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Healthcare Weekly News and Deals –May 9th, 2025

1. **Trump to Sign Executive Order Implementing "Most Favoured Nation" Drug Pricing Policy, Cutting Costs 30-80%**

   The announcement outlines plan for an executive order establishing a "Most Favoured Nation" policy requiring U.S. drug prices to match the lowest global rates. The policy targets immediate price reductions of 30-80% for prescription medications, addressing long-standing disparities where Americans pay significantly more for identical drugs. The order aims to shift R&D cost burdens from U.S. consumers to global markets while generating trillions in healthcare savings. Framed as correcting unfair pricing practices, the move contrasts with previous Democratic opposition to such reforms. The White House signing ceremony will occur tomorrow morning, implementing what's described as one of the most consequential healthcare pricing reforms in U.S. history.(Link)

2. **U.S. and China Reach 90-Day Tariff Truce, Slashing Rates to 30% and 10% Respectively**

   The temporary agreement reduces U.S. tariffs on Chinese goods from 145% to 30% and China's duties on American imports from 125% to 10%, providing relief to businesses amid stalled trade. Treasury Secretary Scott Bessent emphasized avoiding economic decoupling, while China revoked retaliatory measures like rare earth export restrictions. The deal may include Chinese purchase agreements to narrow the U.S. trade deficit. Economists warn unresolved disputes risk global slowdowns and inflation. Markets rallied, with Hong Kong's index and S&P 500 futures rising 3%. Analysts note the truce lacks commitments on currency or trade imbalances, leaving long-term resolution uncertain.(Link)

3. **McKesson (NYSE: MCK) to Spin Off Medical-Surgical Unit as It Forecasts Strong 2026 Profit**

   Company plans to separate its surgical supplies division to sharpen focus on higher-margin specialty drug distribution, including cancer treatments. McKesson projected fiscal 2026 earnings of 36.75−36.75−37.55 per share, surpassing analyst estimates, despite Q4 revenue missing expectations. Shares rose 2% post-announcement. The spin-off aligns with industry trends favoring specialty medicines for complex conditions. While U.S. pharmaceutical sales grew 21% year-over-year to $83.2 billion, driven by oncology drugs, they fell short of forecasts. The move aims to capitalize on profitable growth areas as competitors also expand in specialty drug markets. (Link)

4. **Firefly Neuroscience (NASDAQ: AIFF) expands Brain Health Capabilities with Evoke Neuroscience Acquisition, backed by NVIDIA (NASDAQ: NVDA) Connect Program**

   The acquisition enhances Firefly's clinical reach, adding 27 patents and over 60 commercial sites while tripling its proprietary brain scan database. The deal includes a $500K earn-out clause tied to revenue milestones. Evoke's CEO cited technological synergies, while Firefly's leadership emphasized accelerated innovation for neurological and mental health diagnostics. The company's FDA-cleared BNA™ platform, powered by AI-driven EEG/ERP analysis, aids in precise treatment selection for conditions like dementia and ADHD. This strategic move follows Firefly's recent inclusion in NVIDIA's development program, further advancing its goal of building a foundational brain health model. (Link)

5. Infinx Expands AI-Powered RCM Solutions with Acquisition of i3 Verticals' (NASDAQ: IIIV) Healthcare Division via its financial sponsors Kohlberg Kravis Roberts and Norwest Venture Partners

   The deal enhances Infinx's AI-driven revenue cycle management platform by integrating i3 Verticals' established healthcare RCM operations, including its academic medical centre clientele. Infinx gains deeper operational expertise and industry relationships while extending its technological capabilities to new provider segments. CEO Jaideep Tandon emphasized the strategic alignment, combining i3's service delivery with Infinx's automation and analytics to reduce administrative burdens and improve financial outcomes. The acquisition supports Infinx's vision of scaling intelligent solutions across the revenue cycle lifecycle, from patient access to payment recovery. i3 Verticals will continue focusing on its core verticals outside healthcare following the transaction. (Link)

6. GeneDx (NASDAQ: WGS) Completes Fabric Genomics Acquisition to Pioneer AI-Driven Genomic Medicine

   The merger combines GeneDx's diagnostic testing and rare disease database with Fabric's AI-powered interpretation platform, creating a comprehensive genomic medicine ecosystem. The acquisition enables decentralized testing with centralized intelligence, accelerating diagnoses in NICUs and expanding newborn screening programs globally. Fabric will operate as a GeneDx subsidiary while integrating AI interpretation services across international markets. CEO Katherine Stueland emphasized the potential to improve outcomes and reduce costs through earlier diagnoses. The deal strengthens GeneDx's position in genomic medicine by offering flexible testing models and creating new software-based revenue streams through AI interpretation services. (Link)

7. Castle Biosciences (NASDAQ: CTSL) Expands GI Diagnostics Portfolio with Previse Acquisition

   The acquisition enhances Castle's gastroenterology offerings by integrating Previse's methylation technology for oesophageal cancer risk assessment, developed at Johns Hopkins University. Previse's Esopredict® test complements Castle's existing TissueCypher Barrett's Oesophagus test, creating a more comprehensive GI diagnostics suite. Both companies emphasized the potential to address unmet needs in chronic acid reflux diseases. The deal, expected to close soon, aligns with Castle's strategy to expand its test portfolio across therapeutic areas. Previse CEO Daniel Lunz highlighted synergies with Castle's commercial capabilities, while Castle CEO Derek Maetzold noted opportunities to advance early detection in GI care. Financial terms remain undisclosed. (Link)

8. Sumitomo Corporation (TYO: 8053) Expands U.S. Healthcare Footprint with ActivStyle Acquisition and Vast Medical Stake Increase

   The strategic moves strengthen Sumitomo's position in chronic care management, combining ActivStyle's incontinence products with Quest's diabetes-focused home medical services. The acquisitions address growing U.S. healthcare needs, with incontinence affecting 25+ million Americans and diabetes complications rising. ActivStyle's insurance-covered products and 50,000-patient network complement Sumitomo's existing $360 million investment plan targeting $700 million by 2030. Executives Darrell Rawlings (ActivStyle), Jeremy Yap (Sumitomo Americas), and

Hiroshi Hasegawa (Sumitomo Healthcare) highlighted cross-market synergies between U.S., Japanese, and Southeast Asian operations. The expansion leverages Sumitomo's managed care expertise to optimize costs while improving patient quality of life through integrated home care solutions. (Link)

9. ACT Dental and Smile Source Merge to Strengthen Independent Dentistry Through Combined Expertise via its financial sponsors Oxer Capital and Incline Equity Partner

   The newly merged entity aims to empower private dental practitioners by integrating ACT Dental's coaching and educational systems with Smile Source's nationwide network and purchasing benefits. Dr. Barrett Straub, Smile Source's new CEO, emphasized the shared commitment to sustaining independent practices. Kirk Behrendt, ACT Dental's founder, highlighted the enhanced community offering peer connections and operational support. Dr. Jeff Osborne noted the alliance's potential to help members thrive amid industry changes. While existing services remain unchanged, the partnership will introduce future improvements, reinforcing clinical autonomy and practice sustainability. The merger reflects both organizations' dedication to collaborative innovation in dentistry. (Link)

10. NexPhase Capital Acquires Behavior Frontiers to Expand Autism Care Services Nationwide

    The acquisition will enable Behavior Frontiers to scale its centre- and home-based ABA therapy programs while maintaining its focus on individualized care. Founded in 2004 by CEO Helen Mader, the company serves patients across 12 states through 26 centres and its proprietary PrioraCare platform. NexPhase Partner Andy Kieffer emphasized the firm's commitment to supporting the company's mission and expanding its reach. Mader highlighted NexPhase's healthcare expertise as key to future growth. NexPhase Operating Partners Barbara Hill and John King will provide strategic guidance. The existing management team will remain in place, ensuring continuity in delivering high-quality autism therapy services. (Link)

11. TeleMed2U Integrates SIGMA Tactical Wellness' Cardiac Screening to Enhance Virtual Care for First Responders via its financial sponsor Kayne Anderson Capital Advisors

    The acquisition combines SIGMA's advanced cardiac risk assessment with TeleMed2U's virtual specialty care platform, creating an end-to-end solution for law enforcement and emergency personnel. TeleMed2U's network of 500+ specialists across 20 disciplines will now incorporate preventive screenings alongside treatment, particularly strengthening its cardiology services. CEO AJ Patel emphasized the strategic focus on preventive care and chronic disease management for high-risk groups. SIGMA co-founders Dr. Benjamin Stone and Dr. Jon Sheinberg highlighted the partnership's potential to reduce cardiovascular risks through early detection and telehealth intervention. The merger establishes a comprehensive care model that addresses both screening and longitudinal treatment for public safety professionals. (Link)

12. Function Health and Ezra Merge to Create AI-Powered Preventive Health Platform Combining Lab Testing with Full-Body Scans

    The acquisition integrates Ezra's AI-driven MRI technology with Function's comprehensive lab testing, offering members faster, more affordable full-body scans (now $499 in 22 minutes) alongside biomarker analysis. Function's 100,000 members gain access to Ezra's early detection capabilities across 100+ U.S. imaging centres, with plans to expand to 1,000 locations. Ezra CEO Emi Gal will continue leading the subsidiary, advancing their mission of accessible cancer screening. The combined platform aims to establish predictive health baselines through longitudinal data, leveraging Ezra's FDA-cleared AI tools. This merger follows Function's $53M

Series A and Ezra's $21M funding, positioning the unified company at the forefront of AI-enhanced preventive care. (Link)

13. Northwell Health and Nuvance Health Finalize Merger to Create $22.6B Regional Healthcare Powerhouse

The newly integrated system now serves 13 million people across New York and Connecticut through 28 hospitals and 1,050+ outpatient sites. The merger combines Northwell's academic medicine resources with Nuvance's community hospital network, backed by a $1 billion investment commitment. Leadership from both organizations emphasized enhanced patient access, community health initiatives, and expanded research capabilities through Northwell's Feinstein Institutes. The deal preserves both systems' nonprofit missions while creating new career pathways for 104,000 employees. Regulatory approvals from both states cleared the path for this transformative partnership aimed at addressing regional health disparities and advancing medical innovation. (Link)

14. Safe Life Expands U.S. Footprint with HeartCert Acquisition, Strengthening National CPR Training and AED Network

The deal establishes Safe Life's Midwest presence through HeartCert's 120+ certified trainers and expands its U.S. training capabilities. HeartCert's founders, medical professionals Christina and Tim Smith, will continue leading operations while leveraging Safe Life's global resources. The acquisition enhances Safe Life's strategy of combining organic growth with strategic purchases in the growing AED and emergency training market. HeartCert maintains its brand identity and community-focused approach, now backed by Safe Life's international scale. The merger creates a stronger platform to deliver life-saving skills and equipment nationwide, building on both companies' commitments to quality emergency preparedness training. (Link)

15. Hardenbergh Group, Sentact and Preverity Merge to Form Healthcare Risk Intelligence Powerhouse with BV Investment Partners Backing and Stellus Capital Management

The newly combined entity creates an integrated platform merging digital rounding (Sentact), credentialing services (Hardenbergh), and predictive analytics (Preverity) to transform healthcare risk management. CEO Daniel Hart leads the unified organization, which will operate under the Sentact brand while retaining all leadership teams. The merger delivers real-time clinical risk insights through combined datasets and workflows, enabling proactive interventions. Backed by BV Investment Partners, the company will develop an enterprise data infrastructure to shift from reactive reporting to predictive analytics. The platform addresses critical healthcare challenges including patient safety, regulatory compliance, and malpractice risk reduction for health system executives across multiple functional areas. (Link)

16. Vitable Health Acquires Liferaft to Revolutionize Affordable Healthcare for Small Businesses

The acquisition combines Vitable's direct care network with Liferaft's ICHRA platform, creating the first unified solution addressing healthcare's "Impossible Triangle" of cost, quality, and accessibility. The integrated AI-powered platform reduces employer costs by 35% compared to traditional plans while offering comprehensive primary care, mental health services, and medication coverage. Liferaft founders Nimish Shukla and Ian Blumenfeld bring HRA expertise and broker relationships, accelerating Vitable's expansion. The merger eliminates 25% of administrative waste, enabling faster implementation and reinvestment in care. This addresses critical gaps for small businesses, where 58% struggle with unaffordable insurance options for employees. (Link)

17. Doktorconnect (Josmol Group) Bolsters Preventative Health Platform with VitalFlo Acquisition to Enhance Respiratory Care
    The deal integrates VitalFlo's respiratory monitoring technology into Doktorconnect's preventative health ecosystem, expanding capabilities to proactively manage conditions like asthma and COPD. VitalFlo's platform—featuring spirometry tools and remote patient monitoring—complements Doktorconnect's existing cardiovascular and metabolic health solutions. CEO Dr. Joseph Olowe emphasized the alignment in mission to improve outcomes through tech-enabled care. VitalFlo founder Luke Marshall highlighted scalability opportunities through the partnership. The acquisition advances Doktorconnect's shift from reactive to preventative care, with phased integration planned to ensure continuity for current users of both platforms. (Link)

Venture and Other News

1. Carta Healthcare Raises $18.25M in Series B1 Funding with UPMC Enterprises, MemorialCare, Rex Health Ventures, Tampa General, Memorial Hermann, Frist Cressey, Storm, Paramark, CU Healthcare, and Mass General Brigham Ventures
   The funding will drive expansion in AI-powered clinical data abstraction and analytics, addressing healthcare inefficiencies. UPMC Enterprises led the round, joined by new and existing investors. The capital will enhance Carta Healthcare's solutions, including Realyze Intelligence's AI-driven patient trial matching. Health system partners emphasized the platform's role in improving care quality and operational ROI. CEO Brent Dover highlighted the investment's role in scaling real-time data activation for research and process improvements. CFO Lucas Tanner noted strong financial growth, with plans to expand infrastructure and meet rising market demand. Founded in 2017, Carta Healthcare combines AI and clinical expertise to transform data into actionable insights. (Link)

2. Voom Medical Devices Secures $30M Financing from Avenue Capital to Revolutionize Bunion Surgery
   The funding, structured as a combined debt and Series B equity round, will accelerate commercialization of Voom's minimally invasive orthopaedic solutions, including its Bunionplasty® 360 Repair™ Procedure. The capital will support nationwide expansion, surgeon training programs, and development of innovative technologies like the single-use Revcon™ Screw System. CEO Dr. Neal Blitz emphasized the platform's ability to deliver faster recoveries and better outcomes compared to traditional bunion surgery. Avenue Capital's Chad Norman praised Voom's transformative approach to the $5 billion U.S. bunion market. The investment will drive 3x year-over-year growth and broader adoption of Voom's surgical innovations. (Link)

3. Clarium Raises $27M Series A from Northzone, General Catalyst, Kaiser Permanente Ventures, AlleyCorp, Texas Medical Center Ventures & 1984 Ventures for AI Healthcare Supply Chain Platform
   The funding will accelerate development of Clarium's Astra OS platform and expand partnerships with major health systems. The AI-driven solution helps hospitals mitigate supply chain disruptions by analysing real-time data on weather, geopolitics, and inventory, delivering an average $10M in savings per health system. Since its seed round, Clarium has doubled its team and added prominent partners including Cleveland Clinic and Sutter Health. The company also established a strategic collaboration with HIRC to develop new supply chain standards, addressing the healthcare industry's $10B+ annual overspending on inefficient logistics. (Link)

4. **Inductive Bio Raises $25M Series A Led by Obvious Ventures with a16z Bio + Health, Lux Capital, S32, Character, Amino Collective & Angels, Oren Etzioni, Jeff Hammerbacher, Malay Gandhi and Jakob Uszkoreit**
   The funding will expand Inductive Bio's pre-competitive data consortium and Compass AI platform, which predicts drug viability before synthesis. The company's approach helps overcome ADMET challenges in small molecule discovery, with demonstrated success in accelerating programs for partners like Nested Therapeutics. CEO Josh Haimson highlighted how the platform replaces inefficient trial-and-error methods in drug optimization. Investors including Obvious Ventures' Rohan Ganesh praised Inductive's tangible impact on discovery efficiency. The capital will fuel R&D, consortium growth, and plans for an AI-native CRO. The raise follows Inductive's win in the Polaris ADMET competition, validating its predictive models against industry peers. (Link)

5. **TSOLife Raises $43M Series B Led by PeakSpan Capital to Revolutionize Senior Living with AI-Powered Resident Insights**
   The funding will accelerate development of TSOLife's Minerva AI platform, which transforms resident interviews into actionable data to enhance senior care. The solution provides 300+ data points per resident, improving engagement and extending average stays by six weeks. CEO David Sawyer highlighted partnerships with major operators like Brookdale and Benchmark Senior Living. PeakSpan Capital's Justin Kelly emphasized the platform's dual impact on resident quality of life and operator profitability. The capital will expand AI capabilities and customer support, building on TSOLife's work with 125,000+ residents. The round brings total funding to $52M since 2022, fuelling the company's mission to personalize senior living through data. (Link)

6. **Tobin Scientific Secures $65M Growth Investment Led by Denali Growth Partners and Truck 9 Partners with Eastern Bank Financing**
   The funding will expand Tobin Scientific's cGMP-compliant storage, biorepository services, and specialized logistics infrastructure for the life sciences sector. The investment supports geographic expansion in pharmaceutical hubs and strategic M&A, while maintaining existing leadership under CEO Brian Tobin. With 365,000+ square feet of temperature-controlled facilities, the company provides end-to-end solutions for biopharma clients. Denali Growth Partners highlighted Tobin's vertical integration strategy, while Eastern Bank emphasized its role in enabling critical pharma infrastructure. The capital raise accelerates Tobin's mission to support the full R&D-to-commercialization lifecycle with white-glove logistics and storage services. (Link)

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- ACG Columbus in collaboration with a breakfast event
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Proposed Panels and Speaker Topics

- Private Equity Investment and 2025 Outlook
- New Administration Healthcare Policy
- Growing Interest in Med spas, 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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