



amb | investment banking

Weekly Newsletter

April 14th, 2025

AMB | Investment Banking

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www.ambwealth.com

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Market Updates

[The next evolution in care delivery: key barriers to scaling in-home primary care](#)

It is well documented that access to primary care in the U.S. is decreasing. The cause is multi-factorial. Some of the problems are a result of patient-related factors, such as mobility and location, but a large part is due to physician shortages. In fact, a new report from the Human Resources and Services Administration (HRSA) predicts a shortage of 87,150 by 2037. The net result is that some of our most vulnerable patients are left without primary care access, ultimately leading to disease progression, poor outcomes and increased costs.

[How Medicare Advantage contracts are squeezing rural hospitals](#)

Rural hospital leaders are questioning whether they can continue to afford to do business with MA companies, and some say the only way to maintain services and protect patients is to end their contracts with the private insurers. Medicare Advantage plans pay hospitals lower rates than traditional Medicare, said Jason Merkley, CEO of Brookings Health System in South Dakota. Merkley worried the losses would spark staff layoffs and cuts to patient services, dropped all four contracts it had with major MA companies.

[Telehealth, outpatient lead health system expansion efforts](#)

Providers continue to invest in telehealth even as health systems pursue major brick-and-mortar expansions. Telehealth utilization has cooled since the pandemic, when providers and investors pumped billions of dollars into readying the virtual care infrastructure to try to keep up with burgeoning demand. Health systems are still hopeful those investments will pay off even as they balance inpatient and ambulatory expansions, low-acuity care shifts back to outpatient sites and uncertainty looms over telehealth reimbursement.

Healthcare Operators

[CareSource acquires Commonwealth Care Alliance for over \\$400 million](#)

Nonprofit health insurance company CareSource has invested more than \$400 million to buy struggling nonprofit insurer Commonwealth Care Alliance. The deal adds nearly 50,000 Dual Special Needs Plan members who are eligible for both Medicaid and Medicare to CareSource's book of business, the companies said in a news release Wednesday. CareSource also acquired Commonwealth Care Alliance's two primary care clinics and its home care practice through the transaction. CareSource counts 2 million Medicaid, Medicare and exchange plan enrollees across seven states.

[Pediatrix Health Group Acquires Daytona Beach Pediatrics](#)

Miami-based Pediatrix Health Group, a multi-site, pediatric primary care organization dedicated to providing equitable access to innovative care for kids, today announced the completed acquisition of Daytona Beach Pediatrics, owned and operated by Dr. Louis Orezza. This acquisition positions Pediatrix to expand accessibility to top-tier Next Generation CareSM and continue to expand the already thriving practice's reach and care offering while enhancing the patient experience.

[CarePoint exits bankruptcy under new operator](#)

U.S. Bankruptcy Court Judge Kate Stickles has approved N.J.-based Hudson Regional Hospital to take over operational control of three Jersey City, N.J.-based CarePoint Health hospitals, allowing the system to exit bankruptcy. Hudson Regional now owns and operates Bayonne Medical Center and operates both Jersey City-based Christ Hospital and Hoboken University Medical Center, under the approved management agreement.

Healthcare Legislative and Legal Updates

[Biden administration's nursing home staffing requirements vacated by federal judge](#)

The Biden administration's controversial nursing home staffing requirement was vacated late last Monday by a federal judge in Texas, who ruled that the Department of Health and Human Services (HHS) had exceeded its statutory authority on the issue. The heightened staffing requirements were finalized in April 2024 and had a multiyear phase-in set to begin in 2026. It would require nursing homes receiving Medicare and Medicaid funding to have at least one registered nurse on-site 24 hours a day plus other minimums including a total nurse staffing standard of 3.48 hours per resident per day.

[CMS to end federal match for states' Medicaid funding requests](#)

The Centers for Medicare and Medicaid Services (CMS) will restrict federal funds for state-based programs that go toward certain priorities like rural broadband and student loan repayments. The department is looking to return to the "core mission of Medicaid" by rejecting, or not extending, federal matching fund requests for designated state health programs (DSHPs) and designated state investment programs (DSIPs) under section 1115 waiver authority.

[Congress passes budget, teeing up huge healthcare cuts](#)

Congress paved the way for deep cuts in healthcare spending as part of an effort to extend expiring tax cuts this past Thursday. The House voted 216-214 to adopt the final version of the fiscal 2026 budget resolution, with GOP Reps. Thomas Massie (Ky.) and Victoria Spartz (Ind.) joining the Democratic minority in opposition. This followed a Senate vote to approve the budget on Monday and a House vote in February on the lower chamber's first draft of the measure.

Transactions Overview

M&A Transactions from 4/7/2025 to 4/13/2025

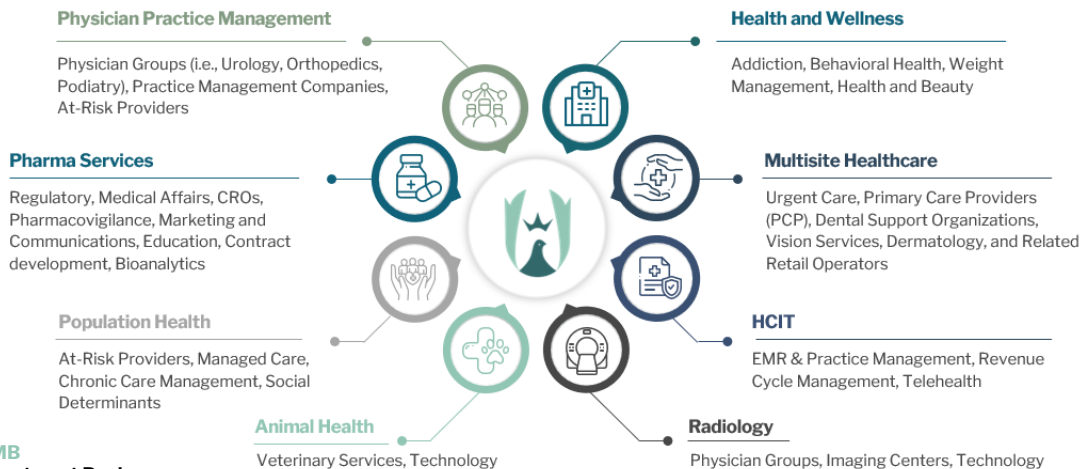
Date	Target	Buyer/Investor	Description	Status	Healthcare Vertical
4/12/2025	CenExel Clinical Research	BayPine	Provider of clinical trial services supporting pharmaceutical development across the full trial lifecycle.	Closed	Clinical Diagnostics
4/10/2025	West Olympia Pharmacy	Medicure (TSX: MPH)	Operator of a pharmacy in Olympia, WA offering compounding, prescriptions, and vaccinations.	Announced	Pharmacy
4/9/2025	BB's Heaven on Earth Home Care Services	Help at Home, Centerbridge Partners, The Vistria Group	Provider of home care services in Indianapolis supporting daily living and caregiver relief.	Closed	Elder Care / SNF
4/9/2025	Commonwealth Care Alliance	CareSource	Provider of healthcare services focused on high-needs populations with integrated care plans.	Closed	Healthcare Services
4/9/2025	LovAbility Home Care	Help at Home, Centerbridge Partners, The Vistria Group	Provider of in-home care offering personal care, nursing, and companionship services.	Closed	Home Care
4/9/2025	Mendham Physical Therapy	SportsMed Physical Therapy, Hildred Capital Partners	Operator of a physical therapy clinic in NJ offering PT, OT, and acupuncture.	Closed	Physical Therapy
4/9/2025	Neurogen Brain Balancing	KRTL Holding Group (PINX: KRTL)	Provider of neurotechnology services focused on brain-balancing therapies and optimization.	Closed	Neurology
4/9/2025	Sleep Management Services	Persante Health Care, Chatham Capital	Provider of sleep health services integrated into hospitals and correctional settings.	Closed	Sleep Management
4/8/2025	Accolade	Transcarent	Provider of tech-enabled care navigation and virtual primary care for employers and plans.	Closed	Telehealth
4/8/2025	HealthEdge	Bain Capital	Developer of healthcare software for claims, care management, and admin efficiency.	Announced	HCIT - Practice Management
4/8/2025	Neuroolutions	Kandu, Inc.	Operator of a digital health platform supporting stroke recovery through remote programs.	Closed	Digital Health, IT, & Software
4/8/2025	Mission Critical Psychological Services	Valor Healthcare	Provider of telehealth behavioral care for federal agencies and high-risk populations.	Closed	HCIT - Behavioral
4/8/2025	Pediatrica of Daytona Beach	Pediatrica Health Group, M33 Growth	Provider of medical care and developmental support services for wellness and milestones.	Closed	Pediatrics
4/7/2025	Certified GeneTool	Surplus Solutions, NMS Capital	Distributor of refurbished lab equipment for DNA, protein, and biotech applications.	Closed	Healthcare Services

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:



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Research

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