

## Pharmacy & Infusion Services

Q1 2024

### Market Update

Healthcare providers continue to expand upon their infusion service lines and tactics as site-of-care strategies grow in importance. This change has led to several new platforms being created, including New Harbor's latest investment to form Access Infusion Care. Deal flow is being fueled by the ongoing shift of site-of-care from hospitals to outpatient settings including AICs, OICs, and the home. While each setting has its own pros and cons, home infusion offers various benefits that better cater to the needs of patients, including cost-effectiveness and better outcomes, a trend that many investors and strategic acquirers are looking to capitalize on. Another rapidly changing pharmaceutical services sector is specialty pharmacy, which historically has seen margin pressure due to stress on reimbursement which has discouraged investment in the space. However, evolving business models that create sticky relationships with health systems, manufacturers, and/or patients are becoming more prominent and attracting private equity investment again.

### Notable Transaction

Elevance Health completed its acquisition of Paragon Healthcare, a company specializing in life-saving and life-giving infusible and injectable therapies. Paragon, headquartered in Plano, Texas, currently serves more than 35,000 patients at over 40 ambulatory infusion centers across eight states, as well as patients' homes. The acquisition of Paragon will deepen Elevance's capabilities around providing affordable, convenient access to specialty medications for those living with chronic and complex illnesses. Although terms of the deal were not disclosed, the enterprise value is rumored to be ~\$1.0B. Prior to being acquired by Elevance, Paragon was backed by Peak Rock Capital, a multi-billion-dollar private equity fund based in Austin, TX.



### Select Transactions

Month	Investor	Target	Deal Description
March			Cornerstone Specialty Network (CSN) has completed a partnership with Waud Capital-backed Provider Network Holdings to broaden the collective platform's service offering within the community-based physician practice and pharmaceutical manufacturer communities. In addition to the work CSN does with community-based oncology practices, they also partner with pharmaceutical companies on a variety of initiatives including data aggregation and physician engagement.
January			StateServ, a leading provider of durable medical equipment benefit management solutions to the post-acute care market, acquired Delta Care Rx, a national pharmaceutical care provider. Delta Care offers integrated pharmacy benefit management, mail order prescription, sterile/non-sterile compounding, and clinical pharmacist consulting to the hospice and palliative care markets.
January			New Harbor has completed majority investments in Ambulatory Infusion Care North, a home and specialty infusion pharmacy, and JLS Infusion Nurse Staffing Services, a nursing service provider specializing in managing complex specialty infusion patients, to form Access Infusion Care. New Harbor and the management team at Access Infusion Care hope to build an infusion platform of scale in underserved markets and seek to improve outcomes while lowering costs for patients.

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### Media Citations & Publications

#### Media

[What's Happening in the Pharmacy Space? Key thoughts from 2 Provident Healthcare Leaders](#)

#### Publication

[Trends in Specialty Pharmacy](#)