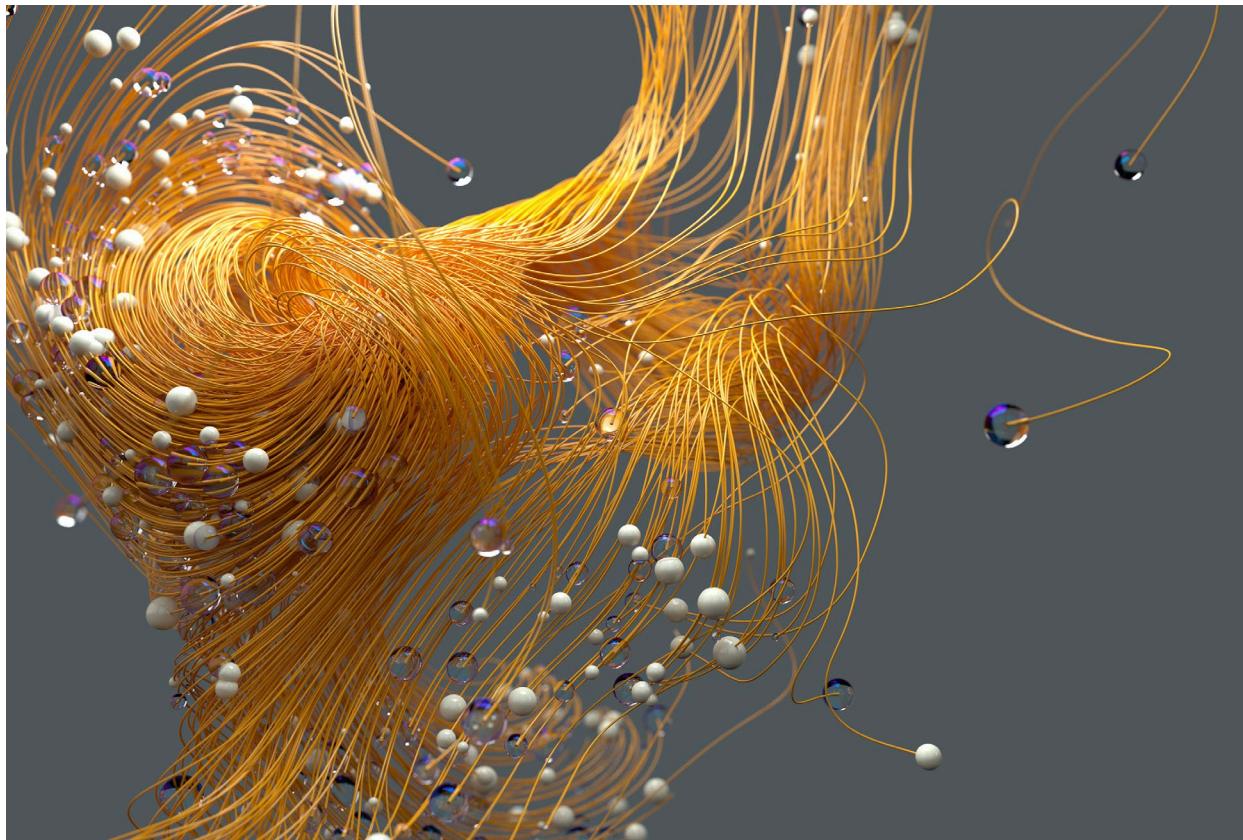


August 22, 2025

# Cain Brothers Industry Insights

## Healthcare Market Report



Banker commentary:

**Assisted Living Medicaid Waiver Programs**

# Banker Commentary

## Contents

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



## Assisted Living Medicaid Waiver Programs

*Banker Commentary by Taaha Shaikh*

As the U.S. population ages and healthcare costs continue to rise, states are increasingly exploring innovative ways to provide quality long-term care at sustainable costs. Assisted Living Medicaid Waiver (ALMW) programs — authorized under the federal Home and Community-Based Services (HCBS) Section 1915(c) waiver authority — have emerged as a promising alternative to traditional nursing home care. These programs allow states to provide a combination of housing, personal support, and healthcare services in a more home-like environment for Medicaid-eligible individuals who would otherwise require institutional care. By integrating shelter and services within a congregate setting, ALMW programs often deliver care at a lower cost while producing better outcomes for residents.

The ALMW concept was pioneered by several states seeking to reduce the financial burden on Medicaid while improving the quality of life for seniors. As state budgets continue to feel pressure — especially with Medicaid often being the largest or second-largest line item — interest in ALMW programs has grown. Successful models in states like Illinois have demonstrated the potential for significant long-term cost savings, prompting more states to explore similar programs. Recently, the state of Ohio passed legislation to implement an ALMW program there.

New purpose-designed “greenfield” developments enable providers to incorporate proven operating models, optimize site selection, and benefit from current construction cost trends; it also demands higher capital investment and longer timelines to complete. Multiple alternative pathways exist to allow operators and investors to access the ALMW market.

Another strategy is to buy or convert existing properties — such as assisted living, independent living, or other underutilized assets — into ALMW facilities. This approach typically allows for quicker execution and a lower cost per unit compared to new construction, though it may involve suboptimal unit layouts, operational inefficiencies, or the stigma of a failed asset, all of which can require additional time and resources to address.

A third strategy is forming partnerships with other owner-operators who have complementary assets, sites, or service lines. This can accelerate scale, provide off-balance-sheet growth opportunities, and leverage the strengths of each partner, but it requires careful alignment of goals, decision-making processes, and partnership dynamics.

Finally, some operators may pursue conversion of existing assisted living facilities to ALMW designation, which can optimize or repurpose existing portfolio assets — particularly in markets with lower Area Median Incomes — but requires securing state or county approvals.

Across all these strategies, investor interest remains strong.

Capital for ALMW projects is increasingly sourced from public fixed-rate bonds or private placements. Debt options include HUD FHA 232 loans, non-rated public fixed-rate bonds, private placements, and traditional bank loans — each with distinct costs, timelines, and covenant

## continued...

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requirements. Equity is often sourced from federal and state Low-Income Housing Tax Credit (LIHTC) programs, as well as local housing funds. Cain Brothers recently financed a 147-unit greenfield supportive living facility in Illinois. With a total build cost of \$76 million, the project was financed with a combination of 48% equity and 52% tax-exempt private activity bonds under Section 142(d). Equity came from 4% LIHTC syndicated by Grow America, with additional contributions from state and local housing agencies. The project's bonds were oversubscribed, reflecting strong investor confidence in well-structured Medicaid-assisted living developments.

As the senior population grows and fiscal pressures mount, ALMW programs will likely continue to play a critical role in bridging the gap between independent living and skilled nursing care. For operators, success will hinge on navigating regulatory requirements, securing sustainable financing, and designing services that meet residents where they are. For investors, the combination of stable demand, government-backed revenue streams, and growing market adoption presents a compelling opportunity — provided that projects are structured thoughtfully and executed with operational discipline.

# M&A Activity

## Selected Recent Healthcare Transactions (\$MM)

Date	Target Name	Acquirer	EV	Enterprise Value /			Description
				LTM Rev.	LTM EBITDA		
8/14/2025	Blue Cloud Pediatric Surgery	Great Hill Partners	NA	NA	NA		Operator of pediatric ambulatory surgery centers focused on dental and oral surgery
8/13/2025	PURE Healthcare	AleraCare (Hildred Capital Management)	NA	NA	NA		Medical group that delivers healthcare services for individuals with complex chronic conditions
8/13/2025	PhaseWell Research	Shore Capital Partners	NA	NA	NA		Clinical trial site network
8/12/2025	Evolve Orthopedic Partners	Zenyth Partners	NA	NA	NA		Physician-led management services organization for orthopedic practices and ambulatory surgery centers
8/12/2025	Solaris Health (Lee Equity Partners)	The Specialty Alliance (Cardinal Health)	\$1,900	NA	NA		Urology management service organization
8/6/2025	DentalXChange (Bregal Sagemount)	KKR	NA	NA	NA		Provider of revenue cycle management solutions for the dental market
8/5/2025	O.R. Staffing Solutions	Argosy Healthcare	NA	NA	NA		Provider of workforce solutions for operating rooms in acute care hospitals and ambulatory surgery centers
8/4/2025	Prime Healthcare Home Care *	CenterWell Health Services	NA	NA	NA		Post-acute and senior living businesses of Prime Healthcare
8/4/2025	AliMed	HWK	NA	NA	NA		Manufacturer and distributor of branded medical products serving acute and non-acute care facilities
8/4/2025	Analyte Health	Brightstar Capital	NA	NA	NA		Technology-driven, direct-to-consumer digital health company
8/4/2025	BlueBin	Capsa Healthcare (Levine Leichtman Capital Partners)	NA	NA	NA		Supply chain systems and predictive analytics for healthcare
8/4/2025	Elevate Patient Financial Solutions (Frazier Healthcare Partners)	Audax Private Equity and Parthenon Capital	NA	NA	NA		Provider of tech-enabled specialty revenue cycle management services
8/4/2025	Managed Healthcare Pharmacy	Guardian Pharmacy Services	NA	NA	NA		Long term care pharmacy
8/4/2025	Performant Healthcare	Machinify (New Mountain Capital)	\$670	5.0x	NM		Provider of technology-enabled payment integrity, eligibility, and related analytics services
7/30/2025	Christus Santa Rosa Hospital—Medical Center	University Health	\$71	NA	NA		San Antonio based NFP medical center
7/29/2025	Med-Metrix (A&M Capital)	Harvest Partners	~\$1,200	NA	~16x		Provider of healthcare revenue cycle management solutions

# Private Placement Activity

## Selected Recent Healthcare Transactions (\$MM)

Date	Company	Investor(s)	Type	Amount	Description
8/14/2025	Citizen Health	8VC (lead), Transformation Capital and Headline	Series A	\$30	Patient-powered platform transforming rare disease care
8/13/2025	Fountain Life	EOS Ventures (lead)	Series B	\$13	Diagnostics and preventative health firm
8/12/2025	Arintra	Peak XV Partners (lead), Endeavor Health Ventures, Y Combinator, Counterpart Ventures, Spider Capital, Ten13	Series A	\$21	GenAI-native autonomous medical coding platform for healthcare providers
8/7/2025	August Health	Base10 Partners (lead), General Catalyst, Matrix Partners, Equitage Ventures, the Senior Living Transformation Company, and Stanford University	Series B	\$29	Provider of software services to senior living operators
8/6/2025	Positive Development	aMoon Fund, B Capital, and Flare Capital Partners (co-leads), Digitalis Ventures and Healthworx	Series C	\$52	Provider of tech and AI-enabled autism developmental therapy for children and families
7/31/2025	Carbyne	AT&T Ventures, Axon Enterprise, Cox Enterprises, Global Medical Response, Hanaco Growth, Hercules Capital, RCM Private Markets Fund, SVB	Undisclosed	\$100	Provider of cloud-native emergency communications and response solutions
7/29/2025	Arbital Health	Valtruis (lead), Transformation Capital, Shaper Capital, and Healthy Ventures	Series B	\$31	Provider of infrastructure for healthcare providers and payers to successfully manage risk-based contracts
7/29/2025	Small Door Veterinary	Equity: Valspring Capital (lead), Primary Venture Partners, C&S Family Capital, Lerer Hippeau, and Toba Capital Debt: Bridge Bank	Equity: \$35 Debt: \$20	\$55	Membership-based veterinary care company
7/23/2025	Aidoc	General Catalyst and Square Peg (co-leads), NVentures, Hartford HealthCare, Mercy, Sutter, WellSpan	Debt and Equity	\$150	Provider of AI clinical solutions
7/23/2025	Charta Health	Bain Capital Ventures (lead), Madrona, SV Angel, Refract Ventures, and South Park Commons	Series A	\$22	AI-enabled platform that automates billing and coding workflows
7/22/2025	AbsoluteCare	Kinderhook Industries, CVS Health Ventures, Pacific Life, and Lexington Partners	Undisclosed	\$135	Tech and data-enabled value-based care platform
7/21/2025	Fortuna	Andreessen Horowitz (lead)	Series A	\$18	Medicaid navigation platform
7/16/2025	evolvedMD	Goldman Sachs Alternatives (lead), Conductive Ventures, FCA Venture Partners, Healthworx Ventures, Tectonic Ventures, and Waterline Ventures	Series B	\$34	Collaborative care management provider that integrates mental health into primary care and other specialties
7/18/2025	Numan	Equity: Big Pi Ventures Debt: HSBC Innovation Banking	Equity and Debt	\$57	Digital healthcare platform focused on weight loss
7/15/2025	OpenEvidence	Google Ventures and Kleiner Perkins (co-leads), Sequoia Capital, Coatue, Conviction, Greycroft, and Thrive	Series B	\$210.0 \$3.5 bln valuation	Medical search and AI application
7/14/2025	PCI Pharma Services	Bain Capital and Kohlberg (co-leads), Mubadala Investment Company	Strategic	Undisclosed	Global contract development and manufacturing organization

Sources: Capital IQ, Merger market, and press releases

\* Denotes Cain Brothers/KeyBanc Capital Markets participation

Transaction occurred over the past week

# Equity Capital Markets

## Market Overview

- Last week brought robust ECM issuance across all deal types and sectors as companies and sponsors took advantage of open windows following earnings-related blackout periods:
  - Last week: 1 IPO; 14 follow-ons; 7 converts
- Yet another MedTech IPO issuer (Heartflow) priced its IPO above an upwardly revised range and closed Friday up +64% from IPO offer price
- Solvantum priced a 100% secondary bought deal allowing ParentCo 3M to sell a ~5% stake in their SpinCo
- We expect to continue to see follow-ons and converts get done in the coming weeks amidst the “summer slowdown”

## ECM Activity (Last 4 Weeks & YoY)

2025 - Last 4 Weeks			2024 - Last 4 Weeks			
Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share	
IPO	5,903	11	20%	6,238	4	33%
CONV	10,311	14	34%	2,081	6	11%
FO	13,705	39	46%	10,720	28	56%
<b>Total</b>	<b>29,919</b>	<b>64</b>	<b>100%</b>	<b>19,039</b>	<b>38</b>	<b>100%</b>
2025 YTD			2024 YTD			
Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share	
IPO	20,075	40	13%	20,705	40	16%
CONV	53,439	62	33%	40,826	61	31%
FO	86,468	171	54%	71,186	220	54%
<b>Total</b>	<b>159,982</b>	<b>273</b>	<b>100%</b>	<b>132,717</b>	<b>321</b>	<b>100%</b>

## 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
8/7/2025	Heartflow	Medical Products	HTFL	\$364.2	\$1,531.7	23.8%	100.0%	\$19.00	\$17.00 - \$18.00	51.3%	77.3%
7/30/2025	Shoulder Innovations	Medical Products	SI	\$75.0	\$303.4	24.7%	100.0%	\$15.00	\$19.00 - \$21.00	0.3%	(12.9%)
7/22/2025	Carlsmed	Medical Products	CARL	\$100.5	\$397.7	25.3%	100.0%	\$15.00	\$14.00 - \$16.00	(3.3%)	(3.3%)
6/17/2025	Caris Life Sciences	Healthcare Technology	CAI	\$568.2	\$5,836.6	9.7%	100.0%	\$21.00	\$19.00 - \$20.00	33.3%	31.9%
6/5/2025	Omada Health	Healthcare Technology	OMDA	\$172.6	\$1,059.1	16.3%	100.0%	\$19.00	\$18.00 - \$20.00	21.1%	(9.6%)

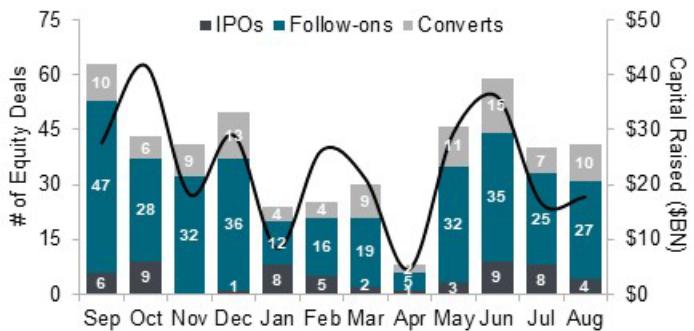
## Most Recent Healthcare Follow-on Offerings (\$MM)

Issuer Information				Deal Sizing				Pricing		Performance	
Pricing Date	Company	Sector	Deal Type	Ticker	Deal Value (\$MM)	Market Cap (\$MM)	Deal as % of Mkt. Cap	% Primary	Discount to File	1-Day	1-Week
8/13/2025	Solvantum	Medical Products	Bought	SOLV	\$648.1	\$12,896.6	5.0%	0.0%	(1.0%)	(0.6%)	-
7/24/2025	Absci	Healthcare Technology	Marketed	ABSI	\$50.0	\$506.2	9.9%	100.0%	(14.5%)	(3.7%)	(5.7%)
6/10/2025	Brightspring Health Services	Services	Marketed	BTSG	\$350.2	\$3,923.0	8.9%	0.0%	(2.2%)	0.6%	(1.8%)
5/22/2025	Guardian Pharmacy Services	Services	Marketed	GRDN	\$157.5	\$1,429.0	11.0%	0.0%	(20.8%)	4.5%	1.9%
5/15/2025	Senseonics	Medical Products	Marketed	SENS	\$57.5	\$437.0	13.2%	100.0%	(9.1%)	6.0%	5.0%

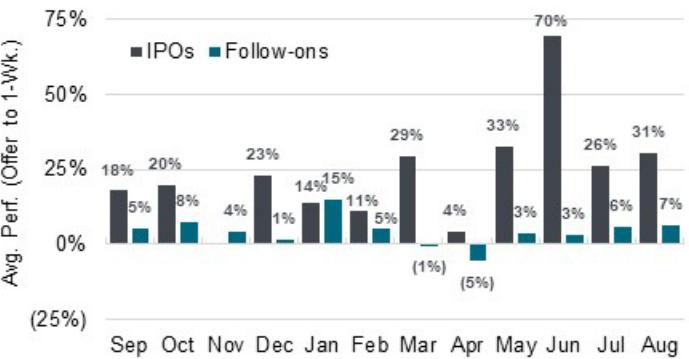
## Most Recent Healthcare Convertible Debt Offerings (\$MM)

Issuer Information				Deal Sizing			Pricing	
Pricing Date	Company	Sector	Ticker	Deal Value (\$MM)	Market Cap (\$MM)	Deal as % of Mkt. Cap	Coupon	Premium
6/30/2025	Tempus AI	Healthcare Technology	TEM	\$750.0	\$10,999.8	6.8%	0.75%	32.50%
5/8/2025	Hims & Hers Health*	Healthcare Technology	HIMS	\$1,000.0	\$11,504.9	8.7%	0.00%	37.50%
3/13/2025	Integer*	Medical Products	ITGR	\$1,000.0	\$3,980.3	25.1%	1.88%	27.50%
3/4/2025	Alphatec	Medical Products	ATEC	\$405.0	\$1,690.9	24.0%	0.75%	32.50%
1/24/2025	Semler Scientific	Medical Products	SMLR	\$100.0	\$566.7	17.6%	4.25%	25.00%

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



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



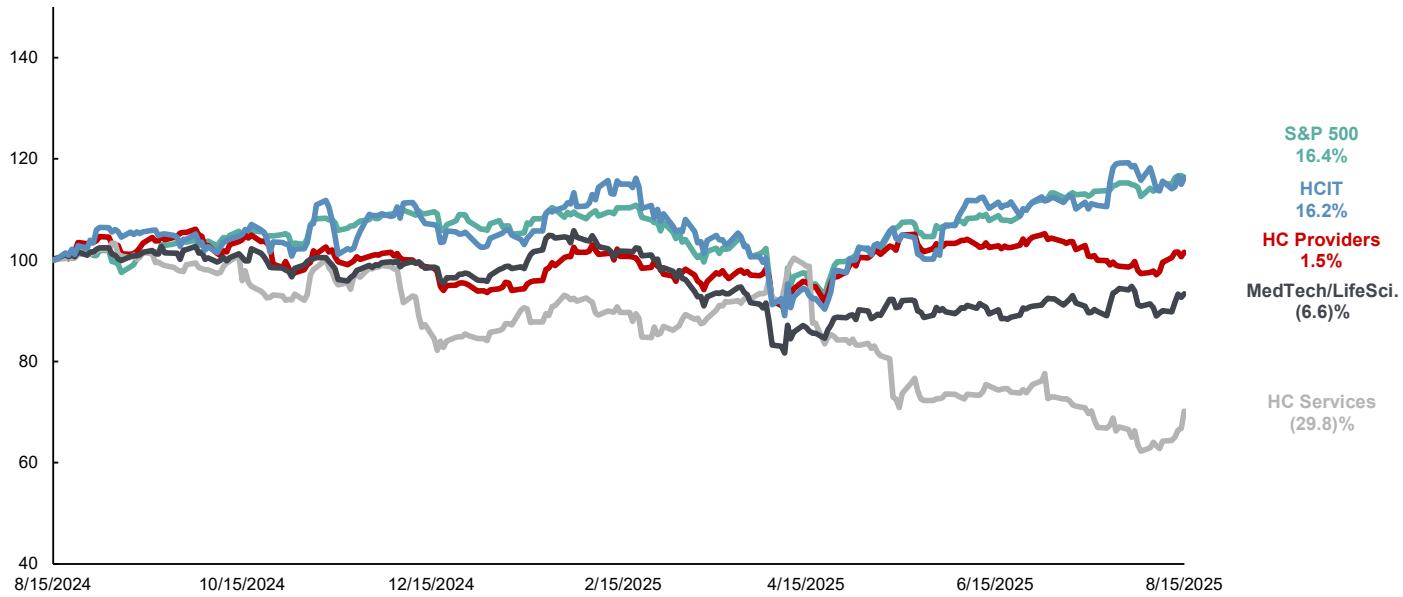
# Public Equity Indices

## Equity Indices (as of August 15, 2025)

Index	Wk Open	Wk Close	Returns	
			52 Week	Weekly
DJIA	44,176	44,946	10.8%	1.7%
S&P 500	6,389	6,450	16.4%	0.9%
NASDAQ	21,450	21,623	22.9%	0.8%
Russell 2000	2,218	2,287	7.1%	3.1%
NYSE Healthcare	22,656	23,770	(14.0%)	4.9%

Cain Brothers Indices	Returns	
	52 Week	Weekly
Acute Care	(5.4%)	3.7%
Alternate Site Services	(12.7%)	3.2%
Diagnostics	10.0%	3.4%
Distribution	20.1%	0.2%
Healthcare IT	16.2%	0.5%
Healthcare REITs	37.9%	(2.1%)
Managed Care	(43.3%)	14.3%
Medical Technology	(5.4%)	3.6%
Outsourced Services	(29.3%)	6.4%
Pharma Services	(16.8%)	4.8%
Pharmacy	17.0%	4.0%
Primary Care	(56.4%)	8.5%
Post-Acute Care Services	12.5%	3.8%
Post-Acute Care Facilities	8.4%	3.9%

## Cain Brothers Healthcare Indices (1YR Performance)



# High Grade, High Yield & Leveraged Loan Market

## Market Summary

### High Grade

- The IG primary market slightly missed estimates but remained active amid July's CPI release, with 27 issuers taking advantage of favorable funding conditions ahead of the anticipated late summer slowdown, raising \$33.2 BN.

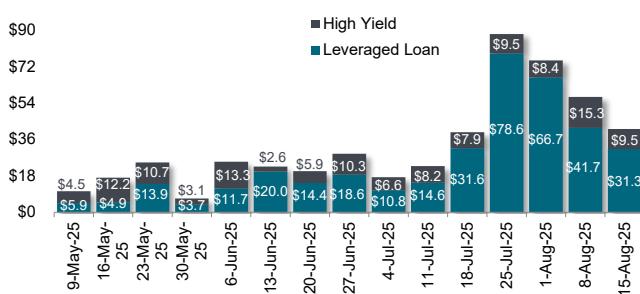
### High Yield

- The high yield primary market recorded \$9.5 BN in issuance across nine deals ahead of the expected summer slowdown, marking the ninth consecutive week with volumes above the LTM average.

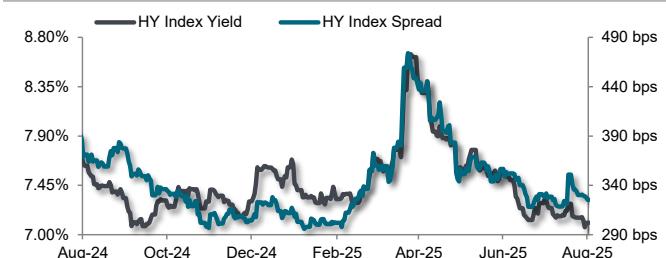
### Term Loan B Market

- CLO issuance has remained strong throughout 2025, and spreads have come back down since May after ticking upwards from 2025 lows reached in February.

## Weekly New Issue Volume (\$BN)



## HY Index Yield & Spread (YTD)



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

Double-B Issuers	1Q25	2Q25	30-Day Rolling Average
	08/15/25		
Ba1	S+233 / 6.7%	S+265 / 7.1%	S+214 / 6.5%
Ba2	S+199 / 6.4%	S+230 / 6.6%	S+210 / 6.5%
Ba3	S+232 / 6.7%	S+268 / 7.2%	S+246 / 6.8%
Single-B Issuers	1Q25	2Q25	30-Day Rolling Average
	08/15/25		
B1	S+278 / 7.2%	S+317 / 7.7%	S+270 / 7.1%
B2	S+333 / 7.7%	S+340 / 7.8%	S+305 / 7.5%
B3	S+357 / 7.9%	S+378 / 8.4%	S+343 / 7.9%

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	IPT-Pricing
8/13/2025	Cardinal Health Inc	Sr Notes	\$600	Baa2/BBB/BBB	4.500%	9/15/2030	+75	30 bps
8/13/2025	Cardinal Health Inc	Sr Notes	\$400	Baa2/BBB/BBB	5.150%	9/15/2035	+95	30 bps
8/12/2025	EMD Finance LLC	Sr Notes	\$750	A3/A--	4.125%	8/15/2028	+45	25 bps
8/12/2025	EMD Finance LLC	Sr Notes	\$1,000	A3/A--	4.375%	10/15/2030	+58	27 bps
8/12/2025	EMD Finance LLC	Sr Notes	\$1,000	A3/A--	4.625%	10/15/2032	+68	27 bps
8/12/2025	EMD Finance LLC	Sr Notes	\$1,250	A3/A--	5.000%	10/15/2035	+78	27 bps
8/11/2025	CVS Health Corp	Sr Notes	\$750	Baa3/BBB/BBB	5.000%	9/15/2032	+102	28 bps

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	Price Talk
7/28/2025	CHS/Community Health Systems	Sr. Sec. Notes	\$1,790	Caa1/B-/NR	9.750%	1/15/2034	533 bps	9.50% area
7/24/2025	Patterson Cos	Sr. Sec. Notes	\$500	B2/B/NR	8.750%	4/17/2032	572 bps	8.75% cpn @ 93-94
7/23/2025	Team Health	Sr. Sec. Notes	\$430	NR/B-/B-	8.375%	6/30/2028	455 bps	8.50% area

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

Date	Issuer	Ownership	Corp. Ratings	Use of Proceeds	Size	Pricing	Yield
8/14/2025	MDVIP *	Goldman Sachs	B3 / B	Extension	\$910	SOFR+300, 0.5% @ 99.5	7.485%
8/14/2025	Precision Medicine Group	Not Sponsored	B2 / B-	Dividend Recap	\$800	SOFR+350, 0% @ 99.5	7.985%

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

Date	Issuer	Ownership	Ratings	Use of Proceeds	Size	Pricing (in bps)	Financial Covenants
8/12/2025	Molina Healthcare	Public	Ba2 / BB	Share Repurchase	\$500mm 2-year TLA	Leverage-based Grid SOFR+150-175 Opens at SOFR+150	Max. Net Leverage Ratio: 4.00x Min. Interest Coverage Ratio: 3.50x

Sources: Capital IQ, Mergermarket, and press releases

\* Denotes Cain Brothers/KeyBanc Capital Markets participation

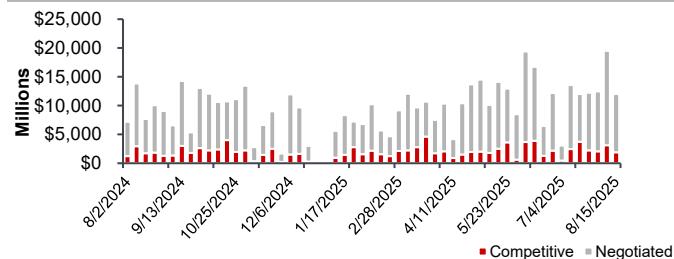
Transaction occurred over the past week

# Public Finance Market

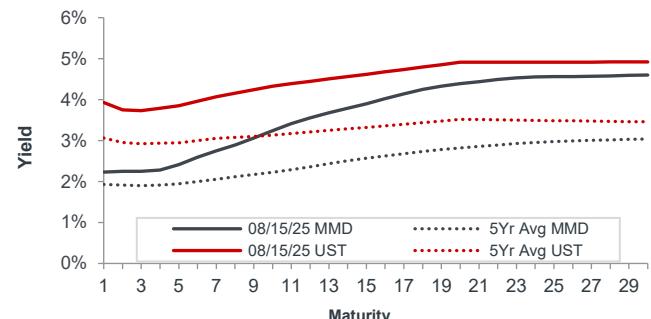
## Market Overview

- The yield on the benchmark 10-year U.S. Treasury Note increased 6 bps week-over-week, closing at 4.33% on Friday. 10-year MMD increased 3 bps week over week.
- Healthcare Public Issuance in 2024 increased 143% vs 2023. YTD 2025 Issuance through August 15 was 23% higher than YTD 2024 through the end of August.
- Muni bond funds lost \$107.9 MM and high yield funds lost \$17.8 million for the week ended August 15.

## Weekly New Issue Volume (\$MM)



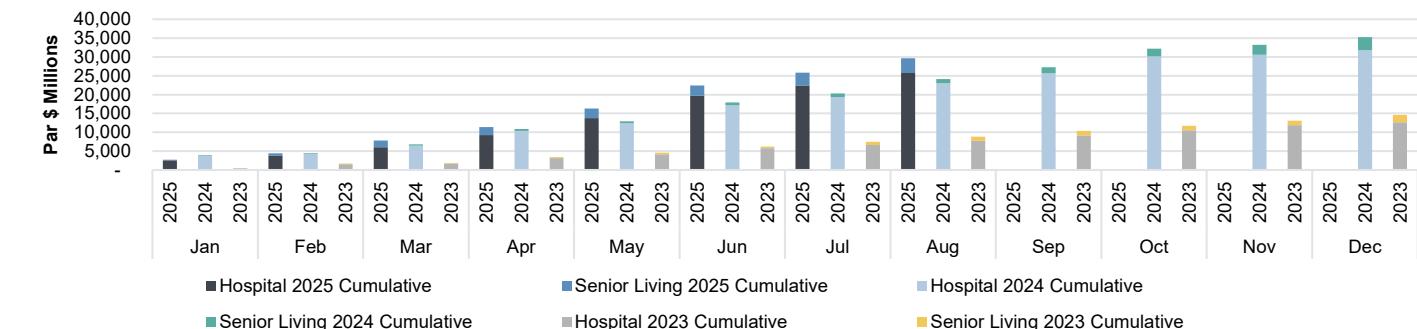
## MMD & UST Yield Curve



## Benchmark Yields

Treasury Yields			MMD Yields			Ratio
Yr	Yield	Δ (W/W)	Yr	Yield	Δ (W/W)	MMD/UST
2	3.75%	(1 bps)	2	2.25%	(2 bps)	60%
10	4.33%	6 bps	10	3.24%	3 bps	75%
30	4.92%	7 bps	30	4.60%	2 bps	93%

## Healthcare Public Issuance Overview



## Recent Healthcare Public Issuance

Healthcare Public Issuance											
Borrower/Enhancement		Par (000s)	State	Issuer	Tax Status	LT Ratings (M/S/F)	Final Mat.	Call, Put or Reprice*	Final Mat. Cpn.	YTW	YTM
<b>Recent Pricings, Week of 8/11</b>											
Children's Health System of Texas	600,000	TX	NHCEFFC	TE	Aa3 / AA / AA-	2052	2035(C)	5.00%	5.15%	N/A	
Sanford Health Obligated Group	169,740	SD	SDHEFA	TE	NR / A+ / AA-	2051	2032(P)	5.00%	3.57%	4.42%	
Sanford Health Obligated Group	137,815	SD	SDHEFA	TE	NR / A+ / AA-	2040	2035(C)	5.00%	4.46%	4.60%	
Sanford Health Obligated Group	100,925	SD	SDHEFA	TE	NR / A+ / AA-	2052	2029(P)	5.00%	3.00%	4.50%	
Fleet Landing at Nocatee	172,750	FL	FLGFC	TE	NR / NR / NR	2064	2035(C)	6.88%	6.97%	N/A	
Fleet Landing at Nocatee	115,100	FL	FLGFC	TE	NR / NR / NR	2030	2027(C)	4.20%	4.20%	N/A	
Fleet Landing at Nocatee	22,300	FL	FLGFC	TE	NR / NR / NR	2031	2028(C)	4.45%	4.45%	N/A	
Fleet Landing at Nocatee	16,000	FL	FLGFC	TE	NR / NR / NR	2031	2028(C)	4.70%	4.70%	N/A	
Fleet Landing at Nocatee	6,560	FL	FLGFC	TAX	NR / NR / NR	2030	2027(C)	6.75%	6.75%	N/A	
New York City Health	242,850	NY	NYCHHC	TE	Aa3 / A+ / AA-	2042	2034(C)	5.00%	4.60%	4.74%	
MultiCare Health System	177,880	WA	WHCFA	TE	NR / A / A+	2035	NC	5.00%	3.99%	N/A	
Greenwood Village South	27,850	IN	IFA	TE	NR / NR / BBB-	2060	2035(C)	5.75%	6.00%	N/A	
Greenwood Village South	10,600	IN	IFA	TE	NR / NR / BBB-	2032	2026(C)	3.75%	3.75%	N/A	
Greenwood Village South	7,400	IN	IFA	TE	NR / NR / BBB-	2032	2026(C)	4.13%	4.13%	N/A	
<b>Exp. Pricings, Week of 8/18</b>											
San Carlos Apache Health	90,000	CA	SCAHC	TAX	NR / NR / A-	-	-	-	-	-	
Benefis Health System OG	113,400	MT	MFFA	TE	NR / NR / A+	-	-	-	-	-	
Benefis Health System	70,000	MT	BHS	TAX	NR / NR / A+	-	-	-	-	-	
Grand Villa Portfolio Project	149,960	FL	CTA	TE	NR / NR / NR	-	-	-	-	-	
GingerCare Obligated Group	95,970	RI	RIHEBC	TE	NR / NR / NR	-	-	-	-	-	

Sources: Bloomberg, TM3

\* Denotes Cain Brothers/KeyBanc Capital Markets participation

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

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## Relevant News

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### **Virtual Care Scores A Big Win In Diabetes Prevention<sup>1</sup>**

***HealthLeaders | August 15, 2025***

After years of saying it's not as good as in-person care, CMS is now proposing to allow the Medicare Diabetes Prevention Program to include all-virtual courses through 2029. After a long, long wait, diabetes prevention programs may soon be able to include virtual care. CMS has included in its proposed 2026 Physician Fee Schedule a provision allowing the Medicare Diabetes Prevention Program (MDPP) to be delivered virtually, opening the door not only to chronic care management companies like Omada Health, Virta Health, Dario Health and CVS Health but also hospitals and health systems looking to expand their care management platforms.

### **In A Change, Hospital Revenue Growth Is Outpacing Expenses<sup>2</sup>**

***Chief Healthcare Executive | August 15, 2025***

Nonprofit hospitals continue to see higher expenses, but for the first time in a few years, they are seeing revenue growth that outpaces those higher costs. Hospitals also saw improved operating medians in 2024, according to a new report released Thursday by Moody's Ratings. The median operating margin for nonprofit hospitals rose to 1.5% in the 2024 fiscal year, compared with 0.5% the previous year. Still, hospital operating margins haven't returned to what they were before the arrival of COVID-19. And some hospitals aren't faring as well as others. Nonprofit hospitals saw revenue growth of 9.3% in 2024, which marked a three-year high. It's also the first time since the 2021 fiscal year that revenue growth exceeded growth in expenses.

### **Trump Revokes Biden Executive Order On Competition Impacting Healthcare Markets<sup>3</sup>**

***Fierce Healthcare | August 15, 2025***

President Donald Trump has rescinded an executive order from the Biden administration written to promote competition in markets. Biden's order explicitly aimed to bolster antitrust enforcement in many industries, including healthcare, and laid out an agenda to accomplish this goal. Specifically, it called out hospital consolidation in rural communities, overly inhibitive patent laws in the prescription drug market and monopoly abuses among health insurance industry leaders. The official revocation did not explain the decision, but top officials at the Department of Justice (DOJ) and Federal Trade Commission (FTC) both released statements in support of the move..

# Relevant News

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## Five Forces Reshaping Healthcare Staffing<sup>1</sup>

### **Staffing Industry Analysis | August 13, 2025**

Healthcare staffing firms face a shifting landscape marked by persistent labor shortages, technological disruption and changing care delivery models. SIA's newly published 2025 US Healthcare Staffing Market Growth Assessment identifies trends that are redefining how healthcare staffing firms operate and engage talent. This article touches on five themes from the report, offering strategic guidance for firms looking to modernize, adapt to client demands and strengthen their competitive edge in a market filled with structural limitations.

## How Behavioral Health Leaders Buy, Use And Struggle With EHR Technology<sup>2</sup>

### **Behavioral Health Business | August 12, 2025**

For a variety of reasons, behavioral health organizations are investing significant time, money and manpower into health IT systems. Yet too often, they still run into outdated tools, implementation hurdles and gaps in return on investment. That's according to recently conducted research from Behavioral Health Business, which surveyed industry leaders on their electronic health record (EHR) and care coordination technology strategies earlier this year. In addition to asking about EHR adoption and must-have features, the initiative explored who holds the purchasing power, what drives spending and why tech upgrades often come with friction.

## The Great Medicare Advantage Contraction Appears Set To Continue<sup>3</sup>

### **Healthcare Dive | August 6, 2025**

Insurers plan to keep sacrificing MA growth for profitability next year, after second quarter results for Humana and CVS showed the success of the strategy. Shakespeare famously wrote in *The Tempest*, "What's past is prologue," to express how events of the past set the stage for developments in the present. That sentiment was clear for health insurers in the second quarter, in which companies that slashed Medicare benefits and cut loose unprofitable members last year enjoyed apparent immunity from the tidal wave of medical costs burying their peers.

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1. <https://www.staffingindustry.com/editorial/healthcare-staffing-report/five-forces-reshaping-healthcare-staffing>
2. <https://bhbusiness.com/2025/08/12/how-behavioral-health-leaders-buy-use-and-struggle-with-ehr-technology/>
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