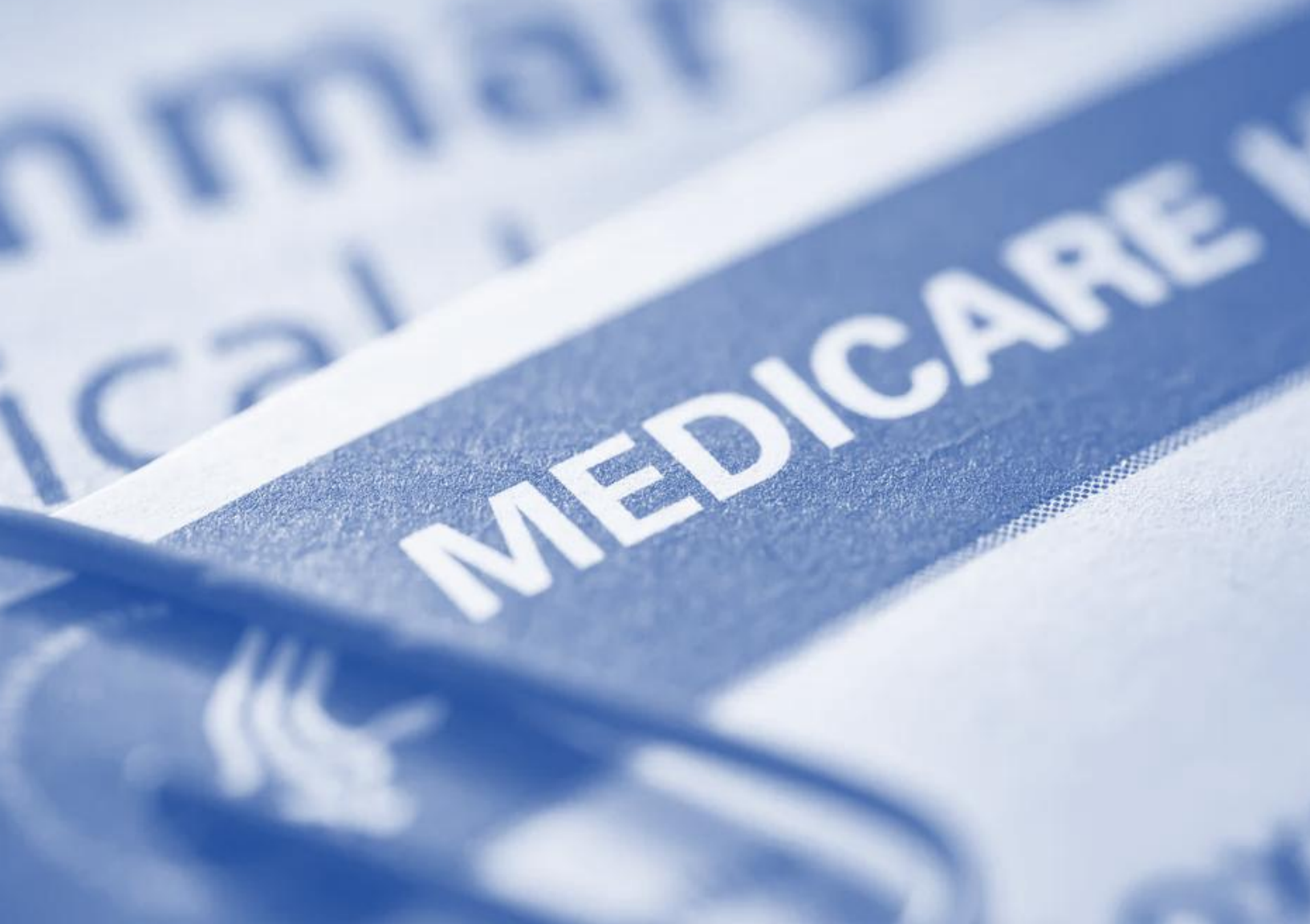




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Weekly Newsletter

October 12th, 2026



AMB | Investment Banking

677 King Street, Suite 410 | Charleston, SC 29403

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Market Updates

[Humana rebounds, Aetna slips: Winners and losers in the 2027 MA star ratings](#)

CMS released the 2027 Medicare Advantage star ratings, with 71% of enrollees overall in plans rated four stars or higher, the threshold for quality bonus payments. Humana posted the biggest turnaround: 93% of its members are in plans rated four stars or higher for 2027, up from 20% in 2026. Aetna fell to 69% from 81%, UnitedHealthcare dropped to 67% from 78%, and Alignment Healthcare plunged to 25% from 100%. Analysts expect insurers with steep declines to seek recalculations under the ongoing Clover Health lawsuit. CMS also removed 11 administrative measures for 2027 as it shifts toward outcome-based metrics.

[10 largest health systems by hospital count: Lown](#)

HCA Healthcare owned more general hospitals than any other U.S. system at the end of 2025, with 150, according to a Lown Institute analysis published Oct. 6. Together, the 10 largest systems own 695 hospitals, about 16% of general hospitals, and captured roughly 25% of hospital profits in 2024. Seven of the 10 owned fewer hospitals in 2025 than in 2020. Advocate Health posted the biggest gain, adding 21 hospitals after the Atrium merger.

[Outpatient shift accelerates as hospital margins rebound](#)

Hospitals keep moving care to outpatient settings, according to a Strata Decision Technology analysis of first-half data from more than 2,000 hospitals. Lower-acuity patients are going to outpatient sites, leaving sicker patients in inpatient wards. Hospitals ended June with an operating margin of 0.7%, their highest of the year, despite elevated drug and supply costs. Vizient projects outpatient volumes will grow 20% over the next decade, compared with 7% for inpatient discharges.

Healthcare Operators

[CD&R and McKesson Corporation sign agreement to acquire Option Care Health](#)

Clayton, Dubilier & Rice and McKesson signed a definitive agreement to acquire Option Care Health for \$32.05 per share, an enterprise value of roughly \$5.8 billion. The price is about a 37% premium to Option Care's last close before the announcement. Option Care is the largest independent U.S. provider of home and alternate-site infusion services. CD&R will own about 51%, while McKesson will invest about \$1.4 billion for the remaining 49%, with a framework for McKesson to potentially buy out CD&R's stake later. The deal is expected to close in the first half of 2027, pending shareholder and regulatory approvals.

[Intermountain exits Colorado care network joint venture with UCHealth](#)

Intermountain Health is leaving Trinsic, the Colorado clinically integrated network it co-owns with UCHealth, and UCHealth will take over the network after Dec. 7. According to a WARN notice Intermountain filed Oct. 2, Trinsic's Broomfield operating unit will close Dec. 4, affecting 117 employees. Both systems expect most Colorado-based staff to move to UCHealth in December. The two systems formed Trinsic in 2023, and it represents more than 900 primary care physicians.

[Integrity Care Group adds 15 NextCare clinics, enters Missouri and Nebraska](#)

Integrity Care Group announced Oct. 7 that it acquired 15 NextCare urgent care and occupational medicine clinics across Oklahoma, Missouri and Nebraska. The deal takes the Goldman Sachs-backed operator into Missouri and Nebraska for the first time and brings its footprint to 100 locations in five states. About 200 clinic employees joined the company. The clinics are expected to move to the Integrity Urgent Care brand in late 2026.

Healthcare Legislative and Legal Updates

[Hospitals sue HHS to block 340B rebate plan](#)

The American Hospital Association, the Maine Hospital Association and four safety-net hospitals filed a lawsuit Oct. 9 in federal court in Maine to block HHS' revised 340B rebate program. The program would replace upfront 340B drug discounts with post-sale rebates for certain medications starting in January. Hospital analyses put the added administrative costs above \$1 billion a year, versus HHS' estimate of \$537 million. The AHA says the revised program is about double the size of the original pilot, which the courts blocked in December. Maine hospitals average less than two weeks of cash on hand, according to the state association.

[Rep. Pallone introduces bill replacing No Surprises Act's arbitration process](#)

Rep. Frank Pallone, one of the No Surprises Act's chief authors, introduced the Lower Premiums, Faster Payments Act on Oct. 8. The bill would replace the law's independent dispute resolution process with benchmarks tied to median in-network rates, with payment due within 30 days of a claim. Arbitration costs reached \$22.4 billion by the end of 2025, far above what Congress expected, and providers have won most disputes. Pallone could chair House Energy and Commerce if Democrats win the House in the midterms.

[FTC escalates price transparency crackdown with warning letters to hospitals](#)

FTC Chairman Andrew Ferguson sent warning letters on Oct. 5 to two dozen major hospital operators, cautioning that missing or incomplete price disclosures could violate federal consumer protection law. The agency said posting prices without extra fees could mislead patients, and that CMS rules do not protect hospitals from FTC action. More than half of hospitals still are not fully compliant with CMS' price transparency rule. The FTC did not name the hospitals that received letters.

Transactions Overview

Select M&A Transactions from 10/05/2026 to 10/11/2026

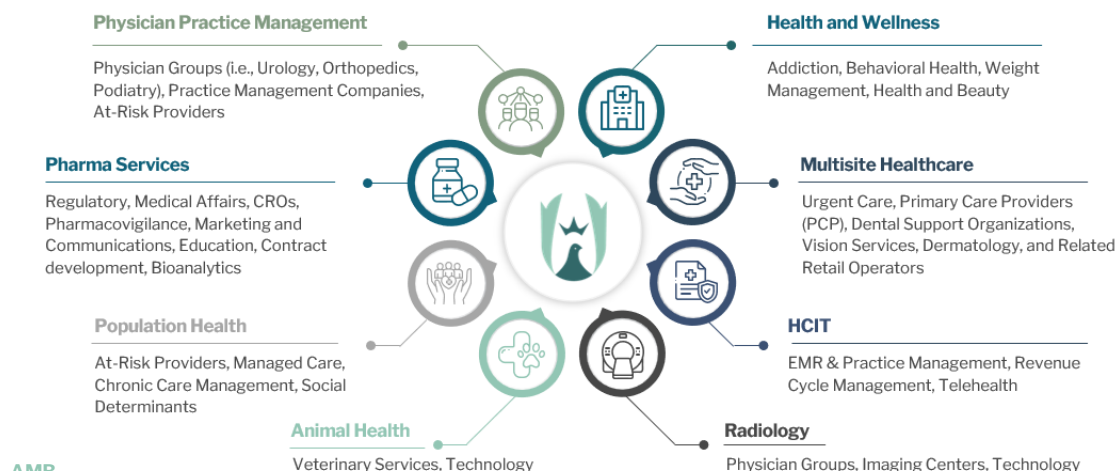
Date	Target	Buyer/Investor	Description	Status	Healthcare Vertical
10/09/2026	GreenMan Vision	Carrot	Developer of a VR patient education platform for cataract surgery.	Announced	HCIT: Provider Focused Solutions
10/08/2026	Midwest Cardiovascular Institute	CardioOne	Provider of independent cardiology services in the Chicago area.	Closed	HS: Cardiology
10/07/2026	NextCare (15 clinics)*	Integrity Care Group	Operator of urgent care and occupational medicine clinics.	Closed	HS: Urgent Care
10/07/2026	SP Associates	Elite DNA Behavioral Health	Provider of psychiatric and behavioral health services in Georgia.	Closed	HS: Behavioral - Psych
10/06/2026	Village Medical (27 Houston clinics)	Harbor Health	Operator of primary care clinics in the Houston area.	Announced	HS: Primary Care
10/06/2026	Option Care Health	Clayton, Dubilier & Rice	Provider of home and alternate-site infusion services.	Announced	HS: Infusion Therapy
10/06/2026	Southern Colorado Anesthesia Associates	CRH Anesthesia	Provider of anesthesia services for endoscopic procedures.	Closed	HS: Anesthesiology
10/06/2026	Sunrise Senior Living	BDT & MSD Partners	Operator of senior living and memory care communities.	Announced	HS: Senior Living
10/05/2026	Garden State Urology	Astera Healthcare	Provider of urology services in northern New Jersey.	Closed	HS: Urology
10/05/2026	Gateway Urgent Care and Mercy Urgent Care	Owensboro Health	Operator of urgent care clinics in Kentucky and Southern Indiana.	Closed	HS: Urgent Care

Based on publicly available information

The transactions featured in this week's newsletter represent a collection of notable deals. Transactions marked with an asterisk (*) denote AMB involvement.

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:



AMB
Investment Bank
229-225-1500
info@ambwealth.com

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New sector insights each month

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AMB Investment Banking | Key Contacts

Ryan Loehr, Managing Director
843-405-1108
ryan.loehr@ambadvisors.com

Mikel Parker, Managing Director
843-501-2183
mikel.parker@ambadvisors.com

Johnny Cross, Vice President
843-371-8596
johnny.cross@ambadvisors.com

