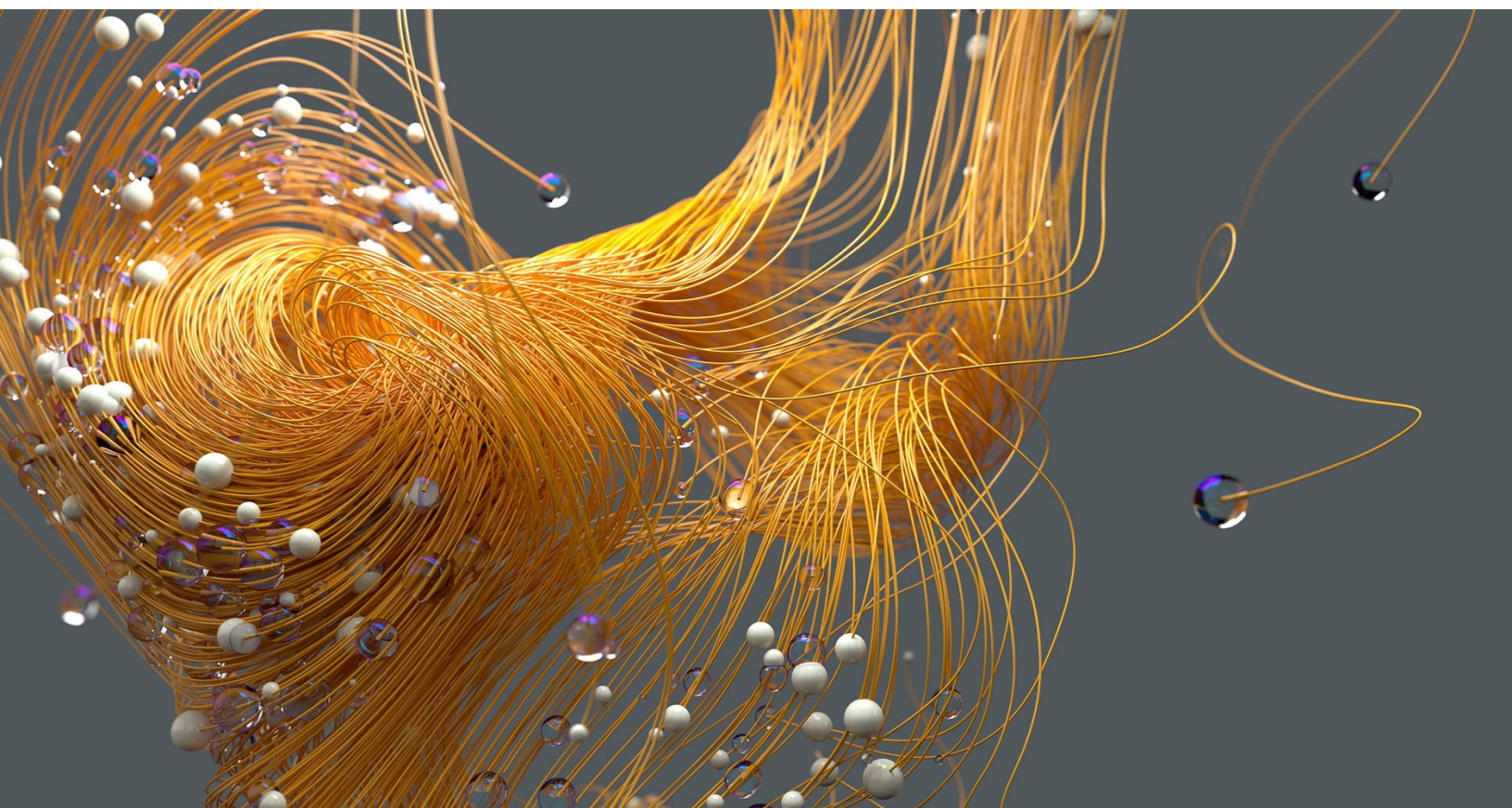


October 6, 2021

Cain Brothers Industry Insights

Healthcare Weekly Market Report



This week's banker commentary:
While We Wait

Industry Insights

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While We Wait

Banker Commentary by Kathy Kirchhoff

The 2017 Tax Cuts and Jobs Act eliminated the ability to issue tax-exempt advance refunding bonds. As a result, nonprofit borrowers, including state and local governments, have fewer options available to them when it comes to refinancing of existing debt. Good news - on Friday September 10, 2021, the House Ways and Means Committee released the Build Back Better Act, which contains language to restore the ability to issue tax-exempt advance refunding bonds. However, as you likely know, the Build Back Better Act has not moved forward due to disagreements within the Democratic controlled majority...but the legislation is not completely dead. The President stated last week his confidence in finding common ground for approval of the Act. If the legislation is approved, and if the tax-exempt advance refunding provisions aren't dropped, it will provide nonprofit borrowers with another refinancing structure. There will be a number of revisions throughout the legislative negotiations, so while it's encouraging that the specific tax-exempt advance refunding language was drafted, it's unclear whether it will be in the final bill and if/when the final bill will be approved. In the meantime, interest rates are rising, and inflation continues to be a point of discussion and concern. Nonprofit borrowers with capital projects or high interest rate debt don't have time to wait for Congress. Cain Brothers has structured and executed several financing strategies to achieve borrower goals and secure financial savings now as an alternative to the still unavailable tax-exempt advance refundings. I've summarized a few examples below.

Taxable Advance Refunding (municipal public offering): Cain Brothers completed a \$126,415,000 taxable advance refunding for **The Buck Institute on Aging** in October 2020 that successfully refinanced \$80.4 million of outstanding, higher interest rate Series 2014 Bonds and funded \$26.3 million of various capital improvements on the Institute's campus and working capital. The Institute is a "A+" rated, nonprofit, independent research organization funded primarily from research grants and annual philanthropic support from the Buck Trust. The Series 2014 Bonds are 35-year, fixed rate bonds insured by Assured Guaranty Municipal Corp. ("AGM") and assigned an insured "AA" rating (stable outlook) by S&P. One advantage of taxable structures is the absence of tax regulations and eligibility requirements for new money projects regarding charitable purpose, useful life, and debt maturity. The Institute intends to use the majority of the new money proceeds for capital expenditures, but it does have the ability to use the proceeds for recruitment packages, which normally would be considered working capital and a challenge to fund with tax-exempt bond proceeds. Further, this transaction was completed as a taxable municipal public offering, which enabled the bond interest to be

Industry Insights

exempt from California state personal income taxes which was an attractive feature for investors.

Taxable Forward Delivery (private placement): In July 2021, KeyBanc Capital Markets (“KBCM”) served as Placement Agent to **Episcopal Communities & Services** (“ECS”) in the issuance of its taxable \$52.495 million Series 2022A (funding May 2022 – a 10-month forward delivery) and \$37.790 million 2022B Bonds (funding November 2022 – a 16-month forward delivery) to refund its Series 2012 ECS Bonds and Series 2014A MonteCedro Bonds. ECS is one of the first not-for-profit Life Plan Community organizations to access the taxable private placement market. The transaction provides ECS (an “A-” rated organization) with a flexible capital solution that utilizes a taxable private placement with a forward delivery closing to simplify documentation, reduce costs of issuance, and eliminate the need for a defeasance escrow and negative arbitrage associated with the future par call dates on the prior bonds. The chosen structure also eliminated the requirement of any public approvals, and the transaction was executed in under four months, much of which was dedicated to drafting a new, modernized, Master Trust Indenture (“MTI”) that includes a favorable covenant and mortgage-free security package for ECS, while creating a new corporate structure including MonteCedro in the Obligated Group upon refunding of the Series 2014A Bonds in November 2022. The Series 2022 Bonds priced with a weighted average coupon below 3.00% and resulted in net present value savings of more than \$27.9 million, including release of the debt service reserve funds and elimination of a guaranty from a related, sponsoring Foundation.

Tax-exempt Forward Delivery (municipal public offering): In September 2021, Cain Brothers served as the Sole Manager in the public issuance of \$35,595,000 of tax-exempt, insured fixed rate revenue refunding bonds on behalf of **O’Connor Woods Housing Corporation** (“OCW”) a nonprofit Life Plan Community in Stockton, California. The proceeds of the Series 2022 Bonds (the “Bonds”) will be used to refinance all the outstanding Series 2013 Bonds in the amount of \$41.135 million. What is unique about this transaction is that the pricing and initial closing of the Series 2022 Bonds occurred in September 2021, but the final settlement will occur on the October 1, 2022 (the forward delivery date, which is 90 days prior to the January 1, 2023, par call date of the Series 2013 Bonds). OCW was able to take advantage of the low interest rate environment and lock in an attractive fixed rate in September 2021, but by delaying the funding and final settlement until October 1, 2022, it was able to minimize the cost of the defeasance escrow. As a result, the transaction produced an All-in TIC of 2.98%, which resulted in annual savings of approximately \$630K.

While we remain hopeful that tax-exempt advance refundings will be restored, taxable and tax-exempt forward delivery structures can be completed in today’s low interest rate environment and achieve favorable and comparable quantitative and qualitative results.

Healthcare M&A Activity

Recent Selected Healthcare M&A Transactions (\$MM)

Date	Target Name	Acquirer	EV	Enterprise Value /		Description
				LTM Rev.	LTM EBITDA	
10/1/2021	Redmond Regional Medical Center	AdventHealth	NA	NA	NA	Georgia 230-bed hospital
10/1/2021	Pulse Veterinary Technologies	Zomedica (NYSE: ZOM)	\$71	NA	NA	Electro-hydraulic shock wave technology for the treatment of a wide variety of conditions in veterinary patients
9/30/2021	Homestead Smart Health Plans (majority interest)	1315 Capital	NA	NA	NA	Healthcare cost containment company
9/29/2021	Velentium	Great Point Partners	NA	NA	NA	Design and manufacturing company of therapeutic and diagnostic medical devices for companies
9/28/2021	Ob Hospitalist (Gryphon Investors)	Kohlberg & Company	NA	NA	NA	Provider of customized obstetric hospitalist programs
9/28/2021	Prestige Medical Imaging	Atlantic Street Capital	NA	NA	NA	Independent radiology service and solutions provider
9/28/2021	Renew Consulting	Pathways Health and Community Support (Atar Capital)	NA	NA	NA	Residential behavioral health company
9/27/2021	Delta Dental Of California (49.5% equity stake)	Moda Holdings Group	\$152	NA	NA	Oral healthcare insurance coverage
9/27/2021	Remedy Health Media	Amulet Capital Partners	NA	NA	NA	Digital health platform that serves patients, caregivers and healthcare providers
9/23/2021	Argos Health	Welsh, Carson, Anderson & Stowe	NA	NA	NA	Provider of complex claims revenue cycle services
9/23/2021	BK Medical (Altaris Capital Partners)	GE Healthcare (NYSE:GE)	\$1,450	NA	NA	Intraoperative imaging and surgical navigation
9/22/2021	Vantage Outsourcing	Pharos Capital	NA	NA	NA	Cataract surgical service provider
9/21/2021	Institute for Human Reproduction	Webster Equity Partners	NA	NA	NA	Provider of fertility and IVF treatments
9/20/2021	GCX Mounting Solutions	Audax Private Equity	NA	NA	NA	Provider of healthcare-focused, mission-critical equipment mounting and mobility solutions
9/20/2021	Martin General Hospital (Quorum Health)	Affinity Health Partners	NA	NA	NA	NFP hospital based in North Carolina
9/22/2021	Vantage Outsourcing	Pharos Capital	NA	NA	NA	Cataract surgical service provider
9/14/2021	Sizewise Rentals	Agility (NYSE: AGTI)	\$230	\$1	\$8	Manufacturer and distributor of specialty hospital beds, surfaces and patient handling equipment
9/14/2021	Sapphire Digital	Zelis (Bain Capital Private Equity)	NA	NA	NA	Platform for provider selection, patient access, price transparency, and digital consumer navigation
9/13/2021	Midwest Eye Consultants	Sentinel Capital Partners	NA	NA	NA	Management service provider to eye care practices
9/9/2021	Summit BHC (FFL Partners and Lee Equity Partners)	Patient Square Capital	NA	NA	NA	Provider of behavioral health and addiction treatment services
9/8/2021	Brookdale Health Care Services (HCA Healthcare and Brookdale Senior Living)	LHC Group (NASDAQ: LHCG)	NA	NA	NA	23 home health locations, 11 hospice, and 13 therapy agencies across 22 states
9/7/2021	Allied 100 (Ridgemont Equity Partners)	Cardio Partners (Sarnova / Patricia Industries)	NA	NA	NA	Distributor of automated external defibrillators
9/7/2021	Care Advantage (BellHealth Investment Partners)	Searchlight Capital Partners	NA	NA	NA	Provider of at-home care business
9/7/2021	Cornerstone of Recovery	Bradford Health Services (Centre Partners)	NA	NA	NA	Substance use disorder treatment provider
8/31/2021	Good Neighbor Holdings*	The Mentor Network (Centerbridge Partners)	NA	NA	NA	Provider of community-based services and supports to individuals with IDD
8/27/2021	Acorn Health (MBF Healthcare Partners)	Ontario Teachers' Pension Plan Board	NA	NA	NA	Provider of applied behavior analysis therapy to children with autism spectrum disorder
8/26/2021	Deca Dental Group (Blue Sea Capital)	Blackstone Tactical Opportunities	NA	NA	NA	Dental services organization
8/26/2021	eQHealth Solutions	Kepro (Apax Partners)	NA	NA	NA	Population health management and technology solutions
8/25/2021	Ginger	Headspace Health	Merger	NA	NA	Comprehensive digital mental health platform
8/25/2021	PromptCare (Halifax Group)	Waud Capital Partners	~\$400.0	NA	~13.0x	Provider of complex respiratory and infusion therapy services

Healthcare Equity Private Placements Activity

Recent Selected Healthcare Equity Private Placements (\$MM)

Date	Company	Investor(s)	Type	Amount	Description
9/30/2021	TrialSpark	Sam Altman and Lachy Groom (co-leads), Sequoia Capital, Thrive Capital, Casdin Capital, Dragoneer, Section 32, John Doerr, Spark Capital, Felicis Ventures, Sound Ventures, and Arrowmark	Series C	\$156	Technology-driven pharma company that runs end-to-end clinical trials
9/29/2021	Membersy	Spectrum Equity	Undisclosed	\$66	Dental clinic membership software firm
9/29/2021	Stellar Health	General Atlantic (lead), Point72 Ventures and Primary Venture Partners	Series B	\$60	HCIT company with a cloud-native point-of-care platform
9/28/2021	Wayspring (fka axialHealthcare)	Valtruis, Centene Corporation, CareSource, HLM Venture Partners and others	Undisclosed	\$75	Value-based care entity exclusively focused on substance use disorder
9/23/2021	Elligo Health Research	Morgan Stanley Expansion Capital and Ally Bridge Group (co-leads), Norwest Venture Partners Cerner, Hatteras Venture Partners, Noro-Moseley Partners, Piper Sandler Merchant Banking, Shumway Capital, and Syneos Health	Series E	\$135	Healthcare-enabling research organization
9/22/2021	Nomad Health	Adam Street Partners	Equity and Debt	\$63	Digital marketplace that connects nurses to short-term medical job
9/22/2021	Xealth	Advocate Aurora Enterprises (lead), Banner Health, ChristianaCare, Cone Health, Memorial Hermann, Nebraska Medicine, Novant Health, and Stanford Health Care	Series B	\$24	Digital health programs, enabling clinicians to integrate, prescribe and monitor digital health tool
9/21/2021	Pager	Susquehanna Private Equity Investments (lead), Horizon Healthcare Services, Silicon Valley Bank	Series C	\$70	Virtual care navigation and collaboration platform
9/21/2021	SymphonyCare	Sopris Capital	NA	Undisclosed	Health cloud data management company
9/20/2021	Genuine Health Group	Crestline Investors (lead)	Undisclosed	\$160	Healthcare services company that partners with primary care physicians to deliver value-based care
9/16/2021	Spring Health	Kinnevik (lead), Guardian Life, Tiger Global, Northzone, RRE Ventures, Rethink Impact, Work-Bench, William K Warren Foundation, SemperVirens, Able Partners, and True Capital Ventures	Series C	\$190	Mental health solution for employers and health plans
9/14/2021	HHAeXchange (Cressey & Company)	Hg	Strategic Investment	Undisclosed	Provider of homecare management solutions for payers, providers, and state Medicaid agencies
9/14/2021	Tia	Lone Pine Capital (lead), Threshold, Define Ventures, Torch Capital, ACME, Compound, Combine, the Helm, Human Ventures, Seae Ventures and Gingerbread Capital	Series B	\$100	Hybrid virtual care and brick-and-mortar women's healthcare company
9/13/2021	TurningPoint Healthcare Solutions	Summit Partners (lead), Oak HC/FT and Sopris Capital	Growth Capital	Undisclosed	Advanced clinical and technology-enabled complex care management
8/26/2021	Overjet	General Catalyst and Insight Partners (co-leads), Crosslink Capital and the MIT-affiliated E14 Fund	Series A	\$27	Provider of dental artificial intelligence solutions
8/24/2021	MedArrive	SCAN Group	Strategic	Undisclosed	Healthcare logistics and services platform
8/23/2021	Covera Health	Insight Partners (lead), Equity Group Investments	Series C	\$25	Healthcare quality analytics platform
8/5/2021	Vera Whole Health	Morgan Health	Undisclosed	\$50	Value-based care services
8/5/2021	Cricket Health	Valtruis (lead: Welsh Carson port co), Oak HC/FT, Cigna Ventures and Health Ventures	Series B	\$84	Provider of value-based kidney care
8/4/2021	Connections Health Solutions	Heritage Group (lead)	Growth	\$31	Provider of immediate-access behavioral health crisis stabilization services

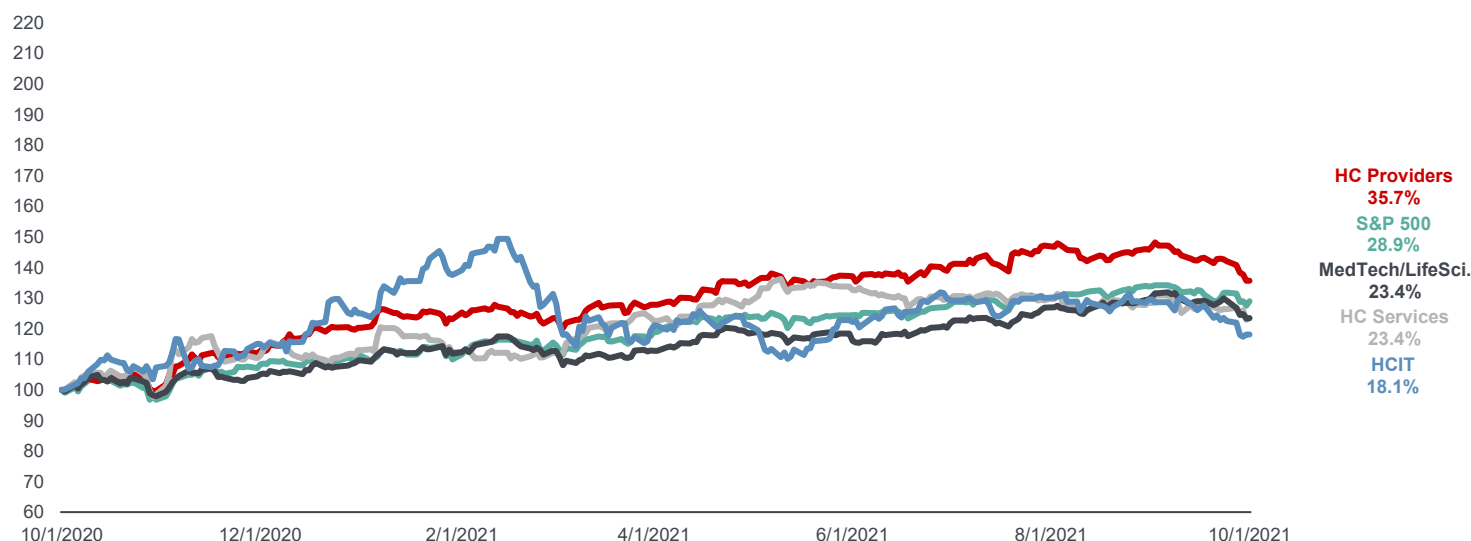
Public Equity Capital Markets Activity & Indices

Equity Indices Information as of October 1, 2021

Index	Wk Open	Wk Close	Returns	
			52 Week	Weekly
DJIA	34,798	34,326	23.4%	(1.4%)
S&P 500	4,455	4,357	28.9%	(2.2%)
NASDAQ	15,048	14,567	28.6%	(3.2%)
Russell 2000	2,248	2,242	46.4%	(0.3%)
NYSE Healthcare	22,564	21,962	19.0%	(2.7%)

Cain Brothers Indicies	Returns	
	52 Week	Weekly
Acute Care	92.1%	(3.3%)
Alternate Site Services	13.7%	(1.8%)
Diagnostics	37.2%	(4.3%)
Distribution	27.0%	(1.2%)
Healthcare IT	3.9%	(3.6%)
Healthcare REITs	23.4%	(0.1%)
Managed Care	22.8%	(2.6%)
Medical Technology	20.7%	(4.0%)
Outsourced Services	46.3%	(1.8%)
Pharma Services	43.6%	(7.9%)
Pharmacy	41.0%	(1.4%)
Post-Acute Care	1.8%	(3.3%)

Cain Brothers Core Healthcare Indices (1YR Performance)



Recent Selected Healthcare IPOs and Follow-Ons (\$MM)

Issuer (Ticker)	Pricing Date	Offering	Deal Value	Mkt Cap. ¹	Offer Price	Current / Offer	Description
Cue Health (HLTH)	9/24/2021	IPO	\$200	\$2,875	\$16.00	(32.8%)	Consumer focused healthcare IT company
Definitive Healthcare (DH)	9/15/2021	IPO	\$420	\$4,288	\$27.00	50.1%	Healthcare commercial intelligence solutions
Avantor (AVTR)	9/15/2021	Follow On	\$875	\$25,884	\$42.00	(1.1%)	Critical products and services to customers in the biopharma and healthcare industries
Maravai LifeSciences (Nasdaq: MRVI)*	9/10/2021	Follow On	\$1,000	\$15,400	\$50.00	(13.5%)	Data and analytics technology and services to healthcare organizations
Health Catalyst (HCAT)	8/11/2021	Follow On	\$225	\$2,771	\$53.00	(6.6%)	Data and analytics technology and services to healthcare organizations

Sources: Cain Brothers, Bloomberg, Capital IQ

1. Market Capitalization as of offer date

* Denotes Cain Brothers/KeyBanc Capital Markets participation

Excludes biopharmaceutical public offerings

Tax-Exempt Debt Markets

Tax-Exempt Debt Information as of October 1, 2021

Security	Current (%)	One Week Ago (%)	One Year Ago (%)
A-rated Tax-Exempt Hospital Bonds (30-Yr)	1.97%	1.89%	2.38%
AA Tax-Exempt Hospital Bonds (30-Yr)	1.77%	1.69%	2.08%
SIFMA (Variable Rate Demand Notes)	0.05%	0.02%	0.11%
Revenue Bond Index	2.62%	2.51%	2.67%
SIFMA/1 Month LIBOR	62.50%	22.22%	78.57%
RBI/30 Yr Treasury (%)	128.43%	126.13%	180.41%
30-Year Floating to Fixed Swap (81% LIBOR)	1.41%	1.40%	0.86%

Tax-Exempt Healthcare Issuance Information¹ (\$MM)

Borrower	Par	State	Rating	Maturity	Call, Put or Reprice*	Coupon	Yield to Call	Yield to Mat.	AAA
Adventist HealthCare Issue	\$138.660	MD	Baa3 / BBB / NR	2051	2032 (C)	4.00%	2.70%	3.38%	1.67%
Adventist HealthCare Issue (Taxable)	\$69.835	MD	Baa3 / BBB / NR	2043	2032 (C)	3.76%	3.76%	N/A	2.07%
University Hospitals Health System	\$157.825	OH	A2 / A / NR	2051	2031 (C)	2.90%	2.90%	N/A	1.67%
Providence Saint Joseph Health	\$101.705	WA	Aa3 / NR / AA-	2041	2030 (P)	4.00%	1.53%	N/A	1.67%
Mather Foundation** (Taxable)	\$100.000	IL	NR / A+ / NR	2031	MWC**	2.68%	2.68%	N/A	1.54%
Magnolia Regional Health Center Project	\$86.200	MS	NR / BB / NR	2041	2031 (C)	4.00%	3.40%	3.64%	1.67%
Mohawk Valley Health System Project***	\$69.260	NY	NR / AA / NR	2051	2031 (C)	4.00%	2.41%	3.26%	1.67%
Wake Robin Corporation Project	\$49.190	VT	NR / NR / NR	2045	2031 (C)	4.00%	3.12%	3.55%	1.67%
Wake Robin Corporation Project (Taxable)	\$2.140	VT	NR / NR / NR	2022	NC	2.00%	2.00%	N/A	0.09%
Mary Free Bed Rehabilitation Hospital	\$28.985	MI	NR / NR / A	2051	2031 (C)	3.00%	3.10%	N/A	1.67%
Valley Health Team, Inc.****	\$15.365	CA	NR / AA- / NR	2051	2029 (C)	4.00%	2.05%	3.27%	1.67%

Total **\$819.165**

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

**Make Whole Call at 20 bps

***Insured By: Assured Guaranty Municipal Corp. which provides 'AA' S&P rating (Underlying S&P Rating: 'BB+'); Overlapping final maturity: Coupon / YTC / YTM of 3.00% / 2.92% / 2.96%

****Insured By: Cal-Mortgage Insurance which provides 'AA-' S&P rating

1. Bloomberg, Capital IQ

Tax-Exempt Debt Markets

What's On Deck: Tax-Exempt Healthcare Issuances¹ (\$MM)

Issuer	Date	Amount	Rating
County of Montgomery, Ohio Hospital Facilities Revenue Bonds, Series 2021 (Dayton Children's Hospital)	10/6/2021	\$237.225	A1 / NR / AA-
Fairview Health Services Taxable Bonds, Series 2021 Corporate Cusip	10/6/2021	\$200.000	A3 / A / NR
National Finance Authority, New Hampshire Hospital Facilities Revenue Bonds (Saint Elizabeth Medical Center, Inc.) Taxable Series 2021B	10/6/2021	\$50.520	NR / AA / NR
National Finance Authority, New Hampshire Hospital Facilities Revenue Bonds (Saint Elizabeth Medical Center, Inc.) Series 2021A	10/6/2021	\$49.350	NR / AA / NR
Wisconsin Health and Educational Facilities Authority Refunding Revenue Bonds, Series 2021B (Saint John's Communities, Inc.) Refunding Revenue Bonds, Series 2022 (Saint John's Communities, Inc.) (Forward Delivery)	10/6/2021	\$43.440	NR / NR / BBB-
Wisconsin Health and Educational Facilities Authority Revenue Bonds, Series 2021 (PHW Muskego Project)	10/6/2021	\$37.340	NR / NR / NR
City of Wichita, Kansas Multifamily Housing Revenue Bonds Series IV, 2021 (Wichita Senior Housing)	10/6/2021	\$17.300	NR / NR / NR

1. Bloomberg, Capital IQ

Corporate High Grade, High Yield & Leveraged Loan Market

Market Overview

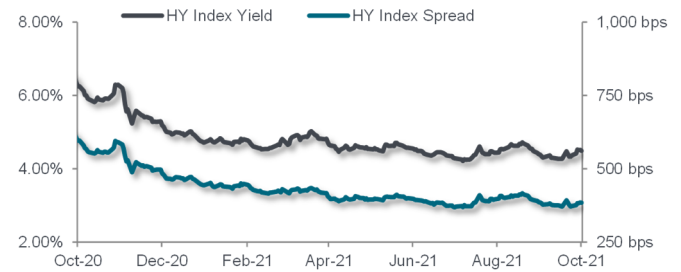
High Yield

- Last week saw a \$196 million inflow, which follows the prior week's outflow of \$536 million; YTD net outflows total \$11.9 billion, which compares to YTD 2020 net inflows of \$44.9 billion

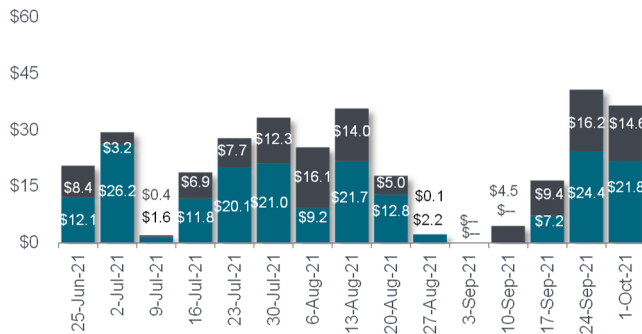
Leveraged Loans

- Leveraged loan funds saw a \$331 million inflow last week after the first outflow two months prior since early January. There have been 37 inflows in 2021 totaling \$34.8 billion YTD following net outflows in 2020 totaling \$27.0 billion; Inflows totaled a more modest \$7.1 billion in Q321 following \$13.6 billion of inflows in 2Q21

HY Index Yield & Spread (YTD)



Weekly New Issue Volume (\$B)



New-Issue Clearing Yields¹ (\$MM)

	1Q21	2Q21	30-Day Rolling Average		
			July 2021	August 2021	09/30/21
Overall	4.40%	4.64%	4.72%	5.17%	4.64%
4B	3.00%	2.98%	3.33%	3.88%	3.47%
2B	4.63%	4.99%	5.06%	5.26%	4.86%
Middle Market	4.79%	5.15%	6.10%	6.23%	6.21%

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	IP T-Pricing
9/8/2021	PerkinElmer Inc	Sr Notes	\$500	Baa3 / BBB / BBB	0.550%	9/15/2023	+35	25 bps
9/8/2021	PerkinElmer Inc	Sr Notes	\$800	Baa3 / BBB / BBB	0.850%	9/15/2024	+45	25 bps
9/8/2021	PerkinElmer Inc	Sr Notes	\$500	Baa3 / BBB / BBB	1900%	9/15/2028	+80	25 bps
9/8/2021	PerkinElmer Inc	Sr Notes	\$500	Baa3 / BBB / BBB	2.250%	9/15/2031	+95	25 bps

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	Price Talk
9/30/2021	Medline	Sr. Sec. Notes	\$4,500	B1/B-	3.875%	4/1/2029	251 bps	3.875%-4.00%
9/30/2021	Medline	Sr. Notes	\$2,500	Caa1/B-	5.250%	10/1/2029	390 bps	5.25%-5.50%
9/30/2021	Convatec	Sr. Notes	\$500	Ba2/BB+	3.875%	10/15/2029	253 bps	4.00% area
9/28/2021	HealthEquity*	Sr. Notes	\$500	B3/B	4.500%	10/1/2029	312 bps	4.50%-4.75%

Most Recent Healthcare Leveraged Loan Issuances (\$MM)

Date	Issuer	Ownership	Ratings	Use of Proceeds	Size	Pricing	Yield
10/1/2021	Zelis Healthcare Corp	Parthenon Capital	B2/B	Acquisition	\$550	L+350, 0.00% @ 99.27	3.820%
10/1/2021	Medline Industries	Blackstone Group	B2/B+	LBO	\$7,270	L+325, 0.50% @ 99.5	3.880%
10/1/2021	Azurity Pharmaceuticals	NovaQuest Capital Management	B2/B	Acquisition	\$550	L+600, 0.75% @ 97	7.500%
9/30/2021	MDVIP	Goldman Sachs	B3/B	LBO	\$530	L+375, 0.50% @ 99.5	4.380%
9/28/2021	Catalent Inc	Not Sponsored	Ba3/BB	Acquisition	\$450	L+200, 0.50% @ 99.75	2.560%

Healthcare News

Here's What Major National Payers Are Offering In Medicare Advantage For 2022¹

Fierce Healthcare | October 4, 2021

Medicare Advantage (MA) enrollment begins Oct. 15, and major national payers are outlining their plans for the coming year. The market is one of the hottest in the insurance industry and is a key growth target for many insurers. Recent Kaiser Family Foundation data show that enrollment in MA plans has more than doubled over the past decade, reaching more than 26 million members, or about 42% of the Medicare population. Options are growing for members as the market heats up; KFF found that for the 2021 plan year, beneficiaries had access to 33 different plans, the most ever. UnitedHealthcare is set to reach 94% of Medicaid eligibles, expanding its reach in MA to 276 additional counties and 3.1 million new MA beneficiaries. Anthem will expand to 154 new counties for 2022, reaching an additional 1.5 million Medicare eligibles. Cigna plans for another record year of expansion, adding 108 new counties and moving into three new states: Connecticut, Oregon and Washington. Lastly, Aetna will expand its MA plans into 83 new counties, reaching an additional 1 million beneficiaries.

Labor Shortages In Healthcare Expected To Rise As Demand Grows, Report Finds²

Fierce Healthcare | September 30, 2021

Healthcare workers are retiring at a faster rate than anticipated, in part over burnout, while demand for them will increase over the next several years, according to a new report. "The healthcare workforce is burned-out following a nearly two-year face-off against COVID-19," said John Derse, healthcare industry vertical leader at Mercer, in a statement. "This impact will be felt by all of us, regardless of where we live or our field of work." The Mercer Report estimated that about 9.7 million people currently work in low-paying jobs in the sector, like home health aides, and the need will continue to rise for the next five years. But at the current rate, more than 6.5 million workers will leave in that time frame, while less than 2 million will fill their spots. California and New York are expected to suffer the greatest hits. At the same time, the pace of physician retirement is expected to grow. By 2026, the number of physicians of retirement age will grow from the current 12% to 21%. The Northeast states of Maine, Rhode Island, Vermont and New Jersey will feel these retirements most rapidly.

AMA Calls Out Shrinking Payer Competition Amid Rising Antitrust Interest In Washington³

Healthcare Dive | September 29, 2021

Decades of consolidation among both providers and payers have contributed to rapidly rising healthcare costs, with both parties arguing the lion's share of blame should fall on the other as Washington looks to take a stricter approach to M&A regulation. The newest research from the AMA comes as rumors swirl that Humana is interested in acquiring Centene. The speculation, based on chatter that a Humana private jet was spotted at Centene's St. Louis headquarters and reported on by StreetInsider, reups similar speculation two years ago that Humana eventually shut down in a statement with the Securities and Exchange Commission. But large health insurer consolidation has been rare since the DOJ opposed the mergers of Anthem and Cigna and of Aetna and Humana in 2016. Recent insurer M&A is more likely to be vertical, as payers look to snap up physician practices, pharmacy benefit managers and pharmacies integrated with PBMs. Such deals are an easier sell for regulators as the entities don't compete directly against each other, though anticompetitive hawks have aired concerns such M&A could also impede competition and raise prices.

Healthcare News Continued...

Consumer Satisfaction With Telehealth Fell From Last Year, J.D. Power Finds¹

Healthcare Dive | September 30, 2021

Telehealth usage exploded last April amid lock downs and stay-at-home orders but has since tapered off from record highs. While patients and clinicians are still using the services, a year later they say some of the barriers and burdens are becoming more clear. From 2020 to 2021, overall satisfaction with both direct-to-consumer and payer-sponsored telehealth services declined. Patients frequently cited limited services, lack of awareness of costs and confusing technology requirements. That's especially true among higher-risk patients, whose overall satisfaction was 85 points lower than patients who considered themselves in excellent health. Healthier patients were much more likely to say they received clearer explanations and perceived their visits to be highly personalized, garnering higher quality diagnoses than higher-risk patients.

Medtech Is Well-Positioned For Investment And Growth Following Surge In Biopharma²

Med City News | September 29, 2021

The success of biopharma and medtech are not mutually exclusive. In some ways, medtech is actually drafting off of the recent surge in interest and investment in biopharma. Awareness of infectious diseases such as Covid-19 is fueling advancements in diagnostics, medical devices and digital medicine. But there's more at play in the growth of medtech. In addition to advancements in diagnostics, there's a recent and growing interest in medtech from pharmaceutical companies who are looking to diversify their offerings and extend patent life, which includes investing in everything from neurostimulation devices to control seizures and improve digestion, heart rate, etc., to virtual reality for chronic and acute pain relief. Experts predict medtech's momentum will continue to build. According to a report from BCC Research, the medtech industry will boast a compound annual growth rate of 5.6% from 2020 to 2025, reaching revenue of nearly \$800 billion by 2025.

Providers Cry Foul Over New Surprise Billing Rule's Arbitration Process³

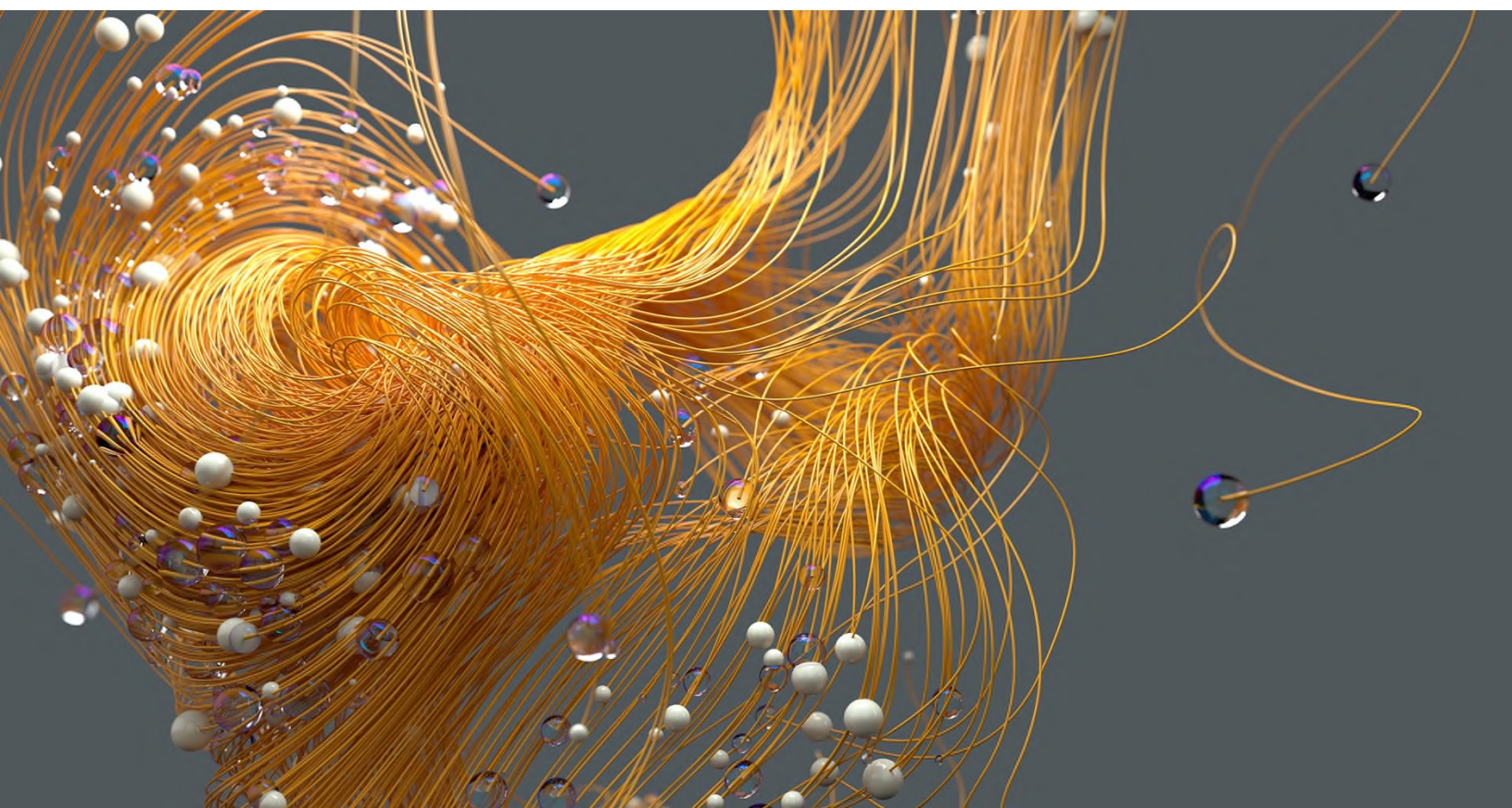
Fierce Healthcare | October 1, 2021

Physician and hospital groups are slamming the Biden administration's latest surprise billing rule, charging that it unfairly tilts a dispute process over out-of-network charges in insurers' favor. The administration's interim final rule, released late Thursday, details how to handle disputes between payers and providers over out-of-network charges. But providers chafed at the rule's direction for independent arbiters to rely on a benchmark rate to settle disputes. The rule "ignores congressional intent and flies in the face of the Biden administration's stated concerns about consolidation in the healthcare marketplace," said Gerald Harmon, M.D., the American Medical Association's president, in a statement Friday. The American Hospital Association said the rule "brought new life to harmful proposals that Congress deliberately rejected," said Executive Vice President Stacey Hughes. The concerns stem from guidance given to independent arbiters in settling disputes. Under the final rule, a payer and a provider agree to enter an independent dispute-resolution process if they cannot settle a disagreement over an out-of-network charge. The groups must pick a certified third party, and each must offer a certain amount that the arbiter will choose as the final charge. But providers took umbrage with a key direction the rule gave to the arbiter. The final rule states that when deciding between the amounts, the arbiter should pick whichever amount is closest to the qualified payment amount (QPA), which is an insurance plan's median contract rate for the same or similar service in a geographic area.

October 13, 2021

Cain Brothers Industry Insights

Healthcare Weekly Market Report



This week's banker commentary:

What Does CMS's Direct Contracting Entity Program Suggest for Insurers?

Industry Insights

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What Does CMS's Direct Contracting Entity Program Suggest for Insurers?

Banker Commentary by Jim Moloney

One of the major areas of investor attention during 2021 has been the focus on value-based care models, especially for Medicare Advantage patient populations. There are a number of high-profile clinic-based models (Cano Health, CareMax, Oak Street and One Medical) as well as focused payer models (Bright Health, Agilon, and Privia) that have attracted significant investor interest during the past year. Investors recognize that these models are able to significantly reduce the total cost of care for patients by focusing on chronic health conditions and reducing preventable health care costs. Current market valuations are based on the market's expectation of significant growth for these companies and the ability to realize (and capture) substantial cost savings – mostly from reduced hospital costs.

There has been far less attention paid to CMS's Direct Contracting Entity program, which was launched in April 2021. This program is the latest of CMS's recent initiatives to innovate payment models with the aim to reduce Medicare Program costs. CMS approved 53 organizations (DCE Entities) to participate in the program, under which provider entities will directly contract with CMS and assume risk for a defined patient population. These DCE entities also contract with other providers for the services to the beneficiaries assigned to the DCE. DCE providers can enter into contracts including with Participant Providers, which add the Medicare beneficiaries aligned with the Participant Provider to the covered lives under the DCE contract with CMS, or Preferred Providers. DCE entities can enter into professional risk or global risk contracts with CMS with 50% (professional) and 100% (global) shared risk. Under this program, CMS is attempting to enable primary care-based physician groups with risk-based contracting capabilities to improve the economic incentives to provide higher quality and lower cost care. Importantly, the DCE model does not limit aligned Medicare beneficiaries from seeking care with other Medicare providers, and in this way is similar to the Next Generation ACOs.

In some important ways, with the DCE program CMS is essentially disintermediating MA insurers by contracting directly with providers. CMS will have access to better utilization and cost data for the aligned beneficiaries than is available in fully capitated MA plans. DCE providers will have the ability to negotiate the care networks with other provider entities and assume either partial or full risk for their network to manage to cost of services to their patients during the five-year program.

Industry Insights

What does the DCE program mean for providers and insurers? First, if this program is successful, it will likely drive more consolidation of physician organizations, especially primary care-oriented groups. These groups will need to be larger and better capitalized to manage the assumption of financial risk and will need to develop sophisticated contract management capabilities to negotiate with other provider entities and manage claims. These groups will also need to develop consistent care management models with a focus on complex, chronic health conditions. If physician organizations can develop these capabilities and succeed via direct contracting with CMS, it will further commoditize the value of the insurance product and the value of hospital-based care. The DCE program is just the latest development that continues the shift in value toward physician organizations and away from insurance companies and hospitals. This program should be carefully watched as the implications to physicians, insurers and hospitals could be significant.

Healthcare M&A Activity

Recent Selected Healthcare M&A Transactions (\$MM)

Date	Target Name	Acquirer	EV	Enterprise Value /		Description
				LTM Rev.	LTM EBITDA	
10/7/2021	AgeWell New York's Medicaid Managed Long Term Care Business	Molina Healthcare (NYSE: MOH)	\$110	NA	NA	Specialty managed care organization that provides long-term care services at home or in the community
10/7/2021	Health Network One	H.I.G. Capital	NA	NA	NA	Provider of specialty benefit management services for health insurers
10/7/2021	Welltok	Virgin Pulse (Marlin Equity Partners)	NA	NA	NA	Provider of data analytics-based targeting and multi-channel outreach solutions
10/6/2021	Pharmica Consulting	ProPharma Group (Odyssey Investment Partners)	NA	NA	NA	Life science consulting company
10/5/2021	Eating Recovery Center (CCMP Capital)	Apax Partners and Oak HC/FT Partners	~\$1,400.0	NA	NA	Provider of eating disorder and mood and anxiety treatment
10/4/2021	DentaQuest	Sun Life Financial (NYSE: SLF)	\$2,475	NA	NA	Provider of Medicaid dental benefits in the U.S
10/4/2021	Infinity Infusion Nursing	Option Care Health (Nasdaq: OPCH)	\$50	NA	NA	Provider of home infusion services that provide therapy management for patients with acute, chronic and rare disorders
10/4/2021	THEMA Health Services	Pharos Capital Group	NA	NA	NA	Provider of hospice, skilled home health, and palliative care service
10/1/2021	Redmond Regional Medical Center	AdventHealth	NA	NA	NA	Georgia 230-bed hospital
10/1/2021	Pulse Veterinary Technologies	Zomedica (NYSE: ZOM)	\$71	NA	NA	Electro-hydraulic shock wave technology for the treatment of a wide variety of conditions in veterinary patients
9/30/2021	Homestead Smart Health Plans (majority interest)	1315 Capital	NA	NA	NA	Healthcare cost containment company
9/29/2021	Velentium	Great Point Partners	NA	NA	NA	Design and manufacturing company of therapeutic and diagnostic medical devices for companies
9/28/2021	Ob Hospitalist (Gryphon Investors)	Kohlberg & Company	NA	NA	NA	Provider of customized obstetric hospitalist programs
9/28/2021	Prestige Medical Imaging	Atlantic Street Capital	NA	NA	NA	Independent radiology service and solutions provider
9/28/2021	Renew Consulting	Pathways Health and Community Support (Atar Capital)	NA	NA	NA	Residential behavioral health company
9/27/2021	Delta Dental Of California (49.5% equity stake)	Moda Holdings Group	\$152	NA	NA	Oral healthcare insurance coverage
9/27/2021	Remedy Health Media	Amulet Capital Partners	NA	NA	NA	Digital health platform that serves patients, caregivers and healthcare providers
9/23/2021	Argos Health	Welsh, Carson, Anderson & Stowe	NA	NA	NA	Provider of complex claims revenue cycle services
9/23/2021	BK Medical (Altaris Capital Partners)	GE Healthcare (NYSE:GE)	\$1,450	NA	NA	Intraoperative imaging and surgical navigation
9/22/2021	Vantage Outsourcing	Pharos Capital	NA	NA	NA	Cataract surgical service provider
9/21/2021	Institute for Human Reproduction	Webster Equity Partners	NA	NA	NA	Provider of fertility and IVF treatments
9/20/2021	GCX Mounting Solutions	Audax Private Equity	NA	NA	NA	Provider of healthcare-focused, mission-critical equipment mounting and mobility solutions
9/20/2021	Martin General Hospital (Quorum Health)	Affinity Health Partners	NA	NA	NA	NFP hospital based in North Carolina
9/22/2021	Vantage Outsourcing	Pharos Capital	NA	NA	NA	Cataract surgical service provider
9/14/2021	Sizewise Rentals	Agility (NYSE: AGTI)	\$230	\$1	\$8	Manufacturer and distributor of specialty hospital beds, surfaces and patient handling equipment
9/14/2021	Sapphire Digital	Zelis (Bain Capital Private Equity)	NA	NA	NA	Platform for provider selection, patient access, price transparency, and digital consumer navigation
9/13/2021	Midwest Eye Consultants	Sentinel Capital Partners	NA	NA	NA	Management service provider to eye care practices
9/9/2021	Summit BHC (FFL Partners and Lee Equity Partners)	Patient Square Capital	NA	NA	NA	Provider of behavioral health and addiction treatment services

Healthcare Equity Private Placements Activity

Recent Selected Healthcare Equity Private Placements (\$MM)

Date	Company	Investor(s)	Type	Amount	Description
10/7/2021	Brave Care	Mednax (lead)	Series B	\$25	Pediatric healthcare and technology platform
10/6/2021	Twin Health	ICONIQ Growth, Sequoia Capital India Advisors, Perceptive Advisors, Corner Ventures, LTS Investments, Sofina Société, Helena Group Foundation	Series C	\$140	Precision health platform for disease management
10/5/2021	Honor Technology	Baillie Gifford (lead - equity), T. Rowe Price, Prosus Ventures, Andreessen Horowitz, Thrive Capital, FMZ Ventures, Rock Springs Capital, Lighthouse Capital Markets, and TriplePoint Capital Perceptive Advisors (lead - debt), Ares Management	Series E	\$70 (equity) \$300 (debt)	Senior care network and technology platform
9/30/2021	TrialSpark	Sam Altman and Lachy Groom (co-leads), Sequoia Capital, Thrive Capital, Casdin Capital, Dragoneer, Section 32, John Doerr, Spark Capital, Felicis Ventures, Sound Ventures, and Arrowmark	Series C	\$156	Technology-driven pharma company that runs end-to-end clinical trials
9/29/2021	Membersy	Spectrum Equity	Undisclosed	\$66	Dental clinic membership software firm
9/29/2021	Stellar Health	General Atlantic (lead), Point72 Ventures and Primary Venture Partners	Series B	\$60	HCIT company with a cloud-native point-of-care platform
9/28/2021	Wayspring (fka axialHealthcare)	Valtruis, Centene Corporation, CareSource, HLM Venture Partners and others	Undisclosed	\$75	Value-based care entity exclusively focused on substance use disorder
9/23/2021	Elligo Health Research	Morgan Stanley Expansion Capital and Ally Bridge Group (co-leads), Norwest Venture Partners Cerner, Hatteras Venture Partners, Noro-Moseley Partners, Piper Sandler Merchant Banking, Shumway Capital, and Syneos Health	Series E	\$135	Healthcare-enabling research organization
9/22/2021	Nomad Health	Adam Street Partners	Equity and Debt	\$63	Digital marketplace that connects nurses to short-term medical job
9/22/2021	Xealth	Advocate Aurora Enterprises (lead), Banner Health, ChristianaCare, Cone Health, Memorial Hermann, Nebraska Medicine, Novant Health, and Stanford Health Care	Series B	\$24	Digital health programs, enabling clinicians to integrate, prescribe and monitor digital health tool
9/21/2021	Pager	Susquehanna Private Equity Investments (lead), Horizon Healthcare Services, Silicon Valley Bank	Series C	\$70	Virtual care navigation and collaboration platform
9/21/2021	SymphonyCare	Sopris Capital	NA	Undisclosed	Health cloud data management company
9/20/2021	Genuine Health Group	Crestline Investors (lead)	Undisclosed	\$160	Healthcare services company that partners with primary care physicians to deliver value-based care
9/16/2021	Spring Health	Kinnevik (lead), Guardian Life, Tiger Global, Northzone, RRE Ventures, Rethink Impact, Work-Bench, William K Warren Foundation, SemperVirens, Able Partners, and True Capital Ventures	Series C	\$190	Mental health solution for employers and health plans
9/14/2021	HHAeXchange (Cressey & Company)	Hg	Strategic Investment	Undisclosed	Provider of homecare management solutions for payers, providers, and state Medicaid agencies
9/14/2021	Tia	Lone Pine Capital (lead), Threshold, Define Ventures, Torch Capital, ACME, Compound, Combine, the Helm, Human Ventures, Seae Ventures and Gingerbread Capital	Series B	\$100	Hybrid virtual care and brick-and-mortar women's healthcare company
9/13/2021	TurningPoint Healthcare Solutions	Summit Partners (lead), Oak HC/FT and Sopris Capital	Growth Capital	Undisclosed	Advanced clinical and technology-enabled complex care management

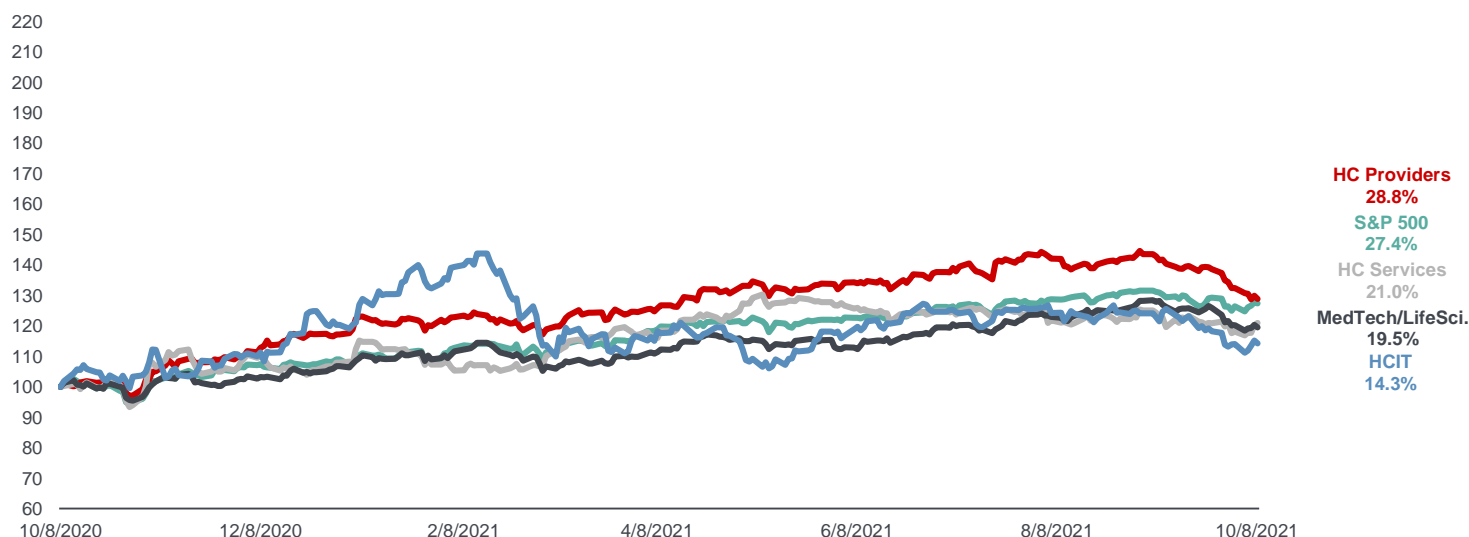
Public Equity Capital Markets Activity & Indices

Equity Indices Information as of October 8, 2021

Index	Wk Open	Wk Close	Returns	
			52 Week	Weekly
DJIA	34,326	34,746	22.2%	1.2%
S&P 500	4,357	4,391	27.4%	0.8%
NASDAQ	14,567	14,580	27.7%	0.1%
Russell 2000	2,242	2,233	37.1%	(0.4%)
NYSE Healthcare	22,564	21,962	19.0%	(2.7%)

Cain Brothers Indicies	Returns	
	52 Week	Weekly
Acute Care	73.6%	(4.0%)
Alternate Site Services	5.2%	(3.8%)
Diagnostics	31.6%	(1.1%)
Distribution	20.6%	(0.2%)
Healthcare IT	0.5%	0.3%
Healthcare REITs	18.6%	(1.6%)
Managed Care	21.5%	3.2%
Medical Technology	16.8%	(0.7%)
Outsourced Services	39.9%	2.0%
Pharma Services	40.1%	(0.6%)
Pharmacy	36.1%	0.6%
Post-Acute Care	(5.2%)	(4.9%)

Cain Brothers Core Healthcare Indices (1YR Performance)



Recent Selected Healthcare IPOs and Follow-Ons (\$MM)

Issuer (Ticker)	Pricing Date	Offering	Deal Value	Mkt Cap. ¹	Offer Price	Current / Offer	Description
Cue Health (HLTH)	9/24/2021	IPO	\$200	\$2,875	\$16.00	(31.9%)	Consumer focused healthcare IT company
Definitive Healthcare (DH)	9/15/2021	IPO	\$420	\$4,288	\$27.00	67.8%	Healthcare commercial intelligence solutions
Avantor (AVTR)	9/15/2021	Follow On	\$875	\$25,884	\$42.00	(3.4%)	Critical products and services to customers in the biopharma and healthcare industries
Maravai LifeSciences (Nasdaq: MRVI)*	9/10/2021	Follow On	\$1,000	\$15,400	\$50.00	(18.2%)	Data and analytics technology and services to healthcare organizations
Health Catalyst (HCAT)	8/11/2021	Follow On	\$225	\$2,771	\$53.00	(11.4%)	Data and analytics technology and services to healthcare organizations

Tax-Exempt Debt Markets

Tax-Exempt Debt Information as of October 8, 2021

Security	Current (%)	One Week Ago (%)	One Year Ago (%)
A-rated Tax-Exempt Hospital Bonds (30-Yr)	1.99%	1.97%	2.48%
AA Tax-Exempt Hospital Bonds (30-Yr)	1.79%	1.77%	2.18%
SIFMA (Variable Rate Demand Notes)	0.05%	0.05%	0.11%
Revenue Bond Index	2.63%	2.62%	2.77%
SIFMA/1 Month LIBOR	55.56%	62.50%	73.33%
RBI/30 Yr Treasury (%)	121.76%	128.43%	175.32%
30-Year Floating to Fixed Swap (81% LIBOR)	1.54%	1.41%	0.94%

Tax-Exempt Healthcare Issuance Information¹ (\$MM)

Borrower	Par	State	Rating	Maturity	Call, Put or Reprice*	Coupon	Yield to Call	Yield to Mat.	AAA
Dayton Children's Hospital**	\$240.650	OH	A1 / NR / AA-	2051	2031 (C)	4.00%	2.45%	3.29%	1.69%
Fairview Health Services (Taxable)***	\$100.945	MN	A3 / A / NR	2051	MWC***	3.46%	3.46%	N/A	2.08%
Fairview Health Services (Taxable)***	\$100.925	MN	A3 / A / NR	2031	MWC***	2.56%	2.56%	N/A	1.53%
Sentara RHM Medical Center	\$156.035	VA	Aa2 / AA / NR	2050	2031 (C)	2.63%	2.82%	N/A	1.69%
Saint Elizabeth Medical Center, Inc. (Taxable)	\$50.520	MA	NR / AA / NR	2051	2031 (C)	3.27%	3.27%	N/A	2.13%
Saint Elizabeth Medical Center, Inc.	\$49.480	MA	NR / AA / NR	2051	2031 (C)	4.00%	2.40%	3.28%	1.69%
St. John's Communities Inc. (Forward Delivery)	\$25.945	WI	NR / NR / BBB-	2045	2030 (C)	4.00%	3.45%	3.75%	1.69%
St. John's Communities Inc.	\$18.240	WI	NR / NR / BBB-	2045	2030 (C)	4.00%	2.75%	3.40%	1.69%
PHW Muskego Project	\$38.680	WI	NR / NR / NR	2061	2030 (C)	4.00%	3.77%	3.91%	1.69%
Total	\$781.420								

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

**Overlapping final maturity: Coupon / YTC / YTM of 2.95% / 2.95% / NA

***Make Whole Call at 20 bps

1. Bloomberg, Capital IQ

What's On Deck: Tax-Exempt Healthcare Issuances¹ (\$MM)

Issuer	Date	Amount	Rating
Indiana Finance Authority Revenue Bonds (Deaconess Health System) Series 2021A (Federally Taxable) Fixed Rate Series 2021B FRN Rate	10/14/2021	\$377.520	NR / A+ / AA
King County Public Hospital District No. 2 (EvergreenHealth) King County, Washington Limited Tax General Obligation and Refunding Bonds, 2021	10/12/2021	\$152.243	Aa3 / NR / NR
Indiana Finance Authority Health Facilities Revenue Bonds, Series 2022A (Good Samaritan Hospital) (Forward Delivery)	10/14/2021	\$49.705	Baa3 / NR / NR
County of Franklin, Ohio Health Care Facilities Refunding Revenue Bonds, Series 2022 (Ohio Living Communities)	10/13/2021	\$39.710	NR / NR / BBB
City of Wichita, Kansas Multifamily Housing Revenue Bonds Series IV, 2021 (Wichita Senior Housing)	10/14/2021	\$17.300	NR / NR / NR
Crawford Hospital District, Illinois Crawford County	10/13/2021	\$11.025	NR / BBB / NR

1. Bloomberg, Capital IQ

Corporate High Grade, High Yield & Leveraged Loan Market

Market Overview

High Yield

- Last week saw a \$294 million outflow, which follows the prior week's inflow of \$196 million. YTD net outflows total \$14.5 billion, which compares to YTD 2020 net inflows of \$44.9 billion

Leveraged Loans

- Leveraged loan funds saw a \$561 million inflow last week. There have been 38 inflows in 2021 totaling \$36.2 billion YTD following net outflows in 2020 totaling \$27.0 billion; Inflows totaled a more modest \$8.0 billion in 3Q21 following \$13.6 billion of inflows in 2Q21

HY Index Yield & Spread (YTD)



Weekly New Issue Volume (\$B)



New-Issue Clearing Yields¹ (\$MM)

	1Q21	2Q21	30-Day Rolling Average		
			August 2021	September 2021	10/07/21
Overall	4.40%	4.64%	5.17%	4.59%	4.58%
4B	3.00%	2.98%	3.88%	3.47%	3.46%
2B	4.63%	4.99%	5.26%	4.80%	4.78%
Middle Market	4.79%	5.15%	6.84%	6.06%	6.06%

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	IP T-Pricing
9/8/2021	PerkinElmer Inc	Sr Notes	\$500	Baa3 / BBB / BBB	0.550%	9/15/2023	+35	25 bps
9/8/2021	PerkinElmer Inc	Sr Notes	\$800	Baa3 / BBB / BBB	0.850%	9/15/2024	+45	25 bps
9/8/2021	PerkinElmer Inc	Sr Notes	\$500	Baa3 / BBB / BBB	1.900%	9/15/2028	+80	25 bps
9/8/2021	PerkinElmer Inc	Sr Notes	\$500	Baa3 / BBB / BBB	2.250%	9/15/2031	+95	25 bps

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	Price Talk
10/4/2021	HealthEquity (add-on)*	Sr. Notes	\$100	B3/B	4.500%	10/1/2029	305 bps	100.75
9/30/2021	Medline	Sr. Sec. Notes	\$4,500	B1/B-	3.875%	4/1/2029	251 bps	3.875%-4.00%
9/30/2021	Medline	Sr. Notes	\$2,500	Caa1/B-	5.250%	10/1/2029	390 bps	5.25%-5.50%
9/30/2021	Convatec	Sr. Notes	\$500	Ba2/BB+	3.875%	10/15/2029	253 bps	4.00% area

Most Recent Healthcare Leveraged Loan Issuances (\$MM)

Date	Issuer	Ownership	Ratings	Use of Proceeds	Size	Pricing	Yield
10/7/2021	Revint Solutions	New Mountain Capital	B3/B-	Refinancing	\$637	L+425, 0.50% @ 100	4.750%
10/7/2021	ExamWorks Group Inc	CVC	B2/B	LBO	\$1,700	L+325, 0.50% @ 99.5	3.875%
10/7/2021	Medical Solutions*	Centerbridge Partners	B2/B	LBO	\$1,050	L+350, 0.50% @ 99.5	4.125%
10/1/2021	Zelis Healthcare Corp	Parthenon Capital	B2/B	Acquisition	\$550	L+350, 0.00% @ 99.27	3.820%
10/1/2021	Medline Industries	Blackstone Group	B2/B+	LBO	\$7,270	L+325, 0.50% @ 99.5	3.875%

Healthcare News

Staffing Shortages Ramp Up Recruitment Pressure on Hospitals¹

Healthcare Finance News | October 7, 2021

The spread of the Delta variant is prolonging the shortage of workers across the healthcare industry, straining hospital profitability and adding to burnout rates, according to a report from Moody's Investor Service. Insufficient staffing in some regions of the United States has spread beyond clinical staff, such as nurses, respiratory therapists and technicians, to nonclinical workers, such as dietary and environmental services staff. This has led to hospitals suspending elective overnight surgeries. In addition, the shortage of hospital workers has hampered recruitment and retention and driven up wages -- which the report predicts will continue into next year. This will lead to a further decline in profit margins. Heightened demand due to the pandemic will drive higher use of contract labor and increase salary and benefit expenses, the report noted. Growth in salaries and benefits has exceeded hospitals' expense growth, a trend likely to continue for the remainder of 2021 and into 2022.

Optum, SSM Health Team Up to Tackle Healthcare Affordability, Accessibility²

Fierce Healthcare | October 7, 2021

Optum and health system giant SSM Health are joining forces to address the accessibility and affordability of healthcare. The partnership will touch on a number of areas including inpatient care management, revenue cycle management and digital transformation. The collaboration will allow the two to rethink the patient care journey and more seamlessly integrate digital solutions into their care. SSM and Optum's parent company UnitedHealth Group will also jointly invest in community health initiatives with the goal of advancing health equity, according to the announcement. The investments will focus on addressing health equity gaps and other priorities in SSM's key Midwest communities.

Chamber of Commerce, AHA press Congress to Stay Away from Merger Framework³

Healthcare Dive | October 7, 2021

The U.S. Chamber of Commerce and the American Hospital Association (AHA) led a major effort to convince Congress to not change how the federal government scrutinizes mergers. The letter, also signed by biotech and technology groups, urges Congress to provide more resources to federal agencies for antitrust enforcement rather than make any changes to the legal and regulatory framework for evaluating deals. The letter, dated Tuesday, comes as the Federal Trade Commission (FTC) has ramped up its scrutiny of hospital mergers over concerns they increase prices and decrease quality. "Instead of adopting proposals with the high potential for unintended consequences to consumers markets and economic dynamism, Congress should ensure that the merger review process remains impartial," the letter to leaders of the House and Senate judiciary committees said.

Healthcare News Continued...

CMMI Director Hints At Shift Away From Payment Models For Every Episode Of Care, Specialties¹

Fierce Healthcare | October 5, 2021

The Biden administration wants to move away from creating value-based care payment models for every type of disease, episode of care or specialty groups to streamline its projects, a top official said. Center for Medicare and Medicaid Innovation (CMMI) Director Liz Fowler said during a briefing Tuesday hosted by the Alliance for Health Policy that more mandatory models are needed, including those that focus on the total cost of care. "In my mind, I think we should look down the mandatory model line ... but we need to move away from having a model for every episode and specialty group," Fowler said. CMMI has undertaken a major review of the center's existing payment models to determine what works and what doesn't. A key finding was that voluntary models have problems with risk selection. "People that stay in our models till the end are more likely to succeed or ... have resources to participate," she said. "We are not capturing a certain segment of the provider community."

Biden Doubles Down on Vaccine Mandates, Pointing to Increased Uptake and Limited Resignations²

Fierce Healthcare | October 8, 2021

Last month, the Biden administration announced that the Department of Health and Human Services, the Department of Labor and other federal agencies will soon require employers to vaccinate their workforces. The president said these mandates weren't his "first instinct," but that the decision was necessary after voluntary vaccination petered out during the summer and the delta variant fueled a new wave of cases. "We know there is no other way to beat the pandemic than to get the vast majority of Americans vaccinated, it's as simple as that," the president said Thursday during a speech held outside of Chicago. "While I didn't race to do it right away, that's why I've had to move toward requirements that everyone get vaccinated where I had the authority to do that." Biden said requirements from early movers have already led to a substantial increase in vaccination rates.

CMS: Medicare Advantage Plans With 4 Or More Stars Skyrocket In 2022 Compared To 2021³

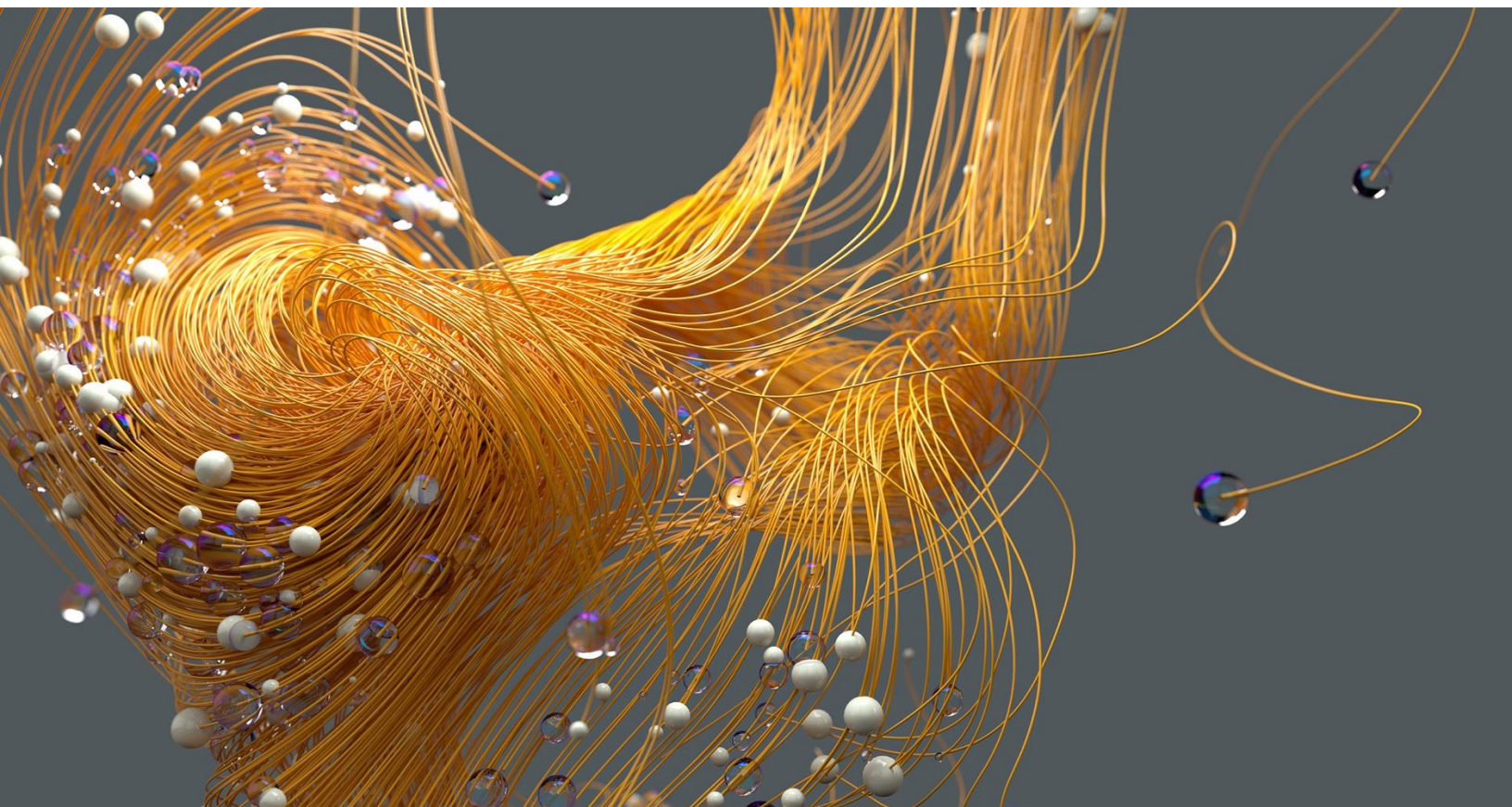
Fierce Healthcare | October 8, 2021

Nearly 70% of Medicare Advantage (MA) plans that offer prescription drug coverage will have a star rating of four or more stars in 2022, a massive increase from 49% of plans in 2021, new federal data show. The data on MA and Part D star ratings, released Friday by the Centers for Medicare & Medicaid Services, come ahead of Medicare open enrollment that kicks off Oct. 15. "The Medicare Advantage and Part D Star Ratings are important tools in the toolbox for beneficiaries to use as they consider Medicare coverage options," CMS Administrator Chiquita Brooks-LaSure said in a statement. "CMS' annual ratings deliver meaningful information about the quality of each plan to help people with Medicare make informed healthcare decisions." MA plans get a star rating from one to five each year based on their performance on several measures that include patient satisfaction and screenings. Star ratings typically are calculated based on the prior year, so the 2022 ratings are based on data from this year. "While adjustments were made for the 2022 star ratings due to the possible impact of the COVID-19 pandemic, this also reflects improvements in sponsors' scores on several measures," CMS said.

October 20, 2021

Cain Brothers Industry Insights

Healthcare Weekly Market Report



This week's banker commentary:
The Rise of Virtual Musculoskeletal Care

Industry Insights

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The Rise of Virtual Musculoskeletal Care *Banker Commentary by Ricky Ng*

With COVID-19, employers are reprioritizing their healthcare strategies to incorporate more virtual care benefits. While employers have been implementing more virtual solutions in the past, COVID-19 has accelerated the adoption and utilization of these virtual care offerings. In a recent survey of 122 large employers covering more than 9 million lives, 53% have cited implementing virtual care solutions as a top priority. The same survey cited that virtual musculoskeletal (MSK) care will see the most growth compared to any other virtual care services, due to MSK conditions being the top healthcare cost drivers for employers, exceeding heart disease, diabetes, and cancer.

MSK pain is a serious issue that impacts an estimated 127 million Americans and costs about \$213 billion in annual treatment, care, and lost wages. The new normal of working remotely will only exacerbate the issue as the home office is often not up to par with workplace standards, and employees are moving less frequently. Makeshift home offices coupled with more sedentary lifestyles have resulted in an increase in MSK conditions. Employees suffering from MSK pain and not getting the proper treatment will lead to them missing work and/or being less productive. With rising MSK costs, employers are leaning towards virtual MSK care as an avenue to manage and reduce MSK spending. In the past, there has been some skepticisms on whether virtual care can actually solve MSK issues; however, many recent studies have demonstrated the clinical effectiveness of a virtual MSK solution. The ability to access care that is convenient to the patients' daily lives has helped achieve significant behavior change and increase adherence rates.

Many investors are firm believers in the virtual MSK model as evidenced by the recent robust investment activity. One of this year's most notable transactions is Hinge Health, which raised \$300 million series D financing at a \$3 billion valuation in January. Kaia Health also raised \$75 million in series C funding while Sword Health raised a total of \$110 million over the course of 6 months. We have seen a significant amount of M&A activity as well. Omada Health acquired virtual physical therapy company Physera for \$30 million; and telehealth company DarioHealth bought Upright Technologies for \$31 million to expand into the digital MSK market. Employee benefits startup, HealthJoy, also entered the virtual MSK market when it acquired Rekinetics in April. Google and ProMedica Health System have recently partnered with IncludeHealth to launch a MSK integrated virtual care solution for providers to offer to its patients.

As more companies enter the virtual MSK market, it will be interesting to see which business models will succeed in the long run. With the convergence of new technologies, such as sensors and wearables, it is still critical for companies to have the clinical foundation to be able to provide true clinical care, either through building their own network or through partnerships. We will continue to see these companies evolve and become more integrated within the employers'

Industry Insights

healthcare ecosystem and play a significant role in directing patients to the right treatment provider. With the increased competition incumbent telehealth players will be pressured to offer more specialized solutions which will further drive investing and M&A activity within this space.

Healthcare M&A Activity

Recent Selected Healthcare M&A Transactions (\$MM)

Date	Target Name	Acquirer	EV	Enterprise Value /		Description
				LTM Rev.	LTM EBITDA	
10/19/2021	MDVIP (Leonard Green & Partners and Summit Partners)	Goldman Sachs Asset Management and Charlesbank Capital Partners	NA	NA	NA	Membership-based healthcare with a national network of over 1,100 primary care physicians
10/15/2021	imre	RLH Equity Partners	NA	NA	NA	Provider of strategic and creative marketing services to enterprise clients in the healthcare sector
10/13/2021	Carrus (Revelstoke Capital Partners)	Penn Foster	NA	NA	NA	Provider of healthcare continuing education, and certification management
10/13/2021	Halo Health (Bain Capital)	symplr (Clearlake Capital Group and CharlesBank Capital Partners)	NA	NA	NA	Provider of clinical communications and collaboration SaaS solutions
10/12/2021	IMMR	Veranex (Summit Partners)*	NA	NA	NA	Provider of preclinical research, pathology evaluation and surgical training services to medical technology industry
10/12/2021	Current Health	Best Buy (NYSE:BBY)	NA	NA	NA	Enterprise remote care management platform
10/12/2021	The Lockwood Group	Ares Management	NA	NA	NA	Medical communications agency
10/12/2021	Lyophilization Services of New England	PCI Pharma Services	NA	NA	NA	Contract development and manufacturing organization
10/11/2021	Pentec Health	Wellspring Capital Management	NA	NA	NA	Provider of patient-specific, compounded sterile medications
10/7/2021	AgeWell New York's Medicaid Managed Long Term Care Business	Molina Healthcare (NYSE: MOH)	\$110	NA	NA	Specialty managed care organization that provides long-term care services at home or in the community
10/7/2021	Health Network One	H.I.G. Capital	NA	NA	NA	Provider of specialty benefit management services for health insurers
10/7/2021	Welltok	Virgin Pulse (Marlin Equity Partners)	NA	NA	NA	Provider of data analytics-based targeting and multi-channel outreach solutions
10/6/2021	Pharmica Consulting	ProPharma Group (Odyssey Investment Partners)	NA	NA	NA	Life science consulting company
10/5/2021	Eating Recovery Center (CCMP Capital)	Apax Partners and Oak HC/FT Partners	~\$1,400.0	NA	NA	Provider of eating disorder and mood and anxiety treatment
10/4/2021	Smart Data Solutions*	Parthenon Capital	NA	NA	NA	Provider of data management, claims routing and workflow solutions
10/4/2021	DentaQuest	Sun Life Financial (NYSE: SLF)	\$2,475	NA	NA	Provider of Medicaid dental benefits in the U.S
10/4/2021	Infinity Infusion Nursing	Option Care Health (Nasdaq: OPCH)	\$50	NA	NA	Provider of home infusion services that provide therapy management for patients with acute, chronic and rare disorders
10/4/2021	THEMA Health Services	Pharos Capital Group	NA	NA	NA	Provider of hospice, skilled home health, and palliative care service
10/1/2021	Redmond Regional Medical Center	AdventHealth	NA	NA	NA	Georgia 230-bed hospital
10/1/2021	Pulse Veterinary Technologies	Zomedica (NYSE: ZOM)	\$71	NA	NA	Electro-hydraulic shock wave technology for the treatment of a wide variety of conditions in veterinary patients
9/30/2021	Homestead Smart Health Plans (majority interest)	1315 Capital	NA	NA	NA	Healthcare cost containment company
9/29/2021	Velentium	Great Point Partners	NA	NA	NA	Design and manufacturing company of therapeutic and diagnostic medical devices for companies
9/28/2021	Ob Hospitalist (Gryphon Investors)	Kohlberg & Company	NA	NA	NA	Provider of customized obstetric hospitalist programs
9/28/2021	Prestige Medical Imaging	Atlantic Street Capital	NA	NA	NA	Independent radiology service and solutions provider

Healthcare Equity Private Placements Activity

Recent Selected Healthcare Equity Private Placements (\$MM)

Date	Company	Investor(s)	Type	Amount	Description
10/14/2021	VillageMD	Walgreens Boots Alliance	Undisclosed	\$5,200	Provider of value-based primary care services
10/13/2021	Lark Health	Deerfield Management (lead), PFM Health Sciences, Franklin Templeton, King River Capital, Castlepeak, IPD and Olive Tree Capital	Series D	\$100	AI solutions for virtual chronic and preventative healthcare
10/13/2021	Lively	B Capital Group (lead), Telstra Ventures and Costanoa Ventures	Series C	\$80	Modern health savings account
10/13/2021	Sprinter Health	Andreessen Horowitz (lead), General Catalyst, Accel and Google Ventures	Series A	\$33	On-demand mobile health company that sends full-time nurses and phlebotomists into the home
10/12/2021	Oshi Health	Flare Capital Partners, Bessemer Venture Partners and Frist Cressey Ventures (co-leads), CVS Health Ventures and Takeda Digital Ventures	Series A	\$23	Virtual, patient-centered gastrointestinal care
10/11/2021	Bond Vet	Warburg Pincus	Undisclosed	\$170	Tech-enabled brand of veterinary care clinics
10/7/2021	Brave Care	Mednax (lead)	Series B	\$25	Pediatric healthcare and technology platform
10/6/2021	Twin Health	ICONIQ Growth, Sequoia Capital India Advisors, Perceptive Advisors, Corner Ventures, LTS Investments, Sofina Société, Helena Group Foundation	Series C	\$140	Precision health platform for disease management
10/5/2021	Honor Technology	Baillie Gifford (lead - equity), T. Rowe Price, Prosus Ventures, Andreessen Horowitz, Thrive Capital, FMZ Ventures, Rock Springs Capital, Lighthouse Capital Markets, and TriplePoint Capital Perceptive Advisors (lead - debt), Ares Management	Series E	\$70 (equity) \$300 (debt)	Senior care network and technology platform
9/30/2021	TrialSpark	Sam Altman and Lachy Groom (co-leads), Sequoia Capital, Thrive Capital, Casdin Capital, Dragoneer, Section 32, John Doerr, Spark Capital, Felicis Ventures, Sound Ventures, and Arrowmark	Series C	\$156	Technology-driven pharma company that runs end-to-end clinical trials
9/29/2021	Membersy	Spectrum Equity	Undisclosed	\$66	Dental clinic membership software firm
9/29/2021	Stellar Health	General Atlantic (lead), Point72 Ventures and Primary Venture Partners	Series B	\$60	HCIT company with a cloud-native point-of-care platform
9/28/2021	Wayspring (fka axialHealthcare)	Valtruis, Centene Corporation, CareSource, HLM Venture Partners and others	Undisclosed	\$75	Value-based care entity exclusively focused on substance use disorder
9/23/2021	Elligo Health Research	Morgan Stanley Expansion Capital and Ally Bridge Group (co-leads), Norwest Venture Partners Cerner, Hatteras Venture Partners, Noro-Moseley Partners, Piper Sandler Merchant Banking, Shumway Capital, and Syneos Health	Series E	\$135	Healthcare-enabling research organization
9/22/2021	Nomad Health	Adam Street Partners	Equity and Debt	\$63	Digital marketplace that connects nurses to short-term medical job
9/22/2021	Xealth	Advocate Aurora Enterprises (lead), Banner Health, ChristianaCare, Cone Health, Memorial Hermann, Nebraska Medicine, Novant Health, and Stanford Health Care	Series B	\$24	Digital health programs, enabling clinicians to integrate, prescribe and monitor digital health tool
9/21/2021	Pager	Susquehanna Private Equity Investments (lead), Horizon Healthcare Services, Silicon Valley Bank	Series C	\$70	Virtual care navigation and collaboration platform

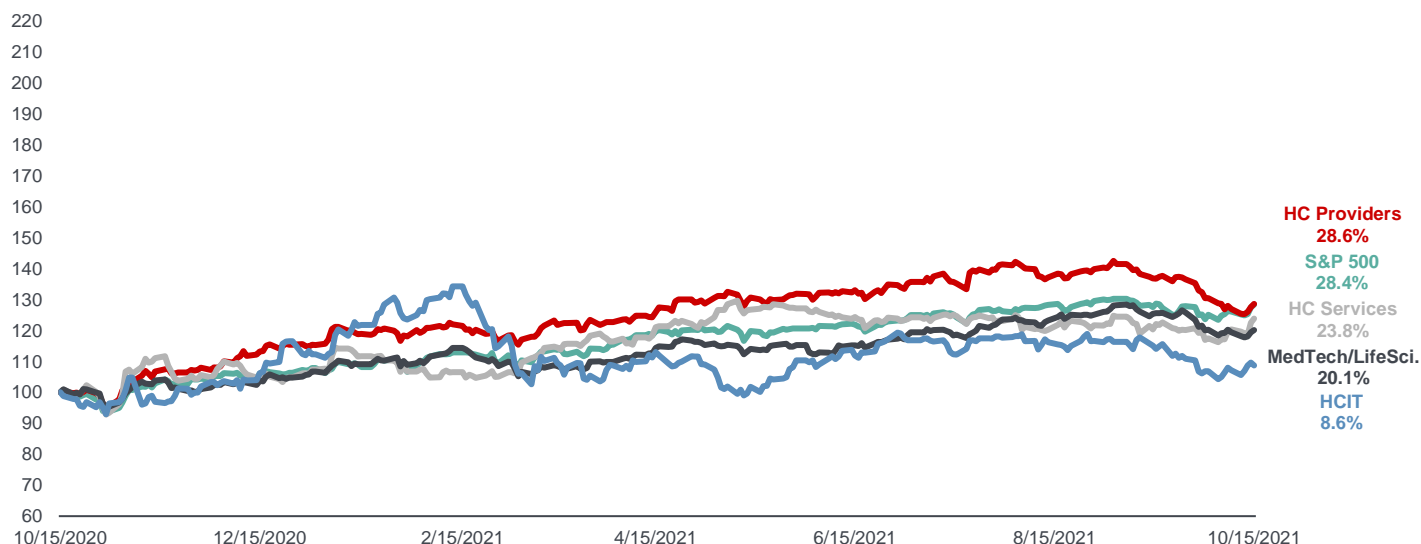
Public Equity Capital Markets Activity & Indices

Equity Indices Information as of October 15, 2021

Index	Wk Open	Wk Close	Returns	
			52 Week	Weekly
DJIA	34,746	35,295	23.9%	1.6%
S&P 500	4,391	4,471	28.4%	1.8%
NASDAQ	14,580	14,897	27.2%	2.2%
Russell 2000	2,233	2,266	38.2%	1.5%
NYSE Healthcare	21,962	22,151	17.7%	0.9%

Cain Brothers Indicies	Returns	
	52 Week	Weekly
Acute Care	71.7%	2.5%
Alternate Site Services	8.0%	0.9%
Diagnostics	28.0%	(1.0%)
Distribution	19.9%	0.7%
Healthcare IT	(4.0%)	1.4%
Healthcare REITs	26.4%	3.2%
Managed Care	25.0%	3.8%
Medical Technology	17.3%	0.4%
Outsourced Services	28.3%	(6.6%)
Pharma Services	41.7%	2.0%
Pharmacy	40.3%	2.1%
Post-Acute Care	(7.0%)	(0.9%)

Cain Brothers Core Healthcare Indices (1YR Performance)



Recent Selected Healthcare IPOs and Follow-Ons (\$MM)

Issuer (Ticker)	Pricing Date	Offering	Deal Value	Mkt Cap. ¹	Offer Price	Current / Offer	Description
Paragon 28 (FNA)	10/15/2021	IPO	\$125	\$1,391	\$16.00	16.9%	Orthopedic medical device company
Cue Health (HLTH)	9/24/2021	IPO	\$200	\$2,875	\$16.00	(33.1%)	Consumer focused healthcare IT company
Definitive Healthcare (DH)	9/15/2021	IPO	\$420	\$4,288	\$27.00	56.7%	Healthcare commercial intelligence solutions
Avantor (AVTR)	9/15/2021	Follow On	\$875	\$25,884	\$42.00	(8.7%)	Critical products and services to customers in the biopharma and healthcare industries
Maravai LifeSciences (Nasdaq: MRVI)*	9/10/2021	Follow On	\$1,000	\$15,400	\$50.00	(25.8%)	Data and analytics technology and services to healthcare organizations

Tax-Exempt Debt Markets

Tax-Exempt Debt Information as of October 15, 2021

Security	Current (%)	One Week Ago (%)	One Year Ago (%)
A-rated Tax-Exempt Hospital Bonds (30-Yr)	1.98%	1.99%	2.47%
AA Tax-Exempt Hospital Bonds (30-Yr)	1.78%	1.79%	2.17%
SIFMA (Variable Rate Demand Notes)	0.05%	0.05%	0.12%
Revenue Bond Index	2.64%	2.63%	2.77%
SIFMA/1 Month LIBOR	55.56%	55.56%	80.00%
RBI/30 Yr Treasury (%)	128.78%	121.76%	182.24%
30-Year Floating to Fixed Swap (81% LIBOR)	1.46%	1.54%	0.91%

Tax-Exempt Healthcare Issuance Information¹ (\$MM)

Borrower	Par	State	Rating	Maturity	Call, Put or Reprice*	Coupon	Yield to Call	Yield to Mat.	AAA
Deaconess Health System** (Taxable)	\$334.035	IN	NR / A+ / AA	2051	MWC**	3.31%	3.31%	N/A	2.02%
EvergreenHealth (Taxable)	\$152.175	WA	Aa3 / NR / NR	2044	2031 (C)	3.11%	3.11%	N/A	2.02%
Good Samaritan Hospital (Forward Delivery Bonds)	\$49.785	IN	Baa3 / NR / NR	2042	2032 (C)	4.00%	2.72%	3.23%	1.68%
Ohio Living Communities (Forward Delivery Bonds)	\$40.160	OH	NR / NR / BBB	2040	2031 (C)	4.00%	2.91%	3.35%	1.68%
Crawford Hospital District	\$7.420	IL	NR / BBB / NR	2041	2031 (C)	3.00%	3.00%	N/A	1.68%
Crawford Hospital District	\$4.020	IL	NR / BBB / NR	2041	2030 (C)	4.00%	2.80%	3.38%	1.68%
Wake Robin Corporation Project (Forward Delivery Bonds)	\$8.410	VT	NR / NR / NR	2033	2031 (C)	4.00%	2.79%	2.97%	1.68%
Total	\$596.005								

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

**Make Whole Call at 20 bps; 2051 Maturity callable at par 9/1/2031

1. Bloomberg, Capital IQ

What's On Deck: Tax-Exempt Healthcare Issuances¹ (\$MM)

Issuer	Date	Amount	Rating
Public Finance Authority Hospital Revenue Bonds (Celina Regional Medical Center) Cain Brothers Sole-Managed Expected Pricing	Week of	\$133.020	NR / NR / NR
OhioHealth Corporation Taxable Bonds Series 2021 (Corporate Cusip)	10/19/2021	\$600.000	Aa2 / AA+ / AA+
Banner Health Taxable Bonds Series 2021 A (Corporate Cusip)	10/21/2021	\$424.200	NR / AA- / AA-
*NOTE DEAL Arizona Health Facilities Authority Revenue Bonds (Banner Health)	10/21/2021	\$100.630	NR / AA- / AA-
University of Wisconsin Hospitals and Clinics Authority Revenue Bonds, Series 2021B (Green Bonds) Revenue Refunding Bonds, Series 2021C (Taxable)	10/21/2021	\$350.575	Aa3 / AA- / NR
Public Finance Authority Revenue Bonds (Searstone CCRC Project) Series 2021 A, 2021 B-1, 2021 B-2, 2021 C, 2022 A, 2023 A Series 2021 B-2 Rated Caa3 / NR / NR	Week of	\$263.630	NR / NR / NR
Louisiana Public Facilities Authority Revenue and Refunding Revenue Bonds (CommCare Corporation Project) Series 2021A-1 Taxable Revenue Bonds (CommCare Corporation Project) Series 2021A-2	10/21/2021	\$184.895	NR / NR / NR
Carilion Clinic Obligated Group Taxable Bonds, Series 2021	10/20/2021	\$180.000	Aa3 / AA- / NR

1. Bloomberg, Capital IQ

Corporate High Grade, High Yield & Leveraged Loan Market

Market Overview

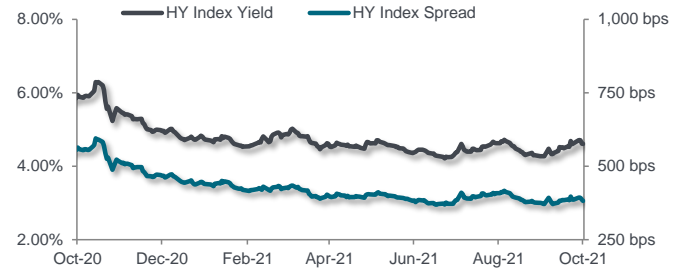
High Yield

- Last week saw a \$1.8 billion outflow, which follows the prior week's outflow of \$294 million. YTD net outflows total \$16.4 billion, which compares to YTD 2020 net inflows of \$44.9 billion

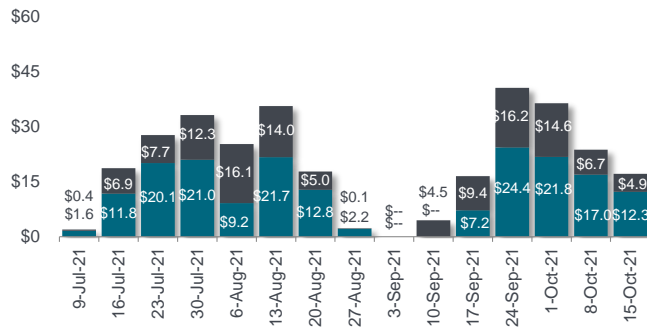
Leveraged Loans

- Leveraged loan funds saw a \$560 million inflow last week. There have been 39 inflows in 2021 totaling \$36.7 billion YTD following net outflows in 2020 totaling \$27.0 billion; Inflows totaled a more modest \$8.0 billion in 3Q21 following \$13.6 billion of inflows in 2Q21

HY Index Yield & Spread (YTD)



Weekly New Issue Volume (\$B)



New-Issue Clearing Yields¹ (\$MM)

	1Q21	2Q21	30-Day Rolling Average		
			August 2021	September 2021	10/14/21
Overall	4.40%	4.64%	5.17%	4.63%	4.67%
4B	3.00%	2.98%	3.88%	3.46%	3.51%
2B	4.63%	4.99%	5.26%	4.82%	4.84%
Middle Market	4.79%	5.15%	6.84%	6.32%	5.79%

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	IPT-Pricing
9/8/2021	PerkinElmer Inc	Sr Notes	\$500	Baa3 / BBB / BBB	0.550%	9/15/2023	+35	25 bps
9/8/2021	PerkinElmer Inc	Sr Notes	\$800	Baa3 / BBB / BBB	0.850%	9/15/2024	+45	25 bps
9/8/2021	PerkinElmer Inc	Sr Notes	\$500	Baa3 / BBB / BBB	1.900%	9/15/2028	+80	25 bps
9/8/2021	PerkinElmer Inc	Sr Notes	\$500	Baa3 / BBB / BBB	2.250%	9/15/2031	+95	25 bps

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	Price Talk
10/4/2021	HealthEquity (add-on)	Sr. Notes	\$100	B3/B	4.500%	10/1/2029	305 bps	100.75
9/30/2021	Medline	Sr. Sec. Notes	\$4,500	B1/B-	3.875%	4/1/2029	251 bps	3.875%-4.00%
9/30/2021	Medline	Sr. Notes	\$2,500	Caa1/B-	5.250%	10/1/2029	390 bps	5.25%-5.50%
9/30/2021	Convatec	Sr. Notes	\$500	Ba2/BB+	3.875%	10/15/2029	253 bps	4.00% area

Most Recent Healthcare Leveraged Loan Issuances (\$MM)

Date	Issuer	Ownership	Ratings	Use of Proceeds	Size	Pricing	Yield
10/14/2021	EyeCare Partners	Partners Group	B3/B	Acquisition	\$440	L+375, 0.50% @ 99.75	4.310%
10/7/2021	Revint Solutions	New Mountain Capital	B3/B-	Refinancing	\$637	L+425, 0.50% @ 100	4.750%
10/7/2021	ExamWorks Group Inc	CVC	B2/B	LBO	\$1,700	L+325, 0.50% @ 99.5	3.875%
10/7/2021	Medical Solutions*	Centerbridge Partners	B2/B	LBO	\$1,050	L+350, 0.50% @ 99.5	4.125%
10/1/2021	Zelis Healthcare Corp	Parthenon Capital	B2/B	Acquisition	\$550	L+350, 0.00% @ 99.27	3.820%

Healthcare News

Scrutiny Of Risk Adjustment Practices Looms Over Medicare Advantage As Open Enrollment Starts¹

Fierce Healthcare | October 15, 2021

Medicare open enrollment kicked off Friday with more Medicare Advantage plans to choose from but with renewed criticism that insurers are gaming risk adjustment practices to inflate profits. While more and more insurers are expanding their presence in the MA marketplace, private Medicare plans are facing heightened scrutiny over risk adjustment and comprehensive diagnostic coding. But industry advocates counter that the criticisms of MA are unfair and that patients get better care in MA plans compared to traditional Medicare. A series of articles in Health Affairs published late last month by former Centers for Medicare & Medicaid Services (CMS) Administrator Don Berwick and former Trinity Health CEO Richard Gilfillan sheds light on coding practices that have made the MA space extremely lucrative for insurers.

Schedule Online Visits First? It's The Next Big Thing In Health Insurance²

Fierce Healthcare | October 15, 2021

At the height of the COVID-19 pandemic, people often relied on telemedicine for doctor visits. Now, insurers are betting that some patients liked it enough to embrace new types of health coverage that encourage video visits—or outright insist on them. Priority Health in Michigan, for example, offers coverage requiring online visits first for nonemergency primary care. Harvard Pilgrim Health Care, selling to employers in Connecticut, Maine and New Hampshire, has a similar plan. “I would describe them as virtual first, a true telehealth primary care physician replacement product,” said Carrie Kincaid, vice president of individual markets at Priority Health, which launched its plans in January as an addition to more traditional Affordable Care Act (ACA) offerings.

Walgreens Doubles Down On Primary Care, Home Health With Major Investments In VillageMD, CareCentrix³

Fierce Healthcare | October 14, 2021

Walgreens is boosting its stake in primary care company VillageMD as it looks to open hundreds of new clinics across the U.S. The drugstore chain is investing \$5.2 billion in VillageMD, making it the majority owner with a 63% stake, up from 30% previously. Walgreens Boots Alliance and VillageMD have 52 co-located primary care practice locations currently open and will have more than 80 open by the end of this calendar year. Walgreens plans to open at least 600 co-located Village Medical at Walgreens primary care practices in more than 30 U.S. markets by 2025 and 1,000 by 2027, the company announced Thursday.

Healthcare News Continued...

Nursing Schools See Applications Rise, Despite COVID Burnout¹

AP News | October 14, 2021

Nurses around the U.S. are getting burned out by the COVID-19 crisis and quitting, yet applications to nursing schools are rising, driven by what educators say are young people who see the global emergency as an opportunity and a challenge. Among them is University of Connecticut sophomore Brianna Monte, a 19-year-old from Mahopac, New York, who had been considering majoring in education but decided on nursing after watching nurses care for her 84-year-grandmother, who was diagnosed last year with COVID-19 and also had cancer. "They were switching out their protective gear in between every patient, running like crazy trying to make sure all of their patients were attended to," she said. "I had that moment of clarity that made me want to jump right into health care and join the workers on the front line." Nationally, enrollment in bachelor's, master's and doctoral nursing programs increased 5.6% in 2020 from the year before to just over 250,000 students, according to the American Association of Colleges of Nursing.

Kaiser Permanente, Mayo Clinic, Johns Hopkins And Others Form 'Advanced Care At Home Coalition'²

Home Healthcare News | October 14, 2021

Some of the most premier health care organizations in the U.S. are coming together to form the "Advanced Care at Home Coalition." The newly formed entity will vie for legislation that will allow more patients to receive hospital-level care in their homes moving forward. Many of the provisions that have allowed health systems and home-based care players to treat patients in their homes during the COVID-19 crisis are tied to the public health emergency (PHE). The worry is that when the PHE expires in December, progress will be lost. The founding members of the coalition were Medically Home, the Mayo Clinic and Kaiser Permanente, the latter two of which invested \$100 million in Medically Home – a hospital-at-home enabler – earlier this year.

Medicaid Will Be A Bigger Target For Alternative Payment Models, CMS Official Says³

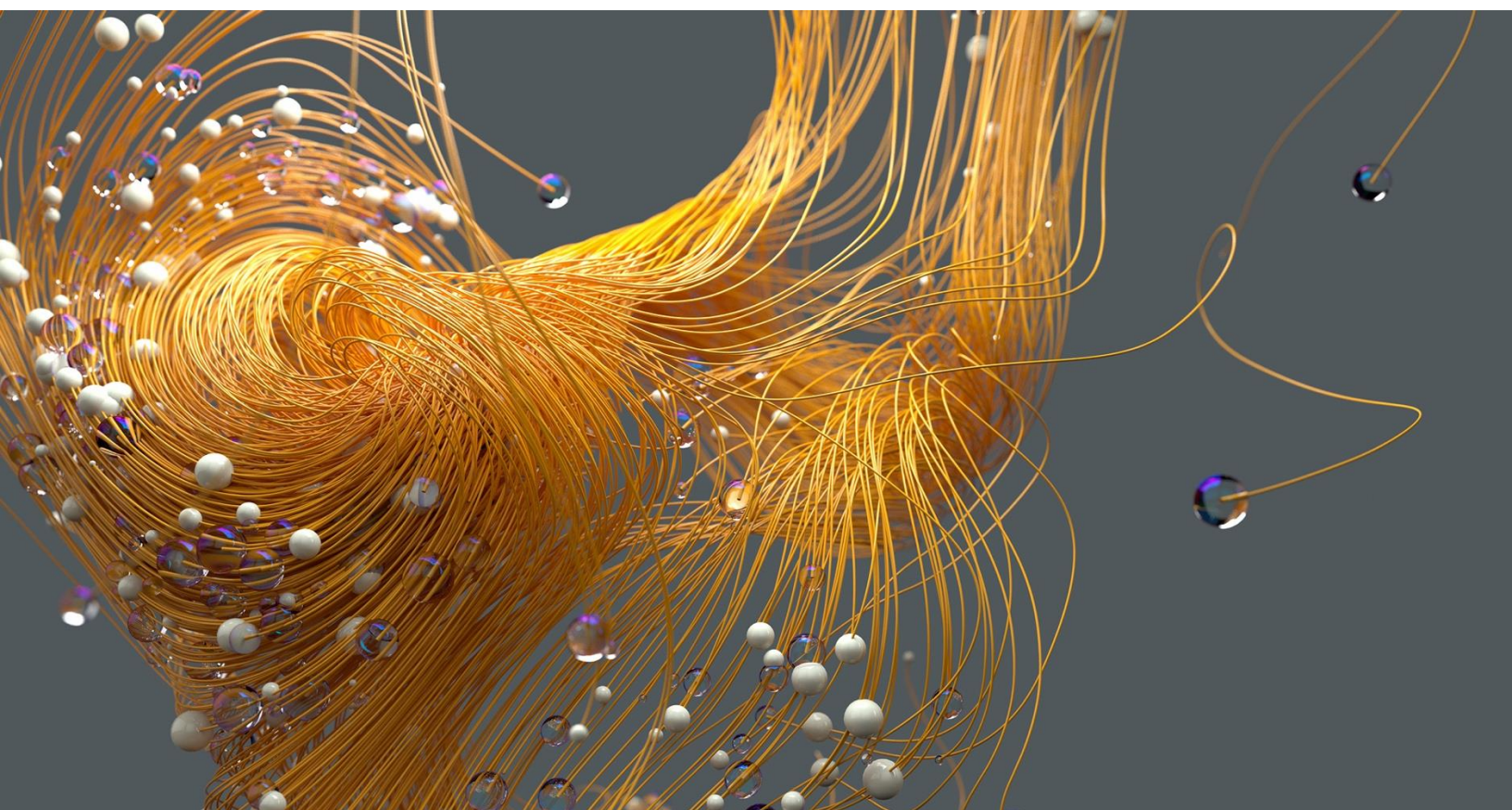
MedPage Today | October 13, 2021

Medicaid will be an increasing focus of alternative payment models (APMs) from the Center for Medicare & Medicaid Innovation (CMMI), Ellen Lukens, MPH, said Wednesday at the annual Population Health Colloquium hosted by Thomas Jefferson University. "Models have been predominantly Medicare-oriented, and have disproportionately served white beneficiaries," said Lukens, who is policy and programs group director at CMMI, in the Centers for Medicare & Medicaid Services (CMS). "Few of our models have focused on Medicaid beneficiaries, and few of our models have included robust participation from safety-net providers ... We are really invested in including some of these changes so that Medicaid beneficiaries can benefit from some of the innovations that we're testing with Medicare."

October 27, 2021

Cain Brothers Industry Insights

Healthcare Weekly Market Report



This week's banker commentary:
Physical Therapy Sector Labor Dynamics

Industry Insights

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Physical Therapy Sector Labor Dynamics *Banker Commentary by Joseph Quinn*

In late July 2021, ATI Physical Therapy, one of the largest and most well-known physical therapy companies in the country, announced quarterly earnings for the first time as a public company following a recent SPAC transaction. Unfortunately, ATI came in below consensus estimates by ~7% and ~11% on Revenue and EBITDA, respectively, and the Company revised its 2021 EBITDA guidance downwards by 45%¹. Expectedly, investor response was both swift and punitive: the Company's stock price declined by over 40% in that day's trading session and has subsequently fallen an additional ~40%. In messaging its results to the street, ATI management noted the "growing demand for services", but importantly, "the acceleration of attrition among therapists...combined with the intensifying competition for clinicians in the labor market" prevented the Company from servicing the demand for its physical therapy services.

While high profile, ATI's situation is by no means unique. The physical therapy market has experienced a dramatic supply / demand imbalance that has only been exacerbated during the COVID-19 pandemic. In fact, the Alliance for Physical Therapy Quality and Innovation estimates that by 2025, an additional 27,000 therapists will be needed to meet growing demand for physical therapy services², which would represent a ~13% increase to the existing licensed physical therapy base³. Compounding the situation, CMS is expected to cut reimbursement by 15% for physical therapy assistants (PTAs), which will severely curtail the services that PTAs can reasonably perform in a profitable manner, naturally increasing the demands placed on physical therapists.

In discussions with operators, there are numerous hypotheses as to why the number of physical therapists entering the profession has not been sufficient to the increasing demand. However, the most common reasons we encounter are:

1. *The economic proposition for physical therapists is much less attractive than it used to be.* To become licensed and practice as a physical therapy, a candidate must complete a doctoral program⁴, which typically requires a three-year program and represents a significant direct an opportunity cost.

¹ Source: Capital IQ and ATI Physical Therapy Q2 earnings press release

² <https://www.apptqi.com/congress-is-taking-action-to-grow-the-physical-therapy-workforce/>

³ <https://www.apta.org/contentassets/5997bfa5c8504df789fe4f1c01a717eb/apta-ptworkforcereport2021.pdf>

⁴ <https://www.apta.org/your-career/careers-in-physical-therapy/becoming-a-pt>

Industry Insights

Additionally, the median starting salary for a physical therapist is only \$67,000⁵, and the median salary for all physical therapists is just \$85,000⁶, with significant regional variance. Combined with rising education costs, the economic payoff is drawing fewer interested and qualified candidates.

2. *Consolidation has negatively impacted culture within the clinic.* While still a highly fragmented industry, there are numerous consolidators in the physical therapy space that have expanded scale and geographic reach. In the eyes of many practitioners, this expansion has come at the detriment to culture, with an increased focus on measurable key performance indicators and the feeling of removal from centralized management teams and decision makers.

Physical therapy has long attracted the interest of both public and private investors. There are some highly attractive aspects of the business model, including payer acknowledgment of the demonstrably superior outcomes for patients receiving physical therapy services, attractive unit economics and returns on invested capital for new physical therapy clinics, increasing demand for physical therapy services stemming from an aging population, as well as the aforementioned fragmented nature of the industry, all leading to attractive bolt-on acquisition opportunities for platform assets with the infrastructure and experience to integrate efficiently and effectively. Having said that, the labor dynamics of the industry will continue to be a challenge. While there will be different strategies to attract talent, both economic and otherwise, maintaining culture while scaling will likely be a key differentiator as the industry continues to consolidate.

⁵ <https://www.ptprogress.com/physical-therapist-starting-salary-expectations-for-new-pt-grads/>

⁶ <https://www.apta.org/your-career/careers-in-physical-therapy/becoming-a-pt>

Healthcare M&A Activity

Recent Selected Healthcare M&A Transactions (\$MM)

Date	Target Name	Acquirer	EV	Enterprise Value /		Description
				LTM Rev.	LTM EBITDA	
10/20/2021	Grace Home Health	Excelin Health (Corinthian Capital)	NA	NA	NA	Provider of in home nursing and therapy care
10/20/2021	Intouch Group	EVERSANA	NA	NA	NA	Full-service global agency network serving the pharmaceutical industry
10/20/2021	Outpatient Imaging (ICV Partners)	The Cranemere Group	NA	NA	NA	Outpatient imaging platform developing joint ventures with health systems
10/19/2021	Agape Care Group*	Ridgemont Equity Partners	NA	NA	NA	Provider of hospice and palliative care in the Southeast
10/19/2021	Arine	SCAN Group	NA	NA	NA	Tech drive medication management and adherence provider
10/19/2021	Colorado Retina Associates*	Retina Consultants of America (Webster Equity Partners)	NA	NA	NA	13 board-certified and fellowship-trained ophthalmologists in the greater Denver-Boulder metropolitan area
10/19/2021	Genesee Scientific	LLR Partners	NA	NA	NA	Manufacturer and distributor of products to global life science markets
10/19/2021	Vitality Health Plan and Reliance Healthcare (majority stake)	Commonwealth Care Alliance	NA	NA	NA	Medicare Advantage plans in Massachusetts and California
10/19/2021	Wellframe	HealthEdge Software (Blackstone)	NA	NA	NA	Digital health management company
10/19/2021	MDVIP (Leonard Green & Partners and Summit Partners)	Goldman Sachs Asset Management and Charlesbank Capital Partners	NA	NA	NA	Membership-based healthcare with a national network of over 1,100 primary care physicians
10/15/2021	imre	RLH Equity Partners	NA	NA	NA	Provider of strategic and creative marketing services to enterprise clients in the healthcare sector
10/13/2021	Carrus (Revelstoke Capital Partners)	Penn Foster	NA	NA	NA	Provider of healthcare continuing education, and certification management
10/13/2021	Halo Health (Bain Capital)	symplr (Clearlake Capital Group and CharlesBank Capital Partners)	NA	NA	NA	Provider of clinical communications and collaboration SaaS solutions
10/12/2021	IMMR	Veranex (Summit Partners)*	NA	NA	NA	Provider of preclinical research, pathology evaluation and surgical training services to medical technology industry
10/12/2021	Current Health	Best Buy (NYSE:BBY)	NA	NA	NA	Enterprise remote care management platform
10/12/2021	The Lockwood Group	Ares Management	NA	NA	NA	Medical communications agency
10/12/2021	Lyophilization Services of New England	PCI Pharma Services	NA	NA	NA	Contract development and manufacturing organization
10/11/2021	Pentec Health	Wellspring Capital Management	NA	NA	NA	Provider of patient-specific, compounded sterile medications
10/7/2021	AgeWell New York's Medicaid Managed Long Term Care Business	Molina Healthcare (NYSE: MOH)	\$110	NA	NA	Specialty managed care organization that provides long-term care services at home or in the community
10/7/2021	Health Network One	H.I.G. Capital	NA	NA	NA	Provider of specialty benefit management services for health insurers
10/7/2021	Welltok	Virgin Pulse (Marlin Equity Partners)	NA	NA	NA	Provider of data analytics-based targeting and multi-channel outreach solutions
10/6/2021	Pharmica Consulting	ProPharma Group (Odyssey Investment Partners)	NA	NA	NA	Life science consulting company

Healthcare Equity Private Placements Activity

Recent Selected Healthcare Equity Private Placements (\$MM)

Date	Company	Investor(s)	Type	Amount	Description
10/21/2021	Workit Health	Insight Partners (lead), CVS Health Ventures, FirstMark Capital, BCBS Venture Fund, and 3L Capital	Series C	\$118	Provider of virtual substance use disorder treatment
10/20/2021	Bardavon Health Innovations	Matrix Capital Management (lead), WestCap	Series C	\$90	Workers' compensation and musculoskeletal health company
10/20/2021	Saama Technologies	Carlyle, Amgen Ventures, Intermountain Ventures, Merck Global Health Innovation Fund, McKesson Ventures, Northpond Ventures, Pfizer Ventures, and Population Health Partners	Strategic and Majority Stake	\$430	AI-driven intelligent clinical cloud company serving the life science industry
10/19/2021	HistoWiz	Vivo Capital (lead), venBio, Asahi Kasei and Jon Oringer	Series A	\$32	Digital histopathology service company
10/14/2021	VillageMD	Walgreens Boots Alliance	Undisclosed	\$5,200	Provider of value-based primary care services
10/13/2021	Lark Health	Deerfield Management (lead), PFM Health Sciences, Franklin Templeton, King River Capital, Castlepeak, IPD and Olive Tree Capital	Series D	\$100	AI solutions for virtual chronic and preventative healthcare
10/13/2021	Lively	B Capital Group (lead), Telstra Ventures and Costanoa Ventures	Series C	\$80	Modern health savings account
10/13/2021	Sprinter Health	Andreessen Horowitz (lead), General Catalyst, Accel and Google Ventures	Series A	\$33	On-demand mobile health company that sends full-time nurses and phlebotomists into the home
10/12/2021	Oshi Health	Flare Capital Partners, Bessemer Venture Partners and Frist Cressey Ventures (co-leads), CVS Health Ventures and Takeda Digital Ventures	Series A	\$23	Virtual, patient-centered gastrointestinal care
10/11/2021	Bond Vet	Warburg Pincus	Undisclosed	\$170	Tech-enabled brand of veterinary care clinics
10/7/2021	Brave Care	Mednax (lead)	Series B	\$25	Pediatric healthcare and technology platform
10/6/2021	Twin Health	ICONIQ Growth, Sequoia Capital India Advisors, Perceptive Advisors, Corner Ventures, LTS Investments, Sofina Société, Helena Group Foundation	Series C	\$140	Precision health platform for disease management
10/5/2021	Honor Technology	Baillie Gifford (lead - equity), T. Rowe Price, Prosus Ventures, Andreessen Horowitz, Thrive Capital, FMZ Ventures, Rock Springs Capital, Lighthouse Capital Markets, and TriplePoint Capital Perceptive Advisors (lead - debt), Ares Management	Series E	\$70 (equity) \$300 (debt)	Senior care network and technology platform
9/30/2021	TrialSpark	Sam Altman and Lachy Groom (co-leads), Sequoia Capital, Thrive Capital, Casdin Capital, Dragoneer, Section 32, John Doerr, Spark Capital, Felicis Ventures, Sound Ventures, and Arrowmark	Series C	\$156	Technology-driven pharma company that runs end-to-end clinical trials
9/29/2021	Membersy	Spectrum Equity	Undisclosed	\$66	Dental clinic membership software firm
9/29/2021	Stellar Health	General Atlantic (lead), Point72 Ventures and Primary Venture Partners	Series B	\$60	HCIT company with a cloud-native point-of-care platform
9/28/2021	Wayspring (fka axialHealthcare)	Valtruis, Centene Corporation, CareSource, HLM Venture Partners and others	Undisclosed	\$75	Value-based care entity exclusively focused on substance use disorder

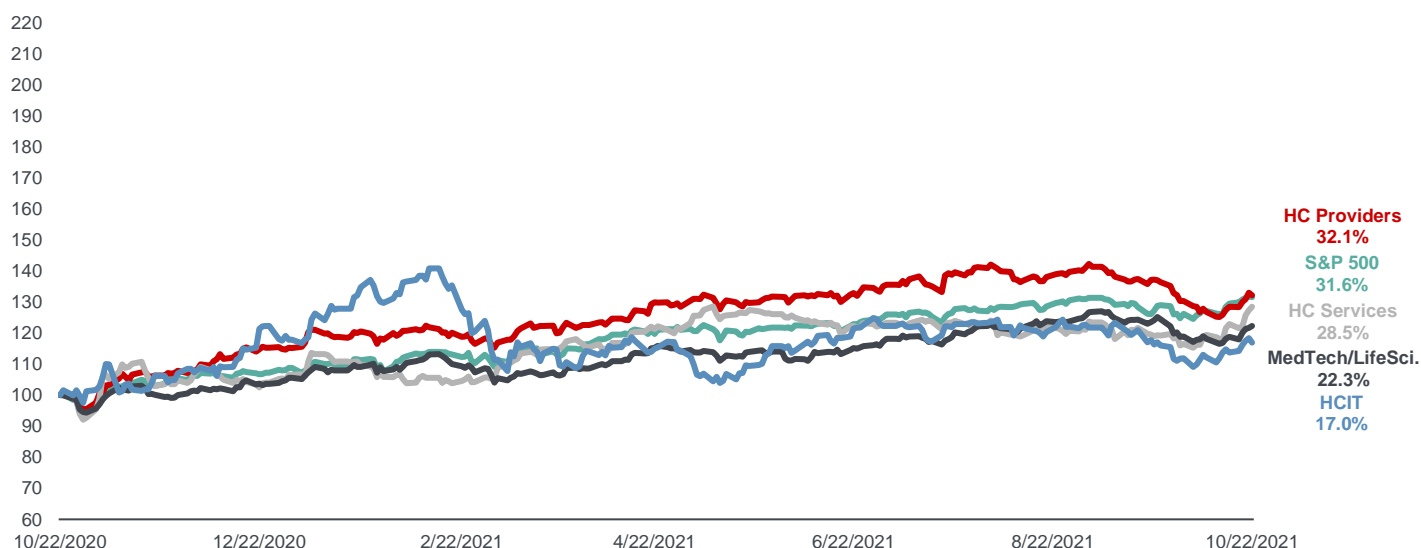
Public Equity Capital Markets Activity & Indices

Equity Indices Information as of October 22, 2021

Index	Wk Open	Wk Close	Returns	
			52 Week	Weekly
DJIA	35,295	35,677	25.8%	1.1%
S&P 500	4,471	4,545	31.6%	1.6%
NASDAQ	14,897	15,090	31.2%	1.3%
Russell 2000	2,266	2,291	40.5%	1.1%
NYSE Healthcare	21,962	22,151	17.7%	0.9%

Cain Brothers Indicies	Returns	
	52 Week	Weekly
Acute Care	80.2%	3.1%
Alternate Site Services	12.6%	1.5%
Diagnostics	27.4%	3.3%
Distribution	23.1%	2.6%
Healthcare IT	5.2%	2.9%
Healthcare REITs	24.9%	(1.8%)
Managed Care	30.7%	5.8%
Medical Technology	19.4%	3.0%
Outsourced Services	29.7%	0.3%
Pharma Services	45.3%	2.7%
Pharmacy	42.3%	1.5%
Post-Acute Care	(4.1%)	2.0%

Cain Brothers Core Healthcare Indices (1YR Performance)



Recent Selected Healthcare IPOs and Follow-Ons (\$MM)

Issuer (Ticker)	Pricing Date	Offering	Deal Value	Mkt Cap. ¹	Offer Price	Current / Offer	Description
Paragon 28 (FNA)	10/15/2021	IPO	\$125	\$1,391	\$16.00	11.3%	Orthopedic medical device company
Cue Health (HLTH)	9/24/2021	IPO	\$200	\$2,875	\$16.00	(37.9%)	Consumer focused healthcare IT company
Definitive Healthcare (DH)	9/15/2021	IPO	\$420	\$4,288	\$27.00	44.7%	Healthcare commercial intelligence solutions
Avantor (AVTR)	9/15/2021	Follow On	\$875	\$25,884	\$42.00	(8.5%)	Critical products and services to customers in the biopharma and healthcare industries
Maravai LifeSciences (Nasdaq: MRVI)*	9/10/2021	Follow On	\$1,000	\$15,400	\$50.00	(16.0%)	Data and analytics technology and services to healthcare organizations

Tax-Exempt Debt Markets

Tax-Exempt Debt Information as of October 22, 2021

Security	Current (%)	One Week Ago (%)	One Year Ago (%)
A-rated Tax-Exempt Hospital Bonds (30-Yr)	2.03%	1.98%	2.44%
AA Tax-Exempt Hospital Bonds (30-Yr)	1.83%	1.78%	2.14%
SIFMA (Variable Rate Demand Notes)	0.05%	0.05%	0.13%
Revenue Bond Index	2.64%	2.64%	2.79%
SIFMA/1 Month LIBOR	55.56%	55.56%	86.67%
RBI/30 Yr Treasury (%)	126.92%	128.78%	170.12%
30-Year Floating to Fixed Swap (81% LIBOR)	1.51%	1.46%	1.00%

Tax-Exempt Healthcare Issuance Information¹ (\$MM)

Borrower	Par	State	Rating	Maturity	Call, Put or Reprice*	Coupon	Yield to Call	Yield to Mat.	AAA
OhioHealth Corporation** (Taxable)	\$300.000	OH	Aa2 / AA+ / AA+	2031	MWC**	2.30%	2.30%	N/A	1.65%
OhioHealth Corporation** (Taxable)	\$300.000	OH	Aa2 / AA+ / AA+	2041	MWC**	2.83%	2.83%	N/A	2.07%
Univ. of WI Hospitals and Clinics Authority***	\$315.230	WI	Aa3 / AA- / NR	2051	2031 (C)	4.00%	2.43%	3.27%	1.73%
Univ. of WI Hospitals and Clinics Authority*** (Taxable)	\$49.500	WI	Aa3 / AA- / NR	2033	MWC****	2.67%	2.67%	N/A	1.68%
Searstone CCRC Project	\$106.180	NC	NR / NR / NR	2056	2030 (C)	4.00%	4.20%	N/A	1.73%
Searstone CCRC Project (Forward Delivery Bonds)	\$75.550	NC	NR / NR / NR	2052	2031 (C)	5.00%	4.75%	4.89%	1.73%
Searstone CCRC Project****	\$37.120	NC	NR / NR / NR	2028	NC	3.00%	3.00%	N/A	1.73%
Searstone CCRC Project****	\$31.460	NC	NR / NR / NR	2027	NC	2.25%	2.38%	N/A	1.73%
Searstone CCRC Project (Forward Delivery Bonds)	\$9.000	NC	NR / NR / NR	2049	2030 (C)	4.00%	4.35%	N/A	1.73%
Searstone CCRC Project**** (Taxable)	\$5.295	NC	NR / NR / NR	2026	NC	2.75%	2.88%	N/A	1.23%
The Guthrie Clinic Issue***** (Taxable)	\$101.840	PA	NR / NR / A+	2051	MWC*****	3.40%	3.40%	N/A	2.12%
The Guthrie Clinic Issue	\$90.540	PA	NR / NR / A+	2051	2031 (C)	4.00%	2.56%	3.33%	1.73%
Penn Highlands Healthcare	\$45.000	PA	NR / A- / A-	2051	2031 (C)	4.00%	2.65%	3.38%	1.73%
Wichita Senior Housing*****	\$17.300	KS	Aaa / NR / NR	2025	2024 (P)	0.51%	0.51%	N/A	1.73%
Beacon Hill at Eastgate Project	\$10.490	MI	NR / NR / NR	2055	2031 (C)	5.00%	3.32%	4.21%	1.73%
Total	\$1,494.505								

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

**Make Whole Call at 15 bps

***\$315.000MM Tranche: Overlapping final maturity with Coupon / YTC / YTM of 2.90% / 2.96% / NA; Make Whole Call at 20 bps

****Entrance Fee Principal Redemption Bonds

*****Make Whole Call at 20 bps

***** 'Aaa' Moody's ratings reflects FHA insurance (221 (D4) HUD Section 8)

1. Bloomberg, Capital IQ

Tax-Exempt Debt Markets

What's On Deck: Tax-Exempt Healthcare Issuances¹ (\$MM)

Issuer	Date	Amount	Rating
Public Finance Authority Hospital Revenue Bonds (Celina Regional Medical Center) Cain Brothers Sole-Managed Expected Pricing	Week of	\$133.020	NR / NR / NR
OhioHealth Corporation Taxable Bonds Series 2021 (Corporate Cusip)	10/19/2021	\$600.000	Aa2 / AA+ / AA+
Banner Health Taxable Bonds Series 2021 A (Corporate Cusip)	10/21/2021	\$424.200	NR / AA- / AA-
*NOTE DEAL Arizona Health Facilities Authority Revenue Bonds (Banner Health)	10/21/2021	\$100.630	NR / AA- / AA-
University of Wisconsin Hospitals and Clinics Authority Revenue Bonds, Series 2021B (Green Bonds) Revenue Refunding Bonds, Series 2021C (Taxable)	10/21/2021	\$350.575	Aa3 / AA- / NR
Public Finance Authority Revenue Bonds (Searstone CCRC Project) Series 2021 A, 2021 B-1, 2021 B-2, 2021 C, 2022 A, 2023 A Series 2021 B-2 Rated Caa3 / NR / NR	Week of	\$263.630	NR / NR / NR
Louisiana Public Facilities Authority Revenue and Refunding Revenue Bonds (CommCare Corporation Project) Series 2021A-1 Taxable Revenue Bonds (CommCare Corporation Project) Series 2021A-2	10/21/2021	\$184.895	NR / NR / NR
Carilion Clinic Obligated Group Taxable Bonds, Series 2021	10/20/2021	\$180.000	Aa3 / AA- / NR

1. Bloomberg, Capital IQ

Corporate High Grade, High Yield & Leveraged Loan Market

Market Overview

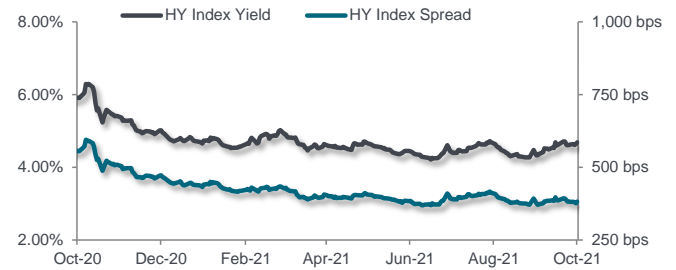
High Yield

- Last week saw a \$2.3 billion inflow, which follows the prior week's outflow of \$1.8 billion. YTD net outflows total \$14.1 billion, which compares to YTD 2020 net inflows of \$44.9 billion

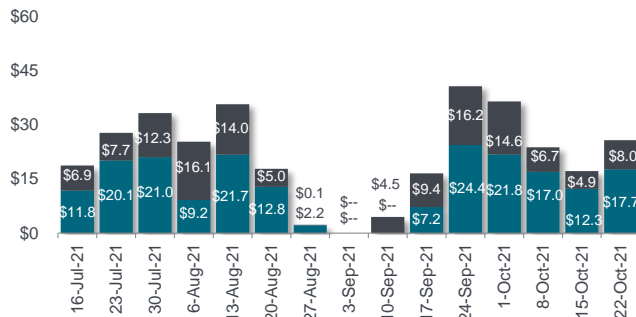
Leveraged Loans

- Leveraged loan funds saw a \$927 million inflow last week. There have been 40 inflows in 2021 totaling \$37.7 billion YTD following net outflows in 2020 totaling \$27.0 billion; Inflows totaled a more modest \$8.0 billion in 3Q21 following \$13.6 billion of inflows in 2Q21

HY Index Yield & Spread (YTD)



Weekly New Issue Volume (\$B)



New-Issue Clearing Yields¹ (\$MM)

	1Q21	2Q21	30-Day Rolling Average		
			August 2021	September 2021	10/21/21
Overall	4.40%	4.64%	5.17%	4.66%	4.79%
4B	3.00%	2.98%	3.88%	3.44%	3.46%
2B	4.63%	4.99%	5.26%	4.87%	4.91%
Middle Market	4.79%	5.15%	6.02%	6.21%	6.10%

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	IPT-Pricing
9/19/2021	Thermo Fisher Scientific Inc*	Sr Notes	\$1,000	Baa1 / BBB+ / BBB+	0.400%	4/18/2023	SOFR+35	20 bps
9/19/2021	Thermo Fisher Scientific Inc*	Sr Notes	\$1,350	Baa1 / BBB+ / BBB+	0.797%	10/18/2023	+40	15 bps
9/19/2021	Thermo Fisher Scientific Inc*	Sr Notes	\$500	Baa1 / BBB+ / BBB+	0.440%	10/18/2023	SOFR+39	15 bps
9/19/2021	Thermo Fisher Scientific Inc*	Sr Notes	\$2,500	Baa1 / BBB+ / BBB+	1.122%	10/18/2024	+50	15 bps
9/19/2021	Thermo Fisher Scientific Inc*	Sr Notes	\$500	Baa1 / BBB+ / BBB+	0.580%	10/18/2024	SOFR+53	15 bps

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

Date	Issuer	Security	Size	Ratings	Coupon	Maturity	Spread	Price Talk
10/22/2021	Option Care Health	Sr. Notes	\$500	B3/B-	4.375%	10/31/2029	286 bps	4.50% area
10/19/2021	Avantor Funding	Sr. Notes	\$800	B2/BB-	3.875%	11/1/2029	242 bps	4.00% area
10/4/2021	HealthEquity (add-on)	Sr. Notes	\$100	B3/B	4.500%	10/1/2029	305 bps	100.75
9/30/2021	Medline	Sr. Sec. Notes	\$4,500	B1/B-	3.875%	4/1/2029	251 bps	3.875%-4.00%

Most Recent Healthcare Leveraged Loan Issuances (\$MM)

Date	Issuer	Ownership	Ratings	Use of Proceeds	Size	Pricing	Yield
10/14/2021	EyeCare Partners	Partners Group	B3/B	Acquisition	\$440	L+375, 0.50% @ 99.75	4.310%
10/7/2021	Revint Solutions	New Mountain Capital	B3/B-	Refinancing	\$637	L+425, 0.50% @ 100	4.750%
10/7/2021	ExamWorks Group Inc	CVC	B2/B	LBO	\$1,700	L+325, 0.50% @ 99.5	3.875%
10/7/2021	Medical Solutions*	Centerbridge Partners	B2/B	LBO	\$1,050	L+350, 0.50% @ 99.5	4.125%
10/1/2021	Zelis Healthcare Corp	Parthenon Capital	B2/B	Acquisition	\$550	L+350, 0.00% @ 99.27	3.820%

Healthcare News

U.S. Healthcare Could Save \$265B In Administrative Costs, McKinsey Report Finds¹

Fierce Healthcare | October 21, 2021

The U.S. spend almost \$1 trillion on administrative healthcare costs in 2019 with that number increasing since. However, experts from McKinsey and Harvard economics professor David M. Cutler, Ph.D. believe they have identified 30 interventions that would both simplify healthcare administration and reduce spending by hundreds of billions of dollars. These 30 interventions are also believed to not result in a reduction in patient care quality. At \$175 billion, a majority of these hypothetical savings occur at the individual organizations level. These interventions are considered to be the “within” category while the other two categories – “between” and “seismic” account for \$35 billion and \$105 billion, respectively. “Between” interventions refer those that require collaboration between organizations and “seismic” refer to those at the industry level. While these cost reductions would benefit millions, the initial investment required to set up the necessary technologies serves as a serious barrier.

Fast-Growing mHealth Industry Reinforces Healthcare Digitalization²

MedTech Intelligence | October 22, 2021

Significant investment has been allotted to the global mHealth industry as a result of the increasing desire for mobile-first approaches in healthcare service delivery. This desire has led to many innovations in digital health that give additional control to consumers. mHealth aims to fulfill consumers demand for reliable and accessible information related to their health. mHealth apps allow users to book or modify appointments as well as easily access their electronic health records. Other mHealth apps focus on wellness management including diet/nutrition, exercise/fitness and overall lifestyle. Many of these apps already utilize data gathered by wearables. Wearables offer additional data points and thus more useful insights for exercise, sleep tracking and weight management. mHealth will continue to rise as the use of mobile apps and wearables become increasingly mainstream in healthcare.

Providers Are Thinking Outside The Box To Combat The Opioid Crisis³

Fierce Healthcare | October 20, 2021

Over the past couple years, drug overdoses have been on the rise with at least 93,000 deaths in 2020. This is a nearly 30% increase from 2019, with the bulk of the growth coming from synthetic opioids (primarily fentanyl). Some are calling this a “poly-substance crisis.” Certain states have been particularly affected such as West Virginia. To combat this issue, the government has appropriated billions of dollars, but using that money is a difficult process. Thankfully, other efforts are being made. Bicycle Health was founded with the goal of providing support for patients in recovery with its virtual care platform. Their team of clinicians prescribe and oversee treatment while also offering resources such as psychotherapy. Other companies have taken different approaches such as the MedWise software that uses genomic backgrounds to determine which enzymes patients’ bodies can produce. The combination of the government looking to invest in solutions and many growing companies motivated to create innovative solutions is very promising.

Healthcare News Continued...

How Retail Giant Walmart Plans To Disrupt The Healthcare Industry¹

Mobi Health News | October 19, 2021

Big retail is positioned to shake up the healthcare industry. With more than 200 million weekly customers, Walmart may have the reach to do just that. Walmart's interest in healthcare isn't anything new. "Walmart believes we have a right to make healthcare disrupted. We are doing that by providing all of the assets that we have, and our mission is to provide affordable, accessible, human-centered care to all of our associates and the communities we serve," Dr. Cheryl Pegus, executive vice president of health & wellness at Walmart, said yesterday at HLTH. "We have a lot of assets, and so if we believe that social determinants make up 40% of healthcare, ... personal behavior is another 30% of healthcare, and the actual clinical care is just 20%. Of that 90% we believe we have a right and are able to play in that space today."

These Specialties Get The Highest Rates From Commercial Plans Compared To Medicare²

Fierce Healthcare | October 19, 2021

Private insurers generally pay physicians higher rates than Medicare does for the same service but some specialties are winning out with significant commercial markups. Specialties such as cardiology and anesthesiology got between 120% to 330% more in commercial plan payments than Medicare rates, but other specialties such as dermatology and obstetrics get less, a new study found. The study released Monday by the Urban Institute explored the markups specialties get from commercial plans compared to traditional Medicare rates. The analysis comes as some in Congress have explored ways to reduce commercial prices by benchmarking private rates, which, if enacted, could have a varied effect based on the specialty of the physician.

Using Home Health Patient Mix Trends To Identify Market Opportunities: 2018-2021³

Trella Health | October 19, 2021

The post-acute care landscape is constantly changing and evolving. In this dynamic market, it's essential to understand broad changes and long-term trends in home health agencies' patient mixes across the country. When you have a clear view of the patient populations in your area, and specifically the growth and shrinkage of certain diagnostic categories, you can identify opportunities in your market to expand certain therapeutic categories and decrease investment in shrinking patient populations. With this in mind, the Trella team used 100% of Medicare Parts A and B data to investigate how patient populations have changed based on their diagnostic categories between 2018 and 2021. By comparing how much certain diagnostic categories increased or decreased within given reporting periods, we identified some interesting healthcare trends that could help home health agencies make better-informed decisions for 2022 and beyond.