

Gastroenterology

Q2 2023

Market Update

The GI sector continues to be an active M&A sector within physician services. Q2 2023 was characterized by continued add-on acquisitions from existing private equity-backed platforms as well as several transactions or partnerships involving digital health and technology-based optimization within GI. Both GI Alliance and One GI announced add-on acquisition this quarter with each respective transaction being in a core market that GIA or One GI was already operating in. GI has also seen a wave of innovation relating to digital health. Oshi Health successfully raised \$30M to continue its mission to revolutionize patient care for chronic GI disease using technology. Iterative Health has formed strategic partnerships with both Gastro Health and Allied Digestive in order to implement its AI based software that optimizes endoscopic images. The adoption of new technology in the GI sector will lead to more varied transactions and M&A going forward.

Notable Transaction

In April 2023 Oshi Health announced it had secured \$30M in Series B funding. The funding round was led by Koch Disruptive Technologies. Other participants included Flare Capital Partners, Bessemer Venture Partners, CVS Health Ventures, Frist Cressey Ventures, and Takeda Digital Ventures. Oshi is a virtual care provider that exclusively provides care to patients with chronic GI diseases such as Crohn's, IBS, and Ulcerative Colitis. Oshi's unique care model which allows physicians to diagnose, prescribe, and treat patients remotely is particularly attractive in a value-based care environment. Oshi recently entered a VBC partnership with Aetna to offer patients in-network care in across six states.



OSHI HEALTH
Has raised \$30M Series B funding from:
Bessemer Venture Partners
Frist Cressey Ventures
flare capital partners
Takeda
KOCH DISRUPTIVE TECHNOLOGIES
April 2023

Select Transactions

Month	Acquirer	Target	Physicians	States	Locations
June		 COASTAL DIGESTIVE CARE CENTER, LLC	6	1	Connecticut
May		 SIG Specialists In Gastroenterology	6	1	Missouri
April		 TransSouth HEALTH CARE	2	1	Tennessee
April	 Allied Digestive Health <i>Has formed a strategic partnership with:</i>  ITERATIVE HEALTH™	Rationale: Iterative Health is optimizing clinical trials within GI using AI-based technology to enhance physicians' abilities to identify IBD in patient screening. This partnership will allow AD physicians access to this technology, enhancing patient care and strengthening AD's ability to diagnose and enroll patients in IBD trials.			

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