



# ambwealth

Investment Banking Weekly Newsletter

## Market Updates

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### [HHS releases road map to address mental health pay parity, workforce shortage issues](#)

The Biden administration laid out a road map for increasing pay parity and access to mental health care as efforts in Congress stall out. The Department of Health and Human Services (HHS) released the road map Friday that laid out strategies for integrating mental health and substance abuse care into larger systems. A key pillar of the road map is to make it easier for people to get care, including making reforms to behavioral health financing arrangements in government programs such as Medicaid.

### [More than half of US hospitals expect to lose money this year](#)

More than half, 53%, of US hospitals expect to lose money this year, according to a report prepared by consulting firm Kaufman Hall for the American Hospital Association. Facilities are scrambling not only to fill jobs but to cope with sharply higher costs for labor and supplies, all while treating Covid-19 and other patients, many of whom arrive sicker because they have put off treatment. Operating margins will fall 37% this year in an optimistic scenario, and 133% in the worst case, compared with pre-pandemic, according to the report.

### [Amazon, Walmart among hundreds of employers, health groups urging Senate to extend telehealth flexibilities](#)

A group of 375 organizations sent a letter to the Senate urging lawmakers to act to pass legislation extending COVID-19-era telehealth flexibilities for another two years. The letter was led by health IT and telehealth lobbies, but also joined by a number of health systems including Ascension and Cleveland Clinic, physician groups including the American Medical Association, tech companies including Amazon and Google and large employers including Walmart.

## Healthcare Operators

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### [Redesign Health rakes in \\$65M to help fund the next generation of healthcare startups, brings total valuation to \\$1.7 billion](#)

Redesign Health, a company that creates healthcare startups, closed a \$65 million Series C funding round. The company has already built more than 40 startups such as cancer care technology provider Jasper Health, home health company MedArrive and weight loss startup Calibrate. The round was led by General Catalyst, while CVS Health Ventures, UPMC Enterprises, Eden Global Partners, Euclidean Capital, Samsung Next, TriplePoint Capital and Declaration Partners also participated in the financing. The Series C funding round brings Redesign's total amount raised to date to \$165 million, and the company's valuation to \$1.7 billion.

### [Evernorth expands digital health formulary with Big Health, Quit Genius tools](#)

Evernorth, the health services arm of insurer Cigna, announced it has added five new programs to its digital health formulary, including offerings from Big Health and Quit Genius. The new additions to the formulary are Big Health's Sleepio digital therapeutic for insomnia and its Daylight tool for anxiety, Quit Genius' alcohol use disorder and opioid use disorder programs, and HealthBeacon's injectable medication adherence tool for inflammatory conditions.

### [University of Chicago Medicine to acquire controlling stake in 4 AdventHealth hospitals](#)

University of Chicago Medicine and AdventHealth have inked a definitive agreement to enter into an affiliation. Under the agreement, UChicago Medicine will acquire a controlling interest in AdventHealth's Great Lakes Region, which includes four Illinois hospitals, and AdventHealth will retain the remaining interest and manage daily operations of the facilities. The proposed transaction requires regulatory approvals. Altamonte Springs, Fla.-based AdventHealth and UChicago Medicine said the transaction is expected to close at the end of this year or in early 2023.

## Healthcare Legislative and Regulatory Updates

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### [Congressman asks HHS to investigate HCA Healthcare's ED admissions practices](#)

Rep. Bill Pascrell, D-New Jersey, chair of the House Ways and Means Committee's Subcommittee on Oversight, penned a letter to HHS Secretary Xavier Becerra asking for his agency's help to settle "disturbing questions about HCA's corporate policies and practices." The congressman's letter largely leaned on allegations by the Service Employees International Union (SEIU), which earlier this year released a report indicating that the hospital chain may have collected \$1.8 billion in excess Medicare payments since 2008 thanks to medically unnecessary emergency department admissions.

### [House passes AHA-supported bill to streamline MA prior authorization](#)

The House passed by voice vote the Improving Seniors' Timely Access to Care Act; legislation that would streamline prior authorization requirements under Medicare Advantage plans. The bill would establish an electronic prior authorization process and reduce how long a health plan can consider a prior authorization request, create a "real-time decisions" process for routinely approved services, require plans to report on their prior authorization use and rate of approvals and denials, and encourage plans to adopt policies that adhere to evidence-based guideline.

### [AMA, doctor groups join MultiPlan class action lawsuit against Cigna](#)

The American Medical Association is accusing health insurer Cigna of underpaying claims filed by providers in the contracted MultiPlan network, the largest third-party network in the country. The AMA has joined a class-action lawsuit alleging the insurer reimbursed for claims at non-participating providers' rates rather than the expected MultiPlan contract rates.

# Transactions Overview

## M&A Transactions from 09/12/2022 to 09/19/2022

Date	Target	Buyer/Investor	Description	Status
9/19/2022	Rx Savings	McKesson Corporation (NYSE: MCK)	Pharma technology firm helping insurers and employers seek lower cost prescription medicines, and also provides ongoing medication reminders to help improve adherence to prescriptions	Announced
9/16/2022	Central Oregon Family Medicine	High Lakes Health Care, Praxis Health	Redmond-based family medicine group	Closed
9/16/2022	Life Image	Interlad Medical Systems, Ardan Equity	Medical evidence network providing access to points of care and curated clinical and imaging data	Closed
9/15/2022	Happy Not Perfect	Neopets	Mobile app that utilizes science-backed tools to help users reduce stress and improve mental health	Closed
9/15/2022	Infusion Center of Pennsylvania	InTandem Capital Partners, Vivo Infusion	Home infusion provider with four ambulatory centers throughout Pennsylvania and two in New Jersey	Closed
9/15/2022	Institute For Child and Family Health	Cayuga Centers	Child and family services provider operating out of Miami-Dade County	Announced
9/15/2022	jweinland Group Benefits	Alera Group	Full-service employee benefits firm specializing in group benefits and self-funded insurance plans	Closed
9/14/2022	GHC Hospice	Agape Care Group, Ridgemont Equity Partners	Southeastern hospice and palliative care provider serving 25 counties across Georgia and South Carolina	Closed
9/14/2022	New York Reproductive Wellness	Oma Fertility	Operator of a fertility clinic intended to provide fertility care and related services	Closed
9/14/2022	Health Cost Control Inc.	Välenz	National provider of medical cost containment solutions specializing in claim and cost review services for high-dollar claims, including dialysis, air ambulance and behavioral health billing	Closed
9/14/2022	Third Wave Recovery Systems	WindRose Health Investors	Provider of rebate administration services for hospitals, long-term care facilities, and select specialty physician groups	Closed
9/13/2022	Epion Health	Kyruus	Provider of digital patient engagement solutions to health systems and practices	Announced
9/13/2022	Mays and Schanapp Pain Center	Compass Group Equity Partners	Memphis-based interventional pain management practice serving patients in TN and MS	Closed
9/13/2022	Mint Physician Staffing	Cross Country Healthcare (NASDAQ: CCRN)	Locum tenens staffing agency dedicated to placing physicians, nurse practitioners, and physician assistants in temporary positions	Announced
9/12/2022	Evergreen Vision Clinic	Archimedes Health Investors, NewSpring Capital, Panorama Eyecare	Colorado-based optometry practice specializing in the diagnosis and management of ocular surface disease, including dry eye disease	Closed
9/12/2022	Innovation360	Pathway Healthcare	Outpatient group of counselors and therapists dedicated to helping clients overcome mental health, addiction and relationship challenges, along with phase-of-life struggles	Closed
9/12/2022	Path Medical	Physicians Group	Provider of acute trauma treatment and diagnostic imaging services with over 28 medical offices in the State of Florida	Closed
9/12/2022	Renal Care 360	Pharos Capital Group	Comprehensive nephrology practice and chronic care management company providing community healthcare management services focused on patients in underserved, rural communities	Closed
9/12/2022	West Georgia Eye Care Center	Eye Health America, LLR Partners	Southeastern eye care group with 14 providers and 3 locations in Columbus, GA	Closed

## 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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**Gordon A. Maner**  
Chief Executive Officer  
843-405-1106 Direct  
[gordon.maner@ambwealth.com](mailto:gordon.maner@ambwealth.com)

**Mikel Parker**  
Managing Director  
843-501-2183 Direct  
[mikel.parker@ambadvisors.com](mailto:mikel.parker@ambadvisors.com)

**Ryan Loehr, CPA**  
Managing Director  
843-405-1108 Direct  
[ryan.loehr@ambadvisors.com](mailto:ryan.loehr@ambadvisors.com)

**Johnny Cross**  
Vice President  
843-371-8596 Direct  
[johnny.cross@ambadvisors.com](mailto:johnny.cross@ambadvisors.com)

**Mike Nisbet**  
Associate  
843-308-1198 Direct  
[mike.nisbet@ambadvisors.com](mailto:mike.nisbet@ambadvisors.com)

### Allen Mooney Barnes | Investment Banking

171 Church Street, Suite 140 | Charleston, SC 29401  
[www.ambwealth.com](http://www.ambwealth.com)

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