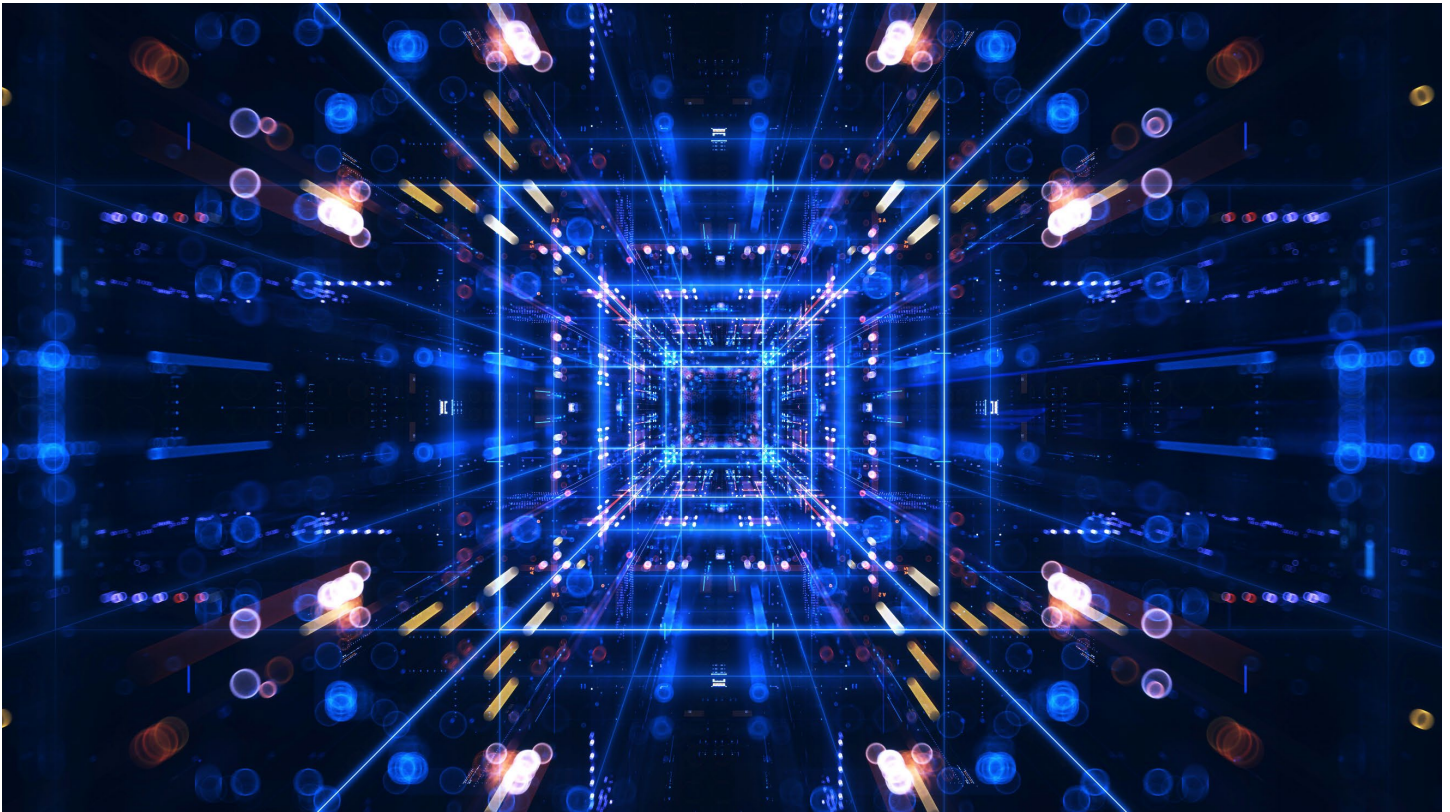


December 5, 2024

Cain Brothers Industry Insights

Healthcare Market Report



Banker commentary:

Cyber Security Threats Create New Opportunities

Banker Commentary

Contents

- **Banker Commentary**
- **M&A Activity**
- **Private Placements**
- **Equity Capital Markets**
- **Public Equity Market Activity and Indices**
- **High Grade, High Yield & Leveraged Loans**
- **Public Finance Market**
- **Relevant News**
- **Recent Cain Brothers Transactions**



Cyber Security Threats Create New Opportunities

Banker Commentary by Benton Au

Change Healthcare, the largest clearinghouse in the U.S., handling about 15 billion transactions in an average year, announced on November 19th the full restoration of its clearinghouse services. While the subsidiary of UnitedHealth

Group announced it had reinstated approximately 80% of the functionality for its claims, payment, and pharmacy services in April, this most recent announcement comes a staggering nine months after the initial cyberattack in February 2024. Further, it was only a month ago that Change Healthcare was able to roughly quantify the number of individuals' protected health information ("PHI") compromised in the attack— at least 100 million individuals.

The saga with Change Healthcare illustrates of not just the vulnerabilities of our healthcare system but also the value of PHI to hackers. According to Cybersecurity Researcher Jeremiah Fowler, an individuals' credit card information and Social Security Number typically sell on the dark web for about \$3 and \$15, respectively. That pales in comparison to medical records, which can fetch about \$60 for an individuals' PHI, a 300% premium to social security numbers.

The business of hacking has become so lucrative that a new subvertical has formed in the industry, coined Ransomware-as-a-Service or "RaaS." RaaS groups operate quite similarly to Software-as-a-Service ("SaaS") companies in the legitimate business world by offering highly sophisticated ransomware tools, infrastructure, and even ongoing technical support to less sophisticated, "wannabe" hackers. Like SaaS models, many RaaS operators charge a one-time fee and/or monthly subscription that's sometimes as little as \$40 per month. In other models, RaaS operators deploy a profit share model that takes a 30-40% cut of the ransom dollars received. The emergence of this black-market industry over the last few years has dramatically lowered the barriers-to-entry for bad actors with healthcare as one of the most attractive industries in their crosshairs.

While the trend in these threats may seem alarming, it also presents an opportunity, particularly across the healthcare industry. Names like Censinet, Cylera, Cynerio and Meditology Services are a few examples of technology companies focused almost exclusively on healthcare end-markets and specialize in cybersecurity services but in different ways. For example, Cynerio is a platform designed for providers with a focus on the clinical network, interoperability, and connected devices (i.e., Internet of Medical Things or "IoMT"), while Meditology is catered to security & risk assessments and compliance readiness (e.g., HITRUST or SOC 2) in a more consulting or advisory role.

Both payers and providers agree on the importance of a comprehensive IT infrastructure and cybersecurity controls in the wake of the Change Healthcare incident. In a recent Bain and KLAS Research Healthcare IT survey of 150 providers and payers, 75% of respondents cited increased IT investments over the past year. Nearly half of payers noted cybersecurity risk as a top-three pain point in their current tech stack, second only to legacy technology. Similarly on the provider front, when providers were asked to rank their top software and digital technology investment priorities, "IT Infrastructure and Services Including Cybersecurity" was the most cited top-three area.

continued...

Recent investment and M&A activity across the cybersecurity space has continued to follow this trend. Armis, a cybersecurity platform with over \$200 million in Annual Recurring Revenue, raised a \$200 million Series D financing with a \$4.2 billion post-money valuation in late October. While Armis provides security services to large corporations across various industries, healthcare has become one of their largest and fastest growing segments, supporting five of the eight largest healthcare companies by market cap. More recently in November, Health Catalyst announced the definitive agreement signing to acquire Intraprise Health, a provider of risk assessment and 3rd party management consulting services.

It's clear the healthcare industry broadly faces a more difficult challenge to combat cyber threats relative to other industries. However, that creates a tremendous opportunity for IT vendors with secure and innovative solutions to address those problems.

M&A Activity

Selected Recent Healthcare Transactions (\$MM)

Date	Target Name	Acquirer	EV	Enterprise Value /		Description
				LTM Rev.	LTM EBITDA	
11/25/2024	Team Technologies (Clearlake Capital)	Arlington Capital	NA	NA	NA	Manufacturer of dental, medical, cosmetic and industrial products
11/25/2024	Enjoin	3 Boomerang Capital	NA	NA	NA	Clinical documentation integrity solutions for hospitals and health systems
11/22/2024	ShorePoint Health System (Community Health Systems)	AdventHealth *	\$265	NA	NA	Florida based health system
11/20/2024	Olah Healthcare Technology	Verisma (NewSpring Capital)	NA	NA	NA	Provider of enterprise archiving solution for healthcare systems and hospitals
11/20/2024	Twiage	TigerConnect (Vista Equity Partners)	NA	NA	NA	Pre-hospital communication and care coordination between EMS, hospitals, and other healthcare providers
11/19/2024	Children's Therapy Center	Kelly	NA	NA	NA	Occupational, physical, and speech therapy for children from birth to eighteen
11/19/2024	EmblemHealth (WellSpark Health) *	Vitality Group	NA	NA	NA	Health coaching company and digital platform that provides wellness solutions to employers
11/19/2024	Vee Healthtek	TA Associates	NA	NA	NA	Provider of technology-enabled solutions and services for healthcare organizations
11/14/2024	Black Hills Surgical Hospital (Medical Facilities)	Sanford Health	\$194	1.8x	NA	Orthopedic focused surgical hospital based in South Dakota
11/14/2024	SciSafe (BioLife Solutions)	1315 Capital	\$73	7.0x	NA	Provider of biological and pharmaceutical storage services
11/13/2024	US VisionMed Partners	Kian Capital Partners and RF Investment Partners	NA	NA	NA	Nationwide management services organization supporting medically focused optometry practices
11/12/2024	Advanced Diabetes Supply Group (Court Square Capital Partners)	Cardinal Health	\$1,100	NA	NA	National distributor of durable medical equipment specializing in diabetes supplies
11/11/2024	GI Alliance (majority stake)	Cardinal Health	\$3,900	NA	NA	Physician-led, national management services organization supporting independent gastroenterology practices
11/11/2024	Eventus WholeHealth (Balance Point, Enhanced Healthcare, Leavitt Equity)	General Atlantic	NA	NA	NA	Provider of in-person, value-based primary care and behavioral health services for long term care residents
11/11/2024	Mission Autism Clinics (Seven Isles Capita)	Helping Hands Family	NA	NA	NA	Provider of in-center ABA therapy for school and community-based care for children, teens and young adults
11/8/2024	Carebox	H.I.G. Growth	NA	NA	NA	Software platform that connects patients, families, and physicians
11/8/2024	Radar Healthcare	Marlin Equity Partners	NA	NA	NA	Provider of risk, quality, and compliance software for the healthcare and social care sectors
11/8/2024	Prospect Health	Astrana Health	\$745	0.6x	9.2x	Integrated care delivery system with a network of around 3,000 primary care providers and 10,000 specialists

Private Placement Activity

Selected Recent Healthcare Transactions (\$MM)

Date	Company	Investor(s)	Type	Amount	Description
11/26/2024	Sirona Medical	Avidity Partners (lead), 8VC, GreatPoint Ventures	Series C	\$42	Cloud-native radiology workflow software
11/21/2024	TailorMed	Windham Capital Partners (lead), Citi Impact Fund, Samsung Next, BrightEdge, Providence Ventures, OSF Healthcare, Inception Health, Ballad Ventures, UH Ventures, and UnityPoint Health Ventures	Equity and Debt	\$40	Enterprise solution manages the full lifecycle of patient support programs
11/20/2024	Zarminali Health	General Catalyst (lead)	Seed	\$40	Tech enabled outpatient pediatric care provider
11/19/2024	OURA	Dexcom	Series D	\$75	Smart ring that delivers personalized health data, insights, and daily guidance
11/18/2024	Seen Health	BVC (lead), Astrana Health, Basis Set Ventures, Primetime Partners and Virtue Ventures Management	Series A	\$22	Provider of medical care and social support for home and community-based services
11/13/2024	MB2 Dental	Warburg Pincus	Recap	\$525	Nationwide dental partnership organization
11/7/2024	Performance Home Medical	Grant Avenue Capital	Undisclosed	\$55	Medical equipment provider
11/4/2024	Praia Health	Labcorp	Strategic	Undisclosed	Consumer experience platform
10/29/2024	Petfolk	Deerfield Management (lead), Movendo Capital, White Star Capital, Cutting Horse VC, Idea Farm Ventures, and Parkview International	Series C	\$36	Provider of veterinary and urgent care through its network of "connected care" clinics
10/24/2024	PeopleOne Health	GV (lead), Glen Tullman	Series B	\$32	Next generation of value-based primary care
10/15/2024	Alchemy	"a16z" Bio + Health with participation from Earvin "Magic" Johnson, Sandberg Bernthal Venture Partners, Banc of California, Twine Ventures, Springbank and AlleyCorp	Seed	\$31	In-house pharmacy programs with a focus on serving clinics with large HIV and Hepatitis C patient populations
10/8/2024	Maven Clinic	StepStone Group (lead), General Catalyst, Sequoia, Oak HC/FT, Icon Ventures, Dragoner Investment Group, and Lux Capital	Series F	\$125	Virtual clinic for women's and family health
10/8/2024	Eleanor Health	General Catalyst (lead), Town Hall Ventures, Echo Health Ventures, Northpond Ventures, Rethink Impact and Emerson Collective	Series D	\$30	Outpatient addiction treatment provider
10/2/2024	Rippl	Kin Ventures (lead), ARCH Venture Partners, General Catalyst, GV, F-Prime, Mass General Brigham Ventures, 1843 Capital and JSL Health	Series A	\$23	Virtual dementia care
10/1/2024	Nym	PSG (lead), Google Ventures, Addition, Samsung Next and Dynamic Loop Capital	Growth	\$47	Autonomous medical coding
10/1/2024	StrataPT	Council Capital (lead)	Undisclosed	\$25	Billing-aware practice management platform for outpatient therapy clinics

Equity Capital Markets

Market Overview

- The past week was extremely slow due to the Thanksgiving holiday:
 - Last week: 0 IPOs; 3 follow-ons; 1 convert
- Few IPOs are likely in December given the end of year holidays, investor reluctance to add risk into YE performance benchmarking and the next FOMC meeting on December 17/ 18
 - Largest exception is ServiceTitan (Software) which is likely to launch its IPO this week and will likely be the largest new issue before YE (KBCM is a bookrunner)
- The focus for ECM desks over the next few weeks will be on follow-on and convertible bond offerings driven by sponsor monetizations

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

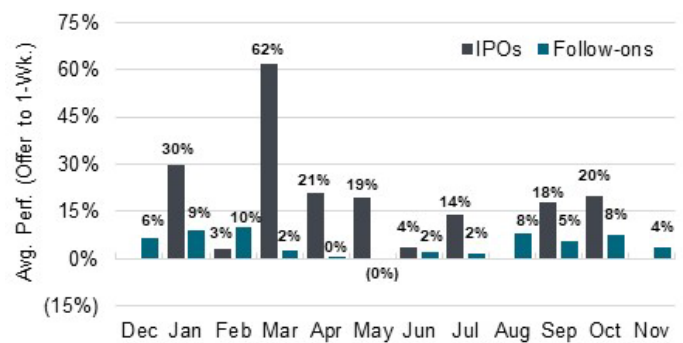


ECM Activity (Last 4 Weeks & YoY)

	2024 - Last 4 Weeks			2023 - Last 4 Weeks		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	0	0	0%	344	2	2%
CONV	7,003	9	39%	4,185	4	22%
FO	10,810	31	61%	14,411	32	76%
Total	17,812	40	100%	18,941	38	100%

	2024 YTD			2023 YTD		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	25,776	51	12%	11,309	24	8%
CONV	65,375	85	30%	46,780	66	35%
FO	129,020	327	59%	75,472	277	57%
Total	220,170	463	100%	133,561	367	100%

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



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
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 Holdings	Services	CON	\$546.4	\$2,992.6	18.3%	100.0%	\$23.50	\$23.00 - \$26.00	(4.3%)	(0.8%)
7/17/2024	Ardent Health Partners	Services	ARDT	\$220.8	\$2,255.4	9.8%	100.0%	\$16.00	\$20.00 - \$22.00	0.4%	4.7%
6/13/2024	Tempus AI	Healthcare Technology	TEM	\$410.7	\$6,098.8	6.7%	100.0%	\$37.00	\$35.00 - \$37.00	8.8%	(26.3%)
6/6/2024	Waystar Holding	Healthcare Technology	WAY	\$1,076.3	\$3,583.2	30.0%	100.0%	\$21.50	\$20.00 - \$23.00	(3.7%)	3.0%

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
11/19/2024	QuidelOrtho	Medical Products	Bought	QDEL	\$294.1	\$2,594.8	11.3%	0.0%	(7.7%)	5.3%	15.1%
11/7/2024	GE HealthCare Technologies	Medical Products	Bought	GEHC	\$1,173.1	\$40,355.6	2.9%	0.0%	0.0%	(2.7%)	(6.1%)
10/29/2024	PROCEPT BioRobotics	Medical Products	Marketed	PRCT	\$201.2	\$5,231.5	3.8%	100.0%	0.0%	2.2%	4.9%
10/2/2024	Pennant Group	Services	Marketed	PNTG	\$124.8	\$1,097.8	11.4%	100.0%	(13.2%)	9.1%	9.4%
9/12/2024	GE HealthCare Technologies	Medical Products	Bought	GEHC	\$1,290.0	\$39,939.7	3.2%	0.0%	(1.7%)	1.1%	5.4%

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
5/23/2024	HAEMONETICS	Medical Products	HAE	\$700.0	\$4,580.3	15.3%	2.50%	30.00%
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%

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

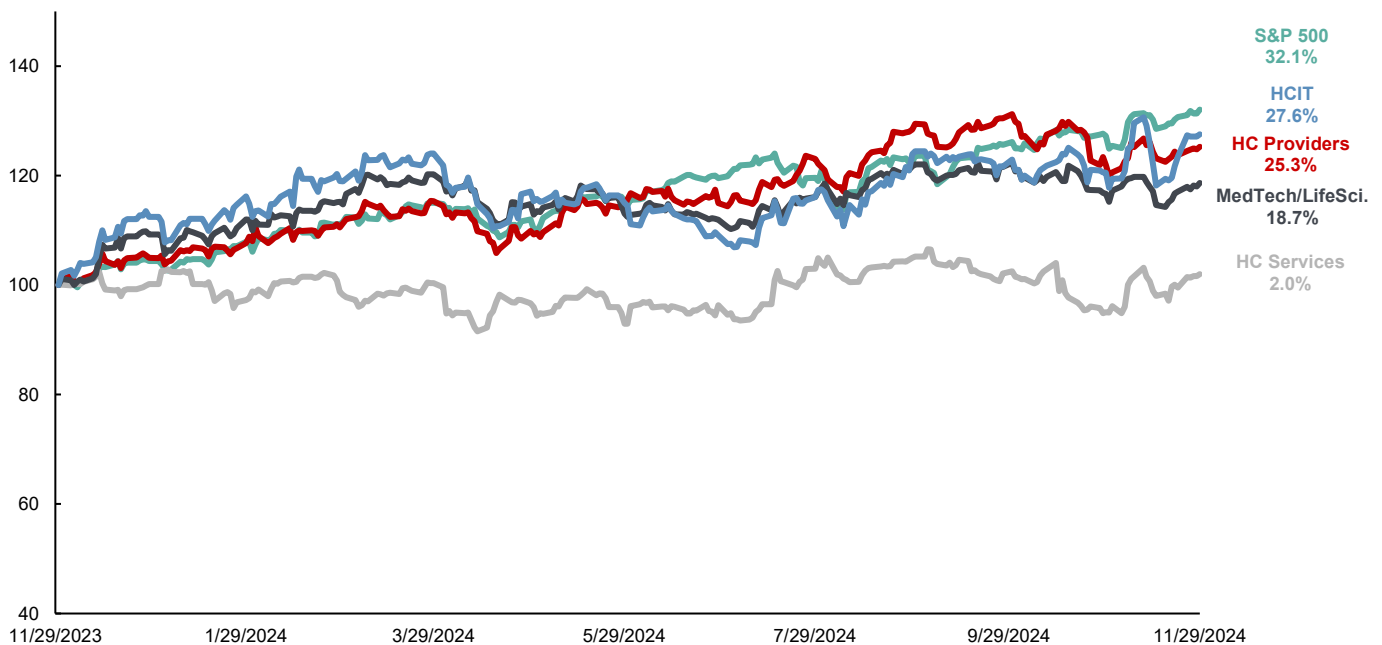
Public Equity Market Activity & Indices

Equity Indices (as of November 29, 2024)

Index	Wk Open	Wk Close	Returns	
			52 Week	Weekly
DJIA	44,297	44,911	24.9%	1.4%
S&P 500	5,969	6,032	32.1%	1.1%
NASDAQ	19,004	19,218	35.1%	1.1%
Russell 2000	2,407	2,435	34.6%	1.2%
NYSE Healthcare	25,589	26,175	11.3%	2.3%

Cain Brothers Indicies	Returns	
	52 Week	Weekly
Acute Care	31.8%	0.8%
Alternate Site Services	19.8%	1.6%
Diagnostics	18.1%	2.4%
Distribution	19.9%	1.1%
Healthcare IT	27.6%	3.3%
Healthcare REITs	55.7%	0.7%
Managed Care	2.1%	2.6%
Medical Technology	19.7%	1.5%
Outsourced Services	(19.1%)	2.3%
Pharma Services	11.7%	0.6%
Pharmacy	(20.7%)	3.2%
Primary Care	(46.8%)	4.6%
Post-Acute Care Services	42.8%	1.0%
Post-Acute Care Facilities	37.5%	(2.1%)

Cain Brothers Healthcare Indices (1YR Performance)



High Grade, High Yield & Leveraged Loan Market

Market Summary

High Grade

- Investment Grade bond issuance posted a modest week last week with \$13.7 BN of issuance across seven deals.

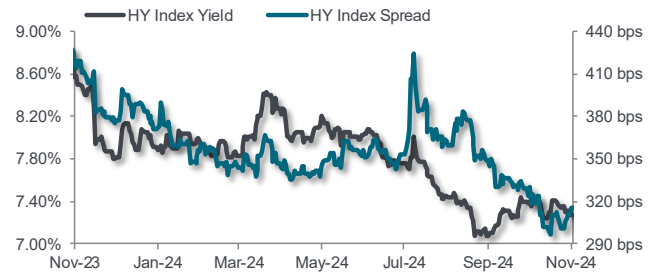
High Yield

- The high yield new issue market nearly shut down last week amid the Thanksgiving holiday, with only one issuer choosing to tap the market; the secondary market remains strong as spreads hover near post-GFC tight, but investors are weighing these strong technical against renewed inflationary risks.

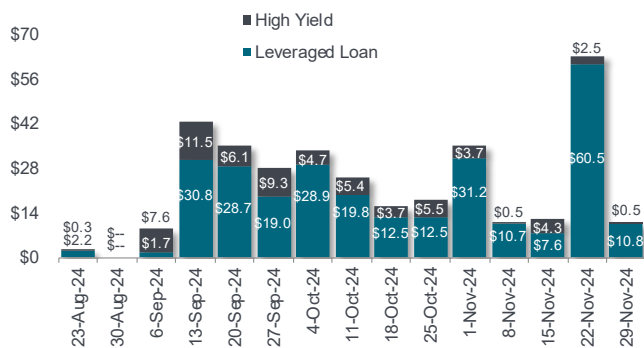
Term Loan B Market

- New-issue CLO volume has remained strong, with over \$75 BN more in issuance this year as opposed to last year at this point.

HY Index Yield & Spread (YTD)



Weekly New Issue Volume (\$BN)



New-Issue Clearing Yields¹ (\$MM)

Double-B Issuers	2Q24	3Q24	30-Day Rolling Average	
			11/29/24	
Ba1	S+219 / 7.5%	S+192 / 7.0%	S+175 / 6.3%	
Ba2	S+236 / 7.5%	S+192 / 7.0%	S+198 / 6.6%	
Ba3	S+238 / 7.7%	S+268 / 7.9%	S+260 / 7.2%	
Single-B Issuers	2Q24	3Q24	30-Day Rolling Average	
			11/29/24	
B1	S+313 / 8.6%	S+333 / 8/6%	S+270 / 7.3%	
B2	S+373 / 9.1%	S+363 / 8.9%	S+365 / 8.4%	
B3	S+392 / 9.4%	S+394 / 9.3%	S+396 / 8.8%	

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	IPT-Pricing
11/13/2024	Cardinal Health Inc	Sr Notes	\$500	Baa2/BBB/BBB	4.700%	11/15/2026	+45	20 bps
11/13/2024	Cardinal Health Inc	Sr Notes	\$750	Baa2/BBB/BBB	5.000%	11/15/2029	+70	20 bps
11/13/2024	Cardinal Health Inc	Sr Notes	\$1,000	Baa2/BBB/BBB	5.350%	11/15/2034	+93	27 bps
11/13/2024	Cardinal Health Inc	Sr Notes	\$650	Baa2/BBB/BBB	5.750%	11/15/2054	+113	27 bps
11/13/2024	Gilead Sciences Inc	Sr Notes	\$750	A3/BBB+/-	4.800%	11/15/2029	+50	25 bps
11/13/2024	Gilead Sciences Inc	Sr Notes	\$1,000	A3/BBB+/-	5.100%	6/15/2035	+70	25 bps
11/13/2024	Gilead Sciences Inc	Sr Notes	\$1,000	A3/BBB+/-	5.500%	11/15/2054	+88	28 bps

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	Price Talk
11/18/2024	Select Medical	Sr. Notes	\$550	B1/B/NR	6.250%	12/1/2032	187 bps	6.25% area
11/13/2024	Molina Healthcare	Sr. Notes	\$750	Ba2/BB/NR	6.250%	1/15/2033	182 bps	6.375% area
10/24/2024	R1 RCM	Sr. Sec. Notes	\$1,300	B3/B-/NR	6.875%	11/15/2031	277 bps	7.00%-7.25%

Most Recent Healthcare Leveraged Loan Issuances (\$MM)

Date	Issuer	Ownership	Corp. Ratings	Use of Proceeds	Size	Pricing	Yield
11/25/2024	Cotiviti Corp	KKR	B2 / B	Refinancing	\$4,228	SOFR+275, 0% @ 100	7.336%
11/22/2024	RadNet, Inc	Not Sponsored	B1 / B+	Refinancing	\$873	SOFR+225, 0% @ 100	6.839%

Most Recent Healthcare Pro Rata Issuances (\$MM)

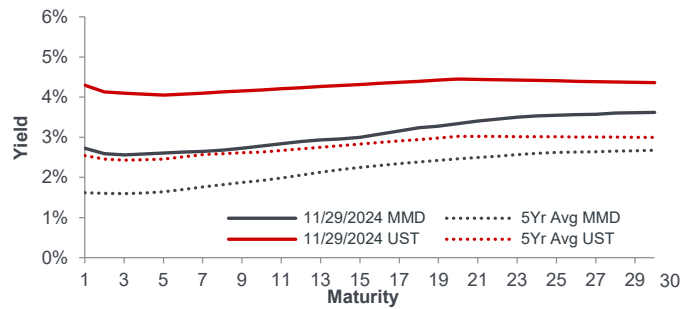
Date	Issuer	Ownership	Ratings	Use of Proceeds	Size	Pricing (in bps)	Financial Covenants
9/30/2024	Emergent BioSolutions	Public	B3 / B-	Refinancing	\$100mm 5-year ABL Revolver	Leverage-based Grid SOFR+175-225	Min Fixed Charge Coverage: 1.0x Min Liquidity

Public Finance Market

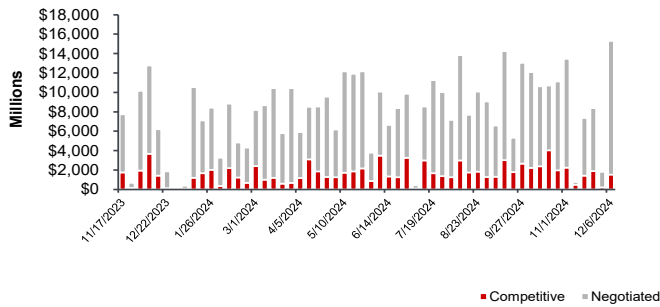
Market Overview

- The yield on the benchmark 10-year U.S. Treasury Note decreased 23 bps week-over-week, closing at 4.18% on Friday. 10-year MMD decreased 14 bps week over week
- Healthcare Public Issuance has outpaced 2023. Year to date issuance is up 153% in 2024 vs 2023.
- Muni bond funds Investors added \$560 MM and high yield funds gained \$300 MM for the week ended November 29th.

MMD & UST Yield Curve



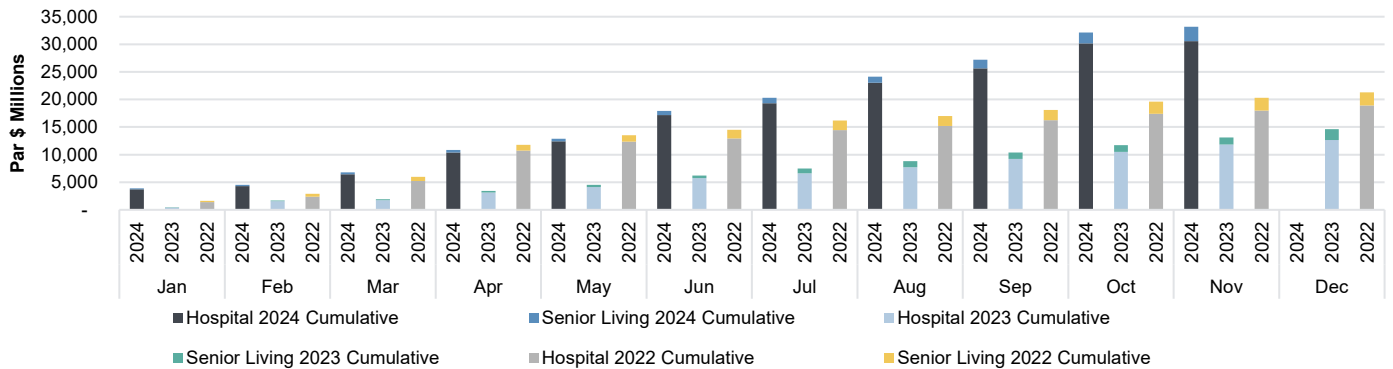
Weekly New Issue Volume (\$MM)



Benchmark Yields

Treasury Yields			MMD Yields			Ratio
Yr	Yield	Δ (W/W)	Yr	Yield	Δ (W/W)	MMD/UST
2	4.13%	(24 bps)	2	2.59%	(2 bps)	63%
10	4.18%	(23 bps)	10	2.78%	(14 bps)	67%
30	4.36%	(24 bps)	30	3.62%	(15 bps)	83%

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 11/25										
Lee Health System	143,945	FL	LCIDA	TE	NR / NR / NR	2054	NC	6.75%	6.75%	N/A
Exp. Pricings, Week of 12/2										
Chiara Housing and Services, Inc.	239,655	WI	WHEFA	TE	NR / NR / NR	-	-	-	-	-
The Brethren Home Community	110,815	PA	ACGA	TE	NR / NR / BBB+	-	-	-	-	-
Riverwoods at Exeter	40,235	NH	NHHEFA	TE	NR / NR / A-	-	-	-	-	-
Christwood Project	34,800	LA	LLGEFDA	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

Credit products are subject to credit approval. Copyright © 2024 KeyCorp.

Relevant News

PBM Legislation Again Dominates Lobbying Expenditures In 2024¹

Modern Healthcare | December 3, 2024

Spending on healthcare lobbying has ticked up in 2024, with companies and associations in the healthcare sector again spending hundreds of millions and again putting the greatest attention on bills that involve pharmacy benefit managers. According to federal data compiled by OpenSecrets and analyzed by Modern Healthcare, lobbyist spending for the first three quarters of 2024 hit \$562 million, up from \$553 million in the same period last year. Not only has spending this year been similar to last, the bills that attracted the most lobbying have been as well — nearly all involving PBMs, which were 2023's top target.

Why Operators Are Embracing Hybrid ASC, Office-Based Lab Models²

Ambulatory Surgery Center News | November 26, 2024

The ambulatory surgery center (ASC) landscape continues to evolve with different ownership and management models, one being the ASC and office-based lab (OBL) hybrid, in which operators combine the services of both facilities under the same roof. This model is particularly popular in cardiology, William Hoffman, a shareholder at the law firm Polsinelli, told ASC News. But the hybrid approach also works in other specialties, including ophthalmology, according to Joseph D'Agostino, ASC administrator with the Advanced Surgery Center Perimeter in Georgia. Indeed, many procedures that were once exclusively performed in hospitals are now permitted in ASCs, enabling cardiologists to move these services to outpatient settings. Motivations for this shift include providing patients with a more convenient experience, reducing the risk of hospital-acquired infections, and financial incentives, as physicians who own ASCs may prefer to perform procedures there, Hoffman said.

How Rising Dental School Debt Is Driving New Dentists To Join DSOs And Reshaping The Dental Industry³

Group Dentistry Now | December 3, 2024

The cost of dental education has skyrocketed over the past few decades, making the path to becoming a dentist increasingly expensive and financially daunting. With student debt levels reaching historic highs, many new dentists find themselves in a challenging financial position upon graduation. Drowning in debt, an increasing number of young dentists are opting to join Dental Service Organizations (DSOs) or group practices rather than pursuing private practice ownership or associate opportunities with private practices right out of school. This shift in career trajectory is reshaping the dental industry and altering the traditional pathways dentists take in their professional lives.

Relevant News

Nearly A Quarter Of Americans Are Underinsured¹

Healthcare Dive | November 27, 2024

Twenty-three percent of working-age adults with health insurance face high out-of-pocket costs that make it difficult to afford care, according to a survey by the Commonwealth Fund. The survey, conducted in the spring and early summer this year, found 56% of American adults were insured all year with adequate access to affordable services. But there were still gaps in coverage and access, even among people who were nominally covered by insurance. The vast majority of people who reported being underinsured received their coverage through their employers. Most adults in the U.S. receive health insurance through their jobs, reflecting the high prevalence of underinsurance in this group, according to the Commonwealth Fund. And as healthcare costs rise, employers have increasingly shifted expenses onto their workers through higher deductibles, out-of-pocket maximums and copayments.

Industry Voices—Reaching For The (Medicare) Stars: Leveraging AI For Better Quality Outcomes²

Fierce Healthcare | November 27, 2024

Quality performance is critical to the success of any organization committed to value-based care (VBC). For health plans, accountable care organizations and other types of organizations that work with Medicare Advantage (MA), high Medicare Star Ratings are particularly important. But as the numbers show, there's a big difference between knowing you need a high rating and actually managing to achieve it. Fortunately, some specific steps can make a major difference. And, with the emergence of technologies such as artificial intelligence and natural language processing, organizations looking to improve have new and powerful tools at their disposal.

The Power Of Composability: Overcoming Field Service Management Challenges In MedTech³

MedTech Dive | December 2, 2024

In the rapidly evolving landscape of medical device manufacturing, field service management is critical for ensuring that devices, such as life-saving equipment, are maintained and repaired for the first time within the customer SLAs. However, organizations encounter significant hurdles that can hinder operational efficiency, scalability and innovation. These challenges are often rooted in the limits of traditional legacy systems, which frequently operate in silos. This fragmentation leads to inefficiencies, poor data visibility and slow service request responses, creating a pressing need for solutions that can adapt to the industry's unique demands.

December 19, 2024

Cain Brothers Industry Insights

Healthcare Market Report



Banker commentary:

The Intersection Of Specialty Cancer Care And Private Equity Investment

Banker Commentary

Contents

- **Banker Commentary**
- **M&A Activity**
- **Private Placements**
- **Equity Capital Markets**
- **Public Equity Market Activity and Indices**
- **High Grade, High Yield & Leveraged Loans**
- **Public Finance Market**
- **Relevant News**
- **Recent Cain Brothers Transactions**



The Intersection Of Specialty Cancer Care And Private Equity Investment

Banker Commentary by Patrick Allen

The incidence and prevalence of cancer are increasing rapidly as Americans age into higher-risk demographics and live longer with the disease. In 2023 alone, over 1.9 million cancer cases were diagnosed, and this number is expected to grow significantly over the next 20 years. By 2032, the number of cancer survivors is projected to rise from 18.1 million in 2022 to 22.5 million. Furthermore, 40.5% of the population will face a cancer diagnosis at some point in their lifetimes. These trends are accompanied by steadily improving survival rates, driven by advancements in technology, expanded access to care, and more effective treatment options.

Cancer care is inherently specialized and increasingly complex, requiring multidisciplinary expertise, cutting-edge technologies, and personalized treatment approaches to meet the evolving needs of patients. Providers must coordinate integrated, multidisciplinary care delivery through comprehensive cancer centers, involving collaboration across a wide range of healthcare services. The integration of research, clinical care, and community outreach aims to enhance treatment efficacy and promote holistic patient care. A collaborative approach during patient assessment and education—bringing together input from multiple clinicians and specialists—results in better treatment planning, care management, and outcomes.

The U.S. oncology practice market is substantial and expanding, presenting significant opportunities for coordination and consolidation. The rising cost of cancer care, driven by factors such as the site of service, fee-for-service inefficiencies, and the escalating prices of new oncologic drugs, is a critical concern. Oncologic expenditures currently account for approximately 5% of national healthcare spending, or roughly \$209 billion.

Oncology has emerged as an attractive target for private equity investment within the specialty physician group space. Its appeal lies in its potential for value-based transformation, which requires enhanced care coordination among diverse clinician groups and treatment modalities, ancillary services, and the migration of care delivery sites. Despite high acquisition multiples driven by market scarcity, numerous opportunities remain for private equity firms to consolidate large independent practices and mid-sized ancillary service providers through traditional MSO roll-up models. However, challenges persist in fully integrating various services into a cohesive care continuum. The multidisciplinary nature of oncology care, coupled with the lack of single-specialty control, fragments care delivery and complicates the transition to capitated payment models.

The oncology market features a diverse mix of private equity-backed and independent multi-center operators, community hospitals, major health systems, academic medical centers, and independent delivery networks. These stakeholders face ongoing challenges in communication, coordination, and operational efficiency, which remain critical areas for improvement.

continued...

Cost pressures are a key driver of consolidation in the sector, with payer-related challenges posing the most significant burden for private equity firms, physician practices, and hospital/health system-owned groups. Additionally, the slow adoption of technology in many settings has led to inefficiencies, while a nationwide shortage of healthcare workers has further strained operations. These dynamics, combined with the fragmented nature of the industry, provide an opportunity for sponsors to streamline costs by centralizing administrative functions and improving operational efficiency.

Over the past eight years, the cancer care sector and related specialty physician groups have seen consistent deal activity. Strategic and financial buyers, as well as health systems, continue to invest in areas such as specialty physicians (e.g., radiation oncologists, urologists, cardiologists, and gastroenterologists) and ancillary services (e.g., physical therapy, imaging, and medication management). Drivers of investor interest include clinical innovation, rising drug demand, favorable margins, and evolving care ecosystems. These factors, combined with broader market tailwinds, create compelling opportunities to participate in the cancer care continuum as new assets emerge.

M&A Activity

Selected Recent Healthcare Transactions (\$MM)

Date	Target Name	Acquirer	EV	Enterprise Value /		Description
				LTM Rev.	LTM EBITDA	
12/12/2024	Nationwide Medical	Heritage Group	NA	NA	NA	Provider of home medical equipment and clinical services for patients with chronic sleep and respiratory conditions
12/12/2024	Lake Norman Regional Medical Center (CHS)	Duke Health	\$280	NA	NA	123-bed North Carolina hospital
12/11/2024	Patterson Companies	Patient Square Capital	\$4,100	0.6x	12.3x	Dental and animal health distributor
12/11/2024	Theoria Management *	Amulet Capital Partners	NA	NA	NA	High-growth, tech-enabled, value-based primary care provider serving senior living communities
12/10/2024	Prescott's (Atlantic Street Capital)	Morgan Stanley Private Equity	NA	NA	NA	Healthcare focused specialty outsourced clinical engineering services provider
12/9/2024	Center for Social Dynamics	Goldman Sachs Alternatives and NMS Capital	NA	NA	NA	Provider of applied behavior analysis to children with Autism
12/4/2024	Cross Country Healthcare	Aya Healthcare	\$615	0.4x	19.8x	Tech-enabled workforce solutions across the continuum of care
12/4/2024	Focused Health	Bloom (Oak HC/FT)	NA	NA	NA	Health insurance distribution agency
12/4/2024	Zelis (minority stake)	Mubadala Investment Company, Norwest and HarbourVest	NA	NA	NA	Provider of payer focused healthcare technology solutions
12/3/2024	Nicklas Medical Staffing	Argosy Healthcare Partners	NA	NA	NA	Provider of staffing solutions nationwide to pathology and histology labs
12/3/2024	Purpose Healing Center	Owner Resource Group	NA	NA	NA	Provider of mental health and substance use disorder services primarily to adult populations
12/2/2024	Coldwater Regional Hospital (ProMedica) *	Insight Health System	NA	NA	NA	General medical and surgical facility serving south central Michigan
11/25/2024	Team Technologies (Clearlake Capital)	Arlington Capital	NA	NA	NA	Manufacturer of dental, medical, cosmetic and industrial products
11/25/2024	Enjoin	3 Boomerang Capital	NA	NA	NA	Clinical documentation integrity solutions for hospitals and health systems
11/22/2024	ShorePoint Health System (Community Health Systems)	AdventHealth *	\$265	NA	NA	Florida based health system
11/20/2024	Olah Healthcare Technology	Verisma (NewSpring Capital)	NA	NA	NA	Provider of enterprise archiving solution for healthcare systems and hospitals
11/20/2024	Twiage	TigerConnect (Vista Equity Partners)	NA	NA	NA	Pre-hospital communication and care coordination between EMS, hospitals, and other healthcare providers
11/19/2024	Children's Therapy Center	Kelly	NA	NA	NA	Occupational, physical, and speech therapy for children from birth to eighteen

Private Placement Activity

Selected Recent Healthcare Transactions (\$MM)

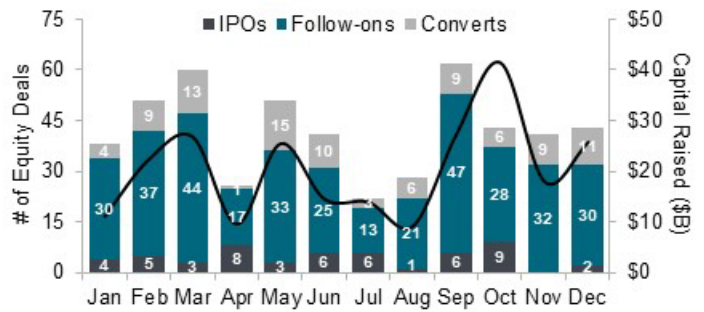
Date	Company	Investor(s)	Type	Amount	Description
12/11/2024	SpinSci	Aldrich Capital Partners	Majority	\$53	SaaS-based healthcare technology company
12/9/2024	Orthopedic Care Partners	Brookfield Asset Management	Recap	\$185	Orthopedic practice management platform
12/9/2024	Orthopedic Care Partners	TPG Twin Brook Capital Partners	Senior Credit Facility Refinancing	\$358	Orthopedic practice management platform
12/5/2024	Sollis Health	Foresite Capital (lead), Torch Capital, Montage Ventures, Freedom Partners, Read Capital, and One Eight Capital	Series B	\$33	Concierge medicine provider offering its members 24/7 access to ER-level diagnostics and capabilities
12/2/2024	Rock Dental	TPG Twin Brook Capital Partners (senior debt) and Audax Private Debt (mezzanine)	Debt	\$90	Dental service organization
11/26/2024	Sirona Medical	Avidity Partners (lead), 8VC, GreatPoint Ventures	Series C	\$42	Cloud-native radiology workflow software
11/21/2024	TailorMed	Windham Capital Partners (lead), Citi Impact Fund, Samsung Next, BrightEdge, Providence Ventures, OSF Healthcare, Inception Health, Ballad Ventures, UH Ventures, and UnityPoint Health Ventures	Equity and Debt	\$40	Enterprise solution manages the full lifecycle of patient support programs
11/20/2024	Zarminali Health	General Catalyst (lead)	Seed	\$40	Tech enabled outpatient pediatric care provider
11/19/2024	OURA	Dexcom	Series D	\$75	Smart ring that delivers personalized health data, insights, and daily guidance
11/18/2024	Seen Health	BVC (lead), Astrana Health, Basis Set Ventures, Primetime Partners and Virtue Ventures Management	Series A	\$22	Provider of medical care and social support for home and community-based services
11/13/2024	MB2 Dental	Warburg Pincus	Recap	\$525	Nationwide dental partnership organization
11/7/2024	Performance Home Medical	Grant Avenue Capital	Undisclosed	\$55	Medical equipment provider
11/4/2024	Praia Health	Labcorp	Strategic	Undisclosed	Consumer experience platform
10/29/2024	Petfolk	Deerfield Management (lead), Movendo Capital, White Star Capital, Cutting Horse VC, Idea Farm Ventures, and Parkview International	Series C	\$36	Provider of veterinary and urgent care through its network of "connected care" clinics
10/24/2024	PeopleOne Health	GV (lead), Glen Tullman	Series B	\$32	Next generation of value-based primary care
10/15/2024	Alchemy	"a16z" Bio + Health with participation from Earvin "Magic" Johnson, Sandberg Bernthal Venture Partners, Banc of California, Twine Ventures, Springbank and AlleyCorp	Seed	\$31	In-house pharmacy programs with a focus on serving clinics with large HIV and Hepatitis C patient populations

Equity Capital Markets

Market Overview

- The past week saw significant issuance as companies aim to raise funds ahead of the Holiday calendar:
 - Last week: 1 IPO; 18 follow-ons; 5 converts
- Follow-ons and converts are possible this week but the upcoming FOMC rate decision and holiday season is set to thin out the ECM calendar for the rest of 2024
- No IPOs are on the road for pricing this week but the recovering IPO market ended the year on a strong note, led by the heavily subscribed \$718.5 MM IPO of software firm ServiceTitan
 - IPO volumes are expected to normalize in 2025 with at least 100 offerings

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

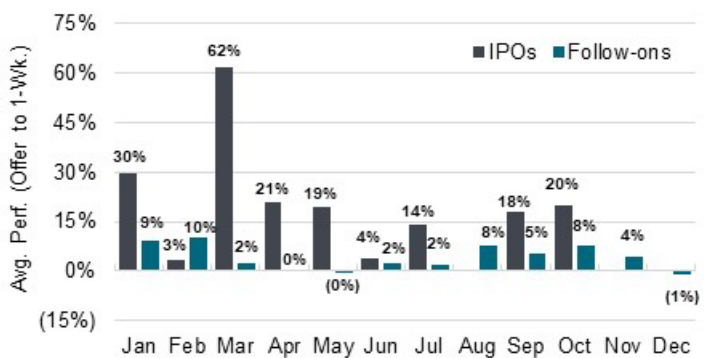


ECM Activity (Last 4 Weeks & YoY)

	2024 - Last 4 Weeks			2023 - Last 4 Weeks		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	714	2	2%	0	0	0%
CONV	13,398	15	41%	6,939	8	44%
FO	18,576	41	57%	8,843	32	56%
Total	32,687	58	100%	15,782	40	100%

	2024 YTD			2023 YTD		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	26,489	53	11%	11,309	24	8%
CONV	74,472	96	30%	49,763	71	35%
FO	145,157	357	59%	80,334	303	57%
Total	246,118	506	100%	141,407	398	100%

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



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
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 Holdings	Services	CON	\$546.4	\$2,992.6	18.3%	100.0%	\$23.50	\$23.00 - \$26.00	(4.3%)	(0.8%)
7/17/2024	Ardent Health Partners	Services	ARDT	\$220.8	\$2,255.4	9.8%	100.0%	\$16.00	\$20.00 - \$22.00	0.4%	4.7%
6/13/2024	Tempus AI	Healthcare Technology	TEM	\$410.7	\$6,098.8	6.7%	100.0%	\$37.00	\$35.00 - \$37.00	8.8%	(26.3%)
6/6/2024	Waystar Holding	Healthcare Technology	WAY	\$1,076.3	\$3,583.2	30.0%	100.0%	\$21.50	\$20.00 - \$23.00	(3.7%)	3.0%

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
11/19/2024	QuidelOrtho	Medical Products	Bought	QDEL	\$294.1	\$2,594.8	11.3%	0.0%	(7.7%)	5.3%	15.1%
11/7/2024	GE HealthCare Technologies	Medical Products	Bought	GEHC	\$1,173.1	\$40,355.6	2.9%	0.0%	0.0%	(2.7%)	(6.1%)
10/29/2024	PROCEPT BioRobotics	Medical Products	Marketed	PRCT	\$201.2	\$5,231.5	3.8%	100.0%	0.0%	2.2%	4.9%
10/2/2024	Pennant Group	Services	Marketed	PNTG	\$124.8	\$1,097.8	11.4%	100.0%	(13.2%)	9.1%	9.4%
9/12/2024	GE HealthCare Technologies	Medical Products	Bought	GEHC	\$1,290.0	\$39,939.7	3.2%	0.0%	(1.7%)	1.1%	5.4%

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
5/23/2024	HAEMONETICS	Medical Products	HAE	\$700.0	\$4,580.3	15.3%	2.50%	30.00%
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%

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

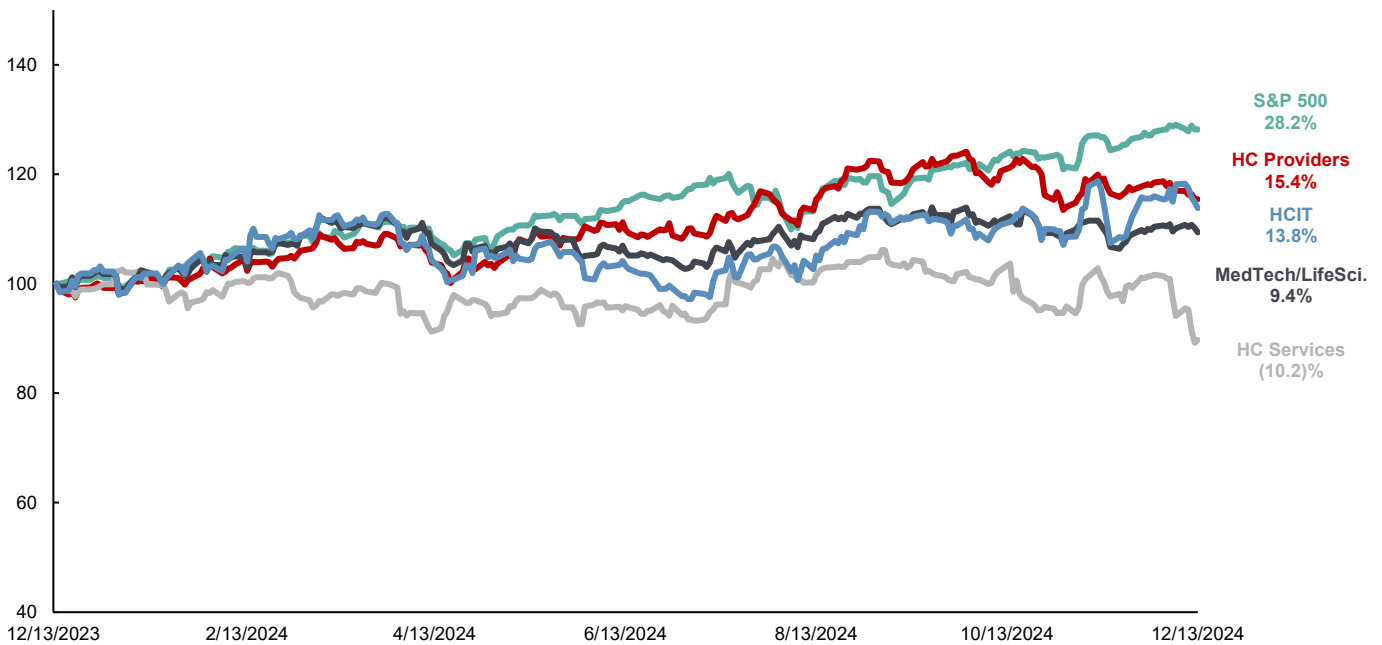
Public Equity Market Activity & Indices

Equity Indices (as of December 13, 2024)

Index	Wk Open	Wk Close	Returns	
			52 Week	Weekly
DJIA	44,643	43,828	17.7%	(1.8%)
S&P 500	6,090	6,051	28.2%	(0.6%)
NASDAQ	19,860	19,927	35.0%	0.3%
Russell 2000	2,409	2,347	17.3%	(2.6%)
NYSE Healthcare	25,690	25,040	5.0%	(2.5%)

Cain Brothers Indices	Returns	
	52 Week	Weekly
Acute Care	14.0%	(2.0%)
Alternate Site Services	8.8%	(3.2%)
Diagnostics	15.8%	0.6%
Distribution	15.6%	(3.3%)
Healthcare IT	13.8%	(3.7%)
Healthcare REITs	38.6%	(2.1%)
Managed Care	(10.2%)	(4.7%)
Medical Technology	9.9%	(0.7%)
Outsourced Services	(22.6%)	(0.8%)
Pharma Services	5.3%	(1.0%)
Pharmacy	(39.1%)	(7.1%)
Primary Care	(58.7%)	(4.1%)
Post-Acute Care Services	32.8%	(1.7%)
Post-Acute Care Facilities	26.3%	(1.9%)

Cain Brothers Healthcare Indices (1YR Performance)



High Grade, High Yield & Leveraged Loan Market

Market Summary

High Grade

- IG Bond primary market issuance saw 13 issuers tap the market to raise \$18.0 BN last week, clearing expectations of \$15 BN; December total issuance of \$41.7 BN has surpassed estimates of \$40 BN.

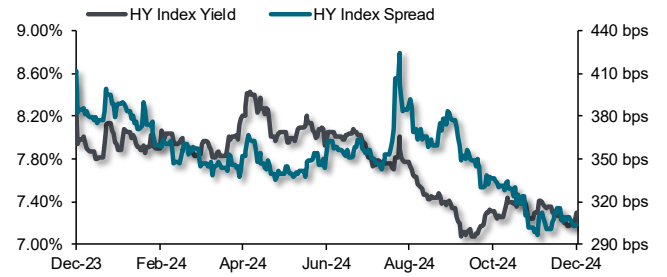
High Yield

- New supply of \$6.4 BN across six transactions cleared the market last week.

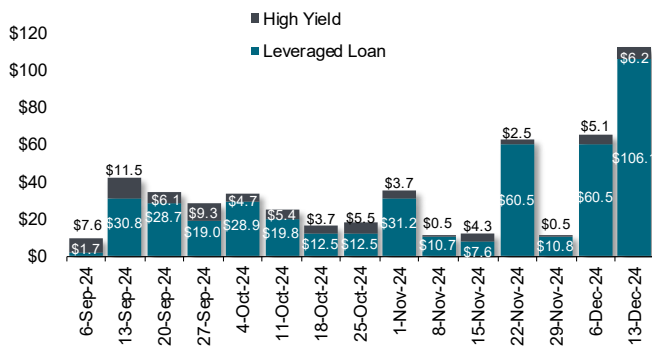
Term Loan B Market

- New issue CLO volume has remained strong in December, with more than \$80 BN more in issuance this year as opposed to last year at this point.

HY Index Yield & Spread (YTD)



Weekly New Issue Volume (\$BN)



New-Issue Clearing Yields¹ (\$MM)

Double-B Issuers	2Q24	3Q24	30-Day Rolling Average
	12/13/24		
Ba1	S+219 / 7.5%	S+192 / 7.0%	S+189 / 6.4%
Ba2	S+236 / 7.5%	S+192 / 7.0%	S+192 / 6.4%
Ba3	S+238 / 7.7%	S+268 / 7.9%	S+239 / 6.9%
Single-B Issuers	2Q24	3Q24	30-Day Rolling Average
	12/13/24		
B1	S+313 / 8.6%	S+333 / 8/6%	S+271 / 7.2%
B2	S+373 / 9.1%	S+363 / 8.9%	S+335 / 7.9%
B3	S+392 / 9.4%	S+394 / 9.3%	S+364 / 8.2%

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	IPT-Pricing
12/3/2024	CVS Health Corp *	Sub-Notes	\$2,250	Baa3/BB+/-	700.000%	3/10/2055	--	43 bps
12/3/2024	CVS Health Corp *	Sub-Notes	\$750	Baa3/BB+/-	675.000%	12/10/2054	--	55 bps
12/2/2024	Cencora Inc	Sr Notes	\$500	Baa2/BBB+/A-	462.500%	12/15/2027	+55	30 bps
12/2/2024	Cencora Inc	Sr Notes	\$600	Baa2/BBB+/A-	485.000%	12/15/2029	+77	28 bps
12/2/2024	Cencora Inc	Sr Notes	\$700	Baa2/BBB+/A-	515.000%	2/15/2035	+97	28 bps
11/13/2024	Cardinal Health Inc	Sr Notes	\$500	Baa2/BBB/BBB	4.700%	11/15/2026	+45	20 bps
11/13/2024	Cardinal Health Inc	Sr Notes	\$750	Baa2/BBB/BBB	5.000%	11/15/2029	+70	20 bps

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	Price Talk
12/3/2024	US Acute Care (add-on) *	Sr. Sec. Notes	\$200	B3/B-NR	9.750%	5/15/2029	460 bps	102.50%-103.00%
11/18/2024	Select Medical	Sr. Notes	\$550	B1/B-NR	6.250%	12/1/2032	187 bps	6.25% area
11/13/2024	Molina Healthcare	Sr. Notes	\$750	Ba2/BB-NR	6.250%	1/15/2033	182 bps	6.375% area

Most Recent Healthcare Leveraged Loan Issuances (\$MM)

Date	Issuer	Ownership	Corp. Ratings	Use of Proceeds	Size	Pricing	Yield
12/13/2024	Examworks Group Inc	CVC	B2 / B	Refinancing	\$2,458	SOFR+275, 0.50% @ 100	7.132%
12/13/2024	MDVIP Inc	Goldman Sachs Asset Management	B3 / B	Refinancing	\$736	SOFR+300, 0.50% @ 100	7.382%

Most Recent Healthcare Pro Rata Issuances (\$MM)

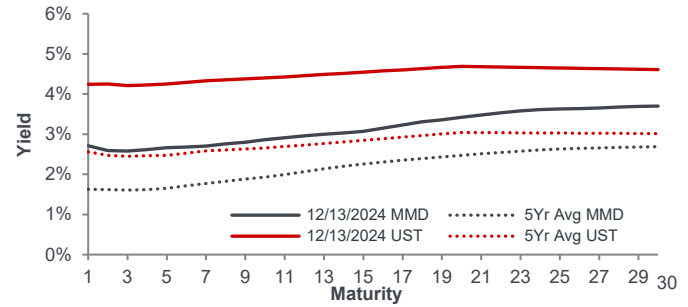
Date	Issuer	Ownership	Ratings	Use of Proceeds	Size	Pricing (in bps)	Financial Covenants
9/30/2024	Emergent BioSolutions	Public	B3 / B-	Refinancing	\$100mm 5-year ABL Revolver	Leverage-based Grid SOFR+175-225	Min Fixed Charge Coverage: 1.0x Min Liquidity

Public Finance Market

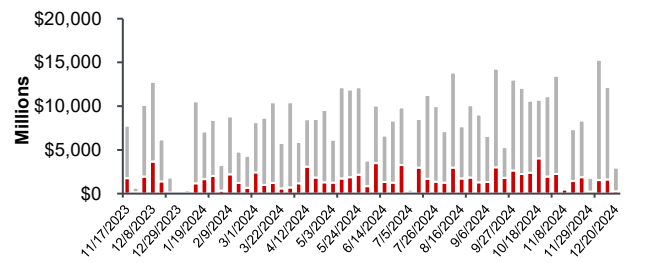
Market Overview

- The yield on the benchmark 10-year U.S. Treasury Note increased 25 bps week-over-week, closing at 4.40% on Friday. 10-year MMD increased 13 bps week over week.
- Healthcare Public Issuance has outpaced 2023. Year to date issuance is up 139% in 2024 vs 2023.
- Muni bond funds saw \$316 MM of outflows while high yield funds gained \$192 MM for the week ended December 13th.

MMD & UST Yield Curve



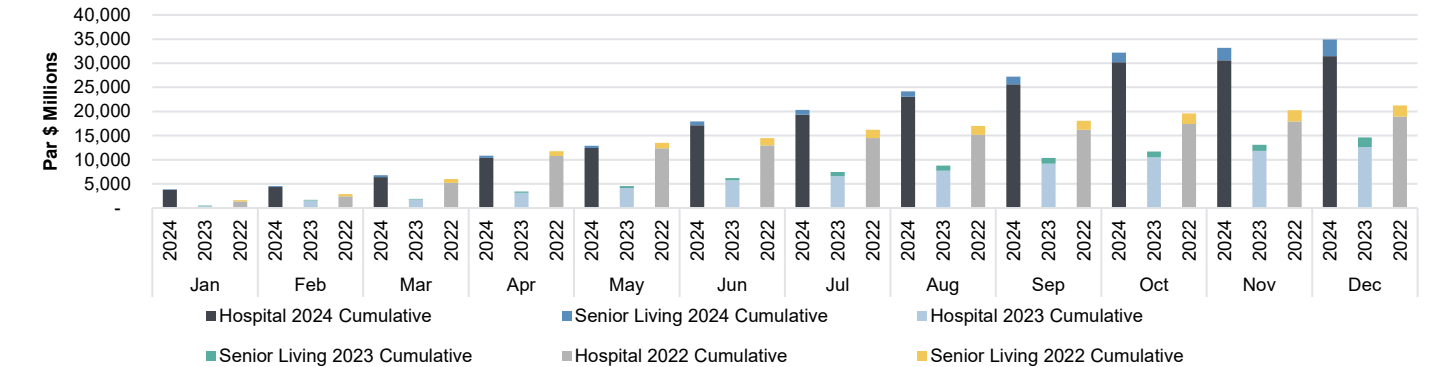
Weekly New Issue Volume (\$MM)



Benchmark Yields

Treasury Yields			MMD Yields			Ratio
Yr	Yield	Δ (W/W)	Yr	Yield	Δ (W/W)	MMD/UST
2	4.25%	15 bps	2	2.59%	7 bps	61%
10	4.40%	25 bps	10	2.86%	13 bps	65%
30	4.61%	27 bps	30	3.70%	13 bps	80%

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 12/9										
Inperium Project*	175,765	PA	PFA	TE	NR / NR / NR	2054	2034(C)	5.75%	5.70%	5.72%
Wyndemere Project	107,635	IL	IFA	TE	NR / NR / NR	2025	NC	9.95%	9.95%	N/A
Wyndemere Project	48,930	IL	IFA	TAX	NR / NR / NR	2031	NC	8.20%	6.25%	N/A
Wyndemere Project	40,610	IL	IFA	TE	NR / NR / NR	2031	NC	6.35%	6.35%	N/A
Wyndemere Project	8,000	IL	IFA	TE	NR / NR / NR	2029	NC	6.35%	6.35%	N/A
PIH Health Energy Projects	141,375	CA	CIED	TE	NR / A / NR	2054	2034(C)	5.00%	4.37%	4.69%
PIH Health Energy Projects	45,430	CA	CIED	TAX	NR / A / NR	2045	MWC	5.89%	5.89%	N/A
Lifespace Communities	128,940	IA	IFA	TE	NR / NR / BBB	2059	2034(C)	5.13%	5.20%	N/A
GingerCare Living Issue	23,830	MA	MDFA	TE	NR / NR / NR	2060	2034(C)	5.88%	6.00%	N/A
GingerCare Living Issue	14,800	MA	MDFA	TE	NR / NR / NR	2029	2026(C)	4.75%	4.75%	N/A
GingerCare Living Issue	7,200	MA	MDFA	TE	NR / NR / NR	2029	2026(C)	5.00%	5.00%	N/A
GingerCare Living Issue	5,400	MA	MDFA	TE	NR / NR / NR	2030	2026(C)	5.25%	5.25%	N/A
Silver Birch of Mansfield Project	24,400	OH	OHFA	TE	NR / NR / NR	2045	2035(C)	6.00%	5.90%	5.94%
Rio Grande Hospital	12,180	CO	DNC	TE	NR / NR / NR	2054	2034(C)	5.80%	5.80%	N/A
Exp. Pricings, Week of 12/16										
Hazelden Betty Ford Foundation	66,945	MN	HBFF	TE	Baa1 / NR / NR	-	-	-	-	-
Lutheran Senior Services Projects	41,610	MO	HEFAM	TE	NR / NR / BBB	-	-	-	-	-

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

Credit products are subject to credit approval. Copyright © 2024 KeyCorp.

Relevant News

HME's Road Ahead¹

Modern Healthcare | December 10, 2024

This is an introspective time of year, as sunsets come sooner and the days left on the calendar dwindle. It's been a turbulent time for the home medical equipment (HME) industry, given the end of the 75/25 blended rate for Medicare reimbursement. But there have been triumphs as well. Rate relief continues to be a priority on both the state and federal side. Adjusting the rates from the failed bid program on the urban bid areas and getting the 75/25 relief back in regulation or legislation will be on the front burner. The work in both the commercial and Medicare Advantage sectors in medical policy improvements and utilization management has gained traction and has been a focus of our new lobbying efforts on the Part C side with our engagement with Tom Barker and team at Foley Hoag. We have also seen some rate improvements from our state efforts. We have grown industry recognition of ePrescribe and made headway both on the Hill and at CMS on the importance of this technology as another tool to combat fraud.

Weight-Loss Drugs Draw Americans Back To The Doctor²

Reuters | December 16, 2024

Powerful weight-loss drugs are expanding use of U.S. health care as patients starting prescriptions are diagnosed with obesity-related conditions or take the drugs to become eligible for other services, health records and discussions with doctors show. An exclusive analysis of hundreds of thousands of electronic patient records by health data firm Truveta found slight, but measurable, increases in first-time diagnoses of sleep apnea, cardiovascular disease, and type 2 diabetes within 15 days of an initial prescription for a GLP-1 weight-loss drug between 2020 and 2024. In addition to obesity-related conditions, some patients are being prescribed the drugs to lose weight and become eligible for services including organ transplants, fertility treatments or knee replacements, according to interviews with seven doctors and five other health experts.

Good News, Bad News For Physicians Heading Into 2025³

Becker's ASC Review | December 11, 2024

Amid rising industry concern about physician reimbursement declines, CMS finalized a 2.83% physician pay cut Nov. 1. The 2025 Medicare Hospital Outpatient Prospective Payment System and Ambulatory Surgical Center Payment System sets the physician fee schedule conversion factor for 2025 at \$32.35, down from \$33.29 in 2024. "The CMS pay cut is a disgrace. As every industry in America is being forced to adjust their pricing due to the out of control inflation over the past two to three years, physicians are being hammered," Thomas Loftus, MD, neurosurgeon at the Austin (Texas) Neurosurgical Institute, told Becker's. "Not only are we not receiving inflation-adjusted increases in reimbursement, but the government is actually continuing to whittle away at our practice revenue overall."

1. <https://hme-business.com/hmes-road-ahead/>

2. <https://www.msn.com/en-gb/health/other/weight-loss-drugs-draw-americans-back-to-the-doctor/>

3. <https://www.beckersasc.com/leadership/good-news-bad-news-for-physicians-heading-into-2025.html>

Relevant News

Innovative Solutions To Overcome Persistent Healthcare Staffing Shortages¹

Staffing Industry Analysts | December 10, 2024

Healthcare staffing shortages have persisted since World War II, but in the last 25 years, the problem has escalated dramatically. Apart from the brief reprieve during the 2006-2008 financial crisis, there have consistently been more open positions than there are qualified candidates to fill them — especially in nursing. By the early 2000s, media reports were already highlighting severe shortages, and despite nearly 10% national unemployment by 2010, the demand for nurses still far outpaced supply. The question of why there aren't enough nurses has lingered for years. Now, in 2024, the situation remains as critical as ever. But to understand why it's been so difficult to solve, we need to dig into the core factors driving this ongoing shortage.

2-Year Extension Of Telehealth, Plus Hospital-At-Home Program Boost Likely As Negotiations Crest In Congress²

Fierce Healthcare | December 16, 2024

Lawmakers reached a deal Saturday evening to extend expiring healthcare programs, lobbyists close to the issue said. The package, floated Friday, is more robust than lobbyists expected. The extensions in the package won't be final until the House and Senate vote on the package this week. The healthcare package includes a 2.5% payment boost for Medicare physicians for one year. The bump would counteract the 2.8% pay cut finalized in the Medicare physician fee schedule in November. In a surprise win for commercially insured patients, the package includes a two-year extension of pre-deductible telehealth coverage for high deductible health plans linked to health savings accounts. In a version of the package circ

CMS Unresponsive To Congressional SFP Concerns³

Hospice News | December 12, 2024

The U.S. Centers for Medicare & Medicaid Services (CMS) has not responded to congressional concerns about the hospice Special Focus Program (SFP). Set for 2025 implementation, the SFP promises to identify hospices delivering poor quality care and target them for improvement remedies. However, many stakeholders, including members of Congress and hospice industry groups, have contended that the algorithm the agency plans to use to identify those hospices is deeply flawed. Four members of Congress led by Reps. Beth Van Duyne (R-Texas) and Earl Blumenauer (D-Oregon) have called for changes to the SFP. In Oct. 2023, they and Reps. Jimmy Panetta (D-California) and Brad Wenstrup (R-Ohio) wrote to CMS Administrator Chiquita Brooks-LaSure and White House Office of Management and Budget Director Shalanda Young.

1. <https://www.staffingindustry.com/editorial/staffing-stream/innovative-solutions-to-overcome-persistent-healthcare-staffing-shortages>

2. <https://www.fiercehealthcare.com/regulatory/two-year-extension-telehealth-likely-negotiations-crest-congress>

3. <https://hospicenews.com/2024/12/12/cms-unresponsive-to-congressional-sfp-concerns/>