

May 9, 2024

Cain Brothers Industry Insights

Healthcare Market Report



Banker commentary:

Rise of Alternate Infusion Centers are Reshaping the Healthcare Landscape

Banker Commentary

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Rise of Alternate Infusion Centers are Reshaping the Healthcare Landscape

Banker Commentary Bethel Hailemichael

In today's evolving healthcare landscape, the rise of alternate infusion centers (AICs) reflects the markets' shift towards consumer-centric care delivery models. Designed with the patient experience at the forefront, alternate infusion centers epitomize a shift towards personalized, convenient, and holistic treatment modalities. Similar to other consumer facing services in the market, consumer preferences are steering the evolution of care delivery focused on accessibility, convenience, and personalized experiences.

Historically, hospitals have been the primary venues for administering infused medications and therapies; offering comprehensive medical resources and specialized expertise. By receiving treatments in the hospital setting, patients have access to emergency care, diagnostic imaging, and other supportive services. However, while hospitals offer comprehensive medical resources, the infusion process in this setting often involves long wait times, crowded facilities, and limited personalized attention for patients. The emergence of alternative infusion centers offers patients a novel approach to receiving infusion treatments. As the demand for infused medications continues to rise, the role of alternative infusion centers in the healthcare ecosystem is poised to expand.

At the heart of alternate infusion centers is a commitment to patient-centricity – individuals are empowered to participate in their care journey and make informed decisions about their treatment. From personalized treatment plans to compassionate support services, these centers prioritize the holistic well-being of patients. As consumers seek reduced wait times, flexible scheduling, enhanced comfort, and to alleviate the inherent stress associated with receiving treatment, alternate infusion centers offer convenience, comfort, autonomy, and foster an environment which encourages consumers to truly own their care journey. By placing patients at the center of care, alternate infusion centers create a supportive and nurturing environment that enhances clinical outcomes and fosters long-term patient loyalty.

Central to the patient-centric philosophy of alternate infusion centers is the seamless integration of specialty pharmacy services, providing comprehensive medication management and continuity of care. By partnering with specialty pharmacists, these alternate infusion centers can optimize medication procurement, compounding, and adherence; improving both clinical outcomes and patient safety. Specialty pharmacy services play a key role in improving medication access, reducing treatment delays, and enhancing patient education through partnerships with alternative infusion centers. Moreover, close collaboration between infusion centers and specialty pharmacies facilitates proactive medication monitoring, adverse event management, and adherence support, enhancing patient safety and satisfaction. This integrated approach simplifies the delivery of care and maximizes the value proposition of alternate infusion centers as comprehensive and personalized care delivery sites.

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These alternate infusion centers are reshaping the healthcare landscape. Looking ahead, alternate infusion centers will play an integral role in healthcare delivery, driven by shifting demographics, advancements in technology, continued investment, and evolving consumer preferences. The integration of patient-centric principles with specialty pharmacy services within alternate infusion centers represents a definite shift in healthcare delivery, underscored by a commitment to empowering patients, enhancing clinical outcomes, and driving value across the care continuum.

To succeed in this evolving landscape, operators must prioritize innovation, collaboration, and patient-centered care delivery models. Additionally, being nimble and able to embrace digital health solutions to enhance care coordination, optimize operational efficiencies to drive down costs, and foster a culture of clinical excellence and patient satisfaction. The shift towards consumer-centric AIC is driving innovation and reshaping industry dynamics. While there will be challenges, strategic foresight, operational agility, and a relentless focus on patient-centricity will position alternate infusion centers for success.

M&A Activity

Selected Recent Healthcare Transactions (\$MM)

Date	Target Name	Acquirer	EV	Enterprise Value /		Description
				LTM Rev.	LTM EBITDA	
5/3/2024	Conduent's Casualty Claims Solutions Business	MedRisk (CVC Capital Partners)	\$240	NA	NA	Workers' compensation and auto casualty bill review solutions and services that includes the processing of medical bills and clinical services
5/2/2024	All Star Healthcare Solutions	Knox Lane Partners	NA	NA	NA	Full-service healthcare staffing firm focused exclusively on the locum tenens market
5/1/2024	MobileHelp (Advocate Aurora Enterprises)	Medical Guardian (Water Street Healthcare Partners)	NA	NA	NA	Real-time medical monitoring, location tracking and other solutions to help older patients
5/1/2024	PathAI Diagnostics (select assets)	Quest Diagnostics (NYSE: DGX)	NA	NA	NA	Anatomic and digital pathology laboratory services
4/30/2024	Essen Health Care	Kain Capital	NA	NA	NA	Independent healthcare provider in the Bronx with over 450 practitioners and over 1.7 million patient encounters per year
4/30/2024	Hella Health	CVS Health	NA	NA	NA	Medicare Advantage broker platform
4/30/2024	SubjectWell	WindRose Health Investors	NA	NA	NA	Patient access marketplace
4/29/2024	OccMD	Council Capital	NA	NA	NA	Physician-led medical and nurse case management company that gets better medical outcomes for injured workers at a fair cost for employers and other payers
4/26/2024	Tricord's Medical Physics Service Division	West Physics Consulting (LNC Partners)	NA	NA	NA	Full-service provider of radiation safety, health, medical, industrial, and environmental physics services
4/25/2024	Scientific Device Laboratory	StatLab Medical Products (Audax, Linden)	NA	NA	NA	Manufacturer of printed diagnostic slides and a variety of consumables and kits for the anatomic pathology and microbiology markets
4/24/2024	Green Security	Spire Capital and Strattam Capital	NA	NA	NA	Provider of SaaS healthcare compliance and access management solutions
4/24/2024	Invitae	Labcorp (NYSE: LH)	\$239	~0.9x	NA	Medical genetics company
4/23/2024	First Steps Recovery	Avesi Partners	NA	NA	NA	Provider of substance use disorder treatment
4/23/2024	Medical Informatics Engineering	Serent Capital	NA	NA	NA	Provider of health IT software and systems for the occupational health market
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

Private Placement Activity

Selected Recent Healthcare Transactions (\$MM)

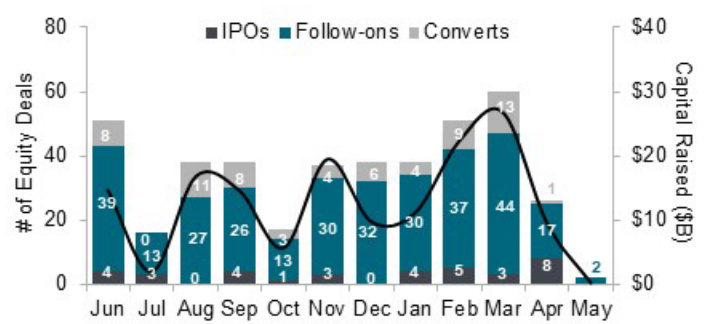
Date	Company	Investor(s)	Type	Amount	Description
5/2/2024	Transcarent	General Catalyst & 7wireVentures (co-leads), Geodesic Capital, Memorial Hermann Health System, Threshold Ventures, Kinnevik, Ally Bridge Group, Human Capital, Merck Global Health Innovation Fund, Alta Partners, and Leaps by Bayer	Series D	\$126	Health and care platform makes it easy for people to access care and employers to provide and pay for the care
4/24/2024	Midi Health	Emerson Collective (lead), GV, Memorial Hermann, SemperVirens, Felicis, Icon Ventures, Black Angel Group, Gingerbread Capital, Able Partners, G9 and Operator Collective	Series B	\$60	Virtual care clinic for women navigating perimenopause and menopause
4/22/2024	AccessHope	City of Hope	Series B	\$33	Cancer care management
4/22/2024	Lumeris	Deerfield Management (lead), Endeavor Health. Existing investors Kleiner Perkins, Sandbox Industries, BlueCross BlueShield Venture Partners and JDLinx	Equity	\$100	Value-based care managed services operator
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

Equity Capital Markets

Market Overview

- Earnings activity and a FOMC meeting limited activity last week
 - 1 IPO; 4 follow-ons; 0 converts
- 2 IPOs are on the road right now for pricing this week: Chip software design firm Silvaco (\$114mm) and trucker Proficient Auto Logistics (\$229mm)
- ~80% of S&P 500 companies have reported to-date, the focus of ECM desks will swing to follow-on issuance
 - A deluge of earnings and distractions posed by the latest FOMC meeting and some market-moving economic releases kept issuers out of the market last week → This week should bring greater activity

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

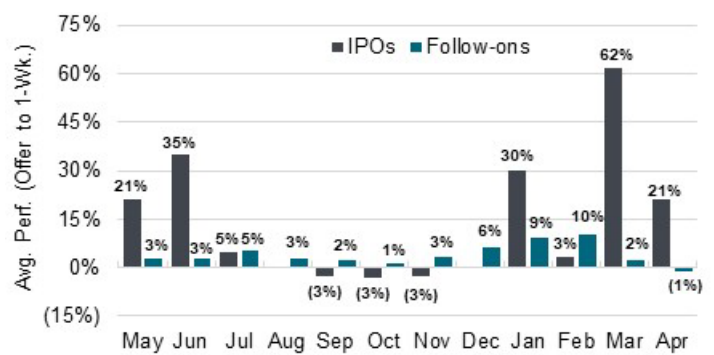


ECM Activity (Last 4 Weeks & YoY)

	2024 - Last 4 Weeks			2023 - Last 4 Weeks		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	5,443	7	61%	4,993	2	41%
CONV	345	1	4%	4,099	6	34%
FO	3,066	14	35%	3,076	14	25%
Total	8,854	22	100%	12,168	22	100%

	2024 YTD			2023 YTD		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	10,352	20	15%	6,727	8	15%
CONV	19,508	27	28%	17,405	25	40%
FO	40,227	130	57%	19,361	86	45%
Total	70,087	177	100%	43,493	119	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

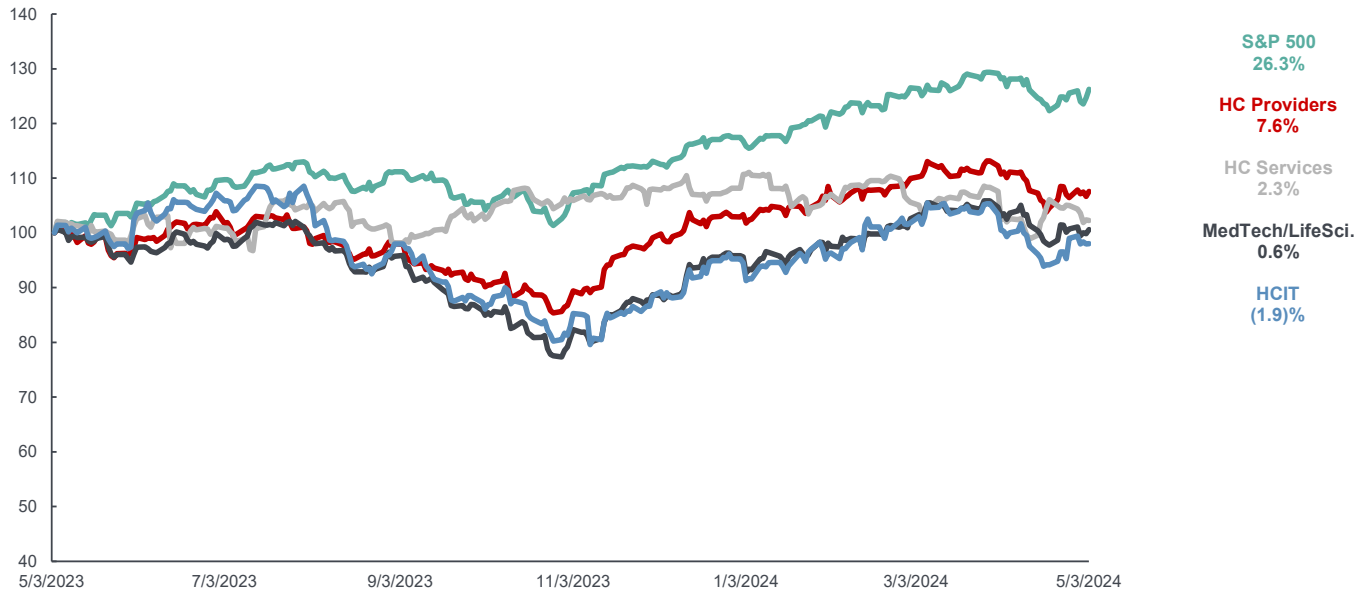
Public Equity Market Activity & Indices

Equity Indices (as of May 3, 2024)

Index	Wk Open	Wk Close	Returns	
			52 Week	Weekly
DJIA	38,240	38,676	16.7%	1.1%
S&P 500	5,100	5,128	26.3%	0.5%
NASDAQ	15,928	16,156	35.0%	1.4%
Russell 2000	2,002	2,036	18.4%	1.7%
NYSE Healthcare	25,314	25,302	7.9%	(0.0%)

Cain Brothers Indicies	Returns	
	52 Week	Weekly
Acute Care	11.1%	1.8%
Alternate Site Services	10.2%	0.4%
Diagnostics	(2.5%)	0.8%
Distribution	28.1%	(4.6%)
Healthcare IT	(2.0%)	(0.9%)
Healthcare REITs	21.3%	3.7%
Managed Care	2.6%	(0.8%)
Medical Technology	(1.6%)	0.1%
Outsourced Services	(9.3%)	0.2%
Pharma Services	15.8%	(1.4%)
Pharmacy	(24.6%)	(13.7%)
Primary Care	(67.3%)	(0.2%)
Post-Acute Care Services	15.9%	1.8%
Post-Acute Care Facilities	17.1%	2.3%

Cain Brothers Healthcare Indices (1YR Performance)



High Grade, High Yield & Leveraged Loan Market

Market Summary

High Grade

- The relatively muted pace in the high yield new issue market continued this week, with just four issuers tapping the market to raise \$2.6 billion

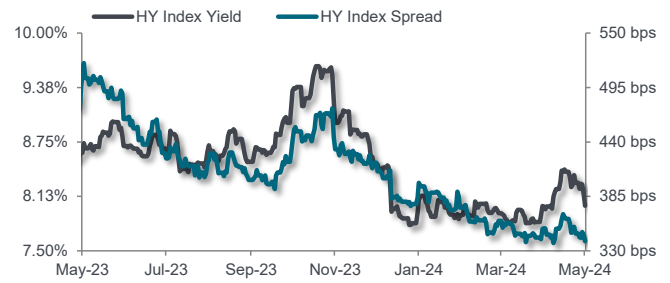
High Yield

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

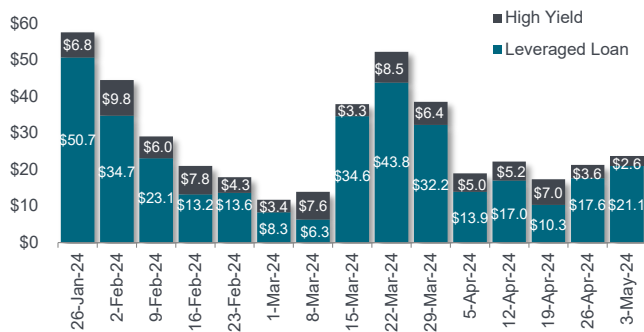
Term Loan B Market

- As of May 3rd, YTD volume for 2024 is at \$68B compared to 2023 YTD volume of \$41B, a 65% uptick

HY Index Yield & Spread (YTD)



Weekly New Issue Volume (\$BN)



New-Issue Clearing Yields¹ (\$MM)

Double-B Issuers	4Q23	1Q24	30-Day Rolling Average
			05/03/24
Ba1	S+230 / 7.8%	S+225 / 7.6%	S+241 / 7.8%
Ba2	S+243 / 7.9%	S+226 / 7.6%	S+234 / 7.7%
Ba3	S+283 / 8.4%	S+280 / 8.2%	S+234 / 7.7%
Single-B Issuers	4Q23	1Q24	30-Day Rolling Average
			05/03/24
B1	S+371 / 9.4%	S+332 / 8.8%	S+360 / 9.2%
B2	S+436 / 10.1%	S+396 / 9.4%	S+390 / 9.3%
B3	S+457 / 10.4%	S+405 / 9.5%	S+419 / 9.6%

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	IPT-Pricing
4/30/2024	ICON Investments Six DAC	Sr Notes	\$750	Baa3/BBB-	5.809%	5/8/2027	+95	35 bps
4/30/2024	ICON Investments Six DAC	Sr Notes	\$750	Baa3/BBB-	5.849%	5/8/2029	+115	35 bps
4/30/2024	ICON Investments Six DAC	Sr Notes	\$500	Baa3/BBB-	6.014%	5/8/2034	+135	35 bps
3/26/2024	CSL Finance	Sr Notes	\$500	A3/A-/NR	5.106%	4/3/2034	+87	28 bps

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	Price Talk
4/29/2024	US Acute Care Solutions*	Sr. Sec. Notes	\$800	B3/B-/NR	9.750%	5/15/2029	559 bps	10%-10.25% yld
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%

Most Recent Healthcare Leveraged Loan Issuances (\$MM)

Date	Issuer	Ownership	Corp. Ratings	Use of Proceeds	Size	Pricing	Yield
5/2/2024	Option Care Health	Not Sponsored	Ba3 / BB-	Refinancing	\$587	SOFR+225, 0.50% @ 100	7.573%
4/26/2024	PointClickCare	Not Sponsored	B2 / B	Refinancing	\$828	SOFR+300, 0.75% @ 100	8.316%
4/26/2024	DaVita	Not Sponsored	Ba2 / BB	Refinancing	\$1,640	SOFR+200, 0.00% @ 99.5	7.441%

Most Recent Healthcare Pro Rata Issuances (\$MM)

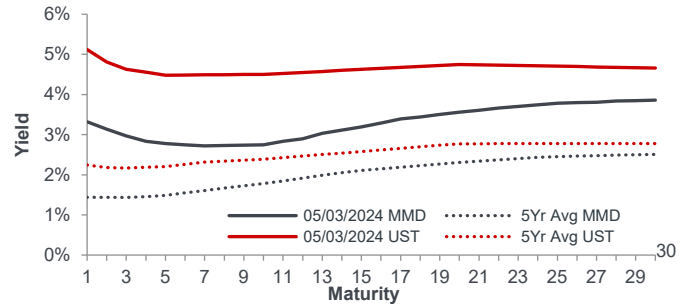
Date	Issuer	Ownership	Ratings	Use of Proceeds	Size	Pricing (in bps)	Financial Covenants
4/19/2024	RadNet	Public	B1 / B+	Refinancing	\$282mm Revolver	Leverage-based Grid SOFR+250-300	Max. Total Net Leverage Ratio: 5.75x
2/21/2024	Solventum	Private	NR / NR	Spin-off	\$1,000mm 3-year TLA \$500mm 18-month TLA \$2,000mm Rev	Unknown	Unknown

Public Finance Market

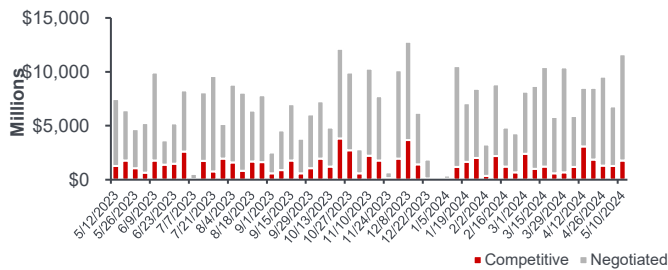
Market Overview

- The yield on the benchmark 10-year U.S. Treasury Note decreased 17 bps week-over-week, closing at 4.50% on Friday. 10-year MMD decreased 6 bps week over week
- Healthcare Public Issuance has outpaced 2023. Year to date issuance is up 141% in 2024 vs 2023
- Muni bond funds added ~\$515 million and high yield funds gained ~\$193 million for the week

MMD & UST Yield Curve



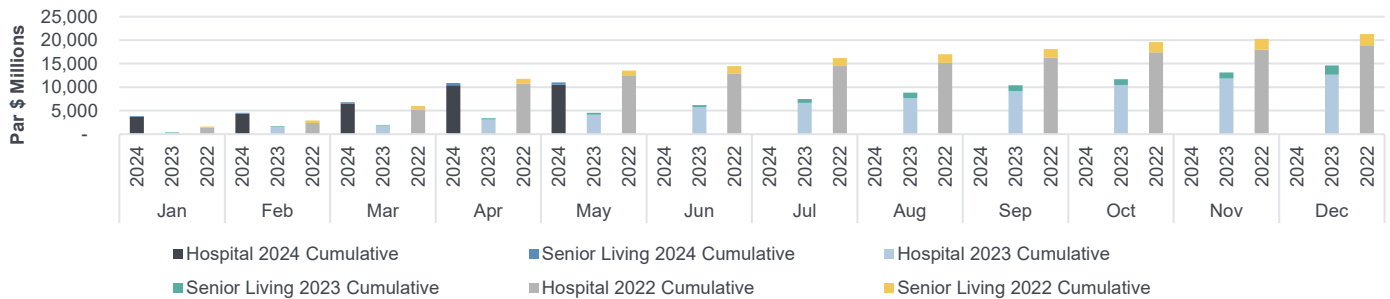
Weekly New Issue Volume (\$M)



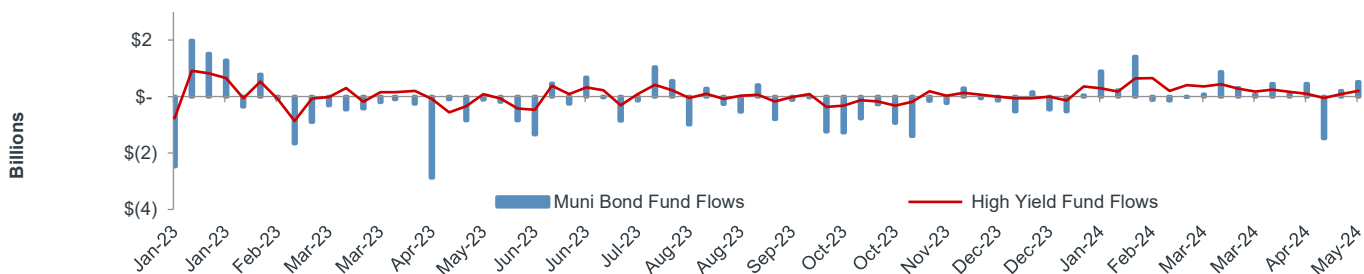
Benchmark Yields

Treasury Yields			MMD Yields			Ratio
Yr	Yield	Δ (W/W)	Yr	Yield	Δ (W/W)	MMD/UST
2	4.81%	(15 bps)	2	3.14%	(8 bps)	65%
10	4.50%	(17 bps)	10	2.75%	(6 bps)	61%
30	4.66%	(12 bps)	30	3.86%	(10 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 4/29										
Novant Health	1,909,790	SC	SCJEDA	TE	A1 / A+ / AA-	2054	2034(C)	5.50%	4.47%	4.97%
Greystone Park Psychiatric	109,975	NJ	NJHFFA	TE	A2 / A- / A	2033	NC	5.00%	3.28%	N/A
Marlboro Psychiatric Hospital	54,100	NJ	NJHFFA	TE	A2 / A- / A	2033	NC	5.00%	3.28%	N/A
Exp. Pricings, Week of 5/6										
RWJBarnabas Health	256,055	NJ	NJHFFA	TE	A1 / AA- / NR	-	-	-	-	-
CHRISTUS Health	90,805	TX	TCCEFFC	TE	A1 / NR / A+	-	-	-	-	-

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Relevant News

CMS Delays Start Of Hospice Physician Enrollment Requirement¹

Hospice News | April 26, 2024

The U.S. Centers for Medicare & Medicaid Services (CMS) has delayed the implementation of hospice certifying physician Medicare enrollment requirements. CMS delayed the date to enroll in or opt out of Medicare until June 3 for physicians who certify hospice services. Stipulated in the 2024 hospice payment rule and part of the Affordable Care Act, the requirement was previously slated to take effect May 1. Physicians who don't comply with the requirement by the new effective date will not receive reimbursement for submitted Medicare claims, CMS stated in an announcement. "CMS will deny hospice claims if the certifying physician isn't in our [Medicare Provider Enrollment, Chain and Ownership System (PECOS)] hospice ordering and referring files by then," the agency said. The requirement's delayed start was welcomed by stakeholders in the hospice industry after concerns mounted around the ability for providers to comply.

Hospitals See No Respite From Cost Pressures²

Becker's Hospital Review | May 3, 2024

Hospitals and health systems are at a crossroads of increasing demand for higher acuity care and deepening financial instability, caused by rising costs due to ongoing workforce shortages, severe fractures in the drugs and supplies supply chain and high levels of inflation, according to a May 2 report published by the American Hospital Association. While cost pressures have not let up in 2024, hospitals also have to contend with "inadequate increases" in reimbursement by CMS and increasing administrative burden due to "inappropriate" commercial payer practices, according to the report. "As this report clearly highlights, increased expenses, workforce challenges, and growing administrative burden are unsustainable and creating headwinds and obstacles that threaten access to care for millions of Americans," AHA President and CEO Rick Pollack said. "The AHA urges Congress and the Administration to take action to strengthen hospitals and health systems and bolster access to care for all patients and communities."

Why Market Power Matters For Patients, Insurers, and Hospitals³

AAMC Research Institute | May 1, 2024

In recent years, there has been concern among policymakers about increasing consolidation in the U.S. health care system. One particular concern is that consolidation of health systems and hospitals (including physician practice acquisition) has reduced competition, leading to higher prices and potentially reduced benefits for patients. Indeed, the worry has grown sufficiently that in 2023, the Federal Trade Commission and the U.S. Department of Justice released draft merger guidelines for the health care sector, seeking to promote transparency for employers and consumers, strengthen antitrust enforcement, and initiate reimbursement reform. In addition, 36 bills regarding the consolidation of health systems — ranging from contractual affiliation notifications to certificate of need reviews — were enacted across 24 states in 2023. Federal proposals to create a new agency or task force to monitor, oversee, and intervene in health care markets have also been discussed. To further promote competition in health care markets, the U.S. Department of Health and Human Services recently named its first chief competition officer.

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Medicaid Redeterminations Losses Exceeding Predicted Levels In Some States¹

Healthcare Dive | May 6, 2024

As of November, eight states had blown past their projected disenrollment of adults, while 12 states exceeded their projected disenrollment of children, according to new research. States were barred from disenrolling people from Medicaid or the Children's Health Insurance Program during the COVID-19 pandemic in return for more generous federal funding, causing enrollment in the programs to skyrocket to a record one in four Americans. However, states began rechecking members' eligibility last spring, and millions of Americans have been kicked off Medicaid because of that process, known as redeterminations, so far. Earlier research conducted by the Urban Institute predicted Medicaid and CHIP enrollment would fall by 15 million people overall during redeterminations. Net disenrollment through November is consistent with that prediction, at almost 61% of the projected total, according to the new analysis.

How The Virtual Care Market Is Shaking Out In 2024 As Walmart, Optum Exit The Telehealth Business²

Fierce Healthcare | May 1, 2024

News this week that Walmart is shuttering all 51 health centers along with its virtual care services came on the heels of recent media reports that Optum also was exiting the telehealth business. The announcement that UnitedHealth, which owns Optum, was shutting down Optum Virtual Care came shortly after employees began sharing posts on social media about a massive workforce reduction. Optum launched the telehealth service just in 2021. A spokesperson for UnitedHealth Group's health services arm said Optum would continue to provide patients with a "robust network of providers for virtual urgent, primary and specialty care options." Just three years ago, Walmart's healthcare division, Walmart Health, bought multispecialty telehealth provider MeMD, rebranded it a year later to Walmart Health Virtual Care and integrated it into its healthcare business. Walmart is now shuttering that telehealth service.

Leveraging Generative AI For Breakthroughs In Medical Device Design³

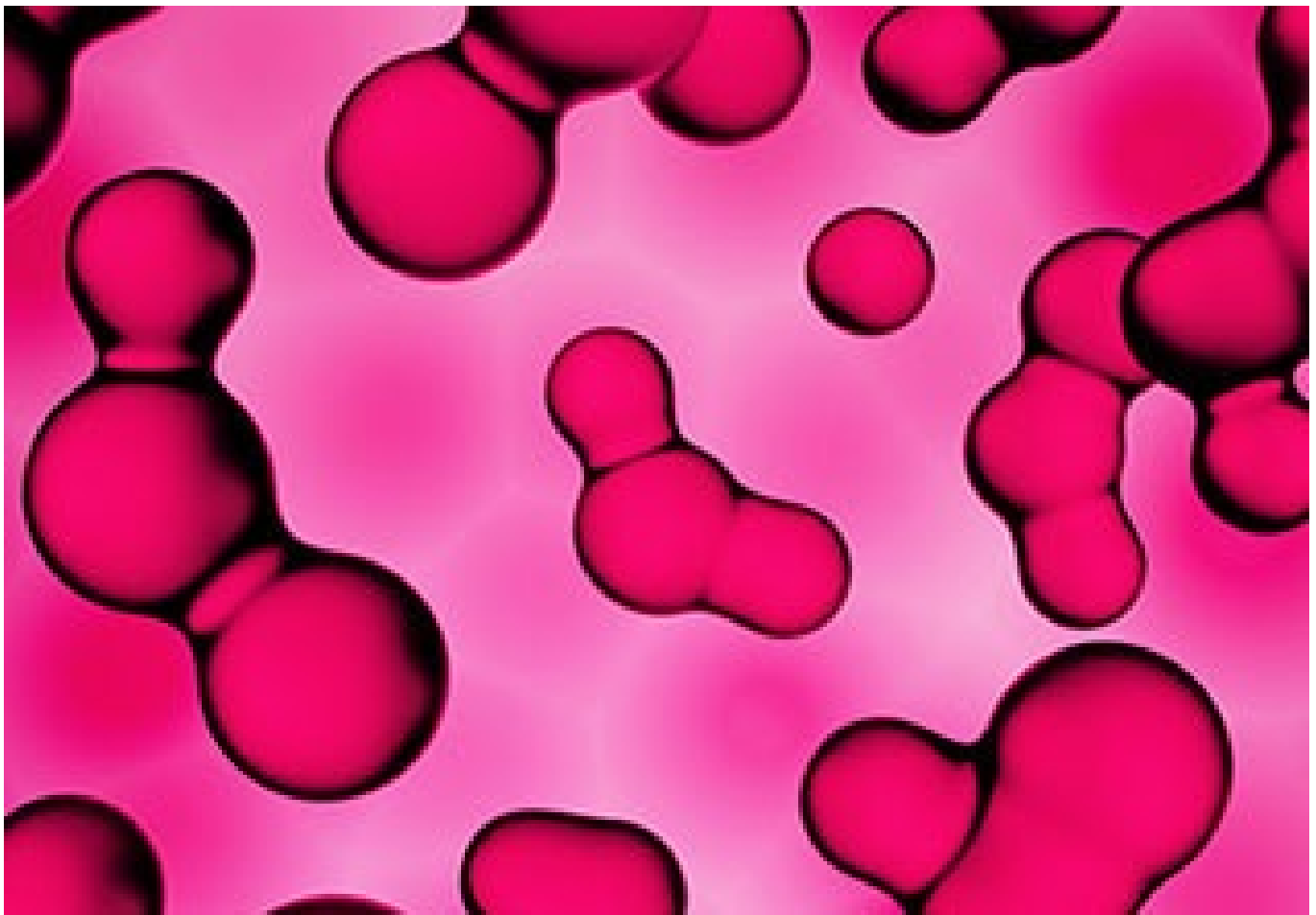
Forbes | May 2, 2024

The integration of artificial intelligence (AI) into the design of medical devices heralds a new era in healthcare—one where innovation meets precision to significantly enhance patient outcomes. This transformative technology is not merely augmenting existing capabilities; it is redefining what is possible in medical treatment and device functionality. Generative AI is at the forefront of this revolution, fundamentally altering how medical devices are conceived and developed. By employing advanced algorithms to synthesize design parameters and patient data, AI can rapidly generate a multitude of design prototypes. This capability dramatically accelerates the design process, enabling a shift from years to months in developing new medical devices. The speed and accuracy brought by AI are unmatched, ensuring that innovative solutions can reach patients quicker than ever before.

May 22, 2024

Cain Brothers Industry Insights

Healthcare Market Report



Banker commentary:

**Rocky Mountain Highlights: Cain Brothers' Inaugural
MedTech & Life Sciences Summit**

Banker Commentary

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Rocky Mountain Highlights: Cain Brothers' Inaugural MedTech & Life Sciences Summit

Commentary David Johnson, 4sight Health

From April 10th to 12th, Cain Brothers, a division of KeyBanc Capital Markets, convened an invitation-only gathering of 40 CEOs and private equity leaders for its first-ever MedTech and Life Sciences CEO Summit. The event was the brainchild of Cain Brothers Head of M&A John Soden, who served as the event's master of ceremonies. Audax Private Equity and Excellere Partners co-sponsored the Summit, which took place at the world-renown Aspen Institute in Aspen, CO.

Perched high enough to survey the surrounding terrain, it became clear to Summit participants that a disruptive avalanche threatens established business practices. As the avalanche descends, most incumbents are still square dancing in the village below. By contrast, enlightened companies are exploring strategies for navigating through a rationalizing market environment.

Largely out of necessity, the U.S. healthcare ecosystem is reorganizing in real time. Economic pressures on hospitals are particularly severe. For MedTech and Life-Science companies, hospitals are the largest end-buyers of their products and services.

Similarly, hospital-owned and independent labs are the end-buyers for diagnostic product companies. Like the hospitals in which they operate, the business models for these clinical labs are experiencing massive payment pressures. Reimbursement levels are not sufficient to cover the costs of their sub-scale operations.

As legacy healthcare business practices struggle, newer, more efficient and cost-effective delivery modalities are flourishing. These most notably include ambulatory surgery centers (ASCs), virtual therapies and home-based care delivery. With money and market share at stake, leaders of healthcare "product" companies assembled in Aspen to compare notes, find synergies and learn from one another.

Program Highlights

KeyBanc Capital Markets President Randy Paine kicked off the event with opening remarks that set the stage for two panel discussions that followed. In the first panel, LEK Managing Director Monish Rapel and I discussed "Seismic Shifts in the Hospital and ASC End-Markets." In the second, Chad Price, Founder & CEO of the rapidly growing clinical lab services disruptor Mako Medical, and Khosrow Shotobani, Founder & CEO of Clinical Lab 2.0, discussed "DX / Lab Market Challenges and Needed Innovations" (moderated by Cain Brothers banker Sean Trail).

The day's program ended with fascinating back-to-back fireside chats with industry titans Jim Weiss, Founder & Chairman of Real Chemistry, and Greg Lucier, the former Chairman & CEO of Life Technologies and the current Chairman & CEO of Corza Medical. Head of Key's Healthcare Equity Research team Paul Knight interviewed Weiss and John Soden interviewed Lucier.

continued...

On the Summit's final morning, I delivered a keynote address with the provocative title, "Death and Rebirth of U.S. Healthcare: Ten Forces Demanding and Delivering Transformation." My presentation included content from the forthcoming book, "The Coming Healthcare Revolution: The Ten Forces that will Cure America's Health Crisis," that I have co-authored with Paul Kusserow, Amedisys' Chair & former CEO.

The Summit's notable takeaways included the following insights:

- As an industry, U.S. healthcare will change more in the next 10 years than it has in the last 100. This creates both enormous challenges and opportunities for all categories of medical-products companies
- Current provider business models are not sustainable even as their high and increasing costs are making care less accessible.
- Supported by technological advances, dis-aggregation of healthcare tasks currently performed in hospitals will flow to lower-cost settings and lower-skilled professionals with profound implications for healthcare's supply- demand dynamics.
- Technological advances in biology and big data will enable much earlier and more effective disease detection and treatment as providers pivot away from "snapshot" health assessments to ones based on more linear and holistic diagnostics. This paradigm shift in care delivery cannot occur at scale until new risk-based payment models gain enough market traction to incentivize its adoption.
- Despite their high-value outputs and historical innovation, small clinical labs operate at an increasing and accelerating competitive disadvantage to larger national labs. This jeopardizes their collective ability to participate in the innovative upswing occurring within diagnostics, lab sciences and applied therapies.
- As Jim Weiss stressed in his fireside chat, the rapid development and immersion of GLP-1 drugs into the general population is an early illustration of the coming wave of pharmacological innovations that will transform U.S. medicine.

Participants, including me, left the conference wanting more engagement. An exuberant Eric Mattson of co-sponsor Excellere Partners summed up the Summit as follows:

We were thrilled to co-sponsor the inaugural Cain CEO Aspen Summit. It was the perfect blend of provocative debate, relationship-building and good old-fashioned dealmaking.

In today's world, where everyone is time-bankrupt, the Summit's intimate and engaging format created a rare opportunity to engage honestly and openly with peers and subject-matter experts. This is certain to become a must-attended event for many years to come.

M&A Activity

Selected Recent Healthcare Transactions (\$MM)

Date	Target Name	Acquirer	EV	Enterprise Value /		Description
				LTM Rev.	LTM EBITDA	
5/16/2024	Team Services Group	Bregal Sagemount	NA	NA	NA	Provider of home care solutions
5/9/2024	Elixia	American Clinical Research Services (Latticework)	NA	NA	NA	Florida-based clinical research network
5/8/2024	Western Drug Medical Supply	SG Homecare (Sverica Capital Management)	NA	NA	NA	provider of in-home medical equipment and supplies
5/7/2024	Kleer-Members	Charlesbank Capital Partners	NA	NA	NA	Provider of technology-driven dental membership plans
5/3/2024	Conduent's Casualty Claims Solutions Business	MedRisk (CVC Capital Partners)	\$240	NA	NA	Workers' compensation and auto casualty bill review solutions and services that includes the processing of medical bills and clinical services
5/2/2024	All Star Healthcare Solutions	Knox Lane Partners	NA	NA	NA	Full-service healthcare staffing firm focused exclusively on the locum tenens market
5/1/2024	MobileHelp (Advocate Aurora Enterprises)	Medical Guardian (Water Street Healthcare Partners)	NA	NA	NA	Real-time medical monitoring, location tracking and other solutions to help older patients
5/1/2024	PathAI Diagnostics (select assets)	Quest Diagnostics (NYSE: DGX)	NA	NA	NA	Anatomic and digital pathology laboratory services
4/30/2024	Essen Health Care	Kain Capital	NA	NA	NA	Independent healthcare provider in the Bronx with over 450 practitioners and over 1.7 million patient encounters per year
4/30/2024	Hella Health	CVS Health	NA	NA	NA	Medicare Advantage broker platform
4/30/2024	SubjectWell	WindRose Health Investors	NA	NA	NA	Patient access marketplace
4/29/2024	OccMD	Council Capital	NA	NA	NA	Physician-led medical and nurse case management company that gets better medical outcomes for injured workers at a fair cost for employers and other payers
4/26/2024	Tricord's Medical Physics Service Division	West Physics Consulting (LNC Partners)	NA	NA	NA	Full-service provider of radiation safety, health, medical, industrial, and environmental physics services
4/25/2024	Scientific Device Laboratory	StatLab Medical Products (Audax, Linden)	NA	NA	NA	Manufacturer of printed diagnostic slides and a variety of consumables and kits for the anatomic pathology and microbiology markets
4/24/2024	Green Security	Spire Capital and Strattam Capital	NA	NA	NA	Provider of SaaS healthcare compliance and access management solutions
4/24/2024	Invitae	Labcorp (NYSE: LH)	\$239	~0.9x	NA	Medical genetics company
4/23/2024	First Steps Recovery	Avesi Partners	NA	NA	NA	Provider of substance use disorder treatment
4/23/2024	Medical Informatics Engineering	Serent Capital	NA	NA	NA	Provider of health IT software and systems for the occupational health market
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

Private Placement Activity

Selected Recent Healthcare Transactions (\$MM)

Date	Company	Investor(s)	Type	Amount	Description
5/14/2024	Heritage Vet Partners	Main Street Capital	Follow On	\$26	Provider of rural, mixed and large animal veterinary services
5/14/2024	Smarter Dx	Transformation Capital Partners (lead), Flare Capital Partners, Deer Management Company, and Floodgate Fund	Series B	\$50	Clinical AI for revenue integrity and care quality for health systems
5/9/2024	Sift Healthcare	B Capital (lead), Allos Ventures, First Trust Capital Partners and Rock River Capital	Series B	\$20	AI-powered healthcare payment solutions provider
5/7/2024	Rad AI	Khosla Ventures (lead), World Innovation Lab, OCV Partners, ARTIS Ventures, Gradient Ventures, and Kickstart Fund	Series B	\$50	Developer of a tool which helps generate radiology reports
5/6/2024	Guardian Dentistry Partners	Morgan Stanley Private Credit (lead) and Prudential Private Capital	Growth	Undisclosed	Dental partnership network to providing support services and growth opportunities to its network of dentist partners
5/2/2024	Transcarent	General Catalyst & 7wireVentures (co-leads), Geodesic Capital, Memorial Hermann Health System, Threshold Ventures, Kinnevik, Ally Bridge Group, Human Capital, Merck Global Health Innovation Fund, Alta Partners, and Leaps by Bayer	Series D	\$126	Health and care platform makes it easy for people to access care and employers to provide and pay for the care
4/24/2024	Midi Health	Emerson Collective (lead), GV, Memorial Hermann, SemperVirens, Felicis, Icon Ventures, Black Angel Group, Gingerbread Capital, Able Partners, G9 and Operator Collective	Series B	\$60	Virtual care clinic for women navigating perimenopause and menopause
4/22/2024	AccessHope	City of Hope	Series B	\$33	Cancer care management
4/22/2024	Lumeris	Deerfield Management (lead), Endeavor Health. Existing investors Kleiner Perkins, Sandbox Industries, BlueCross BlueShield Venture Partners and JDLinx	Equity	\$100	Value-based care managed services operator
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

Equity Capital Markets

Market Overview

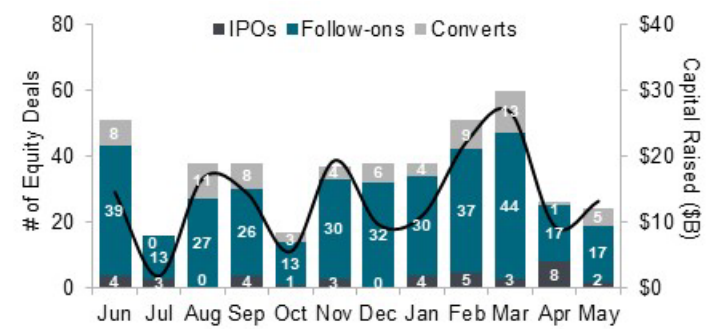
- Last week issuers took advantage of record stock prices with a heavy slate of secondaries
 - 0 IPOs; 10 follow-ons; 1 convert
- The past week's ECM highlight was Johnson & Johnson's \$3.65bn marketed sell-down of its remaining stake in Kenvue (which was the largest ECM deal of the year)
- ECM desks are spending most of their time preparing for a wave of larger IPOs that could price in June and July
- This week's activity will be limited to follow-on and convertible offerings → Most of the activity will likely occur in the first three days of the week due to the upcoming Memorial Day weekend

ECM Activity (Last 4 Weeks & YoY)

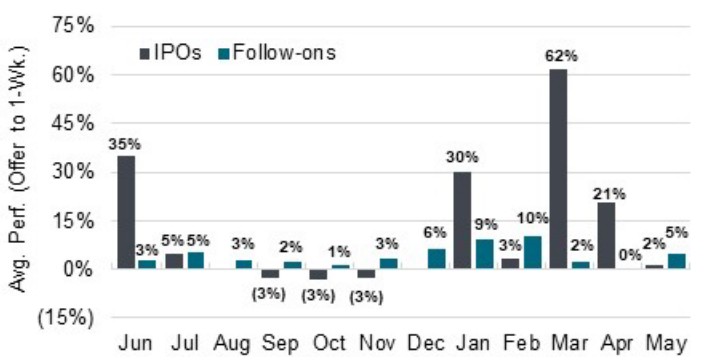
	2024 - Last 4 Weeks			2023 - Last 4 Weeks		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	3,203	5	18%	4,993	2	22%
CONV	4,858	6	28%	7,031	10	31%
FO	9,458	21	54%	10,496	36	47%
Total	17,518	32	100%	22,520	48	100%

	2024 YTD			2023 YTD		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	10,681	22	13%	6,727	8	12%
CONV	24,021	32	29%	20,826	31	38%
FO	48,506	145	58%	27,676	114	50%
Total	83,208	199	100%	55,229	153	100%

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



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
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%)
5/3/2023	Kenvue	Consumer Health	KVUE	\$4,372.2	\$42,127.7	10.4%	100.0%	\$22.00	\$20.00 - \$23.00	22.3%	19.3%
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%)

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

Issuer Information				Deal Sizing			Pricing		Performance		
Pricing Date	Company	Sector	Deal Type	Ticker	Deal Value (\$MM)	Market Cap (\$MM)	Deal as % of Mkt. Cap	% Primary	Discount to File	1-Day	1-Week
5/14/2024	Kenvue	Consumer Health	Marketed	KVUE	\$3,646.6	\$39,502.6	9.2%	0.0%	(2.6%)	2.7%	-
5/8/2024	RxSight	Medical Products	Marketed	RXST	\$115.0	\$2,380.9	4.8%	100.0%	(7.7%)	9.7%	14.8%
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%)

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

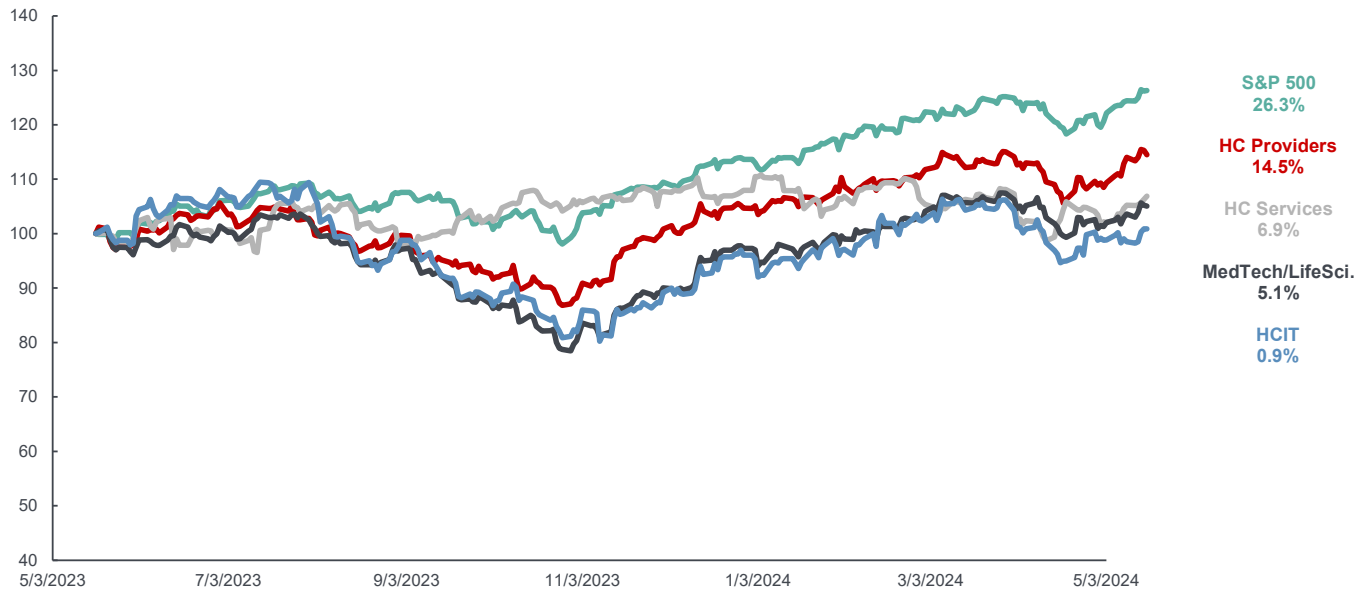
Public Equity Market Activity & Indices

Equity Indices (as of May 17, 2024)

Index	Wk Open	Wk Close	52 Week	Weekly
DJIA	39,513	40,004	19.3%	1.2%
S&P 500	5,223	5,303	26.3%	1.5%
NASDAQ	16,341	16,686	31.5%	2.1%
Russell 2000	2,060	2,096	17.4%	1.7%
NYSE Healthcare	25,302	25,910	11.2%	2.4%

Cain Brothers Indicies	52 Week	Weekly
Acute Care	16.1%	(0.8%)
Alternate Site Services	10.3%	(0.7%)
Diagnostics	9.1%	1.8%
Distribution	23.0%	0.1%
Healthcare IT	0.9%	2.4%
Healthcare REITs	28.7%	2.3%
Managed Care	9.2%	1.6%
Medical Technology	3.2%	1.7%
Outsourced Services	(13.5%)	1.0%
Pharma Services	17.7%	(0.5%)
Pharmacy	(22.9%)	3.5%
Primary Care	(63.2%)	4.2%
Post-Acute Care Services	31.6%	(0.7%)
Post-Acute Care Facilities	29.0%	0.1%

Cain Brothers Healthcare Indices (1YR Performance)



High Grade, High Yield & Leveraged Loan Market

Market Summary

High Grade

- Coming off the heels of its most active week by number of deals in 2024, last week's IG bond volume subsided to \$28.1BN with average pricing stats weaker compared to YTD averages

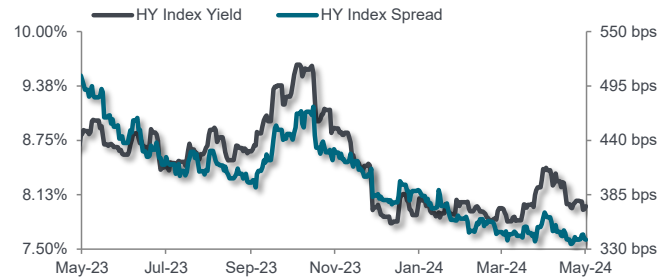
High Yield

- The high yield market took a relative breather following the busiest week in two and a half years, but still saw elevated activity with seven issuers (nine tranches) tapping the market to raise \$4.9 billion

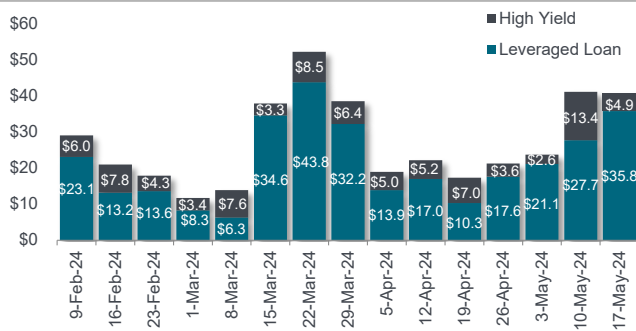
Term Loan B Market

- While opportunistic activity remains the theme, a growing LBO pipeline has contributed to a large net 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 05/17/24
Ba1	S+230 / 7.8%	S+225 / 7.6%	S+228 / 7.6%
Ba2	S+243 / 7.9%	S+226 / 7.6%	S+248 / 7.9%
Ba3	S+283 / 8.4%	S+280 / 8.2%	S+269 / 8.0%
Single-B Issuers	4Q23	1Q24	30-Day Rolling Average 05/17/24
B1	S+371 / 9.4%	S+332 / 8.8%	S+295 / 8.4%
B2	S+436 / 10.1%	S+396 / 9.4%	S+380 / 9.2%
B3	S+457 / 10.4%	S+405 / 9.5%	S+413 / 9.7%

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	IPT-Pricing
4/30/2024	ICON Investments Six DAC	Sr Notes	\$750	Baa3/BBB-	5.809%	5/8/2027	+95	35 bps
4/30/2024	ICON Investments Six DAC	Sr Notes	\$750	Baa3/BBB-	5.849%	5/8/2029	+115	35 bps
4/30/2024	ICON Investments Six DAC	Sr Notes	\$500	Baa3/BBB-	6.014%	5/8/2034	+135	35 bps
3/26/2024	CSL Finance	Sr Notes	\$500	A3/A-/NR	5.106%	4/3/2034	+87	28 bps

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	Price Talk
5/9/2024	Lifepoint Health	Sr. Notes	\$800	Caa2/CCC+/NR	10.000%	6/1/2032	554 bps	10.25% area
5/7/2024	Organon	Sr. Sec. Notes	\$500	Ba1/BB/NR	6.750%	5/15/2034	231 bps	6.75%-7.00%
5/7/2024	Organon	Sr. Notes	\$500	B1/BB-/NR	7.875%	5/15/2034	344 bps	8.00% area

Most Recent Healthcare Leveraged Loan Issuances (\$MM)

Date	Issuer	Ownership	Corp. Ratings	Use of Proceeds	Size	Pricing	Yield
5/17/2024	Heartland Dental Care Inc	KKR	B2 / B-	Refinancing	\$2,030	SOFR+450, 0.75% @ 100	9.820%
5/15/2024	Organon & Co.	Not Sponsored	Ba2 / BB	Refinancing	\$1,550	SOFR+250, 0.50% @ 99.75	7.883%
5/10/2024	Lifepoint Health	Apollo Management	B3 / B	Refinancing	\$500	SOFR+400, 0% @ 100	9.320%

Most Recent Healthcare Pro Rata Issuances (\$MM)

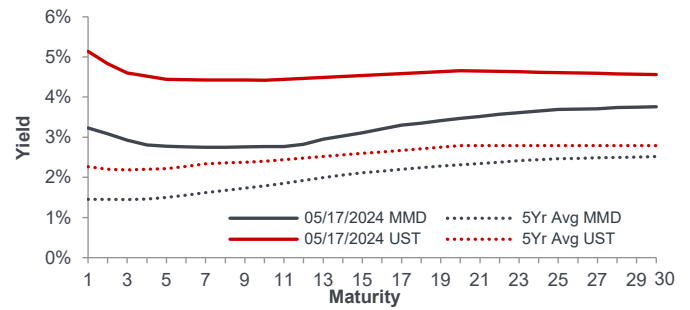
Date	Issuer	Ownership	Ratings	Use of Proceeds	Size	Pricing (in bps)	Financial Covenants
5/2/2024	Cooper Companies*	Public	NR / NR	Refinancing	\$2,300mm Revolver	Leverage-based Grid SOFR+87.5-150 CSA: 10	Max. Total Net Leverage Ratio: 4.0x Min Total Interest Coverage Ratio: 3.0x
5/2/2024	Haemonetics	Public	NR / NR	Refinancing	\$750mm Revolver \$250mm TLA	Leverage-based Grid SOFR+112.5-175 CSA: 10	Max. Total Net Leverage Ratio: 4.0x Min Total Interest Coverage Ratio: 3.5x

Public Finance Market

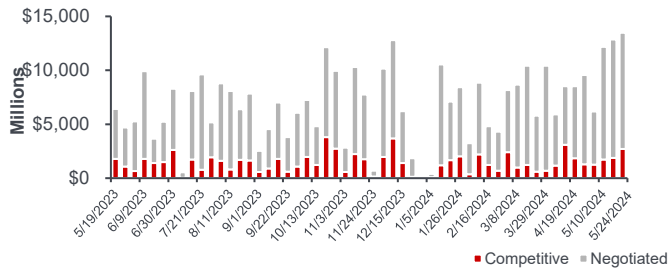
Market Overview

- The yield on the benchmark 10-year U.S. Treasury Note decreased 8 bps week-over-week, closing at 4.42% on Friday. 10-year MMD increased 6 bps week over week
- Healthcare Public Issuance has outpaced 2023. Year to date issuance is up 167% in 2024 vs 2023
- Muni bond funds pulled ~\$548 million and high yield funds gained ~\$125 million for the week

MMD & UST Yield Curve



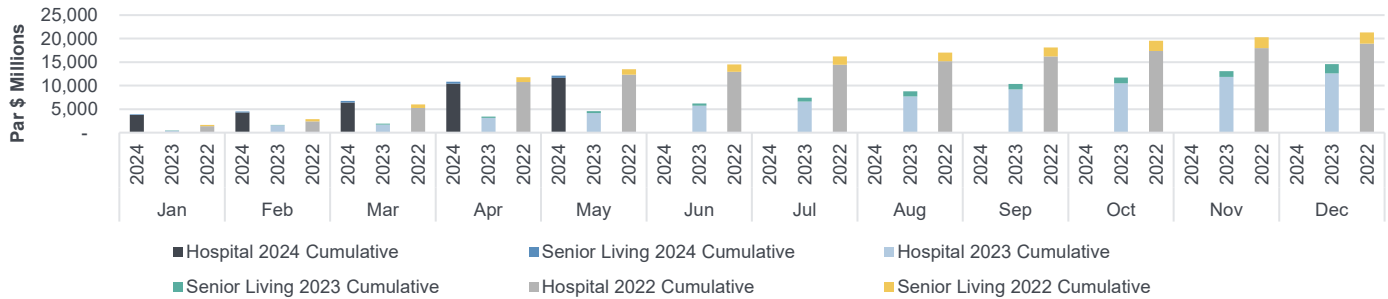
Weekly New Issue Volume (\$MM)



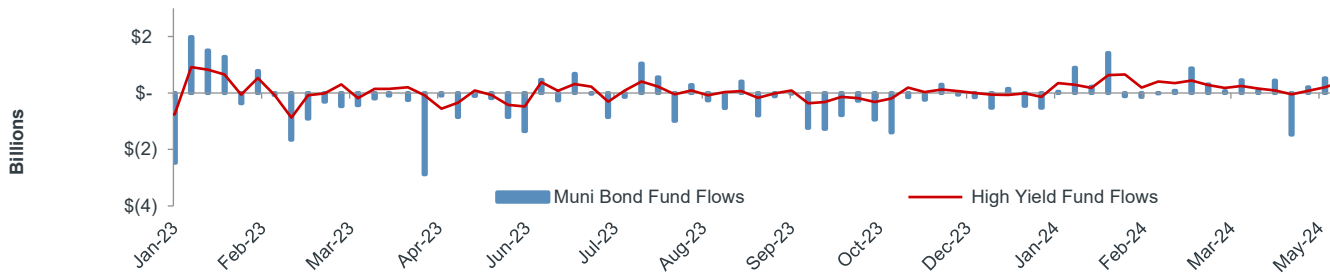
Benchmark Yields

Treasury Yields			MMD Yields			Ratio
Yr	Yield	Δ (W/W)	Yr	Yield	Δ (W/W)	MMD/UST
2	4.83%	(4 bps)	2	3.09%	2 bps	64%
10	4.42%	(8 bps)	10	2.77%	6 bps	63%
30	4.56%	(8 bps)	30	3.76%	(1 bps)	82%

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 5/13										
Adventist Health System/West	604,530	CA	CHFFA	TE	NR / BBB+ / BBB+	2044	2034(C)	5.25%	4.00%	4.48%
Centurion Foundation	46,400	NH	NFA	TE	NR / NR / NR	2034	MWC	5.00%	5.00%	N/A
Centurion Foundation	3,200	NH	NFA	TAX	NR / NR / NR	2034	MWC	8.33%	8.33%	N/A
Exp. Pricings, Week of 5/20										
Mead Valley Wellness Village	519,845	CA	CEDA	TE	Aa3 / AA- / NR	-	-	-	-	-
Endeavor Health Credit Group	285,895	IL	IFA	TE	Aa3 / AA- / NR	-	-	-	-	-
Columbia Memorial Hospital	200,000	OR	HFAAO	TE	NR / BBB / BBB+	-	-	-	-	-
Children's Hospital Medical	100,000	OH	SOO	TE	Aa3 / NR / AA-	-	-	-	-	-

Relevant News

Uber Health To Roll Out New Caregiving Solution To Simplify Benefits, Logistics For Families¹

Fierce Healthcare | May 15, 2024

Uber Health will begin rolling out a new solution designed for caregivers this summer, the company announced at its annual product event Wednesday. Uber Caregiver will allow individuals to add a caregiver to their Uber profile. That caregiver can then see and spend that person's health benefits on eligible services, request rides to doctors' appointments or order groceries. The caregiver will get real-time updates along the way and have access to a chat feature to communicate with the Uber driver as needed. Individuals will need to use the Uber app to participate. Uber also offers a way for those who need help to request a ride by calling 1-833-USE-UBER from a phone with texting capabilities. The phone line also supports some health benefits cards. In the coming months, Uber Health will be working with Medicare Advantage, Medicaid and commercial plans to offer the solution, executives said Wednesday. Millions of Americans are caregivers. Caregiving responsibilities range from medication management to assistance with daily activities to scheduling appointments and grocery shopping.

FDA Seeks AI Tech To Predict, Detect Parkinson's Symptoms²

MedTech Dive | May 21, 2024

By testing artificial intelligence and machine learning models, the agency hopes to come up with best practices for Parkinson's measures from wearables and smartphones. As digital health technologies proliferate, the FDA is taking a closer look at how they can capture information about a person's health outside of a clinical setting. For Parkinson's disease, a handful of wearable technologies have already been cleared to track symptoms. Apple published study results in 2021 evaluating its Motor fluctuations Monitor for Parkinson's disease, which uses sensors to track fluctuations in resting tremor and dyskinesia. Later that year, a company called H2O Therapeutics received 510(k) clearance for its Parky app that sends Apple Watch data to a patient's doctor. Last month, H2O received clearance for another app that provides haptic feedback when people experience freezing of gait symptoms.

Nurse Practitioners Helped Fill A Shortage In Primary Care, But They're Increasingly Headed To Specialties³

CBS News Health Watch | May 15, 2024

For many patients, seeing a nurse practitioner has become a routine part of primary care, in which these "NPs" often perform the same tasks that patients have relied on doctors for. But NPs in specialty care? That's not routine, at least not yet. Increasingly, though, nurse practitioners and physician assistants are joining cardiology, dermatology and other specialty practices, broadening their skills and increasing their income. This development worries some people who track the health workforce, because current trends suggest primary care, which has counted on nurse practitioners to backstop physician shortages, soon might not be able to rely on them to the same extent. When nurse practitioner programs began to proliferate in the 1970s, "at first it looked great, producing all these nurse practitioners that go to work with primary care physicians," said Yalda Jabbarpour, director of the American Academy of Family Physicians' Robert Graham Center for Policy Studies. "But now only 30% are going into primary care."

continued...

The Medicare Bubble Has Burst¹

Wall Street Journal | May 17, 2024

For years, the privately run Medicare Advantage business generated outsize profit growth for health-insurance giants. With hundreds of billions of taxpayer dollars flowing to insurers in a fast-growing market buoyed by aging baby boomers, there was little not to like as far as Wall Street was concerned. Companies like UnitedHealth Group and Humana bet big on the program, and investors generally rewarded them for it. Medicare Advantage, in which the government pays insurers a set amount to manage the care of seniors, recently surpassed traditional Medicare's share of beneficiaries. It was 30% a decade ago. But the gold rush is over for investors, at least for now.

Senate Republicans Introduce Legislation To Legalize IVF Treatment Nationally²

The Hill | May 20, 2024

Republican Sens. Ted Cruz (Texas) and Katie Britt (Ala.) announced Monday they are introducing legislation to protect legal access to in vitro fertilization (IVF) nationwide in the wake of an Alabama Supreme Court ruling that embryos created by the treatment are children. Cruz and Britt said they will unveil the bill to clear up the "confusion and misinformation" spread by the ruling, which has alarmed prospective parents who worry they may lose access to the procedure and the chance to have children. "To address these concerns, we will introduce a bill on Monday to ensure IVF access is legally protected nationwide. The legislation would require, as a condition of receiving federal Medicaid funding, that states don't prohibit IVF," Cruz and Britt wrote in a Wall Street Journal op-ed. Cruz and Britt added that their goal "is to make sure that any family's path to bringing a child into the world isn't compromised by preventable legal confusion."

Breaking Down Walls: The Other Care Models Marking Their Territory In Home-Based Care³

Home Health Care News | May 17, 2024

Traditional home-based care companies aren't the only ones serving seniors, while helping shift care away from brick-and-mortar settings. Adult day, PACE and continuing care retirement communities (CCRCs) without walls are a few of the care models working to meet the needs of seniors that want to age in place. In many ways, these care models are natural allies to home-based care providers. Nonprofit aging services organization Parker Health Group started out as a residential service provider. The company's communities included nursing homes, assisted living and more. Over the last 10 years, Parker has expanded into the home- and community-based care space. "It's really about how do we keep people safe, healthy and happy at home, versus having to move into an institutional setting because no matter how wonderful we are — who wants to live in a nursing home, or an assisted living?" Donna Silbert, chief strategy officer at Parker, said during a panel discussion at Home Health Care News' Capital + Strategy conference last month.