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Investment Banking | Healthcare Finance | Consulting

Healthcare Weekly News and Deals –January 21st, 2025

1. **BrightSpring (NAS: BTSG) to Divest Community Living Business for $835M to Sevita, via its financial sponsors Aeterna Capital Partners, Ascension Ventures, Centerbridge Partners, Duchossois Capital Management and Equity Investment Group, Focuses on Core Services**

   BrightSpring Health Services announced the sale of its Community Living business, ResCare, to Sevita for $835 million in cash. The divestiture aligns with BrightSpring's strategy to concentrate on home health, hospice, rehabilitation, and pharmacy services. Expected to close in 2025, the deal will generate $715 million in after-tax proceeds, primarily for debt reduction. ResCare serves 14,000 clients with 13,500 employees. BrightSpring forecasts improved revenue and EBITDA growth post-sale, targeting $11.5–$12 billion in 2025 revenue. CEO Jon Rousseau emphasized operational synergies and Sevita's commitment to quality care for individuals with developmental disabilities. (Link)

2. **Johnson & Johnson (NYSE: JNJ) to Acquire Intra-Cellular Therapies for $132 per Share, Bolstering Mental Health Portfolio**

   Johnson & Johnson (J&J) has announced plans to acquire Intra-Cellular Therapies for $132 per share in cash, strengthening its neuroscience portfolio. The deal includes CAPLYTA, an FDA-approved therapy for schizophrenia and bipolar depression, and ITI-1284, a Phase 2 candidate for anxiety and Alzheimer's-related conditions. CAPLYTA is also under FDA review for major depressive disorder treatment. J&J's CEO, Joaquin Duato, emphasized the company's commitment to advancing neuropsychiatric and neurodegenerative care. The acquisition, expected to close later this year, addresses the growing demand for mental health treatments and aligns with J&J's focus on innovative medicine. (Link)

3. **Health Catalyst (Nasdaq: HCAT) to Acquire Upfront Healthcare, Bolstering Patient Engagement Capabilities**

   Health Catalyst, a leading healthcare data and analytics provider, has announced plans to acquire Upfront Healthcare, a patient engagement platform company, in a deal expected to close in Q1 2025. The acquisition aims to enhance Health Catalyst's patient experience offerings by integrating Upfront's patient activation and engagement technology with Health Catalyst's existing solutions. This combination is expected to strengthen patient engagement, improve care transitions, and optimize access to healthcare services. The deal will be funded through a mix of cash and stock. Both companies express excitement about the potential to transform patient experiences and drive data-informed healthcare improvements. (Link)

4. **Optum, United Healthcare (NYSE: UNH), Expands Healthcare Portfolio with FlexCare Infusion Acquisition Amid Regulatory Scrutiny**

   Optum, a UnitedHealth Group subsidiary, has agreed to acquire FlexCare Infusion, an ambulatory infusion network with 30 clinics across three states. This move follows Optum's recent high-profile healthcare acquisitions, including OrthoAlliance and potential deals with Surgery Partners. The company is also pursuing a $3.3 billion merger with Amedisys, which faces legal challenges from the Department of Justice over competition concerns. UnitedHealth Group has filed a motion to dismiss the DOJ's lawsuit. Optum's aggressive expansion strategy has significantly increased its healthcare footprint, now boasting over 90,000 affiliated physicians and recent acquisitions in cardiovascular care. (Link)

5. WindRose Health Investors Backs AI-Powered Radiology Platform CIVIE in Strategic Investment

   New York-based healthcare private equity firm WindRose Health Investors has made a strategic investment in CIVIE, an AI-powered ecosystem of radiology solutions. CIVIE was formed through the acquisition of Collaborative Imaging's technology platform. The investment aims to fuel CIVIE's growth and development of its innovative technology, which optimizes revenue, enhances productivity, and improves patient outcomes for radiology practices and hospital systems. CIVIE's comprehensive cloud-based platform offers integrated solutions including revenue cycle management, imaging workflow solutions, RIS, PACS, VNA, and automated speech-to-text solutions. Collaborative Imaging's management team, led by CEO Dhruv Chopra, will transition to CIVIE to guide its next growth phase. (Link)

6. U.S. Legal Support Acquires American Retrieval, Expanding Litigation Support Services via its financial sponsors Carlyle Secured Lending BDC and Abry Partners

   U.S. Legal Support, a leading provider of litigation support services, has acquired American Retrieval, the nation's top medical record retrieval company since 1993. This strategic move combines American Retrieval's expertise and advanced technology with U.S. Legal Support's comprehensive service suite, offering clients in the legal and insurance sectors a unique blend of personalized support and efficient, automated solutions. The acquisition expands U.S. Legal Support's nationwide reach and provides American Retrieval's clients access to additional services such as court reporting, interpreting, and trial services. Both companies emphasize their commitment to delivering exceptional, client-focused solutions and setting new standards for innovation in the legal community. (Link)

7. West Physics Acquires Mid-South Medical Physics in Strategic Partnership, Expanding Nationwide Footprint via its financial sponsor LNC Partners

   West Physics, the leading national provider of medical and health physics consulting services, has announced a strategic partnership with Mid-South Medical Physics. The agreement includes a multi-phase acquisition of Mid-South, allowing its owner, Paul Beck, to gradually retire. West Physics will establish a field office in Fayetteville, Arkansas, enhancing its presence in the region. The partnership aims to leverage combined expertise and resources to improve product offerings and customer experiences. West Physics now comprises approximately 140 professionals serving over 6,000 customer sites across all 50 states, U.S. territories, the Caribbean, and the Middle East. (Link)

8. Vesey Street Capital Partners Acquires ComplexCare Solutions from Inovalon, Expanding Healthcare Services Portfolio

   Vesey Street Capital Partners (VSCP) has completed the acquisition of ComplexCare Solutions (CCS) from Inovalon. CCS, a leading provider of health assessments and member engagement services for health plans, becomes VSCP's fifth carveout transaction and first platform investment from their Healthcare Fund II. The deal aims to enhance CCS's service offerings and drive growth. Industry veteran Benton Davis joins as Executive Chairman, partnering with CEO Rachel Knight and VSCP. The acquisition aligns with VSCP's focus on key growth segments in healthcare services, leveraging their expertise and network to improve patient outcomes and health plan services. (Link)

9. Suvoda and Greenphire to Merge, via its financial sponsor Thoma Bravo, Creating Comprehensive Clinical Trial Technology Platform

   Clinical trial technology leaders Suvoda and Greenphire have announced their merger, set to close in Q2 2025. The combined company will offer an end-to-end platform supporting the patient journey in clinical trials, including randomization, trial supply management, eConsent, eCOA, payments, budgeting, and logistics. Suvoda's CEO, Jagath Wanninayake, will lead the merged entity, while Greenphire's CEO, Jim Murphy, will serve as an advisor through 2025. Thoma Bravo will be the lead strategic investor, with Bain Capital Tech Opportunities making a significant minority investment. The merger aims to enhance patient access, simplify site operations, and streamline clinical trial processes for sponsors and CROs. (Link)

10. Leavitt Equity Partners Leads Investment in Pediatrics Plus, Joining Forces with Fulcrum Equity Partners and Western Governors University

    Leavitt Equity Partners, founded by former U.S. Health Secretary Mike Leavitt, has partnered with Pediatrics Plus, a leading pediatric therapy provider in Arkansas. Fulcrum Equity Partners and Western Governors University have also joined the investment group. Pediatrics Plus, serving over 6,000 children annually, offers various therapies including physical, occupational, speech, and ABA. The partnership aims to expand the company's reach and enhance its services. The incumbent management team, including founders Todd and Amy Denton, will remain involved. This collaboration is expected to address the shortage in pediatric therapy services and accelerate Pediatrics Plus's growth into new markets. (Link)

11. St. Croix Hospice (H.I.G. Capital) to Acquire Mayo Clinic Health System's Hospice Operations in Southwest Minnesota

    St. Croix Hospice and Mayo Clinic Health System have reached a definitive agreement for St. Croix to acquire Mayo's hospice operations in Southwest Minnesota. The deal, expected to close in Q1 2025, is subject to regulatory approval. This acquisition marks St. Croix's second recent purchase of a health-system based hospice program. The two providers have a longstanding referral relationship in Midwest care. Both organizations emphasize their commitment to maintaining high-quality, compassionate end-of-life care. St. Croix Hospice, serving over 5,600 patients across the Midwest, will work closely with Mayo Clinic Health System to ensure a smooth transition for patients. (Link)

12. Choice Health at Home Acquires Family Tree Private Care, Expanding Home-Based Care Services Across Southwestern U.S. via its financial sponsors Trive Capital and Coltala Holdings

    Choice Health at Home, a leading multi-state provider of home health services, has acquired Family Tree Private Care, one of the largest private care operators in the U.S. This strategic merger expands Choice's geographic presence and service offerings across Texas, Colorado, and the Southwestern U.S. The acquisition, supported by Choice's recently announced $260 million credit facilities, integrates Family Tree's robust private care services into Choice's portfolio. David Jackson, CEO of Choice, called it a "transformative moment," while Daniel Gottschalk, CEO of Family Tree, expressed enthusiasm for the partnership's potential to expand access to home-based care. (Link)

13. SightMD Connecticut Acquires Doctor & Associates, Expanding Eye Care Services in Fairfield County via its financial sponsors Duchossois Capital Management and Chicago Pacific Founders

SightMD Connecticut has acquired Doctor & Associates, a renowned eye care provider in Fairfield County since 1965. The partnership brings three accomplished ophthalmologists—Dr. Leslie Doctor, Dr. Spiro Combest, and Dr. Michael Bautista—to SightMD Connecticut's team. This strategic move enhances SightMD's presence in southern Connecticut, offering patients access to advanced technologies and a broader network of care. The acquisition aligns with SightMD's mission to provide comprehensive, convenient, and compassionate vision care. Patients will benefit from expanded resources and specialized services, including cataract surgery, LASIK, and cornea care, while maintaining the personalized attention they've come to expect from Doctor & Associates. (Link)

14. EisnerAmper Expands Dental Practice Expertise with HDA Accounting Group Acquisition

Global business advisory firm EisnerAmper has announced the acquisition of HDA Accounting Group, a Denver-based firm specializing in dental practice accounting. The combination, expected to close in early 2025, will bring HDA's two partners and 65 professionals into EisnerAmper's fold. HDA serves over 800 dental practices across all 50 states, offering tailored services including tax compliance, monthly accounting, and profitability analytics. This strategic move allows EisnerAmper to enhance its industry-specific solutions in the healthcare sector while providing HDA's clients access to additional services such as cybersecurity, real estate, and wealth management. (Link)

15. Yale New Haven Health to Acquire Nelson Ambulance, Boosting Medical Transport Capabilities

Yale New Haven Health System (YNHHS) has announced plans to acquire Nelson Ambulance and its affiliates, aiming to enhance its medical transport capabilities. The acquisition, expected to close in the first half of 2025, is seen as a strategic move to improve patient care coordination and efficiency. YNHHS CEO Christopher O'Connor emphasized the critical role of Nelson Ambulance in Connecticut's medical transport sector. This development comes as Yale New Haven Hospital implements a mask mandate for workers starting January 15, due to rising respiratory illness cases. The acquisition is anticipated to result in better supervision of patient transport and improved integration with medical staff. (Link)

16. WM Partners' Portfolio Company Allergy Research Group Acquires Metabolic Maintenance, Expanding Health and Wellness Offerings

WM Partners announced that Allergy Research Group (ARG), a portfolio company of HPH III Investments, has acquired certain assets of Metabolic Maintenance (MM), a provider of premium nutritional supplements. This strategic acquisition aims to integrate MM under the ARG umbrella, expanding their product offerings, particularly in mental well-being supplements. The move follows WM Partners' acquisition of ARG in July 2023. Both companies share a focus on physician-recommended nutritional supplements and have decades of experience in the industry. The acquisition is expected to create synergies and support innovation in the health and wellness sector. (Link)

17. KT Tape Acquired by Bridges Consumer Healthcare, Backed by Charlesbank Capital Partners

KT Tape LLC, a pioneer in drug-free pain relief solutions, has been acquired by Bridges Consumer Healthcare, LLC, a portfolio company of Charlesbank Capital Partners. The acquisition marks a new growth phase for KT Tape, which was previously backed by Palladin Consumer Retail Partners. Founded in 2008, KT Tape has become a market leader in kinesiology tape and expanded into various healthcare products. The deal aims to leverage Bridges' platform to accelerate KT Tape's growth through increased investment in product innovation, demand generation, and omnichannel distribution. Both companies express excitement about the partnership and its potential to enhance their position in the consumer healthcare market. (Link)

18. ### CareTrust REIT (NYS: CTRE) Expands Footprint with $176M Acquisition of 13 Skilled Nursing Facilities in Tennessee

    CareTrust REIT, a California-based real estate investment trust, has completed the second phase of a larger $421 million portfolio acquisition in Tennessee. The company purchased 13 skilled nursing facilities for $176 million through a joint venture with an undisclosed healthcare real estate owner. The properties will be operated by existing CareTrust tenants under new long-term master lease agreements. Ensign Group affiliates will manage six facilities, while Links Healthcare Group affiliates will operate the remaining seven. This acquisition marks a significant expansion of CareTrust's presence in the Tennessee healthcare real estate market, with the full transaction set to include 27 facilities. (Link)

Venture and Other News

1. ### Aerin Medical Secures $32.5 Million in Equity Financing, Bolstering Growth in ENT Medical Devices Led by KCK Group, OrbiMed, Ally Bridge Group and Questa Capital

   Aerin Medical, a high-growth medical device company specializing in ENT conditions, has successfully completed two significant financial transactions. The company raised $32.5 million in equity financing led by its major investors, with new participation from Ares Management Credit funds. Ares also provided a debt facility to refinance existing debt and access additional capital. This funding will support Aerin's commercial expansion, R&D investments, and clinical evidence generation. The company's CEO, Matt Brokaw, emphasized that this financial boost reflects investor confidence in Aerin's innovations for otolaryngologists and patients. Aerin's products, VivAer and RhinAer, have already treated over 150,000 patients. (Link)

2. ### Caidya Secures $165M Investment from Rubicon Founders to Fuel Global CRO Expansion

   Caidya, a Raleigh-based global mid-sized Clinical Research Organization (CRO), has received a $165 million growth investment from Rubicon Founders. The company plans to use the funds to support its next growth phase, focusing on organic expansion and potential strategic acquisitions. Led by CEO Barbara Lopez Kunz, Caidya operates in 23 countries and regions, offering full-service capabilities to biopharma sponsors. The CRO specializes in oncology, hematology, rare diseases, and pediatric conditions, among other therapeutic areas. This investment is expected to strengthen Caidya's position in the global healthcare innovation landscape and enhance its ability to bring innovative therapies to patients worldwide. (Link)

3. ### Teal Health Secures $10M Seed Funding led by Emerson Collective and Forerunner to Revolutionize Cervical Cancer Screening

   Teal Health, a San Francisco-based women's health company, has raised $10 million in seed funding, bringing its total funding to $23 million. The round was led by Emerson Collective and Forerunner, with participation from existing investors including Serena Ventures, Metrodora, and Labcorp. Teal Health, led by CEO Kara Egan, is developing an at-home cervical cancer screening device and telehealth platform to increase screening engagement in the U.S. The company plans to use the funds to accelerate product development and prepare for commercialization. Teal Health is also a member of the Cervical Cancer Roundtable, collaborating with the American Cancer Society and the Biden Cancer Moonshot initiative. (Link)

4. ### MultiCare Invests in Layer Health, an MIT-born AI company, Pioneering AI-Powered Chart Review for Enhanced Patient Care

   MultiCare Health System has made a strategic investment in Layer Health, an MIT-born AI company developing a comprehensive chart review algorithm. Layer Health's large language model can analyze longitudinal patient data to improve clinical reasoning and treatment decisions. Founded by MIT professor David Sontag and a team of experts, the company aims to revolutionize the labor-intensive process of manual chart review. This technology could significantly enhance participation in clinical registries and improve patient care outcomes. MultiCare's investment, through its venture arm MultiCare Capital Partners, aligns with their vision for innovative healthcare solutions and patient-centric care improvement. (Link)

5. ### 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)

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- 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

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