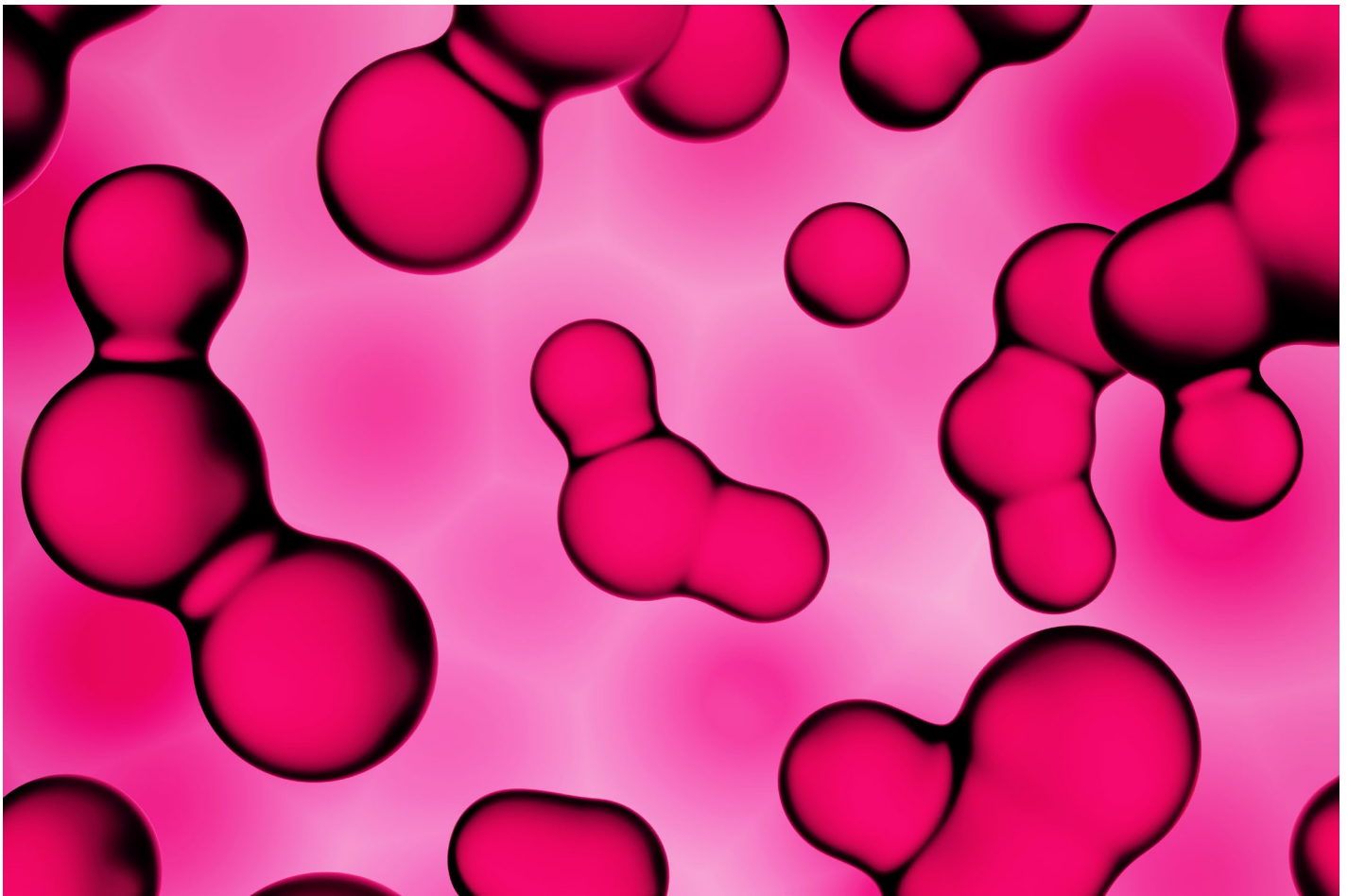


December 3, 2025

# **Cain Brothers Industry Insights**

## **Healthcare Market Report**

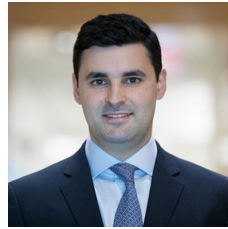


Banker Commentary:

**Pharma Services Market Pulse**

## 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



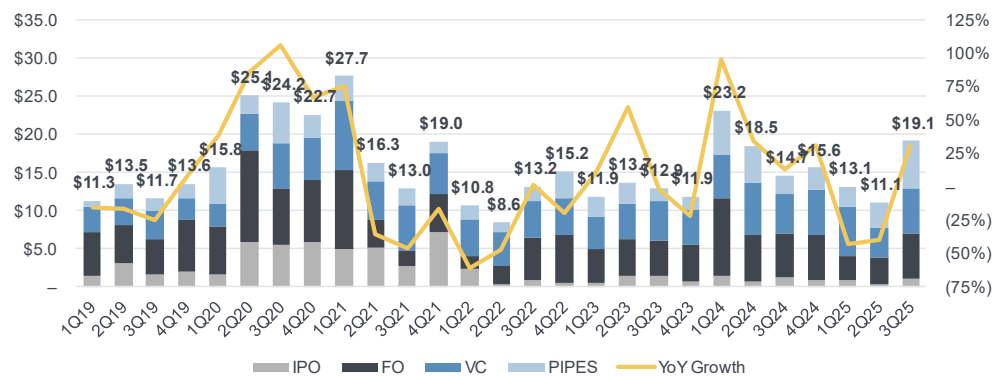
## Pharma Services Market Pulse

Banker Commentary by Lee Sophocleous

The pharma services market is showing signs of an improving environment as we approach year-end 2025, with stabilizing biotech dynamics and resilient regulatory activity providing tailwinds for contract research organizations (CROs), contract development and manufacturing organizations (CDMOs), and commercialization specialists. After a volatile start to the year marked by funding constraints, macroeconomic pressures, and regulatory uncertainty out of the FDA and Washington, Q3 rebounds in the key indicators we track suggest renewed momentum in the sector. This shift positions the sector for further growth in 2026, particularly in oncology, rare diseases, and advanced therapies, as biotechs and pharma sponsors prioritize efficient, integrated services amid selective capital allocation.

## Biotech Funding

(\$ in billions)



Source: Wall Street research; Cain Brothers estimates

Biotech funding is one of the most important leading indicators for pharma outsourcing businesses like contract CROs and CDMOs, as it provides a near-real-time pulse on the financial health of their customers and the viability of molecules or projects in development. It also provides a lens into the broader pipeline of what will eventually fill the larger funnel of future projects that are set for outsourcing. Quarterly data shows a resurgence in biotech investing, with over \$19 billion raised in Q3 2025 alone. This represents 31% year-over-year growth and 73% sequentially. Last quarter's totals are a near-match in the total that was raised in the first six months of the year. A more favorable and cooperative follow-on market helped drive totals not seen since Q1 of 2024 and before that, the peak of the pandemic investment cycle. A sustained uptick could extend runways for cash-strapped biotechs, boosting service bookings, while highlighting consolidation opportunities in underserved modalities.

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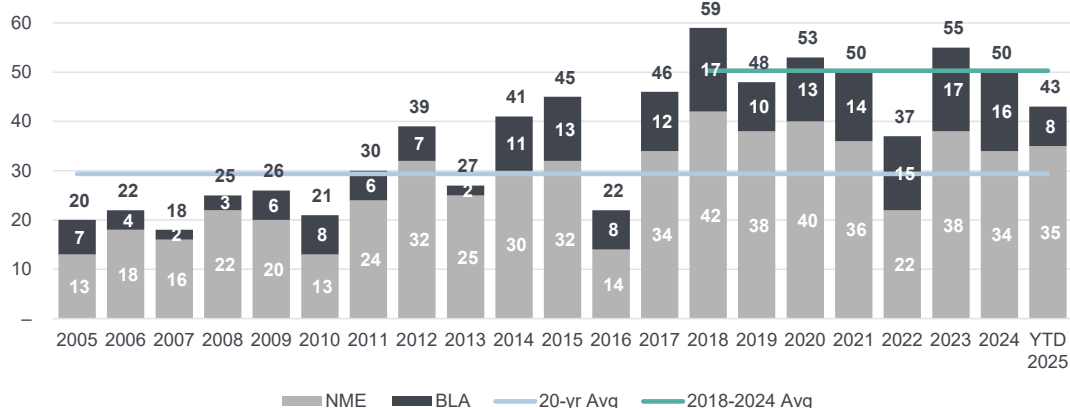
## Clinical Trial Starts



Source: FDA.gov; Cain Brothers estimates

Clinical trial starts, another key front-end indicator, surged beyond pre-pandemic levels in 2025, reflecting broadening innovation pipelines and increased sponsor confidence — and, importantly, spending of recently raised funds. Quarterly trial starts have rebounded steadily since bottoming in Q1 2024 and have reached a post 2021-high in Q3 2025 at 1,310, representing over 15% growth year over year and 5% sequentially, with continued concentration in oncology, CNS, and rare diseases. This YTD volume exceeds 3,682 trials, supported by trends like decentralization and continued AI integration for efficiency. As a proxy for CRO demand, trial starts signal the flow of projects requiring outsourced expertise in design, enrollment, and execution; their rebound underscores sector resilience, offering investors visibility into near-term revenue growth for flexible, tech-enabled providers.

## FDA Approvals



Source: FDA.gov; Cain Brothers estimates

continued...

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FDA approvals, indicative of commercialization services such as medical communications, pharma marketing, and market access, have held steady in 2025 at 43 novel drugs YTD through November, pacing in line with 2024 levels and averages going back to 2018. This continues the shift set in the mid-2010s, where we saw FDA approvals nearly double from ~30 annually to 50. The mix includes 35 new molecular entities (NMEs) and eight biologics license applications (BLAs), with a focus on oncology breakthroughs and orphan drugs via expedited pathways. The strength this year is notable given uncertainties surrounding RFK Jr.'s role as HHS Secretary, which has led to significant agency restructurings, staff reductions, and leadership changes at the FDA. Approvals remain vital as they validate upstream investments, driving demand for post-approval support in launch strategies and reimbursement; the relative stability amid broader health policy shifts suggests regulatory efficiency persists for assets that demonstrate safety and efficacy. This presents more clarity for pharma commercialization businesses as they make investments and plan for 2026; and, as for investors, there is confidence.

In summary, these indicators collectively forecast a more optimistic outlook for pharma services, with funding and trial rebounds offsetting earlier softness to propel front-end growth, while approvals resiliency through Washington uncertainty bolster commercialization services.

# M&A Activity

## Selected Recent Healthcare Transactions (\$MM)

Date	Target Name	Acquirer	EV	Enterprise Value /		Description
				LTM Rev.	LTM EBITDA	
11/28/2025	Tonic Health (R1)	Luma Health	NA	NA	NA	Provider in dynamic intake, e-consents, and patient-reported outcomes
11/26/2025	Family Care Visiting Nurses	Honor Health Network (Webster Equity Partners)	NA	NA	NA	Medicare and Medicaid certified home health agency
11/25/2025	US Fertility (Amulet Capital Partners)	L Catterton and Amulet Capital Partners	NA	NA	NA	Physician-owned and physician-led fertility practices and IVF laboratories
11/13/2025	Parkview Health Laboratory Outreach Assets	Labcorp	NA	NA	NA	Outreach laboratory services that provides high-quality testing across Indiana and northwest Ohio
11/12/2025	CareAcademy (Goldman Sachs, MM Catalyst Fund and others)	Activated Insights (Cressey & Company)	NA	NA	NA	Care enablement platform for caregiver education and compliance automation
11/11/2025	Tenacore	Prescott's Med (Morgan Stanley Investment Management)	NA	NA	NA	Depot-based medical device repair, parts, and technical support
11/7/2025	Infinity Hospice Care	LifeCare Home Health (Zenyth Partners)	NA	NA	NA	Hospice provider serving communities across Nevada and Arizona
11/7/2025	InfuCare Rx (One Equity Partners)	Undisclosed	NA	NA	NA	Provider of specialty infusion therapies at home as well as alternate sites of care
11/6/2025	Arkansas Blue Cross and Blue Shield	Cambia Health Solutions	NA	NA	NA	Health and dental insurance policies for individuals and families as well as insurance coverage through employers
11/4/2025	Always Best Care	NexPhase Capital	NA	NA	NA	Franchisor of in-home senior care services
10/31/2025	Tennova Healthcare JV (Community Health Systems)	Vanderbilt University	\$600	NA	NA	Tennessee based 270-bed hospital and ancillary businesses
10/29/2025	Clario (Astorg, Nordic Capital, Novo and Cinven)	Thermo Fisher Scientific	\$8,875	7.1x	NA	Provider of endpoint data solutions for clinical trials
10/28/2025	Gastro MD (Vesey Street Capital Partners)	United Digestive	NA	NA	NA	Gastroenterology physician practice management organization
10/28/2025	Valley Ambulatory Surgery Center	Duly Health and Care and Surgery Partners	NA	NA	NA	Illinois based multispecialty ambulatory surgery center
10/27/2025	CutisCare (Bison Capital)	RestorixHealth	NA	NA	NA	Multi-place hyperbaric medicine and hospital-based outpatient wound center management services
10/24/2025	Regional Hospital of Scranton, Moses Taylor Hospital, and Wilkes-Barre General Hospital (Community Health Systems)	Tenor Health Foundation*	NA	NA	NA	Pennsylvania based 86-bed Regional Hospital of Scranton and 122-bed Moses Taylor Hospital and 369-bed Wilkes-Barre General Hospital
10/23/2025	Samaritan Health Services	MultiCare Health*	NA	NA	NA	Not-for-profit five hospital system based in Oregon
10/22/2025	HealthEZ (Abry Partners)	Horizon BCBS of New Jersey	\$360	NA	21.0x	Third-party benefits administrator
10/22/2025	Integracare	Frontline Healthcare Partners	NA	NA	NA	Canadian based private-pay home care company

# Private Placement Activity

## Selected Recent Healthcare Transactions (\$MM)

Date	Company	Investor(s)	Type	Amount	Description
11/13/2025	Clairity	ACE Global Equity and Santé Ventures (co-leads)	Series B	\$43	AI Platform for Breast Cancer Risk Prediction
11/12/2025	House Rx	New Enterprise Associates and Town Hall Ventures (co-leads), LRVHealth, First Round Capital, Bessemer Venture Partners, and Silicon Valley Bank	Series B	\$55	Technology-enabled pharmacy services company
11/6/2025	myLaurel	SteelSky Ventures (lead), Deerfield Management and Google Ventures	Undisclosed	Undisclosed	High-acuity, in-home care for complex and medically fragile patients through a hospital-aligned, tech-enabled model.
11/4/2025	Tala Health	Sofreh Capital (lead)	Undisclosed	\$100	AI company built to empower clinicians with AI agents across the full patient journey
11/3/2025	Hippocratic AI	Avenir Growth (lead), CapitalG, General Catalyst, Andreessen Horowitz, Kleiner Perkins, Premji Invest, Universal Health Services, Cincinnati Children's Hospital Medical Center and WellSpan Health	Series C	\$126	Safety-focused generative AI healthcare agents
10/21/2025	Hyro	Healthier Capital (lead), Norwest and Define Ventures, Bon Secours Mercy Health, ServiceNow Ventures	Growth	\$45	Responsible AI Agent Platform for healthcare
10/16/2025	Brook.ai	UMass Memorial Health and Morningside (co-leads)	Series B	\$28	Remote patient care company focused on AI-enabled patient support and care coordination
10/14/2025	MD Integrations	Udata Partners and Denali Growth Partners	Undisclosed	\$77	End-to-end telehealth platform enabling digital health brands
10/14/2025	OnelMaging	Vy Capital (lead), Aquiline, Sempervirens Venture Capital, XRC Ventures, Dylan Field, Balaji Srinivasan, Jon Oringer and others	Undisclosed	\$38	Tech-enabled radiology platform
10/9/2025	DUOS	FTV Capital (lead) and Forerunner Ventures	Strategic	\$130	AI-enabled digital health platform focused on the senior population
10/9/2025	Sensi.AI	Qumra Capital (lead), Zeev Ventures, Insight Partners, Entrée Capital, Flint Capital, and Jibe Ventures	Series C	\$45	Care intelligence platform that uses audio technology to help older adults age safely at home
10/6/2025	Heidi Health	Point 72 (lead), Blackbird, Headline, and Latitude	Series B	\$65	AI-enabled medical scribe platform for clinical documentation
10/3/2025	Midi Health	Advance Venture Partners (lead)	Series C	\$50	Virtual menopause and perimenopause care company
9/30/2025	Assort Health	Lightspeed Venture Partners (lead), Felicis, First Round Capital, Chemistry, A*, Liquid2, and Quiet Capital	Series B	\$76	AI-enabled patient communications platform focused on specialty healthcare practices
9/29/2025	Inspiren	Insight Partners (lead), Avenir, Primary Venture Partners, Scale Venture Partners, Story Ventures, Third Prime, and Studio VC	Series D	\$100	AI-enabled solutions company for senior living
9/25/2025	Sunrise Group	Eurazeo (lead), Amazon's Alexa Fund, WE International, Kurma Partners, Vives Fund, Majycc, Namur Invest, Seventure Partners, Investsud, Sambrinvest, Noshag, IMBC and Invest.BW	Undisclosed	\$29	Digital home based sleep clinic
9/25/2025	Thyme Care	CVS Health® Ventures, Foresite Capital, a16z Bio + Health, Concord Health Partners, Town Hall Ventures, AlleyCorp, and Frist Cressey Ventures	Series D	\$97	Value-based cancer care enabler
9/24/2025	AmplifyMD	Forerunner Ventures (lead), F-Prime, Greylock, Tau Ventures, and strategic partner Memorial Hermann Health System	Series B	\$20	Integrated virtual care solution
9/23/2025	Judi Health (fka Capital Rx)	Wellington Management and General Catalyst (co-leads), Generation Investment Management, Growth Equity at Goldman Sachs Alternatives, 9Yards Capital, B Capital, Edison Partners, Prime Health Investments, and Transformation Capital	Series F + Additional	\$400	Enterprise health technology company and benefit administrator
9/12/2025	Unmind	Trinity Capital	Growth	\$20	Workplace mental health platform powered by AI

# Equity Capital Markets

## Market Overview

- New issue market remained relatively active in the week prior to Thanksgiving holiday despite elevated levels of volatility:
  - 1 IPO; 10 follow-ons, 4 converts
  - No deals priced during the week of Thanksgiving.
- Biotech issuers continue to raise capital at historic levels while traditional Healthcare names appear to be ready to take advantage of a potential IPO window in December:
  - WCAS-backed Lumexa Imaging filed for an IPO on the NASDAQ → The IPO could launch as soon as early December
  - Blackstone-backed Medline is in line to launch as soon as early December as well

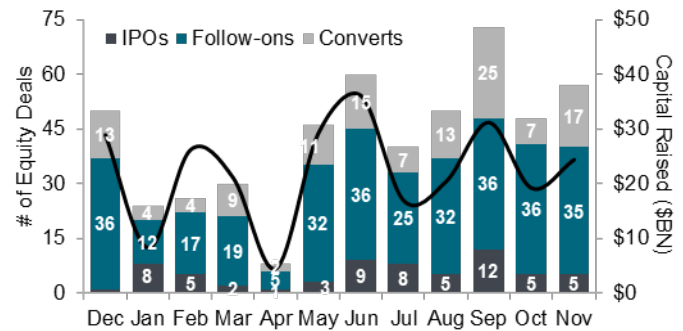
## ECM Activity (Last 4 Weeks & YoY)

	2025 - Last 4 Weeks			2024 - Last 4 Weeks		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	2,818	6	9%	0	0	0%
CONV	17,851	20	55%	14,576	11	30%
FO	11,880	43	36%	33,485	42	70%
Total	32,549	69	100%	48,061	53	100%

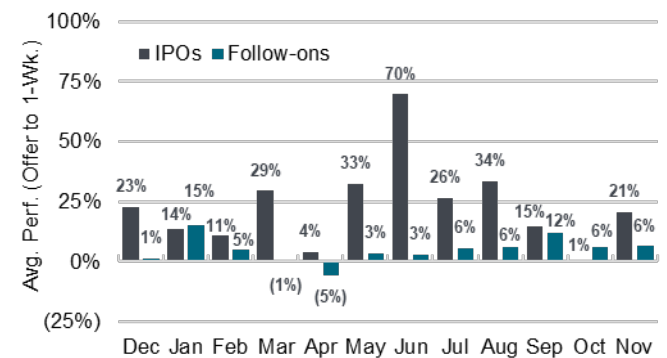
  

	2025 YTD			2024 YTD		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	32,025	63	13%	26,170	55	12%
CONV	90,471	114	38%	65,435	85	30%
FO	116,049	285	49%	128,781	327	58%
Total	238,545	462	100%	220,386	467	100%

## 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
11/5/2025	BillionToOne	Diagnostics	BLLN	\$314.0	\$2,724.2	11.5%	100.0%	\$60.00	\$49.00 - \$55.00	81.6%	69.7%
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%

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

Issuer Information					Deal Sizing				Pricing	Performance	
Pricing Date	Company	Sector	Deal Type	Ticker	Deal Value (\$MM)	Market Cap (\$MM)	Deal as % of Mkt. Cap	% Primary	Discount to File	1-Day	1-Week
11/6/2025	Sotera Health	Medical Products	Bought	SHC	\$471.0	\$4,548.3	10.4%	0.0%	(1.9%)	(0.1%)	2.0%
11/4/2025	Guardant Health	Diagnostics	Marketed	GH	\$345.0	\$12,745.9	2.7%	100.0%	(8.3%)	5.6%	8.6%
10/21/2025	Aveanna Healthcare	Services	Marketed	AVAH	\$103.5	\$2,137.2	4.8%	0.0%	(12.0%)	5.3%	9.0%
10/20/2025	Brightspring Health Services	Services	Bought	BTSG	\$435.0	\$5,516.5	7.9%	0.0%	(4.8%)	11.2%	16.7%
9/11/2025	Waystar	Healthcare Technology	Bought	WAY	\$709.2	\$7,056.7	10.1%	0.0%	(2.7%)	(2.7%)	(2.1%)

## 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
11/4/2025	Guardant Health	Diagnostics	GH	\$402.5	\$12,745.9	3.2%	0.00%	35.00%
9/16/2025	Oscar Health	Health Insurance	OSCR	\$410.0	\$4,842.8	8.5%	2.25%	32.50%
8/19/2025	Evolent Health	Services	EVH	\$145.0	\$1,059.9	13.7%	4.50%	50.00%
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%

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

Note: Transactions include IPOs, follow-ons (including bought deals) and convertible offerings of \$25MM or more priced on a U.S.-based exchange; Price performance includes both marketed and bought deal follow-ons; \* denotes Cain Brothers / KBCM transaction; excludes SPACs and fixed price IPOs

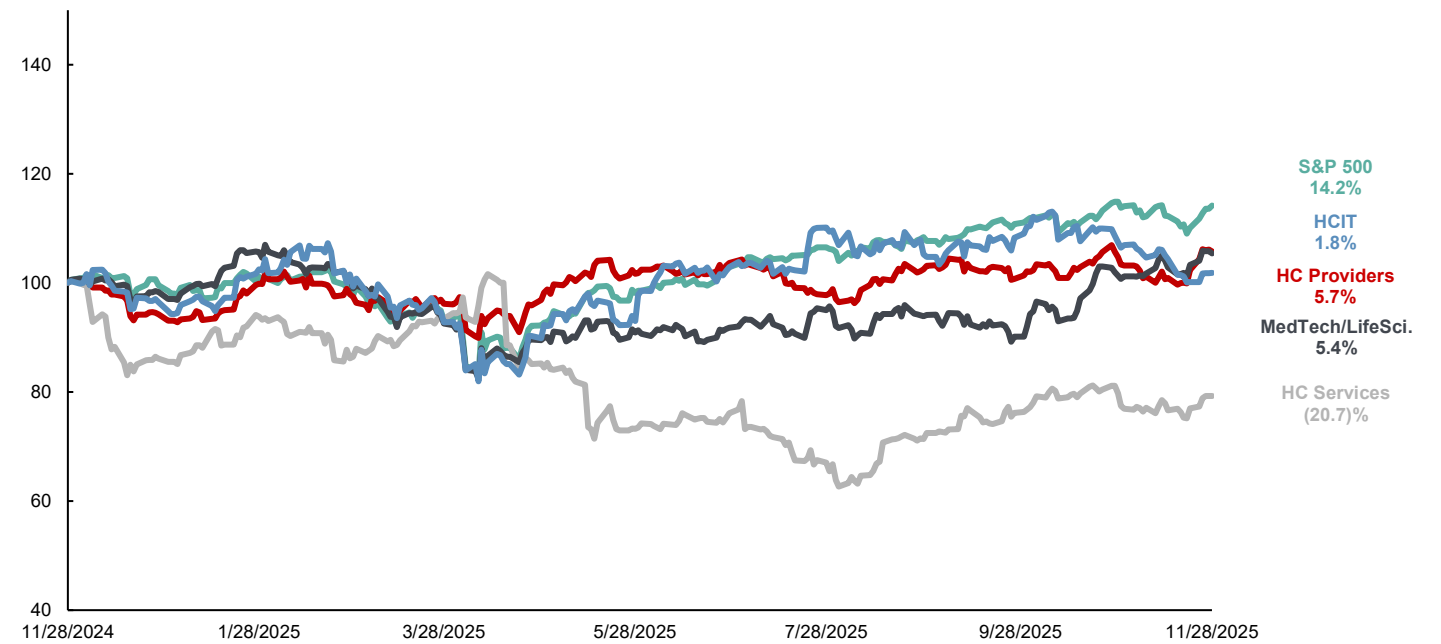


# Public Equity Indices

Equity Indices (as of November 28, 2025)

Index	Wk Open	Wk Close	Returns		Cain Brothers Indicies	Returns	
			52 Week	Weekly		52 Week	Weekly
DJIA	46,245	47,716	6.7%	3.2%	Acute Care	37.2%	4.8%
S&P 500	6,603	6,849	14.2%	3.7%	Alternate Site Services	(14.6%)	3.7%
NASDAQ	22,273	23,366	22.6%	4.9%	Diagnostics	8.0%	2.4%
Russell 2000	2,370	2,500	3.1%	5.5%	Distribution	42.1%	1.4%
NYSE Healthcare	26,526	27,098	3.8%	2.2%	Healthcare IT	1.8%	1.7%
					Healthcare REITs	49.3%	3.5%
					Managed Care	(38.6%)	3.6%
					Medical Technology	5.1%	1.8%
					Outsourced Services	(20.5%)	2.9%
					Pharma Services	8.0%	3.8%
					Pharmacy	34.5%	3.1%
					Primary Care	(55.4%)	3.0%
					Post-Acute Care Services	12.7%	2.6%
					Post-Acute Care Facilities	13.8%	2.1%

Cain Brothers Healthcare Indices (1YR Performance)





# High Grade, High Yield & Leveraged Loan Market

## Market Summary

### High Grade

- IG markets saw front-loaded activity last week as two issuers priced \$3.0 BN across 5 tranches.

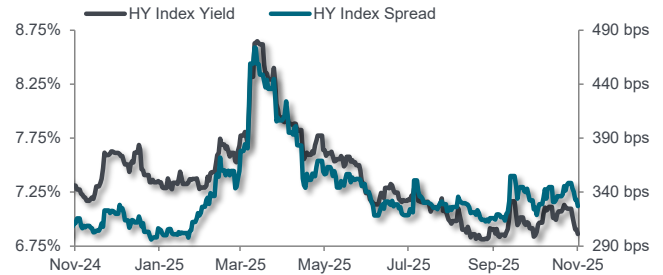
### High Yield

- Only one issuer tapped the market before the Thanksgiving holiday last week, while secondaries benefited from a market-wide rally.

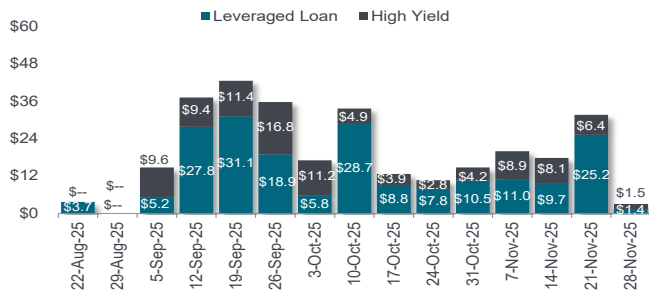
### Term Loan B Market

- CLO issuance has remained strong throughout 2025, and spreads have continued to tighten since September from steady levels seen during the summer.

## HY Index Yield & Spread (YTD)



## Weekly New Issue Volume (\$BN)



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

Double-B Issuers	2Q25	3Q25	30-Day Rolling Average
			11/28/25
Ba1	S+265 / 7.1%	S+211 / 6.4%	S+188 / 5.9%
Ba2	S+230 / 6.6%	S+200 / 6.3%	S+270 / 6.9%
Ba3	S+268 / 7.2%	S+241 / 6.7%	S+204 / 6.0%
Single-B Issuers	2Q25	3Q25	30-Day Rolling Average
			11/28/25
B1	S+317 / 7.7%	S+280 / 7.1%	S+269 / 6.7%
B2	S+340 / 7.8%	S+311 / 7.5%	S+295 / 7.0%
B3	S+378 / 8.4%	S+352 / 7.9%	S+358 / 7.7%

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	IPT-Pricing
11/24/2025	Roche Holdings Inc	Sr Notes	\$500	Aa2/AA/AA-	4.075%	12/2/2030	+47	28 bps
11/24/2025	Roche Holdings Inc	Sr Notes	\$600	Aa2/AA/AA-	4.374%	12/2/2032	+58	25 bps
11/24/2025	Roche Holdings Inc	Sr Notes	\$800	Aa2/AA/AA-	4.666%	12/2/2035	+63	27 bps
11/19/2025	VSP Optical Group Inc*	Sr Notes	\$500	Baa2/NR/A	5.450%	12/1/2035	+135	35 bps
11/19/2025	Baxter International inc	Sr Notes	\$300	Baa3/BBB-/NR	4.450%	2/15/2029	+90	40 bps

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	Price Talk
11/18/2025	Genmab Finance	Sr. Sec. Notes	\$1,500	Ba2/BB+/BB+	6.250%	12/15/2032	237 bps	6.375% area
11/18/2025	Genmab Finance	Sr. Notes	\$1,000	B1/BB-/BB	7.250%	12/15/2033	329 bps	7.375% area
11/17/2025	Molina Healthcare	Sr. Notes	\$850	Ba2/BB/NR	6.500%	2/15/2031	274 bps	6.50% area

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

Date	Issuer	Ownership	Corp. Ratings	Use of Proceeds	Size	Pricing	Yield
11/20/2025	Sebia	Warburg Pincus	B2 / B	LBO	\$500	SOFR+250, 0% @ 99.75	6.514%
11/20/2025	National Seating & Mobility	Cinven	B3 / B-	Repricing	\$599	SOFR+425, 0% @ 100	8.201%
11/18/2025	Genmab	Public	Ba2 / BB+	Acquisition	\$2,000	SOFR+300, 0% @ 99.5	7.085%

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

Date	Issuer	Ownership	Ratings	Use of Proceeds	Size	Pricing (in bps)	Financial Covenants
11/20/2025	Molina Healthcare	Public	Ba2 / BB	Refinancing	\$1,250mm 5-year Revolver	Leverage-based Grid SOFR+100-200 Opens at SOFR+175	Max. Debt to Cap Ratio: 60% Min. Interest Coverage Ratio: 3.00x
11/12/2025	IDEXX Laboratories	Public	NR / NR	GCP	\$250mm 3-year Term Loan A	Leverage-based Grid SOFR+87.5-137.5 Opens at SOFR+87.5	Max. Leverage Ratio: 3.50x

Sources: Capital IQ, Mergermarket, and press releases

\* Denotes Cain Brothers/KeyBanc Capital Markets participation

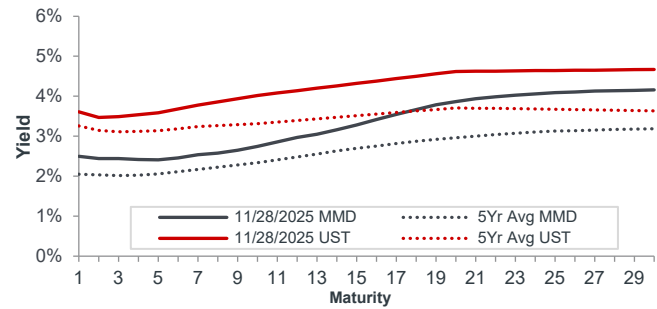
Transaction occurred over the past week

# Public Finance Market

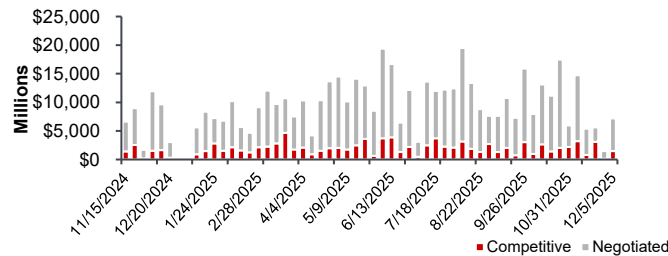
## Market Overview

- The yield on the benchmark 10-year U.S. Treasury Note decreased 4 bps week-over-week, closing at 4.02% on Friday. 10-year MMD remained flat week over week
- Healthcare Public Issuance in 2024 increased 143% vs 2023. YTD 2025 Issuance through November 28<sup>th</sup> was 33% higher than YTD 2024 through the end of November
- Muni bond funds gained \$680 MM and high yield funds gained \$97 MM for the week ended November 28<sup>th</sup>

## MMD & UST Yield Curve



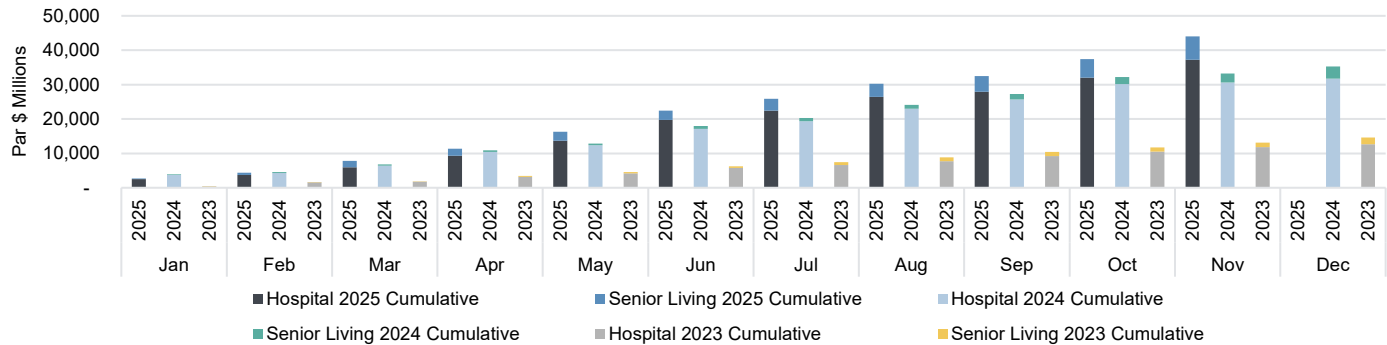
## Weekly New Issue Volume (\$M)



## Benchmark Yields

Treasury Yields			MMD Yields			Ratio
Yr	Yield	Δ (W/W)	Yr	Yield	Δ (W/W)	MMD/UST
2	3.47%	(4 bps)	2	2.44%	(2 bps)	70%
10	4.02%	(4 bps)	10	2.75%	-	68%
30	4.67%	(4 bps)	30	4.16%	-	89%

## Healthcare Public Issuance Overview



## Recent Healthcare Public Issuance

Healthcare Public Issuance <sup>(1)</sup>										
Borrower/Enhancement	Par (000s)	State	Issuer	Tax Status	LT Ratings (M/S/F)	Final Mat.	Call, Put or Reprice*	Final Mat. Cpn.	YTW	YTM
Recent Pricings, Week of 11/24										
Ascension Senior Credit Group	175,000	IN	IFA	TE	Aa3 / AA / AA	2054	2025(C)	Adj	N/A	N/A
Ascension Senior Credit Group	175,000	IN	IFA	TE	Aa3 / AA / AA	2054	2025(C)	Adj	N/A	N/A
Ascension Senior Credit Group	175,000	IN	IFA	TE	Aa3 / AA / AA	2054	2025(C)	Adj	N/A	N/A
Ascension Senior Credit Group	175,000	TX	TTCEFFC	TE	Aa3 / AA / AA	2065	2025(C)	Adj	N/A	N/A
Meadowlark Hills	41,050	KS	MKHCF	TE	NR / NR / BB+	2060	2035(C)	5.50%	5.52%	N/A
Meadowlark Hills	7,500	KS	MKHCF	TE	NR / NR / BB+	2031	2027(C)	3.75%	3.75%	N/A
Meadowlark Hills	5,250	KS	MKHCF	TE	NR / NR / BB+	2032	2027(C)	4.20%	4.20%	N/A
Bishop Gads. Ep. Ret. Comm.	47,900	SC	SCJEDA	TE	NR / NR / BBB-	2056	2036(C)	5.38%	5.41%	N/A
Lutheran Homes Society, Inc.	34,400	OH	LCOHCF	TE	NR / NR / NR	2049	2028(C)	6.75%	6.75%	N/A
Exp. Pricings, Week of 12/1										
The John Hopkins Health System	335,115	MD	MHHEFA	TE	Aa2 / AA- / AA-	-	-	-	-	-
Ascension Senior Credit Group	175,000	IN	IFA	TE	Aa3 / AA / AA	-	-	-	-	-
Ascension Senior Credit Group	175,000	TX	TCCEFFC	TE	Aa3 / AA / AA	-	-	-	-	-
Greater Phil. Health Action	58,270	PA	PAIDP	TE	NR / NR / BBB-	-	-	-	-	-
Life Care ET Project	31,525	FL	FLGFC	TE	NR / NR / NR	-	-	-	-	-
Silver Birch of Mason Project	28,295	OH	OHFA	TE	NR / NR / NR	-	-	-	-	-
Constructive Partnerships Unlim.	23,125	NY	DASNY	TE	Aa2 / 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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### **CMS Finalizes 2026 Home Health Medicare Payment Rule With 1.3% Aggregate Reduction<sup>1</sup>**

***Home Health Care News | November 28, 2025***

The U.S. Centers for Medicare & Medicaid Services (CMS) released its delayed and much-anticipated CY 2026 home health final payment rule on Friday, Nov. 28. CMS estimates that the final rule will decrease aggregate Medicare payments to home health agencies by 1.3%, or \$220 million, compared to calendar year 2025. This is well below the 6.4% aggregate reduction CMS proposed in June. The changes in the final rule mean that home health providers will see about approximately \$915 million more in payments next year, the National Alliance for Care at Home noted. While the Alliance commended CMS for making these changes, the organization emphasized that the final rule still represents a payment cut that will hurt providers and patients.

### **What New and Growing Autism Therapy Organizations Need To Know As they Scale<sup>2</sup>**

***Behavioral Health Business | November 25, 2025***

Small or new autism therapy organizations have to compete on the same playing field as the largest and most developed companies in the sector. That means companies have to make some of the inherent features of a small or new organization a strength. At Behavioral Health Business' INVEST 2025 conference, autism therapy leaders stressed that early leaders must lean into developing a compelling company culture. Specifically, they highlighted that founders and owners must play a major role in shaping the organization's culture as often as possible and must consider the growth of their most valued employees in tandem with the organization's growth.

### **Why ASCs Are Booming In The South<sup>3</sup>**

***Becker's ASC Review | November 26, 2025***

SC growth is heating up nationwide, but states in the South are expanding their ASC markets at an even more rapid pace. Florida, for example, has become a proving ground for ASC growth, with multiple new centers opening last year through partnerships between health systems and physician groups in Panama City, Brandon, Daytona Beach, St. Johns and Jacksonville Beach. Academic health centers in the region have also begun investing more heavily in ASCs. In 2024, Becker's reported on 12 academic centers building out their ASC networks — seven of which were in the South.

1. <https://homehealthcarenews.com/2025/11/cms-finalizes-2026-home-health-medicare-payment-rule-with-1-3-aggregate-reduction/>

2. <https://bhbusiness.com/2025/11/25/what-new-and-growing-autism-therapy-organizations-need-to-know-as-they-scale/>

3. <https://www.beckersasc.com/new-asc-development/why-ascs-are-booming-in-the-south/>

## Relevant News

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### Medicare Reveals 44% Lower Prices For 15 Drugs In 2nd Round Of Negotiations<sup>1</sup>

**Forbes | December 1, 2025**

Without much fanfare and just before Thanksgiving weekend commenced, the Trump administration released the prices Medicare will pay for 15 top-selling prescription drugs. Negotiations led by the Centers for Medicare and Medicaid Services resulted in 44% lower net prices than health plans participating in Medicare's outpatient pharmacy benefit program (Part D) were paying in 2024. Additionally, this figure is twice as large as the 22% achieved during the first round of negotiations. The 15 selected drugs accounted for \$42.5 billion in total Part D gross prescription drug spending last year. Medicare beneficiaries spent \$1.7 billion out of pocket on these medications. The negotiated price reductions are projected to save beneficiaries an estimated \$685 million in out-of-pocket costs.

### CMS Proposes Overhauling Medicare Advantage Star Ratings<sup>2</sup>

**Healthcare Dive | November 26, 2025**

The CMS publishes star ratings for MA and Part D prescription drug plans each year in a bid to help beneficiaries judge the quality of health plans before they enroll. The ranking system currently rates plans on up to 43 quality measures across categories like health outcomes, patient experience and access. The ratings are also a significant financial concern for insurers, as stars are tied to lucrative bonuses and competitive advantages in the privatized Medicare program. Payers particularly want to reach a 4-star rating out of 5, so they can receive higher bonus payments.

### The Future Of Claims: Predictive, Preventive And Proactive<sup>3</sup>

**Fierce Healthcare | December 1, 2025**

Projections from the Centers for Medicare & Medicaid Services (CMS) point to a 7.1% increase in healthcare expenditures for 2025 and an average 5.8% annual increase until 2033. That outpaces the anticipated rate of inflation and growth in gross domestic product. In this environment, payers face clear cost containment pressure. Achieving progress is easier said than done, though. Surveys show 96% of payers use multiple software tools to manage payment integrity, a scenario that leads to fragmented workflows and increased administrative burdens. Meanwhile, only 23% of payers use artificial intelligence (AI) to automate processes or assess claims accuracy – steps that would significantly improve efficiency.

1. <https://www.forbes.com/sites/joshuacohen/2025/12/01/medicare-reveals-44-lower-prices-for-15-drugs-in-2nd-round-of-negotiations/>

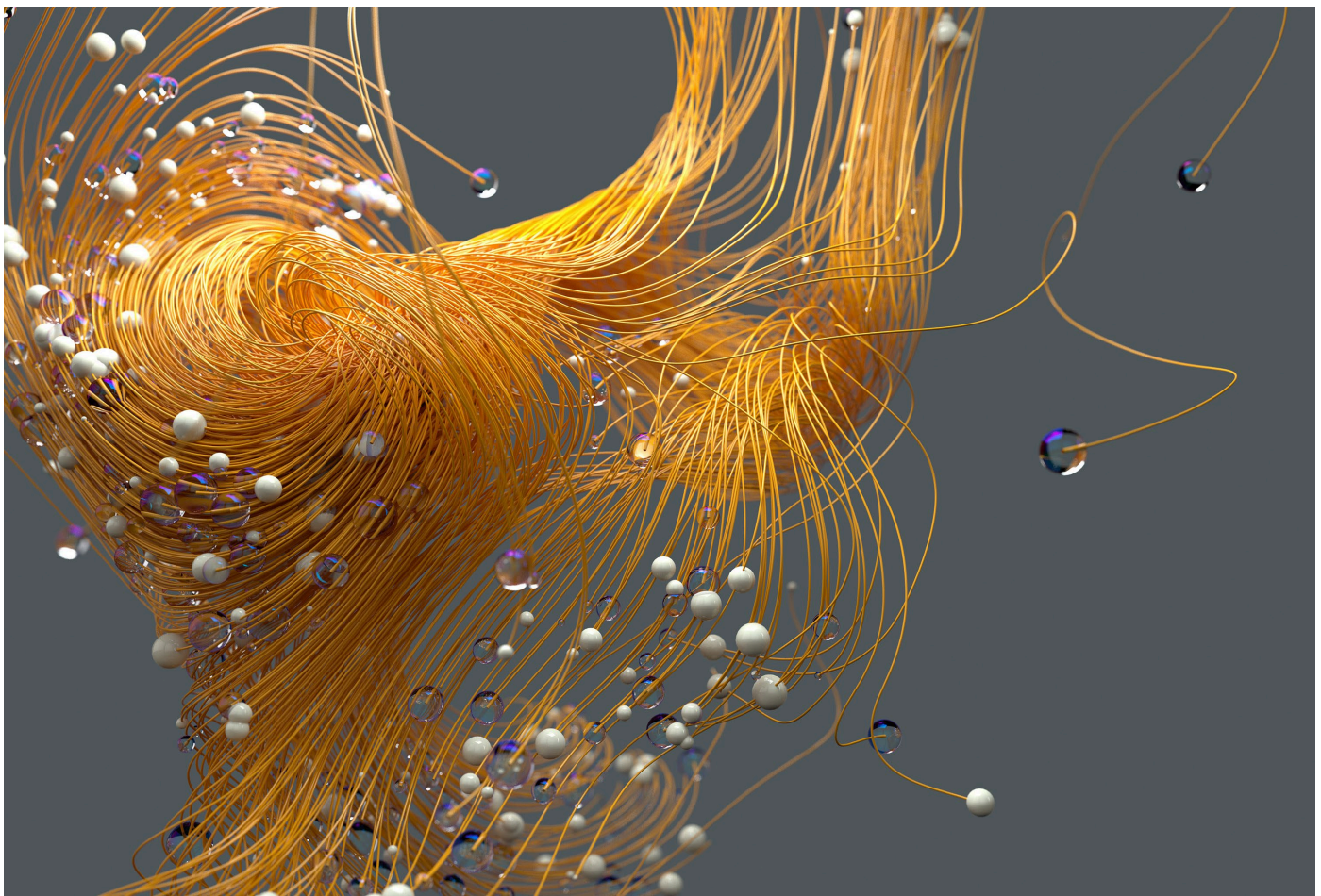
2. <https://www.healthcaredive.com/news/medicare-advantage-star-ratings-overhaul-proposed-rule/806561/>

3. <https://www.fiercehealthcare.com/sponsored/future-claims-predictive-preventive-and-proactive>

December 18, 2025

# Cain Brothers Industry Insights

## Healthcare Market Report



Banker Commentary:

**No One-Size-Fits-All Skilled Nursing Solution for Health Systems**



## 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



## No One-Size-Fits-All Skilled Nursing Solution for Health Systems

*Banker Commentary by Dominic Porretta*

There is no one-size-fits-all skilled nursing solution for health systems – it is system and market specific. However, with the “silver wave” cresting, the role of skilled nursing in the healthcare ecosystem will only increase, making the case for more meaningful and larger scale strategies between skilled nursing providers and health systems.

### The Trend of Divestitures

Since the onset of the COVID pandemic, there has been a growing trend of health systems divesting legacy skilled nursing and senior living facilities as they focus on core acute care operations and take advantage of increasing valuations paid by private owner-operators. Case in point: Cain Brothers recently advised on three M&A transactions where health systems of varying sizes elected to divest their only owned and operated skilled nursing and/or senior housing communities.

- Bristol Health sold Ingraham Manor, its standalone 128-bed skilled nursing facility in Bristol, Connecticut.
- Prime Healthcare sold four skilled nursing and senior housing facilities in the greater Chicagoland area that it had acquired in a larger transaction with Ascension earlier in the year.
- CHRISTUS Health sold St. Joseph Village, a 192-unit senior housing community in Coppell, Texas, to Forefront Living.

Additionally, Providence St. Joseph Health, UPMC, Ballad Health, AdventHealth, and Piedmont Healthcare are other notable health systems that have publicly announced divestitures of similar skilled facilities in recent years.

### A Case Study in Skilled Nursing-Health System Partnership

The traditionally implemented collaborative relationships between skilled nursing providers and health systems (besides preferred provider networks) have typically been bed lease or bed reservation agreements, and not comprehensive joint venture arrangements often utilized for home health and hospice service lines. However, the situation in the Rochester, New York market required a more unique approach, and last year, Cain Brothers advised on a strategic partnership between St. John's Home (SJH) and University of Rochester Medical Center (URMC).

By the summer of 2024, the Finger Lakes region had lost an estimated 1,000 staffed skilled nursing beds since 2020 and had fewer hospital beds per capita than any other part of New York State. URMC reportedly had between 100-110 patients waiting for nursing home placements between its two flagship hospitals in Rochester, and as a result, patients who had received care in its emergency department were often waiting in hallways and other crowded areas. At the same time, SJH, a 455-bed nonprofit skilled nursing facility located near both hospitals, was only operating 300 of its beds due to ongoing staffing and reimbursement challenges.

## continued...

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Ultimately, SJH issued a membership interest to UPMC. In return, UPMC provided additional financial and clinical resources to SJH, while collaborating to reopen offline beds, establish workforce development programs, and initiate specialty clinical programs, such as a chronic dialysis unit and pediatric skilled care, which were underserved in the local community. The partnership was categorized as a win-win for each organization.

This case study illustrates there are markets where avoidable hospital days are mounting, hospital average lengths of stay are increasing, and patients ready for discharge but with “difficult to place” characteristics are causing backlogs that ripple through the hospital’s continuum. While all health system executives understandably have competing priorities for both financial and management resources, the economic case in these markets makes a compelling thesis to consider more creative skilled nursing solutions that are not necessarily the status quo.



# M&A Activity

## Selected Recent Healthcare Transactions (\$MM)

Date	Target Name	Acquirer	EV	Enterprise Value /		Description
				LTM Rev.	LTM EBITDA	
12/11/2025	Blue Cross and Blue Shield of Kansas City*	Highmark	NA	NA	NA	Largest not-for-profit health insurer in Missouri and the only not-for-profit commercial health insurer in Kansas City serving more than 1 million members
12/10/2025	SenderraRx	Nautic Partners	NA	NA	NA	Specialty pharmacy dedicated to delivering personalized, high-touch care for patients with complex and chronic conditions
12/9/2025	Teleflex's OEM Business	Montagu Private Equity and Kohlberg & Company	\$1,500	0.7x	NA	Designs, manufactures, and delivers medical devices for spinal and orthopedic surgeries
12/9/2025	Teleflex's Acute Care and Interventional Urology Business	Intersurgical	\$530	NA	NA	Health improvement solutions and offer urological products, including anesthesia, respiratory, and intra-aortic balloon pumps
12/8/2025	Stellus Rx	WindRose Health Investors	NA	NA	NA	Technology-enabled, value-based pharmacy care management platform
12/4/2025	Syntax Health	Lightbeam Health Solutions (Primus)	NA	NA	NA	Enterprise SaaS VBC-focused contract modeling platform
12/3/2025	Axiom Medical (Serent Capital)	NMS Capital	NA	NA	NA	Tech-enabled workplace incident case management solutions
12/2/2025	The Phia Group	InTandem Capital Partners	NA	NA	NA	Healthcare cost containment company
11/28/2025	Tonic Health (R1)	Luma Health	NA	NA	NA	Provider in dynamic intake, e-consents, and patient-reported outcomes
11/26/2025	Family Care Visiting Nurses	Honor Health Network (Webster Equity Partners)	NA	NA	NA	Medicare and Medicaid certified home health agency
11/25/2025	US Fertility (Amulet Capital Partners)	L Catterton and Amulet Capital Partners	NA	NA	NA	Physician-owned and physician-led fertility practices and IVF laboratories
11/13/2025	Parkview Health Laboratory Outreach Assets	Labcorp	NA	NA	NA	Outreach laboratory services that provides high-quality testing across Indiana and northwest Ohio
11/12/2025	CareAcademy (Goldman Sachs, MM Catalyst Fund and others)	Activated Insights (Cressey & Company)	NA	NA	NA	Care enablement platform for caregiver education and compliance automation
11/11/2025	Tenacore	Prescott's Med (Morgan Stanley Investment Management)	NA	NA	NA	Depot-based medical device repair, parts, and technical support
11/7/2025	Infinity Hospice Care	LifeCare Home Health (Zenyth Partners)	NA	NA	NA	Hospice provider serving communities across Nevada and Arizona
11/7/2025	InfuCare Rx (One Equity Partners)	Undisclosed	NA	NA	NA	Provider of specialty infusion therapies at home as well as alternate sites of care
11/6/2025	Arkansas Blue Cross and Blue Shield	Cambia Health Solutions	NA	NA	NA	Health and dental insurance policies for individuals and families as well as insurance coverage through employers
11/4/2025	Always Best Care	NexPhase Capital	NA	NA	NA	Franchisor of in-home senior care services
10/31/2025	Tennova Healthcare JV (Community Health Systems)	Vanderbilt University	\$600	NA	NA	Tennessee based 270-bed hospital and ancillary businesses

# Private Placement Activity

## Selected Recent Healthcare Transactions (\$MM)

Date	Company	Investor(s)	Type	Amount	Description
12/11/2025	SafeinHome	SEMCAP Health	Series D	\$25	Remote supports for individuals with intellectual and developmental disabilities
12/11/2025	Ritten	Five Elms Capital (lead), Threshold Ventures, 8VC, Bienville Capital, and others	Series B	\$35	AI-powered behavioral health platform
12/4/2025	Paradigm Health	ARCH Venture Partners (lead), DFJ Growth and existing investors F-Prime, General Catalyst, GV, Lux Capital, Mubadala Capital, BrightEdge Fund	Series B	\$78	Technology platform to broaden access to clinical trials
12/3/2025	Angle Health	Portage (lead), Blumberg Capital, Mighty Capital, PruVen Capital, SixThirty Ventures, TSVC, Wing VC, and Y Combinator	Series B	\$134	Vertically-integrated health benefits platform
12/3/2025	Artera.io	Lead Edge Capital (lead), Jackson Square Ventures, Health Velocity Capital, Heritage Medical, Summation Health	Growth	\$65	AI-powered patient communications platform
12/2/2025	Curative	Upside Vision Fund (lead), JAM Fund, Galaxy Digital and family offices	Series B	\$150	Tech-enabled health plan start up
11/13/2025	Clairity	ACE Global Equity and Santé Ventures (co-leads)	Series B	\$43	AI Platform for Breast Cancer Risk Prediction
11/12/2025	House Rx	New Enterprise Associates and Town Hall Ventures (co-leads), LRVHealth, First Round Capital, Bessemer Venture Partners, and Silicon Valley Bank	Series B	\$55	Technology-enabled pharmacy services company
11/6/2025	myLaurel	SteelSky Ventures (lead), Deerfield Management and Google Ventures	Undisclosed	Undisclosed	High-acuity, in-home care for complex and medically fragile patients through a hospital-aligned, tech-enabled model.
11/4/2025	Tala Health	Sofreh Capital (lead)	Undisclosed	\$100	AI company built to empower clinicians with AI agents across the full patient journey
11/3/2025	Hippocratic AI	Avenir Growth (lead), CapitalG, General Catalyst, Andreessen Horowitz, Kleiner Perkins, Premji Invest, Universal Health Services, Cincinnati Children's Hospital Medical Center and WellSpan Health	Series C	\$126	Safety-focused generative AI healthcare agents
10/21/2025	Hyro	Healthier Capital (lead), Norwest and Define Ventures, Bon Secours Mercy Health, ServiceNow Ventures	Growth	\$45	Responsible AI Agent Platform for healthcare
10/16/2025	Brook.ai	UMass Memorial Health and Morningside (co-leads)	Series B	\$28	Remote patient care company focused on AI-enabled patient support and care coordination
10/14/2025	MD Integrations	Udata Partners and Denali Growth Partners	Undisclosed	\$77	End-to-end telehealth platform enabling digital health brands
10/14/2025	OnelMaging	Vy Capital (lead), Aquiline, Sempervirens Venture Capital, XRC Ventures, Dylan Field, Balaji Srinivasan, Jon Oringer and others	Undisclosed	\$38	Tech-enabled radiology platform
10/9/2025	DUOS	FTV Capital (lead) and Forerunner Ventures	Strategic	\$130	AI-enabled digital health platform focused on the senior population
10/9/2025	Sensi.AI	Qumra Capital (lead), Zeev Ventures, Insight Partners, Entrée Capital, Flint Capital, and Jibe Ventures	Series C	\$45	Care intelligence platform that uses audio technology to help older adults age safely at home
10/6/2025	Heidi Health	Point 72 (lead), Blackbird, Headline, and Latitude	Series B	\$65	AI-enabled medical scribe platform for clinical documentation
10/3/2025	Midi Health	Advance Venture Partners (lead)	Series C	\$50	Virtual menopause and perimenopause care company
9/30/2025	Assort Health	Lightspeed Venture Partners (lead), Felicis, First Round Capital, Chemistry, A*, Liquid2, and Quiet Capital	Series B	\$76	AI-enabled patient communications platform focused on specialty healthcare practices

# Equity Capital Markets

## Market Overview

- Companies continued to take advantage of the open window to price deals as the FOMC meeting and commentary following did not slow down issuance
  - Last week: 3 IPO; 18 follow-ons; 3 converts
- WCAS-backed Lumexa Imaging priced a full-sized IPO at the midpoint of the initial range to raise \$463 MM ; the deal was multiple times oversubscribed with orders from high-quality, long-only and HC-focused accounts
- In what has already been a record year for biotech issuance, biotechs continued to raise capital at a rampant pace last week as, as 11 issuers tapped the market to raise \$4.3 BM, making it the biggest week for biotech issuance this year

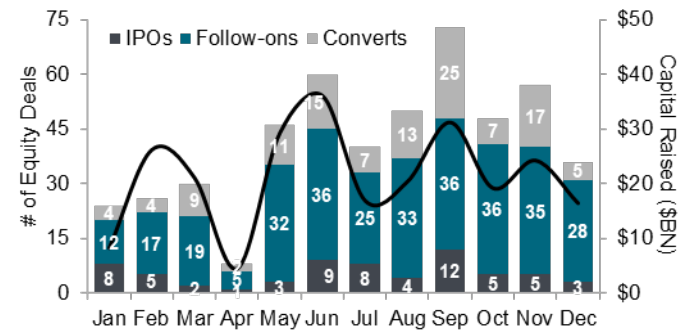
## ECM Activity (Last 4 Weeks & YoY)

	2025 - Last 4 Weeks			2024 - Last 4 Weeks		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	1,268	4	6%	719	1	2%
CONV	6,723	9	31%	13,724	15	40%
FO	13,939	38	64%	20,211	42	58%
<b>Total</b>	<b>21,930</b>	<b>51</b>	<b>100%</b>	<b>34,654</b>	<b>58</b>	<b>100%</b>

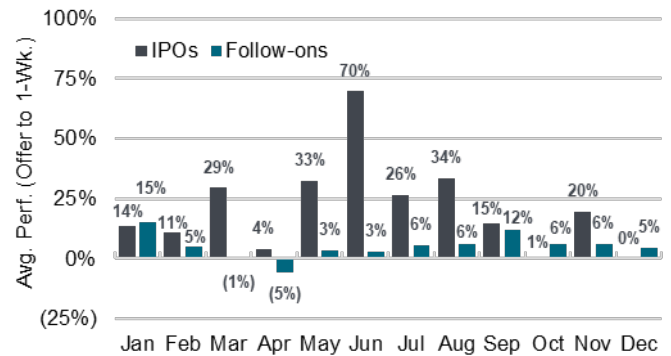
  

	2025 YTD			2024 YTD		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	33,160	65	13%	26,889	56	11%
CONV	94,634	119	37%	74,967	97	30%
FO	127,105	314	50%	147,498	362	59%
<b>Total</b>	<b>254,899</b>	<b>498</b>	<b>100%</b>	<b>249,354</b>	<b>515</b>	<b>100%</b>

## 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
12/10/2025	Lumexa Imaging	Services	LMRI	\$462.5	\$1,749.5	26.4%	100.0%	\$18.50	\$17.00 - \$20.00	0.1%	-
11/5/2025	BillionToOne	Diagnostics	BLLN	\$314.0	\$2,724.2	11.5%	100.0%	\$60.00	\$49.00 - \$55.00	81.6%	69.7%
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%)
7/22/205	Carlsmmed	Medical Products	CARL	\$100.5	\$397.7	25.3%	100.0%	\$15.00	\$14.00 - \$16.00	(3.3%)	(3.3%)

## 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
12/2/2025	Kestra Medical Technologies	Medical Products	Marketed	KMTS	\$158.7	\$1,321.9	12.0%	100.0%	(14.8%)	12.3%	7.6%
11/6/2025	Sotera Health	Medical Products	Bought	SHC	\$471.0	\$4,548.3	10.4%	0.0%	(1.9%)	(0.1%)	2.0%
11/4/2025	Guardant Health	Diagnostics	Marketed	GH	\$345.0	\$12,745.9	2.7%	100.0%	(8.3%)	5.6%	8.6%
10/21/2025	Aveanna Healthcare	Services	Marketed	AVAH	\$103.5	\$2,137.2	4.8%	0.0%	(12.0%)	5.3%	9.0%
10/20/2025	Brightspring Health Services	Services	Bought	BTSG	\$435.0	\$5,516.5	7.9%	0.0%	(4.8%)	11.2%	16.7%

## 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
11/4/2025	Guardant Health	Diagnostics	GH	\$402.5	\$12,745.9	3.2%	0.00%	35.00%
9/16/2025	Oscar Health	Health Insurance	OSCR	\$410.0	\$4,842.8	8.5%	2.25%	32.50%
8/19/2025	Evolent Health	Services	EVH	\$145.0	\$1,059.9	13.7%	4.50%	50.00%
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%

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

Note: Transactions include IPOs, follow-ons (including bought deals) and convertible offerings of \$25MM or more priced on a U.S.-based exchange; Price performance includes both marketed and bought deal follow-ons; \* denotes Cain Brothers / KBCM transaction; excludes SPACs and fixed price IPOs

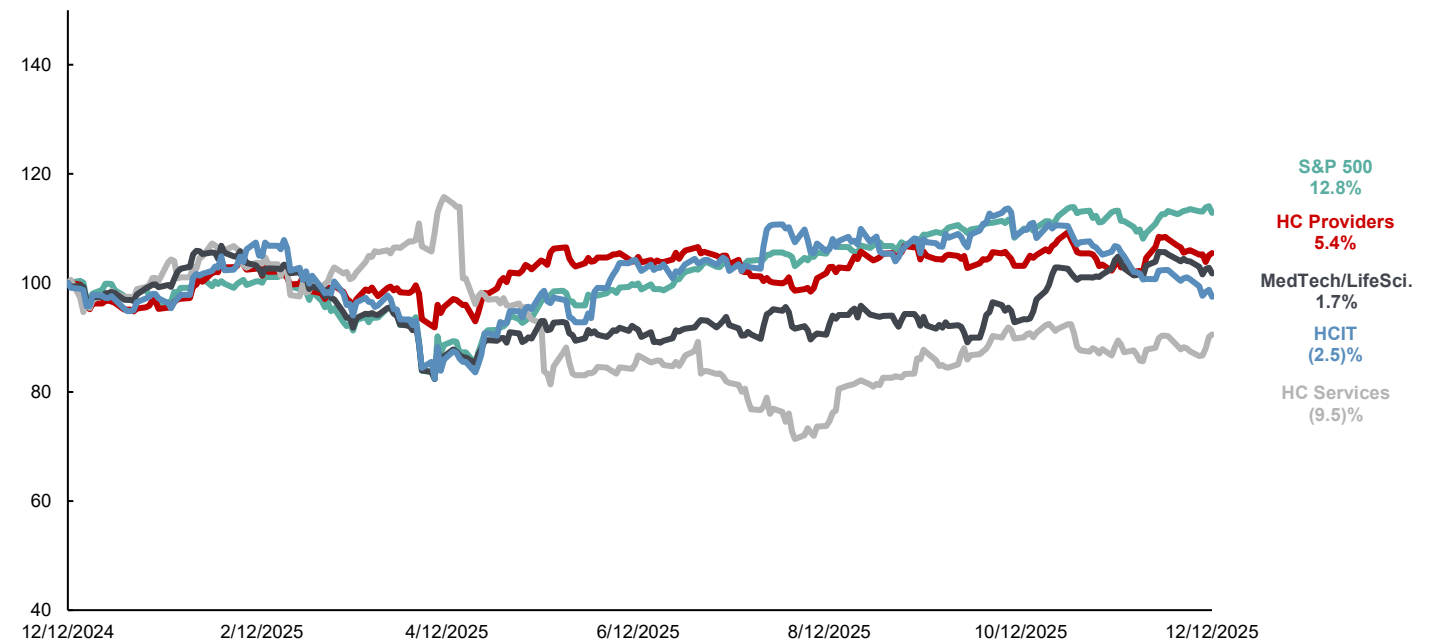
Transaction occurred the past week

# Public Equity Indices

Equity Indices (as of December 12, 2025)

Index	Wk Open	Wk Close	Returns		Cain Brothers Indicies	Returns	
			52 Week	Weekly		52 Week	Weekly
DJIA	47,955	48,458	10.3%	1.0%	Acute Care	36.1%	(1.3%)
S&P 500	6,870	6,827	12.8%	(0.6%)	Alternate Site Services	(15.3%)	(1.0%)
NASDAQ	23,578	23,195	16.5%	(1.6%)	Diagnostics	7.0%	(0.3%)
Russell 2000	2,521	2,551	8.1%	1.2%	Distribution	41.7%	1.0%
NYSE Healthcare	26,151	26,616	6.3%	1.8%	Healthcare IT	(2.5%)	(3.1%)
					Healthcare REITs	47.9%	(6.7%)
					Managed Care	(26.7%)	4.3%
					Medical Technology	1.4%	(2.3%)
					Outsourced Services	(21.6%)	3.5%
					Pharma Services	3.1%	(1.4%)
					Pharmacy	59.8%	5.3%
					Primary Care	(51.0%)	5.7%
					Post-Acute Care Services	13.2%	(1.0%)
					Post-Acute Care Facilities	14.3%	(0.5%)

Cain Brothers Healthcare Indices (1YR Performance)



# High Grade, High Yield & Leveraged Loan Market

## Market Summary

### High Grade

- IG bond markets returned to typical late season form with \$5.6 BN in weekly volume from ten issuers.

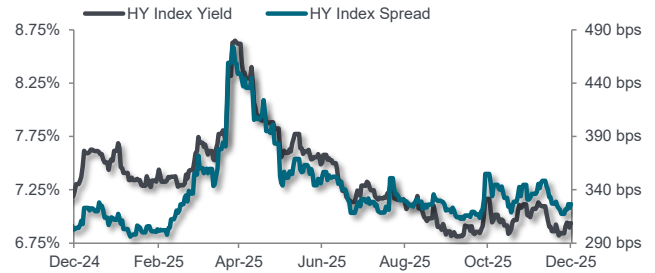
### High Yield

- Despite the cautious sentiment around the central bank meeting, the primary high yield market continued at a steady pace last week, as nine borrowers pushed the monthly tally to more than \$20 BN, already the busiest December since 2020.

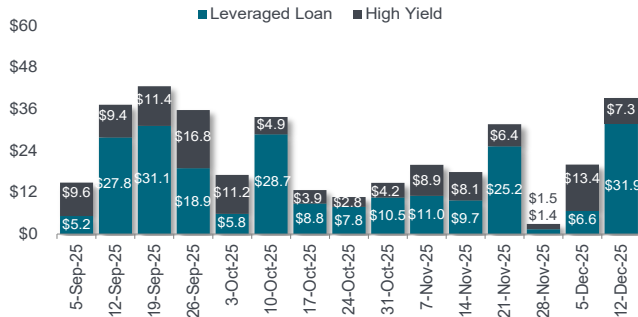
### Term Loan B Market

- CLO issuance has remained strong throughout 2025, and spreads have continued to tighten since September from steady levels seen during the summer.

## HY Index Yield & Spread (YTD)



## Weekly New Issue Volume (\$BN)



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

Double-B Issuers	2Q25	3Q25	30-Day Rolling Average 12/12/25
Ba1	S+265 / 7.1%	S+211 / 6.4%	S+250 / 6.4%
Ba2	S+230 / 6.6%	S+200 / 6.3%	S+255 / 6.5%
Ba3	S+268 / 7.2%	S+241 / 6.7%	S+223 / 6.1%
Single-B Issuers	2Q25	3Q25	30-Day Rolling Average 12/12/25
B1	S+317 / 7.7%	S+280 / 7.1%	S+293 / 6.9%
B2	S+340 / 7.8%	S+311 / 7.5%	S+294 / 6.9%
B3	S+378 / 8.4%	S+352 / 7.9%	S+347 / 7.4%

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	IPT-Pricing
12/1/2025	Merck & Co Inc	Sr Notes	\$750	Aa3/A+/-	3.850%	3/15/2029	+35	25 bps
12/1/2025	Merck & Co Inc	Sr Notes	\$500	Aa3/A+/-	FRN	3/15/2029	SOFR+57	25 bps
12/1/2025	Merck & Co Inc	Sr Notes	\$1,000	Aa3/A+/-	4.150%	3/15/2031	+50	25 bps

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	Price Talk
12/11/2025	Surgery Center (add-on)	Sr. Notes	\$425	Caa1/CCC+/NR	7.250%	4/15/2032	335 bps	101.00%
12/5/2025	Sevita*	Sr. Sec. Notes	\$1,275	B3/B-/NR	10.500%	12/15/2030	728 bps	11.00% yield
11/18/2025	Genmab Finance	Sr. Sec. Notes	\$1,500	Ba2/BB+/BB+	6.250%	12/15/2032	237 bps	6.375% area

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

Date	Issuer	Ownership	Corp. Ratings	Use of Proceeds	Size	Pricing	Yield
12/12/2025	Lumexa Imaging	Public	B2 / B+	IPO	\$825	SOFR+300, 0% @ 99.75	6.797%
12/11/2025	Bausch + Lomb	Public	NR / B	Repricing	\$2,809	SOFR+375, 0% @ 100	7.500%
12/9/2025	US Fertility*	Amulet Capital & L Catterton	B2 / B-	Recapitalization	\$950	SOFR+350, 0% @ 99.5	7.386%
12/5/2025	Sevita*	Centerbridge Partners	B3 / B-	Acquisition	\$1,250	SOFR+600, 0% @ 97	10.527%

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

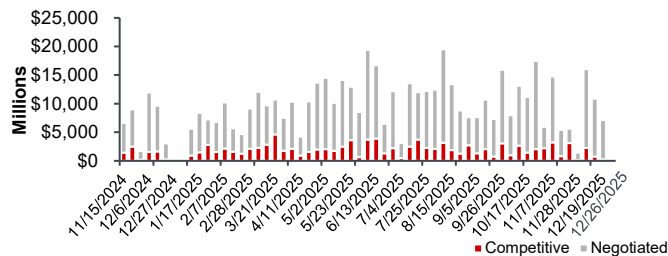
Date	Issuer	Ownership	Ratings	Use of Proceeds	Size	Pricing (in bps)	Financial Covenants
11/25/2025	TruBridge	Public	NR / NR	Refinancing	\$180mm 5-year Revolver \$70mm 5-year Term Loan A	Leverage-based Grid SOFR+150-300 Opens at SOFR+225	Max. Net Leverage Ratio: 3.75x Min. Fixed Charge Coverage Ratio: 1.25x
11/24/2025	DaVita	Public	Ba2 / BB	Refinancing	\$1,500mm 5-year Revolver \$2,000mm 5-year Term Loan A	Leverage-based Grid SOFR+100-175 Opens at SOFR+150	Max. Leverage Ratio: 5.00x

# Public Finance Market

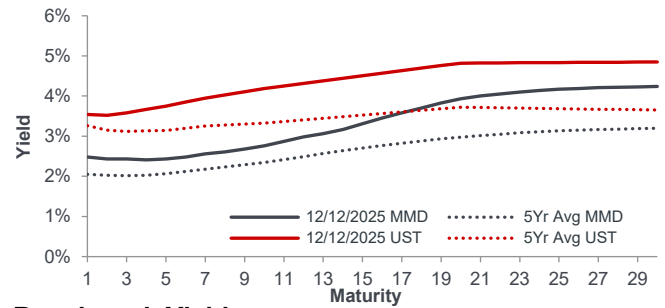
## Market Overview

- The yield on the benchmark 10-year U.S. Treasury Note increased 5 bps week-over-week, closing at 4.19% on Friday. 10-year MMD decreased 1 bp week over week
- Healthcare Public Issuance in 2024 increased 143% vs 2023. YTD 2025 Issuance through December 12<sup>th</sup> was 28% higher than total Issuance in 2024
- Muni bond funds gained \$16 MM and high yield funds lost \$65 MM for the week ended December 12<sup>th</sup>

## Weekly New Issue Volume (\$MM)



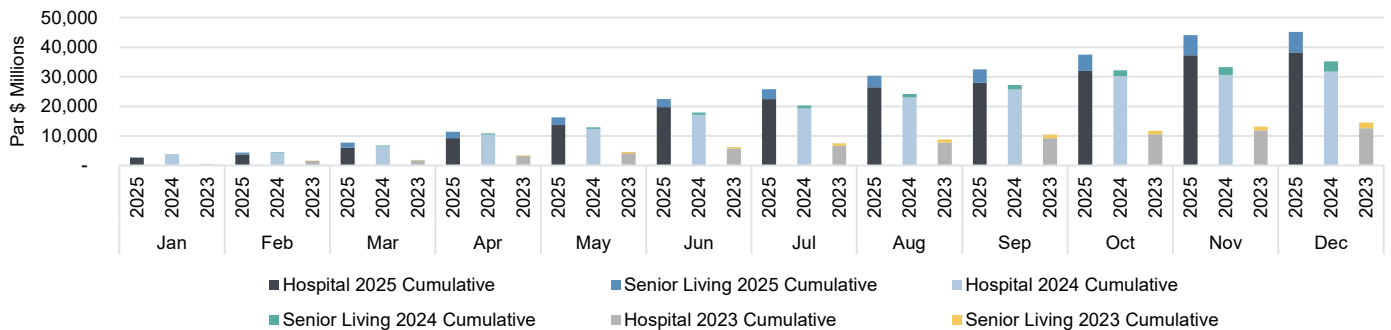
## MMD & UST Yield Curve



## Benchmark Yields

Treasury Yields			MMD Yields			Ratio
Yr	Yield	Δ (W/W)	Yr	Yield	Δ (W/W)	MMD/UST
2	3.52%	(4 bps)	2	2.43%	-	69%
10	4.19%	5 bps	10	2.76%	(1 bps)	66%
30	4.85%	6 bps	30	4.24%	3 bps	87%

## Healthcare Public Issuance Overview



## Recent Healthcare Public Issuance

Healthcare Public Issuance <sup>(1)</sup>										
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 12/8</b>										
The Moorings of Ar. Heights	63,870	IL	IFA	TE	NR / NR / BBB-	2055	2036(C)	5.38%	5.43%	N/A
The Moorings of Ar. Heights	22,300	IL	IFA	TE	NR / NR / BBB-	2031	2027(C)	3.65%	3.65%	N/A
The Moorings of Ar. Heights	15,600	IL	IFA	TE	NR / NR / BBB-	2031	2027(C)	4.10%	4.10%	N/A
Kennedy Krieger Institute	80,835	MD	MHHEFA	TE	NR / BBB- / BBB	2056	2035(C)	5.50%	5.03%	5.27%
Kennedy Krieger Institute	13,960	MD	MHHEFA	TAX	NR / BBB- / BBB	2035	MWC	6.04%	6.04%	N/A
CommonSpirit Health	52,605	KY	KEDFA	TE	A3 / A- / A-	2046	2026(C)	5.38%	5.38%	N/A
Sanctuary at Village on the Isle	35,840	FL	FLGFC	TE	NR / NR / NR	2030	2025(C)	11.00%	11.00%	N/A
<b>Exp. Pricings, Week of 12/15</b>										
Deerfield Ep. Retire. Comm. Project	313,535	NC	NCMCC	TE	NR / NR / BBB+	-	-	-	-	-
Messiah Village Project	84,500	PA	CCMA	TE	NR / NR / BBB-	-	-	-	-	-
Larkfield Place	32,810	KS	WKHCF	TE	NR / NR / NR	-	-	-	-	-
Gracelight Community Health	18,955	CA	CMFA	TE	NR / NR / BBB+	-	-	-	-	-

Sources: Bloomberg, TM3

\* Denotes Cain Brothers/KeyBanc Capital Markets participation

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

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# Relevant News

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## How AI-Powered EHRs Are Delivering On The Promise Of Digital Health<sup>1</sup>

**Forbes | December 11, 2025**

Physician burnout has reached crisis levels. Doctors are overwhelmed by an increasing amount of documentation, administrative tasks and regulatory requirements, according to athenahealth's latest Physician Sentiment Survey, which found that more than six out of 10 physicians feel stressed out from information overload. Electronic health records (EHRs) were supposed to help lighten the load by cutting down on paperwork while reducing medical errors. So far, they have failed to deliver the promised efficiency gains and instead have mostly just added to the administrative demands facing clinicians.

## Hospice Margins Dropping Despite Utilization Gains<sup>2</sup>

**Hospice News | December 9, 2025**

Hospice margins are falling despite record-high utilization, according to data from the Medicare Payment Advisory Commission (MedPAC). The commission has released its draft recommendations to Congress, repeating its annual call to eliminate hospice payment rate increases in future years. "For fiscal year, 2027, Congress should eliminate the update to the 2026 Medicare base payment rate for hospice," MedPAC indicated in its draft recommendations. However, the numbers accompanying the recommendation show that providers are facing margin compression with nonprofits bearing the brunt, according to a slide deck from the commission's recent meeting.

## CMS Unveils New Model Aimed At Functional, Lifestyle Medicine<sup>3</sup>

**Fierce Healthcare | December 11, 2025**

The Trump administration has unveiled a new payment model that could extend Medicare coverage to functional or lifestyle medicine providers. Under the Make America Healthy Again: Enhancing Lifestyle and Evaluating Value-based Approaches Through Evidence, or MAHA ELEVATE, model, the Centers for Medicare & Medicaid Services (CMS) will make \$100 million available to support as many as 30 proposals to promote health and preventive care in three-year agreements. The CMS said on the landing page for the model that it's meant to offer additional options to beneficiaries without replacing their medical services.

1. <https://www.forbes.com/sites/athenahealth/2025/12/11/how-ai-powered-ehrs-are-delivering-on-the-promise-of-digital-health/>

2. <https://hospicenews.com/2025/12/09/hospice-margins-dropping-despite-utilization-gains/>

3. <https://www.fiercehealthcare.com/regulatory/cms-unveils-new-model-aimed-functional-lifestyle-medicine>



## Relevant News

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### **Behavioral Health Spending Spikes To 40% Of All Children's Health Expenditures<sup>1</sup>**

**Northwestern Now | December 11, 2025**

Behavioral health care surged to represent 40% of all medical expenditures for U.S. children in 2022, nearly doubling from 22% in 2011, according to a new study from scientists at Northwestern University Feinberg School of Medicine and Ann & Robert H. Lurie Children's Hospital of Chicago. Behavioral health encompasses both mental health conditions and substance use disorders, and includes conditions such as anxiety, ADHD, depression, autism and suicidal thoughts. The study found behavioral health expenditures totaled \$41.8 billion in 2022, with families paying \$2.9 billion out-of-pocket. Most concerning, out-of-pocket costs for children's behavioral health increased at more than twice the rate of other medical expenses, leaving many families struggling with significant financial burden.

### **FDA Needs More Staff, Authority To Oversee Device Recalls, Watchdog Finds<sup>2</sup>**

**Healthcare Dive | December 15, 2025**

The Food and Drug Administration lacks adequate staffing to oversee medical device recalls, according to a report released Friday by the U.S. Government Accountability Office. The report, which tracked medical device recalls from fiscal year 2020 to 2024, found that insufficient staff limits the FDA's ability to conduct oversight activities. During the four-year period, 3,934 devices were recalled in the U.S. The FDA couldn't meet its goal of terminating recalls within three months due to resource constraints, according to the report.

### **Democrats' ACA Subsidy Extension Adds \$83B To Deficit, Boosts Insured: CBO<sup>3</sup>**

**Healthcare Dive | December 11, 2025**

The looming deadline to address the expiration of enhanced ACA subsidies has become a major issue for lawmakers. The future of the expanded financial assistance, which have allowed many low-income ACA beneficiaries to pay nothing for health plans while improving affordability for middle-income enrollees, was at the center of a historically long government shutdown this fall. However, the impasse ended without a deal.

1. <https://news.northwestern.edu/stories/2025/12/behavioral-health-spending-spikes-to-40-of-all-childrens-health-expenditures>

2. <https://www.healthcaredive.com/news/fda-needs-staff-device-recalls-gao/807912/>

3. <https://www.healthcaredive.com/news/aca-subsidy-extension-cbo-democrats-deficit-increase-insured-cbo/807612/>