



Cain Brothers Insights

Hospital and Health System M&A

Q1 2026 Review

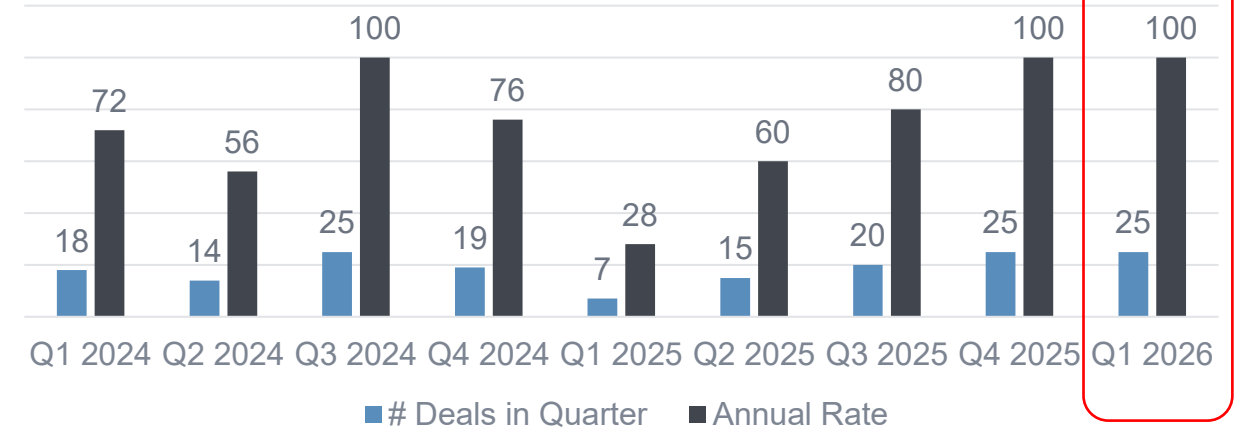
First Quarter 2026 Overview

M&A volume stayed flat relative to Q4 2025 but significantly outpaced performance for the same period last year

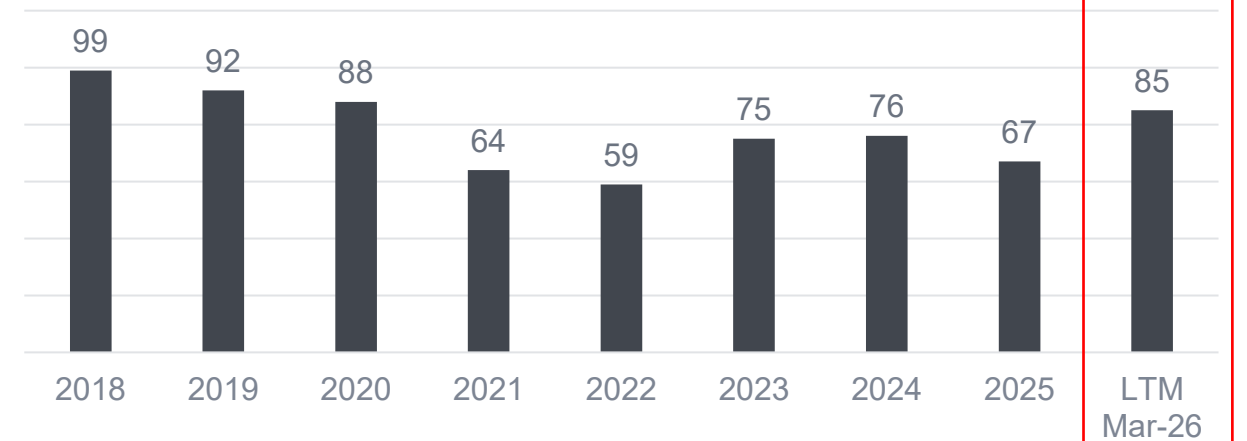
Summary

- 25 M&A deals announced in the first quarter of 2026
 - Slightly down from the prior quarter, but still representative of continued momentum in transaction volume
 - Up ~250% from Q1 2025, positive shift in activity
- 85 M&A deals announced in the LTM period ending March 2026
- M&A volumes in the LTM Period are initially trending in line with 2018 and 2019, marquee transaction years that occurred pre-covid
- Themes observed:
 - Standalone hospitals continued to seek partnerships as a means to access capital and integrate into broader care platforms
 - Large national systems continue to review their portfolios and strategically divest assets to regional health systems
 - Sutter / Allina merger is representative of large single-market health systems looking to expand across geographies in order to access further scale and synergies
 - M&A activity in the first quarter of 2026 indicates organizations have developed a clearer understanding around federal fiscal policy changes and have recalibrated transaction strategies
 - As uncertainty around Medicaid reimbursement, ACA enrollment, NIH funding, and the general health of the economy persists, we expect the number of hospital and health system mergers, acquisitions and divestitures to accelerate in 2026

Quarterly M&A Volume (# of Deals)



Annual M&A Volume (# of Deals)

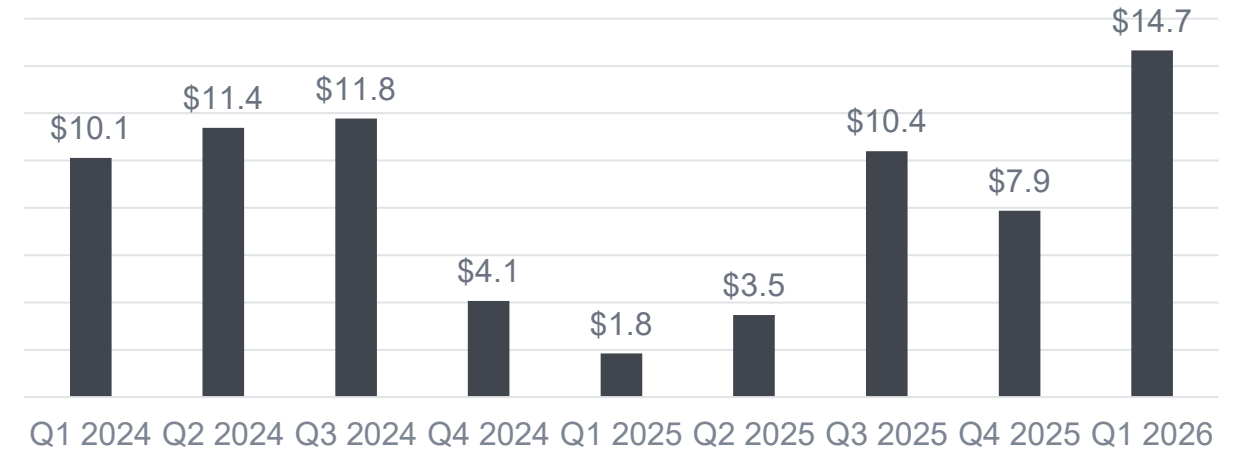


Aggregate revenues for M&A activity highest in more than two years

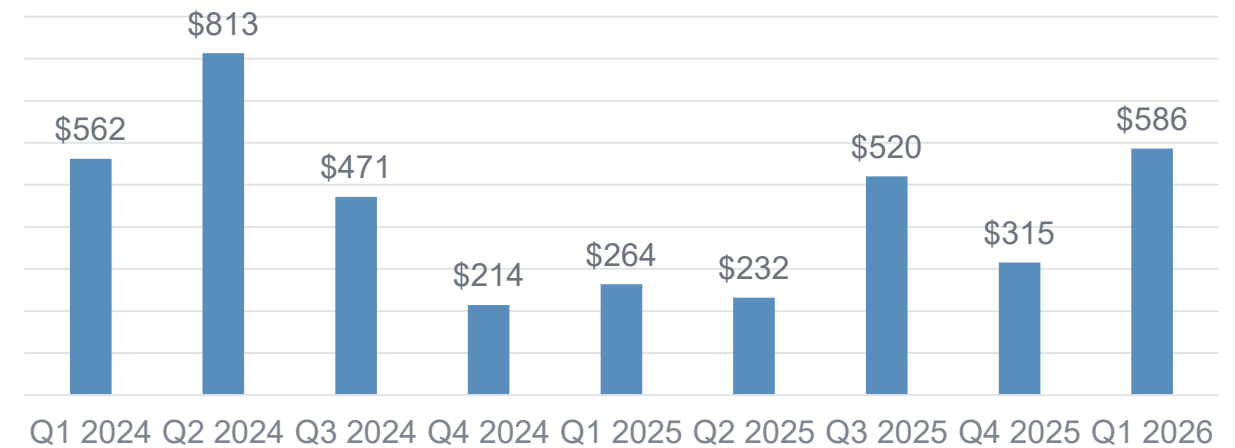
Summary

- Aggregate revenue for the 25 announced M&A targets was \$14.7 billion
 - Significantly increased for the quarter, nearly 85% higher than aggregate revenue for announced M&A targets for Q4 2025 and over 8x aggregate revenue for Q1 2025
 - Average revenue for announced deals was \$586 million, lifted substantively by the Allina-Sutter merger and Nebraska Medicine buy-out
- Primary catalysts include:
 - Anticipated impact of Medicaid policy and impact on the total uninsured population
 - Downstream impacts of NIH funding cuts
 - Portfolio rationalization of larger national and regional health systems
 - Improving market relevance for the buyer
 - Financial leverage and wherewithal of the seller parent company
 - Desire for revenue and geographic diversification and economies of scale & capabilities
 - Decreasing EBITDA margins
 - Other regulatory changes including CON changes in some states
 - Construction costs per new bed have increased dramatically making the case for buy vs. build

Quarterly M&A: Combined Target Revenues (in \$bn)



Quarterly M&A: Average Target Revenues (in \$m)





Tenor Health Foundation and Commonwealth Health System (CHS)

- Tenor Health Foundation (“Tenor”) has completed its acquisition of Regional Hospital of Scranton, Moses Taylor Hospital, and Wilkes-Barre General Hospital from Commonwealth Health System (“Commonwealth”), a subsidiary of Community Health Systems, Inc.
- The three Commonwealth hospitals comprise over 675 beds and 2,400 employees, and include physician practices, clinics and ambulatory surgery centers. The hospitals have struggled financially in recent years and were unsuccessful in a previous attempt to find a qualified buyer to sustain operations.
- Tenor, a recently formed nonprofit organization, focuses on turning around financially struggling hospitals and its previous experience includes re-opening Sharon Regional Medical Center earlier this year.
- The proposed acquisition has received substantial support from the community, which aims to protect the region’s healthcare infrastructure and maintain Scranton’s role as a major medical hub for northeastern Pennsylvania.
- **Cain Brothers served as exclusive financial advisor to Tenor Health Foundation.**

Central Maine Healthcare and Prime Healthcare Foundation

- Central Maine Healthcare (“CMH”) has completed its affiliation with Prime Healthcare Foundation.
- Central Maine Healthcare is an integrated healthcare delivery system serving 400,000 people living in central, western and Midcoast Maine, with over 600 physicians and advanced practice professionals in more than 40 locations. CMH’s hospital facilities include Central Maine Medical Center (“CMMC”) in Lewiston, a 250-bed, not-for-profit, Level III Trauma Center. CMMC is also the central Maine base for LifeFlight of Maine, the state’s only medical helicopter. The health system includes Bridgton Hospital and Rumford Hospital, two not-for-profit, 25-bed critical access hospitals that care for rural communities. Bridgton Hospital serves the community of the Lakes Region of western Maine and Rumford Hospital offers inpatient and outpatient services to Maine’s River Valley community.
- Prime Healthcare is an award-winning health system operating 44 hospitals and more than 300 outpatient locations in 14 states, providing over 2.6 million patient visits annually. It is one of the nation’s leading health systems with nearly 45,000 employees and physicians. Fourteen of the Prime Healthcare hospitals are members of the Prime Healthcare Foundation, a 501(c)(3) not-for-profit public charity.
- **Cain Brothers served as exclusive financial advisor to Central Maine Healthcare.**



Tampa General Hospital and Mass General Brigham

- Tampa General Hospital (“TGH”) and Mass General Brigham (“MGB”) have expanded their history of collaborative partnerships to launch a joint ambulatory care network serving Florida’s East Coast.
- The joint venture will include primary care, specialty care, advanced imaging, oncology and outpatient surgical procedures.
- The first initiative is a new radiation oncology center in Palm Beach Gardens set to open later in 2026.
- The partnership will also focus on growing the Tampa General Physicians Network, which currently covers 20 locations, and implement advanced training and joint clinical research initiatives that utilizes MGB’s experience in academic medicine.
- TGH and MGB have collaborated on several projects in recent years including the Home Base Program for Veterans and their families.

Freeman Health System and Northwest Health (CHS)

- Joplin, MO-based Freeman Health System (“Freeman”) has agreed to acquire Northwest Health from Community Health Systems (“CHS”) for \$112 million.
- Northwest Health is the largest health network in Northwest Arkansas with four hospitals: Northwest Medical Center – Bentonville, Northwest Medical Center – Springdale, Siloam Springs Regional Hospital, Willow Creek Women's Hospital. In total, Northwest Health encompasses nearly 500 beds, 1,500 physicians and 2,000 employees.
- Freeman is a 460-bed, three-hospital system providing comprehensive healthcare and behavioral health services to an area that includes more than 450,000 residents from Missouri, Arkansas, Oklahoma and Kansas.
- The transaction, which is expected to close in the second quarter of 2026, will double Freeman’s hospital count and mark its facility expansion into Arkansas.



Sutter Health and Allina Health

- Sacramento, Calif.-based Sutter Health (“Sutter”) and Minneapolis-based Allina Health (“Allina”) have signed a letter of intent for Allina to join Sutter.
- Under the proposed merger, Allina would become the Upper Midwest Division of Sutter, maintaining the Allina name, brand and regional headquarters in Minneapolis; Sutter would maintain its headquarters in Northern California. Sutter’s current President and CEO would preside over the combined system, with Allina’s President and CEO leading Sutter’s Upper Midwest Division.
- Through the transaction, Sutter and Allina are planning to invest more than \$2 billion in Minnesota and western Wisconsin to grow ambulatory care, expand specialty services and support digital and AI-enabled tools.
- The combined system will have a footprint across Northern and Central California, Minnesota and Wisconsin, with 18,000 physicians and 88,000 employees serving more than five million patients. The system will include 39 hospitals and more than 400 primary and specialty care sites, with 12 nationally ranked specialties. In total, the 2 systems generated more than \$25 billion of revenue in 2025.
- The transaction is expected to close by the end of 2026, pending regulatory approval.



University of Nebraska and Nebraska Medicine

- The Board of Regents of the University of Nebraska (“NU”) approved transitioning Nebraska Medicine to a sole-member governance structure.
- Under the proposed terms, NU will acquire Clarkson Regional Health Services’ (“Clarkson”) 50% ownership in Nebraska Medicine for \$500 million plus another \$300 million for owned land and buildings. In tandem, Clarkson will donate \$200 million to NU to support the state’s Project Health Initiative.
- Since 1997, Nebraska Medicine has operated as an independent nonprofit with 50-50 ownership held by Clarkson and NU. NU operates the University of Nebraska Medical Center, which is a research and teaching affiliate of Nebraska Medicine.
- Clarkson expressed interest in exiting the hospital business in 2024, which started discussions for the \$800MM transaction. Clarkson will be paid \$500MM for its share of Nebraska Medicine and \$300MM for Clarkson-owned real estate.
- NU leadership will work with Nebraska Medicine to transition to the new system structure, with an anticipated completion in Q2 2026.

Announced Transactions: Q1 2026

Target/Seller	State	Seller Status	Revenue (\$MM)	Buyer	Buyer Status	Revenue (\$MM)	Announced
2026-Q1							
Vernon Health	WI	Non-Profit	\$101	Emplify Health by Gundersen	Non-Profit	\$3,021	3/27/2026
Allina Health	MI/WI	Non-Profit	\$6,040	Sutter Health	Non-Profit	\$19,797	3/17/2026
South Arkansas Regional Hospital	AR	Non-Profit	\$66	Baptist Health	Non-Profit	\$2,014	3/11/2026
Rock Regional Hospital	KS	Non-Profit	\$27	Via Christi	Non-Profit	\$25,197	3/11/2026
Community Hospital	CO	Non-Profit	\$290	Montrose Regional Health	Non-Profit	\$985	3/9/2026
Greenwood Leflore Hospital	MS	Non-Profit	\$76	University of Mississippi Medical Center	Non-Profit	\$1,707	3/6/2026
Northwest Medical Center (3) / Siloam Springs Regional Hospital	AR	For Profit	\$370	Freeman Health System	Non-Profit	\$767	3/6/2026
Providence Queen of the Valley Medical Center	CA	Non-Profit	\$354	NorthBay Health	Non-Profit	\$742	3/6/2026
ScionHealth (8 hospitals)	Various	For Profit	\$686	Lifepoint Health	For Profit	N.R.	3/6/2026
Sheridan Memorial Hospital	WY	Non-Profit	\$153	Billings Clinic	Non-Profit	\$1,942	3/4/2026
Southern California Hospital at Culver City	CA	Non-Profit	\$700	NOR Healthcare Systems	For Profit	\$1,658	3/4/2026
Nacogdoches Memorial Hospital	TX	Non-Profit	\$68	Tenet Healthcare	For Profit	\$21,310	3/3/2026
Bradford Regional Medical Center	PA	Non-Profit	\$65	Lake Erie College of Osteopathic Medicine (LECOM)	Non-Profit	N.R.	2/27/2026
Titus Regional Medical Center	TX	Non-Profit	\$128	CHRISTUS Health	Non-Profit	\$8,801	2/3/2026
Crenshaw Community Hospital	AL	Non-Profit	\$13	Frey Medical Management	Non-Profit	N.R.	1/31/2026
Goshen Health	IN	Non-Profit	\$337	Parkview Health	Non-Profit	\$3,071	1/29/2026
Aspire Rural Health System	MI	Non-Profit	\$151	Covenant HealthCare	Non-Profit	\$881	1/26/2026
Carson Valley Health	NV	Non-Profit	\$115	Barton Health	Non-Profit	\$221	1/26/2026
Crestwood Medical Center (CHS)	AL	For Profit	\$281	Huntsville Hospital Health System	Non-Profit	\$2,988	1/20/2026
Franciscan Health Olympia Fields	IL	Non-Profit	\$317	Prime Healthcare	For Profit	\$7,405	1/16/2026
Regional Medical Center of Central Alabama	AL	Non-Profit	\$31	Frey Medical Management	Non-Profit	N.R.	1/13/2026
Scenic Mountain Medical Center (Quorum)	TX	For Profit	\$43	Shannon Health System	Non-Profit	\$920	1/9/2026
Englewood Health	NJ	Non-Profit	\$1,187	RWJBarnabas Health	Non-Profit	\$8,976	1/5/2026
Hawarden Regional Healthcare	IA	Non-Profit	\$27	Avera	Non-Profit	\$3,471	1/2/2026
Nebraska Medicine	NE	Non-Profit	\$3,032	University of Nebraska	Non-Profit	N.R.	1/2/2026

Announced Transactions: Q4 2025

Target/Seller	State	Seller Status	Revenue (\$MM)	Buyer	Buyer Status	Revenue (\$MM)	Announced
2025-Q4							
Maimonides Health	NY	Non-Profit	\$1,656	NYC Health + Hospitals	Non-Profit	\$11,103	12/29/2025
Texas Behavioral Health Center	TX	Non-Profit	\$0 ¹	UT Southwestern Medical Center	Non-Profit	\$5,007	12/24/2025
Santiam Hospital and Clinics	OR	Non-Profit	\$105	Salem Health	Non-Profit	\$1,245	12/19/2025
CHI St. Alexius Health Devils Lake	ND	Non-Profit	\$43	Altru Health System	Non-Profit	\$720	12/17/2025
Great River Medical Center / South Mississippi County Regional Medical Center	MS	Non-Profit	\$38	St. Bernards Healthcare	Non-Profit	\$681	12/17/2025
Geisinger St. Lukes Hospital (JV Buyout)	PA	Non-Profit	\$93	St. Lukes University Health Network	Non-Profit	\$3,934	12/12/2025
Harrison County Hospital	IN	Non-Profit	\$62	Deaconess Health System	Non-Profit	\$2,251	12/8/2025
Carrus Lakeside Hospital	OK	Non-Profit	\$299	Saint Francis Health System	Non-Profit	\$2,608	12/1/2025
Fairfield Medical Center	OH	Non-Profit	\$325	OhioHealth	Non-Profit	\$6,615	11/24/2025
Day Kimball Hospital / Bristol Hospital	CT	For Profit	\$130	UConn Health	Non-Profit	\$1,149	11/20/2025
Independence Health System	PA	Non-Profit	\$948	WVU Medicine	Non-Profit	\$6,570	11/20/2025
DeSoto Memorial Hospital	FL	Non-Profit	\$48	Tampa General Hospital	Non-Profit	\$3,321	11/12/2025
Riverview Health	IN	Non-Profit	\$272	Parkview Health	Non-Profit	\$3,071	11/11/2025
Waterbury Hospital (Prospect Medical Holdings)	CT	For Profit	\$242	UConn Health	Non-Profit	\$1,149	11/10/2025
York Hospital	ME	Non-Profit	\$201	MaineHealth	Non-Profit	\$4,302	10/31/2025
Prairie Lakes Healthcare	IA	Non-Profit	\$231	Sanford Health	Non-Profit	\$7,640	10/31/2025
Tennova Healthcare - Clarksville (CHS)	TN	For Profit	\$177	Vanderbilt University Medical Center	Non-Profit	\$8,160	10/31/2025
Kell West Hospital	TX	Non-Profit	\$0 ²	United Regional Health Care System	Non-Profit	\$526	10/24/2025
Physicians' Specialty Hospital	AR	Non-Profit	\$33	Washington Regional Medical Center	Non-Profit	\$541	10/23/2025
Samaritan Health Services	WA	Non-Profit	\$1,748	MultiCare Health System	Non-Profit	\$5,859	10/22/2025
Heritage Valley Health System	PA	Non-Profit	\$425	Highmark / Allegheny Health Network	Non-Profit	\$5,100	10/17/2025
Garnet Health	NY	Non-Profit	\$693	Montefiore Health System	Non-Profit	\$5,515	10/16/2025
Crozer-Chester Medical Center (Prospect Medical Holdings)	PA	For Profit	\$0 ³	Chariot Allaire Partners	For Profit	N.R.	10/14/2025
Springfield Hospital (Prospect Medical Holdings)	PA	For Profit	\$0 ³	Restorative Health Foundation and Syan Investments	Non-Profit	N.R.	10/14/2025
Marshfield Medical Center-Beaver Dam	WI	Non-Profit	\$108	UW Health	Non-Profit	\$5,436	10/7/2025

Announced Transactions: Q3 2025

Target/Seller	State	Seller Status	Revenue (\$MM)	Buyer	Buyer Status	Revenue (\$MM)	Announced
2025-Q3							
FHN	IL	Non-Profit	\$169	Mercyhealth	Non-Profit	\$1,314	9/30/2025
St. Joseph's Health System (Trinity JV)	GA	Non-Profit	\$911	Emory Healthcare	Non-Profit	\$6,258	9/29/2025
Manchester Memorial Hospital / Rockville General Hospital (Prospect)	CT	Non-Profit	\$249	Hartford Healthcare	Non-Profit	\$6,420	9/22/2025
Trinity Health System (CommonSpirit)	OH	Non-Profit	\$302	UPMC	Non-Profit	\$29,596	9/22/2025
Bon Secours Mercy Health JV Hospitals (3)	NY	Non-Profit	\$546	WMCHealth (Full Ownership)	Non-Profit	\$2,344	9/19/2025
Southwestern Medical Center	OK	Non-Profit	\$70	Comanche County Memorial Hospital	Non-Profit	\$330	9/17/2025
Tallahassee Memorial HealthCare	FL	Non-Profit	\$956	Florida State University (FSU)	Non-Profit	\$2,148	9/16/2025
Taylor Hospital (Prospect Medical Holdings)	PA	Non-Profit	\$0 ¹	Individuals	Non-Profit	N.R.	9/5/2025
Littleton Regional Healthcare	NH	Non-Profit	\$121	Dartmouth Health	Non-Profit	\$3,499	9/12/2025
Tidelands Health	SC	Non-Profit	\$447	MUSC Health	Non-Profit	\$4,686	9/4/2025
Javon Bea Hospital-Rockton	IL	Non-Profit	\$392	Individual	For Profit	N.R.	9/4/2025
The University of Texas at San Antonio	TX	Non-Profit	\$453	The University of Texas Health Science Center at San Antonio	Non-Profit	\$1,124	9/2/2025
Olympic Medical Center	WA	Non-Profit	\$253	UW Medicine	Non-Profit	\$6,156	9/3/2025
Chestnut Hill Hospital	PA	Non-Profit	\$119	Temple Health	Non-Profit	\$2,859	8/20/2025
Regional Hospital of Scranton / Moses Taylor Hospital in Scranton / Wilkes-Barre General Hospital (CHS)	PA	For Profit	\$629	Tenor Health Foundation	Non-Profit	N.R.	8/6/2025
CHRISTUS Santa Rosa Hospital	TX	Non-Profit	\$530	University Health	Non-Profit	\$2,375	7/30/2025
El Centro Regional Medical Center	CA	Non-Profit	\$152	Imperial Valley Healthcare District	Non-Profit	N.R.	7/29/2025
Palomar Health	CA	Non-Profit	\$900	UC Health-CA (UC San Diego Health)	Non-Profit	\$30,372	7/17/2025
ChristianaCare ²	DE	Non-Profit	\$3,068	Virtua Health ²	Non-Profit	\$3,241	7/16/2025
Hugh Chatham Health	NC	Non-Profit	\$135	Atrium Health Wake Forest Baptist	Non-Profit	\$5,360	7/8/2025

Announced Transactions: Q2 2025

Target/Seller	State	Seller Status	Revenue (\$MM)	Buyer	Buyer Status	Revenue (\$MM)	Announced
2025-Q2							
St. Joseph's Hospital (Hospital Sisters Health System)	WI	Non-Profit	\$5	Chippewa Valley Health Cooperative	Non-Profit	N.R.	6/30/2025
Progressive Health of Helena	AR	For Profit	\$11	Helena Health Foundation	Non-Profit	N.R.	6/30/2025
East Ohio Regional Hospital	OH	For Profit	N.R.	360 Healthcare	For Profit	N.R.	6/24/2025
AMSURG	TN	Non-Profit	\$1,500	Ascension Health	For Profit	\$28,274	6/17/2025
Clinton Memorial Hospital (ScionHealth)	OH	For Profit	\$102	TriHealth (CommonSpirit)	Non-Profit	\$37,483	6/16/2025
Merit Health Madison (CHS)	MS	For Profit	\$19	University of Mississippi Medical Center	Non-Profit	\$1,886	6/11/2025
Pender Community Hospital	NE	Non-Profit	\$35	Bryan Health	Non-Profit	\$1,269	6/9/2025
MercyOne Siouland Medical Center (Trinity)	IA	Non-Profit	\$154	UnityPoint Health	Non-Profit	\$4,562	5/29/2025
Tri-City Medical Center	CA	Non-Profit	\$323	Sharp Healthcare	Non-Profit	\$4,800	5/29/2025
5 Outpatient Clinics (Prospect / Crozer)	PA	Non-Profit	\$511	ChristianaCare	Non-Profit	\$3,066	5/28/2025
OCH Regional Medical Center	MS	Non-Profit	\$71	Baptist Memorial Health Care	Non-Profit	\$3,954	5/8/2025
Arkansas Methodist Medical Center	AR	Non-Profit	\$72	Baptist Memorial Health Care	Non-Profit	\$3,954	4/22/2025
Cedar Park Regional Medical Center (CHS)	TX	For Profit	\$183	Ascension Health	Non-Profit	\$28,274	4/15/2025
Ascension SW Michigan (4 Hospitals)	MI	Non-Profit	\$473	Beacon Health System	Non-Profit	\$1,231	4/8/2025
Magee General Hospital	MS	Non-Profit	\$16	South Central Regional Medical Center	Non-Profit	\$211	4/1/2025

Announced Transactions: Q1 2025

Target/Seller	State	Seller Status	Revenue (\$MM)	Buyer	Buyer Status	Revenue (\$MM)	Announced
2025-Q1							
Northwest Regional Health	AL	Non-Profit	\$28	North Mississippi Health Services	Non-Profit	\$1,204	3/28/2025
Long Island Community Hospital	NY	Non-Profit	\$371	NYU Langone	Non-Profit	\$9,285	3/2/2025
Logansport Memorial Hospital	IN	Non-Profit	\$110	Parkview Health	Non-Profit	\$3,072	2/21/2025
The Bellevue Hospital	OH	Non-Profit	\$58	Firelands Health	Non-Profit	\$308	2/5/2025
Crozer Health (Prospect)	PA	For Profit	\$511	Undisclosed Non-Profit Consortium	Non-Profit	N/R	1/31/2025
Sharon Regional Hospital (Steward)	PA	For Profit	\$125	Tenor Health Partners	For Profit	N/R	1/10/2025
Central Maine Healthcare	ME	Non-Profit	\$643	Prime Healthcare	For Profit	\$6,588	1/8/2025

Cain Brothers Health Systems Team

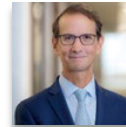
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