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Investment Banking Weekly Newsletter

Market Updates

[A fourth of U.S. health visits now delivered by non-physicians](#)

The proportion of health care visits delivered by nurse practitioners and physician assistants in the U.S. is increasing rapidly and now accounts for a quarter of all health care visits. The analysis, led by researchers from the Department of Health Care Policy in the Blavatnik Institute at Harvard Medical School, highlights the rising importance of this rapidly growing segment of the U.S. health care system. The research is the first nationally representative study of the share of health care delivered by nurse practitioners and physician assistants, collectively known as advanced practice providers. It is also the first study to look at care delivered across different clinical conditions.

[Wage growth levels off as job openings remain high for U.S. nonprofit hospitals](#)

Payroll growth is slowing for U.S. not-for-profit hospitals with no near-term relief in sight for high labor inflation, according to Fitch Ratings' latest labor dashboard. Average hourly earnings wage growth for hospital and ambulatory healthcare employees remains well below recent highs as of April 2023. This sign that labor inflationary pressures are easing is positive, but wage growth for hospitals is still well above pre-pandemic averages. Healthcare and social assistance job declined somewhat in April 2023, but job openings and quits rates are still high.

[Nearly 60% of ground ambulance rides were out of network in 2022](#)

There was a slight decrease in out-of-network transports in 2022: Out-of-network rides made up 63.7% of all ground ambulance claim lines in 2018 compared to 59.4% in 2022. In addition, individuals aged 65 and older experienced higher rates of ground ambulance rides resulting in inpatient admission than any other age group in the period 2018-2022; 52.0% of male patients and 47.9% of female patients in that age group were admitted to a hospital after ground ambulance transport.

Healthcare Operators

[Ascension wraps the year with \\$2.7 billion loss thanks to higher expenses, one-time impairment loss](#)

Ascension closed out its 2023 fiscal year with a \$2.7 billion net loss, according to financial disclosures for the period ended June 30. The St. Louis-based nonprofit health system's tough year, which ended June 30, came from a combination of high expenses, "sustained revenue challenges" and a one-time non-cash impairment loss of almost \$1.5 billion, management wrote in the filing. Ascension's operating loss for the year came in at \$3.0 billion, or \$1.6 billion without the impairment losses.

[65,000 Kaiser Permanente workers vote to authorize strike](#)

Approximately 65,000 Kaiser Permanente healthcare workers have thus far voted to authorize a strike if union representatives and the nonprofit health system cannot successfully negotiate new contract terms for Kaiser workers by Sept. 30. The workers are part of a coalition of 85,000 employees, consisting of twelve Kaiser unions, collectively called the Coalition of Kaiser Permanente Unions. Coalition unions began voting to authorize a strike in late August after union representatives said contract negotiations with the health system had stalled.

[Mayo Clinic and GE HealthCare enter strategic collaboration to advance innovation in medical imaging and theranostics](#)

Mayo Clinic and GE HealthCare announce a strategic healthcare collaboration for research and product development programs aimed to transform the experience of patients and clinicians in the practice of radiology and the delivery of novel therapies. The collaboration seeks to better equip clinicians with technology to precisely diagnose and treat medical conditions and personalize the patient experience at each step of their care journey through the clinical translation of novel technologies and approaches to medical imaging and theranostics.

Healthcare Legislative and Legal Updates

[Health subcommittee members at odds over drafted drug shortage legislation](#)

The U.S. Food and Drug Administration said that shortages are impacting patients in need of critical drugs such as chemotherapeutics, but while the House Subcommittee on Health acknowledges it's a nuanced problem to solve, they disagree on the best ways to tackle the issue. Drug shortages cost hospitals \$559 million each year in labor costs and face significant supply chain disruptions. These shortages primarily affect low-cost generics, comprising 90% of retail prescriptions and two-thirds of shortages.

[CDC endorses new COVID boosters as focus turns to rollout](#)

Advisers to the Centers for Disease Control and Prevention gave a green light to the new COVID-19 boosters that were approved, recommending individuals as young as 6 months of age receive the updated shot. The committee voted 13-1 to endorse the vaccines from drugmakers Moderna and partners Pfizer and BioNTech. Hours later, CDC director Mandy Cohen signed off on their recommendation, clearing the way for the shots to become available to the public within the next day or two.

[Bipartisan measure aims to protect hospital workers from violence](#)

Under the legislation, dubbed the Safety from Violence for Healthcare Employees (SAVE) Act, anyone attacking or intimidating hospital workers could face tougher penalties from law enforcement. For the first time, hospital employees would gain additional federal protections, similar to the protections for airline employees. Lawmakers say the bill contains safeguards for individuals who are mentally incapacitated or suffering from substance use.

Transactions Overview

M&A Transactions from 9/11/2023 to 9/17/2023

| Date | Target | Buyer/Investor | Description | Status | Healthcare Vertical |
|-----------|----------------------------------|--------------------------------------|--|--------|--------------------------------|
| 9/15/2023 | Valley Clinical Trials | Flourish Research | Operator of clinical research site committed to patients and biopharma sponsors. | Closed | Labs |
| 9/13/2023 | Daytona Heart Group | Cardiovascular Associates of America | Provider of cardiology care Daytona Beach, Florida. | Closed | Cardiology |
| 9/13/2023 | Sesh | Caraway | Developer of a mental healthcare application designed to provide access to therapist-led group support. | Closed | Behavioral Health |
| 9/13/2023 | Southeast Houston Cardiology | Clear Lake Specialties, Pa. | Operator of inpatient and outpatient services intended to serve patients with heart disease. | Closed | Cardiology |
| 9/13/2023 | UF Health St. Johns | UFHealth | Operator of a three-thirty-five-bed hospital intended to advance the physical, social and economic health of the communities. | Closed | Health System |
| 9/12/2023 | CuraPatient | Access Bio | Developer of a precision population health platform designed to redefine healthcare operations. | Closed | Digital Health, IT, & Software |
| 9/11/2023 | Inspire Care of Central New York | Together in Caring | Provider of care management and home-based therapy services committed to deliver elderly independence and family peace of mind. | Closed | Home Health & Hospice |
| 9/11/2023 | NexTech | TPG | Developer of electronic medical record and practice management software committed to improving the performance of specialty practices. | Closed | Digital Health, IT, & Software |
| 9/11/2023 | SHE Health | Backpack Healthcare | Developer of a health and well-being management platform intended for female identifying adolescents and young adults. | Closed | Behavioral Health |
| 9/11/2023 | Sunrise Dermatology | Aqua Dermatology | Operator of a full-service dermatology practice specializing in medical, surgical and cosmetic dermatology. | Closed | Dermatology |
| 9/11/2023 | Technical Prospects | DirectMed Parts & Service | Supplier of aftermarket parts, training and service to medical imaging equipment with a focus on Siemens equipment. | Closed | Medical Devices |

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

New sector insights each month

For our recent sector insights, click below

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