

# Blue Wolf acquires Fox Rehabilitation after bank-run process stalled

May 6, 2019

By Sarah Pringle



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- B of A sales process conducted in 2018
- Blue Wolf and Macquarie near deal for RHA Health
- NJ company provides in-home services in 18 states

**Blue Wolf Capital Partners** earlier this year acquired clinician-owned **Fox Rehabilitation**, a provider of in-home geriatric therapy services under Medicare Part B, according to people familiar with the matter.

While a transaction was never formally announced, the deal closed in February one of the people said.

In connection with the transaction, Founder **Tim Fox** has remained a significant shareholder and continues as CEO, the person said.

The deal came together after a **B of A Merrill Lynch**-run sales process in 2018 did not produce a transaction, this person and two others said.

The initial process stalled after the **HHS** Office of the Inspector General issued findings that said Fox improperly claimed \$29.9 million in Medicare Part B payments. Those concerns were later dismissed entirely by **CMS**.

Fox, Cherry Hill, New Jersey, offers physical, occupational and speech therapy to older adult patients that are typically chronically ill. The company treats patients in 18 states and is expanding, according to its website.

The company's trailing 12-month Ebitda lies at \$30 million, one of the people estimated.

Blue Wolf, for its part, has been an active buyer on the healthcare front this year.

The New York PE firm, alongside **Macquarie Principal Finance**, is approaching a deal for **RHA Health Services**, *Buyouts* reported in April. The expected transaction would conclude a **Moelis**-run auction that kicked off in the fall for the provider of support services to those with intellectual and developmental disabilities

Separately, Blue Wolf last month joined forces with **Peloton Equity** to form **ClearSky Health**, a new platform focused on inpatient rehabilitation facilities and related post-acute services companies.

Blue Wolf, which focuses in the middle market, often invests in special situations, or in sectors facing complexities such as government exposure or organized-labor exposure.