

## **Three-Way Merger Combines Focus on Physician and Patient Engagement with Industry-Leading Technology Platform to Create the Nation's Premier, Value Based Kidney Care Provider**

*Fresenius Health Partners, InterWell Health, and Cricket Health to drive innovation and industry transformation, and create the new standard in value based kidney care in the U.S.*

*Merger brings together strong physician leadership with leading-edge care management and technology to improve outcomes for chronic kidney disease patients and reduce costs to payors and the overall healthcare system*

*Financial and strategic support of leading investors Valtruis, a Welsh, Carson, Anderson & Stowe (WCAS) company; Oak HC/FT; Cigna Ventures; and Blue Shield of California*

*New company is valued at \$2.4 billion and will operate under InterWell Health brand, with over \$6 billion of medical costs under management, responsibility for over 100,000 covered lives, and a total addressable market of \$170 billion*

**Waltham, MA, and Cambridge, MA – March 21, 2022** – Fresenius Medical Care, a leading provider of products and services for individuals with kidney diseases, InterWell Health, a leading physician organization driving innovation in the kidney care industry, and Cricket Health, a provider of value based kidney care with an industry-leading patient engagement and data platform, announced today they have entered into a definitive agreement to create an independent new company. The transformative deal brings together InterWell Health's strong network of more than 1,600 nephrologists, Cricket Health's technology-enabled care model and patient engagement platform, and the expertise in value based kidney care contracting of Fresenius Health Partners, the value based care division of Fresenius Medical Care North America, to create an innovative, stand-alone entity poised to transform kidney care.

The new organization is valued at \$2.4 billion and will operate under the InterWell Health brand. With a total addressable market of \$170 billion, more than \$6 billion of medical costs under management, and over 100,000 covered lives, the new company will accelerate growth in the mid- and late-stage chronic kidney disease value based care population and will build upon a strong foundation of success to accelerate the transformation of kidney care. By 2025, the company expects to engage and manage the care of more than 270,000 Americans living with kidney disease, increasing its medical costs under management to \$11 billion.

With extraordinary capabilities, expertise, and reach, the new company will set the standard in value based kidney care, with the goal of improving patients' lives and reducing costs to public and private payors, health systems, and all others that take risk for this vulnerable, complex, and costly patient population. The new InterWell Health will drive the healthcare industry to increase transparency and accountability and will be uniquely positioned to lead the way in transforming kidney care with its focus on covered lives, medical costs under management, and clinical and patient-reported outcomes. By holding itself to the highest standards, the new InterWell Health expects to improve patients' quality of life through reduced hospital admissions and readmissions, slower disease progression, increased transplant referrals and rates, accelerated transition to home dialysis, and improved health equity.

“The new InterWell Health will bring together physicians, care management teams, and providers to ensure we show up as one team and provide the best possible experience for the patients who entrust us with their care,” said Bill Valle, CEO of Care Delivery for Fresenius Medical Care. “Cricket Health’s predictive analytics and patient engagement platform combined with the physician-led clinical approach of InterWell Health and Fresenius Health Partners’ experience and expertise in value based care will position the organization for accelerated growth.”

The company will benefit from the integration of Cricket Health’s StageSmart™ machine learning and predictive glomerular filtration rate (GFR) model (known as pGFR™). This transformative technology will enable the combined entity to identify and risk stratify patients prior to kidney failure with 96 percent accuracy, helping slow disease progression and giving patients the time necessary to choose a treatment option that is right for them. Through Cricket’s proprietary web-based patient engagement platform, the new company will be able to grow its operations across the U.S., providing patients with a deeply immersive and transformative experience with their care teams. The predictive analytics model and patient engagement platform meet the highest standards for information security, having earned Certified status by HITRUST<sup>1</sup>.

“At Cricket Health, our mission is to help our patients live their best lives. This combination advances our ability to do just that,” said Cricket Health CEO, Robert Sepucha. “Each patient’s situation and needs are unique, and the new organization will offer groundbreaking solutions from machine learning to highly personalized engagement that keep patients healthy, at home, and out of the hospital.”

InterWell Health was formed in 2019 as a partnership with nephrologists dedicated to driving value and innovation for chronic kidney patients in the U.S. This high-performing physician network provides individualized care to patients across the full spectrum of kidney disease – before and after kidney failure – including comprehensive 24/7 patient support service and access to the National Committee for Quality Assurance-accredited KidneyCare:365 CKD program. The new entity will expand the support physicians need to elevate the way they practice medicine. By closely aligning workflows and providing the data, education, and care management resources necessary to succeed in a value based world, the new InterWell Health will work with practices to develop and implement care models specific to their community, as well as help them contract with national payors.

“The big beneficiaries here are patients, through the strengthened relationships created with their physicians. Recognizing that nephrologists are the constant in an otherwise fragmented care delivery system, our goal is to further enhance the support to physician practices, giving them even greater opportunities to focus on what matters most – patient care,” said co-Chief Medical Officer of InterWell Health, Dr. George Hart. “Patients will be empowered to identify issues and better manage their disease progression well before the onset of kidney failure.”

The new InterWell Health will be separate from Fresenius Medical Care, with the benefit of the company’s experience, expertise, resources, and services. With the financial and strategic support of leading investors, including: Valtruis, a WCAS company; Oak HC/FT; Cigna Ventures; and Blue Shield of California, the new company will have the financial flexibility to make further investments to strategically grow and explore adjacent value based care opportunities.

“Valtruis has been thrilled with our partnership with Cricket Health to date, and we are excited to help catalyze this game-changing transaction in kidney care as we continue to build out our capabilities in value based care and fortify our strategic relationships throughout the healthcare ecosystem,” said David Caluori, Chairman of the Board, Valtruis, and General Partner, WCAS.

The management team for the new InterWell Health will include Robert Sepucha, Chief Executive Officer; David Pollack, President & Chief Operating Officer; and George Hart, M.D., Chief Medical Officer.

### **Approvals**

The transaction has been approved by the Supervisory Board of Fresenius Medical Care Management AG, the InterWell Health Board of Directors, and the Cricket Health Board of Directors. The closing of the transaction is subject to regulatory review. Depending on the progress of such review, the company currently anticipates the transaction could close in the second half of 2022.

### **Advisors**

Piper Sandler & Co. served as financial advisor and Cleary Gottlieb Steen & Hamilton LLP served as legal counsel to Fresenius Medical Care. Ernst & Young Capital Advisors, LLC served as financial advisor and Goodwin Procter LLP served as legal counsel to InterWell Health. Barclays served as financial advisor and Perkins Coie LLP served as legal counsel to Cricket Health. Ropes & Gray served as legal counsel to Valtruis and WCAS.

<sup>1</sup> [HITRUST Alliance | Information Risk Management and Compliance](#)

### **About Fresenius Medical Care North America**

Fresenius Medical Care North America (FMCNA) is the premier healthcare company focused on providing the highest quality care to people with renal and other chronic conditions. Through its industry-leading network of dialysis facilities and outpatient cardiac and vascular labs, Fresenius Medical Care North America provides coordinated healthcare services at pivotal care points for hundreds of thousands of chronically ill customers throughout the continent. As the world’s largest fully integrated renal company, it offers specialty pharmacy and laboratory services, and manufactures and distributes the most comprehensive line of dialysis equipment, disposable products, and renal pharmaceuticals. For more information, visit the FMCNA website at <https://fmcna.com>.

### **About InterWell Health**

InterWell Health is a national, physician-centric joint venture between 1,100 physician investors and Fresenius Medical Care North America (FMCNA). Through its nephrology network of more than 1,600 physicians, InterWell Health is positioned to manage kidney patients under at-risk arrangements with public and private payors across the full continuum of chronic kidney disease, transplant, end stage kidney disease, and conservative care. The combined resources and clinical and analytical expertise of the nephrology partners and FMCNA are transforming care models for chronic kidney disease patients in ways that improve patient outcomes and achieve payor goals. For more information, visit the company’s website at <https://www.interwellhealth.com/>.

### **About Cricket Health**

Cricket Health is an industry-leading provider of value based kidney care with a clinically-proven approach to managing chronic kidney disease (CKD) and end-stage kidney disease

(ESKD). Cricket Health helps payors and providers shift their entire approach to kidney disease upstream, enabling them to intervene early and deliver stage-specific care to those who need it most, ultimately reducing costs and improving kidney disease outcomes. Cricket Health uses the StageSmart™ machine learning model and predicted GFR (pGFR™) to risk stratify a patient population across each stage of kidney disease with 96 percent accuracy for people with stage 3b and beyond and then delivers individualized care through its comprehensive patient support service, MyCricket™. Cricket Health members have access to educational resources, peer support, and a multidisciplinary care team in person, by telephone, and virtually. Founded in 2015 and based in San Francisco and Cambridge, the company's leadership includes some of the leading experts in nephrology, health care, and technology. Learn more at [www.crickethealth.com](http://www.crickethealth.com) or follow us @crickethealth.

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