



Investment Banking Weekly Newsletter

Market Updates

[Falling valuations, less competition make behavioral health deals 'more attractive' to investors](#)

Despite the sky-high interest rates, this could be the prime time for behavioral health acquisitions. The demand for services remains high and the elevated interest rates mean that valuations are coming back down to earth. While de novo growth strategies have dominated the behavioral health domain in 2023, some investors see this moment as an opportunity to get back into M&A. There is a lot of white space in the behavioral health industry, which could help drive more consolidation and organic growth.

[1 in 5 children in the US have "inadequate" health insurance coverage](#)

A new retrospective study of children's health care coverage found that roughly 1 in 5 children did not have adequate health insurance, meaning coverage that met their needs and was reasonably affordable. Researchers from Columbia University, the University of Michigan and Vanderbilt University conducted a study of children's health insurance coverage between 2016 and 2021. Of the more than 200,000 children that were included in the study, 34.5 percent had public health coverage, and 65.5 percent were commercially insured.

[USPI has 30 de novo ASCs in pipeline, sees 'consistently positive' M&A environment](#)

Dallas-based United Surgical Partners International, part of Tenet Healthcare, had a successful third quarter with continued service line and revenue growth. USPI added six new ASCs to its portfolio in the third quarter, most of which focused on orthopedic surgery. The new centers are in Nevada, Maryland, Texas, and Florida in partnership with regional musculoskeletal specialists. Dr. Sutaria said the company has a pipeline of more than 30 de novo ASCs at various stages of maturity.

Healthcare Operators

[US health insurers Humana, Cigna in talks to merge](#)

U.S. health insurer Cigna is in talks to merge with peer Humana, a source familiar with the matter said on Wednesday, a deal that could exceed \$60 billion in value and would be certain to attract fierce antitrust scrutiny. The discussions come six years after regulators blocked mega-deals that would have consolidated the U.S. health insurance sector. After U.S. courts upheld antitrust challenges in 2017, Cigna gave up on a \$48 billion deal to acquire Anthem -- now known as Elevance Health.

[Community Health Systems sells three Florida hospitals for \\$294 million](#)

Community Health Systems announced it has completed the sale of three Florida hospitals to Tampa General Hospital for about \$294 million in cash. The deal includes 120-bed Bravera Health Brooksville, 124-bed Bravera Health Spring Hill and 128-bed Bravera Health Seven Rivers, as well as their associated assets, physician clinic operations and outpatient services, according to a press release. The sale allows the for-profit hospital operator to "deliberately focus our resources in markets that we deem as most investable and that can produce greater growth and returns over the long term," CHS CEO Tim Hingtgen said during a call with investors shortly after the divestiture was announced this summer.

[Walgreens rolls out Rx Savings Finder tool for prescription drug discounts as pharmacy competition heats up](#)

Walgreens launched a new digital marketplace designed to help customers save money on prescription medications. The Rx Savings Finder tool finds free, third-party discount cards on prescription medications and enables customers to compare prices on thousands of medications. The tool also provides transparent pricing before checkout. The tool is available to all Walgreens customers for free, with no monthly subscription or yearly membership needed, executives said.

Healthcare Legislative and Legal Updates

[1 in 3 people dropped by Utah Medicaid left uninsured, a 'concerning' sign for nation](#)

About 30% of Utah residents who were cut from Medicaid this year say they became uninsured, according to state officials who conducted a first-of-its-kind survey of people disenrolled from the program. Utah has dropped more than 130,000 out of about 500,000 Medicaid beneficiaries since April after the federal government lifted a pandemic-era requirement that states keep people enrolled in the insurance program for low-income people.

[Lawmakers stress data privacy in health AI oversight](#)

Artificial intelligence could have significant benefits for healthcare, but Congress needs to keep an eye on potential risks as the rapidly evolving technology becomes more prevalent in the sector, lawmakers noted in a House subcommittee hearing. Legislators questioned witnesses during an Energy and Commerce health subcommittee hearing on a wide range of benefits and dangers that could arise — including risks to patient privacy due to the amount of data needed to train AI models and whether current privacy legislation is up to the task.

[North Carolina officially launches Medicaid expansion](#)

North Carolina officially expanded its Medicaid coverage today under the Affordable Care Act, leaving just 10 states that haven't taken advantage of the Medicaid expansion provision of the Obama administration's sweeping 2010 healthcare reform law. Those states are Florida, Georgia, Kansas, Mississippi, South Carolina, Wisconsin, Wyoming, Texas, Tennessee, and Alabama. The expansion in North Carolina will mean Medicaid coverage for an estimated 600,000 low-income residents ages 19 to 64 with incomes of \$20,120 or less.

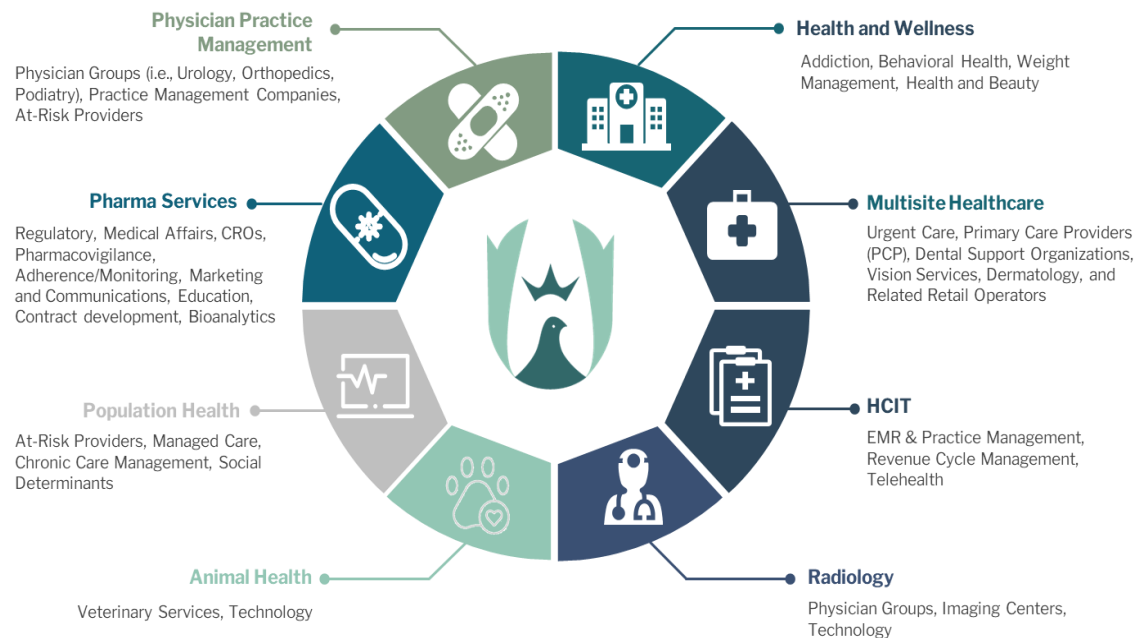
Transactions Overview

M&A Transactions from 11/27/2023 to 12/3/2023

Date	Target	Buyer/Investor	Description	Status	Healthcare Vertical
12/1/2023	Bravera Health	Tampa General Hospital	Operator of a regional healthcare network based in Tampa, FL.	Closed	Health Systems
11/30/2023	Heart & Vascular Center of Arizona	Cardiovascular Associates of America, Webster Equity Partners	Provider of cardiovascular services intended to serve customers in the Phoenix metropolitan area.	Closed	Cardiology
11/30/2023	Laminar	Johnson & Johnson MedTech	Developer of investigational medical devices intended for eliminating the left atrial appendage in patients with non-valvular atrial fibrillation.	Closed	Medical Devices
11/30/2023	Vyrsa Technologies	Nevro (NYSE:NVRO)	Provider of surgical services intended to combat joint dysfunction based out of Pennsylvania, United States.	Closed	Medical Devices
11/30/2023	Wave HDC	Experian (LSE:EXPN)	Provider of healthcare data curation services intended to support cost savings and operational efficiencies for healthcare companies.	Closed	HCIT
11/29/2023	IVIVA	United Therapeutics (NasdaqGS:UTHR)	Developer of autologous tissue constructs designed to overcome and manage end-stage renal diseases.	Closed	Labs
11/28/2023	SPM Marketing & Communications	Unlock Health	Provider of consulting and marketing communication services intended for healthcare industries.	Closed	Healthcare Consulting
11/27/2023	Aventine Consulting	Prime Global, Levine Leichtman Capital Partners	Operator of a consulting firm intended to serve pharmaceuticals and biotechnology companies.	Closed	Healthcare Consulting

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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