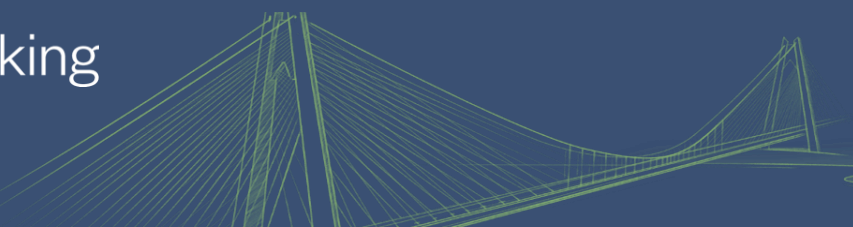




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INVESTMENT
BANKING

Weekly Newsletter: September 23rd, 2024



Market Updates

[Combating healthcare burnout while enhancing patient care](#)

Bill Charnetski, EVP, Health System Solutions and Government Affairs, discussed the pressing issue of healthcare worker burnout and its impact on patient care and operational efficiency. Clinician burnout has been identified as a top area of concern, leading to staffing shortages and diminished quality of care. Addressing this issue involves not just recruiting new staff but also improving job satisfaction for current employees through better technology and streamlined administrative processes. Health information technology can alleviate burnout by reducing manual errors and paperwork, allowing staff to focus more on patient care.

[Hospitals desire a digitalized revenue cycle, but challenges persist](#)

Hospital revenue cycle management has been a testing ground for automation and artificial intelligence in healthcare. Many organizations identified strong potential for a more efficient revenue cycle process boosted by technology, especially as margins tightened in the last few years and the administrative burden to process claims soared. But is everyone excited about the digital transformation?

[Telehealth providers at a crossroads: Navigating insurance, compliance and cash-only models amid state regulations](#)

Providers using telehealth face an evolving landscape, and they must balance complexities around insurance, regulatory compliance and data privacy, argues one legal expert. As patient care via telehealth continues to grow, providers face critical decisions on whether to align with insurance plans, and therefore meet the stringent requirements under HIPAA, or to operate on a cash-only basis and navigate complex state-by-state data privacy laws.

Healthcare Operators

[UHS sells 80-bed hospital to Texas system](#)

San Angelo, Tx-based Shannon Medical Center has acquired River Crest Hospital from King of Prussia, Pa.-based Universal Health Services. River Crest is an 80-bed facility that provides behavioral health and substance use disorder programs for children, adults and military members. Shannon has a 22-bed regional inpatient psychiatric facility that provides behavioral health services for adults and seniors. Both facilities offer outpatient behavioral health programs. Shannon aims to expand behavioral health services through facility upgrades, services, technology and equipment as well as additional behavioral health employees and providers.

[Nvidia's venture arm backs \\$17M investment in Hippocratic AI to build out generative AI healthcare agents](#)

Three months ago, startup Hippocratic AI released its first commercial product, a generative AI-based, task-specific healthcare agent. It also unveiled a collaboration with Nvidia in March to develop large language models for healthcare. The AI chipmaker has now progressed from being a partner to an investor. Nvidia's venture capital arm, NVentures, along with Greycroft and Lee Shapiro of 7Wire Ventures, backed a \$17 million investment as an add-on to Hippocratic AI's recently closed extended series A round.

[CHS subsidiary to acquire 10 urgent care centers](#)

Community Health Systems' Northwest Urgent Care has signed a definitive agreement to purchase 10 Arizona urgent care centers from Carbon Health for an undisclosed price, according to a press release this past week. The acquisition, which is expected to close in the fourth quarter, will grow CHS' integrated health network to more than 80 care sites in the Tucson, Arizona region, according to CHS.

Healthcare Legislative and Legal Updates

[Walgreens to pay \\$106.8 million over alleged fraudulent healthcare billings](#)

Walgreens Boots Alliance has agreed to pay a combined \$106.8 million to the federal government and states for submitting claims to federal healthcare programs for prescriptions it never dispensed. The Justice Department alleged that Walgreens violated the False Claims Act and state statutes between 2009 to 2020. During that period, the healthcare company billed Medicare, Medicaid and other federal healthcare programs for prescriptions that it processed but that were never picked up. As a result, Walgreens received tens of millions of dollars for prescriptions that weren't actually provided to healthcare beneficiaries, the DOJ said.

[Lawmakers pitch bill to improve No Surprises Act enforcement](#)

A group of House lawmakers have introduced a bill aimed at strengthening the enforcement of the No Surprises Act. "In 2020, the bipartisan No Surprises Act was signed into law to put an end to surprise medical billing once and for all," Dr. Murphy said in the release. "Unfortunately, its implementation has been rife with unnecessary challenges. This legislation will reinforce the intent of the law and ensure the bipartisan process Congress established to protect patients from financial harm is effectuated."

[FTC formally sues PBMs over insulin prices and warns manufacturers](#)

The Federal Trade Commission is suing the titans of the pharmacy benefit manager industry for anticompetitive practices and artificially raising the price of insulin drug prices, the agency announced Friday. The complaint alleges that Optum Rx, Express Scripts and Caremark—all vertically integrated with UnitedHealth Group, Cigna and CVS Health, respectively—caused patients to pay more for life-saving drugs and engaging in "rigging pharmaceutical supply chain competition in their favor."

Transactions Overview

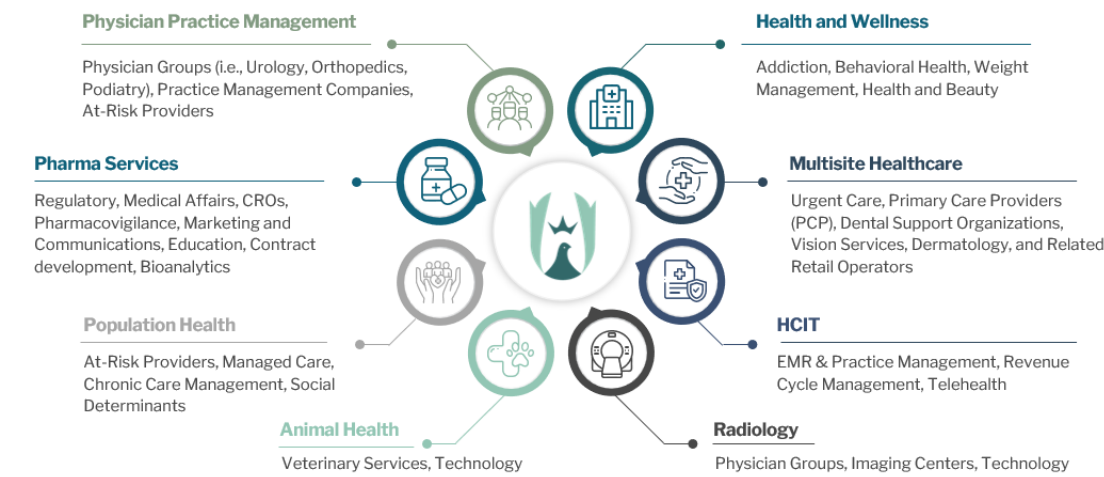
M&A Transactions from 9/16/2024 to 9/22/2024

Date	Target	Buyer/Investor	Description	Status	Healthcare Vertical
9/16/2024	Behavior Science Technology	CentralReach, Insight Partners	Developer of healthcare Software-as-a-service (SaaS) platform.	Closed	Digital Health, IT, & Software
9/16/2024	Level Ex	Relevate Health Group	Provider of life science services based in Chicago, IL.	Closed	Life Sciences
9/16/2024	RxLive	Scriptology	Provider of online concierge telehealth services.	Closed	Telehealth
9/17/2024	Big South Fork Medical Center	FOXO Technologies (NYSE: FOXO)	Operator of a medical center hospital based in Oneida, TN.	Closed	Hospital
9/17/2024	Care.ai	Stryker (NYSE: SYK)	Developer of a sensor-based technology designed to detect and evaluate a range of patient behaviors.	Closed	Digital Health, IT, & Software
9/17/2024	HUSK	Volaris Group	Provider of integrated fitness services intended to enhance wellness offerings for corporations and insurers.	Closed	Wellness / Weight Loss
9/17/2024	KA Consulting Services	Panacea Healthcare Solutions	Provider of consulting services intended to enhance operational efficiency in healthcare organizations.	Closed	HCIT - Consulting
9/17/2024	Nanomatronix	Aluf Holdings, Inc. (OTCM: AHIX)	Operator of an engineering platform intended to focus on biotechnology, microelectronics, and nanotechnology.	Announced	Digital Health, IT, & Software
9/17/2024	SubPop Health	MedeAnalytics, JLL Partners	Developer of a fiduciary procurement marketplace intended for employer healthcare benefits.	Closed	Digital Health, IT, & Software

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

New sector insights each month
For our recent sector insights, click below

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