

April 3, 2025

Cain Brothers Industry Insights

Healthcare Market Report



Banker commentary:

Now It's Medicaid's Turn

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Now It's Medicaid's Turn

Banker Commentary by Mike Elizondo

Turbulence in managed care markets continues. Over the last 18 months, highlighted in previous articles and podcasts, that turbulence has been from government insurance programs, particularly Medicare Advantage. 2024 regulatory actions targeted excess margin in the Medicare Advantage program. While many of our predictions of how operators would react continue to come to fruition, these actions continue to cause volatility for Medicare Advantage operators and investors alike.

While Medicare was the focus of 2024, 2025 appears to have Medicaid in its sights. Medicaid is a more complicated problem, as the program is co-funded between the federal and individual state governments. Yet, federal spending on Medicaid has supported meaningful growth in services provided by state Medicaid programs. For reference, federal Medicaid spending has grown from \$116.8 billion in 2010 to \$567.9 billion in 2022. Over that same period, the Federal government's share of total Medicaid spending has increased from 58% to 71%.¹ Supporting Medicaid expansion, pandemic support and enhanced matching programs (among other methods) have been net positive to state budgets to aid and support this broad population.

The GOP's desire to cut overall federal spending is well covered, and no doubt healthcare spending will be impacted. While details are still a mystery, including cuts, if any, to Medicare and Social Security, changes to federal Medicaid funding seem inevitable. While the House Energy & Commerce Committee considers how to slash \$880 billion in healthcare spending, broad tactics have been floated:

- Per capita spending caps
- Elimination and/or changes to matching rates (enhanced, base, population/program-specific, etc.)
- Elimination of state provider tax funding mechanisms
- Work requirements
- Eligibility changes (population and poverty levels)

The drive is loud and clear: there will be attempts to change how the federal government supports Medicaid. But how will the states respond? In some respects, it's very simple: should federal support of Medicaid programs change, there are two options: 1) raise revenue to replace federal funds and/or 2) cut spending. Neither are popular, and many governors would rather not make the first move. This is complicated and while press coverage is (overly) simplified, details matter. Investors are focused on the details. Public investors have battered the government-focused managed care companies and private equity investors' scrutiny on businesses with Medicaid reimbursements has heightened.

¹ <https://www.statista.com/statistics/245350/total-medicaid-federal-and-state-expenditure-in-the-us-since-1966/>

continued...

Readers of this publication and listeners to our podcasts have heard our prediction of how long challenges in Medicare Advantage will last (hint: at least through the 2026 bid and plan year). But Medicare Advantage programs all over the country have one advantage over Medicaid programs: uniformity in its funding source. I believe the complexity of Medicaid's funding will create attractive and unattractive state, and perhaps regional, markets. Those states that step up funding to replace federal cuts will continue to attract private investment in Medicaid benefits and services; those that don't (or can't) will not. Both operators and investors will find the markets that have opportunities and continue to invest. All this is to say, stay tuned until October when the recently passed continuing resolution expires; it's going to be a bumpy ride.

M&A Activity

Selected Recent Healthcare Transactions (\$MM)

Date	Target Name	Acquirer	EV	Enterprise Value /		Description
				LTM Rev.	LTM EBITDA	
3/27/2025	Clover Learning	Ascend Learning (Blackstone and CPP Investments)	NA	NA	NA	Provider of online diagnostic imaging education
3/25/2025	Bio-Response Solutions	3 Boomerang Capital	NA	NA	NA	Sterilization and tissue digestion capital equipment
3/24/2025	CentralReach (Insight Partners)	Roper Technologies	\$1,650	9.4x	22.0x	Provider of cloud-native software enabling the workflow and administration of applied behavior analysis therapy
3/21/2025	PPM Partners	Knack RCM	~\$60-\$72	~10-12x	~10-12x	Revenue cycle management firm focused on anesthesia providers
3/20/2025	myOrthos (SV Health Investors)	Smile Doctors (Linden Capital Partners and Thomas H. Lee Partners)	NA	NA	NA	Orthodontic support organization
3/20/2025	OrthoAlliance (Revelstoke Capital Partners)	SCA Health	NA	NA	NA	Orthopedic management company
3/20/2025	ProAssurance	The Doctors Company	\$1,300	1.1x	13.0x	Specialty insurer with extensive expertise in medical professional liability and products liability for medical technology and life sciences
3/20/2025	Solmetex (Avista Healthcare)	AGIC Capital	NA	NA	NA	Provider of dental products, systems, and consumables
3/19/2025	Forcura (Accel KKR)	Medalogix (Berkshire Partners)	Merger	NA	NA	Intelligent workflow management company
3/19/2025	Healthcare Experts Squared	Knox Lane Partners	NA	NA	NA	Education, information and services platform serving healthcare professionals to ultimately elevate patient care
3/18/2025	Medically Home	DispatchHealth	Merger	NA	NA	Provider of advanced medical care at home
3/17/2025	NeuroRx Research	Claire (Cinven, Novo)	NA	NA	NA	Provider of imaging analysis with expertise in multiple sclerosis
3/13/2025	Porter	Eir Partners	NA	NA	NA	Healthcare IT and services platform for care and coverage coordination
3/12/2025	Mercalis (Odyssey Investment Partners)	PharmaCord (Permira)	Merger	NA	NA	Provides end-to-end solutions across the entire commercialization value chain
3/12/2025	Clinilabs	InTandem Capital Partners	NA	NA	NA	Dedicated to providing a complete range of central nervous system drug and device development services
3/11/2025	PPM Partners	Knack RCM (LKCM Headwater)	NA	NA	NA	RCM provider for the anesthesia sector

Private Placement Activity

Selected Recent Healthcare Transactions (\$MM)

Date	Company	Investor(s)	Type	Amount	Description
3/20/2025	Inspiren	Avenir (lead), Primary Venture Partners, Story Ventures, Third Prime, and Studio VC	Series A	\$35	Provider of AI solutions for the senior care industry
3/19/2025	Proscia	Insight Partners (lead), AI Capital Partners and Triangle Peak Partners	Venture	\$50	Provider of software for pathology's transition to digital and AI
3/11/2025	Vori Health	NEA (lead), AlleyCorp, Intermountain Health's Intermountain Ventures, Echo Health Ventures, and Max Ventures	Series B	\$53	Physician-led solution for musculoskeletal care
3/6/2025	Ria Health	Peloton Equity (lead), SV Health Investors, BPEA Private Equity and SOSV	Growth	Undisclosed	Telehealth provider of evidence-based alcohol use disorder treatment
3/5/2025	Freed	Sequoia Capital Operations (lead), Scale Management	Undisclosed	\$30	AI-based medical documentation software
3/4/2025	Bluebird Kids Health	F Prime and .406 Ventures (co-lead)	Undisclosed	\$32	Value-based pediatric primary care
2/27/2025	League	SCAN Group	Strategic	Undisclosed	Healthcare consumer experience platform
2/20/2025	Function Health	Redpoint Ventures	Undisclosed	Post-Money Valuation ~\$2.5 bn	Digital lab testing provider
2/19/2025	OpenEvidence	Sequoia Capital	Undisclosed	Post-Money Valuation ~\$1 bn	Point of care solutions for doctors
2/17/2025	Abridge	Elad Gil and IVP (co-leads), Bessemer Venture Partners, California Health Care Foundation, CapitalG, CVS Health Ventures, K. Ventures, Lightspeed Venture Partners, NVentures), Redpoint Ventures, Spark Capital, and SV Angel	Series D	\$250	Generative AI platform for clinical conversations
2/10/2025	SelectQuote	Bain Capital, Morgan Stanley Private Credit, and Newlight Partners	Strategic	\$350	Distributor of Medicare insurance policies and owner of a healthcare services platform
2/6/2025	HelloHero	Decathlon Capital Partners	Undisclosed	Undisclosed	Provider of technology-powered mental health and behavioral care
1/30/2025	KODE Health	Noro-Moseley Partners (lead), Mercury, FCA Venture Partners, Epsilon Innovation Fund and 111 West Capital	Series B	\$27	On-demand medical coding platform that connects healthcare systems with certified medical coding professionals
1/30/2025	Rad AI	Transformation Capital (lead), Khosla Ventures, World Innovation Lab, UP2398, Kickstart Fund, OCV Partners, and Cone Health	Series C	\$60	Generative AI radiology platform

Equity Capital Markets

Market Overview

- New issue markets saw a select number of sizable offerings:
 - Last week: 1 IPO; 4 follow-ons; 2 converts
- CoreWeave priced their highly anticipated IPO at terms featuring gross proceeds downside of (40%) from launch with Nvidia coming in as the anchor order taking down \$250 MM of the \$1.5 BN IPO
→ CoreWeave's pricing terms and trading performance are expected to serve as the truest barometer for future Tech / AI issuance yet
- In addition to CoreWeave, 3 other issuers priced \$1 BN+ offerings last week (American Electric Power \$2.3 BN FO, GameStop \$1.3 BN CONV and StandardAero \$1.0 BN FO)

ECM Activity (Last 4 Weeks & YoY)

	2025 - Last 4 Weeks			2024 - Last 4 Weeks		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	1,732	2	9%	1,780	3	7%
CONV	8,070	9	43%	9,679	13	36%
FO	9,033	17	48%	15,341	43	57%
Total	18,835	28	100%	26,800	59	100%

	2025 YTD			2024 YTD		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	7,971	14	15%	4,790	12	8%
CONV	13,169	17	25%	19,163	26	32%
FO	32,120	45	60%	36,477	111	60%
Total	53,260	76	100%	60,431	149	100%

Most Recent Healthcare Initial Public Offerings (\$MM)

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

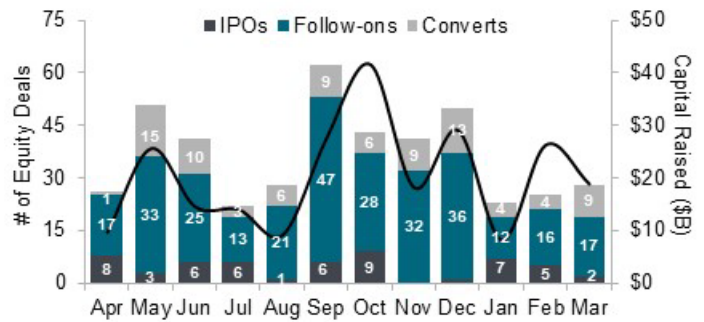
Most Recent Healthcare Follow-on Offerings (\$MM)

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
2/20/2025	Waystar	Healthcare Technology	Marketed	WAY	\$920.0	\$7,058.2	13.0%	0.0%	(11.3%)	5.5%	6.1%
2/14/2025	NeuroPace	Medical Products	Marketed	NPCE	\$74.8	\$439.4	17.0%	100.0%	(17.3%)	23.1%	42.3%
1/29/2025	Butterfly Network	Medical Products	Marketed	BFLY	\$75.6	\$832.1	9.1%	100.0%	(10.1%)	29.8%	42.9%
12/12/2024	Anteris Technologies	Medical Products	Marketed	AVR	\$88.8	\$378.8	23.4%	100.0%	(11.5%)	(6.7%)	(3.7%)
11/19/2024	QuidelOrtho	Medical Products	Bought	QDEL	\$294.1	\$2,594.8	11.3%	0.0%	(7.7%)	5.3%	15.1%

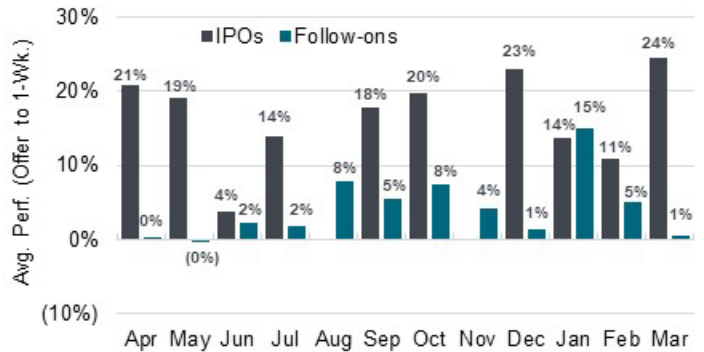
Most Recent Healthcare Convertible Debt Offerings (\$MM)

Issuer Information				Deal Sizing			Pricing	
Pricing Date	Company	Sector	Ticker	Deal Value (\$MM)	Market Cap (\$MM)	Deal as % of Mkt. Cap	Coupon	Premium
3/13/2025	Integer*	Medical Products	ITGR	\$1,000.0	\$3,980.3	25.1%	1.88%	27.50%
3/4/2025	Alphatec	Medical Products	ATEC	\$405.0	\$1,690.9	24.0%	0.75%	32.50%
1/24/2025	Semler Scientific	Medical Products	SMLR	\$100.0	\$566.7	17.6%	4.25%	25.00%
12/16/2024	LeMaitre Vascular*	Medical Products	LMAT	\$172.5	\$2,070.8	8.3%	2.50%	30.00%
5/23/2024	HAEMONETICS	Medical Products	HAE	\$700.0	\$4,580.3	15.3%	2.50%	30.00%

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



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



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

Note: Transactions include IPOs, follow-ons (including bought deals) and convertible offerings of \$25 MM 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

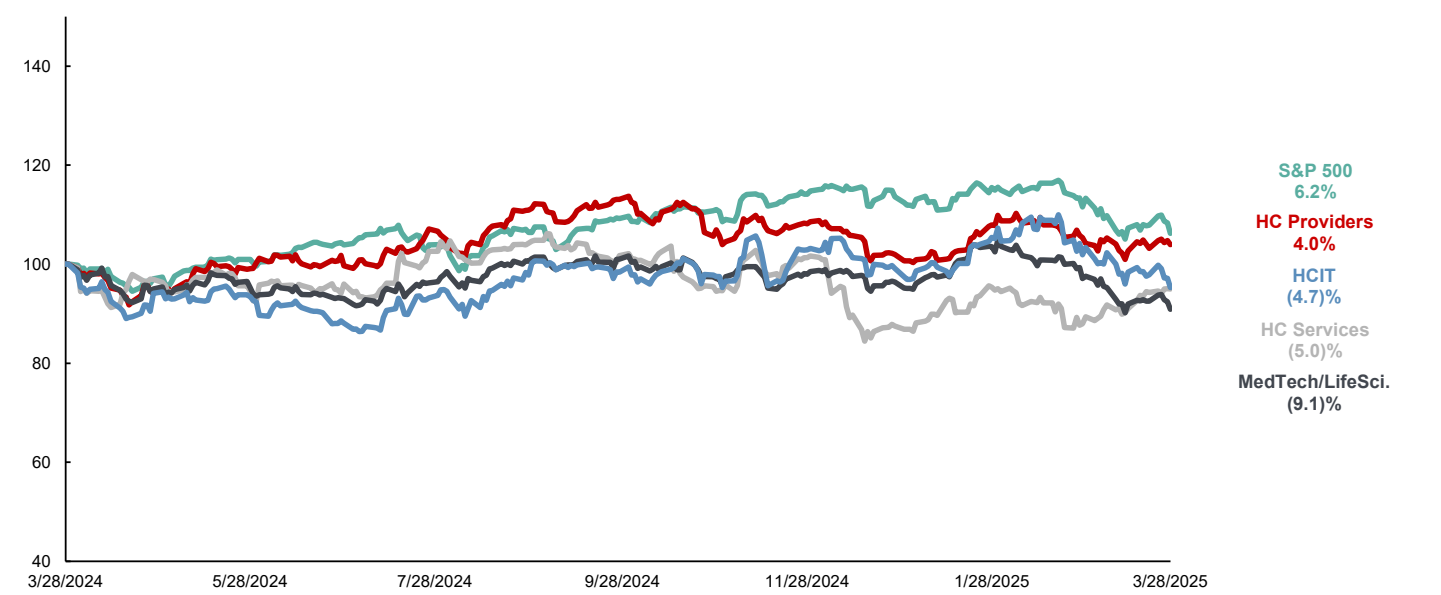
Public Equity Market Activity & Indices

Equity Indices (as of March 28, 2025)

Index	Wk Open	Wk Close	Returns	
			52 Week	Weekly
DJIA	41,985	41,584	4.5%	(1.0%)
S&P 500	5,668	5,581	6.2%	(1.5%)
NASDAQ	17,784	17,323	5.8%	(2.6%)
Russell 2000	2,057	2,023	(4.8%)	(1.6%)
NYSE Healthcare	25,671	25,337	(4.6%)	(1.3%)

Cain Brothers Indicies	Returns	
	52 Week	Weekly
Acute Care	(1.9%)	4.8%
Alternate Site Services	1.1%	3.2%
Diagnostics	4.7%	(2.0%)
Distribution	13.1%	1.9%
Healthcare IT	(4.7%)	(2.6%)
Healthcare REITs	66.8%	3.7%
Managed Care	(5.8%)	0.5%
Medical Technology	(6.9%)	(1.6%)
Outsourced Services	(39.1%)	(1.4%)
Pharma Services	(24.5%)	(3.1%)
Pharmacy	(19.9%)	0.2%
Primary Care	(26.9%)	(1.0%)
Post-Acute Care Services	11.5%	2.6%
Post-Acute Care Facilities	4.0%	1.7%

Cain Brothers Healthcare Indices (1YR Performance)



High Grade, High Yield & Leveraged Loan Market

Market Summary

High Grade

- IG primary market activity was busier than anticipated last week, with 32 issuers tapping the market for \$47.2 BN in new issue volume, blowing past the most bullish of expectations of \$33 BN and marking the 11th week of the year where weekly estimates were topped.

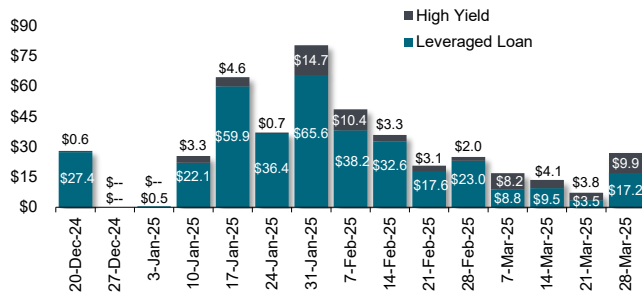
High Yield

- High yield markets remained extremely resilient last week against a volatile backdrop, as nine issuers tapped the market to raise \$9.9 BN, the busiest week seen since late January.

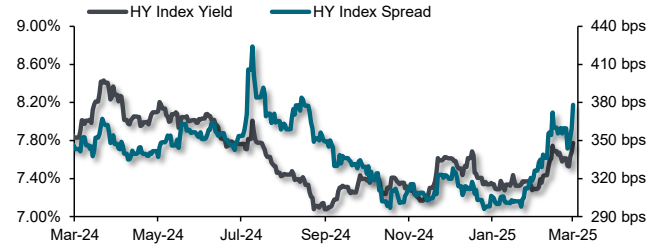
Term Loan B Market

- CLO issuance has remained strong in 2025, and spreads have tightened significantly compared to 2024, as the average AAA coupon YTD sits at S+123.

Weekly New Issue Volume (\$BN)



HY Index Yield & Spread (YTD)



New-Issue Clearing Yields¹ (\$MM)

Double-B Issuers	3Q24	4Q24	30-Day Rolling Average
			03/28/25
Ba1	S+192 / 7.0%	S+192 / 6.6%	S+188 / 6.2%
Ba2	S+192 / 7.0%	S+198 / 6.6%	S+203 / 6.4%
Ba3	S+268 / 7.9%	S+252 / 7.1%	S+280 / 7.3%
Single-B Issuers	3Q24	4Q24	30-Day Rolling Average
			03/28/25
B1	S+333 / 8.6%	S+303 / 7.6%	S+300 / 7.4%
B2	S+363 / 8.9%	S+357 / 8.2%	S+345 / 8.0%
B3	S+394 / 9.3%	S+383 / 8.5%	S+382 / 8.3%

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	IPT-Pricing
3/6/2025	GlaxoSmithKline Capital	Sr Notes	\$400	A2/A/--	4.315%	3/12/2027	+33	22 bps
3/6/2025	GlaxoSmithKline Capital	Sr Notes	\$600	A2/A/--	FRN	3/12/2027	SOFR+50	22 bps
3/6/2025	GlaxoSmithKline Capital	Sr Notes	\$850	A2/A/--	4.500%	4/15/2030	+55	25 bps
3/6/2025	GlaxoSmithKline Capital	Sr Notes	\$750	A2/A/--	4.875%	4/15/2035	+70	25 bps
3/3/2025	Humana Inc	Sr Notes	\$750	Baa2/BBB/BBB	5.550%	5/1/2035	+138	27 bps
3/3/2025	Humana Inc	Sr Notes	\$500	Baa2/BBB/BBB	6.000%	5/1/2055	+160	28 bps
2/18/2025	HCA Inc	Sr Notes	\$700	Baa3/BBB/--	5.000%	3/1/2028	+70	30 bps

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	Price Talk
3/25/2025	Bausch Health	Sr. Sec. Notes	\$4,400	Caa1/B/NR	10.000%	4/15/2032	580 bps	10.00%-10.25%
3/18/2025	Insulet	Sr. Notes	\$450	B2/B+/NR	6.500%	4/1/2033	232 bps	6.50%-6.75%
3/6/2025	Acadia Healthcare	Sr. Notes	\$550	Ba3/B+/NR	7.375%	3/15/2033	316 bps	7.50%-7.75%

Most Recent Healthcare Leveraged Loan Issuances (\$MM)

Date	Issuer	Ownership	Corp. Ratings	Use of Proceeds	Size	Pricing	Yield
3/25/2025	Bausch Health	Not Sponsored	Caa2 / B-	Refinancing	\$3,000	SOFR+625, 0% @ 97.5	11.197%
3/12/2025	Pacific Dental Services	Not Sponsored	B2 / B	Dividend Recap	\$250	SOFR+275, 0% @ 99.5	7.196%

Most Recent Healthcare Pro Rata Issuances (\$MM)

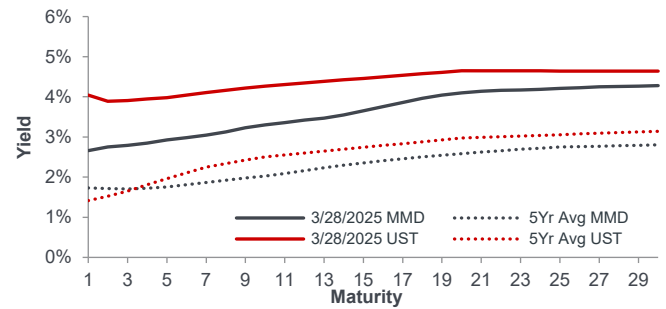
Date	Issuer	Ownership	Ratings	Use of Proceeds	Size	Pricing (in bps)	Financial Covenants
3/5/2025	Centene Corp	Public	Ba1 / BBB-	Refinancing	\$4,000 5-year Revolver \$2,000 5-year TLA	Ratings-based Grid SOFR+100-175 Opens at SOFR+125	Max. Debt to Cap Ratio: 0.60x

Public Finance Market

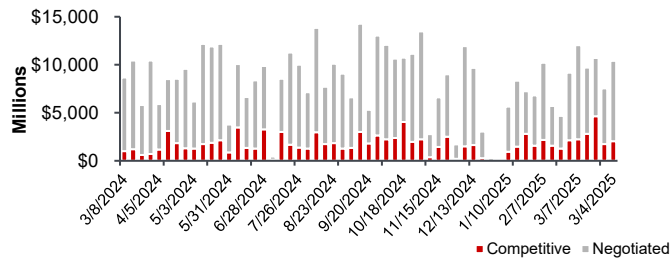
Market Overview

- The yield on the benchmark 10-year U.S. Treasury Note increased 2 bps week-over-week, closing at 4.27% on Friday. 10-year MMD increased 17 bps week over week.
- Healthcare Public Issuance in 2024 increased 143% vs 2023. YTD 2025 Issuance is ~15% higher than YTD 2024 Issuance through March.
- Muni bond funds saw \$573 MM of outflows while high yield funds gained \$148 MM for the week ended March 28th.

MMD & UST Yield Curve



Weekly New Issue Volume (\$MM)

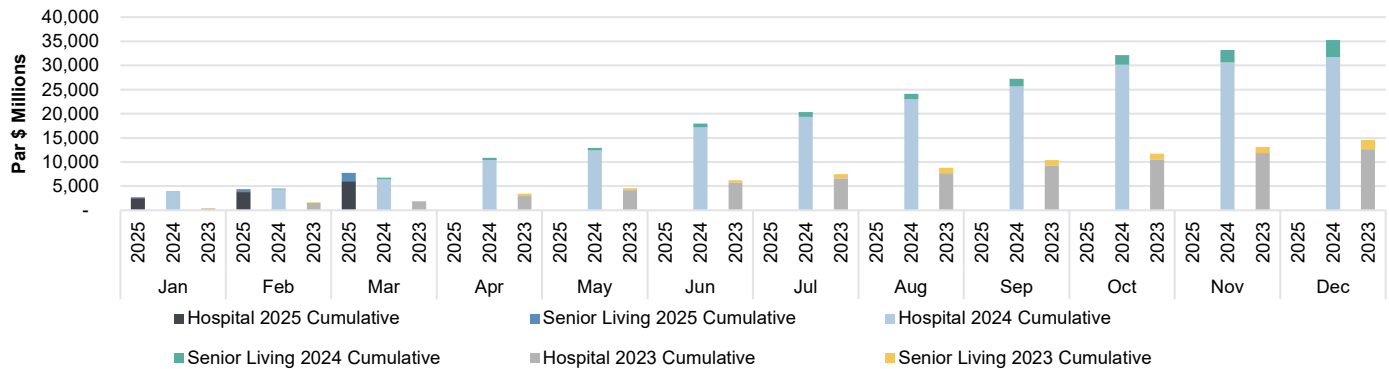


Benchmark Yields

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Treasury Yields			MMD Yields			Ratio
Yr	Yield	Δ (W/W)	Yr	Yield	Δ (W/W)	MMD/UST
2	3.89%	(5 bps)	2	2.75%	12 bps	71%
10	4.27%	2 bps	10	3.30%	17 bps	77%
30	4.64%	5 bps	30	4.28%	12 bps	92%

Healthcare Public Issuance Overview



Recent Healthcare Public Issuance

Healthcare Public Issuance										
Borrower/Enhancement	Par (000s)	State	Issuer	Tax Status	LT Ratings (M/S/F)	Final Mat.	Call, Put or Reprice*	Final Mat. Cpn.	YTW	YTM
Recent Pricings, Week of 3/24										
Covenant Living Communities	146,400	CO	CHFA	TE	NR / NR / A-	2055	2034(C)	5.13%	4.96%	5.04%
AIDS Healthcare Foundation OG	54,735	CA	PFA	TE	Baa2 / NR / NR	2054	2034(C)	5.25%	5.55%	N/A
Exp. Pricings, Week of 3/31										
Mayo Clinic	189,280	MN	CRM	TE	Aa2 / AA / NR	-	-	-	-	-

Sources: Bloomberg, TM3

* Denotes Cain Brothers/KeyBanc Capital Markets participation

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

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Relevant News

Physician Sentiment Survey Shows Returning Optimism, Decreased Quit Intentions¹

Healthcare Dive | March 26, 2025

Athenahealth, an electronic health record vendor that sells patient engagement tools and healthcare AI products, and the Harris Poll surveyed more than a thousand primary care and specialist physicians nationwide in January to understand physician attitudes about the state of their profession and the adoption of emergent technologies. The team reported a decrease in physician burnout rates and intentions to quit in 2025 relative to 2024 — a welcome finding after multiple years of high physician turnover following the COVID-19 pandemic. In a blog post accompanying the survey, the team said technology improvements, especially the use of AI to address administrative burdens, was a “main driver” of physicians’ changing sentiments. “For years EHRs were cited as one of the major contributors to physician burnout, so it stands to reason that as the technology improves, we’ll hopefully start to see sentiments improve as well,” the team said in the blog. While previous independent research has linked frustrations with EHRs to turnover, those studies have cautioned against attributing discontent to a single factor. Researchers note burnout is complex and can stem from frustrations with pay, difficult patients, volume and intensity of work, and advancement opportunities.

Reproductive Health Under the Trump Administration So Far: What’s New and What’s Next²

Lexology | March 27, 2025

Over the past two months, the second Trump administration has shifted federal policies and priorities regarding abortion, in vitro fertilization (IVF), contraception, and other reproductive-health-related matters – and it is expected to continue to do so. In addition to the federal policy agenda, many developments related to reproductive health likely will continue to occur at the state level. The Dobbs decision shifted policymaking in these areas toward the states, and lawmakers and advocates have expressed their intentions to either adhere to or protect against the new administration’s policies and agenda items. This article discusses some of the major recent trends in women’s health and reproductive health, and what is likely to come next under the new administration. During its first month, the second Trump administration signed several executive orders (EOs) and otherwise signaled its approach to certain reproductive health measures that were previously in place. For instance, in the first week of his presidency, US President Donald Trump signed an EO entitled “Enforcing the Hyde Amendment,” which called for an end to federal funding for elective abortions and revoked two previous EOs that permitted such funding. The EO charged the Office of Management and Budget with providing guidance around implementing the mandate.

Palliative Care in Home Health: Misconceptions and Market Opportunities³

Home Health Care News | March 28, 2025

While palliative care remains an uncommon offering among home-based health care providers, forward-thinking providers have recognized a growing market demand and are strategically expanding their service offerings to include palliative care solutions. Expanding service lines to include palliative care can help home-based care providers stand out from their peers, industry insiders told Home Health Care News. However, a significant knowledge gap is slowing the adoption of palliative care within the home health community. Home health care clinicians, patients and caregivers all report insufficient knowledge of palliative care, according to a recent study conducted by Columbia Nursing research and published in the journal Home Healthcare Now. “Most patients and caregivers had never heard of palliative care, or only knew it by name,” Ashley Chastain, the study’s co-author and senior project director of Columbia Nursing’s Center for Health Policy, told Home Health Care News. “When we conducted the survey analysis, we saw that there were several misconceptions that were prevalent among patients and caregivers, and those were primarily around pain management, opioid use and end-of-life care.”

1. <https://www.healthcaredive.com/news/physician-sentiment-survey-returning-optimism-decreased-quit-intentions-athenahealth/>

2. https://www.lexology.com/library/detail.aspx?g=3a46c00b-e477-4196-b689-b37c434c654c&mkt_tok

3. <https://homehealthcarenews.com/2025/03/palliative-care-in-home-health-misconceptions-and-market-opportunities>

AI Will End Scarcity Of Medical Expertise, Bill Gates Says¹

Becker's Hospital Review | March 31, 2025

According to Microsoft co-founder Bill Gates, advancements in artificial intelligence will render humans unnecessary “for most things” within the next 10 years, CNBC reported March 26. Speaking on NBC’s The Tonight Show in February, Mr. Gates predicted AI would eliminate the scarcity of expertise in fields such as medicine and education. At the moment, expertise remains “rare,” he told host Jimmy Fallon, referencing the reliance on “a great doctor” or “a great teacher.” But AI will change that landscape. “With AI, over the next decade, that will become free, commonplace — great medical advice, great tutoring,” Mr. Gates said. Mr. Gates has long championed AI’s potential to transform industries, particularly healthcare. He has pointed to AI-powered advancements in medicine, from improved diagnostics to breakthrough treatments. In a recent interview with Harvard University professor Arthur Brooks, Mr. Gates described the emergence of what he calls “free intelligence,” a shift that will make sophisticated AI-driven tools available to the masses. While acknowledging AI’s rapid development as “very profound and even a little bit scary,” Mr. Gates remains optimistic about its benefits. He has highlighted AI’s ability to revolutionize healthcare by addressing global disparities in access to medical expertise. However, the debate over AI’s role in the workforce continues.

The Silent Crisis In Hospital Administration. Can AI Be The Solution?²

Healthcare Dive | March 31, 2025

The silent crisis in American hospitals is getting out of control with over 13% of hospitals being critically understaffed. The ever-expanding capabilities of AI assistants hold great promise for addressing challenges currently experienced by hospital administration through automation, decision support, and data management. Currently, hospitals in the U.S. are experiencing a silent crisis- the costs are rising, the projected increase is 8% in 2025 alone, and staff shortages are affecting the efficiency and patient care. Adopting AI Assistants in Hospital administration is no longer optional- they have the potential to save administrator up to 47% of their time, increase billing code accuracy up to 97%. One of the factors that contributed to the current crisis is the rise in hospital admissions, which is consistently higher than pre-pandemic. This means that patient appointment scheduling has become more challenging. The large patient flow has resulted in 40% of patients experiencing “longer than reasonable waiting time” which ultimately has impacted patient safety.

Healthcare Cost Growth Targets See Mixed Results At State Levels³

Modern Healthcare | April 1, 2025

An increasing number of states are setting healthcare cost growth targets to control spending, but critics question whether those policies can adequately curb costs. Around a dozen states have implemented or are considering policies designed to track healthcare spending trends and reduce cost growth. State officials continue to add data sources and enforcement tools to strengthen cost growth benchmarks. However, economists argue those programs do not have the regulatory teeth to meaningfully slow spending growth. Inflation-adjusted national health spending increased 3.6% in 2023 from the previous year, according to KFF data. Rising healthcare costs require employers to pay higher premiums, depressing wages. Patients delay or forgo care as coverage becomes less affordable. Healthcare spending had slowed through the COVID-19 pandemic as utilization plummeted. But over the past two years, cost growth has picked back up, reaching around 8% in several states as people resumed care and providers charged higher prices, benchmark administrators said.

1. <https://www.beckershospitalreview.com/ai/ai-will-end-scarcity-of-medical-expertise-bill-gates-says/>

2. <https://www.healthcaredive.com/spons/the-silent-crisis-in-hospital-administration-can-ai-be-the-solution>

3. <https://www.modernhealthcare.com/providers/cost-growth-targets-massachusetts-oregon>

April 17, 2025

Cain Brothers Industry Insights

Healthcare Market Report



Banker commentary:

The Future is Now: The Increasing Prevalence of Augmented, Virtual, and Mixed Reality in Orthopedic Surgery

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The Future is Now: The Increasing Prevalence of Augmented, Virtual, and Mixed Reality in Orthopedic Surgery

Banker Commentary by JP Mills

From March 10 - 14 in sunny San Diego, California, the annual meeting of the American Academy of Orthopaedic Surgeons brought together the brightest minds, the latest technologies, and the largest device providers in orthopedic surgery. Many exciting technological advances were on display from new surgical robots to next-generation orthobiologics to cutting-edge implants across all major procedure categories. Perhaps one of the most interesting continued avenues for innovation, however, is the ongoing development of Augmented Reality (AR) and Mixed Reality (MR) platforms designed to assist surgeons in both pre-operative planning and intra-operative execution, as well as in education and training. The large orthopedic players were present with their proprietary AR/MR platforms including, Stryker's Blueprint and Medacta's NextAR platforms. Also present were some seasoned independent companies, including Surgical Planning Associates (HipInsight) and Pixee, as well as some smaller independents including, ARSpectra, Surglasses, and Vartid.

The usage of AR/MR supporting large joint procedures has been one of the more exciting developments within the past five-plus years. Perhaps the most interesting usage of AR/MR is during intraoperative navigation. Adoption has continued to accelerate recently. For example, after receiving its CE mark in 2023, by 2024, Stryker's Blueprint MR system (built on Microsoft's HoloLens 2 technology) was being used across the US, Canada, and the EU to support intra-operative navigation for shoulder arthroplasty. Likewise, Medacta's NextAR Shoulder system, first introduced in June of 2021, surpassed over 1,000 cases by September of 2022 and is seeing ongoing uptake globally. Pixee has one of the most successful total knee arthroplasty (TKR/TKA) intra-operative navigation systems in the form of its Knee+ platform, with the first surgeries performed in June of 2020 in the EU, followed rapidly by the first surgery in the US in November of 2021. The company cites that over 10,000 patients globally have benefited from Knee+ to date.

Beyond and before intra-operative navigation and support, however, is the continued uptake in pre-operative planning, leveraging AR/VR. In pre-operative planning, the use of AR/VR supports more personalized, data-driven approaches to surgery. One of the best examples of this is Surgical Planning Associates' HipInsight platform. The system combines cloud-based planning, while also supporting intra-operative navigation. First approved by the FDA in 2021, the system hit the 3,000-case milestone in early 2024, and in late 2024, the next-generation HipInsight 2.0 MR system was cleared by the FDA.

The number of platforms leveraging AR/MR/VR is increasing both domestically and globally. For example, there have been multiple successful instances of AR-supported orthopedic or spinal surgeries across Japan, China, and other APAC countries in the past two to three years. Within the US market, as of September 6, 2024, the FDA had authorized 25 separate orthopedic medical devices incorporating AR and/or VR.

continued...

The number of unique solutions and the innovations accompanying them are likely to continue to expand in number in the future. Further integration of surgical robots (both robotic and robot-assisted) into surgical workflows will also act as a boon and critical complement to the usage of AR/MR/VR. Together, these systems continue to support improvements in patient outcomes, especially in orthoscopic and MIS procedures.

M&A Activity

Selected Recent Healthcare Transactions (\$MM)

Date	Target Name	Acquirer	EV	Enterprise Value /		Description
				LTM Rev.	LTM EBITDA	
4/9/2025	Commonwealth Care Alliance	CareSource	NA	NA	NA	Insures 50,000 Massachusetts residents who are dually eligible for Medicare and Medicaid
4/9/2025	U.S. Urology Partners (NMS Capital)	General Atlantic	NA	NA	NA	Integrated urology platform with 180 providers operating across a network of over 50 freestanding clinics and surgery centers
4/8/2025	HealthEdge	Bain Capital	NA	NA	NA	SaaS platform that connects health plans, providers, and patients with suite of end-to-end digital solutions to automate operations, reduce administrative costs and improve overall health outcomes
4/8/2025	Mission Critical Psychological Services	Valor Healthcare (Trive Capital)	NA	NA	NA	Provider of telehealth-focused behavioral health solutions for federal government agencies, government contractors, and first responder populations
4/7/2025	GetixHealth	H.I.G. Capital	NA	NA	NA	Revenue cycle management solutions to healthcare providers
4/7/2025	Office Ally	New Mountain Capital	NA	NA	NA	Cloud-based clearinghouse and software solutions to a national network of healthcare providers, partners, and health plans
4/4/2025	Korean American Medical Group	Clearview Capital	NA	NA	NA	Mental health treatment provider focused on outpatient programs across various levels of care
4/4/2025	Tower MSA Partners	Ambler Brook	NA	NA	NA	Provider of Medicare secondary payer compliance technology and settlement services to self-insured enterprises, insurance carriers and third-party administrators
4/3/2025	Thrive Skilled Pediatric Care	Aveanna Healthcare	NA	NA	NA	Provider of pediatric home care with 23 locations in seven states
4/2/2025	Dotmatics (Insight Partners)	Siemens	\$5,100	NA	NA	Provider of scientific software that provides end-to-end solutions to connect science, data, and decision making for life sciences R&D
4/2/2025	Face Forward Aesthetics	Wildcat Capital Management	NA	NA	NA	Operator of medical spas in Ohio, Pennsylvania, Indiana, and Nevada
4/1/2025	Nurse Disrupted	AvaSure (Goldman Sachs and Heritage Group)	NA	NA	NA	Virtual nursing platform
4/1/2025	Summit Spine & Joint Centers	Wellspring Capital Management	NA	NA	NA	Minimally invasive spinal services platform operating 17 ASCs and 44 clinics across four states
3/31/2025	Spectrum Vascular (Event Capital Strategies)	SK Capital	NA	NA	NA	Provider of vascular access and medication management products
3/27/2025	Clover Learning	Ascend Learning (Blackstone and CPP Investments)	NA	NA	NA	Provider of online diagnostic imaging education
3/25/2025	Bio-Response Solutions	3 Boomerang Capital	NA	NA	NA	Sterilization and tissue digestion capital equipment

Private Placement Activity

Selected Recent Healthcare Transactions (\$MM)

Date	Company	Investor(s)	Type	Amount	Description
4/3/2025	Thatch	Index Ventures (lead), Andreessen Horowitz (a16z), General Catalyst, SemperVirens, PeopleTech Partners, The General Partnership, and ADP Ventures	Series B	\$40	Personalized health benefits platform
4/3/2025	Solace	Menlo Ventures (lead), SignalFire, Craft Ventures, Inspired Capital, and Torch Capital	Series B	\$60	Digital health platform that connects patients with expert health advocates
3/20/2025	Inspiren	Avenir (lead), Primary Venture Partners, Story Ventures, Third Prime, and Studio VC	Series A	\$35	Provider of AI solutions for the senior care industry
3/19/2025	Proscia	Insight Partners (lead), AI Capital Partners and Triangle Peak Partners	Venture	\$50	Provider of software for pathology's transition to digital and AI
3/11/2025	Vori Health	NEA (lead), AlleyCorp, Intermountain Health's Intermountain Ventures, Echo Health Ventures, and Max Ventures	Series B	\$53	Physician-led solution for musculoskeletal care
3/6/2025	Ria Health	Peloton Equity (lead), SV Health Investors, BPEA Private Equity and SOSV	Growth	Undisclosed	Telehealth provider of evidence-based alcohol use disorder treatment
3/5/2025	Freed	Sequoia Capital Operations (lead), Scale Management	Undisclosed	\$30	AI-based medical documentation software
3/4/2025	Bluebird Kids Health	F Prime and .406 Ventures (co-lead)	Undisclosed	\$32	Value-based pediatric primary care
2/27/2025	League	SCAN Group	Strategic	Undisclosed	Healthcare consumer experience platform
2/20/2025	Function Health	Redpoint Ventures	Undisclosed	Post-Money Valuation ~\$2.5 bn	Digital lab testing provider
2/19/2025	OpenEvidence	Sequoia Capital	Undisclosed	Post-Money Valuation ~\$1 bn	Point of care solutions for doctors
2/17/2025	Abridge	Elad Gil and IVP (co-leads), Bessemer Venture Partners, California Health Care Foundation, CapitalG, CVS Health Ventures, K. Ventures, Lightspeed Venture Partners, NVentures), Redpoint Ventures, Spark Capital, and SV Angel	Series D	\$250	Generative AI platform for clinical conversations
2/10/2025	SelectQuote	Bain Capital, Morgan Stanley Private Credit, and Newlight Partners	Strategic	\$350	Distributor of Medicare insurance policies and owner of a healthcare services platform
2/6/2025	HelloHero	Decathlon Capital Partners	Undisclosed	Undisclosed	Provider of technology-powered mental health and behavioral care

Equity Capital Markets

Market Overview

- New issue markets paused last week due to extreme market volatility related to the White House's reciprocal tariffs & corresponding trade war:
 - Last week: 0 IPOs; 0 follow-ons; 0 converts
- Expect issuers to remain in "wait and see" mode looking for volatility to come down to normalized levels and long-term clarity on the trade war (particularly with China) over the next month before the next financial staleness deadline on May 14th which will require Q1 financial statements.
- Earnings season kicked off → Investors and potential issuers alike will be monitoring signaling from reporting companies and how their guidance is messaged (if at all → ex: Delta Airlines pulling guidance).

ECM Activity (Last 4 Weeks & YoY)

	2025 - Last 4 Weeks			2024 - Last 4 Weeks		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	2,502	2	18%	3,505	6	25%
CONV	4,085	3	29%	1,323	3	10%
FO	7,272	12	52%	8,918	22	65%
Total	13,859	17	100%	13,745	31	100%

	2025 YTD			2024 YTD		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	8,973	15	16%	6,515	15	10%
CONV	14,494	18	25%	19,163	26	30%
FO	34,004	48	59%	37,494	117	59%
Total	57,471	81	100%	63,172	158	100%

Most Recent Healthcare Initial Public Offerings (\$MM)

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

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
2/20/2025	Waystar	Healthcare Technology	Marketed	WAY	\$920.0	\$7,058.2	13.0%	0.0%	(11.3%)	5.5%	6.1%
2/14/2025	NeuroPace	Medical Products	Marketed	NPCE	\$74.8	\$439.4	17.0%	100.0%	(17.3%)	23.1%	42.3%
1/29/2025	Butterfly Network	Medical Products	Marketed	BFLY	\$75.6	\$832.1	9.1%	100.0%	(10.1%)	29.8%	42.9%
12/12/2024	Anteris Technologies	Medical Products	Marketed	AVR	\$88.8	\$378.8	23.4%	100.0%	(11.5%)	(6.7%)	(3.7%)
11/19/2024	QuidelOrtho	Medical Products	Bought	QDEL	\$294.1	\$2,594.8	11.3%	0.0%	(7.7%)	5.3%	15.1%

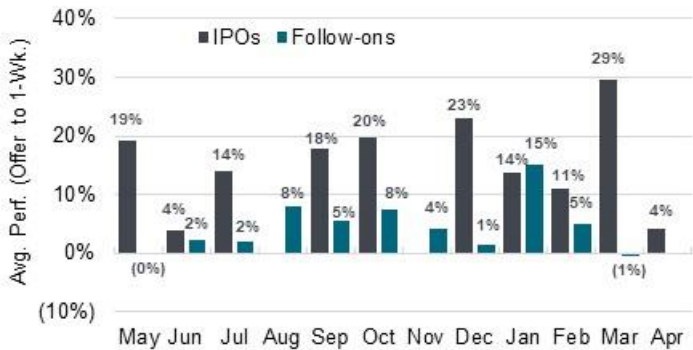
Most Recent Healthcare Convertible Debt Offerings (\$MM)

Issuer Information				Deal Sizing		Pricing		
Pricing Date	Company	Sector	Ticker	Deal Value (\$MM)	Market Cap (\$MM)	Deal as % of Mkt. Cap	Coupon	Premium
3/13/2025	Integer*	Medical Products	ITGR	\$1,000.0	\$3,980.3	25.1%	1.88%	27.50%
3/4/2025	Alphatec	Medical Products	ATEC	\$405.0	\$1,690.9	24.0%	0.75%	32.50%
1/24/2025	Semler Scientific	Medical Products	SMLR	\$100.0	\$566.7	17.6%	4.25%	25.00%
12/16/2024	LeMaitre Vascular*	Medical Products	LMAT	\$172.5	\$2,070.8	8.3%	2.50%	30.00%
5/23/2024	HAEMONETICS	Medical Products	HAE	\$700.0	\$4,580.3	15.3%	2.50%	30.00%

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



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



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

Note: Transactions include IPOs, follow-ons (including bought deals) and convertible offerings of \$25 MM 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

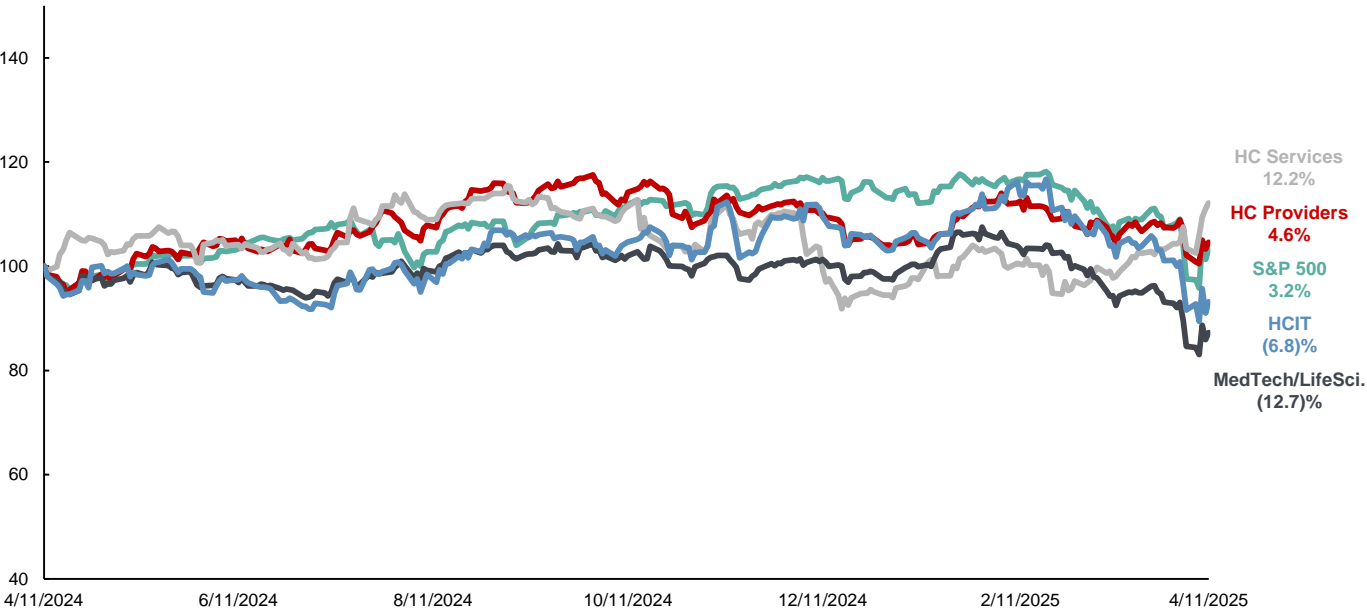
Public Equity Market Activity & Indices

Equity Indices (as of April 11, 2025)

Index	Wk Open	Wk Close	Returns	
			52 Week	Weekly
DJIA	38,315	40,213	4.6%	5.0%
S&P 500	5,074	5,363	3.2%	5.7%
NASDAQ	15,588	16,724	1.7%	7.3%
Russell 2000	1,827	1,860	(8.9%)	1.8%
NYSE Healthcare	23,661	23,954	(5.6%)	1.2%

Cain Brothers Indicies	Returns	
	52 Week	Weekly
Acute Care	(2.7%)	0.8%
Alternate Site Services	2.6%	0.8%
Diagnostics	3.2%	2.1%
Distribution	18.5%	1.0%
Healthcare IT	(6.8%)	1.7%
Healthcare REITs	61.9%	(0.2%)
Managed Care	14.4%	10.4%
Medical Technology	(10.3%)	3.6%
Outsourced Services	(38.7%)	(3.1%)
Pharma Services	(29.5%)	(0.8%)
Pharmacy	(6.1%)	7.5%
Primary Care	(6.4%)	21.9%
Post-Acute Care Services	12.7%	1.0%
Post-Acute Care Facilities	6.3%	0.9%

Cain Brothers Healthcare Indices (1YR Performance)



High Grade, High Yield & Leveraged Loan Market

Market Summary

High Grade

- IG primary market activity remained muted yet again this past week after President Trump's highly anticipated "Liberation Day" tariff announcement, with just five issuers tapping the market for \$9.5 BN in new issue volume.

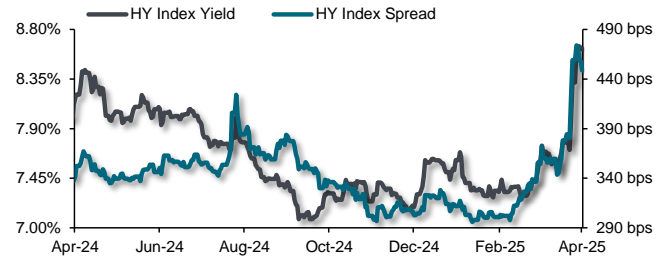
High Yield

- The high yield primary market continued its hold-out amid deep sell-offs across global financial markets.

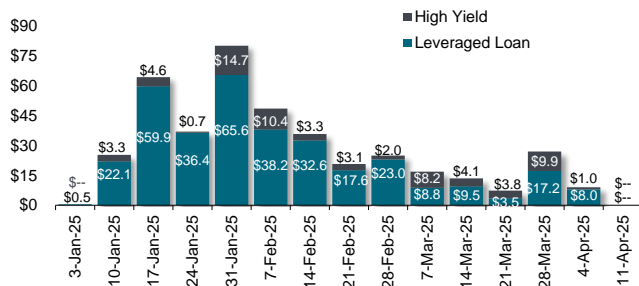
Term Loan B Market

- Despite record loan fund outflows in the week ended April 11th, CLO issuance has remained strong, and spreads have remained tight compared to 2024, as the average AAA coupon YTD sits at S+124.

HY Index Yield & Spread (YTD)



Weekly New Issue Volume (\$BN)



New-Issue Clearing Yields¹ (\$MM)

Double-B Issuers	4Q24	1Q25	30-Day Rolling Average
			04/11/25
Ba1	S+192 / 6.6%	S+233 / 6.7%	S+175 / 6.1%
Ba2	S+198 / 6.6%	S+199 / 6.4%	S+200 / 6.6%
Ba3	S+252 / 7.1%	S+232 / 6.7%	S+313 / 8.3%
Single-B Issuers	4Q24	1Q25	30-Day Rolling Average
			04/11/25
B1	S+303 / 7.6%	S+278 / 7.2%	S+342 / 7.9%
B2	S+357 / 8.2%	S+333 / 7.7%	S+348 / 8.0%
B3	S+383 / 8.5%	S+357 / 7.9%	S+407 / 8.7%

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	IPT-Pricing
3/6/2025	GlaxoSmithKline Capital	Sr Notes	\$400	A2/A/--	4.315%	3/12/2027	+33	22 bps
3/6/2025	GlaxoSmithKline Capital	Sr Notes	\$600	A2/A/--	FRN	3/12/2027	SOFR+50	22 bps
3/6/2025	GlaxoSmithKline Capital	Sr Notes	\$850	A2/A/--	4.500%	4/15/2030	+55	25 bps
3/6/2025	GlaxoSmithKline Capital	Sr Notes	\$750	A2/A/--	4.875%	4/15/2035	+70	25 bps
3/3/2025	Humana Inc	Sr Notes	\$750	Baa2/BBB/BBB	5.550%	5/1/2035	+138	27 bps
3/3/2025	Humana Inc	Sr Notes	\$500	Baa2/BBB/BBB	6.000%	5/1/2055	+160	28 bps
2/18/2025	HCA Inc	Sr Notes	\$700	Baa3/BBB/--	5.000%	3/1/2028	+70	30 bps

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	Price Talk
3/25/2025	Bausch Health	Sr. Sec. Notes	\$4,400	Caa1/B/NR	10.000%	4/15/2032	580 bps	10.00%-10.25%
3/18/2025	Insulet	Sr. Notes	\$450	B2/B+/NR	6.500%	4/1/2033	232 bps	6.50%-6.75%
3/6/2025	Acadia Healthcare	Sr. Notes	\$550	Ba3/B+/NR	7.375%	3/15/2033	316 bps	7.50%-7.75%

Most Recent Healthcare Leveraged Loan Issuances (\$MM)

Date	Issuer	Ownership	Corp. Ratings	Use of Proceeds	Size	Pricing	Yield
4/2/2025	Owens & Minor Inc	Not Sponsored	Ba3 / BB-	Acquisition	\$400	SOFR+525, 0% @ 95	10.819%
3/31/2025	Opella	Clayton, Dubilier & Rice	B1 / B+	LBO	\$3,750	SOFR+325, 0% @ 99.5	7.694%

Most Recent Healthcare Pro Rata Issuances (\$MM)

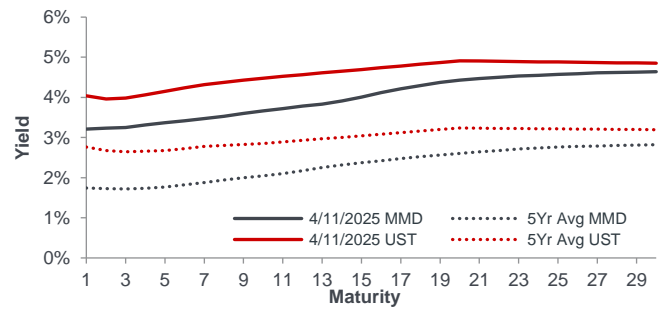
Date	Issuer	Ownership	Ratings	Use of Proceeds	Size	Pricing (in bps)	Financial Covenants
4/8/2025	Bausch Health	Public	Caa2 / B-	Refinancing	\$500mm 5-year Revolver	Leverage-based Grid SOFR+375-425 Opens at SOFR+425 CSA: 10	Max. First Lien Leverage Ratio: 4.25x Min. Liquidity: \$400mm

Public Finance Market

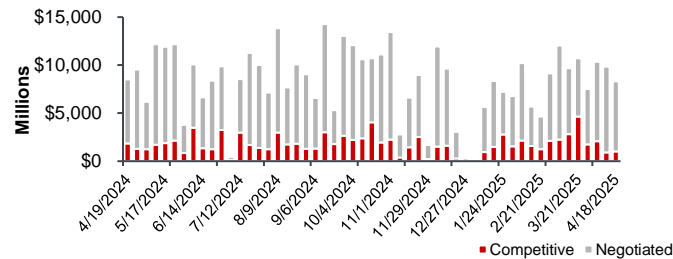
Market Overview

- The yield on the benchmark 10-year U.S. Treasury Note increased 47 bps week-over-week, closing at 4.48% on Friday. 10-year MMD increased 69 bps week over week.
- Healthcare Public Issuance in 2024 increased 143% vs 2023. YTD 2025 Issuance is ~24% lower than YTD 2024 Issuance through April.
- Muni bond funds saw \$3.3 BN of outflows and high yield funds lost \$759 MM for the week ended April 11th.

MMD & UST Yield Curve



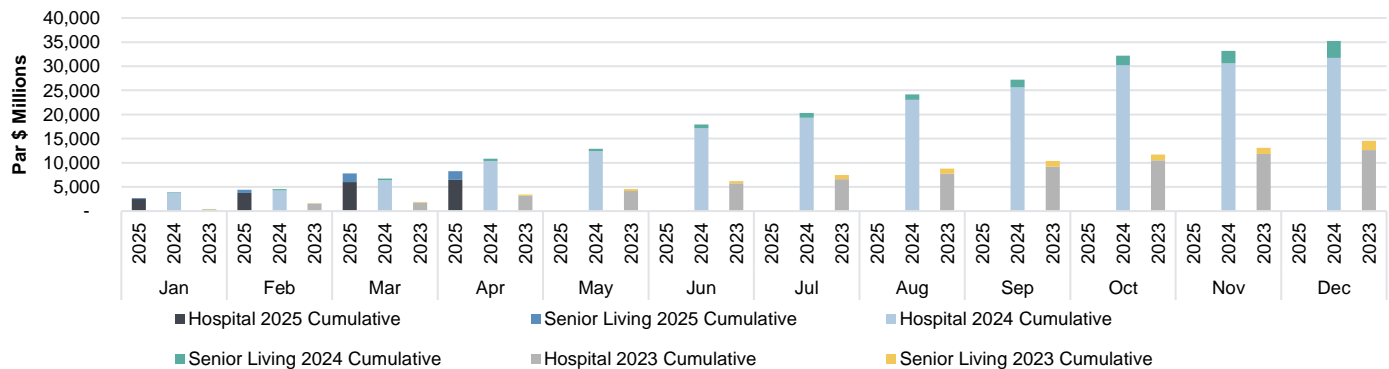
Weekly New Issue Volume (\$MM)



Benchmark Yields

Treasury Yields			MMD Yields			Ratio
Yr	Yield	Δ (W/W)	Yr	Yield	Δ (W/W)	MMD/UST
2	3.96%	28 bps	2	3.23%	78 bps	82%
10	4.48%	47 bps	10	3.66%	69 bps	82%
30	4.85%	44 bps	30	4.64%	65 bps	96%

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 4/7										
No Recent Pricings	-	-	-	-	-	-	-	-	-	-
Exp. Pricings, Week of 4/14										
Memorial Sloan Kettering Cancer	466,550	NY	DASNY	TE	Aa3 / AA- / AA	-	-	-	-	-
Denver Health and Hospital	173,920	CO	DHHA	TE	NR / BBB / BBB	-	-	-	-	-
Baylor College of Medicine	150,000	TX	HCCEFFC	TE	NR / A / NR	-	-	-	-	-
Lasell Village, Inc.	133,120	MA	MDFA	TE	NR / NR / A-	-	-	-	-	-

Sources: Bloomberg, TM3

* Denotes Cain Brothers/KeyBanc Capital Markets participation

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

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Relevant News

How ACOs Think CMS Should Change The Rules For Value-Based Care¹

Modern Healthcare / April 11, 2025

Providers participating in accountable care organizations and other value-based payment arrangements with Medicare have a wish list for the new team running the Centers for Medicare and Medicaid Services. Less than four months into President Donald Trump's second term, and just over a week since Dr. Mehmet Oz became CMS administrator, the agency is poised to begin putting its stamp on the programs it manages, including its value-based care initiatives, in a series of proposed rules over the coming weeks.

The Senior Living Opportunity For Hospices²

Hospice News / April 11, 2025

Many hospices in 2025 are driving to expand in the senior housing and assisted living space. More than 818,000 people in the United States dwell in more than 30,600 assisted living communities nationwide with an aggregate 1.2 million licensed beds, according to the American Health Care Association and the National Center for Assisted Living (AHCA/NCAL). Many seniors are looking to assisted or senior living facilities as they age, Susan Ponder-Stansel, CEO of Florida-based Alivia Care, said at the Hospice News ELEVATE conference in Orlando, Florida. "My generation, baby boomers, we're not going to a nursing home. We're looking at assisted living, senior living, that sort of thing," Ponder-Stansel told Hospice News. "To the extent that the hospice program can really bring not just hospice, but some of that continuum of care to allow people to remain where they are and receive care where they lived for a long period of time. To me, that's a great opportunity."

Maternal Mortality Rates Jumped Almost 30% Over 5 Years. Why?³

Advisory Board / April 11, 2025

According to a new study published in JAMA Network Open, maternal mortality rates in the United States increased by almost 30% between 2018 and 2022 — an issue the researchers say is "an urgent public health priority." However, recent cuts to funding and staff may put maternal health further at risk by making it harder to track data. For the study, researchers analyzed data from CDC's Wide-Ranging Online Data for Epidemiologic Research. All pregnancy-related deaths among women ages 15 to 54 years between 2018 and 2022 were included. Overall, there were 6,283 pregnancy-related deaths, including 1,891 late maternal deaths, between 2018 and 2022. Late maternal deaths refer to deaths that occur between 42 days and one year after pregnancy. In the United States, the maternal mortality rate increased from 25.3 deaths per 100,000 live births in 2018 to 32.6 deaths per 100,000 live births in 2022 — an increase of 27.7%. Cardiovascular disease was the leading cause of pregnancy-related deaths, as well as late maternal deaths. Other causes of maternal mortality were cancer, mental and behavioral disorders, and drug- and alcohol-induced deaths.

Relevant News

Physician Compensation Rose 3.6% In 2024, But Not All Specialties Got A Raise¹

Fierce Healthcare | April 14, 2025

Average physician pay rose 3.6% between 2023 and 2024, from \$363,000 to \$376,000—about in line with recent years but well behind increases from before the pandemic. That's according to Medscape's latest physician compensation report, which also highlighted particularly narrow increases in year-over-year compensation for primary care docs (1.4%, from \$277,000 to \$281,000) and specialists (1%, from \$394,000 to \$398,000). The annual survey also counted more specialties reporting pay drops than pay increases, as well as a shrinking percentage of doctors who feel fairly compensated and a widening of pay gaps across gender and racial and ethnic lines. The findings come amid rising expenses and reimbursement pressures for hospitals and other employers, including no support from Congress on Medicare pay cuts for physicians. The report also underscored unpredictability regarding the new regulatory, policy and economic landscape under a new administration.

The Steps AHA Is Taking To Exempt Medical Devices From Tariffs²

Modern Healthcare | April 14, 2025

Despite the Trump administration's recent 90-day pause on reciprocal tariffs, hospitals and health systems remain concerned about the ongoing impact of tariffs on medical devices. Industry organizations including the American Hospital Association continue to push for tariff exemptions for medical devices, but to date, no action has been taken by the administration.

3rd-Party Risk, Asset Management Continue To Be Cybersecurity Weak Points For Healthcare, Study Finds³

Fierce Healthcare | April 15, 2025

Supply chain risks and asset management remain key areas in need of improvement among healthcare's cybersecurity efforts, according to a recent report benchmarking dozens of organizations. The collaborative analysis, penned by KLAS Research, echoed earlier editions that found most healthcare organizations are "preparing for when, not if, they will need to employ incident response, disaster recovery and business continuity strategies." But beyond spotting the gaps, it also outlined correlations between self-reported implementation of cybersecurity frameworks and best practices with relevant organizational metrics. For instance, it found lower annual increases in cybersecurity insurance premiums for healthcare organizations that use the NIST Cybersecurity Framework 2.0 (NIST CSF 2.0)—which is recommended by the federal government and private sector partners for HIPAA compliance—as their primary framework.

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