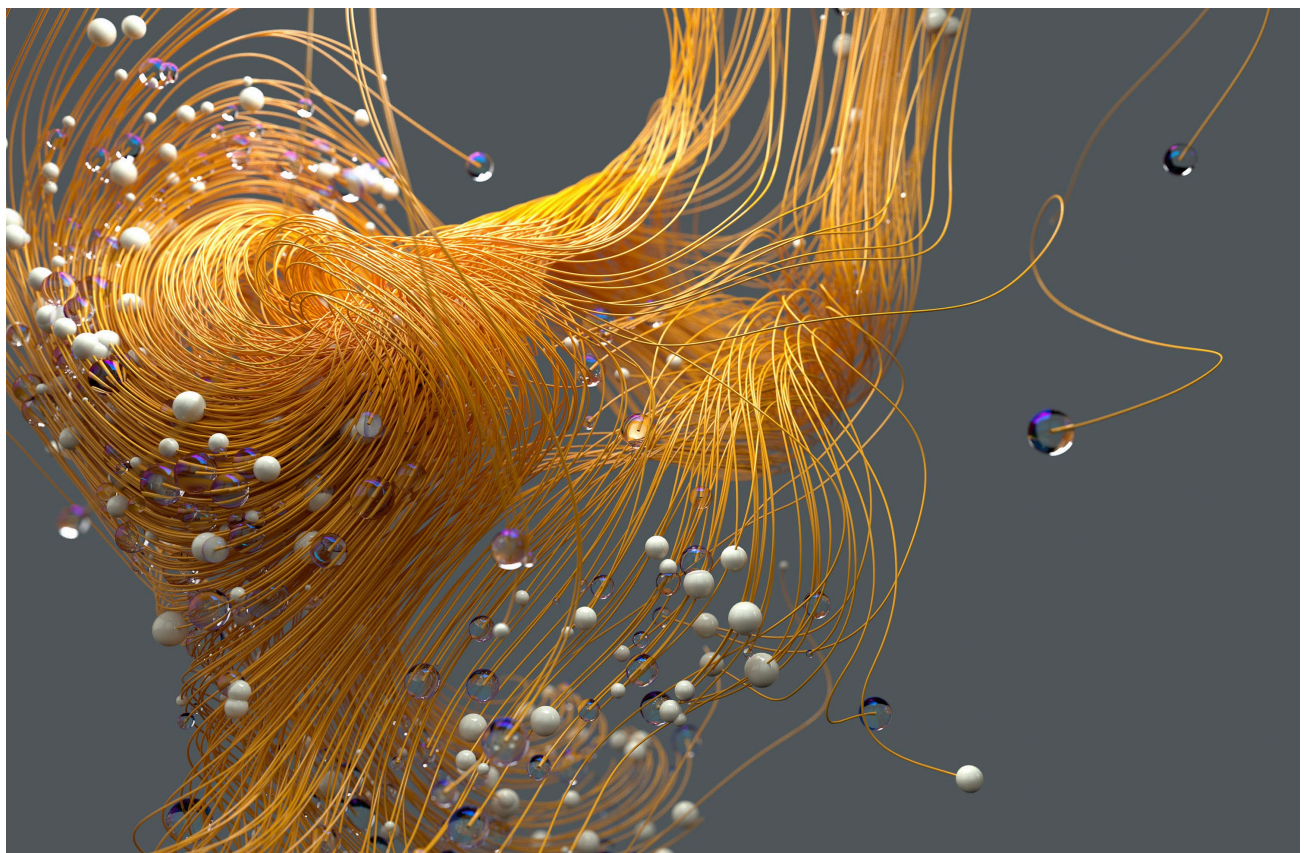


June 5, 2025

# Cain Brothers Industry Insights

## Healthcare Market Report



Banker commentary:

### **Potential Impacts of Medicaid Changes on U.S. Hospitals**

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## Potential Impacts of Medicaid Changes on U.S. Hospitals

Banker Commentary by Maura Davalos

With changes to Medicaid expected, hospitals everywhere are proactively preparing to prevent challenges and continue to provide medical care to their patients. Medicaid plays a critical role in supporting individuals in underserved communities, and changing any procedures or budget could create problems. As a result, hospitals are reorganizing their care processes to cut down on expenses. The following are some examples of how hospitals could be affected:

- Hospitals serving Medicaid patients may face reduced reimbursements. Hospitals might need to limit services and downsize their workforce.
- Reduced funding would affect the ability to service low-income and uninsured population.
- Another cost-saving measure for hospitals could include negotiating lower rates with suppliers.
- Modifications to Medicaid could unsettle the hospitals' financial planning, affecting their long-term operational strategies.

Rural areas and small towns face significant challenges with Medicaid, where one-fifth of the population relies on this coverage.<sup>1</sup> In these regions, a substantial number of residents depend on Medicaid, putting additional strain on local healthcare systems. Many rural hospitals, especially in states that have not expanded Medicaid, are struggling financially, with some even at risk of closing. This situation could escalate into a life-or-death issue for patients who cannot access critical care. Limited travel options further complicate their ability to seek treatment. To cope with these challenges and impending policy changes, rural hospitals are increasingly affiliating with larger hospital networks or forming partnerships to stabilize their finances and enhance patient care services. Telehealth has become a vital tool in broadening access to healthcare. Additionally, medical institutions need to create opportunities and incentives for physicians to practice in these underserved areas.

Community hospitals, while providing essential local care, are grappling with resource limitations and are forced to make tough staffing choices due to financial constraints. Despite expanding their outreach efforts, many community hospital leaders remain deeply concerned about the future of Medicaid reimbursements.

Large healthcare providers often have the advantage of direct access to policy discussions and decision-makers, alongside funding from diverse sources. This positions larger hospital systems to adapt more flexibly to changes in Medicaid benefits, although they still face significant challenges. To cut costs, some of these health systems have implemented shared management roles across various locations. While this strategy offers potential savings, it requires adjustments based on fluctuating workloads. Furthermore, health systems are strengthening their ties with prominent health

<sup>1</sup> <https://ccf.georgetown.edu/2025/01/15/medicaids-role-in-small-towns-and-rural-areas/>

## continued...

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insurance companies and are increasingly investing in Accountable Care Organizations (ACOs) that focus on Medicaid.

### **Conclusion**

Hospitals across all sectors are increasingly emphasizing the importance of equality. Research suggests that reforms should be designed with input from community members, especially those from rural and underserved regions. As changes to Medicaid loom on the horizon, many hospitals are proactively adjusting their strategies. Community and rural hospitals are fighting to stay afloat, while even large hospital groups are revising their approaches. They are tackling these challenges by merging, embracing telehealth, and engaging more actively in policy discussions. The primary objective remains clear: Medicaid reforms must enhance access for underserved communities.

# M&A Activity

## Selected Recent Healthcare Transactions (\$MM)

Date	Target Name	Acquirer	EV	Enterprise Value /		Description
				LTM Rev.	LTM EBITDA	
5/29/2025	Streamline Health *	Mdaudit (Bregal Sagemount and Primus Capital)	\$37	2.1x	NM	Provider of revenue cycle optimization solutions for healthcare providers
5/27/2025	Crozer Health's Outpatient Centers	ChristianaCare *	\$50	NA	NA	5 outpatient clinics based in Southeastern Pennsylvania
5/27/2025	DAS Health (Sheridan Capital Partners)	Coalesce Capital	NA	NA	NA	Provider of healthcare IT and business solutions
5/28/2025	TruTechnologies	LLR Partners	NA	NA	NA	Provider of real-time clinical trial oversight
5/28/2025	Antylia Scientific (GTCR)	Brookfield and CDPQ	\$1,340	NA	NA	Life science tools business with a portfolio of products serving the pharma, biopharma, healthcare and environmental markets
5/23/2025	Fuze Health (Alto Pharmacy)	LetsGetChecked	NA	NA	NA	Digital pharmacy with deep expertise in women's health
5/20/2025	Arosa (HCAP Partners)	Undisclosed	NA	NA	NA	Care management provider for older adults and their families
5/19/2025	myPlace Health	SCAN Group	NA	NA	NA	Integrated care delivery organization that specializes in serving vulnerable older adults
5/19/2025	Smarter Technologies	New Mountain Capital	NA	NA	NA	Automation and insights platform for healthcare efficiency (combination of portfolio companies SmarterDx, Thoughtful.ai, and Access Healthcare)
5/15/2025	Aetion	Datavant (New Mountain Capital)	NA	NA	NA	Real-world evidence platform enabling critical decision-making in healthcare
5/14/2025	Workplace Options (WindRose Health Investors)	TELUS Health (GTCR)	NA	NA	NA	Provider of digital and in-person well-being services
5/12/2025	Paradigm Health	Cressey & Company	NA	NA	NA	Provider of hospice and palliative care services
5/8/2025	NextGen Healthcare (Thoma Bravo)	Madison Dearborn Partners	NA	NA	NA	Provider of healthcare technology and data solutions
5/7/2025	ActivStyle (AdaptHealth)	Sumitomo	NA	NA	NA	Provider of home medical supplies for patients with chronic conditions
5/6/2025	Healthcare RCM Business (i3 Verticals)	Infinx (KKR and Norwest Venture Partners)	\$96	NA	NA	Provider of healthcare revenue cycle management solutions
5/5/2025	ACT Dental	Smile Source (Incline Equity Partners)	NA	NA	NA	Provider of dental practice coaching and education
5/2/2025	Quantix	Diatonic Healthcare	NA	NA	NA	Healthcare and regulated industry specialist staffing platform
5/1/2025	VirtuOx	Resmed	NA	NA	NA	Diagnostic testing facility for sleep, respiratory, and cardiac conditions

# Private Placement Activity

## Selected Recent Healthcare Transactions (\$MM)

Date	Company	Investor(s)	Type	Amount	Description
5/27/2025	Emergency Care Partners	MidOcean Partners	Preferred Equity	\$100	Provider of emergency medicine services for hospitals
5/20/2025	ProgenyHealth	Cressey & Company and Sunstone Partners	Growth	Undisclosed	Maternity and NICU care management provider
5/14/2025	Cohere Health	Temasek (lead), Deerfield Management, Define Ventures, Flare Capital Partners, Longitude Capital, and Polaris Partners	Series C	\$90	Clinical intelligence company providing AI-enabled prior authorization solutions for physicians and health plans
5/14/2025	Sprinter Health	General Catalyst (lead), Andreessen Horowitz (a16z) Bio + Health, Regents of the University of California, Google Ventures, and Accel	Series B	\$55	Mobile healthcare provider that combines technology and a full-stack medical practice
5/14/2025	TELUS Health	GTCR	Preferred Minority Equity	\$200	Provider of payor technology, pharmacy management technology, electronic medical records and supplemental benefits
5/13/2025	PhaseV	Accel and Insight Partners (co-leds), Viola Ventures, EXOR, and LionBird	Series A	\$50	AI/ML-driven clinical development
4/30/2025	Plenful	Mitchell Raies and Arena Holdings (co-leads), Notable Capital, Bessemer Venture Partners, TQ Ventures, Susa/Kivu Ventures	Series B	\$50	AI-enabled healthcare workflow automation platform
4/29/2025	Persivia	Aldrich Capital Partners	Recap	\$107	AI driven digital health solutions for claims, social, and operational data
4/23/2025	Nourish	J.P. Morgan Growth Equity Partners (lead), Thrive Capital, Index Ventures, Y Combinator, Maverick Ventures, BoxGroup, Atomico, G Squared, and Pinegrove Opportunity Partners	Series B	\$70	Provider of nutrition counseling
4/16/2025	Chapter	Stripes (lead), XYZ Venture Capital, Susa Ventures, Addition, Narya Capital, and Maverick Ventures	Series D	\$75	Medicare navigation platform
4/15/2025	hellocare.ai	HealthQuest Capital (lead, Bon Secours Mercy Health, UCHealth, OSF Ventures, and LRVHealth	Growth	\$47	AI-assisted virtual care delivery platform transforming hospital care models and operations
4/3/2025	Thatch	Index Ventures (lead), Andreessen Horowitz (a16z), General Catalyst, SemperVirens, PeopleTech Partners, The General Partnership, and ADP Ventures	Series B	\$40	Personalized health benefits platform
4/3/2025	Solace	Menlo Ventures (lead), SignalFire, Craft Ventures, Inspired Capital, and Torch Capital	Series B	\$60	Digital health platform that connects patients with expert health advocates
3/20/2025	Inspiren	Avenir (lead), Primary Venture Partners, Story Ventures, Third Prime, and Studio VC	Series A	\$35	Provider of AI solutions for the senior care industry
3/19/2025	Proscia	Insight Partners (lead), AI Capital Partners and Triangle Peak Partners	Venture	\$50	Provider of software for pathology's transition to digital and AI
3/11/2025	Vori Health	NEA (lead), AlleyCorp, Intermountain Health's Intermountain Ventures, Echo Health Ventures, and Max Ventures	Series B	\$53	Physician-led solution for musculoskeletal care
3/6/2025	Ria Health	Peloton Equity (lead), SV Health Investors, BPEA Private Equity and SOSV	Growth	Undisclosed	Telehealth provider of evidence-based alcohol use disorder treatment
3/5/2025	Freed	Sequoia Capital Operations (lead), Scale Management	Undisclosed	\$30	AI-based medical documentation software

# Equity Capital Markets

## Market Overview

- Clarity on the trade policy and resilient economic data continue to provide a more supportive backdrop for new issue activity:
  - Last week: 0 IPOs; 7 follow-ons; 2 converts
- Four IPOs are looking on the road and looking to price: Omada Health (Health Tech), Circle Internet (Fintech), Chime (Fintech) and Voyager Technologies (Aerospace & Defense)
- Look for follow-on and convertible debt issuance to continue through month end as companies look to complete financings prior to quarterly blackouts

## ECM Activity (Last 4 Weeks & YoY)

	2025 - Last 4 Weeks			2024 - Last 4 Weeks		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	817	3	3%	498	3	2%
CONV	10,223	10	39%	10,607	15	42%
FO	15,460	31	58%	14,202	31	56%
Total	26,499	44	100%	25,307	49	100%

	2025 YTD			2024 YTD		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	9,790	18	11%	10,961	23	11%
CONV	25,852	30	29%	30,115	42	31%
FO	53,497	84	60%	54,581	161	57%
Total	89,138	132	100%	95,657	226	100%

## Most Recent Healthcare Initial Public Offerings (\$MM)

Issuer Information				Deal Sizing				Pricing		Performance	
Pricing Date	Company	Sector	Ticker	Deal Value (\$MM)	Market Cap (\$MM)	Deal as % of Mkt. Cap	% Primary	Offer Price	Final Range	1-Day	1-Week
5/21/2025	Hinge Health*	Healthcare Technology	HNGE	\$502.9	\$2,579.1	19.5%	54.2%	\$32.00	\$28.00 - \$32.00	17.4%	28.1%
3/5/2025	Kestra Medical Technologies	Medical Products	KMTS	\$232.3	\$842.1	27.6%	100.0%	\$17.00	\$14.00 - \$16.00	28.5%	24.5%
1/29/2025	Beta Bionics	Medical Products	BBNX	\$234.6	\$728.6	32.2%	90.4%	\$17.00	\$16.00 - \$17.00	39.0%	34.4%
10/10/2024	Ceribell	Medical Products	CBLL	\$207.3	\$578.3	35.8%	100.0%	\$17.00	\$14.00 - \$16.00	47.1%	55.9%
7/24/2024	Concentra Group	Services	CON	\$546.4	\$2,992.6	18.3%	100.0%	\$23.50	\$23.00 - \$26.00	(4.3%)	(0.8%)

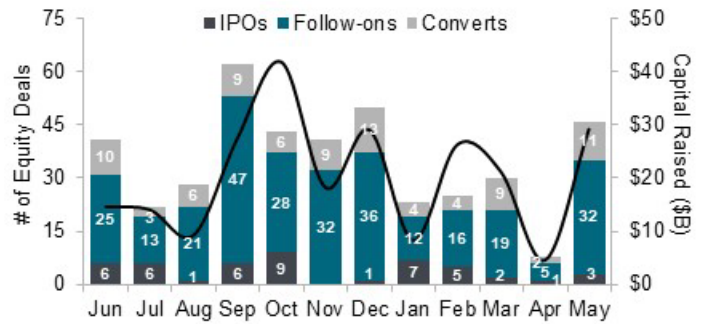
## Most Recent Healthcare Follow-on Offerings (\$MM)

Issuer Information					Deal Sizing				Pricing	Performance	
Pricing Date	Company	Sector	Deal Type	Ticker	Deal Value (\$MM)	Market Cap (\$MM)	Deal as % of Mkt. Cap	% Primary	Discount to File	1-Day	1-Week
5/22/2025	Guardian Pharmacy Services	Services	Marketed	GRDN	\$157.5	\$1,429.0	11.0%	0.0%	(20.8%)	4.5%	1.9%
5/15/2025	Senseonics	Medical Products	Marketed	SENS	\$57.5	\$437.0	13.2%	100.0%	(9.1%)	6.0%	5.0%
5/14/2025	Waystar	Healthcare Technology	Marketed	WAY	\$557.0	\$6,834.3	8.2%	0.0%	(3.9%)	1.3%	1.4%
2/20/2025	Waystar	Healthcare Technology	Marketed	WAY	\$920.0	\$7,058.2	13.0%	0.0%	(11.3%)	5.5%	6.1%
2/14/2025	NeuroPace	Medical Products	Marketed	NPCE	\$74.8	\$439.4	17.0%	100.0%	(17.3%)	23.1%	42.3%

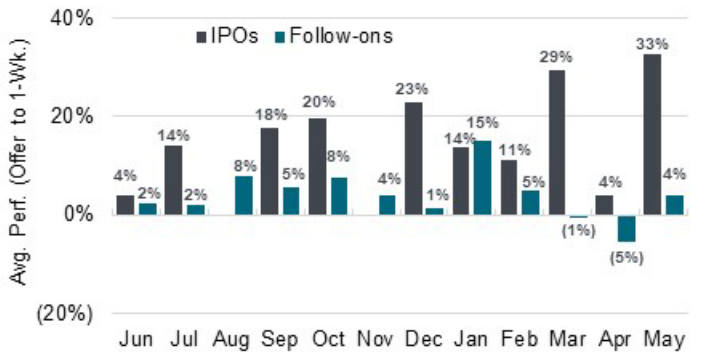
## Most Recent Healthcare Convertible Debt Offerings (\$MM)

Issuer Information				Deal Sizing			Pricing	
Pricing Date	Company	Sector	Ticker	Deal Value (\$MM)	Market Cap (\$MM)	Deal as % of Mkt. Cap	Coupon	Premium
5/8/2025	Hims & Hers Health*	Healthcare Technology	HIMS	\$1,000.0	\$11,504.9	8.7%	0.00%	37.50%
3/13/2025	Integer*	Medical Products	ITGR	\$1,000.0	\$3,980.3	25.1%	1.88%	27.50%
3/4/2025	Alphatec	Medical Products	ATEC	\$405.0	\$1,690.9	24.0%	0.75%	32.50%
1/24/2025	Semler Scientific	Medical Products	SMLR	\$100.0	\$566.7	17.6%	4.25%	25.00%
12/16/2024	LeMaitre Vascular*	Medical Products	LMAT	\$172.5	\$2,070.8	8.3%	2.50%	30.00%

## U.S. ECM Offerings (LTM; IPOs, Follow-ons & Converts)



## IPO & Follow-on 1-Week Performance (LTM)



Sources: Bloomberg, Capital IQ, Dealogic, and Press Releases

Note: Transactions include IPOs, follow-ons (including bought deals) and convertible offerings of \$25mm or more priced on a U.S.-based exchange; Price performance includes both marketed and bought deal follow-ons; \* denotes Cain Brothers / KBCM transaction; excludes fixed price IPOs

Transaction occurred the past week



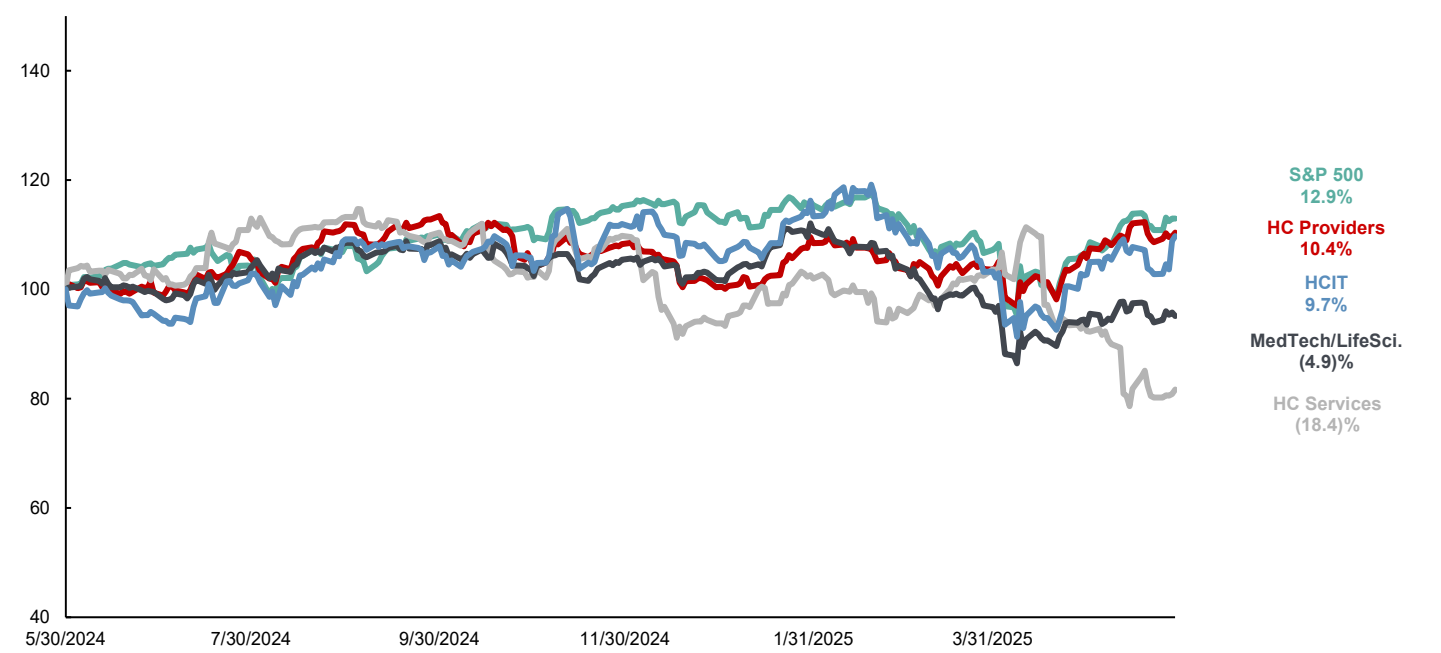
# Public Equity Market Activity & Indices

## Equity Indices (as of May 30, 2025)

Index	Wk Open	Wk Close	Returns	
			52 Week	Weekly
DJIA	41,603	42,270	10.9%	1.6%
S&P 500	5,803	5,912	12.9%	1.9%
NASDAQ	18,737	19,114	14.2%	2.0%
Russell 2000	2,040	2,066	0.5%	1.3%
NYSE Healthcare	22,839	23,370	(8.7%)	2.3%

Cain Brothers Indicies	Returns	
	52 Week	Weekly
Acute Care	5.7%	1.7%
Alternate Site Services	(1.2%)	(0.2%)
Diagnostics	8.5%	1.3%
Distribution	27.9%	0.2%
Healthcare IT	9.7%	6.7%
Healthcare REITs	49.2%	2.4%
Managed Care	(30.4%)	1.9%
Medical Technology	(2.2%)	1.2%
Outsourced Services	(32.3%)	0.3%
Pharma Services	(23.5%)	1.5%
Pharmacy	8.2%	4.7%
Primary Care	(52.5%)	1.5%
Post-Acute Care Services	25.4%	1.3%
Post-Acute Care Facilities	18.3%	1.8%

## Cain Brothers Healthcare Indices (1YR Performance)



# High Grade, High Yield & Leveraged Loan Market

## Market Summary

### High Grade

- IG bond market activity fell short of expectations last week which was cut short due to Memorial Day, with 23 issuers tapping the market to raise \$23.3 BN; this brought May volume to \$156.3 BN from 112 issuers, surpassing even the highest estimates.

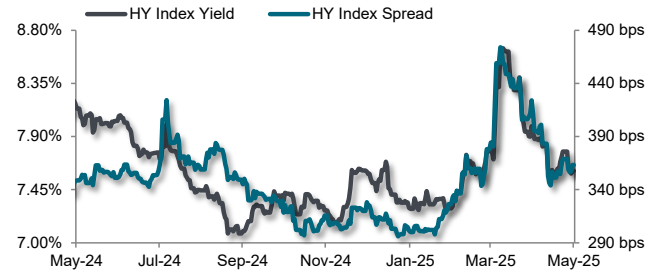
### High Yield

- The high yield primary market slowed last week amid a holiday shortened week, which in turn produced plenty of oversubscription through syndications and strong post break performances.

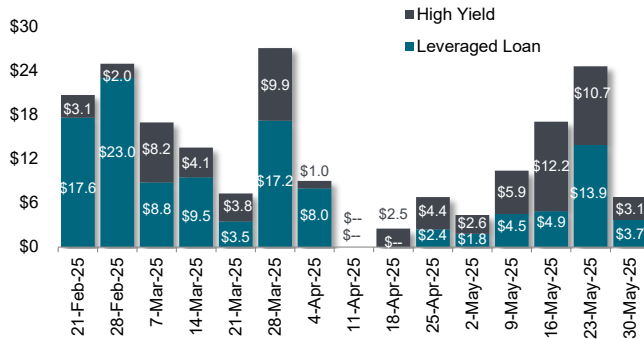
### Term Loan B Market

- While CLO issuance has remained strong in 2025, spreads have widened from 2025 lows as uncertainty has plagued the outlook for both issuers and investors.

## HY Index Yield & Spread (YTD)



## Weekly New Issue Volume (\$BN)



## New-Issue Clearing Yields<sup>1</sup> (\$MM)

Double-B Issuers	4Q24	1Q25	30-Day Rolling Average 05/30/25
Ba1	S+192 / 6.6%	S+233 / 6.7%	S+313 / 7.5%
Ba2	S+198 / 6.6%	S+199 / 6.4%	S+200 / 6.4%
Ba3	S+252 / 7.1%	S+232 / 6.7%	S+280 / 5.6%
Single-B Issuers	4Q24	1Q25	30-Day Rolling Average 05/30/25
B1	S+303 / 7.6%	S+278 / 7.2%	S+338 / 7.9%
B2	S+357 / 8.2%	S+333 / 7.7%	S+325 / 7.7%
B3	S+383 / 8.5%	S+357 / 7.9%	S+380 / 8.4%

## Most Recent Healthcare High-Grade Issuances (\$MM)

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	IPT-Pricing
5/27/2025	Ecolab Inc	Sr Notes	\$500	A3/A-/A-	4.300%	6/15/2028	+42	23 bps
5/20/2025	McKesson Corp	Sr Notes	\$650	A3/BBB+/-	4.650%	5/30/2030	+60	25 bps
5/20/2025	McKesson Corp	Sr Notes	\$650	A3/BBB+/-	4.950%	5/30/2032	+70	25 bps
5/20/2025	McKesson Corp	Sr Notes	\$700	A3/BBB+/-	5.250%	5/30/2035	+80	25 bps
5/6/2025	Biogen Inc	Sr Notes	\$400	Baa2/BBB+	5.050%	1/15/2031	+115	35 bps
5/6/2025	Biogen Inc	Sr Notes	\$650	Baa2/BBB+	5.750%	5/15/2035	+145	30 bps
5/6/2025	Biogen Inc	Sr Notes	\$700	Baa2/BBB+	6.450%	5/15/2055	+165	35 bps

## Most Recent Healthcare High-Yield Issuances (\$MM)

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	Price Talk
5/20/2025	Teva *	Sr. Notes	\$700	Ba1/BB/BB	5.750%	12/1/2030	181 bps	6.00% area
5/20/2025	Teva *	Sr. Notes	\$500	Ba1/BB/BB	6.000%	12/1/2032	186 bps	6.25% area
3/25/2025	Bausch Health	Sr. Sec. Notes	\$4,400	Caa1/B/NR	10.000%	4/15/2032	580 bps	10.00%-10.25%

## Most Recent Healthcare Leveraged Loan Issuances (\$MM)

Date	Issuer	Ownership	Corp. Ratings	Use of Proceeds	Size	Pricing	Yield
5/6/2025	Ensemble Health Partners	Golden Gate Capital	B2 / B	Dividend Recap	\$800	SOFR+300, 0% @ 99.5	7.462%
4/2/2025	Owens & Minor Inc	Not Sponsored	Ba3 / BB-	Acquisition	\$400	SOFR+525, 0% @ 95	10.819%

## Most Recent Healthcare Pro Rata Issuances (\$MM)

Date	Issuer	Ownership	Ratings	Use of Proceeds	Size	Pricing (in bps)	Financial Covenants
4/8/2025	Bausch Health	Public	Caa2 / B-	Refinancing	\$500mm 5-year Revolver	Leverage-based Grid SOFR+375-425 Opens at SOFR+425 CSA: 10	Max. First Lien Leverage Ratio: 4.25x Min. Liquidity: \$400mm

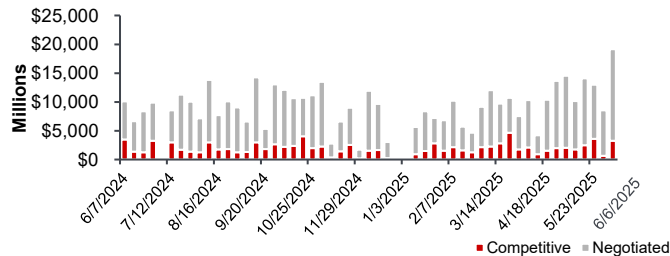


# Public Finance Market

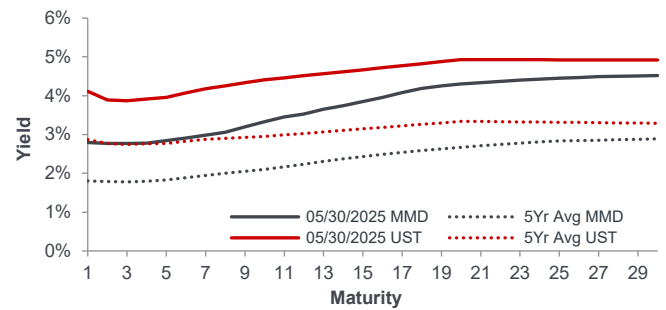
## Market Overview

- The yield on the benchmark 10-year U.S. Treasury Note increased 10 bps week-over-week, closing at 4.41% on Friday. 10-year MMD decreased 4 bps week over week
- Healthcare Public Issuance in 2024 increased 143% vs 2023. YTD 2025 Issuance through the end of May was 23% higher than YTD 2024 through the end of May.
- Muni bond funds gained \$562 MM and high yield funds gained \$151 MM for the week ended May 30<sup>th</sup>.

## Weekly New Issue Volume (\$MM)



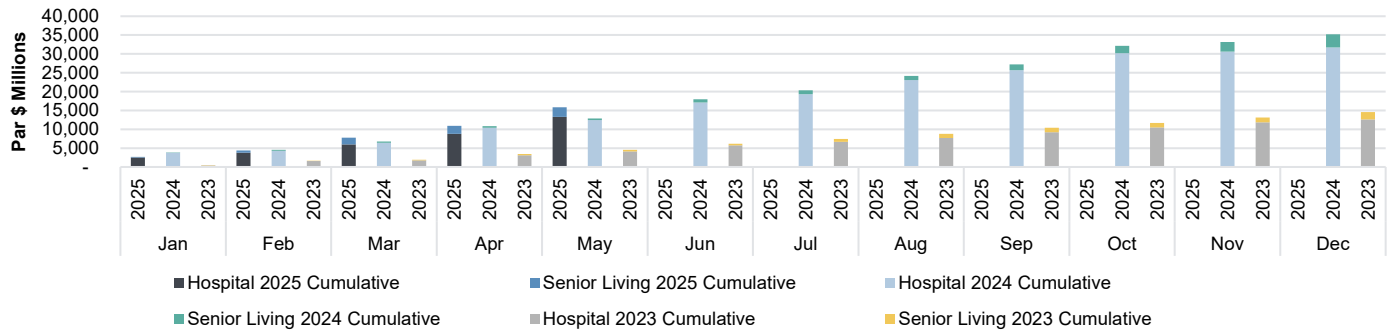
## MMD & UST Yield Curve



## Benchmark Yields

Treasury Yields			MMD Yields			Ratio
Yr	Yield	Δ (W/W)	Yr	Yield	Δ (W/W)	MMD/ UST
2	3.89%	(11 bps)	2	2.77%	(6 bps)	71%
10	4.41%	(10 bps)	10	3.33%	(4 bps)	76%
30	4.92%	(12 bps)	30	4.52%	(2 bps)	92%

## Healthcare Public Issuance Overview



## Recent Healthcare Public Issuance

Healthcare Public Issuance										
Borrower/Enhancement	Par (000s)	State	Issuer	Tax Status	LT Ratings (M/S/F)	Final Mat.	Call, Put or Reprice*	Final Mat. Cpn.	YTW	YTM
Recent Pricings, Week of 5/26										
Meritus Health	361,025	MD	MHHEFA	TE	NR / A- / A	2055	2035(C)	5.00%	5.09%	N/A
The Queen's Health Systems	311,970	HI	DPFSH	TE	NR / AA- / AA	2043	2035(C)	5.00%	4.65%	4.77%
El Camino Health	155,055	CA	CHFFA	TE	Aa3 / AA / AA	2048	2035(C)	5.25%	4.68%	4.93%
Exp. Pricings, Week of 6/2										
Indiana University Health	1,501,610	IN	IFA	TE	Aa2 / AA / AA	-	-	-	-	-
Stanford Health Care	423,045	CA	CHFFA	TE	Aa2 / AA- / AA	-	-	-	-	-
UChicago Medicine	297,005	IL	IFA	TE	NR / A+ / AA-	-	-	-	-	-
AdventHealth Obligated Group	282,380	CO	CHFA	TE	Aa2 / AA / AA	-	-	-	-	-
CharterCARE Health of RI	143,285	RI	RIHEBC	TE	NR / BB- / NR	-	-	-	-	-
Pella Regional Health Center	39,595	IA	IFA	TE	NR / NR / BBB+	-	-	-	-	-

# Relevant News

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## Utilization Of Health Care Services By Medicaid Expansion Status<sup>1</sup>

**KFF Health News | May 28, 2025**

Legislation passed by the House of Representatives on May 22nd includes a number of Medicaid provisions that would cut federal Medicaid spending by more than \$700 billion over the next ten years and notably increase the number of people without health insurance. Provisions that would only apply to states that have adopted the ACA expansion account for more than half of all of the savings estimated by CBO. Some critics of Medicaid expansion have argued that expansion diverts resources away from other groups of Medicaid enrollees, including people with disabilities and children, and that expansion enrollees are “able-bodied” implying they have minimal health care needs. However, data show that expansion states spend more per enrollee overall and on each eligibility group than non-expansion states and that nearly half of expansion enrollees have a chronic condition.

## The New Service Lines Grabbing ASC Attention<sup>2</sup>

**Becker's ASC Review | May 22, 2025**

With physician care in the U.S. continuing to migrate from the inpatient to outpatient setting, and CMS approving additional codes for the ASC-approved procedures list, ASCs nationwide have started to expand their care offerings. From adding new service lines to expanding offered procedures, Becker's spoke with leaders at 11 ASCs about why they are, or are not, expanding their offerings in 2025. We are not planning to add any new service lines in the next 12 months—not due to lack of interest, but because of the realities of our market. In my experience, investing in equipment and supplies without a firm surgeon commitment is risky. Too often, verbal promises don't translate into actual cases. While larger management companies may push service line growth aggressively, I believe it's critical to balance opportunity with realistic, sustainable growth. An administrator should protect the center's resources while still keeping an eye on real opportunities for growth, and that balance matters.

## After The Pandemic, Patients Have Changed The Way They Get Care<sup>3</sup>

**Chief Healthcare Executive | May 16, 2025**

A little over five years after the arrival of COVID-19, Americans are viewing the healthcare industry much differently. More Americans are getting care outside of clinics and hospitals, says Allison Oakes, executive director of research at Trilliant Health. And she says it's clear that's a trend that appears to be here to stay. A little over five years after the arrival of COVID-19, Americans are viewing the healthcare industry much differently. More Americans are getting care outside of clinics and hospitals, says Allison Oakes, executive director of research at Trilliant Health. And she says it's clear that's a trend that appears to be here to stay.

## Relevant News

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### Share Of Physicians In Private Practice Continues To Slide, AMA Reports<sup>1</sup>

**Medpage Today | May 29, 2025**

The percentage of physicians in private practice has continued to decline, according to the American Medical Association's (AMA) biennial Physician Practice Benchmark. In 2024, 42.2% of physicians worked in private practices; this percentage is down from 46.7% in 2022, and from 60.1% in 2012, when the survey was first conducted. Ophthalmology was the specialty with the largest share (70.4%) of physicians in private practice in 2024, followed by orthopedic surgery (54%), and other surgical subspecialties with a combined share of 51.2%. Meanwhile, less than a third of general surgeons were in private practice. More than 45% of anesthesiologists and radiologists were in private practice, while this was the case for only 33.2% of emergency physicians. For pediatricians, general internists, and family practice physicians, percentages in private practice were in the high 30s to low 40s. For obstetricians/gynecologists, more than 45% were in private practice.

### Medicaid, Denials And Delays: Top Payer Hurdles For SUD Treatment Providers<sup>2</sup>

**Behavioral Health Business | May 28, 2025**

There's a strong case to be made that the payer and reimbursement landscape for substance use disorder (SUD) treatment providers is the most challenging in all of behavioral health care due to several deeply entrenched and overlapping issues. For starters, SUD treatment has, in the past, been viewed as less legitimate than other forms of medical or psychiatric care. That flawed view has caused some to see SUDs as a "social issue," rather than a clinical one, contributing to chronic underfunding and limited reimbursement. Added to that is the SUD space's significant work in Medicaid, which varies significantly by state and often under-reimburses for intensive services like residential treatment. As the Trump administration and GOP lawmakers work to overhaul Medicaid, it's extremely likely that new funding challenges will emerge, too.

### The Rise Of Medical AI Scribes: Reimagining Efficiency And Compassion In Healthcare<sup>3</sup>

**Forbes | May 28, 2025**

AI medical scribes have been gaining popularity in physician offices, with investment in this technology doubling in 2024 alone. By freeing physicians from the need to be behind their computers during appointments, these intelligent assistants enable a more personal and engaging interaction with patients. After appointments, physicians typically spend additional hours finalizing clinical documentation and administrative tasks. AI medical scribes are changing the paradigm for patient visits by listening to appointments and handling notetaking in real time, allowing physicians to concentrate on high-quality, in-the-moment care while reducing the burden of administrative tasks during and after visits. Notably, in a survey conducted at two of the eClinicalWorks 2024 summits, 65% of healthcare professionals reported believing AI can best support physicians with clinical documentation. AI medical scribes capture the entire conversation, enhancing the quality and accuracy of documentation and ensuring a more streamlined and efficient healthcare experience for both providers and patients.

1. <https://www.medpagetoday.com/special-reports/features/115804>

2. <https://bhbusiness.com/2025/05/28/medicaid-denials-and-delays-top-payer-hurdles-for-sud-treatment-providers/>

3. <https://www.forbes.com/councils/forbestechcouncil/2025/05/28/the-rise-of-medical-ai-scribes-reimagining-efficiency-and-compassion-in-healthcare/>

June 18, 2025

# Cain Brothers Industry Insights

## Healthcare Market Report

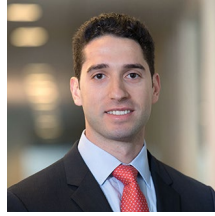


Banker commentary:

**Distribution Titans Enter Specialty Physician Practice Management Arena**

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- Banker Commentary
- M&A Activity
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## Distribution Titans Enter Specialty Physician Practice Management Arena

*Banker Commentary by Jonah Schutzman*

An emerging dynamic is reshaping the provider consolidation market: large healthcare distributors are becoming a new home for many of the nation's largest scaled specialty provider organizations. Historically, these firms focused only on very large oncology networks, most notably with McKesson's acquisition of US Oncology more than 15 years ago. However, we are now seeing other specialties find a similar pathway within these organizations. Recent transactions, such as Cardinal Health's acquisitions of GI Alliance and Urology of America and Cencora's acquisition of Retina Consultants of America, mark an expansion of this strategy into gastroenterology, urology, and ophthalmology, respectively, which is a newer and significant evolution in their approach. At the same time, these organizations have also stepped up their activity to pursue partnerships with oncology platforms, maintaining their foundational role in cancer care, while broadening their reach into additional new specialty practice management verticals.

Interestingly, this comes at a time when many market participants/observers wonder where some of these large specialty provider platforms will ultimately end up, as there are fewer and fewer clear "end buyers" for these scaled physician organizations and larger private equity firms, payers, and other corporate entities scale back on these types of partnerships. Large distributors have conveniently stepped into this void and are emerging as a new exit pathway at a much-needed time for liquidity. They offer not only strategic infrastructure that enables growth and operational efficiency, but also stability and resources that many of these organizations are seeking in an evolving and increasingly complex healthcare landscape. They also bring deep knowledge of the pharmaceutical supply chain and significant scale / power to combat any future headwinds.

### Recent Activity:

Over the past 18 months, Cencora, Cardinal Health, and McKesson have deployed significant investments of capital, with more than \$12 billion committed to scaled specialty provider platforms, spanning oncology, gastroenterology, ophthalmology, and urology.

### Cencora

- **OneOncology:** Cencora holds a minority ownership stake in this national community oncology platform, which closed on June 9, 2023, in a deal valued at approximately \$2.1 billion. The platform is majority-owned by TPG.
- **Retina Consultants of America (RCA):** Closed January 2025 for ~\$4.4 billion in cash, with Cencora acquiring an 85% stake post-equity rollover. RCA includes nearly 300 retina specialists across 23 states, as well as substantial clinical trials and research capabilities, marking Cencora's largest provider acquisition to date.

## continued...

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### Cardinal Health

- **GI Alliance:** Completed the acquisition of a 71% stake for \$2.8 billion in January 2024, with full control exercisable in future tranches. GI Alliance includes more than 900 providers across 345 locations and represents one of the largest gastroenterology-focused MSOs in the country.
- **Integrated Oncology Network (ION):** Closed in late 2024 for approximately \$1.15 billion, adding oncology infrastructure and provider alignment into Cardinal's Navista division.
- **Urology America:** Acquired in April 2025 by GI Alliance (and now Cardinal Health), further expanding Cardinal's specialty portfolio into urology alongside its gastroenterology and oncology platforms.

### McKesson

- **Florida Cancer Specialists & Research Institute:** Acquired a ~70% stake for approximately \$2.5 billion in 2023, further expanding the US Oncology Network and building on McKesson's 2010 acquisition of US Oncology for \$2.2 billion. This continues McKesson's strategy of embedding deeply within community-based cancer care.

The Big 3 are in the process of transforming their roles from vendors to partners with many physicians across new and existing specialties.

### Looking Ahead

Distributors are entering a new arena as full acquirers in new specialties, offering liquidity, strategic partnerships, and operating infrastructure to specialty provider organizations at a time when many large independent platforms are reaching strategic inflection points.

What began as a support function in the pharmaceutical supply chain has evolved into full ownership partnerships. These firms aren't just serving providers, they are now poised to reshape the landscape across specialties beyond oncology.

This dynamic should fuel continued M&A, particularly in specialties where pharmaceutical economics, scale, and data-driven insights create a sustainable value proposition. The key question going forward is: will distributors seek to further broaden their reach into new specialty verticals beyond oncology, gastroenterology, urology, and ophthalmology, or is this the natural boundary of their expansion?



# M&A Activity

## Selected Recent Healthcare Transactions (\$MM)

Date	Target Name	Acquirer	EV	Enterprise Value /		Description
				LTM Rev.	LTM EBITDA	
6/15/2025	23andMe	TTAM Research Institute	\$305	NA	NA	Genetics-led consumer healthcare and biotechnology company
6/13/2025	Vascular Surgery Associates	StrideCare (Webster Equity Partners)	NA	NA	NA	Virginia based vascular and endovascular care provider
6/12/2025	Ontellus (Aquiline, Capstreet)	Datavant (Ardan, New Mountain Capital, Oxeon Partners)	NA	NA	NA	Provider of health records retrieval and claims intelligence
6/12/2025	Q-Centrix (TPG Growth)	MRO (Parthenon Capital)	NA	NA	NA	Enterprise clinical data management platform
6/5/2025	CBCC Global Research	Edgewater Capital Partners	NA	NA	NA	Multi-national clinical contract research organization
6/5/2025	Embold Health (Echo Health Ventures, Morgan Health, Chrysalis Ventures, Other VCs)	Quantum Health (Great Hill, Warburg Pincus)	NA	NA	NA	Physician-led healthcare technology company
6/5/2025	MD Esthetics	New Harbor Capital	NA	NA	NA	Multi-state medical aesthetics and wellness company
6/5/2025	Vita Health	Valera Health	NA	NA	NA	Clinically validated virtual suicide risk reduction services
6/3/2025	Emcara Health (fka PopHealthCare)	Lucet	NA	NA	NA	Value-based medical group focused on delivering home-based care to clinically complex and high-risk populations
6/3/2025	Medxoom Assets (Allied Benefit)	Zelis (Bain Capital and Parthenon Capital)	NA	NA	NA	Mobile-first healthcare member experience platform
6/3/2025	Veda (Oak HC/FT and HealthX Ventures)	H1 (IVP and Menlo Ventures)	NA	NA	NA	Provider data and automation solutions platform for health insurance plans
6/2/2025	Mercury Pharmacy Services	Guardian Pharmacy Services	NA	NA	NA	Long-term care pharmacy
5/29/2025	Streamline Health *	Mdaudit (Bregal Sagemount and Primus Capital)	\$37	2.1x	NM	Provider of revenue cycle optimization solutions for healthcare providers
5/27/2025	Crozer Health's Outpatient Centers	ChristianaCare *	\$50	NA	NA	5 outpatient clinics based in Southeastern Pennsylvania
5/27/2025	DAS Health (Sheridan Capital Partners)	Coalesce Capital	NA	NA	NA	Provider of healthcare IT and business solutions
5/28/2025	TruTechnologies	LLR Partners	NA	NA	NA	Provider of real-time clinical trial oversight
5/28/2025	Antylia Scientific (GTCR)	Brookfield and CDPQ	\$1,340	NA	NA	Life science tools business with a portfolio of products serving the pharma, biopharma, healthcare and environmental markets
5/23/2025	Fuze Health (Alto Pharmacy)	LetsGetChecked	NA	NA	NA	Digital pharmacy with deep expertise in women's health
5/20/2025	Arosa (HCAP Partners)	Undisclosed	NA	NA	NA	Care management provider for older adults and their families

# Private Placement Activity

## Selected Recent Healthcare Transactions (\$MM)

Date	Company	Investor(s)	Type	Amount	Description
6/18/2025	Allied OMS *	65 Equity Partners	Minority Recap	Undisclosed	Doctor-owned, doctor-led, and doctor-governed MSO that partners with oral and maxillofacial surgery practices
6/16/2025	Ellipsis Health	Salesforce, Khosla Ventures, and CVS Health Ventures (co-leads), Mitsui Global Investment, Collier, E12, and AME Cloud Ventures	Series A	\$45	Artificial intelligence-based speech analytics software
6/12/2025	Commons Clinic	RA Capital (lead), Floating Point, SteelSky Ventures, Time BioVentures, Courtside Ventures, and Commons Clinic physicians	Series B	\$26	Multi-specialty healthcare platform
6/3/2025	Paytient	Trinity Capital	Growth	\$40	Healthcare payments company helping people better access and afford care.
5/27/2025	Emergency Care Partners	MidOcean Partners	Preferred Equity	\$100	Provider of emergency medicine services for hospitals
5/20/2025	ProgenyHealth	Cressey & Company and Sunstone Partners	Growth	Undisclosed	Maternity and NICU care management provider
5/14/2025	Cohere Health	Temasek (lead), Deerfield Management, Define Ventures, Flare Capital Partners, Longitude Capital, and Polaris Partners	Series C	\$90	Clinical intelligence company providing AI-enabled prior authorization solutions for physicians and health plans
5/14/2025	Sprinter Health	General Catalyst (lead), Andreessen Horowitz (a16z) Bio + Health, Regents of the University of California, Google Ventures, and Accel	Series B	\$55	Mobile healthcare provider that combines technology and a full-stack medical practice
5/14/2025	TELUS Health	GTCR	Preferred Minority Equity	\$200	Provider of payor technology, pharmacy management technology, electronic medical records and supplemental benefits
5/13/2025	PhaseV	Accel and Insight Partners (co-leads), Viola Ventures, EXOR, and LionBird	Series A	\$50	AI/ML-driven clinical development
4/30/2025	Plenful	Mitchell Rales and Arena Holdings (co-leads), Notable Capital, Bessemer Venture Partners, TQ Ventures, Susa/Kivu Ventures	Series B	\$50	AI-enabled healthcare workflow automation platform
4/29/2025	Persivia	Aldrich Capital Partners	Recap	\$107	AI driven digital health solutions for claims, social, and operational data
4/23/2025	Nourish	J.P. Morgan Growth Equity Partners (lead), Thrive Capital, Index Ventures, Y Combinator, Maverick Ventures, BoxGroup, Atomico, G Squared, and Pinegrove Opportunity Partners	Series B	\$70	Provider of nutrition counseling
4/16/2025	Chapter	Stripes (lead), XYZ Venture Capital, Susa Ventures, Addition, Narya Capital, and Maverick Ventures	Series D	\$75	Medicare navigation platform
4/15/2025	hellocare.ai	HealthQuest Capital (lead, Bon Secours Mercy Health, UCHHealth, OSF Ventures, and LRVHealth	Growth	\$47	AI-assisted virtual care delivery platform transforming hospital care models and operations
4/3/2025	Thatch	Index Ventures (lead), Andreessen Horowitz (a16z), General Catalyst, SemperVirens, PeopleTech Partners, The General Partnership, and ADP Ventures	Series B	\$40	Personalized health benefits platform
4/3/2025	Solace	Menlo Ventures (lead), SignalFire, Craft Ventures, Inspired Capital, and Torch Capital	Series B	\$60	Digital health platform that connects patients with expert health advocates
3/20/2025	Inspiren	Avenir (lead), Primary Venture Partners, Story Ventures, Third Prime, and Studio VC	Series A	\$35	Provider of AI solutions for the senior care industry

# Equity Capital Markets

## Market Overview

- New issue markets posted their busiest week since 2021:
  - Last week: 4 IPOs; 13 follow-ons; 9 converts
- All four IPOs last week priced above their marketing ranges amid significant oversubscription and traded well in the aftermarket, delivering an avg. return of +70% last week
- The prescription for success appears to be: 1.) Start at a reasonable valuation vs. peers 2.) Build demand to excess levels 3.) Restrict aftermarket supply via smaller deal size relative to market cap
- Two IPOs are expected to price this week ahead of the Juneteenth holiday (market closed on R 6/19): Caris Life Sciences (Healthcare) and Slide Insurance (InsurTech)

## ECM Activity (Last 4 Weeks & YoY)

	2025 - Last 4 Weeks			2024 - Last 4 Weeks		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	3,688	8	10%	1,791	4	9%
CONV	16,347	17	43%	9,043	15	44%
FO	18,341	34	48%	9,643	32	47%
Total	38,376	59	100%	20,476	51	100%

	2025 YTD			2024 YTD		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	12,787	24	11%	12,604	26	12%
CONV	36,426	41	32%	33,063	47	32%
FO	63,076	103	56%	58,348	177	56%
Total	112,290	168	100%	104,015	250	100%

## Most Recent Healthcare Initial Public Offerings (\$MM)

Issuer Information				Deal Sizing				Pricing		Performance	
Pricing Date	Company	Sector	Ticker	Deal Value (\$MM)	Market Cap (\$MM)	Deal as % of Mkt. Cap	% Primary	Offer Price	Final Range	1-Day	1-Week
6/5/2025	Omada Health	Healthcare Technology	OMDA	\$150.1	\$1,059.1	14.2%	100.0%	\$19.00	\$18.00 - \$20.00	21.1%	(9.6%)
5/21/2025	Hinge Health*	Healthcare Technology	HNGE	\$502.9	\$2,579.1	19.5%	54.2%	\$32.00	\$28.00 - \$32.00	17.4%	28.1%
3/5/2025	Kestra Medical Technologies	Medical Products	KMTS	\$232.3	\$842.1	27.6%	100.0%	\$17.00	\$14.00 - \$16.00	28.5%	24.5%
1/29/2025	Beta Bionics	Medical Products	BBNX	\$234.6	\$728.6	32.2%	90.4%	\$17.00	\$16.00 - \$17.00	39.0%	34.4%
10/10/2024	Ceribell	Medical Products	CBLL	\$207.3	\$578.3	35.8%	100.0%	\$17.00	\$14.00 - \$16.00	47.1%	55.9%

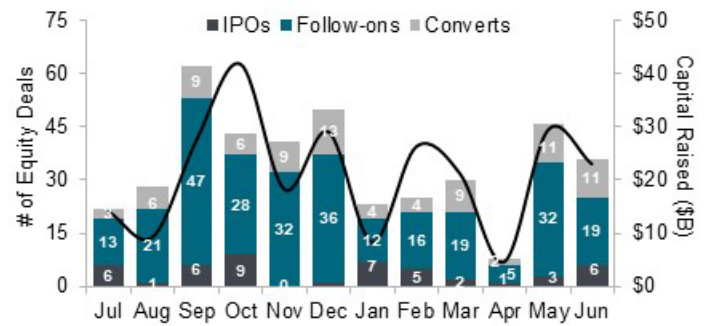
## Most Recent Healthcare Follow-on Offerings (\$MM)

Issuer Information					Deal Sizing				Pricing	Performance	
Pricing Date	Company	Sector	Deal Type	Ticker	Deal Value (\$MM)	Market Cap (\$MM)	Deal as % of Mkt. Cap	% Primary	Discount to File	1-Day	1-Week
6/10/2025	Brightspring Health Services	Services	Marketed	BTSG	\$304.5	\$3,923.0	7.8%	0.0%	(2.2%)	0.6%	-
5/22/2025	Guardian Pharmacy Services	Services	Marketed	GRDN	\$157.5	\$1,429.0	11.0%	0.0%	(20.8%)	4.5%	1.9%
5/15/2025	Senseonics	Medical Products	Marketed	SENS	\$57.5	\$437.0	13.2%	100.0%	(9.1%)	6.0%	5.0%
5/14/2025	Waystar	Healthcare Technology	Marketed	WAY	\$557.0	\$6,834.3	8.2%	0.0%	(3.9%)	1.3%	1.4%
2/20/2025	Waystar	Healthcare Technology	Marketed	WAY	\$920.0	\$7,058.2	13.0%	0.0%	(11.3%)	5.5%	6.1%

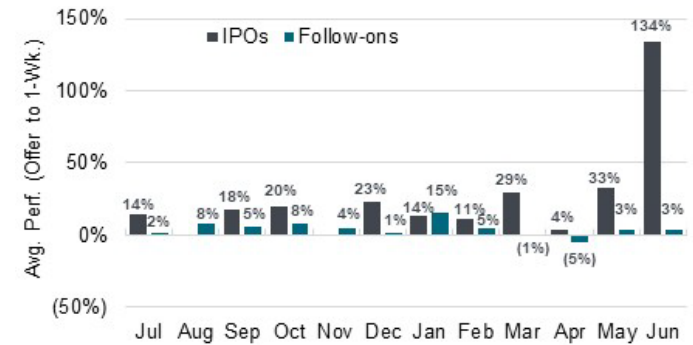
## Most Recent Healthcare Convertible Debt Offerings (\$MM)

Issuer Information				Deal Sizing			Pricing	
Pricing Date	Company	Sector	Ticker	Deal Value (\$MM)	Market Cap (\$MM)	Deal as % of Mkt. Cap	Coupon	Premium
5/8/2025	Hims & Hers Health*	Healthcare Technology	HIMS	\$1,000.0	\$11,504.9	8.7%	0.00%	37.50%
3/13/2025	Integer*	Medical Products	ITGR	\$1,000.0	\$3,980.3	25.1%	1.88%	27.50%
3/4/2025	Alphatec	Medical Products	ATEC	\$405.0	\$1,690.9	24.0%	0.75%	32.50%
1/24/2025	Semler Scientific	Medical Products	SMLR	\$100.0	\$566.7	17.6%	4.25%	25.00%
12/16/2024	LeMaitre Vascular*	Medical Products	LMAT	\$172.5	\$2,070.8	8.3%	2.50%	30.00%

## U.S. ECM Offerings (LTM; IPOs, Follow-ons & Converts)



## IPO & Follow-on 1-Week Performance (LTM)



Sources: Bloomberg, Capital IQ, Dealogic, and Press Releases

Note: Transactions include IPOs, follow-ons (including bought deals) and convertible offerings of \$25mm or more priced on a U.S.-based exchange; Price performance includes both marketed and bought deal follow-ons; \* denotes Cain Brothers / KBCM transaction; excludes fixed price IPOs

Transaction occurred the past week

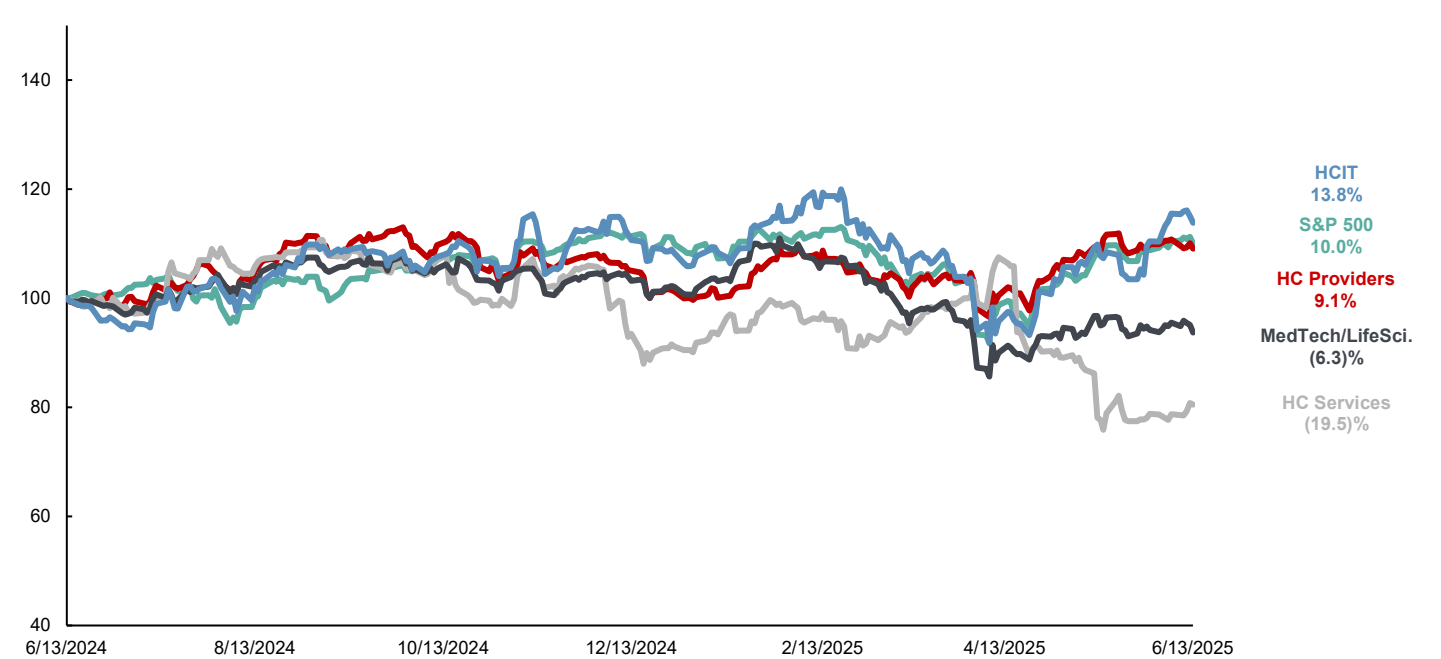
# Public Equity Market Activity & Indices

## Equity Indices (as of June 13, 2025)

Index	Wk Open	Wk Close	Returns	
			52 Week	Weekly
DJIA	42,763	42,198	9.2%	(1.3%)
S&P 500	6,000	5,977	10.0%	(0.4%)
NASDAQ	19,530	19,407	9.8%	(0.6%)
Russell 2000	2,132	2,101	3.0%	(1.5%)
NYSE Healthcare	23,720	24,165	(8.6%)	1.9%

Cain Brothers Indicies	Returns	
	52 Week	Weekly
Acute Care	0.0%	(4.2%)
Alternate Site Services	(2.0%)	(3.7%)
Diagnostics	10.1%	0.6%
Distribution	24.8%	2.4%
Healthcare IT	13.8%	(1.4%)
Healthcare REITs	45.7%	(0.8%)
Managed Care	(31.3%)	1.6%
Medical Technology	(4.8%)	(2.4%)
Outsourced Services	(29.7%)	(0.3%)
Pharma Services	(18.1%)	1.8%
Pharmacy	5.9%	5.2%
Primary Care	(54.2%)	0.5%
Post-Acute Care Services	25.2%	(2.5%)
Post-Acute Care Facilities	18.1%	(2.4%)

## Cain Brothers Healthcare Indices (1YR Performance)



# High Grade, High Yield & Leveraged Loan Market

## Market Summary

### High Grade

- IG issuance disappointed relative to expectations, posting below estimates for three weeks straight; 19 deals priced for \$21.3 BN in new issue volume.

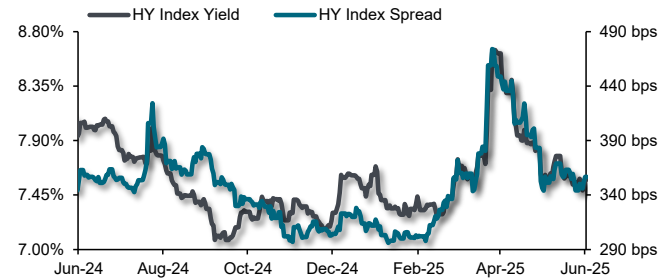
### High Yield

- Primary issuance slowed to \$2.6 BN from four issuers amid tariff uncertainty and Middle East tensions.

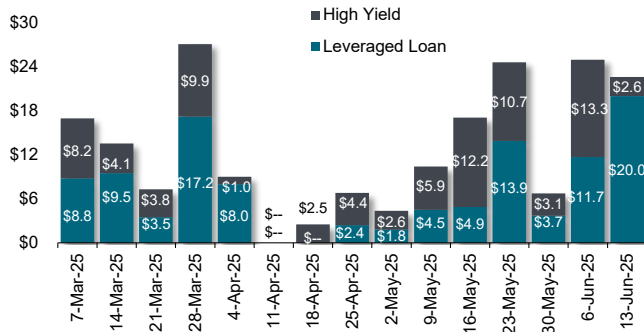
### Term Loan B Market

- CLO issuance has remained strong throughout 2025, and spreads have begun to stabilize recently after ticking upwards from 2025 lows reached in February.

## HY Index Yield & Spread (YTD)



## Weekly New Issue Volume (\$BN)



## New-Issue Clearing Yields<sup>1</sup> (\$MM)

Double-B Issuers	4Q24	1Q25	30-Day Rolling Average
			06/13/25
Ba1	S+192 / 6.6%	S+233 / 6.7%	S+288 / 7.3%
	S+198 / 6.6%	S+199 / 6.4%	S+208 / 6.4%
	S+252 / 7.1%	S+232 / 6.7%	S+278 / 7.1%
Single-B Issuers	4Q24	1Q25	30-Day Rolling Average
			06/13/25
B1	S+303 / 7.6%	S+278 / 7.2%	S+303 / 7.5%
B2	S+357 / 8.2%	S+333 / 7.7%	S+339 / 7.8%
B3	S+383 / 8.5%	S+357 / 7.9%	S+362 / 8.1%

## Most Recent Healthcare High-Grade Issuances (\$MM)

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	IPT-Pricing
6/5/2025	Dentsply Sirona Inc	Sub-Notes	\$550	Baa3/BB/—	8.375%	9/12/2055	—	38 bps
6/3/2025	GE Healthcare Technologies Inc	Sr Notes	\$650	Baa2/BBB/BBB	4.800%	1/15/2031	+78	32 bps
6/3/2025	GE Healthcare Technologies Inc	Sr Notes	\$850	Baa2/BBB/BBB	5.500%	6/15/2035	+103	32 bps
5/27/2025	Ecolab Inc	Sr Notes	\$500	A3/A-/A-	4.300%	6/15/2028	+42	23 bps
5/20/2025	McKesson Corp	Sr Notes	\$650	A3/BBB+/-	4.650%	5/30/2030	+60	25 bps
5/20/2025	McKesson Corp	Sr Notes	\$650	A3/BBB+/-	4.950%	5/30/2032	+70	25 bps
5/20/2025	McKesson Corp	Sr Notes	\$700	A3/BBB+/-	5.250%	5/30/2035	+80	25 bps

## Most Recent Healthcare High-Yield Issuances (\$MM)

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	Price Talk
6/2/2025	IQVIA	Sr. Notes	\$2,000	Ba2/BB/NR	6.250%	6/1/2032	201 bps	6.375% area
5/20/2025	Teva	Sr. Notes	\$700	Ba1/BB/BB	5.750%	12/1/2030	181 bps	6.00% area
5/20/2025	Teva	Sr. Notes	\$500	Ba1/BB/BB	6.000%	12/1/2032	186 bps	6.25% area

## Most Recent Healthcare Leveraged Loan Issuances (\$MM)

Date	Issuer	Ownership	Corp. Ratings	Use of Proceeds	Size	Pricing	Yield
6/10/2025	National Seating & Mobility	Cinven	B3 / B-	Repricing	\$552	SOFR+475, 0% @ 100	9.064%
6/6/2025	Ivirma	KKR	B2 / B	Acquisition	\$100	SOFR+375, 0% @ 100	8.060%

## Most Recent Healthcare Pro Rata Issuances (\$MM)

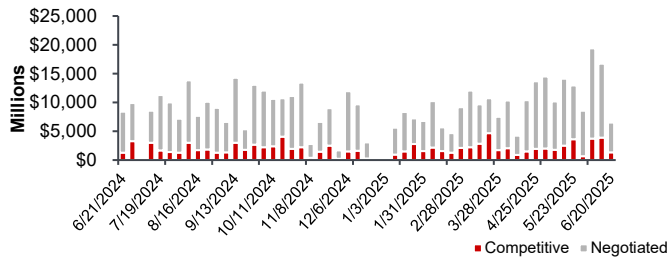
Date	Issuer	Ownership	Ratings	Use of Proceeds	Size	Pricing (in bps)	Financial Covenants
6/5/2025	Henry Schein	Public	NR / NR	Refinancing	\$1,000mm 3-year Revolver \$750mm 5-year TLA	Leverage-based Grid SOFR+75-125 Opens at SOFR+125	Max. Net Leverage Ratio: 3.50x

# Public Finance Market

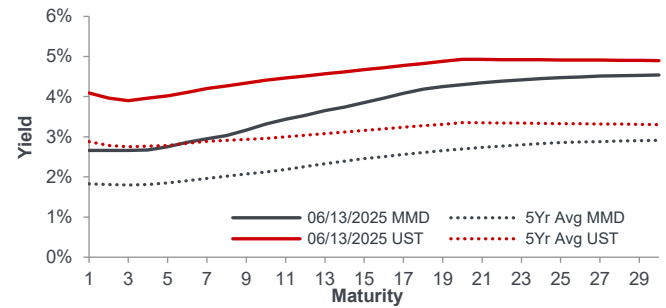
## Market Overview

- The yield on the benchmark 10-year U.S. Treasury Note decreased 10 bps week-over-week, closing at 4.41% on Friday. 10-year MMD decreased 2 bps week over week.
- Healthcare Public Issuance in 2024 increased 143% vs 2023. YTD 2025 Issuance is currently 11% higher than YTD 2024 through the end of June.
- Muni bond funds gained \$523 MM and high yield funds gained \$138 MM for the week ended June 13<sup>th</sup>.

## Weekly New Issue Volume (\$MM)



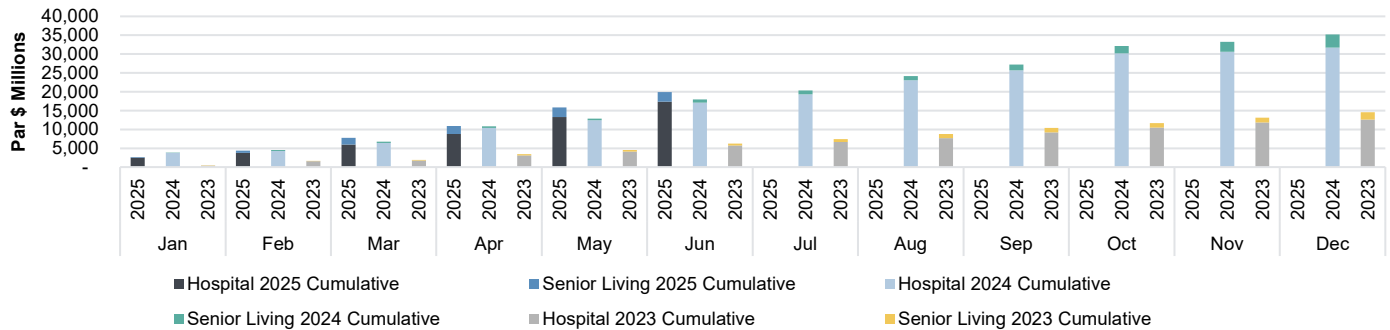
## MMD & UST Yield Curve



## Benchmark Yields

Treasury Yields			MMD Yields			Ratio
Yr	Yield	Δ (W/W)	Yr	Yield	Δ (W/W)	MMD/UST
2	3.96%	(8 bps)	2	2.66%	(4 bps)	67%
10	4.41%	(10 bps)	10	3.32%	(2 bps)	75%
30	4.90%	(7 bps)	30	4.54%	(2 bps)	93%

## Healthcare Public Issuance Overview



## Recent Healthcare Public Issuance

Healthcare Public Issuance										
Borrower/Enhancement	Par (000s)	State	Issuer	Tax Status	LT Ratings (M/S/F)	Final Mat.	Call, Put or Reprice*	Final Mat. Cpn.	YTW	YTM
<b>Recent Pricings, Week of 6/9</b>										
Duke University Health System	324,450	NC	NCMCC	TE	Aa3 / AA- / AA-	2042	2035(C)	5.00%	4.58%	4.71%
Duke University Health System	164,330	NC	NCMCC	TE	Aa3 / AA- / AA-	2055	2030(P)	5.00%	3.42%	4.56%
WV United Health System OG	300,655	WV	WVHFA	TE	A2 / A / NR	2053	2035(C)	5.00%	5.17%	N/A
WV United Health System OG	100,000	WV	WVHFA	TE	A2 / A / NR	2055	2033(P)	5.00%	3.95%	4.59%
Providence St. Joseph Health	345,795	CA	CHFFA	TE	NR / A / A	2050	2045(P)	5.00%	3.81%	4.65
<b>Exp. Pricings, Week of 6/16</b>										
El Paso County Hospital District	265,455	TX	EPCHD	TE	NR / NR / NR	-	-	-	-	-
Methodist Le Bonheur Health	192,705	TN	HEHFBT	TE	A1 / AA / NR	-	-	-	-	-
Nebraska Methodist Health System	142,105	NE	NMHS	TE	NR / A / A+	-	-	-	-	-
Augustana Chapel View Homes	33,600	MN	CSBM	TE	NR / NR / NR	-	-	-	-	-
Orlando Senior Health Network	25,000	FL	FLGFC	TE	NR / NR / NR	-	-	-	-	-
Bayview Manor II Project	16,610	WA	WSHFC	TE	NR / NR / NR	-	-	-	-	-

Sources: Bloomberg, TM3

\* Denotes Cain Brothers/KeyBanc Capital Markets participation

NC = No Call, MWC = Make Whole Call, (C) = Par Call, (P) = 1st Put, (R) = Reprice Date

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# Relevant News

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## Health Systems Reimagine Finance Teams<sup>1</sup>

***Becker's Hospital Review* | June 10, 2025**

Hospitals are automating repetitive and rule-based tasks, enabling significant efficiencies in the finance and revenue cycle departments. The ability to execute on administrative tasks in a few minutes with AI creates incredible value for hospitals and health systems. It also means the traditional roles are changing. What will the finance and revenue cycle teams of the future look like?

## Preparing for the Future: The Psychiatric Workforce<sup>2</sup>

***Psychiatric Times* | June 11, 2025**

Mental health care in the US is falling short. According to the most recent National Survey on Drug Use and Health, 23.8% (approximately 6.2 million of 27.1 million adults aged 18 years and older) with any mental illness perceived an unmet need for treatment in the previous year. Other data indicate that approximately 60 million Americans struggle with mental health, and more than one-third of the US population lives in a Mental Health Professional Shortage Area. Barriers to care are complex and involve patient-level factors (eg, stigma, affordability, geographic location) and provider-level factors (eg, reimbursement issues, restrictive scope of practice, clinician burnout). By most estimates, only half of people who struggle with mental health will ever seek psychiatric services.

## NIH Grant Cuts Have Pulled \$2B From Medical Schools, Academic Hospitals: AAMC<sup>3</sup>

***Fierce Healthcare* | June 11, 2025**

National Institutes of Health (NIH) grant terminations have pulled almost \$2 billion in funding away from U.S. medical schools and hospitals, including \$314.5 million in funding intended to train biomedical and health researchers, according to an analysis from the Association of American Medical Colleges (AAMC). The halted funding undercuts medical schools and academic hospitals' financial sustainability, immediately ended at least 160 active clinical trials for patients being treated for conditions like HIV/AIDS or cancer and threatens "the ability of academic medicine to attract and retain the best and brightest scientists," the association warned in a Wednesday data brief. An accompanying release from the AAMC framed the grant terminations alongside a slew of proposed executive and legislative actions it said threaten academic medicine and millions of patients, such as Medicaid provider tax limits and eliminating federal student aid programs.

## Relevant News

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### **The State of AI, from the Seat of the CIO as Health Systems Firm up Strategic Plans<sup>1</sup>**

***Fierce Healthcare | June 12, 2025***

A new white paper explores how chief information officers are making decisions about AI, a rapidly evolving technology with a potential for tremendous impact on the business of healthcare. While the vast majority say their AI strategic plans are still in development, most are turning against the prospect of building algorithms in-house and are turning to their electronic health records or third-party vendors to supply solutions.

### **Growth of Collaborative Care Model Driven by 'Pockets of Champions'<sup>2</sup>**

***Behavioral Health Business | June 13, 2025***

The use of collaborative care models has taken off in terms of utilization by providers and patients alike. A new study by Milliman details explosive early growth of the collaborative care model, an integration of behavioral health services into the primary care setting. Depending on how you slice it, the report shows massive growth increases — as high as factors of 22 times in the case of use in the commercial health plan population — over the space of five to six years. These kinds of growth multiples are reminiscent of the explosive growth some early-stage companies experienced in their early years. And just like in the world of startups, big-number growth tends to be a function of the newness rather than of market dominance.

### **AHIP 2025: A look at the current policy environment around Medicare Advantage<sup>3</sup>**

***Fierce Healthcare | June 17, 2025***

Medicare Advantage (MA) has historically enjoyed bipartisan popularity, but, as the program has grown, so too has scrutiny of insurers' practices. Mike Hoak, vice president of public policy at Humana, said this is a natural cycle for public programs like MA, where policymakers don't want to see it fail or kill it outright but want to continue evolving it to ensure it works effectively. There was a similar reappraisal of Medicare Part D, he said. "There is a really bipartisan feeling amongst policymakers: 'I love the program,' and—for some of them, at least—I'd like to see it grow, but it is time for some nips and tucks," Hoak said. "I think Medicare Advantage is at that inflection point right now." Hoak spoke on a panel about the current state of policy around MA at AHIP 2025 on Monday. He was joined by Elena Tompkins, principal at Tompkins Strategies; Matt Kazan, vice president for policy and government affairs at SCAN Health Plan; and Mark Hamelburg, senior vice president for federal programs at AHIP.