

## Deerfield Announces up to \$50 Million Investment in Fidelis SeniorCare

Published: Monday, 6 Jan 2014 | 8:30 AM ET

NEW YORK--(BUSINESS WIRE)-- Deerfield Management Company announced today that it has entered into a secured loan facility with Fidelis SeniorCare, Inc. for up to \$50.0 million in financing.

The facility provides Fidelis with working capital to expand its delivery of expert clinical care and care coordination for eligible Medicare beneficiaries with complex chronic conditions. Fidelis currently serves approximately 2,000 seniors in Washington and Michigan and was recently selected by the Michigan Department of Community Health as one of six health plans to provide integrated healthcare services to members who are dually eligible for Medicare and Medicaid in Macomb and Wayne counties. This state program is expected to serve approximately 90,000 dual-eligible beneficiaries in these two counties and enrollment is expected to commence in the fourth quarter of 2014. The financing was structured to help Fidelis prepare for the roll-out of this program, as well as to provide potential funding to launch new coverage for similar populations in other markets.

Under the terms of the facility, Deerfield funded \$25 million upon execution of the facility agreement and committed to advance up to another \$25 million prior to March 15, 2015, upon the company's request and provided that specified conditions of disbursement are met. The loan matures in five years and accrues interest at 10.75% per annum. Upon both the initial and subsequent disbursements, Deerfield will receive warrants to purchase shares of Series B Preferred Stock in the company.

"We believe that the company's high-touch approach to the care of frail elders is a win-win, aligning the economic interests of the company's government clients with the clinical interests of the members it cares for," commented Leslie Henshaw, Partner at Deerfield Management. "Our objective with this facility is to strengthen Fidelis' financial position in a flexible, minimally dilutive way and to build a long-term relationship that helps Fidelis further its commitment to providing high quality care and services to vulnerable populations."

"Fidelis does a superb job of providing high quality clinical care and care coordination services to vulnerable and clinically complex Medicare and Medicaid beneficiaries," commented Sam Willcoxon, President and Chief Executive Officer of Fidelis SeniorCare. "The team at Deerfield demonstrated a comprehensive understanding of our market and needs. They worked closely

with us to create a facility that will enable us to execute into our near and long term strategies. We believe that we have found an excellent partner as we move forward in working with both State governments and as a trusted partner to other health plans in the care of dual eligible beneficiaries.”

### **About Fidelis SeniorCare**

Fidelis SeniorCare is a private company headquartered in Schaumburg, IL. The Company provides expert clinical care and care coordination services to dual-eligible beneficiaries through its SecureHome clinics. Fidelis SeniorCare operates as a Medicare Advantage Plan ("Fidelis SecureCare") or as a trusted partner to Medicare Advantage Plans, in Michigan and Washington. More information about Fidelis is available at [www.fidelissc.com](http://www.fidelissc.com).

### **About Deerfield Management Company**

Deerfield is a leading investment management firm, committed to advancing healthcare through investment, information and philanthropy. For more information about Deerfield, please visit [www.deerfield.com](http://www.deerfield.com).

Deerfield Management Company  
Karen Arnone, 212-922-1349  
[karnone@deerfield.com](mailto:karnone@deerfield.com)

Source: Deerfield Management Company