health IT - Digital Health, RCM and Artificial Intelligence
- Behavioral Health
- Women's Health
- Rural and Access for Healthy Communities
- Cybersecurity Threats, Insurance Coverage and Due Diligence
- IPOs back in vogue?
- Bioastronautics (Space Health)
- Healthcare Venture Studio Models and Trends

In addition to seeking the most knowledgeable panelists, we give preference to conference sponsors. If your organization is interested in sponsoring, please contact us for a media package. For questions, contact us at the email info@healthcarecapitalmarkets.com or call 614-448-1304