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**INVESTMENT  
BANKING**

Weekly Newsletter: April 15<sup>th</sup>, 2024

## Market Updates

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### [Home healthcare for elderly sees largest price increase ever](#)

Costs for home healthcare for the elderly and bed-ridden have gone up by 14.2 percent over the past year, according to new Consumer Price Index data. That represents the largest percent increase in home healthcare costs during a 12-month period since the Bureau of Labor Statistics began collecting data on such costs in 2005. The United States has an aging population, and the need for care among the nation's roughly 73 million Baby Boomers is driving up the cost of nursing homes, assisted living facilities and home healthcare.

### [Nearly 80% of physicians now work for hospitals or other corporate entities as private practice dwindles](#)

Nearly 78% of physicians are now employed by hospitals, health systems or other corporate entities. For the first time since the Physicians Advocacy Institute started tracking this information, the percentage of practice ownership by corporations (30%) surpassed hospitals or health systems (28%). The former category includes health insurers, private equity firms and large pharmacy chains. The COVID-19 pandemic has accelerated these trends, with radiologists and other physicians facing burnout and seeking the stability of selling their organization.

### [City-country mortality gap widens amid persistent holes in rural health care access](#)

Mortality rates in rural America are sharply rising, highlighting widening health disparities between rural and urban areas. The increased mortality, driven by chronic diseases and limited access to healthcare, underscores the urgent need for stronger policies and resources to address rural health challenges. Experts emphasize the importance of community-based approaches and advocate for initiatives like Medicaid expansion to improve healthcare access in rural regions.

## Healthcare Operators

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### [Elevance Health and Clayton, Dubilier & Rice sign agreement to launch strategic partnership to advance primary care delivery](#)

Elevance Health, Inc. and Clayton, Dubilier & Rice announced an agreement to form a strategic partnership to accelerate innovation in primary care delivery, enhance the healthcare experience, and improve health outcomes. This effort, which will operate across multiple regions of the United States, will bring together certain care delivery and enablement assets of Elevance Health's Carelon Health and CD&R portfolio companies, apree health and Millennium Physician Group.

### [Clare Medical and Ennoble Care's NJ Housecall Practices agree to merge to form one of the largest in-home medical practices in NJ](#)

Clare Medical and Ennoble Care's New Jersey Housecall Practices have agreed to join forces to form one of the largest mobile medical practices servicing New Jersey seniors. Combining the two practices will result in the ability to offer patients enhanced access to quality in-home medical care and broaden the services offered to them. The partnership between Clare and Ennoble emphasizes a joint commitment to continue to deliver quality care, driven by shared cultures and values.

### [Model N signs \\$1.25 billion go-private deal with Vista Equity](#)

Healthcare IT firm Model N, opens new tab said on Monday it has entered into an agreement to be taken private by investment firm Vista Equity Partners for about \$1.25 billion, sending its shares up 9.3% at \$29.60 in premarket trading. Vista will acquire all the outstanding shares of Model N for \$30 per share, according to the terms of the agreement, representing a premium of 10.7% to the company's last close. Model N provides revenue management software to the life sciences and high-tech industries.

## Healthcare Legislative and Legal Updates

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### [AHA urges Department of Labor to 'immediately' investigate MultiPlan](#)

The hospital lobby is pushing the Department of Labor to "immediately open an investigation" into data company MultiPlan and others like it that contract with payers to reprice out-of-network service payments. The call follows a New York Times investigative report that the company—which works with big names like UnitedHealthcare, Cigna and Aetna—is incentivized to drive down payments to providers in exchange for processing fees. The practice often leads to lower reimbursement for providers, larger bills for patients and, in some cases, higher payments for self-funded employers on the hook for MultiPlan's processing fees, the NYT reported.

### [Medicaid redetermination cost community health centers an average of \\$600,000 each](#)

States began Medicaid redetermination a year ago, resulting in around 20 million people losing coverage, while 42 million were confirmed, and 31 million await renewal. Community health centers, serving 15% of Medicaid patients, experienced a 23% patient loss, averaging \$600,000 in revenue loss per center, impacting services such as mental health and dental care. The majority of community health centers managed to avoid service cuts despite revenue loss, but some reduced staff, services, or appointment availability.

### [CMS finalizes new behavioral health policies in Medicare Advantage](#)

One of the most recent moves came on Thursday, when the U.S. Centers for Medicare & Medicaid Services finalized a new set of policies meant to "strengthen enrollee protections and guardrails" in Medicare Advantage while ensuring plans meet members' needs. The finalized policies include additional protections around behavioral health services. In particular, Thursday's rulemaking expands access and network standards around mental health and substance use disorder services within the MA landscape.

# Transactions Overview

## M&A Transactions from 4/8/2024 to 4/14/2024

Date	Target	Buyer/Investor	Description	Status	Healthcare Vertical
4/11/2024	Steris, Cantel Medical (NYSE:STE)	Peak Rock Capital	Manufactures dental instruments, infection prevention products and patient sedation systems.	Announced	Medical Supply Provider
4/11/2024	CARE Counseling	Refresh Mental Health, Optum, UnitedHealth Group, Inc. (NYSE:UNH)	Provider of mental healthcare services intended to offer a modern approach to the stresses of everyday life.	Closed	Behavioral Health
4/11/2024	Coala Life US (Sweden:COLA.ST)	PMD Device Solutions (Sweden: PMDS)	Developer of medical devices and cloud-based software as a service designed to offer daily monitoring of the heart.	Announced	Medical Devices
4/10/2024	GoRescue	Safe Life	Operator of lifesaving service provider brands delivering products assisting with lifesaving solutions from CPR training to placing AEDs and bleeding control kits.	Closed	Medical Supply Provider
4/10/2024	ZAMA	Volt Athletics	Operator of a mental health platform intended for the athletic community.	Closed	Behavioral Health
4/9/2024	Innovation Medical Research Center	Alcanza Clinical Research, Martis Capital	Operator of a clinical research center intended to serve in Palmetto Bay, FL.	Closed	Life Sciences
4/9/2024	SaveWay Compounding Pharmacy	Myonex	Operator of a compounding pharmacy catering throughout DE.	Closed	Pharmacy
4/9/2024	Medical Properties Trust, Inc. (NYSE:MPW)	Prime Healthcare	Self-advised real estate investment trust formed in 2003 to acquire and develop net-leased hospital facilities.	Closed	Health System
4/8/2024	Model N (NYS:MODN)	Vista Equity Partners	Provider of cloud revenue management solutions for life science and technology companies.	Announced	Revenue Cycle Management

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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