



Investment Banking Weekly Newsletter

Market Updates

[China COVID cases rise, hard-hit Beijing tightens entry rules](#)

China's capital warned on Monday that it was facing its most severe test of the COVID-19 pandemic, shutting businesses and schools in hard-hit districts and tightening rules for entering the city as infections ticked higher in Beijing and nationally. China is fighting numerous COVID-19 flare ups, from Zhengzhou in central Henan province to Chongqing in the southwest. It reported 26,824 new local cases for Sunday, nearing the country's daily infection peak in April.

[Primary care program decreases emergency department use for people with substance use disorders](#)

Individuals with substance use problems who receive training on how to better interact with their primary care physicians can manage their health better and avoid costly emergency department visits compared to individuals who get the usual care for such conditions, according to a new study. Researchers with Kaiser Permanente Northern California placed 252 patients into the LINKAGE program. The study's lead author Esti Iturralde, Ph.D., told Fierce Healthcare that PCPs "were overwhelmingly positive towards LINKAGE."

[Telehealth availability at FQHCs linked to engagement in mental healthcare](#)

A study published in JAMA Network Open found that despite an overall decline in visit rates throughout the COVID-19 pandemic, high telehealth availability led to better care engagement among Medicaid beneficiaries with mental health conditions treated within federally qualified health centers (FQHCs). Various studies have shown telehealth has expanded and improved care for mental health patients and those with low incomes during the COVID-19 pandemic.

Healthcare Operators

[Walgreens plots 'aggressive' strategy to build out healthcare services, CEO Roz Brewer says](#)

On the heels of several high-profile acquisitions, Walgreens aims to be a point of entry for consumers for healthcare services ranging from urgent care to specialty care and even in-home health. "As soon as we were looking at life beyond the (COVID-19) vaccination period and getting into this endemic role in our lives, it was important to think about what's the next growth venture for this company because dispensing of pharmaceuticals is not going to be our long-term growth avenue," said Rosalind "Roz" Brewer, Walgreens Boots Alliance CEO, during an onstage interview at the HLTH 2022 conference.

[Evolent Health announces acquisition of Magellan Specialty Health and strategic partnership with Centene](#)

Evolent Health, Inc. (NYS: EVH) today announced that it has entered into a definitive agreement to acquire Magellan Specialty Health, the specialty benefit management organization owned by Centene Corporation (NYS: CNC) that focuses on managing cost and quality in the areas of radiology, musculoskeletal, physical medicine, and genetics. Consideration for the acquisition includes \$650 million at close plus additional contingent consideration of up to \$150 million based on 2023 performance. Contracted service expansions from Centene combined with identified cost synergies are expected to increase run-rate Adjusted EBITDA to \$85 million and be fully realized by the fourth quarter of 2024.

[Carlyle seeks to line up bid for urgent care provider Heritage Provider Network](#)

Carlyle Group Inc (NAS: CG) is in talks about putting together an acquisition offer for Heritage Provider Network Inc, a U.S. urgent care group that has been exploring a sale at a valuation of between \$8 billion to \$10 billion. Bloomberg News reported in October 2021 that privately-held HPN was exploring a sale. There is no certainty that a Carlyle-led bid will materialize or that will be attractive enough to clinch a deal with HPN's controlling shareholder Richard Merkin, who is also the company's founder and chief executive.

Healthcare Legislative and Regulatory Updates

[Divided Congress after midterms will allow HHS to execute on policy priorities, Becerra says](#)

With midterm elections resulting in a narrowly divided Congress, the HHS will be free to focus on longstanding priorities for the health department, such as implementing drug negotiation policy within Medicare, HHS Secretary Xavier Becerra said at the HLTH conference in Las Vegas November 17th. "In a way, we're now going to be able to concentrate on the work we have to still execute on," Becerra said.

[No Surprises Act protected 9 million patients from surprise bills, new data shows](#)

The No Surprises Act has prevented millions of surprise medical bills since January, according to new data from AHIP and the Blue Cross Blue Shield Association. The payer associations gathered their data, published Nov. 17, by surveying 84 health insurance providers representing around 57 percent of the national market. The No Surprises Act, which took effect in January, limits how much patients can be charged for out-of-network providers and emergency services.

[Twenty-two states petition CMS to repeal COVID-19 vaccine mandate for healthcare workers](#)

A coalition of 22 states led by Montana Attorney General Austin Knudsen (R), today formally called on the Biden administration to withdraw its COVID-19 vaccine mandate for nursing home workers and other healthcare workers in Medicare and Medicaid-funded facilities, as well as all related guidance. The coalition of attorneys general filed its petition Thursday under the Administrative Procedures Act requesting the US Department of Health and Human Services and the Centers for Medicare & Medicaid Services take immediate action to repeal its interim final rule and state surveyor guidance.

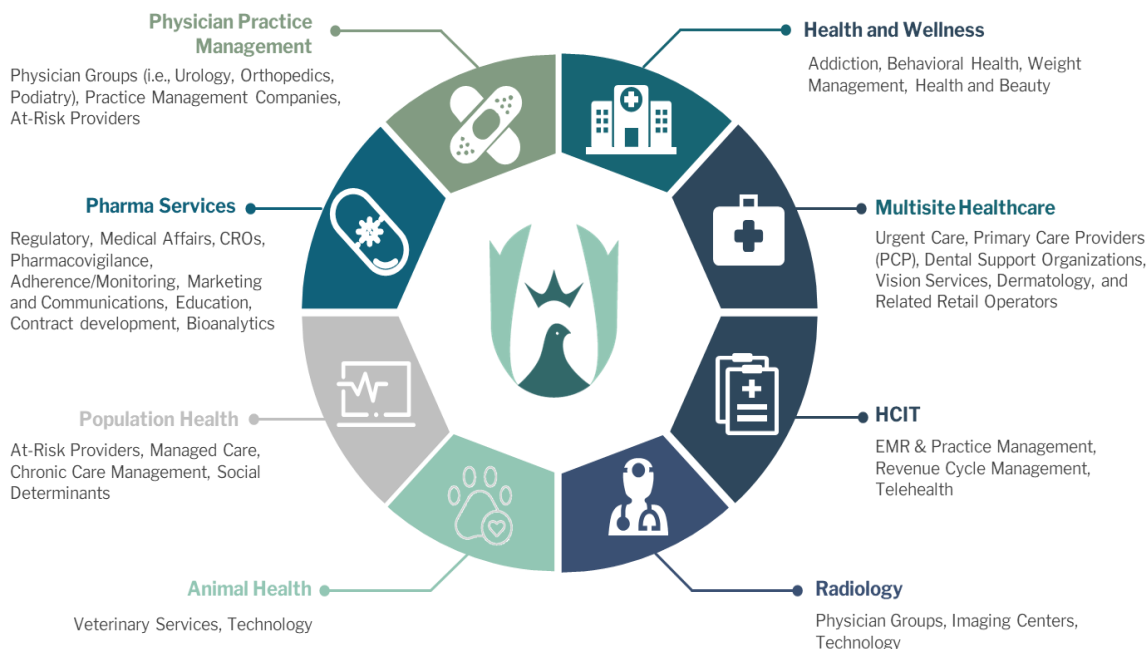
Transactions Overview

M&A Transactions from 11/14/2022 to 11/21/2022

| Date | Target | Buyer/Investor | Description | Status |
|------------|---|---|---|-----------|
| 11/17/2022 | Magellan Specialty Health via Centene (NYS: CNC) | Evolent Health | Specialty benefit management provider. | Announced |
| 11/17/2022 | Arizona Ketamine Treatment and Research Institute | Reverie Mind | Provider of mental healthcare services headquartered in Tempe, AZ. | Closed |
| 11/17/2022 | Harmony Recovery Group | Thrive Healthcare | Provider of rehab treatment services with ten treatment facilities based in Florida, North Carolina, Tennessee, New Jersey and Massachusetts. | Closed |
| 11/17/2022 | NassifMD Medical Spa | Prime Aesthetics Group | Cosmetic surgery provider based in Beverly Hills, CA & the UK. | Closed |
| 11/16/2022 | HCA Management Services | Kinderhook Industries, Rural Healthcare Group | A portfolio of four primary care clinics located in Northern Middle Tennessee. | Closed |
| 11/15/2022 | Acute Care Transitions | Blackstone (NYS: BX), Team Health Holdings | Telehealth provider of at home emergency medicine and advanced care services. | Closed |
| 11/15/2022 | Blumio | CardieX (ASX: CDX) | Developer of blood pressure sensor devices. | Closed |
| 11/15/2022 | OnCall | Applio | Provider of healthcare shift management solutions. | 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

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

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

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

Mike Nisbet
Associate
843-308-1198 Direct
mike.nisbet@ambadvisors.com

Allen Mooney Barnes | Investment Banking

171 Church Street, Suite 140 | Charleston, SC 29401
www.ambwealth.com

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