



DIGITAL HEALTH DOWNLOAD

October 9, 2020

To help you stay abreast of key developments, we are pleased to share this month's issue of the Digital Health Download, a series curating the latest business and regulatory news impacting the industry. September was another busy month for digital health. Virtual care providers [AmWell](#) and [GoodRx](#) filed paperwork to go public — illustrating the growing appetite among public market investors in digital technologies. Big tech companies continued to showcase their strengths in technology and customer experience, as illustrated by [Amazon's launch of its new wearable](#). FDA also launched its [Digital Health Center of Excellence](#) as a central resource for digital health policy and regulation, connecting experts across industry, government, and the general public.

At Ropes & Gray, our attorneys continued to make headlines, offering our perspectives on the evolving digital health landscape. Most recently, in *Mergermarket's* September report, [we examined COVID-19's impact on M&A in the healthcare IT sector](#). We also discussed [key developments for digital health investments and dealmaking](#) in a recent webinar in partnership with Life Sciences Executives.

We've summarized below the recent digital health updates that have captured our interest. As always, if you have questions about digital health, please contact us or your typical Ropes & Gray advisor.

Best,

[Megan Baca](#), [Kellie Combs](#), and [Christine Moundas](#)
Co-Chairs of the [Ropes & Gray Digital Health Initiative](#)

ROPE & GRAY IN THE NEWS

- Ropes & Gray advised GI Partners on its acquisition of Clinical Ink, a global clinical trial technology company (financial terms of the transaction were not disclosed). Multiple partners advised on the deal, including private equity partners Neill Jakobe and Chau Le, executive compensation & benefits partner Matthew Jones, tax partners Aaron Harsh and Benjamin Rogers, health care partner Deborah Gersh, merger & acquisitions partner Regina Sam Pentti and life sciences regulatory & compliance partner Kellie Combs. – August 7, 2020 ([Ropes & Gray](#))

ROPE & GRAY INSIGHTS

- [Katherine Wang, Eric Wu and David Chen to present at Boston College Law and Ropes & Gray's 3rd Annual International IP Summit](#) – October 20-23, 2020
- [Michael Beauvais Examines COVID-19 Impact in Mergermarket's Healthcare IT Report](#) – September 17, 2020
- [Kellie Combs Presents at Digital Health Technology and Regulation Conference](#) – September 8, 2020
- [Ropes & Gray Partners with Life Sciences Executives Hosted Webinar on Navigating Digital Health Investments and Dealmaking Landscape](#) – September 2, 2020

DIGITAL HEALTH FUNDING AND INVESTMENTS



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- Health insurance company Bright Health, which offers health plan products and virtual clinical care delivery services, has raised \$500 million in Series E funding. The latest round included new investors Tiger Global Management LLC, T. Rowe Price Associates Inc. and Blackstone Group as well as existing investors New Enterprise Associates Inc. (NEA), Bessemer Venture Partners LP and Greenspring Associates. – September 22, 2020 ([The Deal](#))
- Telehealth company MDLive closed a \$50 million crossover equity investment from Sixth Street’s growth investing unit. – September 14, 2020 ([The Deal](#))
- Clinical-navigation platform Grand Rounds announced a \$175 million investment round led by the Carlyle Group. This brings the company’s total funding pot to over \$270 million. The company makes deals with employers and payers in order to help its members find virtual care programs. – September 9, 2020 ([MobiHealthNews](#))
- Biofourmis, a predictive-care startup, has raised \$100 million in Series C financing and has restructured its business to pursue its original focus on data-driven patient monitoring alongside its more recent interest in standalone and companion digital therapeutics. – September 3, 2020 ([MobiHealthNews](#))
- Telemedicine startup Hazel Health raised \$33.5 million in a series C funding, led by Owl Ventures and Bain Capital, and investors including insurer Centene. The funding will help Hazel expand its service five-fold this fall, when its services will be offered in schools districts with a combined enrollment of 1.5 million children. – September 1, 2020 ([CNBC](#))

IPOs AND SPACs

- GoodRx, a healthcare startup backed by Silver Lake, filed its initial public offering in late August and ended up raising \$1.1 billion after pricing its deal well above its expected price range. The Santa Monica, California company sold 34,615,384 shares at \$33 each. This is more than the \$24 to \$28 range it had set. GoodRx is one of several startups looking to disrupt the \$400 billion pharmacy industry. – September 23, 2020 ([Barrons](#))
- Amwell made its debut on the New York Stock Exchange after announcing the pricing for its upsized initial public offering of about 41.2 million shares of Class A common stock at \$18 per share. The updated pricing equates in total gross proceeds of approximately \$742 million, before deducting underwriting discounts and commissions and offering expenses payable by Amwell. – September 17, 2020 ([MobiHealthNews](#))
- Grail, the company on a quest to spot cancers early with a simple blood test, is going public after raising nearly \$2 billion in funding for its research since 2016. – September 9, 2020 ([FierceBiotech](#))

PARTNERSHIPS AND TRANSACTIONS

- DNA sequencing firm Illumina has agreed to buy Grail, which has developed a multi-cancer early detection blood test, for \$8 billion in cash and stock. The deal comes nearly two weeks after Grail publicly filed its S-1 registration statement with the Securities and Exchange Commission. – September 21, 2020 ([The Deal](#))
- Magellan Health announced a strategic relationship with Livongo, making Livongo for Behavioral Health available to Magellan customers and their members as the digital entry point to a wide range of solutions and



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services. With this partnership, Magellan Health can provide access to consumer-driven digital self-care for mental and behavioral health outside of the clinical setting. – September 9, 2020 ([Seeking Alpha](#))

- Change Healthcare announced it has acquired PROMETHEUS Analytics from Altarum. This transaction supports Change Healthcare's commitment to focus on and invest in core aspects of the business to fuel long-term growth, advance innovation and accelerate the industry's transition to value-based care. – August 26, 2020 ([HHMGlobal](#))

FDA CLEARANCES, PRODUCT/SOFTWARE LAUNCHES

- The FDA announced the launch of the Digital Health Center of Excellence, a central resource intended to help the agency as well as external stakeholders promote digital health technologies. Housed within the Center for Devices and Radiological Health (CDRH), the Digital Health Center of Excellence (DHCE) is intended to oversee a comprehensive approach to digital health regulation that will aim to facilitate partnerships to accelerate digital health innovation and to develop innovative regulatory approaches to increase efficiency. It will be headed by Bakul Patel, who until now has served as director of the CDRH's Division of Digital Health. – September 22, 2020 ([FDA](#))
- Microsoft's video platform, Teams, is integrating directly with health records software to let clinicians launch virtual visits straight from their EHR. – September 22, 2020 ([Healthcare Dive](#))
- Apple announced that its upcoming Series 6 Apple Watch will include a blood oxygenation sensor, a first for the Apple Watch (but not for the wearable space). As it did with the ECG, Apple is launching a set of partnered research studies using the new capabilities of the Watch. Additionally, WatchOS7 will use existing sensors to measure a lower range of VO2 Max values. – September 15, 2020 ([MobiHealthNews](#))
- Amazon is entering the wearables market. The company introduced a wristband for health and fitness tracking called Halo, alongside a subscription service and smartphone app. – August 27, 2020 ([CNBC](#))

RESEARCH

- The National Institutes of Health awarded digital health company Vibrent Health \$39 million to build the tech backbone of its All of Us precision medicine research program. With the new award, Vibrent Health will continue providing the digital health platform for the All of Us research program. – September 9, 2020 ([Becker's Hospital Review](#))

INTERNATIONAL

- JD Health, a Beijing online healthcare company started by China e-commerce giant JD.com, plans to raise \$3 billion in a Hong Kong IPO later this year, according to unofficial sources. In August, JD Health completed an \$830 million Series B funding led by Hillhouse Capital at a \$12 billion valuation. JD Health offers 30-minute delivery of pharmaceuticals, a telemedicine service that saw increased demand during the COVID-19 pandemic and health services such as genetic testing. It was spun out of JD.com last year. – September 28, 2020 ([Wall Street Journal](#))



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- Apple and the government of Singapore have partnered on a two-year health initiative dubbed LumiHealth, which is built around tracking and rewarding user behavior through the Apple Watch gadget and an iPhone app. As part of the arrangement, Singapore residents will be able to earn as much as S\$380 (\$280) in rewards and vouchers by completing goals and tasks set within the app. – September 15, 2020 ([Bloomberg](#))
- COVID-19 has accelerated ongoing digital healthcare trends in China, presenting market opportunities for global medtech artificial intelligence (AI) and software players. But because the traditional life sciences regulatory frameworks in China were developed with hardware front of mind, there is a regulatory lag as the frameworks catch up to the latest medical technology advances. This article presents five regulatory issues relating to medical AI and software products in China for foreign developers/manufacturers.– September 14, 2020 ([MD+DI](#))