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**INVESTMENT  
BANKING**

Weekly Newsletter: April 22<sup>nd</sup>, 2024

## Market Updates

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### [Private equity ownership in urgent care by number of centers, 2024](#)

Although private equity started nibbling on urgent care as far back as 2007, its full investment push kicked off with the 2010 acquisitions and scaling of NextCare, MedExpress, and FastMed. Since that time, some regional platforms like Physicians Immediate Care, MD Now, and PhysicianOne have completed the entire private equity investment lifecycle of acquisition, scaling, and final sale. Today, more than 2,300 of the nation's urgent care centers, or approximately 17% of the total, are backed by private equity investment.

### [Value creation through business model innovation in US healthcare](#)

US healthcare is seeing significant value creation through innovative business models, especially those focusing on vertical integration. However, not all organizations within these models are effectively leveraging their potential for value creation. Pure-play specialization models also offer substantial opportunities for improving productivity, achieving economies of scale, and leveraging technology, with the industry estimated to have a value creation potential exceeding \$1 trillion.

### [UnitedHealth cyberattack: Things won't be back to normal until 2025](#)

UnitedHealth Group faces potential losses of up to \$1.6 billion this year due to a cyberattack on its payment processing subsidiary, but still managed to surpass first quarter earnings expectations. The attack disrupted patients' access to prescriptions and payments to care providers, resulting in an \$872 million drag on earnings in Q1. Despite ongoing recovery efforts, UnitedHealth reported better-than-expected revenue growth and adjusted earnings, with the incident prompting congressional concern over cybersecurity and patient data protection.

## Healthcare Operators

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### [Legacy acquires HomeCare Hospice](#)

Legacy Hospice has acquired HomeCare Hospice in Mississippi, expanding its services across the state and the South with the addition of four new locations, bolstering its presence in a total of seven states as a portfolio company of Prairie Capital. This acquisition enables Legacy Hospice to offer a wider range of hospice services to Mississippi residents and address the growing demand for end-of-life care, especially considering the state's rapidly increasing senior population..

### [Alera Group acquires HealthSure](#)

Alera Group, a top national insurance and financial services firm, announced the acquisition of HealthSure. Founded in 1998 by Barry Couch, HealthSure serves rural healthcare organizations as an independent agency specializing in risk consulting and insurance solutions. "Embarking on this new chapter will enable HealthSure to further enhance our offerings and support for rural healthcare organizations," said Brant Couch, CEO of HealthSure. "We are reinforcing our dedication to providing comprehensive risk consulting and insurance solutions tailored to our clients' unique needs, ensuring they receive the highest level of service and protection."

### [Xpress Wellness, LLC acquires three new urgent care clinics in TX](#)

Xpress Wellness, LLC has acquired three new urgent care clinics in Texas, formerly known as Affordacare Urgent Care, and will rebrand them as Integrity Urgent Care starting in May 2024. With these additions, the company now operates 58 clinics across Texas, Oklahoma, and Kansas. Integrity Urgent Care emphasizes accessibility by offering traditional urgent care services, occupational medicine, and virtual care options, accepting various insurance plans including TRICARE and Medicare.

## Healthcare Legislative and Legal Updates

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### [North Carolina backs FTC bid against \\$320 million health system deal](#)

North Carolina has backed the U.S. Federal Trade Commission's lawsuit seeking to block Novant Health's \$320 million acquisition of two hospitals in the state, a deal the agency said would lead to higher prices and reduced innovative care. North Carolina's state treasurer on Monday filed a "friend of the court" brief urging, opens new tab U.S. District Judge Kenneth Bell in the Western District of North Carolina to preliminarily stop Novant from buying the hospitals from Community Health Systems.

### [Federal agencies open online portal for reporting anticompetitive practices in healthcare](#)

Federal agencies want to hear from the public about monopolistic and anticompetitive behavior within the healthcare industry. The Federal Trade Commission, the Department of Justice and the Department of Health and Human Services unveiled HealthyCompetition.gov, an online portal where anyone can submit a healthcare competition complaint for potential investigation. These submissions, the agencies said, can help the agencies ensure healthcare organizations provide quality care and pay their employees a fair wage.

### [Lawmakers raise healthcare consolidation concerns after Change cyberattack](#)

Lawmakers expressed frustration about the impact stemming from the cyberattack against Change Healthcare during a hearing, and raised concerns that increasing consolidation could make the sector more vulnerable. Consolidation can create choke points for key services, strangling normal healthcare operations during an attack, lawmakers and witnesses said during the Energy and Commerce hearing. UnitedHealth Group, Change's parent company, purchased the technology firm in 2022, following significant pushback from antitrust regulators.

# Transactions Overview

## M&A Transactions from 4/15/2024 to 4/21/2024

| Date      | Target  | Buyer/Investor                                  | Description  | Status    | Healthcare Vertical            |
|-----------|---|---|--|-----------|--------------------------------|
| 4/19/2024 | Edgility  | ABOUT Healthcare                                | Developer of healthcare software solutions designed to automate and streamline the coordination of complex and interrelated tasks and processes in healthcare. | Closed    | Digital Health, IT, & Software |
| 4/19/2024 | Iontox  | LifeNet Health                                  | Developer of a biotechnology platform intended to provide multiple organ test systems and in-vitro toxicology-based consultancy services.                      | Closed    | Life Sciences                  |
| 4/18/2024 | Covenant Care, Phoenix Equity Partners                                    | VITAS Healthcare, Chemed Corp (NYSE:CHE)        | Provider of hospice care facility based in FL and AL.  | Closed    | Hospice                        |
| 4/18/2024 | PX Technology   | CareMetx, General Atlantic                      | Developer of patient experience software designed to leverage proprietary technology to connect patients, providers and partners.                              | Closed    | Digital Health, IT, & Software |
| 4/18/2024 | Tennova Healthcare - Cleveland, Community Health Systems, Inc. (NYSE:CYH) | Hamilton Health Care System                     | Provider of healthcare services based in Cleveland, OH.  | Announced | Hospital                       |
| 4/17/2024 | Myndshft  | DrFirst, Sixth Street Growth                    | Developer of a healthcare administration platform designed to exchange data and execute complex transactions at the moment seamlessly.                         | Closed    | Digital Health, IT, & Software |
| 4/17/2024 | HomeCare Hospice  | Legacy Hospice Holdings, Prairie Capital        | Provider of hospice care facility based in MS.   | Closed    | Hospice                        |
| 4/17/2024 | Transfer Master   | Graham Field                                    | Manufacturer of electric adjustable hospital beds for home and medical facilities.   | Closed    | Durable Medical Equipment      |
| 4/16/2024 | Acts Documentation Management   | Suzanne Mattson                                 | Operator of transcription and document delivery system based in South Point, OH.   | Closed    | Digital Health, IT, & Software |
| 4/16/2024 | Bluenovo  | Medicus IT, Plexus Capital, LLC                 | Provider of healthcare information technology consulting services catering to community-based healthcare organizations.  | Closed    | HCIT - Consulting              |
| 4/15/2024 | Jeffrey C. Sklarin, DDS   | Dental365, The Jordan Company                   | Provider of dentistry services catering to the local community in NJ.  | Closed    | Dentistry                      |
| 4/15/2024 | Affordacare Urgent Care   | Xpress Wellness, Latticework Capital Management | Provider of urgent care clinical services in TX.   | Announced | Urgent Care                    |

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

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