



**amb** | investment banking

**Weekly Newsletter**

October 13<sup>th</sup>, 2025

**AMB | Investment Banking**

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## Market Updates

### [California is the latest state to enact tougher restrictions on private equity in healthcare](#)

California Gov. Gavin Newsom signed into law new rules on Monday that will place more restrictions on corporate investors', including private equity firms', role in healthcare delivery. The law, Senate Bill 351, prohibits financial firms from having a hand in medical decisions, including determining how many patients clinicians see per hour or what diagnostic tests are appropriate. The legislation was drawn up in response to a growing body of evidence that links private equity firms' involvement in healthcare to higher costs, lower care quality and reduced services.

### [Digital health funding outpacing last year as huge rounds increase: report](#)

Investment in 2025 has reached \$9.9 billion, exceeding the \$8.4 billion that was raised through the third quarter last year, according to Rock Health. Startups notched fewer funding rounds in the third quarter compared with earlier this year, but the check sizes were larger, according to the report. Average deal size for this year reached \$28.1 million, increasing from \$20.4 million in 2024. Mega-deals, or rounds worth \$100 million or more, have contributed to the trend.

### [Large nonprofit hospitals taking full advantage of low-interest debt, untaxed investments, researchers say](#)

Larger nonprofit hospitals and health systems are using their low-interest debt to indirectly offset billions of nontaxable investments, giving this portion of the hospital market a competitive advantage over their smaller or for-profit peers, researchers wrote in an analysis published Monday. Such practices, referred to as indirect tax arbitrage, generated nonprofit hospitals and health systems an estimated of \$9.4 billion in profit during 2022, accounting and policy researchers found..

## Healthcare Operators

### [Qualtrics to buy Press Ganey Forsta for \\$6.75B to expand its reach in healthcare](#)

Customer engagement company Qualtrics has agreed to invest \$6.75 billion to acquire Press Ganey Forsta, a healthcare market research company. Qualtrics, a customer survey software maker owned by private equity firm Silver Lake, aims to combine its artificial intelligence technology with Press Ganey's extensive data, benchmarking and healthcare expertise to develop new AI-powered tools and services, the companies said in a press release. The deal expands Qualtrics' reach into healthcare and gives it access to Press Ganey's hospital partnerships and data sets.

### [DUOS snags \\$130M equity investment to scale AI benefits platform for seniors](#)

DUOS, a digital health company focused on seniors, announced a \$130 million strategic growth equity investment. The investment was led by FTV Capital, with participation from Forerunner Ventures. The funding will be used to enhance AI capabilities and scale go-to-market operations for Medicare Advantage, Medicaid and ACA marketplace plans nationwide. A significant portion will also be directed toward proactive marketing and innovation efforts, executives said.

### [HealthTap joins LillyDirect, bringing primary care to pharma site](#)

As pharma giant Eli Lilly builds out its direct-to-consumer care site, LillyDirect, the company has tapped virtual primary care company HealthTap to join its small lineup of independent care providers. Consumers who come to LillyDirect in search of specific treatments or Lilly-manufactured medications, such as GLP-1s, can find educational materials on common health conditions and access recommendations for in-person or virtual care.

## Healthcare Legislative and Legal Updates

### [Private equity in pediatrics: Why leaders should pay attention now](#)

More than half of children's hospital patients rely on Medicaid or CHIP, yet private equity is moving steadily into pediatrics, a sector that has received far less attention than adult care. While headlines focus on nursing homes, physician groups, and adult hospitals, the risks in pediatrics may be greater and the margin for error much smaller. Policymakers are beginning to take notice, as Massachusetts recently passed one of the nation's toughest laws on private equity in healthcare. The law requires disclosure of ownership and financial reporting, and while it was not written specifically for pediatrics, its framework could have major implications.

### [As telehealth providers operate on shaky ground during shutdown, Dems slam HHS for chaos](#)

Two influential House Democrats are putting pressure on the Department of Health and Human Services (HHS) to reinstate telehealth services, accusing the administration of intentionally creating a telehealth crisis for seniors. The two dominant political parties have pointed fingers at each other for the government shutdown, which is on its eleventh day. A new letter by Democratic health committee leaders slams Republicans for not negotiating with Democrats to prevent a shutdown and lapse of virtual care flexibilities.

### [Winners and losers from 2026 Medicare Advantage star ratings](#)

Average Medicare Advantage star ratings for 2026 are essentially flat after a few consecutive years of declines — a good sign for the industry, which had braced itself for lower quality scores. Still, there was variation in major insurers' results. The percentage of members in plans rated 4 stars or above, an important cutoff for payers, stayed stable for UnitedHealthcare, dropped for Humana and Aetna, and improved for Elevance and Centene — the five largest publicly traded payers in the privatized Medicare program.

# Transactions Overview

## M&A Transactions from 10/6/2025 to 10/12/2025

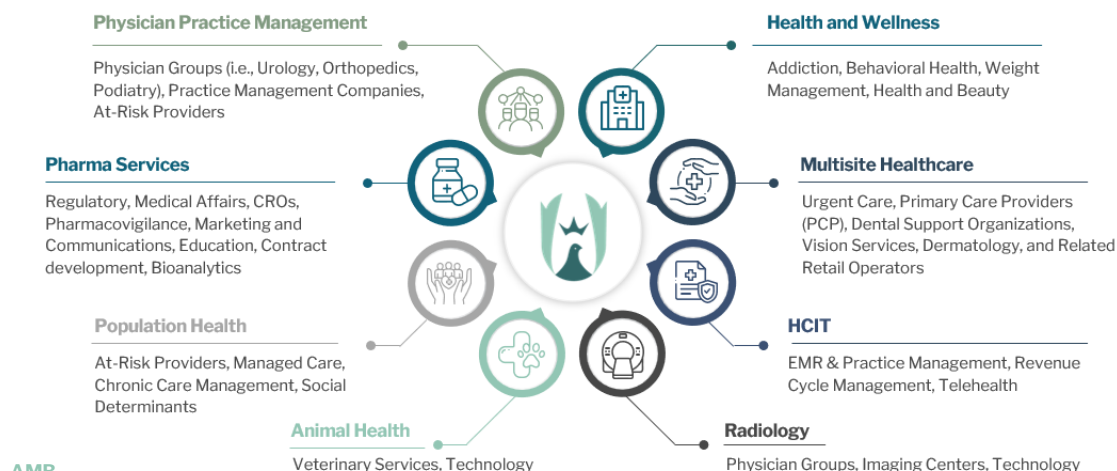
| Date      | Target                                   | Buyer/Investor                                                                                                                              | Description                                                                                                                       | Status | Healthcare Vertical            |
|-----------|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|--------|--------------------------------|
| 10/9/2025 | Boston MFM                               | Ouma Health                                                                                                                                 | Provider of maternal-fetal medicine services in Boston for high-risk pregnancies.                                                 | Closed | HS: Pediatric                  |
| 10/8/2025 | DigitalOwl                               | Datavant                                                                                                                                    | Developer of a natural language processing platform to streamline medical record review and improve risk selection accuracy.      | Closed | HCIT                           |
| 10/8/2025 | SunState Medical Specialists             | HealthStream (NAS: HSTM)                                                                                                                    | Provider of cancer and urology care offering diagnostics, surgery, and coordinated management for improved patient outcomes.      | Closed | HS: Oncology                   |
| 10/7/2025 | Diatech Diabetes                         | DEKA Research & Development                                                                                                                 | Developer of a diabetes monitoring platform that personalizes insulin delivery through integrated pump and glucose data.          | Closed | Digital Health, IT, & Software |
| 10/7/2025 | Dr. Lichter & Associates                 | AFM Capital Partners, Capitala Group, Champion Wellness Centers, Monument MicroCap Partners                                                 | Provider of chiropractic and wellness services in Tampa, offering spinal adjustments, pain management, and rehabilitative care.   | Closed | HS: Pain Management            |
| 10/7/2025 | Eagles Wing                              | AB Private Credit Investors, People's Care, Webster Equity Partners                                                                         | Provider of residential and support services for individuals with intellectual disabilities, promoting autonomy and inclusion.    | Closed | Behavioral Health              |
| 10/7/2025 | Healthlink Advisors                      | Blackstone (NYS: BX), The Chartis Group                                                                                                     | Operator of a healthcare consulting firm offering strategy, analytics, and technology advisory services to improve care delivery. | Closed | HS: Consulting                 |
| 10/7/2025 | ONCO (Cancer Registry Services Division) | Savista (Medical Records Systems)                                                                                                           | Provider of cancer registry services based in Wall Township, NJ.                                                                  | Closed | HS: Provider Services          |
| 10/6/2025 | DM Foot And Ankle Associates             | Beyond Podiatry                                                                                                                             | Operator of a podiatry clinic in Lemont, IL, providing laser treatment, diabetic care, and surgical services.                     | Closed | HS: Podiatry                   |
| 10/6/2025 | Press Ganey Associates                   | Accel, CPP Investments, DFO Management, Harbert Management, Qualtrics, Silver Lake, SoftBank Investment Advisers, Susquehanna Growth Equity | Provider of advisory services improving patient experience, safety, and care quality through analytics and strategy.              | Closed | HS: Care Coordination          |
| 10/1/2025 | ELMC Rx Solutions and Caribou Systems    | Frontline Healthcare Partners                                                                                                               | Provider of pharmacy cost containment and auditing solutions focused on self-insured employers.                                   | Closed | HCIT: Pharmacy                 |

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:



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### Research

**New sector insights each month**

For our recent sector insights, click below

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