

Medicare changes imperil Hillrom-Bardy deal



[Elizabeth Cairns](#)

When Hillrom arranged to buy Bardy Diagnostics for \$375m up front in January it believed that Bardy's extended cardiac-monitoring technology would be reimbursed by Medicare in the range of \$250. 10 days after the deal was announced, however, the Medicare contractor Novitas cut the reimbursement rate for the four codes covering Bardy's devices to \$40-80. Having taken some time to evaluate the likely consequences of this, Hillrom yesterday concluded that it constituted a material adverse effect; it is not clear whether Hillrom intends to renegotiate terms or call the deal off completely, but Bardy has filed a complaint in Delaware's Chancery Court so it seems that litigation will be part of the puzzle. Cardiac monitoring has recently been a hot area for deal making, with [Philips buying Biotelemetry](#) for \$2.8bn in December and [Boston Scientific acquiring Preventice](#) for \$925m a month later. Biotelemetry and Preventice offer similar heart monitors, and *Evaluate Vantage* understands that they too will be affected by this pricing change, though to a lesser extent thanks to their more diverse product ranges. The Hillrom-Bardy deal is the eighth-largest medtech acquisition announced so far in 2021.

Top 10 medtech M&A announced in 2021

Date	Acquirer	Target	Value (\$m)	Focus
Jan 12	Steris	Cantel Medical	4,600	Sterilisation
Jan 21	Boston Scientific	Preventice Solutions	1,225	Cardiology - remote heart monitoring
Jan 4	Dentsply Sirona	Byte	1,040	Dental - clear aligners
Jan 19	Philips	Capsule Technologies	635	Healthcare IT
Feb 2	Veracyte	Decipher Biosciences	600	In vitro diagnostics - cancer
Jan 7	Perkinelmer	Oxford Immunotec	591	In vitro diagnostics - infection
Jan 19	Thermo Fisher Scientific	Mesa Biotech	550	In vitro diagnostics - infection
Jan 20	Haemonetics	Cardiva Medical	510	Cardiology - vascular closure
Jan 15	Hillrom	Bardy Diagnostics	375	Cardiology - remote heart monitoring

Source: [EvaluateMedTech](#).

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