



Investment Banking Weekly Newsletter

Market Updates

[VC firm General Catalyst launches new company, plans to buy a health system](#)

Venture capital firm General Catalyst unveiled a new company designed to provide advisory services to health systems while also eyeing a big acquisition by next year. Hemant Taneja, General Catalyst CEO, told the HLTH 2023 audience that Dr. Mark Harrison, former CEO of Intermountain Healthcare, would lead the new company, which will be focused on health system transformation. The new company, called Health Assurance Transformation Corporation, also aims to buy a health system within its first year of operation.

[Physician burnout rate doubled between 2019 and 2021, study finds](#)

The rate of physician burnout in the U.S. more than doubled during the first years of the pandemic, with physicians reporting higher levels of exhaustion and cynicism and lower levels of personal efficacy in 2021 compared to 2019, according to a study published in JAMA Network Open. Burnout levels varied by demographic, with women physicians, less experienced physicians and primary care physicians reporting higher levels of burnout than male physicians, more tenured clinicians or internal medicine providers.

[Google Cloud rolls out new generative AI search tools for doctors, life sciences companies](#)

Google's cloud division unveiled new artificial intelligence-powered search capabilities to help doctors and nurses quickly access patients' clinical notes and other medical information across different data sources. The new capabilities, part of Google Cloud's Vertex AI Search for healthcare and life sciences organizations, will enable medically-tuned generative AI-powered search on a broad spectrum of data including clinical sources, such as FHIR data. The tech integrates with Google Cloud's Healthcare API and Healthcare Data Engine, as well as with Google Health's search and intelligent summarization capabilities from its pilot product called Care Studio.

Healthcare Operators

[Rite Aid faces NYSE delisting](#)

Rite Aid said it has failed to meet the New York Stock Exchange's continued listing standards. The retailer is no longer in compliance with NYSE standards on minimum stock price and market capitalization. The NYSE listing standards require a \$1.00 average closing share price over a 30 trading-day period. As of midday October 5th, Rite Aid's stock was trading at about 50 cents on the NYSE. Rite Aid now has 10 business days to formally confirm if it will seek to regain compliance and six months to do so.

[Medical AI scribe startup Nabla rolling out tool to the Permanente Medical Group docs in Northern California](#)

Nabla, maker of an autonomous clinical AI scribe, has joined forces with the Permanente Medical Group to roll out its tool to 10,000 doctors in Northern California. The Nabla Copilot will be available to doctors across all care settings and specialties by the end of the ongoing, multiweek rollout. The deployment comes after a successful pilot, according to the partners, and aims to reduce administrative burden to allow doctors to focus on patient care. Permanente Medical Group, a subsidiary of Kaiser Permanente, is the largest physician-led medical group in the nation.

[PruittHealth acquires three health care centers](#)

PruittHealth, a family-owned organization for more than 50 years, is expanding its presence in Georgia. The Norcross-based company has acquired three additional skilled nursing centers from Piedmont, two in Augusta, Georgia, and one it already manages in Stockbridge, Georgia, bringing the number of PruittHealth skilled nursing centers across the Southeast to 107. Patients of all three centers will have access to PruittHealth's continuum of care including home health, palliative care, hospice, and pharmacy and therapy services.

Healthcare Legislative and Legal Updates

[CMS moves forward with medicare drug price negotiations](#)

Now that a U.S. judge has rejected pharmaceutical companies' arguments against Medicare price negotiations, all companies have indicated that they intend to participate in the program. "Our goal is to ensure access to innovative treatments and therapies for people that need them when they need them. Medicare will negotiate in good faith consistent with the requirements of the law on behalf of people with Medicare," Chiquita Brooks-LaSure, administrator of the Center for Medicare and Medicaid Services, said in a press release.

[Progressive legislators urge feds to take closer look at \\$3.3B UnitedHealth-Amedisys deal](#)

Two key progressive legislators are urging federal officials to take a closer look at UnitedHealth's potential \$3.3 billion acquisition of Amedisys, citing concerns about vertical integration. Sen. Elizabeth Warren and Rep. Pramila Jayapal sent a joint letter to the Department of Justice and the Federal Trade Commission this week, calling the deal the "latest example of massive health care conglomerates using anticompetitive mergers to increase their market dominance, reducing competition, hurting patients, and increasing health care costs."

[DEA temporarily extends telehealth prescribing rules for controlled substances again](#)

The Drug Enforcement Administration and the HHS announced they will extend pandemic-era telehealth prescribing flexibilities for controlled substances through 2024. The temporary extension marks the second time regulators have prolonged the relaxed prescribing rules for drugs like opioid use disorder medications or stimulants for ADHD, which allow clinicians to provide the drugs virtually without first conducting an in-person evaluation.

Transactions Overview

M&A Transactions from 10/2/2023 to 10/8/2023

Date	Target	Buyer/Investor	Description	Status	Healthcare Vertical
10/6/2023	Hybrid Healthcare Communications	Health & Wellness Partners	Operator of a medical science communications agency intended to bring medical content to life with customized, interactive engagement solutions.	Closed	Digital Health, IT, & Software
10/6/2023	Three Health Care Centers	PruittHealth	Three skilled nursing facilities in the Southeastern U.S.	Closed	Skilled Nursing Facilities
10/6/2023	Proactive LTC Consulting	Leading Transitions Post Acute Care	Provider of competent guidance for healthcare clients and to support clients intended to focus on healthcare.	Closed	Healthcare Consulting
10/5/2023	Netalytics	Netsmart Technologies	Developer of electronic medical records and practice management software for the behavioral healthcare industry.	Closed	Digital Health, IT, & Software
10/5/2023	Qorvo Biotechnologies	Zomedica Pharmaceuticals	Developer of point of care diagnostic platforms based in Greensboro, North Carolina.	Closed	Medical Devices
10/4/2023	Balance Assisted Living & Memory Care	Del Monte Assisted Living & Memory Care	Operator of assisted living facilities intended to serve senior citizens.	Closed	Skilled Nursing Facilities
10/3/2023	ActivePro Rehab Partners	PT Solutions	Operator of a managed service organization intended to offer physical and occupational therapy practices.	Closed	Physical Therapy
10/3/2023	Charleston Allergy and Asthma	Allergy Partners	Provider of allergy healthcare services intended for patients with allergy, asthma and immunologic disorders.	Closed	Allergy / ENT
10/3/2023	Enable Me	VELA Chairs	Provider of healthcare services to neurological illnesses and injuries based in Tampa, Florida.	Closed	Durable Medical Equipment
10/3/2023	HCPPro	AHIMA	Provider of information, training, and consulting products and services intended to fulfill the educational needs of the healthcare industry.	Closed	Healthcare Staffing & Education
10/3/2023	PPO Profits	Benco Dental	Providers of dental fee negotiations and revenue cycle management services catering to dental offices.	Closed	HCIT - Revenue Cycle Management
10/3/2023	RCxRules	Alpha II	Developer of revenue cycle and hierarchical condition category coding system intended for the healthcare industry.	Closed	HCIT - Revenue Cycle Management

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

[Learn More >](#)

Select AMB Contacts:

Mikel Parker
Managing Director
678-524-6632 Cell
mikel.parker@ambadvisors.com

Ryan Loehr, CPA
Managing Director
706-394-9848 Cell
ryan.loehr@ambadvisors.com

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

Josh Hall
Analyst
317-750-8866 Cell
josh.hall@ambadvisors.com

Allen Mooney Barnes | Investment Banking

677 King Street, Suite 410 | Charleston, SC 29403
www.ambwealth.com

Securities Offered Through Allen Mooney & Barnes Brokerage Services, LLC (Member FINRA / SIPC)

