



amb | investment banking

Weekly Newsletter

October 19th, 2026

AMB | Investment Banking

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Market Updates

[Big-ticket hospital deals are becoming the M&A story of 2026](#)

Kaufman Hall recorded 16 newly announced hospital transactions in the third quarter, totaling \$8.2 billion in transacted revenue and remaining above pre-pandemic averages. It was the third straight quarter with multiple mega-mergers, led by Erlanger with Prisma Health and HealthPartners with Essentia Health. That scale pushed average seller size to \$586 million, up from \$401 million a year earlier. The firm said 2026 is on track to be the busiest year for hospital deals since the pandemic began. It attributed the activity to systems repositioning for headwinds such as reduced government payments and expanding into adjacent regional markets.

[43% of hospitals are in the red: 6 financial notes](#)

Average hospital operating margins fell to 1.8% in August from 3.8% in July, according to Kaufman Hall's latest flash report. About 43% of hospitals are now losing money, up from 33% before the pandemic. Total expenses have climbed 21% over three years, led by 29% growth in drug costs and 25% in supply costs. Bad debt and charity care rose 13% year over year, and Kaufman Hall flagged payer mix erosion as a mounting pressure.

[Centene joins insurers waiving prior authorizations for top providers](#)

Centene will launch a national gold card program next month that exempts high-performing providers from routine prior authorization for certain services. More than 160,000 providers will qualify immediately based on approval history, documentation quality and policy compliance. The program will start with select outpatient services, and qualifying providers must still submit a pre-notification before delivering care. Centene follows Humana and UnitedHealthcare as nearly a dozen states now mandate similar programs.

Healthcare Operators

[Zocdoc acquires Sohar Health in latest push to scale tech infrastructure](#)

Online scheduling company Zocdoc has acquired Sohar Health, a startup that automates insurance benefits eligibility checks. It is Zocdoc's first acquisition since its 2007 founding. The deal closed Oct. 2 and formalizes an existing partnership, as Sohar's platform has been integrated into Zocdoc since last year. Sohar, founded in 2023, says its technology completes 90% of real-time verifications within 30 seconds. Sohar will keep its name and products, and Zocdoc said it has no plans to cut roles. The deal follows Zocdoc's launch last month of Care Access Network, which embeds its scheduling tools into insurer sites and AI platforms.

[Humana strikes \\$2.8B CenterWell senior clinic deal with BlackRock](#)

Humana agreed to form a joint venture with BlackRock to own and operate nearly 150 CenterWell Senior Primary Care clinics. The new venture replaces CenterWell's existing joint ventures with Welsh, Carson, Anderson & Stowe. Funds managed by BlackRock's HPS Investment Partners will acquire Welsh Carson's stake, valued at about \$2.8 billion, and will hold majority ownership. CenterWell will keep a minority stake and continue managing the clinics.

[Rush University System for Health, Endeavor Health unveil 12-hospital merger](#)

Rush University System for Health and Endeavor Health plan to merge into a 12-hospital nonprofit system with nearly \$11 billion in annual revenue. The combined organization would operate under the Rush name, with more than 400 care sites, over 46,000 employees and more than 2 million patients a year across Northern Illinois and Northwest Indiana. Endeavor has committed \$1 billion to community, academic and care quality investments. The systems are targeting an early 2027 close, pending regulatory approval.

Healthcare Legislative and Legal Updates

[CMS proposes MA 'ghost network,' PBM transparency requirements](#)

CMS issued a proposed rule requiring Medicare Advantage plans to verify and update their provider directories at least every 90 days to address ghost networks. Plans would also have to cap enrollee cost sharing at in-network rates when a directory wrongly lists a provider as in-network. The directory reviews and cost-sharing protections would take effect in contract year 2028, with accuracy scores published starting in 2029. The rule would also bar PBMs from tying Part D compensation to drug list prices and would add new disclosure requirements. CMS expects the directory changes to raise administrative and compliance costs for MA plans.

[CMS gains new authority to exclude providers from Medicare, Medicaid](#)

HHS has delegated permissive exclusion authority to the CMS administrator. The change lets CMS bar individual providers and entities from federal healthcare programs, including Medicare and Medicaid. The authority, which CMS requested, took effect immediately. The HHS inspector general keeps the exclusion powers it has held since 1988. Under the delegation, CMS cannot hold hearings or issue regulations, and it must follow existing HHS policies and procedures.

[Hospitals sue over revamped 340B rebate pilot](#)

The American Hospital Association, the Maine Hospital Association and four safety-net hospitals filed a second lawsuit over HRSA's plan to replace upfront 340B discounts with post-purchase rebates. The groups argue HRSA ignored the costs and administrative burden the change would place on safety-net providers. They estimate true administrative costs could exceed \$1 billion a year, compared with HRSA's \$537 million estimate. The hospitals are asking the court to halt the pilot, which is set to begin in January.

Transactions Overview

Select M&A Transactions from 10/12/2026 to 10/18/2026

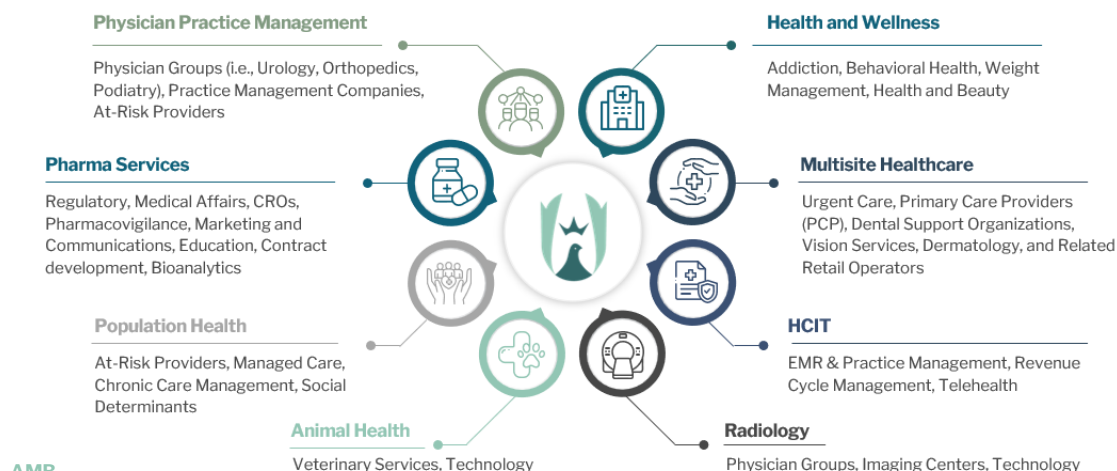
Date	Target	Buyer/Investor	Description	Status	Healthcare Vertical
10/15/2026	Suite Health	LUX Infusion	Operator of ambulatory infusion centers in Colorado.	Closed	HS: Infusion Therapy
10/15/2026	Invene	Carenet Health	Provider of healthcare software development and data engineering services.	Closed	HCIT: Managed IT Services
10/15/2026	Richter Healthcare Consultants	Sunbound	Provider of RCM and advisory services for post-acute operators.	Closed	HCIT: RCM
10/15/2026	Avanta Health	ECGI Holdings	Provider of value-based care enablement services for physician groups.	Closed	HCIT: Population Health / VBC Enablement
10/14/2026	Sohar Health	Zocdoc	Developer of eligibility verification software for digital health providers.	Closed	HCIT: RCM
10/14/2026	340BIntel	8 Bridge Group	Developer of 340B savings recovery software for hospitals.	Closed	HCIT: Provider Focused Solutions
10/13/2026	CenterWell Senior Primary Care	HPS Investment Partners (BlackRock)	Operator of senior-focused value-based primary care clinics.	Announced	HS: Primary Care
10/13/2026	Orbita	Carenet Health	Developer of an AI conversational patient engagement platform.	Closed	HCIT: Care Delivery
10/12/2026	Innovo Detox	R&S Holdings	Provider of SUD detox and rehab services in Pennsylvania.	Closed	HS: Behavioral - SUD
10/12/2026	Ronan Healthcare Compliance	Marwood Group	Provider of outsourced compliance services for healthcare platforms.	Closed	HCIT: Provider Focused Solutions

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:



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Research

New sector insights each month

For our recent sector insights, click below

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