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Investment Banking | Healthcare Finance | Consulting

# Healthcare Weekly News and Deals –February 14th, 2025

1. Johnson & Johnson (NYSE: JNJ) Explores Sale of Cerenovus Stroke Unit Amid MedTech Overhaul

   Johnson & Johnson is reportedly considering selling its stroke care unit, Cerenovus, with a potential valuation exceeding $1 billion. This decision aligns with the company's strategy to streamline its medical technology division following significant acquisitions totalling over $30 billion in the past three years. Cerenovus, which develops surgical tools for stroke treatment, has attracted interest from private equity firms and strategic buyers. The sale reflects J&J's focus on enhancing operational efficiency and concentrating on core business areas amid changing market dynamics, as the company's MedTech unit generated $31.8 billion in sales in 2024. (Link)

2. Walgreens Boots Alliance (NAS: WBA) and VillageMD Explore Strategic Options

   VillageMD, the healthcare clinic chain backed by Walgreens Boots Alliance, is exploring strategic options, including a potential sale or restructuring. Walgreens CEO Tim Wentworth confirmed the company's intention to divest VillageMD to reduce debt and strengthen its balance sheet. Since acquiring a controlling stake in VillageMD for $5.2 billion in 2021, Walgreens has faced significant challenges, including a default on senior secured debt and operating losses. The review of VillageMD's future comes amid heightened concerns about Walgreens' cash flow and overall financial health. (Link)

3. AmeriPro Health Expands Midwest Operations with Acquisition of Priority Medical Transport Via its Financial Sponsors Alternative Investment Management, Whistler Capital Partners and Cohesive Capital Partners

   AmeriPro Health has acquired Priority Medical Transport, an emergency medical services provider in Nebraska founded by Dr. Jim Smith. This acquisition allows AmeriPro to expand its patient logistics and healthcare delivery services into the Midwest. Priority Medical Transport will leverage AmeriPro's resources to enhance its service quality. The acquisition strengthens AmeriPro's position as a partner for hospitals and municipalities by delivering efficient medical transportation solutions. Founded in 2018, AmeriPro Health is a fast-growing, tech-enabled platform serving communities across multiple states, including Florida, Georgia, Indiana, Kentucky, Michigan, Mississippi, South Carolina, Tennessee, and now Nebraska. (Link)

4. Cotiviti to Acquire Edifecs via its financial sponsors Veritas Capital, Stemar Capital, Kohlberg Kravis Roberts and Ardian

   Cotiviti has announced an agreement to acquire Edifecs, a leader in healthcare data interoperability. This acquisition aims to enhance connectivity between payers and providers, fostering collaboration in care delivery and accelerating the deployment of value-added solutions. Emad Rizk, M.D., will continue as CEO of the combined entity. Both companies share a commitment to improving healthcare quality and efficiency through advanced technology. With Edifecs' interoperable cloud solutions, the merger is expected to streamline health plan operations and improve patient outcomes while reducing administrative waste in the healthcare system. The transaction is subject to customary regulatory approvals. (Link)

5. DocGo's (NAS: DCGO) Expands with PTI Health Acquisition: Investors Lee Bienstock and Wayne Meadows Drive Expansion

   DocGo Inc. has acquired PTI Health, enhancing its mobile health services, which generated $695 million in revenue. This strategic acquisition allows DocGo to provide mobile lab collection and phlebotomy services, addressing diagnostic care gaps for underserved populations. By leveraging PTI Health's partnerships with major labs, DocGo plans to expand operations into New York City, improving healthcare access. CEO Lee Bienstock expressed enthusiasm about strengthening their vertically integrated care model, while PTI Health President Wayne Meadows will join as General Manager to further enhance service delivery across the U.S., focusing on homebound patients and clinical trials. (Link)

6. Nautic Partners Acquires Proud Moments ABA from Audax Private Equity

   Nautic Partners has acquired Proud Moments ABA from Audax Private Equity. Proud Moments ABA, a provider of applied behavior analysis (ABA) therapy for children with autism, significantly expanded under Audax's ownership since their initial investment in 2019. The company grew from seven locations in the New York tri-state area to 70 clinics across 12 states, serving approximately 3,000 clients weekly. Nautic Partners, known for investing in behavioral health companies, aims to support Proud Moments in its next growth phase. The acquisition closed on February 3, though the terms of the deal were not disclosed. (Link)

7. Treatment.com AI (CNQ: TRUE) Acquires Rocket Doctor for Approximately CA$11M to Enhance Virtual Care Solutions

   Treatment.com AI Inc. has agreed to acquire Rocket Doctor Inc., a Canadian AI-driven digital health platform that allows physicians to seamlessly integrate virtual care into their practices. The acquisition is valued at approximately CA$11 million in Treatment.com shares, with potential additional consideration of up to CA$9.5 million based on performance milestones. Rocket Doctor has supported over 300 physicians and achieved an annual recurring revenue of CA$1.9 million in 2024. This acquisition aims to improve patient triage and onboarding through AI technology, strengthening Treatment's presence in the digital health sector and enhancing healthcare delivery across North America. (Link)

8. Caymus Equity Partners' Pan-Am Dental Acquires JB Dental Lab and Avaneer Dental Studio, Via its Financial Sponsors Midwest Mezzanine Funds, Reinsurance Group of America and Caymus Equity Partners

   Caymus Equity Partners has announced that its portfolio company, Pan-Am Dental, has acquired JB Dental Lab and Avaneer Dental Studio, making Pan-Am one of the top 10 dental lab groups in the U.S. JB, based in Arizona, specializes in complex digital design and full arch implant cases, enhancing Pan-Am's technological capabilities. Avaneer, located in Michigan and Florida, focuses on crown and bridge services, strengthening Pan-Am's presence in the Midwest and Southeast. CEO Judson Boothe expressed enthusiasm about these acquisitions, which align with Pan-Am's mission to deliver exceptional dental solutions to its customers. (Link)

9. CareSpan (TSXV: CSPN) Health Acquires Medtech AI with Support from Investors for Strategic Growth

   CareSpan Health, Inc. has entered into a definitive agreement to acquire Medtech AI Inc., valuing the transaction at approximately $18.3 million. Under the agreement, CareSpan will exchange 365,042,108 common shares for all outstanding shares of Medtech. This acquisition allows CareSpan to gain exclusive rights to Medtech's proprietary immune monitoring platform, enhancing its healthcare offerings and enabling remote blood testing and health monitoring.

Concurrently, CareSpan plans a private placement to raise between $3 million and $5 million for transaction expenses and platform integration. The deal is subject to regulatory approvals and customary closing conditions, with CareSpan expected to continue its current operations post-acquisition. (Link)

10. Family Resource Home Care Acquires Beneficial In-Home Care, Supported by Great Point Partners
    Family Resource Home Care has acquired Beneficial In-Home Care, which operates in six Eastern Washington cities, including Spokane and Pullman. This acquisition significantly enhances Family Resource's footprint and increases its total staff to nearly 4,000 employees. CEO Hector Barragan stated that merging with a successful business aligns with their growth strategy and aims to strengthen their position in the Spokane market. Beneficial's CEO, Corey Ross, will assist with the transition but will step back after a few months. This move reflects Family Resource's commitment to expanding its services and solidifying its status as the largest independent home care agency in the Pacific Northwest. (Link)

11. Custom Veterinary Acquires Green Mountain to Form CompletePet Via its Financial Sponsor Align Capital Partners
    Custom Veterinary Services (CVS) has acquired Green Mountain Animal (GMA), creating a new entity named CompletePet. Founded in 2017 by Dale and Keeli Metz, GMA is known for its research and development, manufacturing, and supply chain capabilities in pet supplements. This acquisition enhances CVS's offerings by combining its expertise in soft chews with GMA's powder formulations and liquid solutions. Both companies will retain their operations, with GMA's Vermont facility continuing to serve customers. The partnership aims to advance pet wellness through innovative products and meet the increasing demand for sophisticated supply chain solutions in the pet health industry. (Link)

# Venture and Other News

1. Vitalchat Secures $6 Million Series A Funding Led by GHC Industries to Enhance Telehealth Solutions
   Vitalchat has successfully closed a $6 million Series A funding round led by Green Harvest Capital Industries (GHC Industries). This investment will accelerate Vitalchat's mission to improve inpatient telehealth and virtual nursing by expanding its AI-powered solutions, which reduce administrative burdens on healthcare providers and enhance patient safety. The demand for such solutions has surged due to staffing shortages and increasing patient needs. With this funding, Vitalchat aims to innovate its platform further, making telehealth more accessible and efficient for hospitals. Ankit Patel from GHC Industries will join Vitalchat's board as part of the investment. (Link)

2. Oak HC/FT Leads $52.5M Series C for Candid Health with 8VC, First Round Capital, BoxGroup, and Y Combinator Participating
   Candid Health secured $52.5 million in Series C funding, led by Oak HC/FT, with participation from existing investors 8VC, First Round Capital, BoxGroup, and Y Combinator. This investment will enhance its AI-powered revenue cycle management platform, which automates medical billing processes to ensure accurate claim submissions and reduce administrative burdens for healthcare providers. Since its founding in 2019, Candid has experienced rapid growth, with revenue increasing nearly 250% in 2024. The funds will be used to integrate advanced machine learning

techniques into their platform, improving efficiency and addressing the complexities of medical billing for healthcare providers. (Link)

3. Cerula Care Raises $3.7 Million Seed Round Led by Esplanade Ventures with Amplify Capital, BrightEdge, DigiTx Partners, SpringTime Ventures, and Mike Pykosz

   Cerula Care has announced a successful oversubscribed Seed funding round of $3.7 million, which will be used to expand services to additional oncology practices and enhance patient-facing technology. The company aims to address the behavioral health needs of cancer patients by providing integrated care navigation and support. Cerula Care seamlessly collaborates with oncology groups to deliver personalized, virtual-first solutions, including counselling and psycho-oncology, to improve health outcomes. With this team-based approach, the company has already demonstrated significant improvements in patient outcomes, helping those undergoing cancer treatment manage their mental health alongside their physical care needs effectively. (Link)

4. Keragon Secures $7.5M Seed Round Led by Upfront Ventures, with Support from Afore Capital, Focal, and 25m Health

   Keragon, an AI-powered HIPAA-compliant automation platform for healthcare, has successfully raised $7.5 million in an oversubscribed seed funding round led by Upfront Ventures, bringing its total funding to $10.5 million. The funds will be used to expand services and enhance its platform, which enables healthcare professionals to integrate over 300 software tools without coding. Since its launch six months ago, Keragon has attracted over 100 paying customers and is experiencing a 30% month-over-month growth rate, having executed more than 2 million workflow automations. This innovation streamlines operations, reduces administrative burdens, and improves patient care efficiency for healthcare providers. (Link)

5. Dopl Technologies Raises $1.5M Pre-Seed Round Led by TVF with Support from Precursor Ventures, Seattle Angel Conference, and Others

   Dopl Technologies, a Seattle startup focused on providing telerobotic diagnostic exams to underserved communities, has raised $1.5 million in a pre-seed funding round. The round was led by TVF, with participation from Precursor Ventures, Seattle Angel Conference, Flywheel (NCW Tech Alliance), The Pitch Fund, Measured Capital, Dreamward Event Fund, the University of Washington, and Dream Variation Ventures. The funding will accelerate Dopl's mission to distribute life-saving ultrasound exams, enabling earlier diagnoses of critical diseases. The company aims to eliminate travel barriers for rural patients by allowing remote sonographers to perform ultrasound exams using advanced robotic technology. (Link)

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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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