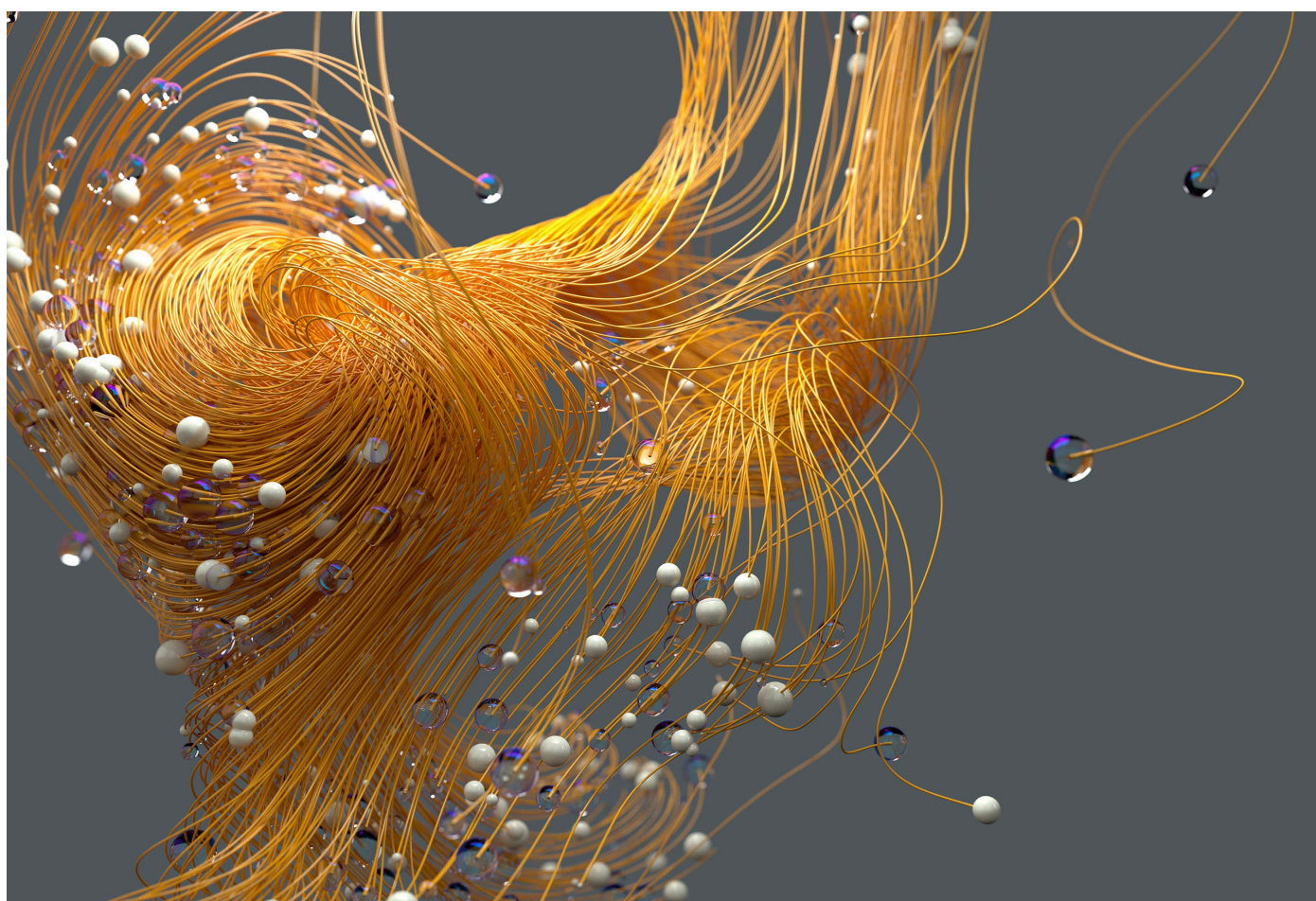


January 8, 2026

Industry Insights

Healthcare Market Report



Banker Commentary:

A Year in Review and the Year Ahead

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A Year in Review and the Year Ahead

Banker Commentary by Wyatt Ritchie

2025 saw an improved market for capital raising and strategic transactions. Optimism going into the year was quite high, bolstered by an almost 25% gain in the S&P 500 during 2024 and a stabilized interest rate environment.

But a new administration with broad ambitions generated a significant amount of uncertainty, and M&A activity did not materialize as anticipated in the first half of the year. Nevertheless, since the market downturn in April, the S&P was up 36% through the end of 2025, 10-year Treasury yields are down to 4.1%, and M&A activity, particularly for large cap transactions, was up year over year.

As we enter 2026, the markets continue to support investment and transactions, and current consensus is the backlog of long-held PE investments should manifest in more M&A activity, particularly in the middle market as success with larger cap transactions percolates throughout the rest of the market. Despite a fertile environment, buyers have a high hurdle and lower tolerance for risk as compared to the market euphoria of a few years ago. Transactions are getting done but taking more time due to more thorough diligence and negotiation.

Healthcare transacting was particularly impacted by the new administration focused on government efficiency, entitlement spending, healthcare policy, and trade. The uncertainty and rapidity of change created by DOGE, the Big Beautiful Bill, new leadership at HHS, immigration enforcement, and the aggressive use of trade policy as a tool to impact geopolitical priorities impacted healthcare transacting. M&A volumes were down in 2025 and while we are still discovering the impact of the administration's policies, the pressure to find more efficiency, most likely through investment and scale, continues.

Despite continued uncertainty, healthcare remains an area of opportunity for investment. Recent increases in capital raising for biopharma should translate into more activity for pharma services, and scale and capital continues to drive strategic activity for payers, yet a large customer segment (i.e. employers) looks for alternatives to effectively address unsustainable health benefit costs relative to wages. Technology should generate efficiency and expand capacity, and the large data sets generated by healthcare are ripe for insights for AI to uncover. Provider consolidation has yielded mixed results, yet scale remains a necessary attribute for long-term success, and the challenge of bringing to bear the benefits of scale to an intimate and highly individualized provider/patient encounter is difficult. The issues encountered in provider consolidation do not negate the investment premise – they only underscore the need for time and financial leeway to navigate the unforeseen issues that inevitably arise when taking on challenging endeavors like provider group mergers.

Cain Brothers continues to lean into healthcare and broaden our areas of expertise. We have added new senior bankers to our ranks, including Thad Davis and Rishi Soni on our healthtech team, Mark Webber and Jason Moran to our growing life sciences practice, Jeff Danesis to our provider team, and Mike Tierney joined the health systems practice. We also welcomed the returns of seasoned senior bankers Todd Rudenske and Zach Kau. Todd continues to focus on behavioral health as

continued...

well as senior industry relationships, and Zach will co-head healthcare public finance as well as spend more time within our health system M&A practice.

We continue to invest and support innovative opportunities for industry leaders to meet and network. We will see many of you in San Francisco in January, spend time with our life sciences clients in the mountains this Spring, reconvene in June at our Nashville conference with leading health systems and their partners, and continue to support our private company conference in October.

Finally, we are kicking off the new year with the resumption of Cain Brothers' Industry Insights emails, the leading bi-weekly summary of healthcare commentary and market color. Over the last year, we have continued to publish and post new issues to LinkedIn, but suspended emails while upgrading our infrastructure and updating our mailing list. Access to our library of prior issues is available on our website.

We look forward to working with you in 2026.

M&A Activity

Selected Recent Healthcare Transactions (\$MM)

Date	Target Name	Acquirer	EV	Enterprise Value /		Description
				LTM Rev.	LTM EBITDA	
1/1/2026	FHN*	Mercyhealth	NA	NA	NA	Not-for-profit community healthcare system serving northwest Illinois and southern Wisconsin
12/31/2025	Reliable Medical (Seven Hills Capital)	Gauge Capital*	NA	NA	NA	Provider of complex rehab technology, clinical respiratory products, and durable medical equipment and supplies
12/22/2025	Dentira	Vista Equity Partners	NA	NA	NA	Provider of end-to-end procure-to-pay solution for dental practices, dental service organizations and other multi-site healthcare providers
12/19/2025	Puzzle Healthcare	HCAP Partners	NA	NA	NA	Post-acute care coordination platform delivering psychiatry and care management services in skilled nursing facilities
12/16/2025	OneOncology (TPG) (majority stake)	Cencora	\$7,400	NA	NA	Physician-led national platform empowering independent medical specialty practices rooted in oncology
12/15/2025	Quipt Home Medical	Kingswood Capital Management and Forager Capital Management	\$260	1.2x	6.2x	Home medical equipment provider, focused on end-to-end respiratory care
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

Private Placement Activity

Selected Recent Healthcare Transactions (\$MM)

Date	Company	Investor(s)	Type	Amount	Description
12/23/2026	Truemed	Andreessen Horowitz, Bessemer Venture Partners, Long Journey Ventures, BoxGroup, and Trust Ventures	Series A	\$34	HSA/FSA marketplace for top preventive health products
12/16/2025	Curalta Foot & Ankle	SharpVue Capital (lead), NewSpring Capital, BPEA Private Equity, North Haven Capital, and Bluwave Capital	Undisclosed	Undisclosed	Network of foot and ankle care providers
12/15/2025	ContinuEM	Undisclosed	Undisclosed	\$30	Provider of emergent and urgent care through ER-level physicians and technology
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

Equity Capital Markets

Market Overview

- The winter holiday slowdown for ECM continued last week through the New Year's holiday as issuers gear up for 2026
 - Last week: No transactions priced
- Biotech company, Aktis Oncology was the first IPO issuer to launch their roadshow in what is expected to be a jam-packed 2026 for IPOs with many notable names on public file and rumored to be on confidential file
- In Healthcare, all eyes will be on the JP Morgan Healthcare conference which is scheduled to take place next week, look for both private and public companies to use investor meetings next week as a barometer for investor appetite in potential near-term offerings

ECM Activity (Last 4 Weeks & YoY)

	2025 - Last 4 Weeks			2024 - Last 4 Weeks		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	8,597	5	42%	719	1	4%
CONV	4,848	4	24%	4,600	7	25%
FO	7,155	22	35%	13,347	24	72%
Total	20,600	31	100%	18,666	32	100%

	2025 YTD			2024 YTD		
	Vol (\$MM)	# Deals	% Share	Vol (\$MM)	# Deals	% Share
IPO	40,567	67	15%	26,889	56	11%
CONV	96,654	120	36%	76,060	99	30%
FO	127,733	319	48%	147,747	367	59%
Total	264,954	506	100%	250,696	522	100%

Most Recent Healthcare Initial Public Offerings (\$MM)

Issuer Information				Deal Sizing				Pricing		Performance	
Pricing Date	Company	Sector	Ticker	Deal Value (\$MM)	Market Cap (\$MM)	Deal as % of Mkt. Cap	% Primary	Offer Price	Final Range	1-Day	1-Week
12/16/2025	Medline	Medical Products	MDLN	\$7,204.7	\$38,097.8	18.9%	72.1%	\$29.00	\$26.00 - \$30.00	41.4%	50.5%
12/10/2025	Lumexa Imaging	Services	LMRI	\$462.5	\$1,749.5	26.4%	100.0%	\$18.50	\$17.00 - \$20.00	0.1%	(7.7%)
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%)

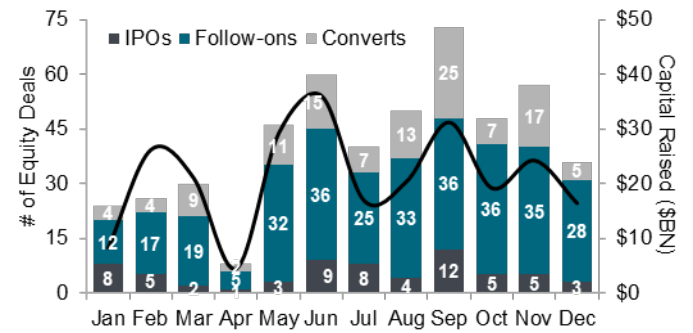
Most Recent Healthcare Follow-on Offerings (\$MM)

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%

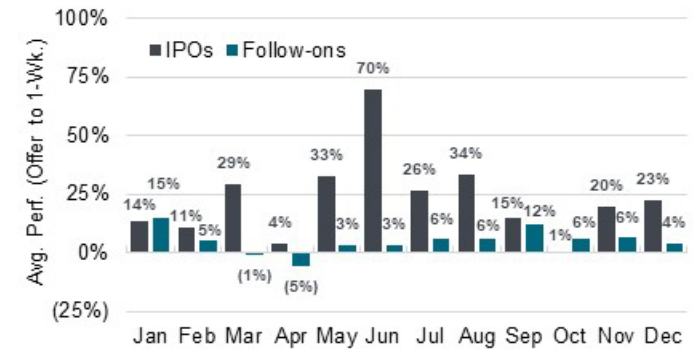
Most Recent Healthcare Convertible Debt Offerings (\$MM)

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%

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



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



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

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

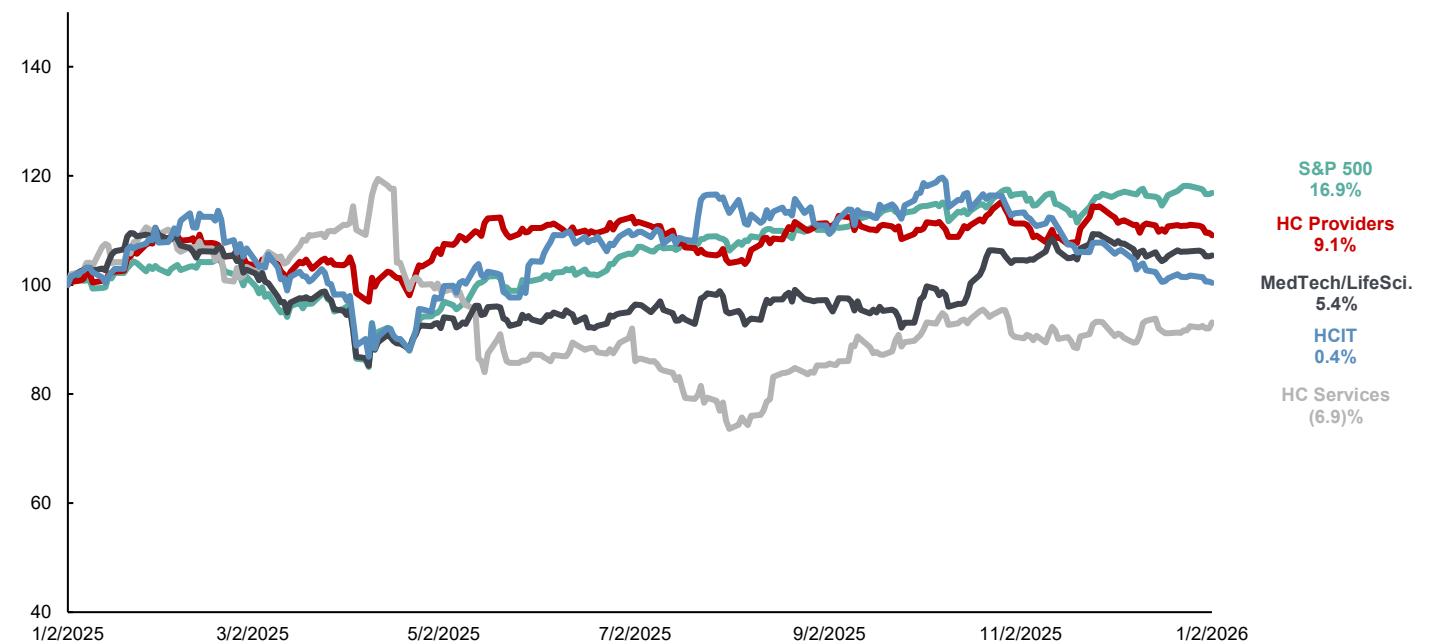
Transaction occurred the past week

Public Equity Indices

Equity Indices (as of January 2, 2026)

Index	Wk Open	Wk Close	Returns		Cain Brothers Indices	Returns	
			52 Week	Weekly		52 Week	Weekly
DJIA	48,711	48,382	14.1%	(0.7%)	Acute Care	39.6%	(1.5%)
S&P 500	6,930	6,858	16.9%	(1.0%)	Alternate Site Services	(14.8%)	(1.9%)
NASDAQ	23,593	23,236	20.5%	(1.5%)	Diagnostics	10.9%	(1.4%)
Russell 2000	2,534	2,508	12.4%	(1.0%)	Distribution	47.3%	(0.7%)
NYSE Healthcare	27,081	26,986	10.8%	(0.4%)	Healthcare IT	0.4%	(1.3%)
					Healthcare REITs	52.6%	(0.8%)
					Managed Care	(25.6%)	1.5%
					Medical Technology	4.8%	(0.9%)
					Outsourced Services	(20.6%)	(6.0%)
					Pharma Services	10.0%	0.5%
					Pharmacy	79.5%	0.6%
					Primary Care	(42.4%)	(2.1%)
					Post-Acute Care Services	18.7%	(1.1%)
					Post-Acute Care Facilities	20.4%	(1.2%)

Cain Brothers Healthcare Indices (1YR Performance)



High Grade, High Yield & Leveraged Loan Market

Market Summary

High Grade

- IG bond markets are forecasting a record \$1.8 trillion of supply in 2026 after 2025 saw over \$1.6 trillion, driven by higher M&A issuance and a significant influx of AI capex-related activity.

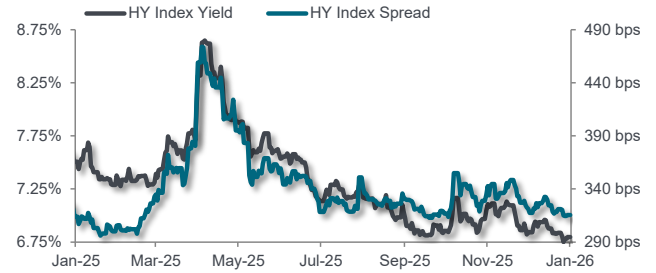
High Yield

- Gross issuance is projected to increase ~13% in 2026, with net issuance forecast to rise ~32% driven by deregulation, easing monetary policy, and additional GCP-related issuance.

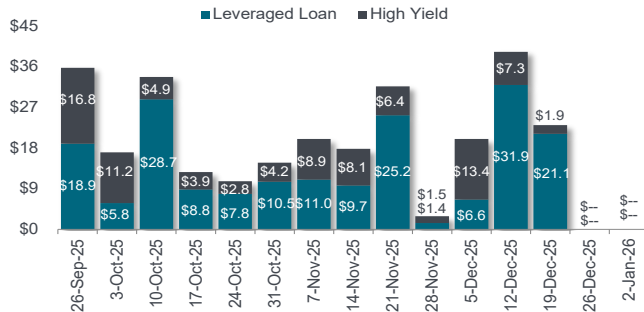
Term Loan B Market

- CLO issuance is projected to ease slightly from 2025's record pace amid softer economic growth, an increase in downgrade in collateral assets, and macro uncertainty.

HY Index Yield & Spread (YTD)



Weekly New Issue Volume (\$BN)



New-Issue Clearing Yields¹ (\$MM)

Double-B Issuers	2Q25	3Q25	30-Day Rolling Average 01/02/26
Ba1	S+265 / 7.1%	S+211 / 6.4%	S+300 / 6.7%
Ba2	S+230 / 6.6%	S+200 / 6.3%	S+175 / 5.5%
Ba3	S+268 / 7.2%	S+241 / 6.7%	S+232 / 6.1%
Single-B Issuers	2Q25	3Q25	30-Day Rolling Average 01/02/26
B1	S+317 / 7.7%	S+280 / 7.1%	S+341 / 7.4%
B2	S+340 / 7.8%	S+311 / 7.5%	S+302 / 6.9%
B3	S+378 / 8.4%	S+352 / 7.9%	S+327 / 7.1%

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	Jse of Proceeds	Size	Pricing	Yield
12/18/2025	RxBenefits	Advent International; Great Hill	B2 / B	Refinancing	\$450	SOFR+500, 0% @ 98	9.234%
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%

Most Recent Healthcare Pro Rata Issuances (\$MM)

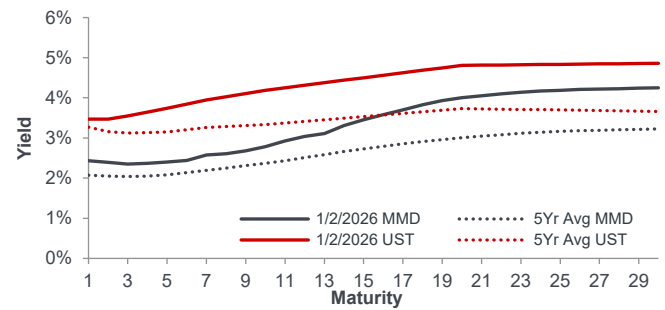
Date	Issuer	Ownership	Ratings	Use of Proceeds	Size	Pricing (in bps)	Financial Covenants
12/12/2025	GE Healthcare Technologies	Public	Baa2 / BBB	Acquisition	\$750mm 3-year Term Loan A	Not Available	Max. Net Leverage Ratio: 3.75x
11/25/2025	TruBridge	Public	NR / NR	Refinancing	\$180mm 5-year Revolver \$70mm 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

Public Finance Market

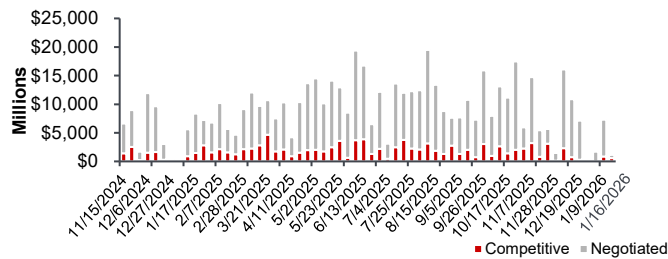
Market Overview

- 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 increased 2 bps week over week
- Healthcare Public Issuance in 2024 increased 143% vs 2023. 2025 Issuance was 34% higher than 2024
- Muni bond funds gained \$675 MM and high yield funds lost \$232 MM for the week ended January 2nd

MMD & UST Yield Curve



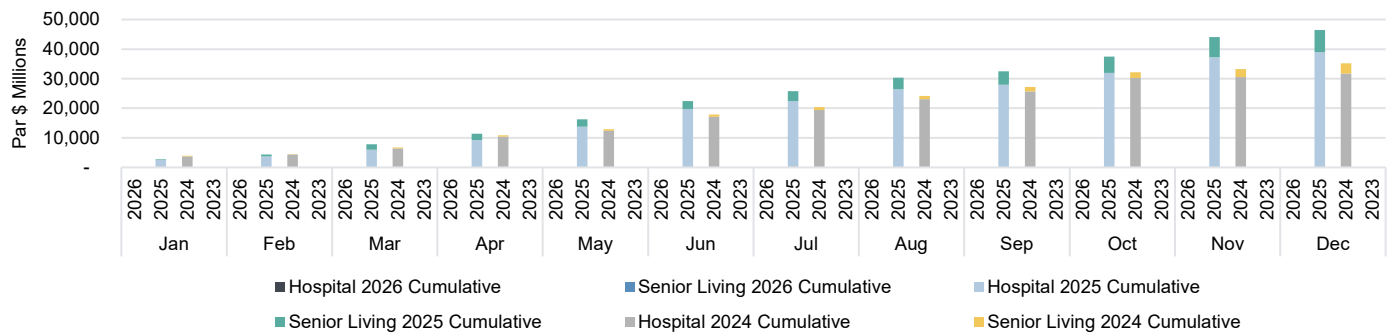
Weekly New Issue Volume (\$MM)



Benchmark Yields

Treasury Yields			MMD Yields			Ratio
Yr	Yield	Δ (W/W)	Yr	Yield	Δ (W/W)	MMD/UST
2	3.47%	1 bps	2	2.39%	(2 bps)	69%
10	4.19%	5 bps	10	2.78%	2 bps	66%
30	4.86%	5 bps	30	4.25%	1 bps	87%

Healthcare Public Issuance Overview



Recent Healthcare Public Issuance

Healthcare Public Issuance										
Borrower/Enhancement	Par (000s)	State	Issuer	Tax Status	LT Ratings (M/S/F)	Final Mat.	Call, Put or Reprice*	Final Mat. Cpn.	YTW	YTM
Recent Pricings, Week of 12/29										
Mid States Leasing Project	140,435	WI	PFA	TE	NR / NR / NR	2035	2035(C)	5.00%	3.81%	N/A
Mid States Leasing Project	75,395	WI	PFA	TAX	NR / NR / NR	2035	NC	5.68%	5.68%	N/A
QSH St. Augustine, LLC Project	42,830	FL	CTA	TE	NR / NR / NR	2057	2040(C)	8.50%	8.50%	N/A
Life Care ET Project	27,000	FL	FLGFC	TE	NR / NR / NR	2030	2026(C)	11.50%	11.50%	N/A
Exp. Pricings, Week of 1/5										
No Expected Pricings	-	-	-	-	-	-	-	-	-	-

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
Credit products are subject to credit approval. Copyright © 2025 KeyCorp.

Relevant News

CMS Announces Rural Health Transformation Program Awards¹

Healthcare IT News | December 30, 2025

The Centers for Medicare and Medicaid Services this week announced the individual funding awards for the \$50 billion federal Rural Health Transformation Program. Now, dedicated project officers will convene program kickoff meetings with each state and provide ongoing assistance and oversight. States will then submit regular progress updates so CMS can identify proven approaches that streamline rural healthcare operations, empower care and resource coordination, and build partnerships. The \$50 billion initiative, established under the Working Families Tax Cuts legislation, is aimed at modernizing and sustaining rural healthcare – largely with IT projects and technology innovation as many small and rural hospitals face closure. According to the U.S. Department of Agriculture, 146 rural hospitals in the United States closed or stopped providing inpatient services from 2005 to 2023.

Long-Term Care Pharmacy Crisis Could Affect 80% Of Nursing Home Residents²

Skilled Nursing News | December 30, 2025

An imminent long-term care pharmacy crisis could affect more than 80% of nursing home residents by 2026, with about 84% of pharmacies planning to reduce services or stop serving certain facilities or regions. About 78% of long-term care pharmacies expect to lay off staff as well, with layoffs already underway, according to a survey conducted by the American Society of Consultant Pharmacists (ASCP) and Senior Care Pharmacy Coalition (SCPC). The survey respondents represent nearly 20% of closed-door long-term care pharmacies nationwide, serving about 800,000 patients, 300,000 of whom are in rural areas, according to a release issued Tuesday by the ASCP and SCPC. The impact of pharmacy changes are expected to be most severe in rural areas.

Behavioral Health In 2026 Will Transition From Growth To Proof³

Behavioral Health Business | December 31, 2025

An emphasis on measurement-based care, accountability and defending value are the trends that will transcend across mental health, substance use and autism care in 2026 amid forthcoming intensified scrutiny and market pressures. Payer demands and the federal government's crackdown on waste, fraud and abuse will likely drive providers to focus more on proving value via measurements and data, as well as on cost containment, industry insiders told Behavioral Health Business. With the influx of AI tools that can assist with data tracking, trend analysis and efficiency, providers will also face the challenge of vetting and adopting new technologies while weighing their liabilities. Across the board, practitioners say AI should not replace human care but enhance it. It's also one of the areas organizations in every sector of behavioral health told BHB they plan to prioritize investments in for 2026.

1. <https://www.healthcareitnews.com/news/cms-announces-rural-health-transformation-program-awards>

2. https://skillednursingnews.com/2025/12/long-term-care-pharmacy-crisis-could-affect-80-of-nursing-home-residents/?itm_source=parsely-api

3. <https://bhbusiness.com/2025/12/31/behavioral-health-in-2026-will-transition-from-growth-to-proof/>

Relevant News

2026 Outlook: The Domino Effect Of Medicaid Cuts And The Hidden Costs For Healthcare¹

Fierce Healthcare | December 23, 2025

In July, the Trump administration passed the One Big Beautiful Bill Act, otherwise known as the budget reconciliation bill. The law, H.R. 1, has made waves for its historic nearly \$1 trillion cut to federal Medicaid spending over 10 years. Healthcare stakeholders have been vocal opponents of the move. H.R. 1 brings the first-ever national work requirements to the Medicaid program, which will kick in at the start of 2027. The number of uninsured Americans is expected to grow by 10 million in 2034 as a result, and another 4 million may become uninsured if the Affordable Care Act subsidies expire. To implement the requirements, state Medicaid agencies will need to make major changes to their eligibility and enrollment systems on a tight timeline. If a person is denied or disenrolled due to work requirements, they will need to file a new application to reapply, triggering a compliance check.

Why Health Systems Are Turning To Cross-Market Mergers²

Becker's Hospital Review | December 30, 2025

Cross-market mergers — transactions between health systems operating in separate geographic regions — are becoming a more prominent trend in hospital consolidation as organizations continue to shift toward multiregion operating models. Over the past year, several large systems have pursued cross-market deals to gain scale, diversify risk and strengthen payer negotiations, often in lieu of same-market mergers that face heightened antitrust scrutiny. While these transactions typically do not eliminate local competition for patients, they are reshaping how health systems think about growth, leverage and long-term sustainability.

HHS Seeks Input On Speeding AI Adoption In Clinical Care³

Medtech Dive | December 22, 2025

The RFI, issued by the HHS' Office of the Deputy Secretary and the Assistant Secretary for Technology Policy and Office of the National Coordinator for Health Information Technology, builds on other actions from the Trump administration to bolster AI implementation across the nation, including the HHS' recently released strategy for deploying the tools within the agency. The Trump administration has largely taken a deregulatory stance toward AI, arguing onerous rules could hamper the development and rollout of the potentially transformative technology. For example, President Donald Trump signed an executive order earlier this month seeking to challenge some state AI laws.

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