



amb | investment banking

Weekly Newsletter

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AMB | Investment Banking

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Market Updates

[Nearly half of rural hospitals in the red, 432 vulnerable to closure](#)

The portion of rural hospitals operating with negative margins has dipped slightly from last year, though the number of facilities most likely to close has also crept up, healthcare advisory services firm Chartis found. The group's latest report on the state of rural healthcare providers found that 46% of rural hospitals are operating at a loss while 432 hospitals are deemed to be "vulnerable to closure." This comes as 18 rural hospitals either closed or shifted to an operating model excluding inpatient care. For comparison, the previous edition of the same report outlined 50% of rural hospitals operating in the red and 418 hospitals at risk of closure.

[Data fragmentation: The key healthcare challenge of our time?](#)

Healthcare systems today are incredibly complex beasts. From EHRs and lab results to doctors notes and imaging, they hold vast datasets that are structured, managed and processed in different ways across disparate departments, creating major challenges in integration and interoperability. Not only can it hinder patient care, limiting the ability of providers to create a complete and holistic view of a patient's health that can, in turn, potentially impact diagnoses and treatment decisions.

[Are health systems ready for 26 million cancer survivors?](#)

Historically, cancer care largely focused on the fight for survival. Now, thanks to advancements in screening and treatment, many patients are living decades beyond their diagnosis. Today, there are more than 18 million people in the U.S. who have survived cancer, a population that is expected to reach 26 million by 2040. "We are facing a survivor tsunami that we are not ready for," Karen Knudsen, PhD, former CEO of the American Cancer Society, told The Wall Street Journal in November.

Healthcare Operators

[Aledade adds 500 primary care practices to its network for 2025](#)

Aledade has added more than 500 primary care practices to its network for 2025, the value-based care company announced. With the new additions, Aledade now works with more than 2,400 PCPs across the country, which serve close to 3 million patients in value-based care arrangements. This includes participants in the Medicare Shared Savings Program, Medicare Advantage, Medicaid and commercial plans. Aledade said that 83% of its new MSSP participants are joining the program for the first time. Nearly one-fifth of new entrants to MSSP are supported by Aledade.

[Medline nets \\$1 billion annual contract with Veterans Affairs](#)

Medline has been awarded a vendor contract by the Department of Veterans Affairs. Per the agreement, Medline will distribute medical-surgical supplies to the majority of VA Medical Centers in the Veterans Health Administration and to other government agencies, including the Indian Health Service, the Bureau of Prisons and HHS, according to a February 10th news release from the company. The five-year contract aims to improve efficiency and accuracy within Veterans Affairs' supply chain.

[Houston Healthcare approved to join Emory](#)

Warner Robbins and Perry, Georgia based Houston Healthcare's bid to join Emory Healthcare was approved by both boards, according to a February 10th news release. Houston Healthcare will add two hospital campuses, five outpatient facilities and nine physician practices to Emory's network, which currently consists of 10 hospitals and 3,450 physicians. The health system will grow to around 29,000 employees when the integration is complete.

Healthcare Legislative and Legal Updates

[Medicaid likely faces severe cuts in House's new budget framework](#)

Congress took the first steps this past week to pass legislation that will likely involve substantial cuts to Medicaid. Wednesday, the House Budget Committee released a budget resolution detailing its plans. The budget framework calls for \$4.5 trillion in tax cuts and increases the debt limit by \$4 trillion. It also instructs the Energy and Commerce Committee to slash spending by \$880 billion over 10 years, which is expected to include major Medicaid reform, and the Education and Workforce Committee to eliminate \$330 billion in spending over 10 years.

[Walgreens ordered to pay nearly \\$1 billion to virtual care provider in COVID-19 test contract case](#)

Walgreens must pay more than \$987 million as part of an arbitration award won by a virtual care company, a federal judge ruled last week. U.S. District Judge Richard Andrews in Delaware sided with PWNHealth, upholding a previously determined arbitration award related to a contract dispute between the pharmacy retail giant and PWNHealth, which also does business as Everly Health Solutions. Everlywell acquired PWNHealth and Home Access Health, rebranding as Everly Health in March 2021.

[Top policy issues for hospitals, payers, docs and tech in 2025](#)

2025 promises to be a year of particular policy upheaval, and few know that better than healthcare associations caught in the crossroads of funding battles, regulatory upheaval and intense public scrutiny. Large swaths of the industry are looking to Congress and the newly active Trump administration for relief from macroeconomic pain points like inflation or more novel developments like tariffs.

Transactions Overview

M&A Transactions from 2/10/2025 to 2/17/2025

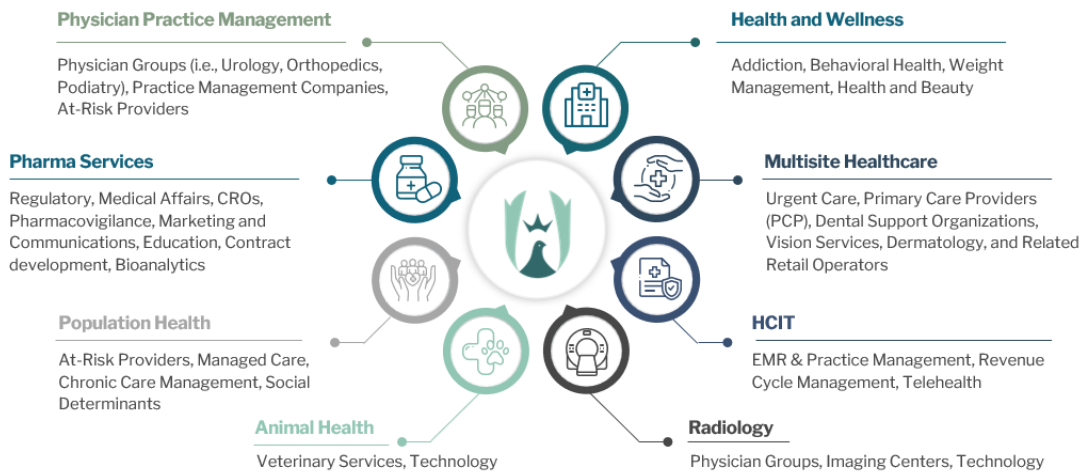
Date	Target	Buyer/Investor	Description	Status	Healthcare Vertical
2/10/2025	Edifecs	Cotiviti, KKR	Developer of healthcare software to improve outcomes and reduce costs.	Announced	Digital Health, IT, & Software
2/10/2025	Proud Moments ABA	Nautic Partners	Provider of behavioral health services for children with ASD.	Closed	Behavioral - ABA
2/10/2025	Zeera	Hazel Health	Provider of a mental wellness membership.	Announced	HCIT - Behavioral Health
2/12/2025	BC Healthcare Services	Integrated Health Services LLC	Provider of behavioral health and telehealth services in Washington, DC.	Closed	Behavioral Health
2/12/2025	Eccovia	CaseWorthy	Developer of SaaS healthcare software for social services.	Closed	Digital Health, IT, & Software
2/12/2025	Priority Medical Transport	AmeriPro Health, Whistler Capital Partners	Provider of medical transport in North Platte, NE.	Closed	Transportation
2/12/2025	Rocket Doctor	Treatment.com AI (OTCM: TREIF)	Operator of a digital health platform for accessible care.	Announced	Digital Health, IT, & Software
2/13/2025	Star Pediatrics	Abound Health, Aspect Investors	Provider of pediatric home health services.	Announced	Pediatrics
2/14/2025	CureMint	Dentira, BluePointe Ventures	Developer of dental procurement solutions for DSOs.	Announced	Digital Health, IT, & Software
2/15/2025	Strong	Tradex International	Manufacturer of disposable medical products.	Closed	Medical Supplies

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

[Learn More](#)

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Know our clients, Appreciate their concerns, Work diligently to accomplish their goals