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Weekly Newsletter

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AMB | Investment Banking

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Market Updates

[How a proposed \\$1 billion Medicare pay cut could transform home health](#)

Providers worry a proposed \$1 billion Medicare rate cut could force home healthcare companies out of business — but whether the result is a more efficient industry or growing care deserts is up for debate. Home healthcare companies and trade groups said the Centers for Medicare and Medicaid Services' proposed 6.4% rate cut would leave providers struggling to pay workers and keep their doors open next year in the face of rising costs. Fewer operators would result in reduced patient access, they argued. But analysts said a rate cut might weed out inefficiency and consolidate home healthcare among stronger players without compromising access.

[How premiums could increase from tariffs; insurer pans Medicaid data sharing with DHS](#)

Health plans say higher spending from prescription drug costs will naturally lead to higher premiums for enrollees, a policy analyst at KFF reported. Prescription drugs account for 12% of private health insurance spending, he explained. Insurers in three states have already admitted tariffs have a significant impact on premium rates. They include Optimum Choice of Maryland, Independent Health Benefits Corporation of New York and UnitedHealthcare of New York.

[CMS study: Healthcare spending likely to grow by 7.1% in 2025](#)

A new report from federal actuaries estimates national health spending will increase by 7.1% in 2025, with spending growth set to outpace growth in the U.S. gross domestic product. The Centers for Medicare & Medicaid Services Office of the Actuary released its annual look at spending projections last week, and it estimates that from 2026 to 2027, healthcare spending will increase by 5.6% on average, driven by a likely decline in the number of people with insurance.

Healthcare Operators

[Judge OKs sale of 23andMe — and its trove of DNA data — to a nonprofit led by its founder](#)

A bankruptcy judge has approved the sale of the insolvent genetics firm 23andMe to a nonprofit run by one of the company's co-founders. The deal effectively avoids the controversial transfer of DNA data to a third party. The prospect of 23andMe's trove of genetic information on millions of people passing to the highest bidder had sparked outcry when it was announced in May that New York-based Regeneron Pharmaceuticals had won an auction to acquire the firm for \$256 million. 23andMe customers use saliva-based DNA testing kits to learn about their ancestry and potential gene-based risks for disease.

[Nordic Capital acquires Arcadia, entering the VBC space](#)

Nordic Capital acquired a majority stake in health data platform Arcadia. Together, the two aim to accelerate the company's mission of advancing value-based care through AI and data analytics. Arcadia CEO Michael Meucci views the deal as both a validation of the company's strategy and part of a broader wave of healthcare investments focused on interoperability, AI and payment reform. The most recent time the company raised capital was in 2023, when it received \$125 million in financing from Vista Credit Partners.

[Astrana Health closes \\$708 million acquisition of Prospect Health](#)

Astrana Health (formerly Apollo Medical Holdings) has closed its deal to acquire the assets of Prospect Health, which include a health plan, multiple medical groups and an acute care hospital. The purchase was announced in November ahead of Prospect Health parent company Prospect Medical Holdings' bankruptcy declaration, but, according to court filings at the time, was not affected by those proceedings.

Healthcare Legislative and Legal Updates

[CMS sued over Trump administration's ACA final rule](#)

Doctors for America, the Main Street Alliance and three cities have sued the CMS over a recent ACA final rule the agency said will help counter improper enrollments. The plaintiff cities named in the lawsuit are Baltimore, Chicago and Columbus. The groups and cities say the regulation will cause upward of 1.8 million Americans to lose coverage in 2026, leading to downstream raised premiums and out-of-pocket costs. Published in June, the final rule claims to thwart improper enrollments on the exchanges by ending monthly special enrollment periods, which allow individuals with incomes at or below 150% of the federal poverty level increased access to coverage.

[NIH grant funding chaos rattles academic medicine](#)

Federal rulings pausing NIH grant cuts highlight an unprecedented, adversarial shift in U.S. research funding, leaving academic medicine institutions wary of deeper rifts. In June, federal judges ruled in two separate cases for the National Institutes of Health to restore funding for hundreds of grants. The judges said the cuts — some of which targeted studies on race, gender and sexual orientation — were discriminatory. The NIH has since instructed its staff to pause additional grant terminations.

[Senate version of GOP megabill cuts Medicaid funding for Planned Parenthood healthcare services](#)

The Senate version of President Donald Trump's "big beautiful bill," which narrowly passed last Tuesday, includes a provision that would prohibit federal Medicaid funding for any healthcare services provided by clinics that also provide abortion services for one year. The Senate parliamentarian ruled that the language banning federal funding for Planned Parenthood for one year does not violate the chamber's Byrd Rule, clearing the way for the provision to be included in the bill.

Transactions Overview

M&A Transactions from 6/24/2025 to 7/6/2025

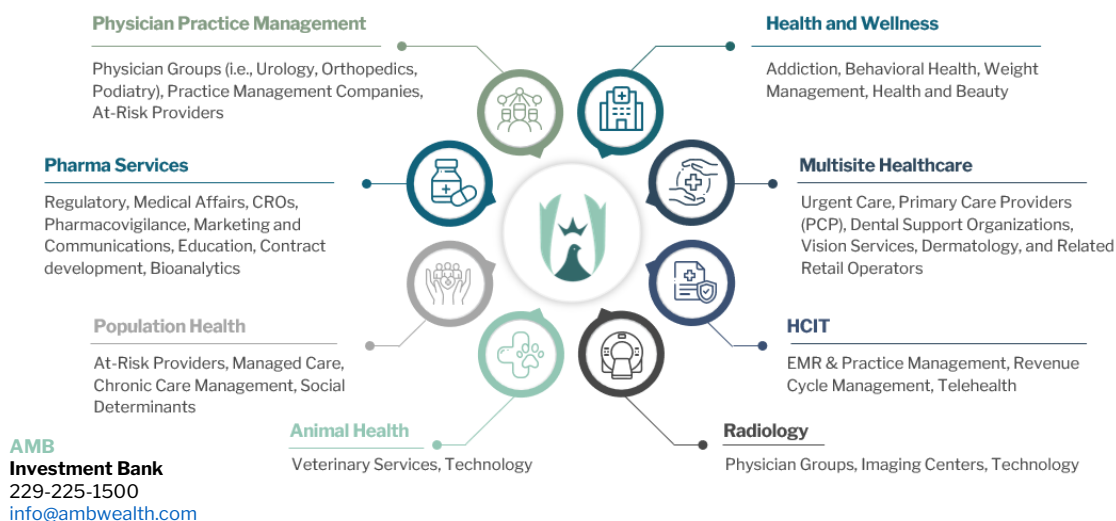
Date	Target	Buyer/Investor	Description	Status	Healthcare Vertical
7/2/2025	Arcadia	Nordic Capital	Operator of a health data analytics company.	Closed	Digital Health, IT, & Software
7/2/2025	Bond Clinic	AdventHealth	Operator of a clinic offering cardiology and wellness services in Winter Haven, FL.	Closed	Cardiology
7/2/2025	Crestone Wellness	Bradford Health Services, Lee Equity Partners	Provider of detox, residential, and aftercare services for addiction recovery.	Closed	Behavioral Health
7/2/2025	Grace Medical	Innovia Medical, Balance Point Capital, Inverness Graham	Manufacturer of ENT devices including titanium ventilation tubes and implants.	Closed	Medical Devices
7/2/2025	Heart of Texas Oral Surgery	Allied OMS, 65 Equity Partners, DuneGlass Capital, Everberg Capital	Operator of an oral surgery practice focused on improving oral health.	Closed	Oral Surgery
7/2/2025	Hurricane Medical	Innovia Medical, Balance Point Capital, Inverness Graham	Manufacturer of single-use ophthalmic surgical tools for eye procedures.	Closed	Medical Devices
7/2/2025	Kerrville Oral and Maxillofacial Surgery	Allied OMS, 65 Equity Partners, DuneGlass Capital, Everberg Capital	Operator of an oral surgery clinic focused on oral health and quality of life.	Closed	Oral Surgery
7/2/2025	Lehan's Medical Equipment	VieMed (NAS: VMD)	Supplier of home medical equipment serving Northern IL residents.	Closed	Medical Devices
7/2/2025	Michiana Oral and Maxillofacial Surgery	Allied OMS, 65 Equity Partners, DuneGlass Capital, Everberg Capital	Provider of oral surgery services based in South Bend, IN.	Closed	Oral Surgery
7/2/2025	North Austin Oral Surgery	Allied OMS, 65 Equity Partners, Dune Glass Capital, Everberg Capital	Operator of oral surgery clinics focused on improved patient outcomes.	Closed	Oral Surgery
7/2/2025	The Chapter House	Bradford Health Services, Lee Equity Partners	Provider of mental health services for men in early addiction recovery.	Closed	Behavioral Health
7/2/2025	The Last Resort Recovery Center	Bradford Health Services, Lee Equity Partners	Provider of treatment for adult men with addiction and trauma issues.	Closed	Behavioral Health
7/1/2025	AZGYN	Gynecology Today	Operator of women's health clinics offering gynecology services in AZ.	Closed	Women's Health
7/1/2025	Cedar Park Regional Medical Center	Ascension Health	Operator of a medical center serving Cedar Park and the Austin, TX area.	Closed	Hospital
7/1/2025	GrandCare Home Health	Pennant Group (NAS: PNTG)	Provider of rehab care for patients recovering from orthopedic surgery.	Closed	Home Health
7/1/2025	Prospect Medical Holdings	Astrana Health (NAS: ASTH)	Operator of hospitals and clinics in Southern CA, RI, NJ, CT, and NV.	Closed	Hospital
7/1/2025	The Difference Card	Stone Point Capital	Provider of cost containment and wellness programs for SMBs.	Closed	Employer Services
6/30/2025	IllumiCare	Premier (NAS: PINC)	Developer of a real-time patient analytics app for predictive insights.	Closed	Digital Health, IT, & Software
6/26/2025	Current Health	Independent Investor	Provider of hospital-at-home services.	Announced	Hospital-at-Home
6/24/2025	CCA Holding Company, Inc. (VBC Operations)	Aledade	Operator of a primary care network across southern MI.	Announced	Primary Care / VBC

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:



Research

New sector insights each month

For our recent sector insights, click below

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