

April 11, 2024

Cain Brothers Industry Insights

Healthcare Market Report



Banker commentary:

The Intersection of Ambulatory Care, Health Systems, and Private Equity

Banker Commentary

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The Intersection of Ambulatory Care, Health Systems, and Private Equity

Banker Commentary David Morlock

Disruption and financial difficulty continue to be major themes for health systems. Large multi-market systems are rebalancing their portfolios and shedding assets. And smaller local systems are struggling with a lack of scale and balance sheet weakness as they make incremental decisions to simply hang on from one crisis to the next. Simply surviving the pandemic, a major resetting of labor costs, and cashflow hits from cyber-attacks is not positioning your health system to meet the long-term healthcare needs of your community.

Large regional health systems with sufficient scale, track record, and brand strength are positioned to capitalize on opportunities presented by this turmoil. Two critical items necessary to capitalize on the opportunity are an expanding and profitable ambulatory care footprint and access to capital to invest in the ambulatory care business.

Timing and market dynamics are aligned around this strategic opportunity for both health systems and private equity to collaborate with each other in innovative joint venture relationships to drive the ambulatory care investment agenda. This is a moment in time when health systems should evolve to become aggregators of capabilities. And the ambulatory care platform is just the place for this evolution to occur, allowing health systems to deliver holistic, cohesive, and customer-friendly care services demanded by the market.

Collectively, PE investment firms have capital, capabilities, market knowledge, and operating expertise in virtually all ambulatory care verticals. The companies they fund and develop are well-positioned to collaborate with progressive health systems to build competitive service offerings.

An example of this was highlighted last year at Cain Brothers' inaugural Health System and Private Equity Collaboration Conference in Nashville. Novant (an \$8.5B NFP health system based in Charlotte, NC) and TPG (a major PE firm with a track record in ambulatory care partnerships with health systems) collaborate in multiple ambulatory care verticals. The conference highlighted their most recent partnership around MedQuest to build a premier retail imaging and diagnostics company with a national footprint. The co-control model of this partnership integrates deeply within Novant's clinical and technology platforms to successfully create a better stakeholder experience for patients, referring physicians, radiologists, and health system partners.

PE companies work with health systems to identify potential pain points and then align strategic objectives in creating and operating joint-ventured companies. This includes wrestling with issues such as governance structuring, investment holding periods, profit orientation, and leverage. While health systems and PE firms can bring differing perspectives, ultimately the message is clear from both types of organizations that providing good care is good business.

Some NFP systems express skepticism and reticence in working with PE. On the other hand, many health systems understand that while capital is a commodity, PE partnerships can create capital, but more importantly generate operational efficiencies, improve margins and provide strategic growth.

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Most health systems have too much scope to effectively manage alone, and PE can help fundamentally restructure certain business lines. Many health systems recognize the need to essentially rethink strategies, capital sources, and partnerships. They cannot meet increasing marketplace demands alone.

As the famed author Victor Hugo observed, “Nothing else in the world...is so powerful as an idea whose time has come.” There is now enough collective experience and wisdom to suggest how best to structure, govern, and operate these health system / PE partnerships. We at Cain brothers encourage you to participate in this year’s version of the annual Cain Brothers’ Health System and Private Equity Collaboration Conference on June 12-13 in Nashville. It is a high energy event with topical interest and the opportunity for unique solutions and collaborations. Health system-PE partnerships are clearly an idea whose time has come.

M&A Activity

Selected Recent Healthcare Transactions (\$MM)

Date	Target Name	Acquirer	EV	Enterprise Value /		Description
				LTM Rev.	LTM EBITDA	
4/5/2024	Shockwave Medical (Nasdaq: SWAV)	Johnson & Johnson (NYSE: JNJ)	\$13,100	17.9x	NM	Medical technology company focusing on cardiovascular disease
4/3/2024	Ascend Clinical	Eurofins Scientific	NA	NA	NA	Clinical reference laboratory specializing in testing services for kidney disease
4/2/2024	Accident Care Alliance	Garnett Station Partners	NA	NA	NA	Platform of healthcare providers focused on holistic and individualized care for those injured primarily in automobile accidents
4/2/2024	The Rawlings Group	New Mountain Capital	NA	NA	NA	Technology-enabled payment integrity provider for health insurance clients
4/2/2024	SunFireMatrix	KKR	NA	NA	NA	Software and tech-enabled services platform serving the insurance distribution and health plan markets
4/1/2024	Contract Pharmaceuticals Limited Canada	Aterian Investment Partners	NA	NA	NA	Contract development and manufacturing organization of non-sterile liquid and semi-solid dosage forms
3/28/2024	Select assets of OPKO's BioReference Health	Labcorp (NYSE:LH)	\$238	2.4x	NA	Laboratory testing businesses focused on clinical diagnostics and reproductive and women's health
3/27/2024	Stewardship Health	Optum (UnitedHealth)	NA	NA	NA	Nine-state footprint of primary care providers and clinicians
3/26/2024	Poly Scientific R&D	StatLab (Audax and Linden)	NA	NA	NA	Manufacturer of chemicals, stains and reagents
3/25/2024	ILC Dover (New Mountain Capital)	Ingersoll Rand	\$2,325	7.2x	NA	Design and production of highly innovative solutions for biopharmaceutical, pharmaceutical, and medical device markets
3/21/2024	Senior Helpers (Advocate Health)	Waud Capital*	NA	NA	NA	Provider of home care and wellness services for seniors through over 380 locations in 44 states, Canada, and Australia,
3/20/2024	Medical Device Components Business (Johnson Matthey)	Montagu Private Equity	\$700	NA	NA	Components for medical device manufacturers globally with a focus on precious metal alloys and nitinol
3/18/2024	Cloudbreak Health (UpHealth)	GTCR	NA	NA	NA	Provider of tech-enabled, healthcare-focused language interpretation services
3/18/2024	Formula Wellness	Trive Capital Partners	NA	NA	NA	Provider of health, medical-based wellness, and aesthetics services with a focus on longevity science
3/18/2024	Specialty Pharmacy Business (The Kroger Co)	CarelonRx (Elevance Health)	NA	NA	NA	Specialty pharmacy serving patients with chronic illness that requires complex care
3/7/2024	Sequoia Health	Tri-Valley Medical Group (Webster Equity Partners)	NA	NA	NA	California multi-specialty independent physician association
3/5/2024	American Family Care Partners	Lorient Capital	NA	NA	NA	Provider of urgent care, accessible primary care, and occupational medicine
3/4/2024	CardioOne	WindRose Health Investors	NA	NA	NA	Physician enablement company to serve independent cardiologists
3/1/2024	Healthwise	WebMD Health (KKR and Warburg)	NA	NA	NA	Evidence-based health education, technology, and services
2/29/2024	Pharmasite Research	Headlands Research (KKR)	NA	NA	NA	Clinical trial site specializing in mental illness and central nervous system disorders,

Sources: Capital IQ, Mergermarket, and press releases

* Denotes Cain Brothers/KeyBanc Capital Markets participation

Transaction occurred the past week

Private Placement Activity

Selected Recent Healthcare Transactions (\$MM)

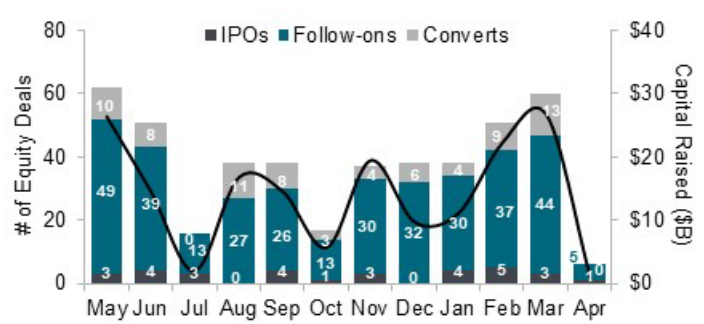
Date	Company	Investor(s)	Type	Amount	Description
4/4/2024	Binx Health	Hildred Capital (lead), EQT Life Sciences Partner	Series F	\$54	Healthcare technology and diagnostics company
3/28/2024	Pelago	Atomico (lead), Kinnevik AB, Octopus Ventures, Y Combinator, Eight Roads and GreyMatter Capital	Series C	\$55	Digital clinic partner to U.S. businesses and health plans for substance use management
3/27/2024	InStride Health	General Catalyst (lead), .406 Ventures, Valtruis, Mass General Brigham Ventures, and Hopelab Foundation	Series B	\$30	Outpatient provider of specialty pediatric anxiety and OCD treatment
3/26/2024	PipeDreams	Canvas Ventures and Plural (co-leads)	Series A	\$26	Tech-enabled home services provider
3/20/2024	PocketHealth	Round13 Capital (lead), Deloitte Ventures, Samsung Next, Radical Ventures and Questa Capital	Series B	\$33	Patient-centric medical image-sharing platform
3/19/2024	Hippocratic AI	Premji Invest and General Catalyst (co-leads), SV Angel, Memorial Hermann Health System, Andreessen Horowitz, Bio + Health, Cincinnati Children's, WellSpan Health, and Universal Health Services	Series A	\$53	Developer of a safety-focused large language model designed specifically for healthcare
3/5/2024	Argonaut Manufacturing Services	NewVale Capital (lead) and Telegraph Hill Partners	Equity	\$45	Contract manufacturing services for biopharmaceutical, diagnostics, and life science organizations
3/5/2024	Overjet	March Capital (lead), General Catalyst, Insight Partners, E14 Fund, Crosslink Capital, Spring Rock Capital, Liquid 2 Ventures, Harmonic Growth Partners and the American Dental Association	Series C	\$53	Artificial intelligence for dental organizations
2/29/2024	Moxe Health	Trinity Capital	Growth	\$25	Healthcare interoperability and clinical data exchange
2/26/2024	b.well Connect Health	Leavitt Equity Partners (lead)	Series C	\$40	Healthcare application that aggregates and analyzes healthcare data
2/23/2024	Abridge	Lightspeed Venture Partners (co-lead), Redpoint Ventures (co-lead), IVP, Spark Capital, Union Square Ventures, Bessemer Venture Partners, Wittington Ventures, Mass General Brigham Artificial Intelligence and Digital Innovation Fund, Kaiser Permanente Ventures, and CVS Health Ventures	Series C	\$150	Generative AI for clinical documentation
2/22/2024	Radiology Partners	Undisclosed	Growth Equity	\$720	Technology-enabled radiology practice in the U.S. serving more than 3,300 hospitals and other healthcare facilities
2/21/2024	HealthSnap	Sands Capital (lead), Comcast Ventures, Acronym Venture Capital, Florida Opportunity Fund, Asclepius Growth Capital, Florida Funders, MacDonald Ventures, and TGH Ventures	Series B	\$25	Remote patient monitoring and chronic care management solution
2/8/2024	Unlearn	Altimeter Capital (lead), Radical Ventures, Wittington Ventures, Mubadala Capital, Epic Ventures, and Necessary Venture Capital	Series C	\$50	AI company creating digital twins of clinical trial participants that enable smaller, faster studies
2/6/2024	Ambience Healthcare	Kleiner Perkins and Open AI startup Fund (co-leads), Andreessen Horowitz and Optum Ventures	Series B	\$70	Comprehensive AI operating system for healthcare organizations
2/1/2024	Cohere Health	Deerfield Management (lead), Define Ventures, Flare Capital Partners, Longitude Capital, and Polaris Partners	Undisclosed	\$50	Clinical intelligence and prior authorization automation

Equity Capital Markets

Market Overview

- ECM activity was subdued at the start of the second quarter as investors prepared for the upcoming earnings season
 - 1 IPO; 5 follow-ons; 0 converts
- Action in the coming week will be dominated by the pricing of IPOs from testing and certification body UL Solutions (R 4/11) and skilled nursing operator PACS (W 4/10) → Both are drawing good interest after launching their offerings in the past week
- Next week will see earnings season get underway, setting the stage for greater secondary issuance in the weeks ahead, especially from PE and VC firms seeking to monetize assets and recycle capital

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

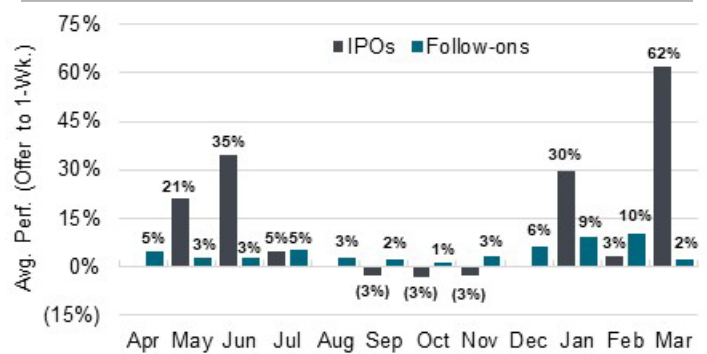


ECM Activity (Last 4 Weeks & YoY)

	2024 - Last 4 Weeks			2023 - Last 4 Weeks		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	1,890	4	12%	0	0	0%
CONV	3,191	5	20%	2,368	3	57%
FO	11,229	28	69%	1,823	8	43%
Total	16,310	37	100%	4,190	11	100%

	2024 YTD			2023 YTD		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	4,900	13	8%	1,734	6	6%
CONV	19,163	26	31%	13,306	19	42%
FO	37,114	116	61%	16,286	72	52%
Total	61,177	155	100%	31,326	97	100%

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



Most Recent Healthcare Initial Public Offerings

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
2/1/2024	Fractyl Health	Medical Products	GUTS	\$110.0	\$714.1	15.4%	100.0%	\$15.00	\$14.00 - \$16.00	(14.3%)	(30.7%)
1/25/2024	BrightSpring Health Services	Services	BTSG	\$693.3	\$2,225.5	31.2%	100.0%	\$13.00	\$15.00 - \$18.00	(15.4%)	(13.0%)
5/5/2022	Bausch & Lomb	Medical Products	BLCO	\$711.9	\$6,300.0	11.3%	0.0%	\$18.00	\$21.00 - \$24.00	11.1%	(2.9%)
10/28/2021	AirSculpt Technologies	Services	AIRS	\$88.6	\$612.0	14.5%	27.0%	\$11.00	\$11.00 - \$12.00	44.5%	30.3%
10/28/2021	Sonendo	Medical Products	SONX	\$93.6	\$315.4	29.7%	100.0%	\$12.00	\$15.00 - \$17.00	(23.3%)	(22.6%)

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
3/21/2024	Stevanato Group*	Medical Products	Marketed	STVN	\$379.7	\$7,695.1	4.9%	50.0%	(5.9%)	19.3%	23.5%
3/13/2024	GE HealthCare Technologies	Medical Products	Bought	GEHC	\$1,412.8	\$41,810.9	3.4%	0.0%	4.4%	0.8%	3.5%
3/7/2024	RadNet	Facilities & Services	Marketed	RDNT	\$230.2	\$3,577.8	6.4%	100.0%	(9.4%)	5.7%	(0.3%)
2/28/2024	Sotera Health*	Medical Products	Marketed	SHC	\$424.1	\$4,229.8	10.0%	0.0%	14.9%	1.8%	(3.5%)
2/16/2024	GE HealthCare Technologies	Medical Products	Marketed	GEHC	\$1,229.6	\$38,992.2	3.2%	0.0%	(4.0%)	4.6%	6.6%

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
3/6/2024	Tandem Diabetes Care	Medical Products	TNDM	\$316.3	\$1,778.9	17.8%	1.50%	27.50%
3/4/2024	iRhythm Technologies	Medical Products	IRTC	\$661.3	\$3,378.2	19.6%	1.50%	35.00%
12/6/2023	Merit Medical Systems	Medical Products	MMSI	\$747.5	\$3,784.4	19.8%	3.00%	32.50%
12/5/2023	Evolent Health	Healthcare Technology	EVH	\$402.5	\$3,066.0	13.1%	3.50%	42.50%
10/20/2023	Enovis Corp	Medical Products	ENOV	\$460.0	\$2,446.6	18.8%	3.88%	30.00%

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

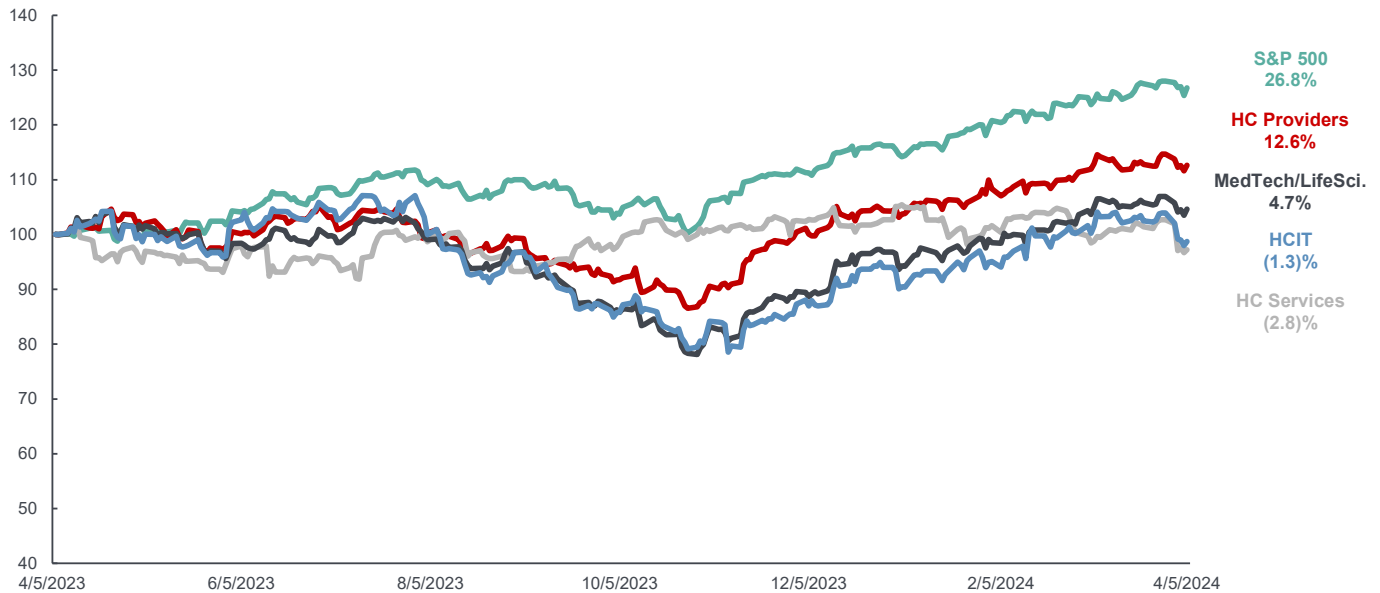
Public Equity Market Activity & Indices

Equity Indices (as of April 5, 2024)

Index	Wk Open	Wk Close	Returns	
			52 Week	Weekly
DJIA	39,807	38,904	16.2%	(2.3%)
S&P 500	5,254	5,204	26.8%	(1.0%)
NASDAQ	16,379	16,249	34.4%	(0.8%)
Russell 2000	2,125	2,063	17.6%	(2.9%)
NYSE Healthcare	26,552	25,813	10.8%	(2.8%)

Cain Brothers Indicies	Returns	
	52 Week	Weekly
Acute Care	20.3%	(1.9%)
Alternate Site Services	14.1%	(3.4%)
Diagnostics	4.0%	(1.1%)
Distribution	32.6%	(0.6%)
Healthcare IT	(1.3%)	(5.0%)
Healthcare REITs	20.0%	(1.8%)
Managed Care	(6.1%)	(6.1%)
Medical Technology	2.7%	(2.0%)
Outsourced Services	(6.8%)	(4.6%)
Pharma Services	17.3%	(3.3%)
Pharmacy	(14.8%)	(7.2%)
Primary Care	(67.6%)	(12.1%)
Post-Acute Care Services	26.7%	(0.6%)
Post-Acute Care Facilities	26.0%	(1.5%)

Cain Brothers Healthcare Indices (1YR Performance)



High Grade, High Yield & Leveraged Loan Market

Market Summary

High Grade

- The IG bond market priced \$24.0BN from 18 issuers last week, just the third week this year that weekly issuance did not surpass average expectations; average estimates for April sit at \$100.0BN, slightly below averages over the last decade of \$117.0BN

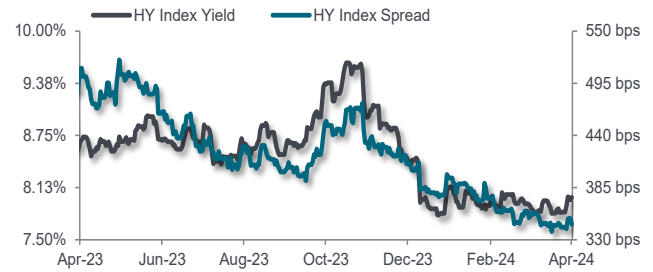
High Yield

- New issue volume in the high yield primary market remained elevated despite a relatively weakened secondary market, with eight issuers raising \$5.0 billion

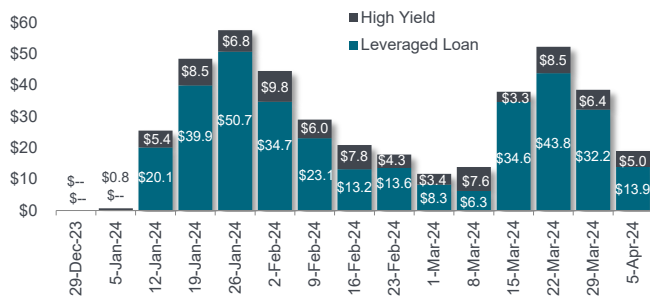
Term Loan B Market

- Opportunistic activity remains the focus to start April after a strong end to March in terms of issuance

HY Index Yield & Spread (YTD)



Weekly New Issue Volume (\$BN)



New-Issue Clearing Yields¹ (\$MM)

Double-B Issuers	4Q23	1Q24	30-Day Rolling Average
			04/05/24
Ba1	S+230 / 7.8%	S+225 / 7.6%	S+215 / 7.5%
Ba2	S+243 / 7.9%	S+226 / 7.6%	S+219 / 7.6%
Ba3	S+283 / 8.4%	S+280 / 8.2%	S+271 / 8.1%
Single-B Issuers	4Q23	1Q24	30-Day Rolling Average
			04/05/24
B1	S+371 / 9.4%	S+332 / 8.8%	S+345 / 9.0%
B2	S+436 / 10.1%	S+396 / 9.4%	S+400 / 9.4%
B3	S+457 / 10.4%	S+405 / 9.5%	S+415 / 9.6%

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	IPT-Pricing
3/19/2024	UnitedHealth Group Inc	Sr Notes	\$500	A2/A+/A	4.600%	4/15/2027	+37	28 bps
3/19/2024	UnitedHealth Group Inc	Sr Notes	\$400	A2/A+/A	4.700%	4/15/2029	+52	28 bps
3/19/2024	UnitedHealth Group Inc	Sr Notes	\$1,000	A2/A+/A	4.900%	4/15/2031	+70	25 bps

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	Price Talk
3/26/2024	SurgeryCenter Holdings	Sr Notes	\$800	Caa1/CCC+/NR	7.250%	4/15/2032	-	7.25%-7.50%
3/20/2024	Medline	Sr. Sec. Notes	\$1,000	B1/B+/BB-	6.250%	4/1/2029	194 bps	6.25% area

Most Recent Healthcare Leveraged Loan Issuances (\$MM)

Date	Issuer	Ownership	Corp. Ratings	Use of Proceeds	Size	Pricing	Yield
4/5/2024	MyEyeDr	Goldman Sachs	B3 / B-	Refinancing	\$1,400	SOFR+400, 0% @ 99.5	9.443%
4/2/2024	Paradigm Outcomes	OMERS Capital Partners	B3 / B	Refinancing	\$700	SOFR+425, 0.00% @ 99.5	9.699%
4/1/2024	Imprivata Inc	Thoma Bravo LLC	B2 / B-	Refinancing	\$1,102	SOFR+350, 0.50% @ 100	8.824%
3/27/2024	Curium	CapVest	B3 / B-	Refinancing	\$1,065	SOFR+400, 0% @ 100	9.327%
3/22/2024	Medline Industries	Blackstone Group	B2 / B+	Refinancing	\$6,143	SOFR+275, 0.50% @ 100	8.079%

Most Recent Healthcare Pro Rata Issuances (\$MM)

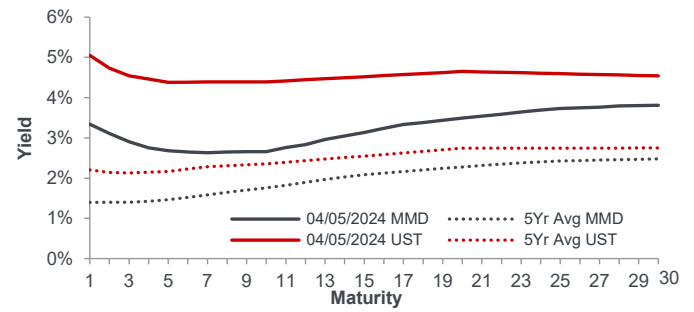
Date	Issuer	Ownership	Ratings	Use of Proceeds	Size	Pricing (in bps)	Financial Covenants
2/21/2024	Solventum	Private	NR / NR	Spin-off	\$1,000mm 3-year TLA \$500mm 18-month TLA \$2,000mm Rev	Unknown	Unknown
1/22/2024	Acadia Healthcare	Private	Ba2 / BB-	GCP	\$350mm add-on TLA	Leverage-based Grid SOFR+CSA+138-225 CSA: 10	Unknown

Public Finance Market

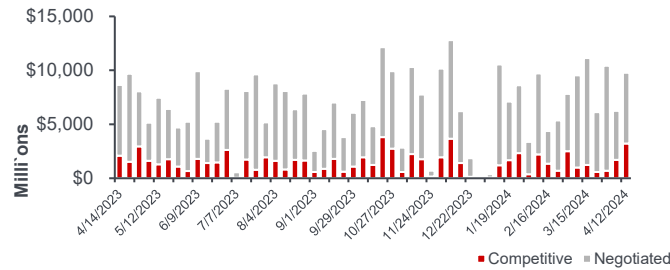
Market Overview

- The yield on the benchmark 10-year U.S. Treasury Note increased 19 bps week-over-week, closing at 4.39% on Friday. 10-year MMD increased 15 bps week over week
- Healthcare Public Issuance has outpaced 2023. Year to date issuance is up 111% in 2024 vs 2023
- Muni bond fund investors added ~\$80 million and high yield funds gained ~\$161 million for the week

MMD & UST Yield Curve



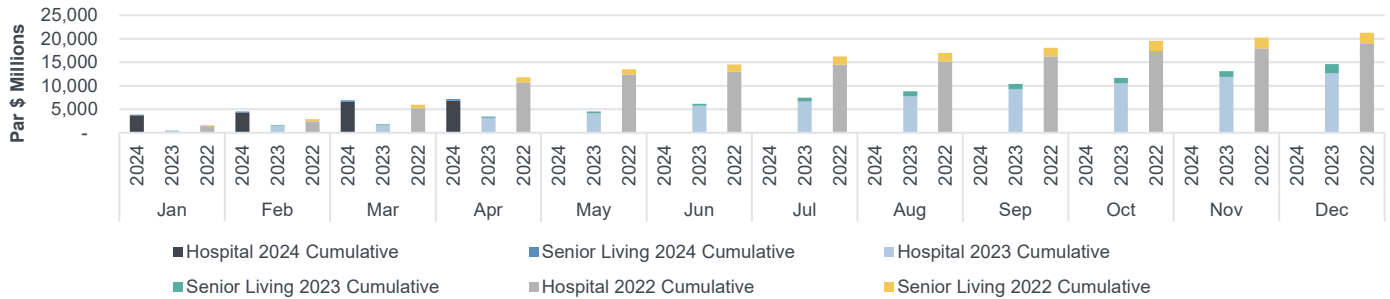
Weekly New Issue Volume (\$M)



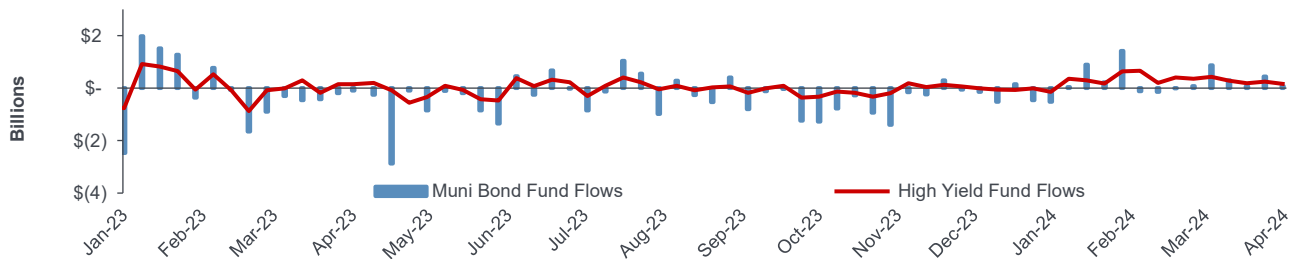
Benchmark Yields

Treasury Yields			MMD Yields			Ratio
Yr	Yield	Δ (W/W)	Yr	Yield	Δ (W/W)	MMD/UST
2	4.73%	14 bps	2	3.11%	14 bps	66%
10	4.39%	19 bps	10	2.66%	15 bps	61%
30	4.54%	20 bps	30	3.81%	13 bps	84%

Healthcare Public Issuance Overview



Flow of Funds



Recent Healthcare Public Issuance

Borrower/Enhancement	Par (000s)	ST	Issuer	Tax Status	LT Ratings (M/S/F)	Final Mat.	Call or Put	Final Mat. Cpn.	YTW	YTM
Recent Pricings, Week of 4/1										
University Hospitals Home Care	185,000	NH	NFA	TE	NR / NR / NR	2038	2034(C)	6.25%	6.25%	N/A
Citizens Medical Center, Inc.	108,249	KS	CCK	TE	NR / NR / NR	2026	2026(C)	5.50%	5.50%	N/A
Exp. Pricings, Week of 4/8										
Avera Health	334,100	SD	SDHEFA	TE	NR / AA- / AA-	-	-	-	-	-
HonorHealth	280,385	AZ	IDAM	TE	A2 / NR / A+	-	-	-	-	-
HonorHealth	43,030	AZ	IDAM	TE	A2 / NR / A+	-	-	-	-	-
Midland County Hospital District	83,175	TX	MCHD	TE	NR / A- / AA-	-	-	-	-	-
Doylestown Hospital Authority	58,525	PA	DHA	TE	NR / NR / NR	-	-	-	-	-

Relevant News

Limiting Nurse Managers' Head Counts Trims Turnover, Drives Savings, Report Finds¹

Fierce Healthcare | April 5, 2024

Provider organizations that keep a handle on their nurse managers' workloads are rewarded with significantly lower registered nurse turnover and reduced workforce spending, according to a recent report citing data from dozens of acute care hospitals and hundreds of outpatient sites. The findings outline a return on investment for "right-sizing" nurse managers' spans of control, or how many direct reports they are assigned, as well as other supportive investments into assistant nurse managers or platforms that can either reduce administrative burden or promote "consistent, purposeful interactions" between nursing teams. "Ensuring the nurse manager receives the time, latitude and support they need to execute critical work is essential in promoting a healthy culture, attracting and retaining staff, delivering excellent patient experience, and elevating patient outcomes," the American Organization for Nursing Leadership (AONL) and data analysis platform Loudio Insights wrote in the report.

WHO Offers GenAI Health Assistant With Enhanced Empathetic Response²

Healthcare IT News | April 4, 2024

The World Health Organization said it has expanded its generative artificial intelligence assistant, first launched during the COVID-19 pandemic as Florence, to help people everywhere live healthier lives. S.A.R.A.H, or Sarah, was created using an AI training approach based on modeling interactive human systems to deliver more personalized and engaging messages. WHO said in its announcement Tuesday that Sarah has the expertise to help prevent cancer, heart disease, lung disease, diabetes and other causes of high mortality rates. To create the digital health promoter, WHO partnered with New Zealand-based Soul Machines, an interactive AI development firm. The company published a Medium post on Tuesday to explain how it designs its biological AI with sensory, motor, attention and perception to create digital workforce solutions.

US Lags Other Nations In Access To Primary Care, Coordination With Specialists: Commonwealth Fund³

Fierce Healthcare | April 3, 2024

The U.S. trails other developed countries in many aspects of its primary care model, particularly in access to and continuity of care, according to a new Commonwealth Fund report. Only 52% of primary care providers in the U.S., for example, had arrangements for after-hours care, the fourth-lowest total among 10 nations. France, by contrast, had a 91% figure when it came to such arrangements. The situation is worse when it comes to forming a long-standing relationship with a primary care provider with the U.S. the lowest of all 10 countries surveyed. Just 43% of U.S. adults reported a regular doctor or place of care relationship lasting at least five years. The highest-performing countries in that category, by contrast, were the Netherlands (76%) and Germany (68%). "Patients in the U.S. are among the least likely to have access to primary care outside of regular business hours or a longstanding relationship with their primary care physician," the report said. Other areas where the U.S. consistently underperforms its peers are in home visits with less than a third of physicians doing so compared with more than two-thirds in all other countries surveyed.

continued...

How ACO Flex Could Make Hospice ‘Top of Mind’ With Primary Care Providers¹

Hospice News | April 4, 2024

Collaborations with participants in the Centers for Medicare & Medicaid Innovation’s (CMMI) Accountable Care Organization (ACO) Primary Care Flex demo could allow hospices to leverage their skill sets to access more patients. Hospices and palliative care providers can come to ACOs by two main avenues. They can become members of those organizations themselves, or they can contract with them through a preferred provider network. In these preferred provider arrangements, the two parties can negotiate mutually beneficial terms that are customized to the needs and characteristics of their patient population. This may be increasingly important going forward. The U.S. Centers for Medicare & Medicaid Services (CMS) has announced plans to ensure that 100% of Medicare beneficiaries become aligned with an accountable care entity. CMMI announced the new payment demonstration last month. Though the model is focused on primary care, it could help more patients receive hospice and palliative care when appropriate, according to CMS.

CMS Finalizes New Behavioral Health Policies In Medicare Advantage²

Behavioral Health Business | April 5, 2024

Federal regulators have been taking steps to hold private health insurance companies working within the Medicare program more accountable. Behavioral health continues to play an essential part in those efforts. One of the most recent moves came on Thursday, when the U.S. Centers for Medicare & Medicaid Services (CMS) finalized a new set of policies meant to “strengthen enrollee protections and guardrails” in Medicare Advantage (MA) while ensuring plans meet members’ needs. The finalized policies include additional protections around behavioral health services. In particular, Thursday’s rulemaking expands access and network standards around mental health and substance use disorder (SUD) services within the MA landscape.

Medicare Advantage Rate Cut Threatens Nursing Homes³

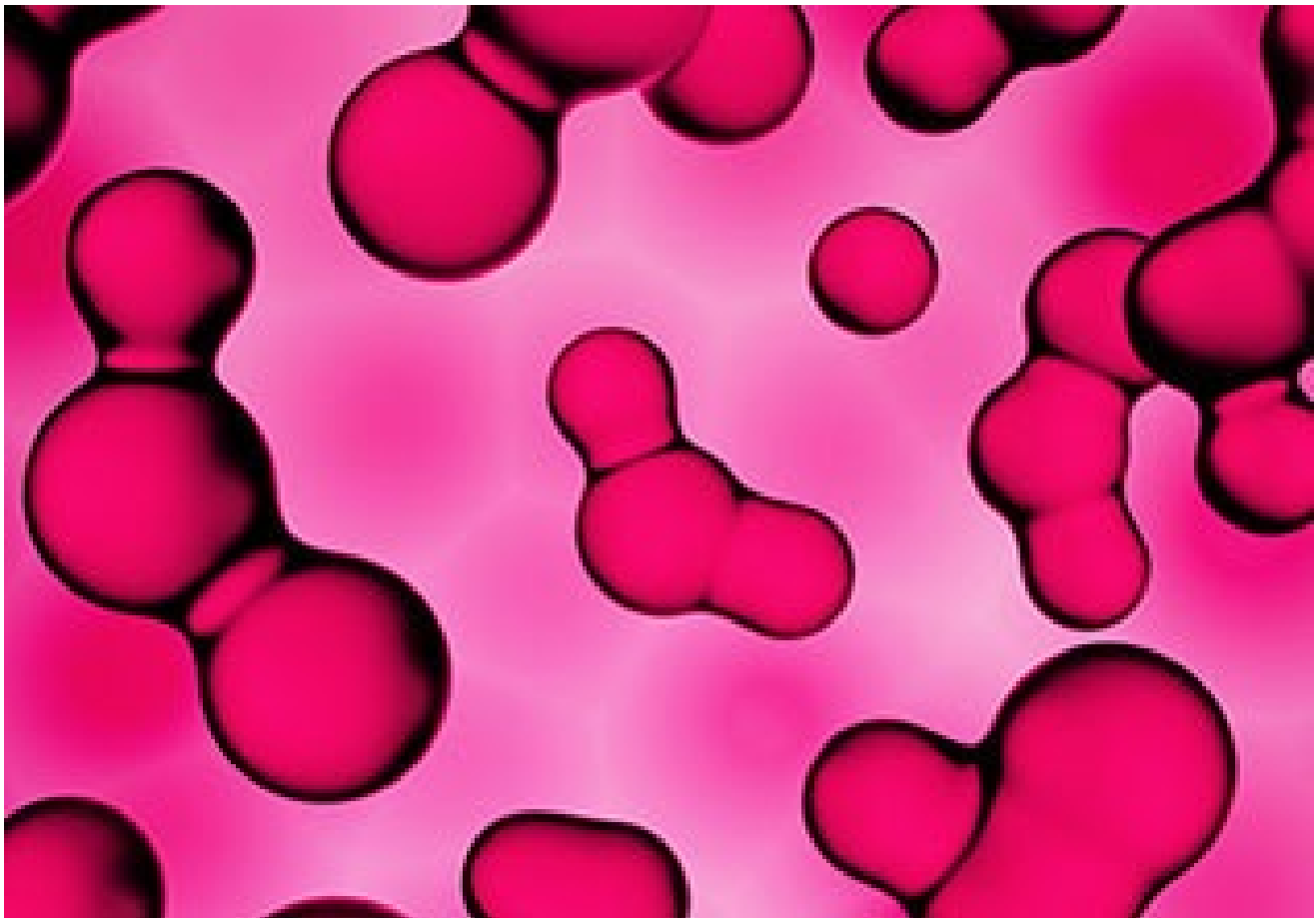
Modern Healthcare | April 8, 2024

Nursing home operators are bracing for another financial setback: the possibility of lower reimbursements from Medicare Advantage plans next year. The Centers for Medicare and Medicaid Services’ 0.16% base payment rate cut to Medicare Advantage payers in 2025 is ringing alarm bells among nursing home industry trade groups as some insurers said the cut could prompt them to reduce payments to providers. Lower Medicare Advantage reimbursements could partly counteract the 4.1% fee-for-service Medicare rate hike CMS proposed for nursing homes in 2025. The prospect of lower Medicare Advantage reimbursements comes amid conflicting economic indicators for nursing homes. The industry began emerging from the COVID-19 pandemic in late 2021 when rising occupancy rates resulted in stronger patient revenue. However, labor costs and other expenses began increasing at the same time. The industry also faces a possible federal staffing mandate that CMS estimates would increase nursing homes’ costs by \$40.6 billion over a decade.

April 25, 2024

Cain Brothers Industry Insights

Healthcare Market Report



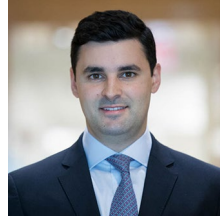
Banker commentary:

White Hot Biotech Funding and an Update on Pharma Outsourcing Valuations

Banker Commentary

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White Hot Biotech Funding and an Update on Pharma Outsourcing Valuations

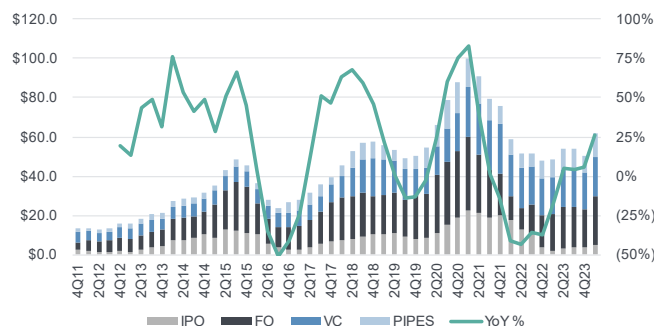
Banker Commentary Lee Sophocleous

A hot start to biotech funding in 2024 is driving a significant rebound in pharma outsourcing valuations. Biotech funding is one of the most important leading indicators for pharma outsourcing businesses like contract research organizations (CROs) and contract development and manufacturing organizations (CDMOs) as it provides a near real-time pulse on the financial health of their customers and the viability of molecules or projects in development. It also provides a lens into the broader pipeline of what will eventually fill the larger funnel of future projects that are set for outsourcing. Biotech companies are generally solely focused on R&D and generally outsource much of the clinical trial and manufacturing & development functions. Generally, CDMO valuations are impacted more than CROs by the volatility of biotech funding as they are more closely tied to earlier phase projects that are potentially at risk.

Publicly available data shows Q1 posted more than \$23 billion of funding, which marks the fourth best quarter on record and in-line with the record mid-\$20s billion quarterly marks that were posted in late 2020 and early 2021 during the dealmaking frenzy of the pandemic. For comparison, 2023, which saw a challenging fundraising environment for all economic sectors, averaged just \$12.6 billion of funding per quarter and was down nearly 50% from the trailing twelve-month funding high point of March 2021. The slowdown in dealmaking can be largely attributed to inflationary pressure and rising interest rates.

Several factors appear to be driving the current surge in biotech funding, namely more clarity on terminal interest rates and a rebound in stock prices and public market valuations has opened a long-closed public issuance market. Follow-on activity alone led to over \$10 billion in raised capital in Q1, which was just slightly less than the previous three quarters combined. Additionally, PIPE fundraising, an alternative capital raising strategy for public companies, for Q1 was over \$5.7 billion, a 16-month best. Much of this shift in sentiment can be seen in the XBI, an ETF that tracks public biotech stocks, which now sits in the mid-\$80s but was at \$64 in October 2022. The XBI closed above \$100 earlier in 2024 for the first time since January 2022.

TTM Biotech Funding
(\$ in billions)



continued...

So, what does this mean for CRO and CDMO valuations? For our tracked CRO cohort, the rebound in biotech funding has driven new business awards (or bookings) to \$6+ billion, new all-time highs, and well off the mid-2023 low point. Additionally, CRO book-to-bill metrics, which have been steadily declining since the end of 2022 are now again expanding. This has led to significant multiple expansion over the last six months with median total enterprise value/next twelve months (or TEV / NTM) EBITDA multiples up 26% and back above five-year averages. For our tracked CDMO cohort, a similar trend can be seen with multiples up over 27% over the same period. First quarter earnings in the coming weeks and any updates on full year guidance will provide additional clarity on the rebound.

TEV / NTM EBITDA



The robust start to biotech funding in 2024 is driving a resurgence in pharma outsourcing valuations. As we have more clarity on terminal interest rates and timing of potential cuts, we should expect the fundraising rebound to continue and outsourcing providers to benefit from the tailwinds.

Sources: Wall Street Research, CapitalIQ, Refinitiv

M&A Activity

Selected Recent Healthcare Transactions (\$MM)

Date	Target Name	Acquirer	EV	Enterprise Value /		Description
				LTM Rev.	LTM EBITDA	
4/18/2024	Tenonova Hospital (Community Health Systems)	Hamilton Health Care System	\$160	NA	NA	Tennessee based 351-bed acute care hospital
4/17/2024	NanoString Technologies (OTCPK:NSTG.Q)	Bruker (Nasdaq:BRKR)	\$393	2.4x	NM	Develops, manufactures, and sells technology for scientific and clinical information in the fields of genomics and proteomics
4/17/2024	Myndshft Technologies	DrFirst.com (Sixth Street Growth)	NA	NA	NA	End-to-end real-time medical benefits and automated prior authorization software-as-a-service
4/16/2024	Accuhealth	Sunstone Partners	NA	NA	NA	Comprehensive remote patient monitoring and chronic care management solutions
4/16/2024	Nava Health MD	Decathlon Capital Partners	NA	NA	NA	Provides functional medicine and wellness services
4/15/2024	Centers Plan for Healthy Living	Elevance Health	NA	NA	NA	prominent Medicaid long-term care plan in New York
4/11/2024	HyFreidyGroup (STERIS)	Peak Rock Capital	\$788	1.9x	NA	Global manufacturer of high-quality instruments, infection prevention products, instrument management systems, and conscious sedation products for the dental industry
4/10/2024	Medical Properties Trust - 5 Facilities	Prime Healthcare	\$350	NA	NA	Five facilities in California and New Jersey
4/10/2024	Traumasoft	Serent Capital	NA	NA	NA	Provider of cloud-based software for private emergency medical services
4/10/2024	Vista Apex (Inverness Graham)	Behrman Capital	NA	NA	NA	Manufacturer of dental and endodontic product solutions
4/9/2024	Ponte Vedra Plastic Surgery	Ascend Plastic Surgery Partners (Sheridan Capital Partners)	NA	NA	NA	Plastic surgery practice serving patients in North Florida and South Georgia
4/9/2024	SaveWay Compounding Pharmacy	Myonex	NA	NA	NA	Direct-to-patient and home healthcare provider capabilities
4/8/2024	Model N (NYSE: MODN)	Vista Equity Partners	\$1,250	4.9x	NM	Revenue optimization and compliance for pharmaceutical, medtech, and high-tech innovators,
4/8/2024	Rebound Medical	Castleford Capital	NA	NA	NA	Durable medical equipment to patients recovering from orthopedic and vascular surgical procedures
4/5/2024	Shockwave Medical (Nasdaq: SWAV)	Johnson & Johnson (NYSE: JNJ)	\$13,100	17.9x	NM	Medical technology company focusing on cardiovascular disease
4/3/2024	Ascend Clinical	Eurofins Scientific	NA	NA	NA	Clinical reference laboratory specializing in testing services for kidney disease
4/2/2024	Accident Care Alliance	Garnett Station Partners	NA	NA	NA	Platform of healthcare providers focused on holistic and individualized care for those injured primarily in automobile accidents
4/2/2024	The Rawlings Group	New Mountain Capital	NA	NA	NA	Technology-enabled payment integrity provider for health insurance clients
4/2/2024	SunFireMatrix	KKR	NA	NA	NA	Software and tech-enabled services platform serving the insurance distribution and health plan markets
4/1/2024	Contract Pharmaceuticals Limited Canada	Aterian Investment Partners	NA	NA	NA	Contract development and manufacturing organization of non-sterile liquid and semi-solid dosage forms

Private Placement Activity

Selected Recent Healthcare Transactions (\$MM)

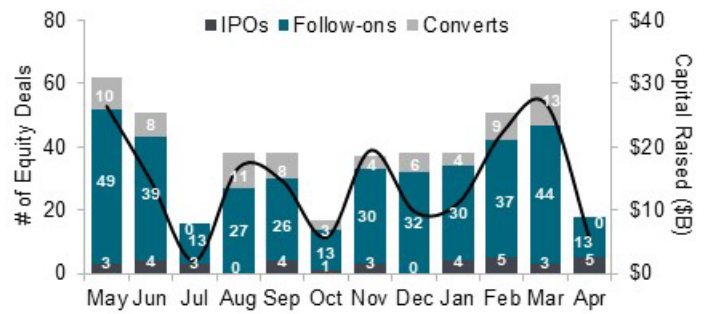
Date	Company	Investor(s)	Type	Amount	Description
4/16/2024	Two Chairs	Fifth Down Cap (lead), Amplo Management	Undisclosed	\$72	Provides psychotherapy services at clinics in the Bay Area
4/16/2024	Kontakt.io	Growth Equity at Goldman Sachs Asset Management (Goldman Sachs)	Series C	\$48	Developer of AI and cloud technology to provide real-time location data and orchestrate staff, equipment, and clinical spaces around a patient's care journey
4/15/2024	Equip Health	Tiger Global and General Catalyst	Undisclosed	\$35	Virtual eating disorder treatment startup
4/11/2024	Huddle Up	Kayne Anderson Growth Capital (lead), New Capital Partners, LRV Health, HealthX Ventures, and OSF Ventures	Series C	Undisclosed	Pediatric teletherapy provider
4/9/2024	Cariloop	ABS Capital (lead), Noro-Moseley Partners, KCRise Fund, Revolution's Rise of the Rest Seed Fund and Patterson Thoma Family Office	Series C	\$20	Comprehensive caregiver support platform
4/8/2024	Grow Therapy	Sequoia Capital (lead), Goldman Sachs Alternatives, PLUS Capital alongside artists and athletes	Series C	\$88	Provider-centric mental health technology company
4/4/2024	Binx Health	Hildred Capital (lead), EQT Life Sciences Partner	Series F	\$54	Healthcare technology and diagnostics company
3/28/2024	Pelago	Atomico (lead), Kinnevik AB, Octopus Ventures, Y Combinator, Eight Roads and GreyMatter Capital	Series C	\$55	Digital clinic partner to U.S. businesses and health plans for substance use management
3/27/2024	InStride Health	General Catalyst (lead), .406 Ventures, Valtruis, Mass General Brigham Ventures, and Hopelab Foundation	Series B	\$30	Outpatient provider of specialty pediatric anxiety and OCD treatment
3/26/2024	PipeDreams	Canvas Ventures and Plural (co-leads)	Series A	\$26	Tech-enabled home services provider
3/20/2024	PocketHealth	Round13 Capital (lead), Deloitte Ventures, Samsung Next, Radical Ventures and Questa Capital	Series B	\$33	Patient-centric medical image-sharing platform
3/19/2024	Hippocratic AI	Premji Invest and General Catalyst (co-leads), SV Angel, Memorial Hermann Health System, Andreessen Horowitz, Bio + Health, Cincinnati Children's, WellSpan Health, and Universal Health Services	Series A	\$53	Developer of a safety-focused large language model designed specifically for healthcare
3/5/2024	Argonaut Manufacturing Services	NewVale Capital (lead) and Telegraph Hill Partners	Equity	\$45	Contract manufacturing services for biopharmaceutical, diagnostics, and life science organizations
3/5/2024	Overjet	March Capital (lead), General Catalyst, Insight Partners, E14 Fund, Crosslink Capital, Spring Rock Capital, Liquid 2 Ventures, Harmonic Growth Partners and the American Dental Association	Series C	\$53	Artificial intelligence for dental organizations
2/29/2024	Moxe Health	Trinity Capital	Growth	\$25	Healthcare interoperability and clinical data exchange
2/26/2024	b.well Connect Health	Leavitt Equity Partners (lead)	Series C	\$40	Healthcare application that aggregates and analyzes healthcare data
2/23/2024	Abridge	Lightspeed Venture Partners (co-lead), Redpoint Ventures (co-lead), IVP, Spark Capital, Union Square Ventures, Bessemer Venture Partners, Wittington Ventures, Mass General Brigham Artificial Intelligence and Digital Innovation Fund, Kaiser Permanente Ventures, and CVS Health Ventures	Series C	\$150	Generative AI for clinical documentation
2/22/2024	Radiology Partners	Undisclosed	Growth Equity	\$720	Technology-enabled radiology practice in the U.S. serving more than 3,300 hospitals and other healthcare facilities

Equity Capital Markets

Market Overview

- A market pullback slowed ECM activity
 - 2 IPOs; 7 follow-ons; 0 converts
- Highlights of last week were two IPOs: Digital promotions firm Ibotta and utility services firm Centuri → Both drew strong demand and traded higher in their debuts
- Q1 earnings and more volatile market conditions curbed follow-on activity last week
 - The pickup in earnings releases in the coming two weeks (about 300 of the S&P 500 are reporting in the next two weeks) will limit follow-on opportunities in the short-term

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

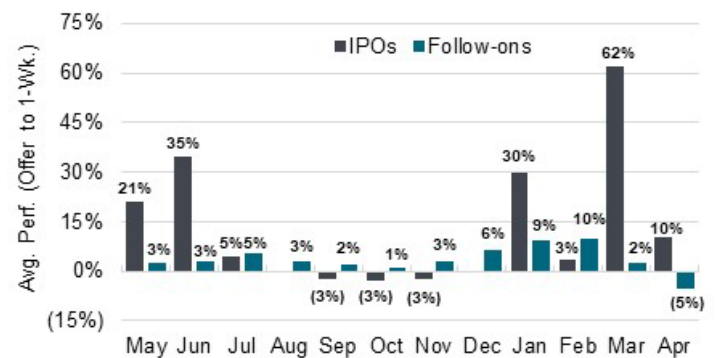


ECM Activity (Last 4 Weeks & YoY)

	2024 - Last 4 Weeks			2023 - Last 4 Weeks		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	2,662	6	29%	0	0	0%
CONV	1,323	3	14%	2,454	4	61%
FO	5,214	21	57%	1,595	11	39%
Total	9,199	30	100%	4,049	15	100%

	2024 YTD			2023 YTD		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	7,352	17	11%	1,734	6	5%
CONV	19,163	26	29%	13,795	21	42%
FO	38,859	124	59%	17,180	78	53%
Total	65,375	167	100%	32,709	105	100%

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



Most Recent Healthcare Initial Public Offerings

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
4/10/2024	PACS Group*	Services	PACS	\$517.5	\$3,153.2	16.4%	87.0%	\$21.00	\$20.00 - \$22.00	9.5%	11.4%
2/1/2024	Fractyl Health	Medical Products	GUTS	\$110.0	\$714.1	15.4%	100.0%	\$15.00	\$14.00 - \$16.00	(14.3%)	(30.7%)
1/25/2024	BrightSpring Health Services	Services	BTSG	\$693.3	\$2,225.5	31.2%	100.0%	\$13.00	\$15.00 - \$18.00	(15.4%)	(13.0%)
5/5/2022	Bausch & Lomb	Medical Products	BLCO	\$711.9	\$6,300.0	11.3%	0.0%	\$18.00	\$21.00 - \$24.00	11.1%	(2.9%)
10/28/2021	AirSculpt Technologies	Services	AIRS	\$88.6	\$612.0	14.5%	27.0%	\$11.00	\$11.00 - \$12.00	44.5%	30.3%

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
3/21/2024	Stevanato Group*	Medical Products	Marketed	STVN	\$379.7	\$7,695.1	4.9%	50.0%	(5.9%)	19.3%	23.5%
3/13/2024	GE HealthCare Technologies	Medical Products	Bought	GEHC	\$1,412.8	\$41,810.9	3.4%	0.0%	4.4%	0.8%	3.5%
3/7/2024	RadNet	Facilities & Services	Marketed	RDNT	\$230.2	\$3,577.8	6.4%	100.0%	(9.4%)	5.7%	(0.3%)
2/28/2024	Sotera Health*	Medical Products	Marketed	SHC	\$424.1	\$4,229.8	10.0%	0.0%	14.9%	1.8%	(3.5%)
2/16/2024	GE HealthCare Technologies	Medical Products	Marketed	GEHC	\$1,229.6	\$38,992.2	3.2%	0.0%	(4.0%)	4.6%	6.6%

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
3/6/2024	Tandem Diabetes Care	Medical Products	TNDM	\$316.3	\$1,778.9	17.8%	1.50%	27.50%
3/4/2024	iRhythm Technologies	Medical Products	IRTC	\$661.3	\$3,378.2	19.6%	1.50%	35.00%
12/6/2023	Merit Medical Systems	Medical Products	MMSI	\$747.5	\$3,784.4	19.8%	3.00%	32.50%
12/5/2023	Evolent Health	Healthcare Technology	EVH	\$402.5	\$3,066.0	13.1%	3.50%	42.50%
10/20/2023	Enovis Corp	Medical Products	ENOV	\$460.0	\$2,446.6	18.8%	3.88%	30.00%

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

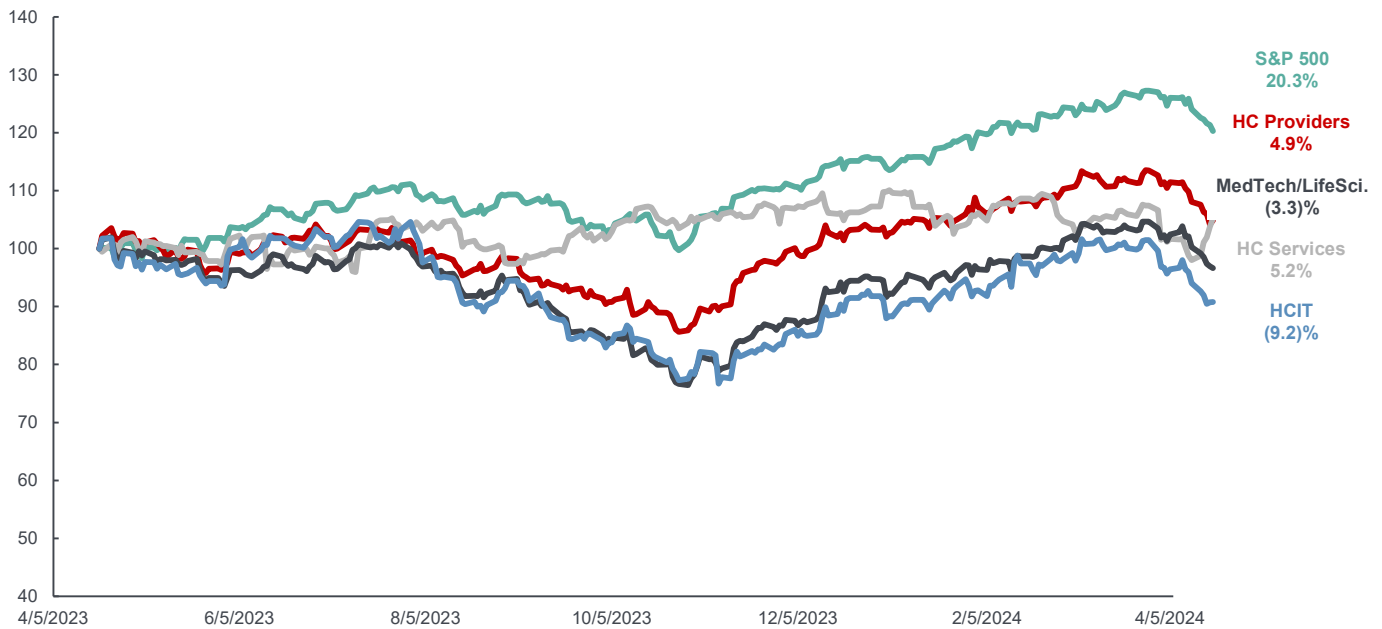
Public Equity Market Activity & Indices

Equity Indices (as of April 19, 2024)

Index	Wk Open	Wk Close	Returns	
			52 Week	Weekly
DJIA	37,983	37,986	12.4%	0.0%
S&P 500	5,123	4,967	20.3%	(3.0%)
NASDAQ	16,175	15,282	26.7%	(5.5%)
Russell 2000	2,003	1,948	8.8%	(2.8%)
NYSE Healthcare	25,016	25,037	7.7%	0.1%

Cain Brothers Indicies	Returns	
	52 Week	Weekly
Acute Care	9.6%	(5.7%)
Alternate Site Services	6.6%	(2.6%)
Diagnostics	(5.8%)	(4.1%)
Distribution	31.2%	1.2%
Healthcare IT	(9.2%)	(3.5%)
Healthcare REITs	17.1%	1.4%
Managed Care	4.9%	9.6%
Medical Technology	(5.4%)	(3.4%)
Outsourced Services	(11.0%)	1.5%
Pharma Services	10.7%	(4.6%)
Pharmacy	(16.1%)	1.7%
Primary Care	(66.0%)	1.6%
Post-Acute Care Services	20.8%	(1.6%)
Post-Acute Care Facilities	19.0%	(1.7%)

Cain Brothers Healthcare Indices (1YR Performance)



High Grade, High Yield & Leveraged Loan Market

Market Summary

High Grade

- The IG bond market surpassed expectations for the 12th time this year due in large part to the “Big Six” banks, with 12 issuers tapping the market to raise \$35.8BN

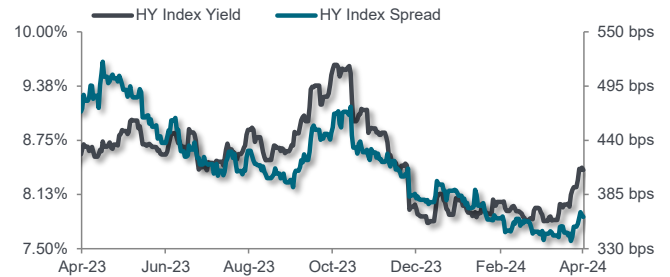
High Yield

- New issue volume in the high yield primary market remained elevated despite a relatively weakened secondary market, with eight issuers raising \$5.0 billion

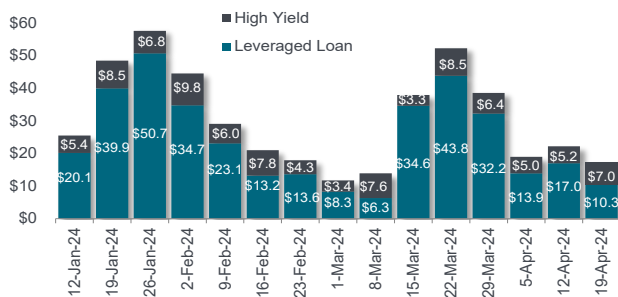
Term Loan B Market

- April has continued the momentum built after a strong March, similarly driven mainly through opportunistic activity along with a growing forward calendar

HY Index Yield & Spread (YTD)



Weekly New Issue Volume (\$BN)



New-Issue Clearing Yields¹ (\$MM)

Double-B Issuers	4Q23	1Q24	30-Day Rolling Average 04/19/24
Ba1	S+230 / 7.8%	S+225 / 7.6%	S+208 / 7.5%
Ba2	S+243 / 7.9%	S+226 / 7.6%	S+232 / 7.7%
Ba3	S+283 / 8.4%	S+280 / 8.2%	S+252 / 7.9%
Single-B Issuers	4Q23	1Q24	30-Day Rolling Average 04/19/24
B1	S+371 / 9.4%	S+332 / 8.8%	S+345 / 9.0%
B2	S+436 / 10.1%	S+396 / 9.4%	S+382 / 9.2%
B3	S+457 / 10.4%	S+405 / 9.5%	S+409 / 9.5%

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	IPT-Pricing
3/26/2024	CSL Finance	Sr Notes	\$500	A3/A-/NR	5.106%	4/3/2034	+87	28 bps
3/26/2024	CSL Finance	Sr Notes	\$750	A3/A-/NR	5.417%	4/3/2054	+102	28 bps
3/19/2024	UnitedHealth Group Inc	Sr Notes	\$500	A2/A+/A	4.600%	4/15/2027	+37	28 bps
3/19/2024	UnitedHealth Group Inc	Sr Notes	\$400	A2/A+/A	4.700%	4/15/2029	+52	28 bps

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	Price Talk
4/11/2024	Endo	Sr. Sec. Notes	\$1,000	B2/B+/NR	8.500%	4/15/2031	392 bps	8.50%-8.75%
3/26/2024	SurgeryCenter Holdings	Sr Notes	\$800	Caa1/CCC+/NR	7.250%	4/15/2032	-	7.25%-7.50%
3/20/2024	Medline	Sr. Sec. Notes	\$1,000	B1/B+/BB-	6.250%	4/1/2029	194 bps	6.25% area

Most Recent Healthcare Leveraged Loan Issuances (\$MM)

Date	Issuer	Ownership	Corp. Ratings	Use of Proceeds	Size	Pricing	Yield
4/11/2024	Endo International	Not Sponsored	B2 / B+	Recap/General Recap	\$1,500	SOFR+450, 0.50% @ 99	10.071%
4/11/2024	RadNet, Inc	Not Sponsored	B1 / B+	Refinancing	\$875	SOFR+250, 0.00% @ 99.25	8.008%
4/5/2024	MyEyeDr	Goldman Sachs	B3 / B-	Refinancing	\$1,400	SOFR+400, 0% @ 99.5	9.443%
4/2/2024	Paradigm Outcomes	OMERS Capital Partners	B3 / B	Refinancing	\$700	SOFR+425, 0.00% @ 99.5	9.699%

Most Recent Healthcare Pro Rata Issuances (\$MM)

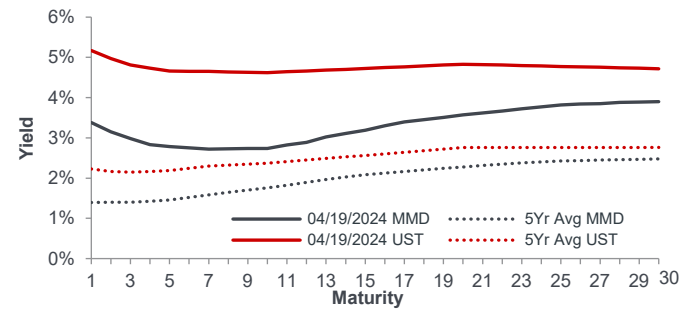
Date	Issuer	Ownership	Ratings	Use of Proceeds	Size	Pricing (in bps)	Financial Covenants
2/21/2024	Solventum	Private	NR / NR	Spin-off	\$1,000mm 3-year TLA \$500mm 18-month TLA \$2,000mm Rev	Unknown	Unknown
1/22/2024	Acadia Healthcare	Private	Ba2 / BB-	GCP	\$350mm add-on TLA	Leverage-based Grid SOFR+CSA+138-225 CSA: 10	Unknown

Public Finance Market

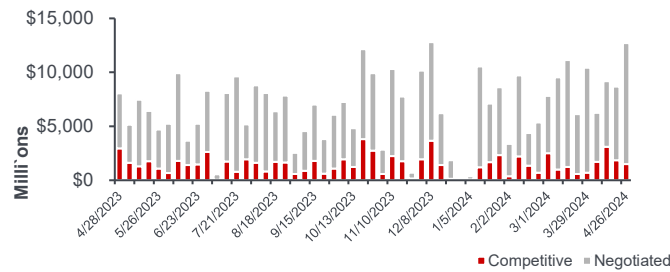
Market Overview

- The yield on the benchmark 10-year U.S. Treasury Note increased 12 bps week-over-week, closing at 4.62% on Friday. 10-year MMD increased 7 bps week over week
- Healthcare Public Issuance has outpaced 2023. Year to date issuance is up 111% in 2024 vs 2023
- Muni bond funds lost ~\$1.5 billion and high yield funds lost ~\$48 million for the week

MMD & UST Yield Curve



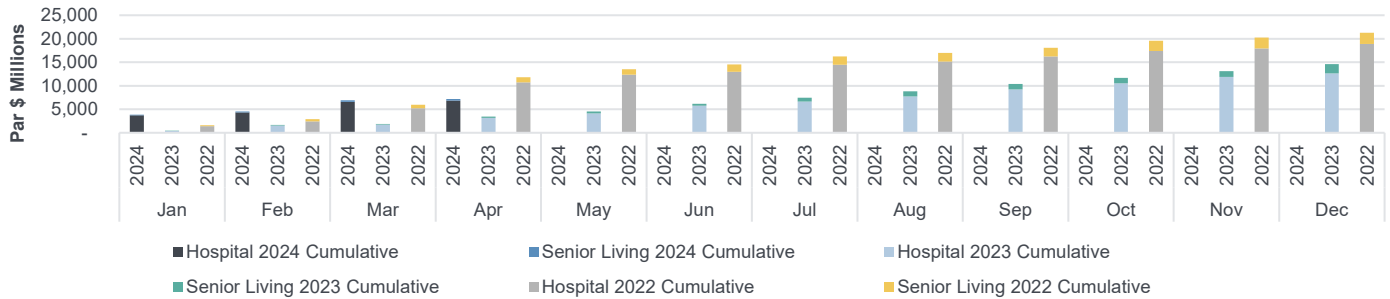
Weekly New Issue Volume (\$MM)



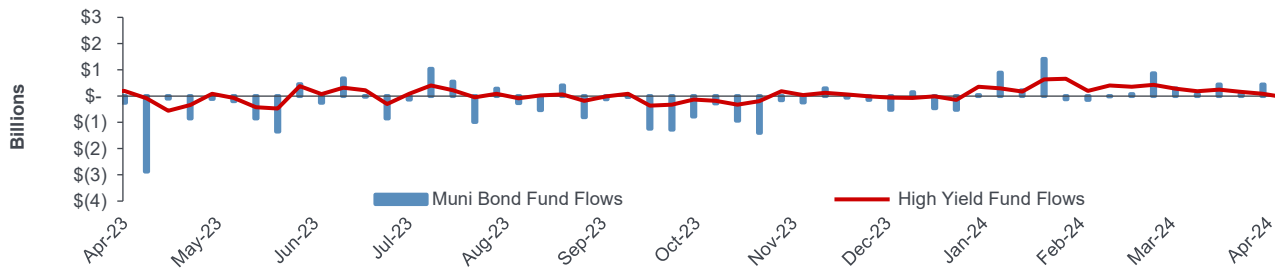
Benchmark Yields

Treasury Yields			MMD Yields			Ratio
Yr	Yield	Δ (W/W)	Yr	Yield	Δ (W/W)	MMD/UST
2	4.97%	9 bps	2	3.15%	4 bps	63%
10	4.62%	12 bps	10	2.74%	7 bps	59%
30	4.72%	11 bps	30	3.90%	7 bps	83%

Healthcare Public Issuance Overview



Flow of Funds



Recent Healthcare Public Issuance

Borrower/Enhancement	Par (000s)	ST	Issuer	Tax Status	LT Ratings (M/S/F)	Final Mat.	Call or Put	Final Mat. Cpn.	YTW	YTM
Recent Pricings, Week of 4/15										
Margaret Mary Health Project	80,000	IN	IFA	TE	NR / BBB- / NR	2054	2034(C)	5.75%	5.26%	5.49%
Manistee County	23,995	MI	MCM	TE	NR / AA- / NR	2044	2034(C)	5.00%	4.18%	4.50%
Exp. Pricings, Week of 4/22										
RWJBarnabas Health	370,320	NJ	NJHCFFA	TE	A1 / AA- / NR	-	-	-	-	-
CHRISTUS HEALTH	210,695	TX	TCCEFFC	TE	A1 / NR / A+	-	-	-	-	-
Heritage Shores	36,550	DE	TBD	TE	NR / NR / NR	-	-	-	-	-
John Knox Village	31,025	MO	IDALS	TE	NR / NR / NR	-	-	-	-	-
Doylestown Hospital Authority	58,525	PA	DHA	TE	NR / NR / NR	-	-	-	-	-

Relevant News

Trends In Telehealth: Expanding The Role Of Nurses In Virtual Care¹

Healthcare Dive | April 22, 2024

Nursing has quickly become one of the hottest areas for virtual care delivery, and nurses are eager and willing to work in these settings. Many healthcare facilities are finding new use cases for telehealth nursing that are both cost-effective and efficient. While it's true that incorporating nurses into virtual care has its challenges, they are well worth tackling — both for the benefit of the patient and provider alike. Prior to the pandemic, very few organizations used virtual nurses outside of the old-school nurse hotline setting. This changed when hospitals began using virtual nurses to offload simple, routine tasks during peak periods to maximize their patient care team. Things like intake, discharge, simple charting, and other basic tasks were outsourced to large, virtual nursing pools. This freed up staff nurses to focus on in-person patient care where they were needed the most.

Biden Administration Finalizes Controversial Minimum Staffing Mandate At Nursing Homes²

CNN | April 22, 2024

The Biden administration finalized on Monday the first-ever minimum staffing rule at nursing homes, Vice President Kamala Harris announced. The controversial mandate requires that all nursing homes that receive Medicare and Medicaid funding provide a total of at least 3.48 hours of nursing care per resident per day, including defined periods from registered nurses and from nurse aides. That means a facility with 100 residents would need at least two or three registered nurses and at least 10 or 11 nurse aides, as well as two additional nurse staff, who could be registered nurses, licensed professional nurses or nurse aides, per shift, according to a White House fact sheet.

CMS Sets Medicaid Payments To Home Care Workers At 80%³

Fierce Healthcare | April 22, 2024

The Centers for Medicare & Medicaid Services (CMS) is hoping to improve Medicaid enrollees' access to care through a final rule that better compensates caregiving roles. Under the final rule, at least 80% of Medicaid payments for home care services will go toward wages, according to a White House news release that included a controversial nursing home staffing rule. It also permits states to factor in the "unique experiences that small home care providers and providers in rural areas face." The administration cited a study from the Commonwealth Fund showing that higher wages will reduce turnover and lead to better care for seniors and individuals with disabilities.

continued...

10 New, Innovative Medical Devices To Watch For In 2024¹

MassDevice | April 18, 2024

Significant medical device launches are coming in 2024. Think pulsed field ablation, diabetes treatment tech, surgical robotics and more. Pulsed field ablation news took over at the end of 2023 and the start of 2024, with Medtronic and Boston Scientific garnering significant regulatory approvals. Surgical robotics remains a hot space, and some of the orthopedic giants are continuing to make waves there. Plus, heart valves, neurostimulation components, drug-coated balloons, and more are likely to hit the market sometime this year.

America's Newest Doctors Fuel Efforts To Unionize²

Axios | April 15, 2024

A new generation of doctors struggling with ever-increasing workloads and crushing student debt is helping drive unionization efforts in a profession that historically hasn't organized. Why it matters: Physicians in training, like their peers in other industries, increasingly see unions as a way to boost their pay and protect themselves against grueling working conditions as they launch their careers. It also comes amid a wave of unionization and labor actions by nurses and other caregivers across a health care system that's still dealing with high levels of burnout. What they're saying: "We deserve an increased salary to be able to afford to live in one of the most expensive areas in the United States," said Ali Duffens, a third-year internal medicine resident at Kaiser Permanente's San Francisco Medical Center.

Only 8% Of Medicaid And 4% Of Medicare Enrollees Received Behavioral Health Services³

Behavioral Health Business | April 12, 2024

New government findings add details to the lack of availability of behavioral health services for America's poor and elderly. The Office of Inspector General (OIG) for the U.S. Health and Human Services Department found that about one-third of behavioral health providers in selected counties serve patients in the Medicare, Medicare Advantage, or Medicaid programs. "Despite unprecedented demand for behavioral health services, treatment rates in all three programs remained relatively low," the OIG said in a new report. "A large barrier to accessing behavioral health care is that there are not enough behavioral health providers in many parts of the country to meet the need for behavioral health services."