

amb | investment banking

Weekly Newsletter

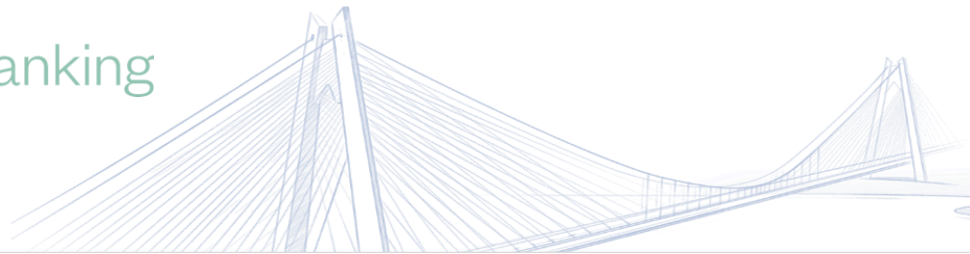
April 13th, 2026

AMB | Investment Banking

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Market Updates

[Hospital M&A rebounds after 2025 lull](#)

Hospital and health systems announced 22 mergers and acquisitions in the first quarter this year, the highest first-quarter amount in six years, according to a report from consultancy Kaufman Hall. Several mega-mergers, or deals in which the smaller party's annual revenue is more than \$1 billion, boosted the total transacted revenue in the quarter to \$14.5 billion, the highest amount the consultancy said it's seen in recent years. The M&A totals come after a low period of deal activity in 2025, especially in the first half of the year. Hospitals and health systems announced 46 M&A transactions in 2025, compared to 72 the year prior.

[Behavioral health demand is high and increasing, with growth distributed across a wide range of diagnoses](#)

Behavioral health demand in the U.S. is high and continues to rise, driven by increasing needs across many different conditions. Growth is spread across a wide range of diagnoses such as anxiety, depression, and substance use disorders. This trend reflects more individuals seeking care rather than a small group using services more frequently. Despite rising demand, many patients still receive minimal treatment, pointing to gaps in access and care delivery.

[Reliance on EHR vendors' tech roadmap slows down AI progress, senior IT leaders say](#)

Health systems are expanding AI adoption, but heavy reliance on electronic health record (EHR) vendors remains a major obstacle. Many providers feel constrained by EHR platforms, which slow down the integration and scaling of new AI solutions. As a result, organizations are increasingly turning to third-party vendors that can offer faster and more flexible implementation. Additional challenges include difficulty measuring return on investment, managing multiple vendors, and allocating limited IT resources.

Healthcare Operators

[Digital health startups raked in \\$4 billion during Q1 with 12 megadeals driving investment: Rock Health](#)

Digital health startups raised around \$4 billion in Q1 2026, signaling a strong recovery in venture funding activity. The total came from a smaller number of deals, showing a shift toward more concentrated investments. A major portion of the funding was driven by 12 megadeals exceeding \$100 million each. Investors are increasingly prioritizing later-stage, more established companies over early-stage ventures. Overall, the market is favoring scalable, high-impact solutions, particularly those leveraging AI to improve healthcare efficiency and outcomes.

[Amazon launches 2 new digital health partnerships for nutrition therapy, sleep care in health conditions program](#)

Amazon is expanding its digital health efforts through new partnerships focused on nutrition therapy and sleep care within its Health Benefits Connector program. The company added Berry Street to provide virtual nutrition services, including access to dietitians and AI-supported tools for managing conditions like diabetes and obesity. It also partnered with Dreem Health, a virtual sleep clinic offering diagnostics and treatment for sleep disorders.

[Medicare navigation company Chapter banks \\$100 million series E funding round](#)

Medicare navigation company Chapter raised \$100 million in a Series E funding round to support its continued growth and platform expansion. The round was led by Generation Investment Management, with participation from new and existing investors. The company focuses on helping seniors navigate Medicare plans using technology and AI-driven tools. Chapter has experienced rapid growth, including strong revenue expansion and increasing adoption of its services.

Healthcare Legislative and Legal Updates

[Regulatory burdens continue to mount for physician practices](#)

Physician practices are facing increasing regulatory burdens that continue to add pressure on already strained healthcare systems. Requirements such as prior authorizations, quality reporting programs, and payer-related rules are consuming significant time and administrative resources. Many practices report that these obligations reduce efficiency and pull attention away from direct patient care. The growing complexity of compliance is also contributing to rising costs and operational challenges for independent and small physician groups.

[CMS finalizes higher Medicare Advantage rates for 2027 in gift to insurers](#)

The Centers for Medicare & Medicaid Services (CMS) finalized a higher-than-expected Medicare Advantage payment increase for 2027, raising rates by about 2.48% on average, up from the near-flat 0.09% initially proposed. When combined with other adjustments such as risk score updates, total payments to insurers are expected to rise by roughly 5%. The change reflects updated estimates of healthcare costs and a decision to delay certain payment model changes that could have reduced insurer reimbursements.

[Nixing prior auth, outlier hospital bills could lower health costs, Center for American Progress' policy plan says](#)

The Center for American Progress (CAP) released a new "Patients' Bill of Rights" plan aimed at lowering U.S. healthcare costs and improving affordability for patients. The proposal targets major cost drivers such as high insurance premiums, rising deductibles, and excessive hospital pricing. It also calls for replacing prior authorization with independent clinical reviews to reduce care delays and administrative burden.

Transactions Overview

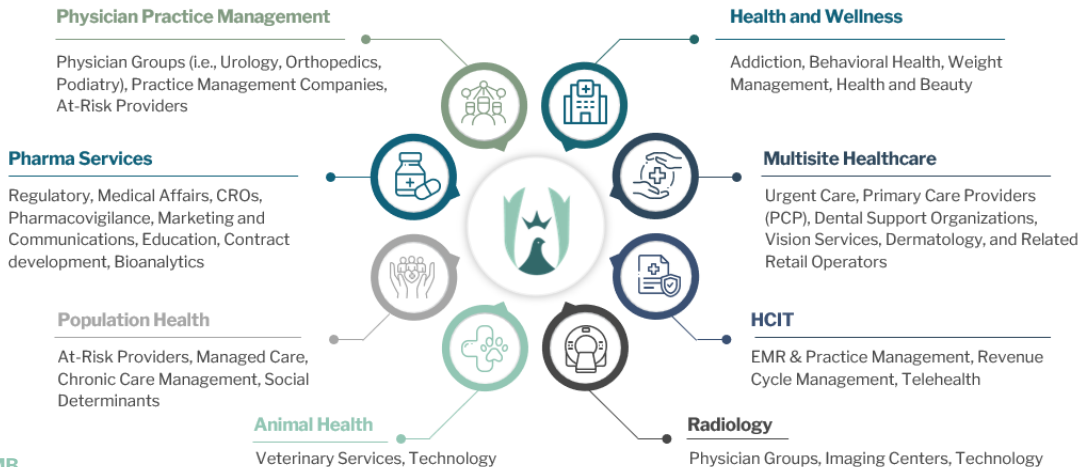
Select M&A Transactions from 04/05/2026 to 04/12/2026

Date	Target	Buyer/Investor	Description	Status	Healthcare Vertical
04/09/2026	Prime Care Technologies & Prime Clouds	DAS Health	Provider of managed IT and infrastructure services to senior living and long-term care communities.	Announced	HCIT: Provider Solutions
04/09/2026	Medical ServiceQuotes.com	Council Capital	Provider that helps payers and employers efficiently procure and manage ancillary services and pharmacy benefits through transparent, data-driven analytics.	Announced	HCIT: Other Payor Services
04/09/2026	OFFOR Health	Havencrest Capital Management	Provider of office-based anesthesia services for complex pediatric dental procedures.	Completed	HS: Dental
04/08/2026	Fifth Gear Technology	Mobile Mentor	Provider of a comprehensive portfolio spanning cybersecurity, managed IT services, cloud hosting, hardware, and network services.	Announced	HCIT: Provider Solutions
04/08/2026	Brundage Group	Water Street Healthcare Partners	Provider of physician-led, tech-enabled clinical compliance and revenue integrity solutions for U.S. hospitals and health systems.	Announced	HCIT: RCM
04/08/2026	Getlabs	Function Health	Operator of a leading mobile healthcare platform that brings licensed specialists directly to one's location.	Closed	HS: Diagnostics
04/08/2026	Word of Mouth Clinical Associates	Sidekick Therapy Partners	Provider of speech-language therapy services in TN.	Closed	HS: Behavioral Health - Speech Pathology
04/08/2026	Modern Animal, Inc.	Chewy (NYSE: CHWY)	Operator of a technology-forward veterinary platform with 29 owned clinics and 24/7 virtual care.	Announced	HS: Veterinary
04/07/2026	Restora Austin	Kalon Aesthetics	Operator of a plastic surgery and aesthetic medicine practice known for high-quality surgical outcomes, innovation, and patient-centered care.	Announced	HS: Aesthetics
04/07/2026	d2i	ESO	Provider of software solutions for siloed EMR, RCM, scheduling and patient experience data.	Announced	HCIT: Provider Solutions
04/07/2026	StaffHealth	Optigy	Operator of a temporary healthcare staffing platform.	Closed	HS: Staffing

Based on publicly available information
The transactions featured in this week's newsletter represent a collection of notable deals, and unless stated otherwise, ambwealth was not involved in these transactions.

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:



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Research

New sector insights each month

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