



amb | investment banking

Weekly Newsletter

December 16th, 2024

Allen Mooney Barnes | Investment Banking

677 King Street, Suite 410 | Charleston, SC 29403

www.ambwealth.com

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Market Updates

[Health systems restructure operating models amid industry challenges](#)

Health systems across the country are restructuring their operating models to navigate an increasingly challenging landscape. Rising financial pressures, workforce shortages, inflation and shifting patient demands are pushing health systems to rethink how they operate, allocate resources and deliver care. Large health systems including CommonSpirit and Providence recently implemented significant changes, with Ascension in the middle of a similar transformation. Renton, Washington based Providence, a 51-hospital system, recently revamped its operating model to include a leaner executive team and a new divisional structure.

[Outpatient pharmacy costs outpace total spend by 52%](#)

Hospitals and health systems are increasingly identifying their pharmacy departments as "revenue engines," according to Vizient. As pharmaceutical costs rise, Vizient emphasized the importance of integrating finance leaders and other C-suite members into pharmacy discussions about medication quality, cost and reimbursement. The organization also encouraged leaders to develop interdisciplinary teams to analyze appropriate use, equitable access and optimal reimbursement practices for medicines costing more than \$500,000.

[Major health systems including Mayo Clinic, UPMC join with ATA to launch digital tech alliance](#)

The American Telemedicine Association is collaborating with health systems to push forward the integration of digital technologies into care delivery. The new alliance, called the ATA Center of Digital Excellence, convenes a group of leading health systems to work together on best practices that "prioritize patient-centered care, equitable access and improved clinical and operational outcomes," the ATA said in a press release.

Healthcare Operators

[Walgreens in talks for sale to PE firm](#)

Walgreens is weighing a potential sale to a private equity firm, according to a report in The Wall Street Journal. The pharmacy giant is in talks with Sycamore Partners for a deal that would take the company private following years of financial woes. People familiar with the conversations told the WSJ the deal could come together early next year should discussions prove fruitful. Sycamore has been better known of late for smaller deals, the WSJ reported, and the New York-based firm focuses on investments in the retail and consumer spaces. It would likely sell off parts of Walgreens, sources told the outlet, or "work with partners."

[Duke to acquire CHS hospital for \\$280 million](#)

Franklin, Tennessee based Community Health Systems has signed a definitive agreement to sell Lake Norman Regional Medical Center in Mooresville, N.C., to Duke University Health System. Durham, N.C.-based Duke plans to acquire the 123-bed hospital and its related assets for about \$280 million. The acquisition would represent a significant expansion of Duke clinical services outside the greater Triangle area. The deal is expected to close in the first quarter of 2025, subject to regulatory approvals and closing conditions.

[Hyro receives series B extension funding led by Healthier Capital](#)

Hyro, a NYC-based company which specializes in voice and chat AI for healthcare, received an undisclosed amount in Series B extension funding. The round was led by Healthier Capital and brings the company's total funding to \$50M. Hyro provides a responsible AI-powered communications platform that enables health systems to safely automate workflows and conversations across their most valuable platforms, services, and channels, including call centers, websites, SMS, mobile apps, and more.

Healthcare Legislative and Legal Updates

[U.S. lawmakers plot to force health insurers to sell off pharmacies](#)

A bipartisan group of U.S. lawmakers are set to introduce legislation to break up pharmacy-benefit managers, the drug middlemen that have now faced yearslong scrutiny from Congress and the Federal Trade Commission. A Senate bill would force the companies that own health insurers or pharmacy-benefit managers to divest their pharmacy businesses within three years. A companion bill, which sponsors say draws on a history of government prohibitions on joint ownership within industries, was also scheduled to be introduced in the House this past week.

[HHS extends COVID vaccine liability protection through 2029](#)

HHS has extended liability protections for COVID-19 vaccines, treatments and diagnostic tests under the Public Readiness and Emergency Preparedness Act through December 31st, 2029. This extension follows the expiration of the COVID-19 public health emergency in May 2023, and provides immunity from liability to healthcare providers, including licensed pharmacists, pharmacy interns and pharmacy technicians, when administering COVID-19 vaccines and tests, along with seasonal flu vaccines.

[FTC warns 21 healthcare marketers against deceptive claims](#)

The Federal Trade Commission said this past Tuesday it is sending warning letters to 21 companies that market or generate leads for healthcare plans, according to a release. Noting that it is currently open enrollment season for healthcare plans, the agency said it is putting on notice companies that provide marketing or advertising, including lead generation, related to Affordable Care Act marketplace health insurance and healthcare-related products such as limited benefit plans and medical discount programs.

Transactions Overview

M&A Transactions from 12/9/2024 to 12/15/2024

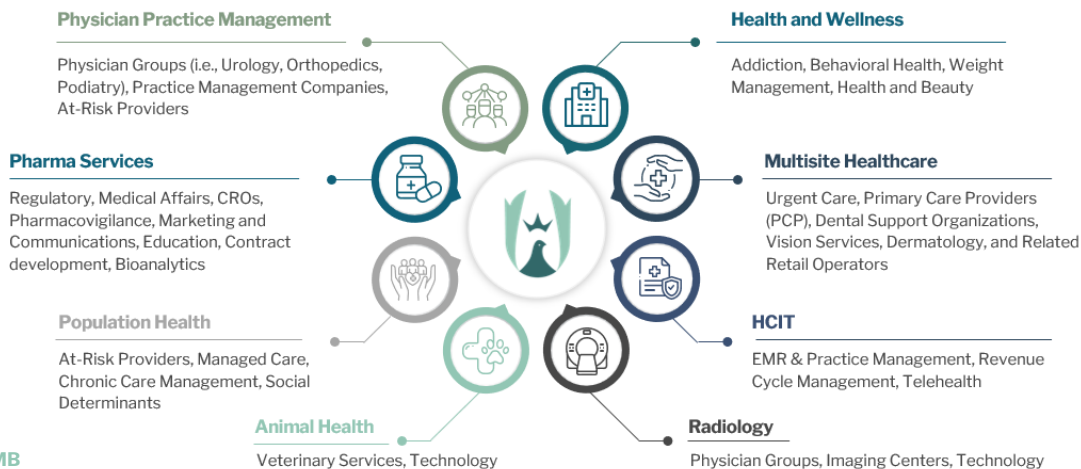
Date	Target	Buyer/Investor	Description	Status	Healthcare Vertical
12/9/2024	Medical Temps	Health Advocates Network	Provider of temporary medical staffing intended for the healthcare sectors.	Closed	Healthcare Staffing & Education
12/9/2024	Monmouth Rehab Professionals	JAG-ONE Physical Therapy	Provider of physical therapy services intended for orthopedic rehabilitation.	Closed	Physical Therapy
12/9/2024	Physical Therapy Associates of Schenectady	Access PT	Provider of physical therapy services specializing in orthopedic and sports rehabilitation.	Closed	Physical Therapy
12/9/2024	Realyze Intelligence	Carta Healthcare	Developer of a clinical data analysis software.	Closed	Digital Health, IT, & Software
12/10/2024	BuildClinical	OpenClinica	Developer of a clinical research recruitment platform.	Closed	Healthcare Staffing & Education
12/10/2024	Solution Nursing	Dynamic Access	Provider of specialized nursing services intended to deliver complex, in-home infusion therapy.	Closed	Infusion Therapy
12/10/2024	TelosPGX	Principle Health Systems, Platform Partners	Provider of pharmacogenetic testing services intended to optimize medication therapy.	Closed	Clinical Diagnostics
12/11/2024	ELIOS Vision	Bausch + Lomb (NYSE: BLCO)	Developer of eyecare technology.	Closed	Eye Care
12/11/2024	The Downtown Seattle Dentist	Espire Dental, Ironwood Capital	Operator of dental care services.	Closed	Dentistry
12/11/2024	The Evangelical Lutheran Good Samaritan Society	New Day Healthcare, Kaltroco	Provider of hospice services intended to serve elderly and disabled people.	Closed	Hospice
12/11/2024	Tranquility Dental Wellness	Espire Dental	Operator of dental wellness services intended to provide dental care.	Closed	Dentistry
12/12/2024	Prism Autism Education & Consultation	Proven Behavior Solutions	Provider of an autism support service.	Closed	Behavioral - ABA
12/13/2024	Clear Path Home Care	Avenues Home Care	Provider of home care services based in Denton, TX.	Closed	Home Care

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

For our recent sector insights, click below

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

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



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