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Weekly Newsletter

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AMB | Investment Banking

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Market Updates

[Elevated medical costs continued to drag insurers in Q1 2025](#)

Each of the six major national insurers turned a profit in the first quarter of 2025, though financial pressures related to government programs—particularly Medicare Advantage (MA)—once again reared their ugly heads. As it so often does, UnitedHealth Group set the tone for the industry with a rare miss, falling short of Wall Street analysts' predictions on both earnings and revenue. The company's top brass called the performance "unacceptable," attributing the struggles to challenges in MA. Elevated utilization and reimbursement changes dinged both its health insurance division and its Optum Health segment, one of its key growth engines.

[The price of tech overhauls at health systems](#)

As hospitals and health systems modernize their IT infrastructure, the cost of these overhauls is climbing into the millions — and in some cases, billions. At Columbus-based OhioHealth, a \$29.1 million transition aimed at modernizing IT across the organization is already underway. New Hyde Park, N.Y.-based Northwell Health is also undertaking one of the largest health IT transformations in its history — a \$1.2 billion initiative to bring the entire health system onto a single instance of Epic's electronic health record platform.

[U.S. physician burnout rates drop yet remain worryingly high](#)

In late 2023 and early 2024, significantly fewer U.S. physicians reported symptoms of job burnout than they did a few years earlier. The not-so-good news: Their burnout rates remain stubbornly high compared with those of other American workers. "It's concerning because we know... that objective turnover increases and that physicians are more likely to reduce their clinical work hours when burnout is higher," said Tait Shanafelt, MD, chief wellness officer at Stanford Medicine.

Healthcare Operators

[Northwell, Nuvance's 28-hospital merger crosses the finish line](#)

As expected, Northwell Health and Nuvance Health have consummated their 28-hospital merger. The resulting nonprofit juggernaut delivers care to more than 13 million people in New York and Connecticut by way of a \$22.6 billion operating budget. It employs more than 104,000 people, and alongside the hospitals runs over 1,050 ambulatory care sites, 73 urgent care locations and three medical research and education organizations. "Today marks a commitment to the future of health care in the region. This partnership opens a new and exciting chapter for Northwell Health and Nuvance Health to take patient care and services to an even higher level."

[Omada Health files for IPO](#)

Omada Health filed this past Friday for a proposed initial public offering. The digital health company sells its chronic condition management, hypertension, diabetes and musculoskeletal programs to employers, pharmacy benefit managers, health systems and health plans that then give access to individual users. It also offers a companion service for patients who take glucagon-like peptide-1 agonist weight loss drugs.

[Tennessee system in talks to acquire 96-bed Mississippi hospital](#)

OCH Regional Medical Center, a 96-bed facility in Starkville, Mississippi, is in discussions to sell to Memphis, Tennessee based Baptist Memorial Health Care, following a vote by the Oktibbeha County Board of Supervisors on May 5th to designate Baptist as the preferred partner. While a formal agreement is expected to be signed on or around July 31st, the sale is not yet finalized, pending further due diligence and legal review, according to a statement from OCH.

Healthcare Legislative and Legal Updates

[CMS and NIH launch autism research project using Medicare and Medicaid data](#)

Federal health agencies will create a database of autism patients enrolled in Medicare and Medicaid that researchers will use to study the causes of autism spectrum disorder, U.S. HHS Secretary Robert F. Kennedy Jr said this past Wednesday. The new platform will first focus on research around the root causes of autism, and, in the long term, link data for research on other chronic conditions. The project is part of a wider \$50 million research effort to identify the causes of autism, a neurological and developmental condition marked by disruptions in brain-signaling that cause people to behave, communicate, interact, and learn in atypical ways.

[Medicare, Medicaid may cover digital therapeutics under new bill](#)

ATA Action, the advocacy arm of the American Telemedicine Association, is supporting a new bipartisan bill that could bring FDA-authorized prescription digital therapeutics (PDTs) under Medicare and Medicaid coverage. The Access to Prescription Digital Therapeutics Act would require the Centers for Medicare & Medicaid Services (CMS) to establish payment models and assign product-specific codes, enabling reimbursement and access for millions of Americans with chronic and complex conditions.

[CMS hints at possible cost-sharing reduction payments for insurers, impacting ACA enrollment](#)

States and health insurers received new guidance from the Centers for Medicare & Medicaid Services May 2nd on how to prepare should Congress fund cost-sharing reduction payments or extend the Affordable Care Act premium tax credit subsidies. One notice suggests Congress could choose to appropriate funds toward CSR payments, which would be a reversal from President Donald Trump's decision to defund CSRs in 2017.

Transactions Overview

M&A Transactions from 5/5/2025 to 5/11/2025

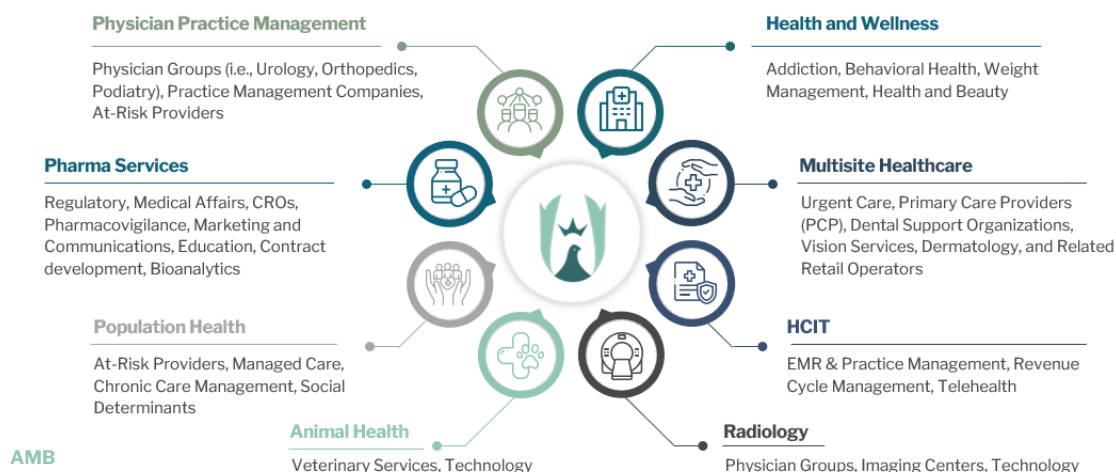
Date	Target	Buyer/Investor	Description	Status	Healthcare Vertical
5/9/2025	Workplace Options	Telus (TSE: T)	Provider of employee well-being services for businesses and institutions.	Closed	Employer Services
5/8/2025	HeartCert	Safe Life	Provider of CPR and healthcare safety training services.	Closed	Healthcare Staffing & Education
5/8/2025	Regents Dental Group	Straine Dental Management, Chatham Capital	Provider of dental services using advanced technology in CA.	Closed	Dentistry
5/7/2025	Core Anesthesia	Archer Review, Leeds Equity Partners	Provider of healthcare education services for clinical training.	Closed	Healthcare Staffing & Education
5/7/2025	Fabric Genomics	GeneDx Holding (NAS: WGS)	Developer of a genome interpretation platform for lab diagnostics.	Closed	Clinical Diagnostics
5/7/2025	Nimble Works	Supreme Optimization, Balance Point Capital, Trinity Hunt Partners	Provider of communication services for healthcare innovators.	Closed	HCIT
5/7/2025	Nuvance Health	Northwell Health	Provider of hospital and outpatient services in Danbury, CT.	Closed	Health System
5/7/2025	Suzanne Yee	Olympus Aesthetics Group, VSS Capital Partners	Provider of plastic surgery services in Little Rock, AR.	Closed	Med Spa
5/6/2025	Mahana	Mindset Health	Developer of a digital therapeutics platform for chronic conditions.	Closed	HCIT - Behavioral
5/6/2025	Pinnacles Peds Care	Pediatrica, M33 Growth	Provider of pediatric care services in Palm Coast, FL.	Closed	Pediatrics
5/5/2025	American River Nutrition	Everwell Health, RoundTable Healthcare Partners	Manufacturer of annatto-based dietary ingredients for health support.	Closed	Wellness / Weight Loss
5/5/2025	Behavior Frontiers	NexPhase Capital	Operator of ABA treatment centers for autism and special needs.	Closed	Behavioral - ABA
5/5/2025	Och Regional Medical Center	Baptist Memorial Health Care	Operator of clinics and facilities in Starkville, MS.	Announced	Hospital
5/9/2025	Workplace Options	Telus (TSE: T)	Provider of employee well-being services for businesses and institutions.	Closed	Employer 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

New sector insights each month

For our recent sector insights, click below

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