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INVESTMENT
BANKING

Weekly Newsletter: October 21st, 2024

Market Updates

[Microsoft rolls out new healthcare AI tools in partnership with Epic, Paige.ai, major health systems](#)

Microsoft recently unveiled several new artificial intelligence capabilities for healthcare organizations designed to help analyze diverse medical data, streamline nursing documentation and enable companies to build their own healthcare AI agents. As the tech giant moves to take a leading position in healthcare AI, the company announced, through its Microsoft Cloud for Healthcare, new healthcare AI models in Azure AI Studio, capabilities for healthcare data solutions in Microsoft Fabric, a healthcare agent service in Copilot Studio and an AI-driven nursing workflow solution.

[CVS to exit core infusions services business, job cuts possible](#)

CVS Health is exiting its core infusion services business and plans to either close or sell 29 related regional pharmacies in the coming months. Details of the strategic shift were announced in a CVS corporate memo, and the company on has since stopped taking new patients seeking antibiotics, drugs supporting muscular health, and intravenous nutrition services, Shelly Bendit, a senior manager of corporate communications, told Reuters.

[Google Cloud's gen AI healthcare partnerships yield results](#)

Google Cloud forged several partnerships with significant health systems and health plans in the last few years to develop generative AI solutions and tools designed to reduce administrative burden. Their work couldn't come at a better time, as burnout and inefficiencies plague hospitals across the country. Google surveyed 821 healthcare providers, 209 payers and 2,079 adult consumers about generative AI in healthcare, and the results are discussed in the larger article.

Healthcare Operators

[South Florida-based health care network files for Chapter 11, announces sale to Humana](#)

A South Florida-based health care network has filed for Chapter 11 bankruptcy protection to reorganize its debts. As part of the process, it has agreed to sell nearly all of its assets to a company owned by Humana. The company that filed for Chapter 11, Clinical Care Medical Centers, is headquartered in Miami and operates 26 medical centers in eight Florida counties. The company employs more than 800 mostly bilingual employees and independent contractors who serve 35,000 patients, most of who qualify for Medicare or Medicaid, are non-English speaking and live in economically disadvantaged and minority communities.

[Acadia Healthcare acquires three comprehensive treatment centers in South Carolina](#)

Acadia Healthcare Company, Inc. announced the acquisition of three opioid treatment program clinics in South Carolina, which provide treatment for people seeking recovery from opioid use disorder. The clinics – formerly the opioid treatment programs of Recovery Concepts, Recovery Concepts of the Carolina Upstate, and Clear Sky Treatment Center – will be rebranded within Acadia's Comprehensive Treatment Center service line.

[Quest Diagnostics completes OhioHealth lab assets purchase](#)

Quest Diagnostics, a laboratory services business, has completed its purchase of select laboratory assets from OhioHealth. The purchase aims to expand access to cost-effective laboratory services in Ohio. Most of the outreach testing formerly performed by OhioHealth will be provided by Quest's Pittsburgh-based full-service laboratory. "OhioHealth will continue to own and operate its network of hospital labs for inpatient and hospital-based outpatient care as well as anatomic pathology and oncology services."

Healthcare Legislative and Legal Updates

[Lawmakers urge leadership to address 'doc cuts' before 2025](#)

More than 230 lawmakers in the House of Representatives have sent a letter to House Speaker Mike Johnson and Minority Leader Hakeem Jeffries urging House leadership to address the scheduled 2.8% Medicare reimbursement cut for physicians before the end of 2024. The letter's lead author was Rep. Mariannette Miller-Meeks, MD, of Iowa, who said in an October 15th news release that long-term payment reform is desperately needed, "but a temporary fix is also critical." The Medicare physician payment cut is slated to take effect January 1st.

[DEA sends 3rd temporary extension of telemedicine prescribing rules to White House](#)

The Drug Enforcement Administration is poised to extend pandemic-era telehealth prescribing rules for a third time. The agency sent a rule titled third temporary extension of pandemic-era telehealth prescribing rules to the White House's Office of Management and Budget on October 11th. It remains to be seen if the rule will clear OMB given the infighting that has been occurring between DEA and the Department of Health and Human Services over the guardrails for telehealth prescribing of controlled substances.

[US FDA clears CMR Surgical's robotic device to assist gall bladder removal](#)

UK-based medical device maker CMR Surgical said on Tuesday that the U.S. Food and Drug Administration has cleared the upgraded version of its surgical robot to be used in gall bladder removal procedures. The portable device, called Versius Surgical System, was cleared for use in patients aged 22 years and older who are eligible for minimally invasive surgery, the company said. CMR Surgical did not disclose its commercialization plans and pricing details for the U.S., but said it expects the total cost to be "favorable."

Transactions Overview

M&A Transactions from 10/14/2024 to 10/20/2024

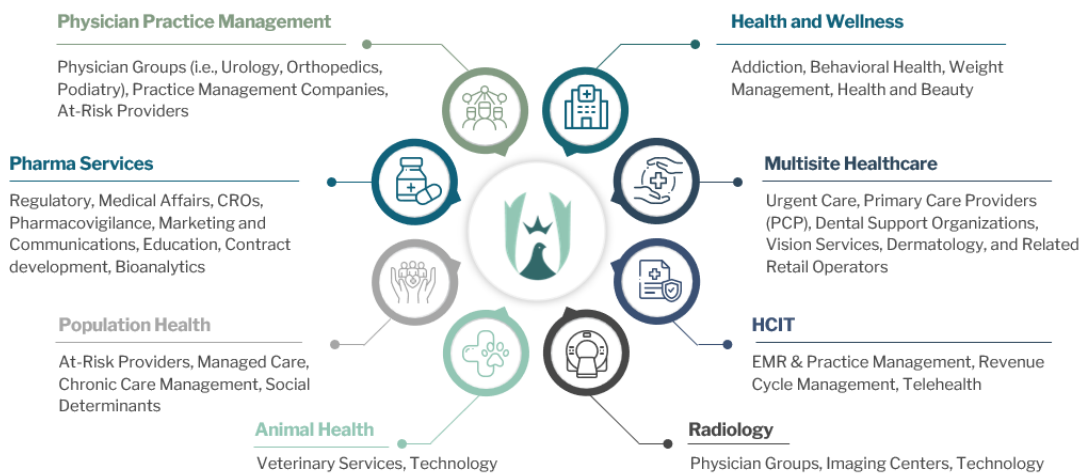
Date	Target	Buyer/Investor	Description	Status	Healthcare Vertical
10/14/2024	Sonoma House Assisted Living	Jaybird Senior Living	Operator of an assisted living home intended for residents to age in place with dignity and grace.	Closed	Elder Care - SNF
10/15/2024	Advanced ENT & Allergy	ENT & Allergy Associates, LLC	Provider of specialized medical services intended for thorough ear, nose and throat care.	Announced	Allergy / ENT
10/15/2024	Chiro Dominance	ClinicMind	Operator of a patient engagement and marketing hub platform intended for chiropractors.	Closed	Digital Health, IT, & Software
10/15/2024	DirectMed Imaging	Frazier Healthcrae Partners	Developer of diagnostic imaging parts intended for magnetic resonance imaging and CT machines.	Closed	Imaging
10/15/2024	St. Mary of the Woods	Saint Therese	Operator of a senior community care center offering around-the-clock care.	Announced	Elder Care - SNF
10/17/2024	Kyval	Codex IT	Developer of data migration software catering to the healthcare sector.	Closed	Digital Health, IT, & Software
10/17/2024	Red Nucleus	Thomas H. Lee Partners	Provider of learning and performance enhancement services intended to help personnel serving in the life sciences industry.	Closed	Healthcare Staffing & Education
10/17/2024	Sectyr	Bluesight, Thoma Bravo	Developer of compliance management software designed for healthcare organizations.	Closed	Digital Health, IT, & Software
10/18/2024	3D Medical Staffing	Advanced Care Group of Companies Inc.	Provider of healthcare staffing services.	Closed	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:



Research

New sector insights each month

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