



ambwealth

Investment Banking Weekly Newsletter

Market Updates

[CMS' New Behavioral Health Model illustrates ongoing effort to push Value-Based Care, Integration forward](#)

The Innovation in Behavioral Health Model propels the industry towards value-based care and further integration with the rest of the health care system. The new model is an effort by the Centers for Medicare & Medicaid Services to marshal public resources into a coordinated whole for those with severe behavioral health issues. Specifically, the model will connect adults with mental health conditions or substance use disorders to physical, behavioral and social supports, prioritizing a collaborative care model between behavioral health and physical health providers.

[Healthcare job growth reached three-decade high in 2023](#)

The healthcare industry added more than 650,000 jobs in 2023, growing at its fastest rate in more than three decades, according to a report from nonprofit research consultancy Altarum. Growth in ambulatory care and hospital jobs propelled 3.9% annual employment growth in the sector, according to the report. Although nursing and residential care employment increased compared to 2022, rates still trailed pre-pandemic levels.

[Telehealth utilization on the rise nationally](#)

Telehealth utilization increased nationally and in every U.S. census region in November 2023, according to FAIR Health's Monthly Telehealth Regional Tracker. In November, national utilization increased 6.3%, climbing from 4.8% of medical claim lines in October to 5.1% in November. The largest regional increase occurred in the West, where the percentage of medical claim lines increased 7.5%, while in the South the increase was 5.3%. In the Northeast, utilization rose 5.2% and in the Midwest the increase was 2.9%.

Healthcare Operators

[Everside Health, Marathon Health merge to enhance advanced primary care access](#)

Everside Health and Marathon Health announced the closing of their merger to enhance access to advanced primary care in a value-based model. The two companies serve employer and union-sponsored clients with primary care, mental health, occupational health, musculoskeletal and pharmacy services. Marathon Health is based in Indianapolis while Everside Health operates out of Denver. Their combined reach is 2.5 million eligible patients through more than 680 health centers across 41 states and virtually in all 50 states. They will operate as Marathon Health.

[Former CVS executive named U.S. Healthcare president at Walgreens](#)

Walgreens Boots Alliance has appointed former CVS executive Mary Langowski as executive vice president and president of U.S. Healthcare. Langowski replaces current executive vice president and president of U.S. Healthcare, John Driscoll, who will transition to a senior advisory role, working closely with CEO Tim Wentworth, Langowski and the U.S. Healthcare business. Langowski will lead WBA's U.S. Healthcare segment as Walgreens expands its role in healthcare, building on its strengths in pharmacy to unlock new areas of profitable growth and bringing high-value solutions to industry players, including payers, health systems, PBMs and biopharma manufacturers.

[Virgin Pulse, HealthComp rebrand as Personify Health following \\$3 billion merger](#)

Mobile-first employee wellness and engagement company Virgin Pulse and benefits and analytics platform HealthComp, are rebranding under the name Personify Health. Personify combines Virgin Pulse's offerings with HealthComp's health plan administration solutions, offering one platform with health, navigation, benefits and wellbeing experiences alongside data-driven personalization. The transition to Personify will occur over the next several months. Members will continue utilizing the Virgin Pulse and HealthComp platforms throughout 2024.

Healthcare Legislative and Legal Updates

[Eli Lilly to offer low-cost insulin, donate to clinics in Minnesota settlement](#)

Eli Lilly, opens new tab agreed to provide low-cost insulin to patients and donate free insulin to clinics, to settle a lawsuit by Minnesota that accused the three largest insulin makers of deceptively raising the price of the diabetes treatment. The settlement calls for Lilly to offer patients in Minnesota who pay out-of-pocket the ability to pay no more than \$35 a month for its insulin products. Patients with insurance can choose not to use their coverage, and pay the \$35 instead.

[HRSA seeking to reform organ transplant system](#)

The Health Resources and Services Administration is leveraging new legal authority proposed in the President Biden's Fiscal Year 2024 budget, issuing requests for proposals in advance of executing multiple different contract awards meant to increase competition as part of its Organ Procurement and Transplantation Network Modernization Initiative. HRSA is taking steps to modernize organ matching technology – while increasing transparency – by issuing new data reporting requirements geared to better address pre-waitlist and organ procurement practices.

[Proposed out-of-network billing overhaul needs stronger payer oversight, hospitals say](#)

Hospitals want the Biden administration to take its proposed overhaul of reimbursement disputes a step further with more insight into how payers are calculating their starting point for negotiations as well as greater oversight of payers who delay payouts after a dispute has been settled. Last October, the administration released a proposed rule with several new requirements for payers, providers and third-party arbitrators settling out-of-network billing disputes under the No Surprises Act's independent dispute resolution process.

Transactions Overview

M&A Transactions from 2/5/2024 to 2/11/2024

Date	Target	Buyer/Investor	Description	Status	Healthcare Vertical
2/9/2024	Radcal	Ion Beam Applications (OTCMKTS: IOBCF)	Manufacturer of diagnostic X-ray measurement devices.	Announced	Medical Devices
2/8/2024	Bowling Green Internal Medicine and Pediatrics Associates	Norton Healthcare	Provider of healthcare services intended to prevent diseases.	Announced	Multispecialty Group
2/8/2024	Continuum Clinical	Spectrum Science Communications	Provider of patient recruitment services intended to serve pharmaceutical and biotech companies.	Closed	Healthcare Consulting
2/8/2024	NationalRad	Premier Radiology Services	Provider of diagnostic radiology and medical consultation services.	Closed	Radiology / Imaging
2/7/2024	Berry Global (Health, Hygiene and Specialties Business Unit) (NYSE:BERY)	Glatfelter Corporation (NYSE:GLT)	Provider of health, hygiene and specialties services based in Evansville, IN.	Announced	Medical Supply Provider
2/7/2024	Cardiovascular Associates	USA Health System	Provider of cardiovascular care services.	Closed	Cardiovascular
2/7/2024	Our Way	Homes For Independent Living of Wisconsin	Provider of disabled care services.	Closed	Behavioral Health
2/7/2024	Samaritan Cardiology	Samaritan Medical	Provider of personalized cardiac services.	Closed	Cardiology
2/7/2024	Unjury	Vital Nutrients	Provider of medical food like protein and vitamin supplements.	Closed	Wellness / Weight Loss
2/6/2024	Byond Medical	Poba Medical	Developer and manufacturer of medical devices.	Closed	Medical Devices
2/6/2024	C2i Genomics	Veracyte	Developer of a cancer treatment intelligence platform designed to monitor cancer recurrence.	Closed	Digital Health, IT, & Software
2/6/2024	Delegated DDS	Fluent Dental	Developer of credentialing software designed for dental service organizations and dental insurance payers.	Closed	Digital Health, IT, & Software
2/6/2024	Fertility Solutions	Fertility Centers of New England	Operator of fertility clinics.	Closed	Fertility
2/6/2024	Healthscape Advisors	The Chartis Group	Provider of healthcare management consulting catering to health plan provider and specialty health organizations.	Closed	Healthcare Consulting
2/6/2024	Spectral Instruments Imaging	Bruker	Manufacturer of in-vivo optical imaging machine used to monitor disease in animals.	Closed	Radiology / Imaging
2/6/2024	The Orthopedic Partners	The Orthopaedic Institute	Operator of orthopedic clinics.	Closed	Orthopedics
2/5/2024	Vigilanz	Inovalon Holdings	Developer of clinical surveillance platform performing data analysis across a hospital.	Closed	Digital Health, IT, & Software

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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