

BioIQ in late-stage talks with several healthcare technology targets, CEO says

by **Claire Rychlewski**
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BioIQ, a Santa Barbara, California-based population health technology company, is in late-stage discussions with several acquisition targets, according to CEO and founder Justin Bellante.

One of the transactions – with a healthcare technology company – has been completed and will be announced soon, the executive told this news service.

The moves follow a USD 26.5m raise led by HealthQuest Capital, with Arboretum Ventures and select insiders joining the syndicate. The financing was disclosed last week.

Ideal targets going forward include high-profit, low-overhead technology companies with health analytics, interoperability and care coordination capabilities, Bellante said.

BioIQ's executive team and its board work to identify acquisition targets, and will also leverage M&A insights from HealthQuest and Arboretum, he added.

Financial advisors for BioIQ include Stifel, which advised on its recent raise, and CBIZ, Bellante said. Cooley and Nasif, Hicks, Harris & Co. provide legal and accounting services, respectively. Prior to the latest raise, BioIQ took in USD 17m in funding, Bellante said.

Founded in 2005, BioIQ started as a direct-to-consumer health testing service, but pivoted to serve large employers and health plans by automating population health management. BioIQ facilitates exchange of healthcare data, helps consumers manage their healthcare, and identifies potential gaps in care for its enterprise and healthcare customers.

Bellante said BioIQ has been approached about a sale from both strategic and financial sponsors, but noted the company is not actively pursuing an exit. The executive said BioIQ could be attractive to some of its health plan clients, as well to the companies it partners with. One of BioIQ's partners, Castlight Health [NYSE:CSLT], acquired corporate wellness software company Jiff for USD 135m in early 2017.

Retail companies may also be potential buyers, Bellante said, as several have recently made major plays in corporate wellness and population health. Amazon [NASDAQ:AMZN] announced a consumer healthcare joint venture with Berkshire Hathaway [NYSE:BRK.A, BRK.B] and JPMorgan Chase [NYSE:JPM] in January, and Apple [NASDAQ:AAPL] is launching a network of health clinics for its employees called AC Wellness.

"There are mega-mergers where you have traditional healthcare players trying to gain access to retail and consumer tools, technologies and footprints," he said. "That's very well aligned [with] what we do, in addressing the access and friendliness of care."

When asked if BioIQ could be a target for the Amazon-Berkshire-Chase JV or Apple, Bellante said he sees potential for a partnership with the strategics, and "maybe, down the road, something beyond that."

Bellante also said that as a tech platform, "there are a lot of potential opportunities from a private equity perspective."

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