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Weekly Newsletter

July 6th, 2026

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Market Updates

[Medicare slashes 340B payments, broadens site-neutral policies in proposed 2027 payment rule]

The CMS proposed a rule on Thursday that would slash Medicare payment rates for a program that hospitals use to buy discounted drugs and implement site-neutral payments for some imaging services next year. Reforming the 340B drug discount program and better equalizing payments between sites of care have been priorities in the second Trump administration. Medicare officials said the proposed rule would control costs and ensure Medicare money is directed toward "clinically appropriate" care. Provider groups decried the proposed changes, arguing they would disadvantage safety-net providers that receive steep discounts under 340B.

How health systems are preparing for Medicare's GLP-1 Bridge program

Starting July 1, eligible Medicare beneficiaries can access GLP-1 medications at a $50 monthly copay through a new federal bridge program - marking the first time Medicare has covered weight-loss drugs. Health systems are racing to manage a new prior authorization pathway and educate staff ahead of expected "single-digit millions" in participants, while a looming coverage cliff at year-end 2027 raises concerns about long-term patient access.

3 in 10 adults turn to AI or social media for health advice, citing difficulties accessing and affording care

Roughly three in ten adults self-reported turning to social media (31%) or AI chatbots (29%) at least monthly for health information and advice. KFF's polling on AI and social media usage in 2026 is part of the organization's broader goal to track misinformation in the U.S. healthcare system and analyze its impact on patients. These polls, which took place in March 2026 and May 2026, respectively, demonstrate individuals' desire for quick information that may lack the accuracy of clinical care, KFF researchers noted.

Healthcare Operators

Allegheny Health Network, Heritage Valley finalize combination in Pennsylvania

The combination of AHN - part of the $32 billion healthcare giant Highmark Health, which also operates insurance and health technology divisions - and Heritage Valley, a two-hospital system servicing Pennsylvania's western edge, was first announced in October. The deal faced brief opposition from state regulators. Pennsylvania Attorney General Dave Sunday sued to block the merger in late June, arguing it would "substantially lessen or eliminate competition" in acute care hospital and radiation oncology services in Beaver and Allegheny Counties, leading to higher prices for patients and payers.

Cathay Capital invests in Ascendia Autism Care to expand access to evidence-based ABA therapy

Cathay Capital launched Ascendia Autism Care on June 30, a new ABA therapy platform beginning operations with 20 centers across eight states and a clinical team of 400+, backed with growth capital for de novo expansion across all existing markets within 24 months. The launch reflects continued investor appetite for behavioral health platforms targeting autism care, where one in 31 U.S. children has been identified with autism spectrum disorder and demand for services significantly outpaces supply.

Evernorth is investing $100 million in new AI capabilities for specialty pharmacy

The AI program called Pharmacy Forward is expected to generate approximately $400 million in value by the end of 2028, according to Evernorth. The program will launch first with Accredo Specialty Pharmacy, which serves more than 1 million patients with chronic and complex specialty conditions each year through Therapeutic Resource Centers. Evernorth said it expects to extend many of these capabilities to its other pharmacies' operations in the coming years.

Healthcare Legislative and Legal Updates

25 states sue Trump admin over Medicaid work requirements

Democratic governors and attorneys general from 25 states and Washington D.C. filed a 74-page lawsuit June 29 challenging CMS's interim final rule implementing Medicaid work requirements under HR 1, arguing the rule unlawfully narrows exemptions for medically frail beneficiaries and imposes barriers that will cause eligible individuals to lose coverage. With member notices required by August 31 and full implementation set for January 1, 2027, the litigation could significantly delay or reshape how work requirements take effect nationwide.

Trump administration withholds funds from New York's Medicaid fraud unit

As part of its efforts to crack down on fraud in Medicaid, the Trump administration revealed that it will suspend funding for New York's state Medicaid Fraud Control Unit. In a letter (PDF) to Attorney General Letitia James and Amy Held, director of the state's MFCU, the Department of Health and Human Services Office of the Inspector General says that New York's fraud unit "was the poorest performing unit by a wide margin" between 2023 and 2025, when compared to others of similar size.

Court dismisses PBMs' lawsuit against FTC following insulin settlements

The FTC sued Express Scripts, Caremark and Optum Rx in late 2024, arguing that the drug middlemen prefer more expensive insulin products because they result in higher rebates from pharmaceutical companies. Pharmaceutical companies are incentivized to hike prices for insulin as a result, antitrust regulators said. The PBMs - which hold oligopolistic control over the U.S. drug market, jointly controlling 80% of all the country's prescriptions - vehemently denied the allegations, and quickly countersued.

Transactions Overview

Select M&A Transactions from 06/29/2026 to 07/5/2026

Date	Target	Buyer/Investor	Description	Status	Healthcare Vertical
07/03/2026	Carolina Dental Docs	Lone Peak Dental Group	Provider of pediatric dental services intended to improve oral health for children and adolescents.	Closed	HS: Dentistry
07/01/2026	Bryn Mawr Pediatrics	Advocare	Provider of pediatric medical services intended to promote the health of children and young adults.	Closed	HS: Pediatrics
07/01/2026	Oral Surgery Associates of the Main Line	MAX Surgical Specialty Management	Provider of oral surgery services intended to treat dental and facial conditions.	Closed	HS: Dentistry
07/01/2026	Naveris	CareDx (NAS: CDNA)	Developer of a blood test technology designed to detect specific subtypes of cancer and improve patient outcomes.	Closed	HS: Lab
06/30/2026	Brighter Days Care	Nobilis Care South	Provider of home care services intended to enable individuals to enhance their quality of life and embrace independence in their own homes.	Closed	HS: PAC - Home Health
06/29/2026	Banner Lassen Medical Center	Quorum Health	Provider of healthcare services based in Susanville, California.	Announced	HS: Primary 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:

Physician Practice Management
Physician Groups (i.e., Urology, Orthopedics, Podiatry), Practice Management Companies, At-Risk Providers

Health and Wellness
Addiction, Behavioral Health, Weight Management, Health and Beauty

Pharma Services
Regulatory, Medical Affairs, CROs, Pharmacovigilance, Marketing and Communications, Education, Contract development, Bioanalytics

Multisite Healthcare
Urgent Care, Primary Care Providers (PCP), Dental Support Organizations, Vision Services, Dermatology, and Related Retail Operators

Population Health
At-Risk Providers, Managed Care, Chronic Care Management, Social Determinants

HCIT
EMR & Practice Management, Revenue Cycle Management, Telehealth

Animal Health
Veterinary Services, Technology

Radiology
Physician Groups, Imaging Centers, Technology

Research

New sector insights each month

For our recent sector insights, click below

Learn More

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