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Investment Banking Weekly Newsletter

Market Updates

[Six leaders talk hybrid care in 2022 & share what's forecasted for 2023](#)

Over the last three years, we've gone from zero to full throttle when it came to our adoption of virtual and digital care. It's safe to say that we won't ever return to the analog world of strictly in-person care and paper pamphlets, but our fast pivot to purely virtual revealed its shortcomings. Fierce gathered a group of 6 healthcare experts, from health tech investors to workers' compensation leaders, to answer one shared prompt; "Describe the state of hybrid healthcare in 2022, and where it's headed for 2023".

[Health insurers well-positioned to weather inflation, utilization shifts in 2023: Fitch](#)

Health insurers have a neutral credit outlook for the coming year as the increased focus on diversification paid off, according to a new analysis from Fitch Ratings. In addition, the healthcare industry's unique "structural characteristics" have insurers set to weather fluctuations in healthcare utilization, inflation and ongoing concerns about an economic recession. Payers emerged from the pandemic well positioned as decreases in routine care offset the increased expenses related to care for patients with COVID-19.

[More hospital mergers should be coming in 2023](#)

After a flurry of hospital mergers and acquisitions in the last few months of the year, analysts are expecting to see more deals in 2023. About a third of the year's hospital mergers and acquisitions (17) came in the last quarter of 2022. Beyond the number of deals, it's the size of the transactions that analysts say is an indicator that hospitals and health systems are looking more strategically and considering partnerships to position them for the future.

Healthcare Operators

[New Directions behavioral health, Tridium announce new joint company Lucet](#)

Almost a year after New Directions Behavioral Health and Tridium announced their merger, the pair have launched a new joint company dubbed Lucet. Lucet works with payers to help their members connect with behavioral health care in less than five days. Its tech-backed product, Navigate & Connect, includes a digital platform and a team of care navigators. Lucet designed the platform to help patients across the behavioral health acuity spectrum find appropriate care. The platform has a claims-based algorithm that can assess real-time risk and give members of the care navigation team additional insights into the needs of a patient.

[Socially Determined and Datavant partner on SDOH data](#)

Healthcare data analytics company Socially Determined announced a partnership with data sharing technology startup Datavant to provide life sciences companies with data on social risk drivers to improve health equity and patient outcomes. Washington D.C.-based Socially Determined uses data to offer insights into the social determinants of health, including factors like access to food, housing and transportation. The company's Social Scape platform provides public and commercial data that helps companies visualize potential social factors behind patient and population health.

[Dollar General offers healthcare in 3 store parking lots](#)

Dollar General customers at three locations in Tennessee can now see a healthcare provider in the store's parking lot for preventative care, urgent care and chronic condition management services. The nationwide retailer partnered with DocGo On-Demand to operate mobile clinics on select days outside the stores in Clarksville and Cumberland Furnace, Tenn. The clinics, set up in large vans, allow patients to schedule online or walk in without an appointment. The urgent care services treat patients with the flu or COVID-19, skin issues, urinary tract infections, abdominal pain, migraines and gastrointestinal concerns.

Healthcare Legislative and Regulatory Updates

[ACO REACH expanding in 2023](#)

Over 700,000 providers and organizations are participating in one of CMS' three accountable-care programs in 2023, the agency said Jan. 17. ACO REACH, the agency's newer shared-savings model designed to reach underserved communities, will add 42 new organizations in 2023. A total of 132 organizations will participate in ACO REACH, caring for around 2.1 million Medicare enrollees. CMS said 824 federally qualified health centers, rural health centers, and critical access hospitals will participate in 2023, more than double 2022's numbers.

[Federal officials urge healthcare industry's adoption of FHIR for interoperability](#)

The best way to ensure electronic health record systems can share data interoperably is for industry to adopt the Fast Healthcare Interoperability Resources standard, or FHIR, say federal officials. FHIR application programming interfaces streamline health information exchange by standardizing data and eliminating the need for sharing agreements, which is why the government required certified EHR vendors to make the APIs available to customers by the end of 2022. Still, the healthcare industry hasn't fully rallied behind FHIR.

[Hospice advocacy groups call on CMS, Congress to strengthen program integrity oversight](#)

Four national hospice and senior care industry groups have called on Congress and the U.S. Centers for Medicare & Medicaid Services (CMS) to make regulatory and legislative changes to instill stronger program integrity safeguards. The organizations penned a joint letter to CMS in November urging for increased oversight to help curb hospice frauds.

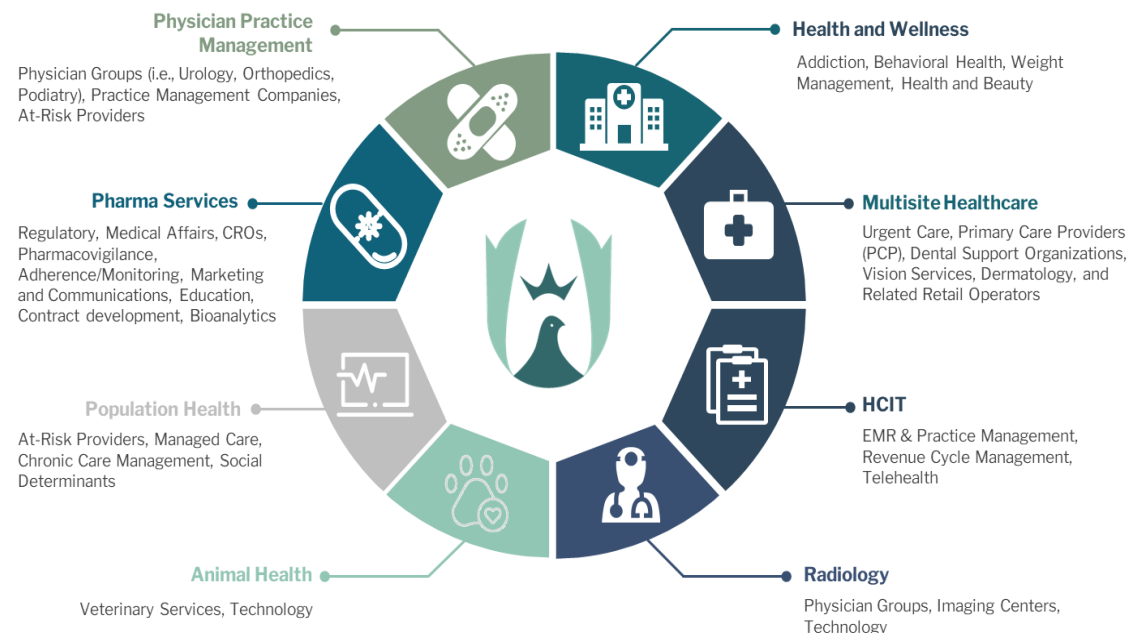
Transactions Overview

M&A Transactions from 1/16/2023 to 1/22/2023

Date	Target	Buyer/Investor	Description	Status	Healthcare Vertical
1/19/2023	Activated Insights	Cressey & Company, Home Care Pulse	Developer of an employee and customer analytics platform for assisted living and senior care providers.	Closed	Home Health
1/19/2023	Dallas Internal Medicine and Geriatrics Specialists	VillageMD	Comprehensive medical care encompassing internal medicine, geriatric medicine, and urgent care services based in Garland, Texas.	Closed	Primary Care
1/19/2023	Pinnacle Quality Insight	Cressey & Company, Home Care Pulse	Developer of customer surveys and employee retention software for assisted living and senior care providers.	Closed	Home Health
1/19/2023	St. Vincent's Orthopedics	Hughston Clinic	Operator of orthopedic care centers based in Birmingham, Alabama.	Announced	Orthopedics
1/18/2023	go2dental	P&R Dental Strategies, The Beekman Group	Developer of informatics software intended for the dental industry.	Closed	Dental Software
1/18/2023	West Texas Allergy	AllerVie Health	Provider of allergy, asthma and immune system care services in the Permian Basin.	Closed	Allergy / ENT
1/17/2023	HealthTrackRx (Toxicology Business Unit)	ABRY Partners, Aegis Sciences	Provider of clinical toxicology testing services based in Denton, Texas.	Closed	Lab
1/17/2023	Minneapolis Plastic Surgery	Forefront Dermatology, OMERS Private Equity	Operator of the plastic surgery clinic.	Closed	Elective Procedures
1/17/2023	Yakima Valley Memorial	MultiCare Health System	Operator of a community hospital based in Yakima, Washington.	Closed	Hospital

AMB at a Glance

AMB focuses on healthcare niches where consumerism and fragmentation meet to disrupt traditional healthcare channels. We are currently most active in the following segments:



Research

New sector insights each month

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