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INVESTMENT  
BANKING

Weekly Newsletter: September 30<sup>th</sup>, 2024

## Market Updates

### [Healthcare organizations are having to pay millions to solve ransomware attacks](#)

Healthcare organizations continue to be attractive targets for ransomware criminals, and these attacks are not only becoming more frequent, but also more expensive, with the average costing \$2.57 million to recover from - a rise from \$2.2 million the previous year, new research has claimed. A report from Sophos found over two-thirds (67%) said they had been victims of a ransomware attack in 2024, up from 60% in 2023. The complexity and sophistication of attacks is growing too, as 80% of organizations took over a week to recover, considerably more than the 46% reported in 2022.

### [Provider surveys, vendor benchmarking data underscore rising claims denial rates](#)

Hospital revenue cycle management has been a testing ground for automation and artificial intelligence in healthcare. Many recent survey and system data are again suggesting that payers' increasing claims denials are a pain point for healthcare providers. Nearly three-quarters of the 210 provider revenue cycle leaders surveyed by Experian Health this summer said claim denials are increasing, as opposed to 42% from the revenue cycle technology company's last survey in 2022.

### [Michigan Medicine breach affects 57,891 individuals](#)

A cyberattack on an employee email account at Ann Arbor-based Michigan Medicine has impacted 57,891 individuals. The breach occurred after an employee accepted an unsolicited multi-factor authentication prompt, allowing hackers to access their email and its contents. According to Michigan Medicine, several emails and attachments within the compromised account contained identifiable patient information, including names, medical record numbers and details of diagnoses and treatments.

## Healthcare Operators

### [Meridian partners with Mae to improve maternal outcomes and reduce disparities across Michigan](#)

Meridian, a leading managed care organization in the state of Michigan and a Centene Corporation company (NYSE: CNC), has partnered with Mae, a culturally responsive digital solution built to address the specific clinical, social and cultural needs of underserved expectant mothers, to provide supplementary support for the maternal health needs of all eligible pregnant and postpartum members. Mae will connect Meridian's Medicaid members with its growing network of over 50 Michigan-based doulas for virtual and in-person emotional support, labor education, advocacy, lactation support and postpartum management.

### [Healthcare firm Guardian Pharmacy raises \\$112 million in US IPO](#)

Guardian Pharmacy, which provides pharmacy services to long-term healthcare facilities, raised \$112 million in its U.S. initial public offering on Wednesday, valuing the company at about \$852 million. The Atlanta, Georgia-based firm priced its offering of 8 million shares of Class A common stock at \$14 a piece, the low-end of its targeted range of \$14 to \$16 each. The U.S. market for IPOs is seeing a recovery in investor appetite, boosted by expectations of monetary policy easing by Fed and market optimism for a soft landing.

### [Pomelo Care acquires The Doula Network](#)

Pomelo Care, the national leader in evidence-based maternity care, announced the acquisition of The Doula Network, the largest network of credentialed, in-network doulas in the United States. The acquisition follows Pomelo's recent \$46 million Series B raise and the release of peer-reviewed data showing improvement in clinical outcomes via its personalized, proactive care model. With this acquisition, Pomelo grows its covered lives to over 15 million, including over 1 in 6 Medicaid beneficiaries nationally.

## Healthcare Legislative and Legal Updates

### [Startup Particle Health files antitrust lawsuit against Epic alleging it uses monopoly power to block competition](#)

What began as a dispute between two health tech companies over healthcare data exchange practices has now led to a federal lawsuit alleging antitrust violations. Venture-backed health tech company Particle Health filed an antitrust lawsuit against Epic in the Southern District of New York alleging that the electronic health records (EHR) giant is trying to muscle out competition. The 81-page lawsuit, alleges Epic engaged in monopolistic, anti-competitive practices, using its "power over EHRs to expand its dominance into the fledgling market for payer platforms."

### [Senators introduce cybersecurity bill with standards for hospitals](#)

Two U.S. senators introduced a bill that would create minimum cybersecurity standards for hospitals and require them to undergo "stress tests." The Health Infrastructure Security and Accountability Act would require HHS to develop the standards for providers, payers and clearinghouses and provide \$800 million in funding for safety-net hospitals and \$500 million for all hospitals to improve their cybersecurity.

### [Massachusetts sets precedent with new law strengthening care for older residents and adults with disabilities](#)

Older residents in Massachusetts have been provided a legislative safety net with the recent signing of An Act to improve quality and oversight of long-term care, by Governor Maura Healey. Earlier this month, officials, including Lieutenant Governor Kim Driscoll and leaders from both the House and Senate, celebrated the bill that aims to enhance the standard of care for the older population, particularly emphasizing improved oversight at long-term care (LTC) and assisted living facilities.

# Transactions Overview

## M&A Transactions from 9/23/2024 to 9/29/2024

| Date      | Target              | Buyer/Investor                                    | Description   | Status    | Healthcare Vertical            |
|-----------|---------------------|---|---|-----------|--------------------------------|
| 9/23/2024 | Lakeview Health     | Bradford Health Services, Lee Equity Partners LLC | Operator of drug and alcohol rehabilitation center located in Jacksonville, FL.   | Closed    | Behavioral Health              |
| 9/23/2024 | Morgan Scientific   | Vitalograph                                       | Developer of a pulmonary function testing software designed for clinical testing and integrated health information management.                              | Closed    | Digital Health, IT, & Software |
| 9/24/2024 | Arrowlytics         | MontecitoPLUS                                     | Developer of performance analytic platform for the healthcare organization.   | Closed    | Digital Health, IT, & Software |
| 9/24/2024 | Doherty Dermatology | Frontier Dermatology                              | Provider of dermatological services intended for the treatment of skin cancer.  | Closed    | Dermatology                    |
| 9/24/2024 | ParMed              | Schivo Medical                                    | Provider of fluid management services designed to optimize medical diagnostics and research.  | Closed    | Healthcare Services            |
| 9/24/2024 | The Doula Network   | Pomelo Care                                       | Provider of maternity care services intended to offer non-clinical, emotional, physical and informational support before, during and after labor and birth. | Closed    | OBGYN / Women's Health         |
| 9/25/2024 | Virscidian          | Dotmatics   | Developer of scientific analytical desktop and enterprise software designed to automate chromatography and mass spectrometry data processing.               | Closed    | Digital Health, IT, & Software |
| 9/25/2024 | Vyopta              | HP Inc. (NYSE: HPQ)                               | Developer of a performance management platform designed to monitor, support, and optimize unified collaboration networks.                                   | Closed    | Digital Health, IT, & Software |
| 9/26/2024 | Mountain Vet Supply | Patterson Companies, Inc. (NASDAQ: PDCO)          | Provider of veterinary products based in Fort Collins, CO.  | Announced | Veterinary                     |

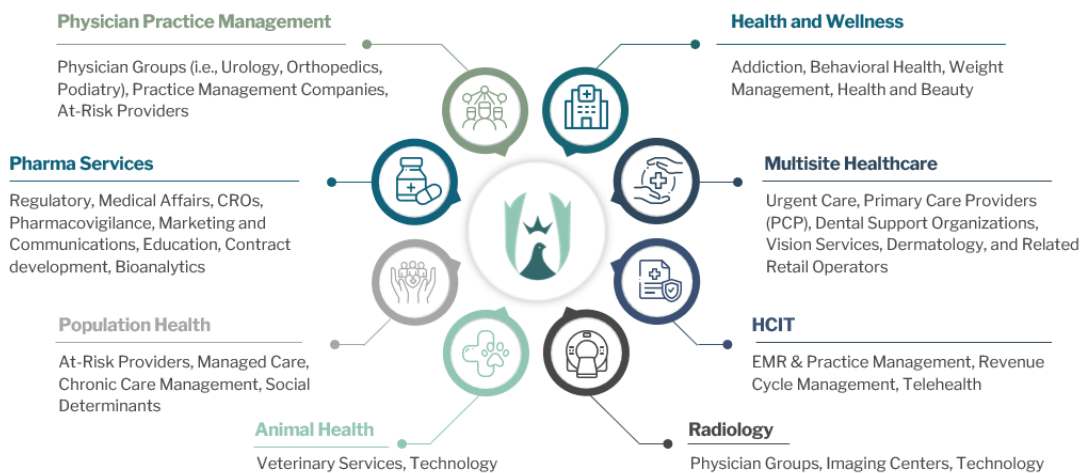
Based on publicly available information

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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