



Health Care M&A News

Inside the World of Health Care Mergers, Acquisition and Finance Since 1948

AUGUST 2022

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Amazon Jumps into Primary Care Market

The \$3.9 Billion Deal Points at Healthcare's Future

In the past few years, M&A activity in the primary and value-based care market has surged.

From 2017 to 2019, there were only two deals announced in the market. Since 2020, there have been 32 deals with a total disclosed transaction value of more than \$18 billion based on 21 deals with announced prices. Activity was particularly high in 2021, when 20 of those deals were announced.

The market is full of recognized names and brands, such as **VillageMD** or **Cano Health, Inc.**, and these providers operate around a value-based primary care model (VBPC), which reimburses providers based on the quality of care rather than the number of services provided. Instead of trying to draw in more patients or referrals to increase revenue, a provider can increase the quality of care, and decrease the cost of care, or a mix of

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A Cautious Optimism

Amid Uncertainty, Retailers Show Interest in HH&H

Home Health & Hospice (HH&H) M&A reached its peak in 2021, when there were 144 deals announced within the sector. However, the pandemic-fueled activity couldn't be maintained indefinitely. As COVID-19 restrictions were loosened and people became more comfortable leaving their homes to receive care, demand for at-home care took a hit, and M&A deal totals have reflected this.

Deal totals gradually fell during the first two quarters of 2022 from 12 HH&H transactions announced in January, to six HH&H deals during June. Q3 is starting off on the same foot with six HH&H transactions announced during July. This is a staggering 63% decrease from July 2021 when there were 16 deals announced in the sector. There have been 60 HH&H deals announced year-to-date, a 26% decrease from the same period last year when there were 81 transactions.

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both, to maximize reimbursement values. And providers have many tools at their disposal such as membership fees to streamline costs, patient engagement capabilities or telehealth services, just to name a few. Accountable care organizations (ACO) also help providers in adjusting to a VBPC model.

This alternative delivery of care model is becoming more common in the industry, and the M&A market has reflected that. It's even brought in major players from other industries. **Amazon** (NASDAQ: AMZN) announced in July that it was purchasing **One Medical** (NASDAQ: ONEM) for \$3.9 billion, or \$18 per share, in one of the largest deals ever reported in the market. One Medical is a network of primary care clinics offering services such as wellness and prevention, treatment for chronic care conditions, mental health services, child care and LGBTQ+ services. The company has a membership size

of approximately 767,000 and locations in more than a dozen states.

This agreement helps Amazon fast track its goal of assembling a vertically integrated healthcare business. It already has offerings in telehealth, diagnostics, pharmacy and wearables. With One Medical, it can integrate everything from medical data from its wearables to its pharmacy services into its new value-based care network. This puts Amazon in direct competition with health systems and companies like **UnitedHealth Group** (NYSE: UNH), which have also been trying to put together an integrated-care network.

One Medical has experienced significant growth over the past few years, which is probably one of the reasons Amazon targeted the company. In One Medical's first-quarter 2022 results, it experienced a 28% increase in membership and it reported net revenue of \$254.1 million, a 109% increase year-over-year. In June 2021, the company purchased **Iora Health**, a national network of primary care clinics, for \$2.1 billion. Iora provides services such as mental health treatment and primary care for adults 65 and over who are enrolled in Medicare Advantage and other at-risk reimbursement models.

Amazon's agreement to purchase One Medical wasn't the only major deal in the past 12 months and not the only one from a major consumer retailer.

Walgreens Boots Alliance (NASDAQ: WBA) invested \$5.2 billion in VillageMD, gaining a majority stake in the company. VillageMD, through its subsidiary Village Medical, is a national provider of value-based primary care services and provides primary care services across 15 markets to more than 1.6 million patients. This move was Walgreens' answer to **CVS**' (NYSE: CVS) **MinuteClinic** network in its retail stores.

There have been smaller deals as well.

Steward Health Care announced in early June it is selling its Medicare value-based care business to **CareMax** (NASDAQ: CMAX) for \$135 million. **Skylight Health Group Inc.** (NASDAQ: SLHG) acquired **NeighborMD** for \$8



ISSN#: 2375-7612

Published monthly by:

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The full, annual subscription includes 51 weekly e-newsletters, 12 monthly issues, four quarterly reports

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million in May. In March, **Totally plc** (LON: TLY) purchased **Pioneer Health Care Limited** for \$17.03 million.

These deals suggest there are some major tailwinds in the industry. In 2020, value-based care models saved Medicare roughly \$4.1 billion, so the Centers for Medicare & Medicaid Services (CMS) is projecting that the “vast majority” of Medicaid beneficiaries will be treated by a provider in one of these value-based care models. For investors, that means jumping into the M&A market and gaining a dominant presence before VBPC becomes widespread. It’s why most of the deals in the primary and value-based care market involve targets with a significant membership among Medicare and Medicare Advantage members.

It's also worth noting that for investors it's not just about the 65-plus demographic. This model also serves the interests of millennials, one of the largest demographic segments. They seek a more personalized and holistic model of health care that is convenient. Companies like One Medical are consumer-focused and equipped with robust telehealth options, transparent pricing and flexible schedules. For millennials, that's a key draw. And for investors, that's a key market they don't want to ignore. It's why the M&A market is so active in this field and why we only expect it to keep growing.

HEALTH CARE SERVICES NEWS



BEHAVIORAL HEALTH CARE

Gateway Rehab, Inc. announced that it acquired the addiction treatment clinic **Greenbriar Treatment Center**, in Washington, Pennsylvania, for an undisclosed price.

Founded in 1972, Gateway Rehab is a 152-bed detox and inpatient addiction treatment facility located northwest of Pittsburgh. Following the transaction, all Greenbriar clinics will be operated by Gateway Rehab.

Discovery Behavioral Health (DBH), a portfolio company of **Webster Equity Partners**, purchased **Anew Era TMS & Psychiatry**.

DBH specializes in the treatment of alcohol and drug addiction, eating disorders and a broad array of mental health conditions. It is a contracted provider with 100 payers and other managed care organizations, and a portfolio of more than 145 treatment centers.

Anew Era TMS & Psychiatry is a full suite mental health clinic offering therapy, medication management and transcranial magnetic stimulation (TMS) treatment. The company has six TMS centers in California and six in Texas.

The transaction is part of a continued expansion initiative of Discovery MD, DBH's professional psychiatric services division. Terms of the deal were not disclosed.

On July 14, **Didi Hirsch Mental Health Services** acquired **Teen Line** for an undisclosed price. Didi Hirsch Mental Health Services offers crisis intervention and suicide prevention hotline services as well as outpatient mental health services in Los Angeles County.

Teen Line provides support, resources and hope to youth through a hotline of professionally trained teen counselors and works to de-stigmatize and normalize mental health through outreach programs. This acquisition allows Didi Hirsch to expand its services to adolescents.



HOME HEALTH & HOSPICE

IL2M International announced its acquisition of **Aamani Healthcare Group** for \$51.8 million. IL2M International Corp. is a healthcare technology holding company based in Burbank, California. By purchasing Aamani Healthcare Group, IL2M is able to expand and strengthen its presence in Texas. The deal is expected to close within the next month.

Aamani Healthcare Group is a healthcare group specializing in transitional care homes, home care support services, home health care and hospice care.

Trinity Homecare, a portfolio company of private equity firm **Limerston Capital**, bought **Premier Homecare** for



an undisclosed price. The transaction was announced on July 18.

Premier Homecare delivers live-in care services to customers in Bristol, South Gloucestershire and neighboring regions across the United Kingdom.

Trinity Homecare is a U.K. private-pay home care business providing long-term live-in care across the UK and hourly domiciliary care in London and southeast England. The company was founded in 1996. This marks Trinity Homecare's sixth acquisition since the company was founded.

InHome Therapy acquired Dallas-based **North Texas Home Therapy Professionals** on July 14.

InHome Therapy leverages its systems, processes and tools to deliver sustainable and measurable results to home therapy patient care. The company employs more than 300 therapists and has completed more than 2 million patient visits across the U.S.

North Texas Home Therapy Professionals is a contract home health company that provides in-home physical, occupational and speech therapy services. Once the acquisition is finalized, it will transition its team of therapists and employees into the InHome Therapy system. The financial terms of the transaction were not included in the announcement.

HOSPITALS

On July 4, **CARE Hospitals Group**, a portfolio company of the **TPG Growth**-managed **Evercare Fund**, bought **CHL Hospitals**. The price was not disclosed. CHL Hospitals was founded in 2001 in Indore, India, and is owned by **Convenient Hospitals, Ltd.** The hospital employs 100 physicians across a variety of fields including oncology, cardiology, endovascular, dermatology, internal medicine and general surgery.

Hyderabad-based CARE Hospitals Group entered the Madhya Pradesh region through the acquisition and

brings CARE's presence to more than 500 doctors over seven regions across India.

LABORATORIES, MRI AND DIALYSIS

SD Biosensor, Inc. (KRX: 137310) and **SJL Partners LLC** announced on July 7 that the two companies purchased **Meridian Bioscience** (NASDAQ: VIVO) for \$1.53 billion.

Based in South Korea, SD Biosensor is a global in-vitro diagnostics company that provides diagnostic products to 126 countries through 517 designated dealers. SJL is a South Korea-based private equity investment manager focused on cross-border partnership investments with market-leading companies to support growth in international markets.

Meridian Bioscience develops, manufactures, markets and distributes a range of diagnostic test kits, rare reagents, specialty biologicals and components.

The transaction is expected to close in the fourth quarter of 2022 and will end Meridian's standing as a public company on the NASDAQ. SD Biosensor will own approximately 60%, and SJL Partners will own approximately 40% of Meridian.

Exo, Inc., a health information and device company, acquired **Medo**. The deal was announced on July 26, and the price was not disclosed.

Medo is a Canadian developer of artificial intelligence (AI) technology to make ultrasound imaging faster and simpler to use. Exo is in Redwood City, California. It was founded in 2015.

By integrating Medo's proprietary Sweep AI technology into its ultrasound platform, Exo will make ultrasound imaging more accessible to a wider range of caregivers.

MANAGED CARE

Molina Healthcare, Inc. (NYSE: MOH) purchased **My**



\$800,000,000

Senior Secured Credit Facilities
Joint Lead Arranger

July 2021



\$300,000,000

Senior Secured Credit Facilities
Joint Lead Arranger

March 2021



\$170,000,000

Senior Secured Credit Facilities
Joint Lead Arranger

March 2021

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Choice Wisconsin for \$150 million on July 13.

Founded in 1980 and headquartered in Long Beach, California, Molina Healthcare provides managed healthcare services under the Medicaid and Medicare programs and through the state insurance marketplaces. Through its locally operated health plans, Molina Healthcare served more than 5.1 million members as of March 31, 2022.

My Choice Wisconsin is a Medicaid-managed care organization serving members across Wisconsin and is based in Wauwatosa. It has a 22-year history of serving managed long-term care services and supports (MLTSS) populations. As of May 2022, My Choice Wisconsin served more than 44,000 MLTSS and core Medicaid members throughout Wisconsin, delivering approximately \$1 billion in revenue for the 12 months ending March 31, 2022.

The transaction brings additional scale to Molina's MLTSS franchise and existing Wisconsin core Medicaid business. Molina intends to fund the purchase with cash on hand.

On July 1, **Chubb** (NYSE: CB) announced it acquired **Cigna Corporation's** (NYSE: CI) life, accident and supplemental benefits businesses for \$5.4 billion. The businesses are in Hong Kong, Indonesia, South Korea, New Zealand, Taiwan and Thailand.

Chubb is a global provider of insurance products covering property and casualty, accident and health, reinsurance and life insurance. During the fiscal year ended Dec. 31, 2021, Chubb reported revenue of \$40.96 billion, a 13.81% increase from 2020.

Cigna and Chubb agreed to exclude Cigna's interest in a joint venture in Turkey from the transaction. Proceeds from the transaction will be utilized primarily for share repurchasing, with \$3.5 billion used to fund an accelerated share repurchase announced on June 16, 2022. When combined with Cigna's previously completed share repurchases, Cigna remains on track to repurchase at least \$7 billion of its shares in 2022.

Compass Insurance Services was bought by **Hub International Limited** on July 8 for an undisclosed amount. Hub International was acquired by private equity firm **Apax Partners** in 2007.

Compass Insurance Services has eight locations that provide commercial and personal insurance, group health and benefits in addition to individual life and health benefits. The agency focuses on various industries which include, but are not limited to, health care, real estate, construction, transportation, agribusiness, finance and nonprofits.

Hub International Limited is a full-service global insurance broker and financial services firm providing risk management, insurance, employee benefits, retirement and wealth management products and services. The company has more than 14,000 employees throughout North America.

Compass Insurance Services President John Guerndt and his team will join Hub International following the transaction.

PHYSICIAN MEDICAL GROUPS

Based on recent trends, the Physician Medical Group sector had a busy month. **Dental Care Alliance, LLC** (DCA), a portfolio company of **Harvest Partners, LP**, acquired three dental practices in July. DCA is a multi-branded dental support organization with more than 775 dentists across 21 states. DCA's allied practices represent all dental specialties and treat patients under more than 140 brand names.

The acquisition of **Burleson Pediatric Dentistry** in Burleson, Texas, brought DCA's Texas footprint to 32 allied practices.

On July 6, DCA purchased **Nevid Dental** in Pawling, New York. This affiliation brings DCA's presence in New York to 19 practices. Finally, DCA purchased **Bryn Mawr Dental Associates** in Bryn Mawr, Pennsylvania, bringing its Philadelphia area footprint to 30 practices.

These deals bring DCA's total footprint to more than 380 allied practices across the country. However, none of the prices were disclosed. DCA has made seven transactions this year.

On July 19, **US Heart & Vascular** (USHV), a subsidiary of **Ares Management**, acquired **Willowbrook Cardiovascular Associates**.

Formed in 2021 and headquartered in Nashville, USHV is a national provider of support services to cardiovascular physician practices. USHV has partnerships with anchor affiliates in both Arizona and Texas with approximately 60 physicians.

Based in Houston, Willowbrook Cardiovascular Associates is a six-physician cardiovascular practice focused on preventive care, diagnostic testing, curative procedures and electrophysiology services. The transaction is expected to close in the third quarter of 2022, and terms were not disclosed.

Urology America purchased **Southern Surgical & Medical Specialists**, a Lafayette, Louisiana, urology practice, for an unannounced price.

Urology America is a national urology platform founded in central Texas by **Urology Austin physicians** and **Gauge Capital**. Urology America supports more than 80 providers in Texas, Colorado and Louisiana.

Southern has served patients for more than 13 years and is one of the largest practices in Louisiana. The practice includes 15 urologists, seven advanced practice providers and one radiation oncologist across seven clinic locations and a cancer center. This is Urology America's second transaction of the year, after it bought **Urology Associates of Denver** in January.

U.S. Foot & Ankle Specialists (USFAS) bought **Foot and Ankle Specialists** on July 7. USFAS, a portfolio company of private equity firm **NMS Capital**, treats foot and lower extremity conditions.

Headquartered in Rockville, Maryland, USFAS provides

services through a growing network of nearly 100 offices in Maryland, Virginia, Pennsylvania, Delaware, North Carolina, West Virginia, Ohio and Washington, D.C., and more than 100 board-certified podiatrists. It is also an affiliate of Foot & Ankle Specialists of the Mid-Atlantic.

Founded by Dr. Cary Copeland, Foot and Ankle Specialists has locations in Cincinnati, Blue Ash and Franklin, Ohio, and serves patients from the Ohio-Kentucky-Indiana tri-state area. The practice offers treatment and care options for patients experiencing foot injuries, arch pain, sports injuries, bunions and other common podiatric ailments, along with foot and ankle surgeries. Terms of the deal were not disclosed.



On July 21, **Sila Realty Trust, Inc.** (OTC: CVMCA) acquired **TGH Rehabilitation Hospital** for \$51.2 million.

Sila Realty Trust is a real estate investment trust headquartered in Tampa, Florida that invests in healthcare properties leased to tenants capitalizing on critical and structural economic growth drivers. It owns 126 healthcare properties in 56 markets across the country.

TGH Rehabilitation Hospital is an 80-bed inpatient acute rehabilitation hospital dedicated to the treatment and recovery of individuals who have experienced a severe injury or illness. The facility is on 3.8 acres and encompasses nearly 88,000 rentable square feet. The TGH Rehabilitation Hospital is 100% leased to **Tampa Rehabilitation Hospital, LLC**, a joint venture between **Tampa General Hospital** and **Kindred Rehabilitation Services**.

The acquisition of TGH Rehabilitation strengthens Sila Realty Trust's presence in Florida. The TGH Rehabilitation Hospital is the first completed building of several that comprises one end of the Tampa Medical and Research District, an emerging medical district in downtown Tampa.

Patient Square Capital acquired **Hanger, Inc.** (NYSE:

HNGR) for \$1.25 billion on July 21.

Patient Square Capital is a healthcare investment firm. It was founded in 2020 and is based in California. The firm deploys capital in biopharmaceuticals, pharmaceutical value chain, medical devices, diagnostics, providers, technology-enabled services, digital and consumer health sectors.

Headquartered in Austin, Texas, Hanger provides orthotic and prosthetic services through its patient care segment, with approximately 875 locations nationwide.

The transaction will be financed through a combination of committed equity financing provided by **Patient Square Equity Partners, LP**, as well as committed debt financing to be led by funds managed by **Ares Capital LLC**.

The transaction is expected to close in the fourth quarter of 2022. Hanger will become a privately held company and will no longer be traded on the New York Stock Exchange.

OTHER SERVICES

Big Sky Medical, on July 6, announced its acquisition of a West Bloomfield, Michigan medical office building. The 149,000-square-foot facility was sold by **Seavest Healthcare Properties** for \$64.5 million. **Bloomfield Cardiology, Michigan Institute of Urology** and **Orchard Pediatrics** are the primary tenants. The price comes to \$433 per square foot.

Big Sky Medical is a national real estate investment management firm that invests in healthcare real estate across the U.S. with a concentration in the medical office and life science sector. Big Sky Medical's key management has more than \$2 billion in healthcare real estate investment experience.

This acquisition is one of a series of transactions done by Big Sky Medical as it acquired 13 medical office buildings across Texas, Wisconsin, New Jersey, Pennsylvania, Michigan and Florida.

Terrapin Pharmacy, a portfolio company of **WindRose Health Investors LLC**, purchased **Ganse Apothecary** for an undisclosed amount. The acquisition expands the footprint of both businesses and positions the combined organization for growth in existing and new markets, as well as additional lines of businesses and services.

Ganse Apothecary is a Lancaster, Pennsylvania-based, closed-door, long-term care and specialty pharmacy that provides distribution services to patients suffering from severe and persistent mental illness and intellectual and developmental disabilities.

Terrapin Pharmacy is a specialized pharmacy that serves patients through distribution relationships with community-based behavioral health and long-term care facilities across Maryland, Pennsylvania, New Jersey, Virginia and the District of Columbia.

On July 13, **LGC** sold **Drug Development Solutions (DDS)** to **Alliance Pharma**, a portfolio company of **Ampersand Capital Partners**.

Founded in 2008, Alliance Pharma is a contract research organization (CRO) that specializes in advanced bioanalytical research services for small and large molecule drugs, as well as drug metabolism studies to support pharmaceutical and biotechnology companies' drug discovery and development programs.

DDS is a U.K.-based bioanalytical and material science testing contract research organization.

Ampersand Capital Partners and **KKR Co. Inc.** (NYSE: KKR) are equal shareholders in the combined company. This transaction expands bioanalytical, analytical material testing and laboratory capabilities internationally for the biopharma and pharma industry, including areas of cell and gene therapy, next-generation biologics, material sciences and protein characterization. The price was not disclosed.

HH&H M&A Market.....continued from page 1

An HH&H subsector on the rise this year has been palliative care, which is specialized medical care for people living with a serious, and often terminal, illness, such as cancer or heart failure. While hospice care is typically provided to patients with six months or less to live, palliative care can be offered to individuals at any stage of their condition. Patients who would not normally qualify for hospice can still receive support to help them reduce symptoms and have a better quality of life. The palliative care subsector accounted for 14 of the 60 HH&H deals announced during the first seven months of the year, or approximately 23% of all deals in the sector. By comparison, the first seven months of 2021 had seven deals in the palliative care subsector, making up 9% of the entire HH&H sector.

The most notable acquirer to enter the palliative care arena this year has been retail pharmacy goliath **Walgreens Boots Alliance** (NASDAQ: WBA). **VillageMD**, a subsidiary of Walgreens, announced in June that **Grace at Home**, a provider of home-based primary care services in Indiana, joined the Village Medical brand, further extending VillageMD's in-home primary care services in the state. No price was disclosed.

Walgreens has made investments in other home-based care companies, including **BrightSpring Health Services**, a portfolio company of **KKR & Co.** (NYSE: KKR), that provides comprehensive home and community-based health services to medically complex populations in need of specialized care. Another target was **CareCentrix**, which connects more than 19 million patients with at-home care through a national network of more than 7,400 credentialed providers.

Other large retailers have also jumped into the home health market. Since launching **Amazon Care** in 2019, **Amazon** (NASDAQ: AMZN) has continued to expand its care options and geographic coverage. Amazon hopes to bolster Amazon Care, its on-demand hybrid health care service which combines both virtual visits and home healthcare services, by expanding its coverage to 20 additional major cities by the end of 2022. The pandemic led to increased demand to bring care to patients'

homes, whether that be virtually or through in-home care services; a critical gap which Amazon was positioned to fill with its vast market presence.

CVS Health (NYSE: CVS) entered the HH&H sector in 2019 with the opening of its **Home Health Hubs**, a voice-activated smart hub that connects hundreds of thousands of in-home and wearable devices to the hub and allows seniors to call assigned caregivers or emergency responders hands-free throughout the day. CVS Health's home care vision doesn't stop there. CVS Health has always been a home-adjacent healthcare provider, but it looks like the "adjacent" label will soon be dropped as the company announced plans in May to diversify its growth portfolio with new home health services through acquisitions and partnerships, solidifying a dominant position in the home-based care space. CVS Health could have a major advantage in the HH&H space because of its ownership of **Aetna**, a health care benefits company serving an estimated 46.7 million people, where interests would be aligned to reduce care costs.

However, the more at-home and hospice services companies offer, the more risk they take on as they expand services to a population that tends to have more health concerns. More things can go wrong when health care is provided outside of a controlled setting, such as in the home. Not just patients, but home care staff may be exposed to unsafe environmental conditions in the home, including hostile animals or pests, fall hazards, unhygienic or dangerous conditions, inadequate lighting, lack of water or other utilities, to name a few. Claims of "undercare" could creep into the minds of payors and patients. This may be an issue for providers that are trying to make the HH&H sector more appealing to investors. While companies can benefit from expanding their service offerings and accessing new patients they wouldn't otherwise see in a setting outside of the home, providers must balance the risk-reward considerations involved.

Another headwind is the workforce shortage that is continuing to impact the industry as frail, older adults are finding it harder than ever to get help at home. Some have had to rely on untrained family members and friends to fill

the gaps. Agencies are also struggling to find caretakers, and many must pay higher wages if they hope to fill the gaps with qualified applicants. Some home health providers, like **Medically Home**, have teamed up with emergency medical services (EMS) providers, like **Global Medical Response**, in order to find a longer-term solution to curb the home-based care staffing crisis.

It is this struggle to fill their ranks that is driving some hospice providers to shut their programs and sell. Last September, **Dare County Home Health & Hospice** in Manteo, North Carolina, sold its operations to **BrightSpring Health Services** for \$2.9 million, citing the inability to maintain sufficient staff levels as the deciding factor to sell.

Another major concern for home health and hospice providers is the price of gasoline, which peaked in June 2022 at \$5.01 per gallon on average in the U.S. and remains high. Exorbitant prices pose unique challenges for the HH&H segment in which clinical staff must routinely drive to conduct patient visits. If providers can't foot the bill, they will struggle finding workers willing to pay for their commute out of pocket.

And there is the **U.S. Centers for Medicare & Medicaid Services** (CMS), which announced a new proposed payment rule impacting the home health and hospice industries.

CMS plans to raise hospice payments by 3.8%, or \$825 million, in the upcoming fiscal year. This is an approximately 65.2% increase from the 2.3% payment increase last year. While pay increases are usually appealing to stakeholders, it is unclear if this will be enough to combat skyrocketing inflation and the labor shortage battering the industry.

That makes the proposed 4.2%, or \$810 million, cut to home health payments in 2023 all the more disheartening. Dealmakers may take a pause to evaluate their potential acquisitions and use a wait-and-see approach until the full magnitude of the cut is finalized later this year. Until then, there is time for home health advocates to fight these proposals.

On July 25, Sens. Debbie Stabenow (D-MI) and Susan Collins (R-ME), both longtime advocates of at-home care, introduced a bill to block CMS from reducing home health payment rates until 2026. This would give CMS time to release the data it utilizes to calculate the payments, ensuring that there's more transparency in the agency's methodology in calculating the home health base payment rate.

However, there is always the risk that CMS still finds its methodology justified by 2026, meaning that the home health industry could potentially be under pressure to make up for the accumulation of overpayments that may have built up over that period. CMS has reportedly said that it does not need to release any more data regarding its decision-making process, and that enough public data is available. While the bill is backed by some of the largest names in the home health industry, including **LHC Group Inc.** CEO Keith Myers and **National Association for Home Care & Hospice** (NAHC) President William A. Dombi, there is no guarantee that the bill will become law.

With the current battle dealing with labor shortages and inflation, as well as the CMS payment updates and congressional battles on the horizon, the future of the Home Health & Hospice sector remains a little cloudy. The continued interest from larger investors, especially the big players in retail, leaves us cautiously optimistic. Although we don't expect a return to the deal levels seen in 2021, when much of the activity was driven by pandemic restrictions and people's hesitancy or inability to leave their homes for care, we expect deal totals to continue at stable levels, at least for the remainder of the year. After all, it makes no sense panicking now before the shoe has even dropped.

HEALTH CARE TECHNOLOGY NEWS



Vertex Pharmaceuticals Incorporated (NASDAQ: VRTX) bought **ViaCyte** on July 11 for \$320 million.

Vertex is a biotechnology company that has multiple medicines that treat the underlying cause of cystic

fibrosis (CF) and has several ongoing clinical and research programs in CF. ViaCyte is a cellular therapy company with a clinical-stage stem cell platform that delivers therapeutic proteins to restore health.

Vertex anticipates the acquisition will close later this year, subject to certain conditions, including the expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act.

On July 11, **La Jolla Pharmaceutical Company** was bought by **Innoviva, Inc.** (NASDAQ: INVA) for \$149 million.

La Jolla's lead product, GIAPREZA (angiotensin II), increases blood pressure in adults with septic or other distributive shock. La Jolla's second asset, XERAVA (eravacycline), was approved by the FDA in August 2018 for the treatment of complicated intra-abdominal infections in patients 18 years of age and older.

Innoviva is a diversified holding company that manages a respiratory royalty portfolio and makes strategic acquisitions in promising areas of unmet need, such as infectious diseases. Innoviva has agreed to pay \$5.95 per share for La Jolla, representing a premium of 70% to the 30-day volume-weighted average price, and an incremental \$0.28 per share for additional cash proceeds received in connection with the divestiture of a non-core asset.



On July 27, **Mymee** purchased **Breakthrough Health** for an undisclosed price.

Berlin-based Breakthrough Health created the mobile app Emilyn for people with multiple sclerosis. Breakthrough Health's founding team, Bazil Azmil, Stefano Palazzo and Rachel Reichel, will join the Mymee leadership team as head of growth, CTO and vice president of product, respectively.

Mymee leverages patient-reported data to help identify personal disease triggers, reduce symptoms and improve

overall quality of life. Mymee has uncovered 95 triggers correlated to more than 150 patient-reported symptoms in complex cases of autoimmune diseases such as lupus, RA, MS, Sjögren's Syndrome, mixed autoimmune diagnosis and long COVID.

Trinity Life Sciences announced its acquisition of **D Cube Analytics** on July 19 for an undisclosed price.

Backed by **Trinity Partners, LLC**, Trinity Life Sciences is a strategic partner, providing evidence-based solutions for the life sciences sector. D Cube Analytics supports commercial leaders, digital transformation leaders, brand managers and other functional leads on their journey from data to commercial insights. D Cube's analytics platforms, built for life sciences companies, help extract value out of data investments and facilitate decision-making to achieve commercial outcomes more effectively and efficiently.

With more than 250 employees, D Cube Analytics' senior leadership and staff will remain with Trinity. The acquisition significantly expands Trinity's India footprint, adding offices in Bengaluru and Chennai.



On July 21, **Spineway** (FRA: ALSPW) acquired 100% of the capital of the French company **Spine Innovations**, which specializes in cervical and lumbar disc prostheses. Terms of the deal were not disclosed.

Spine Innovations, a spin-off from **Groupe FH Ortho's** spine activity and majority owned by the investment fund LBO France, has developed the first viscoelastic lumbar prosthesis called "LP-ESP" which was implanted in 2004 at the **Pitié Salpêtrière University Hospital** in Paris. For the fiscal year 2020/2021, the company generated sales of €4.2 million, or approximately \$4.28 million USD.

Spineway designs, produces and markets implant lines and ancillary surgical equipment which are used to treat severe spinal column pathologies.

Deal Summaries: Services

Behavioral Health Care

TARGET	LISTING	ACQUIRER	LISTING	DATE	PRICE
Monte Nido & Affiliates Miami, FL	Private	Revelstoke Capital Partners Denver, CO	Private	7/26/2022	\$725,000,000

In Brief: Founded in 1996, Monte Nido & Affiliates specializes in the treatment of eating disorders and includes five clinical programs: Monte Nido; Walden Behavioral Care; Clementine; Oliver-Pyatt Centers; and Rosewood Centers for Eating Disorders. It has residential treatment centers in California, Illinois, Massachusetts, Maryland, New York and Oregon.

Deal Summaries: Services

Home Health & Hospice

TARGET	LISTING	ACQUIRER	LISTING	DATE	PRICE
Aamani Healthcare Group Houston, TX	Private	IL2M International Corp. Burbank, CA	OTC: ILIM	7/8/2022	\$51,800,000

In Brief: Aamani Healthcare Group is a Houston-based healthcare group specializing in transitional care homes, home care support services, home health care and hospice care for seniors and disabled individuals. The company was founded in 2013 and has helped more than 3,000 patients.

Deal Summaries: Services

Laboratories, MRI and Dialysis

TARGET	LISTING	ACQUIRER	LISTING	DATE	PRICE
Meridian Bioscience, Inc. Cincinnati, OH	NASDAQ: VIVO	SD Biosensor Seoul, South Korea	KRX: 137310	7/7/2022	\$1,480,000,000

In Brief: Meridian Bioscience is a fully integrated life science company that develops, manufactures, markets and distributes a range of diagnostic test kits, rare reagents, specialty biologicals and components.

Deal Summaries: Services

Managed Care

TARGET	LISTING	ACQUIRER	LISTING	DATE	PRICE
Cigna's life, accident business United States	NYSE: CI	Chubb Zurich, Switzerland	NYSE: CB	7/1/2022	\$5,400,000,000

In Brief: Cigna Corporation is divesting its life, accident and supplemental benefits businesses in six markets across Asia Pacific. The businesses are in Hong Kong, Indonesia, South Korea, New Zealand, Taiwan and Thailand.

My Choice Wisconsin Wauwatosa, WI	Private	Molina Healthcare, Inc. Long Beach, CA	NYSE: MOH	7/13/2022	\$150,000,000
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In Brief: My Choice Wisconsin is a Medicaid-managed care organization serving members across Wisconsin. It has a 22-year history of serving managed long-term services and supports (MLTSS) populations. As of May 2022, My Choice Wisconsin served over 44,000 MLTSS and core Medicaid members, delivering approximately \$1 billion in revenue for the 12 months ending March 31, 2022.

Everyone Health & Sano Surgery Tulsa, OK, Scottsdale, AZ	Private	Nomi Health Orem, UT	Private	7/13/2022	\$26,500,000
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In Brief: Everyone Health has agreements with self-funded employers and third-party administrators for pre-negotiated, all-inclusive prices that save employers up to 70% relative to commercial fee-for-service rates. Sano Surgery is an exchange brokerage marketplace for non-emergency medical treatments and it is the largest contracting entity for direct transparent, usable and consumable bundled prices. Sano has locations in 48 states.

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Deal Summaries: Services

TARGET	LISTING	ACQUIRER	LISTING	DATE	PRICE
Elite Dental Team Sdn Bhd Subang Jaya, Malaysia	Private	LYC Dental & Aesthetic Kuala Lumpur, Malaysia	KLSE: LYC	7/5/2022	\$1,210,000

In Brief: Elite Dental Team Sdn Bhd operates 22 dental clinics with four additional clinics pending regulatory approvals. It has approximately 40 dentists and about 100 supporting staff. The brands operating under Elite Dental Team are PrimeCare Dental Clinic, Signature PrimeCare Dental, Lite Dental, Phi Dental and Quay Dental.

Physician Medical Groups

Deal Summaries: Services

TARGET	LISTING	ACQUIRER	LISTING	DATE	PRICE
TGH Rehabilitation Hospital Tampa, FL	Private	Sila Realty Trust, Inc. Tampa, FL	OTC: CVMCA	7/21/2022	\$51,200,000

In Brief: TGH Rehabilitation Hospital is an 80-bed inpatient acute rehabilitation hospital that treats individuals with a severe injury or illness. The facility has 88,000 rentable square feet. The TGH Rehabilitation Hospital is 100% leased to Tampa Rehabilitation Hospital, LLC, a joint venture between Tampa General Hospital and Kindred Rehabilitation Services.

Rehabilitation

Hanger, Inc. Austin, TX	NYSE: HNGR	Patient Square Capital Menlo Park CA	Private	7/21/2022	\$1,250,000,000
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In Brief: Hanger, Inc. provides orthotic and prosthetic (O&P) services through its patient care segment. Hanger has 875 locations, 1,660 clinical providers and has treated more than 1 million patients. The transaction is expected to close in the fourth quarter of 2022. Hanger will become a privately held company and its common stock will no longer be traded on the New York Stock Exchange.

Deal Summaries: Services			Other Services		
TARGET	LISTING	ACQUIRER	LISTING	DATE	PRICE
Massillon, Ohio MOB Massillon, OH	NA	Not disclosed NA	NA	7/5/2022	\$23,250,000
In Brief: The office building, which is anchored by anchored by Cleveland Clinic, totals 54,600 square feet. The price is \$426 per-square-foot.					
West Bloomfield, Michigan MOB West Bloomfield, MI	NA	Big Sky Medical Dallas, TX	Private	7/6/2022	\$64,500,000
In Brief: The facility has 149,000 rentable space. Bloomfield Cardiology, Michigan Institute of Urology and Orchard Pediatrics are the primary tenants. The price is \$433 per square foot.					
Phenix Bio Inc. Sacramento, CA	Private	BIMI Int. Medical Inc. Chongqing, China	NASDAQ: BIMI	7/7/2022	\$1,800,000
In Brief: Phenix Bio Inc. is in the process of securing distribution rights for nine healthcare products to be developed by a third party that will target general recovery, cardiovascular and cerebrovascular disease prevention.					
Surgery Center of Kenai Kenai, AK	Private	Central Peninsula Hospital Soldotna, AK	Private	7/8/2022	\$9,770,000
In Brief: The Surgery Center of Kenai opened in 2014 and is the only for-profit center of its kind in the Kenai Peninsula Borough. It has 10 physicians and, does outpatient surgeries and has historically been a competitor with the borough-owned hospital.					
PA and NJ MOB portfolio Plymouth Meeting, PA, Cherry Hill, NJ	NA	Welltower Inc. Toledo, OH	NYSE: WELL	7/11/2022	\$22,000,000
In Brief: The two facilities are occupied by Mid Atlantic Retina. The New Jersey facility has 16,250 rentable square feet and the Pennsylvania facility has 29,372 rentable square feet. The price totals \$482 per-square-foot.					
Waterloo, Iowa MOB portfolio Waterloo, IA	NA	Undisclosed buyer NA	NA	7/14/2022	\$16,400,000
In Brief: The UnityPoint Health Portfolio is a two-property MOB portfolio. The 30,235-square-foot portfolio is 100% occupied by Allen Memorial Hospital, a subsidiary of UnityPoint Health. The price is \$542 per-square-foot.					
Illinois MOB portfolio Blue Island & Mishawaka, IL	NA	Savlant Capital Hollywood, FL	Private	7/15/2022	\$14,700,000
In Brief: The two building portfolio totals 67, 570 square feet, coming to \$217 per-square-foot.					
South Bend, IN MOB portfolio South Bend, IN	NA	MedCraft Investment Part. Minneapolis, MN	Private	7/15/2022	\$33,000,000
In Brief: The two buildings total 77,393 square feet and are fully occupied by South Bend Orthopaedics, a leading orthopaedic group in Indiana and providers of orthopaedic care to the Notre Dame Athletic Department. The price is \$426 per-square-foot.					
Gsap Biomed Haifa, Israel	Private	Novolog Modiin, Israel	TLV: NVLG	7/17/2022	\$9,900,000
In Brief: Gsap Biomed is part of Gsap, an international consulting firm for healthcare companies. Gsap Biomed provides services to biomed companies including regulatory consulting, clinical trials, quality control and assurance. It was founded in 2009.					

Deal Summaries: Services Other Services (cont'd)

TARGET	LISTING	ACQUIRER	LISTING	DATE	PRICE
Aerial emergency services NA	Private	Ancala Partners LLP London, United Kingdom	Private	7/19/2022	\$138,924,000

In Brief: Babcock International Group PLC is selling part of its aerial emergency services businesses. These businesses provide aerial emergency medical services, firefighting and search and rescue to customers and communities in Italy, Spain, Portugal, Norway, Sweden and Finland. They employ over 2,400 people and operate a fleet of 232 aircraft across 164 locations.

One Medical San Francisco, CA	NASDAQ: ONEM	Amazon.com, Inc. Seattle, WA	NASDAQ: AMZN	7/21/2022	\$3,900,000,000
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In Brief: One Medical is a network of primary care clinics offering services such as wellness and prevention, treatment for chronic care conditions, mental health services, child care and LGBTQ+ services. 1Life Healthcare, Inc., the parent company of One Medical, offers administrative and managerial services for the affiliated One Medical physician-owned professional corporations. One Medical reported first-quarter 2022 net revenue of \$254.1 million, a 109% increase year-over-year. In Q1:22, adjusted EBITDA was a loss of \$28.9 million, or 11% of net revenue.

The Plaza Town Center Prof. Plaza Peoria, AZ	NA	Evergreen Medical Properties Denver, CO	Private	7/21/2022	\$8,800,000
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In Brief: The Plaza Town Center Professional Plaza is a two-story, 26,970-square-foot medical office building in Peoria, Arizona, that is 100% leased. The price is \$326 per-square-foot.

9-property real estate portfolio Canada	NA	Appelt Prop., Centurion Canada	Private	7/28/2022	\$73,400,000
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In Brief: A nine-building healthcare portfolio of medical office properties located in Ontario and Alberta is being acquired. The portfolio includes seven Ontario properties comprising 280,000 square feet and two Alberta properties comprising 77,000 square feet. The properties are predominantly located in the Ottawa and Toronto areas.

Deal Summaries: Technology Biotechnology & Pharmaceuticals

TARGET	LISTING	ACQUIRER	LISTING	DATE	PRICE
TeneoTwo, Inc. Wilmington, DE	Private	AstraZeneca plc Cambridge, United Kingdom	NYSE: AZN	7/5/2022	\$100,000,000

In Brief: TeneoTwo, Inc. has a Phase I clinical-stage CD19/CD3 T-cell engager, TNB-486, under evaluation in relapsed and refractory B-cell non-Hodgkin's lymphoma. TNB-486 belongs to a class of therapeutic antibodies known as T-cell engagers. TeneoTwo, Inc. is a majority-owned subsidiary company of TBio, LLC.

Scendia Biologics, LLC Orlando, FL	Private	Sanara MedTech Inc. Fort Worth, TX	NASDAQ: SMTI	7/5/2022	\$7,400,000
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In Brief: Scendia Biologics, LLC supplies orthobiologic and soft tissue-focused products used in a variety of surgical specialties. Scendia Biologics was formed in 2016 and is based in Orlando. Scendia reported revenue of \$8.3 million in 2021.

Tyme Technologies, Inc. Bedminster, NJ	NASDAQ: TYME	Syros Pharmaceuticals Cambridge, MA	Private	7/5/2022	\$60,000,000
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In Brief: Founded in 2011, Tyme Technologies is a clinical-stage biotechnology company focused on developing cancer metabolism-based therapies (CMBTs) that are intended to be broadly effective across tumor types and have low toxicity profiles. Its lead candidate, SM-88, is in phase II of its clinical trial to treat breast cancer and metastatic sarcomas.

Deal Summaries: Technology

Biotechnology & Pharmaceuticals (cont'd)

TARGET	LISTING	ACQUIRER	LISTING	DATE	PRICE
Orchestra BioMed New Hope, PA	Private	Health Sciences Acq. Corp 2 New York, NY	NASDAQ: HSAQ	7/5/2022	\$180,000,000

In Brief: Orchestra BioMed focuses on advancing therapeutic solutions for large unmet needs in procedure-based medicine, such as Virtue SAB and BackBeat CNT, through late-stage clinical research and regulatory approvals. The company was founded in 2018 and currently has additional products in its pipeline with plans to expand in the near future.

Protypia, Inc. Nashville, TN	Private	Inotiv, Inc. West Lafayette, IN	NASDAQ: NOTV	7/7/2022	\$11,000,000
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In Brief: Protypia, Inc. is a protein/peptide bioanalytical company offering targeted tissue-based protein and peptide mass spectrometry. The company analyzes drug target systems to support new therapies from discovery through clinical development. The company was formed in 2017.

ViaCyte San Diego, CA	Private	Vertex Pharmaceuticals Inc. Boston, MA	NASDAQ: VRTX	7/11/2022	\$320,000,000
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In Brief: ViaCyte is a privately held regenerative medicine company. It develops novel cell replacement therapies as potential long-term diabetes treatments to control glucose targets and reduce the risk of hypoglycemia and diabetes-related complications.

La Jolla Pharmaceuticals San Diego, CA	NASDAQ: LJPC	Innoviva, Inc. Burlingame, CA	NASDAQ: INVA	7/11/2022	\$149,000,000
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In Brief: La Jolla's lead product, GIAPREZA (angiotensin II), increases blood pressure in adults with septic or other distributive shock. La Jolla's second asset, XERAVA (eravacycline), treats intra-abdominal infections in patients 18 years of age and older.

Athenex, Inc. Beijing, China	NASDAQ: ATNX	TiHe Capital Co., Ltd. Beijing, China	Private	7/11/2022	\$19,000,000
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In Brief: Founded in 2003, Athenex, Inc. is a global clinical-stage biopharmaceutical company leveraging NKT cell therapy and P-glycoprotein inhibitor drugs for the treatment of cancer.

GeneTx Biotherapeutics LLC Downers Grove, IL	Private	Ultragenyx Pharm, Inc. Novato, CA	NASDAQ: RARE	7/18/2022	\$75,000,000
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In Brief: GeneTx Biotherapeutics LLC is focused on developing therapeutics for the treatment of Angelman syndrome. GTX-102 is GeneTx's gene therapy candidate that shows the potential to lessen Angelman syndrome severity in children, per new clinical trial data. The company was founded in 2017.

Theravance Respiratory Company Burlingame, CA	Private	Royalty Pharma New York, NY	NASDAQ: RPRX	7/18/2022	\$1,300,000,000
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In Brief: Theravance Respiratory Company is a segment of Theravance Biopharma, a biopharmaceutical company primarily focused on the discovery, development and commercialization of respiratory medicines.

Ascendis Pharma Hellerup, Denmark	NASDAQ: ASND	Austell Pharmaceuticals Johannesburg, South Africa	Private	7/19/2022	\$24,600,000
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In Brief: Ascendis Health is selling Ascendis Pharma, its pharmaceutical business. Ascendis Pharma develops drugs and pharmaceuticals using its TransCon platform, which uses its ability to temporarily link an inert carrier to a parent drug with known biology. The business owns brands in the therapeutic areas of the gastrointestinal tract, cough and cold, pain and diabetes.

Deal Summaries: Technology Biotechnology & Pharmaceuticals (cont'd)

TARGET	LISTING	ACQUIRER	LISTING	DATE	PRICE
ZyVersa Therapeutics, Inc. Weston, FL	Private	Larkspur Health Acq. Corp. Bridgewater, NJ	NASDAQ: LSPR	7/20/2022	\$108,920,000

In Brief: Founded in 2014, ZyVersa is a clinical stage biotechnology company developing drugs for renal and inflammatory diseases. Its lead candidate, VAR 200, is a cholesterol efflux mediator for the treatment of rare kidney disease, including focal segmental glomerulosclerosis. VAR 200 also has the potential to treat other glomerular diseases, including Alport Syndrome and diabetic kidney disease.

Hempirical Genetics, LLC Huachuca, AZ	Private	WEED, Inc. Tucson, AZ	OTC: BUDZ	7/20/2022	\$750,000
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In Brief: Hempirical Genetics researches medical marijuana strains and has more than 250 proprietary cannabis and hemp strains.

Silverback Therapeutics Seattle, WA	NASDAQ: SBTX	ARS Pharmaceuticals San Diego, CA	Private	7/21/2022	\$266,500,000
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In Brief: Founded in 2016, Silverback Therapeutics, Inc. is a preclinical biotechnology company focusing on leveraging its ImmunoTAC technology platform to develop systemically delivered and tissue targeted therapeutics for the treatment of chronic viral infections, cancer and other serious diseases. Fiscal year 2022 net operating income was \$94.2 million.

Zymergen Inc. Emeryville, CA	NASDAQ: ZY	Ginkgo Bioworks Boston, MA	NYSE: DNA	7/25/2022	\$300,000,000
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In Brief: Zymergen applies genomics and machine learning to research and design chemical-producing genetically modified organisms. It was founded in 2019.

NewAmsterdam Pharma B.V. Naarden, Netherlands	Private	Frazier Lifesciences Acq. Corp. Seattle, WA	NASDAQ: FLACU	7/25/2022	\$326,000,000
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In Brief: NewAmsterdam Pharma is a clinical-stage company focused on the research and development of therapies for metabolic diseases and Alzheimer's disease. NewAmsterdam Pharma completed a EUR 160 million (\$162.2 million USD) series A financing in 2020 to advance its three Phase 3 trials in CVD as well as to advance obicetrapib through clinical development for additional indications that are rooted in cholesterol imbalance.

Palamedrix, Inc. La Jolla, CA	Private	SomaLogic Boulder, CO	NASDAQ: SLGC	7/26/2022	\$35,000,000
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In Brief: Palamedrix, Inc. is a biotechnology company whose technology uses DNA-based biosensors that capture molecules present in samples to pinpoint the presence of any analyte with single-molecule accuracy. The platform can organize and interrogate millions of these biosensors on a surface to deliver comprehensive data and a complete view of a patient's biochemistry from a single sample.

Deal Summaries: Technology eHealth

TARGET	LISTING	ACQUIRER	LISTING	DATE	PRICE
GuildLink Sydney, Australia	Private	MedAdvisor Limited Camberwell, Australia	ASX: MDR	7/26/2022	\$6,300,000

In Brief: GuildLink is an Australian-based provider of digital healthcare solutions and information regarding medicines. GuildLink is the digital health arm of the Guild Group, an entity of The Pharmacy Guild of Australia. Currently, GuildLink's technology solutions are being used by more than 4,200 pharmacies across Australia.

Additional Transactions			Services
SECTOR	TARGET	ACQUIRER	DATE
BEHAVIORAL HEALTH CARE	Greenbriar Treatment Center	Gateway Rehab, Inc.	7/1/2022
	Help, Inc.	McCall Center for Behavioral Health	7/1/2022
	Hallmark Youthcare - Richmond	Acute Behavioral Health, Inc.	7/5/2022
	12&12, Inc.	GRAND Mental Health	7/5/2022
	The Center for Mental Health	Axis Health System	7/5/2022
	Teen Line	Didi Hirsch Mental Health Services	7/14/2022
	Anew Era TMS & Psychiatry	Discovery Behavioral Health	7/18/2022
	Omni House Inc.	Sheppard Pratt	7/20/2022
	San Antonio Recovery Center	BayMark Health Services	7/26/2022
	Center for Behavioral, Ed.	The Stepping Stones Group	7/28/2022
HOME HEALTH & HOSPICE	Stonerise	CommuniCare Health Services, Inc.	7/6/2022
	Hospice of Morrow County	Ohio's Hospice of Central Ohio	7/6/2022
	North Texas Home Therapy Professionals	InHome Therapy	7/14/2022
	Premier Homecare	Trinity Homecare Holdings Limited	7/18/2022
	Craig HomeCare & Cherub Medical Supply	Pediatric Home Service	7/18/2022
HOSPITALS	CHL Hospitals	CARE Hospitals Group	7/4/2022
	Muntenia Hospital	MedLife	7/15/2022
	Paracelsus-Klinik Hemer	Deutsche G-D	7/21/2022
	S-Spine and Nerve Hospital	Navis Capital Partners	7/21/2022
	Ribera Salud	Vivalto Santé	7/25/2022
	Princeton Community Hospital	WVU Health System	7/28/2022
	AllianceHealth Seminole	SSM Health in Oklahoma	7/29/2022
	LABORATORIES, MRI & DIALYSIS	Fleet Diagnostic Lab	MDLink
DNA/GPS Inc.		RetinalGeniX Technologies, Inc.	7/6/2022
diondo GmbH		VisiConsult X-ray Systems	7/15/2022
RenPro Renal Services		Dialyze Direct	7/21/2022
radprax Holding		Quartz Healthcare Group	7/21/2022
Pro Diagnostics Group		Vivalto Santé	7/25/2022
Medo		Exo, Inc.	7/26/2022
MANAGED CARE	La Médicale	Generali	7/5/2022
	Compass Insurance Services	Hub International Limited	7/8/2022
	Employers Health Network	Health Plans, Inc.	7/11/2022
	Brown & Company Insurance Services	Higginbotham	7/20/2022
	Medical Cost Management Corporation	Välenz	7/27/2022
PHYSICIAN MEDICAL GROUPS	The Women's Pavilion	Owensboro Health Medical Group	7/1/2022
	Comizio Orthodontics	MB2 Dental Solutions	7/1/2022
	Nephrology Associates of Sarasota	Florida Kidney Physicians	7/2/2022
	Nephrology Associates of Michigan	Evergreen Nephrology	7/5/2022
	Ideal Dental Management Partners	ONCAP	7/5/2022
	Edison Dental Arts	Premier Care Dental Management	7/5/2022
	Platte City Endodontics	US Endo Partners	7/5/2022
	Trey Brown Endodontics	US Endo Partners	7/5/2022
	Tri-State Endodontics	US Endo Partners	7/5/2022
	Asthma and Allergy Associates of Florida	Family Allergy & Asthma	7/6/2022
	Rockland Eye Physicians & Surgeons	OCLI Vision	7/6/2022
	Nevid Dental	Dental Care Alliance, LLC	7/6/2022
	Southern Surgical & Medical Specialists	Urology America	7/6/2022
	SLUCare Physician Group	SSM Health	7/6/2022
	Central Virginia Endodontics	US Endo Partners	7/6/2022
	Summerlin & Henderson, NV dental practice	Absolute Dental Group, LLC	7/6/2022
	Burleson Pediatric Dentistry	Dental Care Alliance, LLC	7/7/2022
	Foot and Ankle Specialists	U.S. Foot & Ankle Specialists LLC	7/7/2022
	The practice of Dr. Ranjan Sapra, MD	The Oncology Institute of Hope & In.	7/7/2022

Additional Transactions		Services (cont'd)		
SECTOR	TARGET	ACQUIRER	DATE	
PHYSICIAN MEDICAL GROUPS	Topeka Dentistry	Gen4 Dental Partners	7/7/2022	
	West Coast Dental	Court Square Capital Partners	7/11/2022	
	Laidlaw Orthodontics	MB2 Dental Solutions	7/11/2022	
	North Texas Orthopedics & Spine Center	Novum Orthopedic Partners	7/11/2022	
	Shaaf Eye Center	Unifeye Vision Partners	7/11/2022	
	Integrated Pain Consultants	Anodyne Pain & Wellness Solutions	7/11/2022	
	Bright Smiles Family & Cosmetic Dentistry	MB2 Dental Solutions	7/11/2022	
	Beautiful Smiles Dental Center	Imagen Dental Partners	7/11/2022	
	North Penn Dental Arts	Guardian Dentistry Partners	7/11/2022	
	Pathology Consultants of Chicago	Versant Diagnostics	7/11/2022	
	Elgin Laboratory Physicians, Ltd.	Versant Diagnostics	7/11/2022	
	The office of James McMenamin	Riverside Oral Surgery	7/12/2022	
	Altima Dental	123Dentist	7/12/2022	
	Braces by Garcia	Bond Orthodontic Partners	7/13/2022	
	Alameda Oral Surgery Group	Allied OMS	7/14/2022	
	Antelope Valley Oral Surgery	Allied OMS	7/14/2022	
	Relievus Pain Management	Clearway Pain Solutions	7/14/2022	
	FCDG Management, LLC	The Beekman Group	7/14/2022	
	Bradenton Eye Clinic	Eye Health America	7/14/2022	
	Daschbach & Associates	The Smilist Management, Inc.	7/14/2022	
	Columbia River Endodontics	US Endo Partners	7/14/2022	
	Newhall Oral and Maxillofacial Surgery Group	Allied OMS	7/14/2022	
	The practice of Dr. Stanton S. Leboutitz	Dermatology Partners, Inc.	7/18/2022	
	Southeastern Orthopaedic & Sports Med	Lexington Orthopaedics	7/18/2022	
	Willowbrook Cardiovascular Associates	US Heart & Vascular	7/19/2022	
	Bryn Mawr Dental Associates	Dental Care Alliance, LLC	7/19/2022	
	O'Donnell Family Dentistry	Marquee Dental Partners	7/19/2022	
	Albany Cardiothoracic Surgeons	St. Peter's Health Partners Med.	7/20/2022	
	MetroDerm P.C.	United Derm Partners	7/20/2022	
	Medical Center Radiology Group	Orlando Health	7/20/2022	
	Novum Orthopedic Partners	United Musculoskeletal Partners	7/20/2022	
	Panorama Orthopedics	United Musculoskeletal Partners	7/20/2022	
	Shipston Dental Practice	Envisage Dental	7/20/2022	
	Stormberg Orthodontics	Bond Orthodontic Partners	7/21/2022	
	Southwestern Gastro. Specialists, PC	US Digestive Health	7/21/2022	
	Tandcenter	Dentalum Operations AB	7/21/2022	
	TLC for Smiles	Smile Brands Inc.	7/22/2022	
	Central Maryland Eye Associates	Prism Vision Group	7/22/2022	
	Orthopedic Foot & Ankle Center	OrthoAlliance	7/25/2022	
	Clintonville Foot & Ankle Group	OrthoAlliance	7/25/2022	
	IVF1	Pinnacle Fertility	7/26/2022	
	Seattle Reproductive Medicine	Pinnacle Fertility	7/27/2022	
	Comprehensive Spine & Sports Center	IPM Medical Group	7/28/2022	
	Retina Institute of Virginia	EyeCare Partners	7/28/2022	
	Commonwealth Eye Care Associates	EyeCare Partners	7/28/2022	
	REHABILITATION	Danville Physical Therapy	Orthopedic & Sports Physical Th.	7/7/2022
		Excel Rehab & Sports	Alliance Physical Therapy Partners	7/12/2022
		ACTS Occupational and Physical Therapy	Upstream Rehabilitation	7/14/2022
		Theraplay Family of Companies	Ivy Rehab	7/20/2022
		Complete OT & OTA Services	Professional Physical Therapy	7/20/2022
		Crossroads Rehabilitation	Athletico Physical Therapy	7/28/2022
		Action Physical Therapy and Rehabilitation	Athletico Physical Therapy	7/28/2022
	OTHER SERVICES	Physicians Immediate Care	WellNow Urgent Care	7/1/2022
SteriPack Group Ltd.		Inflexion	7/1/2022	

Additional Transactions		Services (cont'd)	
SECTOR	TARGET	ACQUIRER	DATE
OTHER SERVICES	Excelsus Statistics	Innovaderm	7/5/2022
	Discovery BioMed, Inc.	Eurofins Discovery	7/5/2022
	WorkPartners Occupational Health Specialist Thousand Oaks, CA MOB	Akeso Occupational Health Anchor Health & Harrison St.	7/6/2022 7/8/2022
	MedWorks Medical Center	Akeso Occupational Health	7/11/2022
	Midwest LTC Pharmacy	Guardian Pharmacy Services	7/11/2022
	iPharma Labs Marietta, GA MOB	Kindeva Drug Delivery Anchor Health Properties	7/11/2022 7/11/2022
	Fayetteville, AR MOB	Montecito Medical Real Estate	7/12/2022
	Ethical and Independent Review Services	Versiti	7/12/2022
	CareMed EMS	AmeriPro Healthcare Group LLC	7/12/2022
	TwelveStone Health Partners	Heritage Group	7/12/2022
	Drug Development Solutions	Alliance Pharma	7/13/2022
	Ganse Apothecary Macon, GA MOB	Terrapin Pharmacy LLC Montecito Medical Real Estate	7/14/2022 7/15/2022
	2 MOBs in Vista, CA	IRA Capital	7/18/2022
	Parkway Surgery Center Great Falls, MT MOB portfolio	WellSpan Health Catalyst Healthcare & Ntl. Real Est.	7/19/2022 7/19/2022
	First Care Clinics New York, NY MOB	Fast Pace Health Seavest Healthcare Properties	7/20/2022 7/20/2022
	2 MOBs in NC	Montecito Medical Real Estate	7/20/2022
	CareStaf	Longship Group	7/21/2022
	Groupe CIC Santé Dillon, SC MOB	Vivalto Santé Montecito Medical Real Estate	7/21/2022 7/22/2022
	Raleigh, NC MOB	Insite Properties & BentallGreenOak	7/22/2022
	Wyoming, MI MOB	LaSalle Investment Management	7/23/2022
	Lynchburg, VA ASC	Montecito Medical Real Estate	7/25/2022
	Phoenix, AZ MOB	OrbVest	7/27/2022
	Clinical Research Hamburg Atlanta, GA ASC	Velocity Clinical Research Pain Care	7/27/2022 7/28/2022

Additional Transactions		Technology		
SECTOR	TARGET	ACQUIRER	DATE	
BIOTECH & PHARMA	Intercept Pharmaceuticals' non-US business	Advanz Pharma Corp. Limited	7/4/2022	
	IMOJEV	Substipham	7/5/2022	
	Lexitas Pharma Services	QHP Capital	7/7/2022	
	Cergentis	Solvias	7/12/2022	
	AllCells	Discovery Life Sciences	7/12/2022	
	Art Robbins Instruments	Hudson Robotics	7/12/2022	
	Organon & Co.	Cognizant Tech. Solutions Corp.	7/21/2022	
	Lacer Pharmaceuticals	Italfarmaco	7/27/2022	
	eHEALTH	Evidence Solution	Esco Lifesciences Group	7/5/2022
		LSP Ware	Propio Language Services	7/5/2022
		Matchwell	Medical Solutions	7/6/2022
		Well-Beat	UST	7/6/2022
ScalaMed		Cardinal Health Inc.	7/7/2022	
Stratasan		Syntellis Performance Solutions	7/11/2022	
MFine		LifeCell International Pvt. Ltd.	7/11/2022	
Title21 Health Solutions		ArchiMed	7/12/2022	
Clinix		MediBuddy	7/13/2022	
Ava AG		FemTec Health, Inc.	7/19/2022	
D Cube Analytics	Trinity Life Sciences	7/19/2022		
One Healthcare Solution	Verustat	7/21/2022		
Exchange EDI, LLC	ImagineSoftware	7/21/2022		

Additional Transactions		Technology (cont'd)	
SECTOR	TARGET	ACQUIRER	DATE
eHEALTH	Appliware	Ascom	7/21/2022
	FRISQ	Cambio Healthcare System AB	7/21/2022
	BYG4lab	Keensight Capital	7/22/2022
	Nutrimed	FemTec Health, Inc.	7/25/2022
	AllyHealth	PES	7/26/2022
	Breakthrough Health	Mymee	7/27/2022
	SyTrue	ClaimLogiq	7/27/2022
	MedKeeper	Becton, Dickinson and Co.	7/28/2022
	Feegow	DocPlanner	7/28/2022
MEDICAL DEVICES	EG Medical	Dunes Point Capital	7/5/2022
	Insight Medical Systems	Enovis	7/6/2022
	Hometown Medical, LLC	Quipt Home Medical Corp.	7/11/2022
	MedTorque	ARCH Medical Solutions	7/14/2022
	Promeba	Protect Medical	7/15/2022
	Sejong Medical	CanariaBioM	7/18/2022
	Precedental Ltd	Amalgamated Lab. Sol. Ltd	7/19/2022
	Spine Innovations	Spineway	7/21/2022
	Capillary Biomedical	Tandem Diabetes Care, Inc.	7/25/2022
	MacuLogix	LumiThera Inc.	7/26/2022

Here Comes The Rebound

After Some Slow Months, Deal Volume is Rising

During July 2022 there were 211 healthcare M&A deals announced, excluding Long-Term Care, a 12.8% increase from June 2022, which had 187 deals. Additionally, the deal total last month was 25.6% higher than July 2021 when there were only 168 healthcare deals announced. After a slight slowdown in the healthcare M&A market during June and May, deal totals seem to be rebounding the second half of the year.

The most lively sector during July was Physician Medical Groups (PMGs), which saw 58 reported deals, which is 27% of the monthly deal volume across all sectors, excluding Long-Term Care. Dental was the most active subsector with 25 deals, accounting for 43% of the monthly PMG market. The second-most active subsector

was Ophthalmology with six deals, making up 10% of the PMG market. Three of the busiest PMG acquirers during July were **Dental Care Alliance, LLC**, **MB2 Dental Solutions** and **US Endo Partners**, which each announced three transactions.

Another busy sector during July was Other Services, with 46 announced transactions across a wide range of subsectors, including medical office buildings (MOB), clinical trials, health clinics, healthcare staffing, contract research organization (CRO) and many more.

Transactions in the Other Services sector accounted for 22% of all deals announced during July, excluding Long-Term Care. The busiest Other Services subsector was medical office buildings (MOB) with 20 announced transactions, totaling approximately \$182.6 million and 1 million square feet. The second busiest subsector

Deal Volume, July 2022 vs. June 2022 and July 2021

	July 2022 Deals	Share of total	June 2022 Deals	Change	July 2021 Deals	Change
Services						
Behavioral Health Care	11	5%	4	175%	7	57%
Home Health & Hospice	6	2%	6	0%	16	-63%
Hospitals	7	3%	3	133%	5	40%
Labs, MRI & Dialysis	9	4%	7	29%	9	0%
Long-Term Care	30	12%	53	-43%	37	-19%
Managed Care	8	3%	8	0%	4	100%
Physician Medical Groups	58	24%	52	12%	27	115%
Rehabilitation	8	3%	6	33%	6	33%
Other Services	46	19%	43	7%	40	15%
Services subtotal	183	76%	182	1%	151	21%
Technology						
Biotech & Pharma	25	10%	19	32%	17	47%
eHealth	23	10%	28	-18%	25	-8%
Medical Devices	10	4%	11	-9%	12	-17%
Technology subtotal	58	24%	58	0%	54	7%
Grand total	241	100%	240	0%	205	18%

Source: LevinPro, August 2022

within the Other Services sector was contract research organizations (CRO), with four announced transactions.

One of the largest acquirers in the Other Services sector during July was Montecito Medical, which announced five acquisitions during the month. Montecito acquired a total of 106,592 square feet in medical real estate during July.

The breakout sector in July was Behavioral Health Care, which nearly tripled in activity, from four deals in June to 11 publicly announced deals. Some other rising sectors were Hospitals, which more than doubled, and Pharmaceuticals, which rose from four deals during June to nine announced transactions during July.

Other sectors experienced significant declines in deal totals. eHealth fell from 28 deals during June to 23 transactions during July, a 18% drop. eHealth also

experienced the most significant drop in deal volumes, going from approximately \$7.2 billion in disclosed spending during June to \$6.3 million in July.

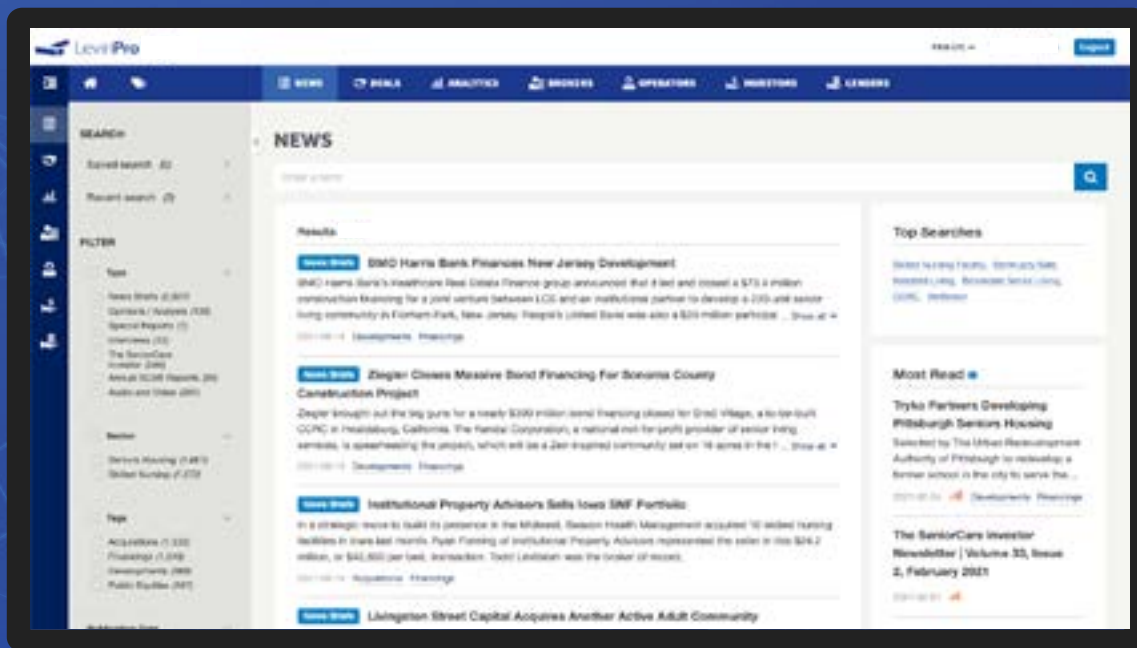
eHealth wasn't the only area that saw a decline. Deal values across all tech sectors fell dramatically from more than \$13 billion in announced spending during June 2022 and July 2021, to \$3.2 billion reported in July 2022. The Biotech & Pharma sectors recorded \$3.2 billion in spending, a 49% decrease from the previous month when approximately \$6.4 billion was spent.

While two subsectors (eHealth & Medical Devices) fell, the fact that more sectors rose in deal totals and values in July is promising for the rest of 2022. We hope this momentum shift continues to propel activity during the second half of 2022. Based on the first week in August, deals are flowing and the third quarter is looking healthy.

Deal Value, July 2022 vs. June 2022 and July 2021

	July 2022 Deal Value	Share of total	June 2022 Deal Value	Change	July 2021 Deal Value	Change
Services						
Behavioral Health Care	\$725,000,000	4%	\$0	0%	\$400,310,000	81%
Home Health & Hospice	\$51,800,000	0%	\$0	0%	\$619,000,000	-92%
Hospitals	\$0	0%	\$92,000,000	-100%	\$752,500,000	-100%
Labs, MRI & Dialysis	\$1,530,000,000	9%	\$3,750,000	40700%	\$1,484,590,200	3%
Long-Term Care	\$245,715,120	1%	\$1,731,850,000	-86%	\$1,291,440,000	-81%
Managed Care	\$5,576,500,000	33%	\$0	0%	\$63,000	0%
Physician Medical Groups	\$1,210,000	0%	\$386,002,871	-100%	\$440,000,000	-100%
Rehabilitation	\$1,301,200,000	8%	\$0	0%	\$10,300,000	0%
Other Services	\$4,316,444,000	25%	\$252,994,437	1606%	\$44,471,373,786	-90%
Services subtotal	\$13,747,869,120	81%	\$2,466,597,308	457%	\$49,469,576,986	-72%
Technology						
Biotech & Pharma	\$3,283,170,000	19%	\$6,403,050,000	-49%	\$10,739,140,000	-69%
eHealth	\$6,300,000	0%	\$7,199,000,000	-100%	\$641,164,684	-99%
Medical Devices	\$0	0%	\$349,700,000	-100%	\$1,759,100,000	-100%
Technology subtotal	\$3,289,470,000	19%	\$13,951,750,000	-76%	\$13,139,404,684	-75%
Grand total	\$17,037,339,120	100%	\$16,418,347,308	4%	\$62,608,981,670	-73%

Source: Source: LevinPro, August 2022



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