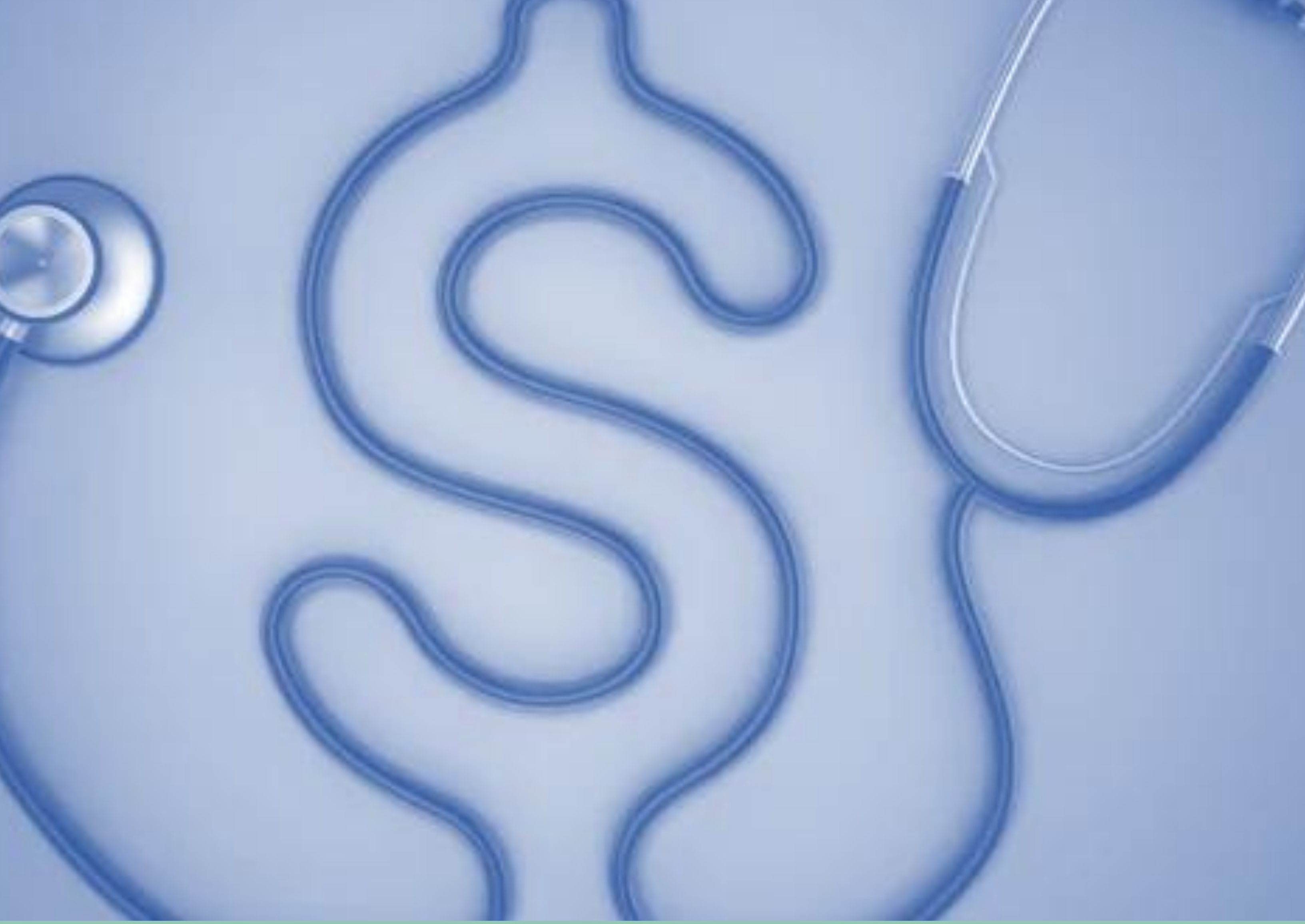

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Weekly Newsletter

September 8th, 2026

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Market Updates

Medicaid losses leave more patients paying cash, Epic finds

A new Epic Research analysis of more than 550 million healthcare encounters finds that the share of emergency department visits paid in cash rose from 5.5% in 2022 to 7.6% in the second quarter of this year. Over the same period, Medicaid encounters in the ED fell from 18.2% to 16.1%, reflecting coverage losses following the end of pandemic-era continuous enrollment protections. Self-pay increases were also seen across inpatient admissions, births and primary care, while Medicaid encounters declined across those settings as well. Researchers expect the trend to continue as additional Medicaid cuts from last year's reconciliation bill take effect.

The nonclinical behavioral health role tied to a 43% reduction in inpatient services

Health systems are increasingly using peer support specialists, people with lived experience of a psychiatric condition, in psychiatric emergency units and primary care. A January American Hospital Association brief linked the role to a 43% average drop in inpatient services and a 30% rise in outpatient visits. Nearly all state Medicaid programs reimburse for these services, and CMS has created billing codes for peer-delivered navigation care.

HHS announces $77 million in grants for substance use prevention and treatment

The U.S. Department of Health and Human Services (HHS) awarded $77 million in grants Monday geared toward strengthening substance use prevention and treatment and community mental health. The grants were funded through HHS' Substance Abuse and Mental Health Services Administration (SAMHSA). Initiatives supported by the grants include those to strengthen substance use prevention, treatment and recovery, community mental health, suicide prevention and crisis services.

Healthcare Operators

Adena Health acquires Fairfield Medical Center after antitrust scrutiny

Adena Health has completed its acquisition of Fairfield Medical Center, months after regulators scrutinized Fairfield's earlier planned merger with OhioHealth. The FTC said that deal was abandoned after an investigation found it would violate antitrust guidelines and harm the cost and quality of care in the region. Regulators had also sued OhioHealth in February over allegedly anticompetitive insurer contracts, then encouraged Fairfield to seek other buyers, which led to its deal with Adena. FTC officials called the outcome a model for how struggling hospitals should be acquired.

HCA sells Virginia behavioral health hospital

HCA Healthcare has sold Dominion Hospital, a Falls Church, Va. behavioral health facility, to Hill Valley Healthcare for $25 million. Dominion serves children, adolescents and adults with inpatient and outpatient programs, including eating disorder and trauma care. The deal deepens Hill Valley's push into behavioral health beyond its core skilled nursing and senior living business. HCA will retain 430 behavioral health beds and 19 outpatient programs across Virginia.

Vitality acquires digital health engagement company Icario

UK-based Vitality has acquired digital health engagement company Icario to expand its offerings for health payers and grow its U.S. presence. Icario provides payers a member engagement platform using data, behavioral science and incentives, including health risk assessments and care gap closure tools. The combined company will serve 19 million members across about 30% of U.S. health plans, including eight of the ten largest.

Healthcare Legislative and Legal Updates

DOJ steps up crackdown on Medicare Advantage upcoding

The Justice Department's scrutiny of Medicare Advantage risk adjustment is intensifying, with two recent settlements totaling nearly $1.1 billion over improper diagnosis coding. The Villages Health System agreed to pay $541.5 million in August, following Kaiser Permanente's $556 million settlement in January. Both cases involved diagnoses allegedly added to patient records well after visits, without support from the original encounter. The Villages Health case followed its Chapter 11 filing and acquisition by Humana's CenterWell.

Hospital groups rail against CMS' proposed 340B changes, site-neutral payments

Major hospital groups, including the AHA, AAMC and America's Essential Hospitals, told CMS in public comments that its proposed 2027 outpatient payment rule contains 340B drug reimbursement cuts that are unlawful. The groups argued CMS relied on a flawed survey to justify cutting 340B drug payments from 6% above average sales price to 33.4% below it. They also opposed proposed site-neutral cuts to off-campus imaging services.

DaVita agrees to pay $15M to settle claims from data breach

DaVita has agreed to pay $15 million to settle a proposed class action lawsuit stemming from a ransomware attack last year that exposed data on approximately 2.7 million people. The breach, carried out by the cybercriminal group Interlock, potentially exposed names, Social Security numbers, health insurance information and dialysis lab results. A Colorado judge has signed off on the preliminary settlement, with a final approval hearing scheduled for next year.

Transactions Overview

Select M&A Transactions from 08/31/2026 to 09/06/2026

Date	Target	Buyer/Investor	Description	Status	Healthcare Vertical
9/3/2026	Icario	Vitality	Provider of a member-engagement platform for health plans.	Closed	Digital Health
9/3/2026	Santiam Hospital & Clinics	Salem Health Hospitals and Clinics	Operator of a 40-bed nonprofit hospital and 13 affiliated clinics.	Closed	Health System
9/3/2026	Radiographic Testing Services	West Physics Consulting	Provider of nuclear medicine and radiology consulting services.	Announced	HS: Imaging
9/3/2026	Dominion Hospital	Hill Valley Healthcare	Operator of a freestanding behavioral health hospital.	Closed	HS: Behavioral - Psych
9/2/2026	Stephens County Hospital	Wellstar Health System	Operator of a 96-bed rural Georgia hospital.	Announced	Health System
9/2/2026	Selectis Health	Black Pearl Equities	Operator of senior housing and skilled nursing facilities.	Closed	HS: PAC - Skilled Nursing (SNF)
9/2/2026	Reimagine Care	Cureety	Provider of AI-enabled virtual oncology care and round-the-clock triage support.	Closed	HCIT: Population Health / VBC Enablement
9/2/2026	32 skilled nursing facilities (FL)	PACS Group	Operator of skilled nursing facilities totaling more than 4,000 licensed beds.	Announced	HS: PAC - Skilled Nursing (SNF)
9/1/2026	Aidin	LeanTaaS	Provider of a care-transition platform coordinating discharge and referral workflows.	Closed	HCIT: Provider Focused Solutions
9/1/2026	Fairfield Medical Center	Adena Health	Operator of a hospital providing urgent care, imaging, and lab services.	Closed	Health System
9/1/2026	MatrixCare	Frazier Healthcare Partners	Provider of EHR and RCM software for post-acute care.	Closed	HCIT: RCM
8/31/2026	Christian Care House Calls	Bloom Healthcare	Provider of in-home primary care for seniors.	Closed	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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