

Health Care Group Of The Year: McDermott

By Adam Lidgett

Law360 (January 28, 2022, 2:03 PM EST) -- McDermott Will & Emery LLP represented Babylon Health in numerous transactions in the last year — including helping the company go public — earning the firm a spot among Law360's 2021 Health Care Practice Groups of the Year.

Digital health company Babylon Health, a McDermott client, in June announced a massive deal worth \$4.2 billion to go public through a special purpose acquisition company transaction with Alkuri Global Acquisition, according to the firm.

"Babylon's IPO is particularly interesting because it's an international organization; it serves 24 million people," said Lisa Mazur, a partner in McDermott's health industry advisory practice group, a co-chair of its digital health practice area and a Law360 2021 Rising Star. "Babylon is a health care provider but also an AI technology company, so it brings both innovative technology tools but also a very large provider network serving 24 million patients across four continents."

Additionally, McDermott helped Babylon on other deals. For one, it guided Babylon's purchase of FirstChoice Medical Group in March. That deal allowed Babylon to add about 180 primary care doctors and 1,000 specialty care providers to the Babylon network, according to Mazur.

"It was a strategic move to expand the providers it had in their network," Mazur said.

The firm additionally represented Babylon when it bought Meritage Medical Network in May. That allowed Babylon to add about 250 doctors to its network, according to Mazur.

And McDermott also represented Cedars-Sinai Health System this past year when it looked to ink an affiliation agreement with California's Huntington Hospital, according to the firm. The firm has represented Cedars-Sinai for years, according to James Owens, a partner in McDermott's health care department who said he has represented the health system as outside counsel for large transactions.

"These affiliation transactions, it's basically bringing what was a freestanding hospital into a health system," Owens said. "And it's always a tricky negotiation."

Owens noted that transactions like the Cedars-Sinai and Huntington one are not always a simple buy-sell



negotiation, explaining that it's not simply a one-and-done type of deal. Instead, being a facilitator of relationships is much more the firm's style, he said.

"Affiliation transactions are about bringing someone into the family, so it's a bit of a delicate negotiation," Owens said, adding that the deal closed in August, though the California Attorney General's Office has since challenged the deal.

Owens said that the parties were going to abandon the transaction because they couldn't live with certain conditions placed on the deal by the state. But the firm brought a suit in California state court, and eventually, the conditions were withdrawn after the parties all came to a deal, according to the firm.

Jerry Sokol, global head of the firm's health care practice, noted that that McDermott has about 1,200 lawyers, with the health care group boasting about 125 attorneys. But the firm is very health care-focused, so the health work that it does is handled not just by the health care group but also by attorneys in other groups like transactions and litigation, Sokol said.

"Our firm has five real power alleys, and health care is our most significant power alley," Sokol said.

Attorneys handling health care work at the firm in the U.S. are located in Boston, New York, Miami, Dallas, Chicago, Los Angeles, Atlanta, Washington, D.C., and Austin, Texas, with additional European health care lawyers in London, Paris and Germany, Sokol said.

"Health care is a major focus of our firm, it's in our firm's DNA," Sokol said.

Health care was one of the firm's original practice areas, according to Sokol, who added that the firm plans to step on the accelerator in terms of growth.

"We anticipate tremendous growth in the group in the near term, and there are certain areas that we continue to grow in," Sokol said, pointing out areas including transactions, private equity and digital health.

--Editing by Steven Edelstone.