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# Behavioral Health Market Update

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Q1 2026 UPDATE

## QUARTER 1 2026 UPDATE

### EXECUTIVE SUMMARY

Q4 2025 through Q1 2026 marked a pivotal inflection point for behavioral healthcare - defined by sharp contradictions between robust private market activity and intensifying pressure on safety-net providers.

#### Market Highlights

- Full-year 2025 M&A volume reached a post-recession peak, though Q4 itself showed sequential deceleration signaling emerging buyer caution
- A wave of facility closures swept the sector in autumn 2025, eliminating significant treatment capacity across multiple states.
- The SAMHSA grant termination/reversal sequence in January 2026 crystallized the sector's fundamental bifurcation: private capital flowing freely while community providers face existential uncertainty
- Medicare's January 2026 telehealth rollback exempted behavioral health services through 2027, preserving home-based virtual access and signaling the sector's distinctive policy treatment — though the extension requires Congressional reauthorization to continue beyond that date
- 122 million Americans, 37% of the U.S. population, live in designated mental health professional shortage areas.
- On the deal side, the quarter saw notable activity in behavioral healthcare, including **Universal Health Services' acquisition of Talkspace** (a leading digital therapy platform), **Spring Health's acquisition of Alma** (a network of independent therapists and clinicians), and **Talkiatry's \$210M raise** (a psychiatry-focused outpatient care provider blending in-person and virtual treatment) — collectively signaling robust investor conviction in scaled, tech-enabled mental health platforms despite a broader moderation in deal flow.

#### Defining Theme: Bifurcation

- Private capital: continued consolidation, premium valuations for autism/ABA platforms and therapy providers, sustained investor conviction
- Public safety net: mounting strain from Medicaid cuts, grant volatility, facility closures, and workforce burnout exceeding half the sector

### FEDERAL POLICY: STRUCTURAL & FUNDING SHIFTS

#### I. SAMHSA + HRSA Merger — Formation of the Administration for Healthy America (AHA)

The administration's reorganization consolidates SAMHSA and HRSA into a single agency (AHA) designed to break down traditional silos between mental health, physical health, and environmental factors. Key mechanics:

- Massive federal workforce reduction and closure of dozens of regional offices; authority shifts to state-level health departments
- Categorical, high-oversight grants replaced by the Behavioral Health Innovation Block Grant — consolidated funding levels lower than the prior sum of individual grants
- Framed as state autonomy; critics characterize it as a fiscal reduction that forces states toward self-sufficiency

#### Operational Implications for Providers

- Workforce: SAMHSA workforce programs face an \$872M cut — impact appears in 2–3 years as the pipeline of licensed counsellors and peer specialists thins, not in next quarter's P&L
- Medicaid: Medicaid-dependent practices in states already trimming managed care costs should monitor state legislatures as closely as federal news — block grant discretion cuts both ways

- Peer Support: 49+ states now cover peer support in Medicaid; consolidation risks disrupting the certification and reimbursement frameworks that make peer roles billable

### **One Big Beautiful Bill Act — Medicaid Pressure Points**

The Act is the primary near-term structural threat to community-based behavioral health. Key provisions and their downstream effects:

#### Coverage Continuity Risk

- Six-month redetermination cycle creates severe administrative burden for patients with SMI or cognitive impairments
- "Procedural churn": coverage terminated due to paperwork errors, not ineligibility — leads to abrupt loss of medications or residential treatment slots
- Medically frail exemption from work requirements provides limited protection given documentation challenges

#### Reimbursement & Service Reduction

- 15% reduction in FMAP forces states to cut provider reimbursement rates and optional benefits
- Behavioral health's already-thin margins amplify the impact of even minor capitation or fee-for-service reductions
- States beginning to scale back optional services critical to the continuum: adult residential SUD, peer support, crisis intervention
- Likely outcome if trends continue burden shifts back to emergency departments and the criminal justice system

### **SAMHSA Grant Disruption — Termination and Targeted Reinvestment**

Early 2026 produced extreme funding volatility, followed by a narrowed reinvestment strategy:

#### January 2026: Mass Terminations

- ~2,800 active SAMHSA grant programs received termination notices
- Estimated \$2 billion in addiction treatment, mental health, and harm reduction funding cancelled
- Rapid partial reversal within hours highlighted both policy volatility and provider fragility

#### March 2026: Targeted Reinvestment (\$69.1M)

- \$43M — children's mental health initiatives
- \$16.1M — Zero Suicide framework in health systems
- \$10M — Assisted Outpatient Treatment
- Signal: refined federal focus on high-acuity, crisis intervention — not broad community services

## **II. Medicare Telehealth: Behavioral Health Exemption**

### **Policy Timeline**

- January 31, 2026: Most at-home Medicare telehealth coverage expired for non-exempt specialties; beneficiaries must be physically present at rural originating sites (FQHCs, RHCs)
- Behavioral and mental health telehealth: permanent exemption allowing home delivery regardless of geography — the clearest policy signal of the sector's distinctive status
- Two-year extension secured for pandemic-era provisions, providing runway for provider planning through 2027

### **Extended Provisions Through 2027**

- Geographic and originating-site waivers maintained for behavioral health

- Audio-only coverage for BH services continues; note that commercial payers (Cigna, Aetna) are narrowing audio-only coverage — verify payer policies quarterly
- Dual-track CPT code system preserved for Medicare vs. commercial/Medicaid billing
- Remote Patient Monitoring (RPM) and Remote Therapeutic Monitoring (RTM) billing codes updated with expanded access and new options
- Behavioral health accounts for 60%+ of all telehealth claims — the 2026 framework includes specific provisions protecting this volume

### **Workforce: Shortage and Burnout at Critical Levels**

#### By the Numbers

- 122 million Americans (37% of the population) live in mental health professional shortage areas
- Behavioral health services utilization has grown 62% since 2018 (Trilliant Health)
- BLS projects 17% counselling role growth through 2034 — well above average — but insufficient to absorb demand surge
- 27 states face severe, localized shortages creating "behavioral health deserts"
- Burnout affects the majority of the workforce; high percentages of psychiatrists nearing retirement
- FY27 budget proposal: \$872M cut to federal health workforce development programs — compressing an already-strained pipeline

#### Structural Responses Gaining Traction

- Team-based care models: psychiatric technicians, peer support specialists, and community health workers extending licensed clinician reach
- Tiered supervision structures: group and peer supervision expand capacity of senior staff; 1:1-only models are increasingly unsustainable
- Peer support as real capacity: 49+ states cover peer specialists under Medicaid — a billable, reimbursable workforce expansion lever
- Compact licensing expansion: PSYPACT and the counselling compact expanding state by state
- AI documentation tools: highest near-term ROI is reducing non-clinical burden (coding, notes)

#### Operator Takeaway

Payer mix determines which workforce you can afford. If Medicaid reimbursement rates haven't kept pace with LPC/LCSW wage inflation, the math must be fixed before a recruiting strategy can work.

### **III. ABA/Autism Services: Payer-Operator Friction as a Leading Indicator**

The ABA and autism services subsector is showing early signs of payer-operator friction likely to spread across behavioural health more broadly. Key pressure points:

- Contract disputes escalating: Large ABA providers in Arizona face contract termination lawsuits; operators in Colorado and North Carolina report unilateral rate cuts and retroactive prior authorisation changes
- Pattern, not isolated incidents: These disputes reflect systematic payer behaviour in segments where reimbursement rates have grown rapidly alongside utilisation
- Multi-state scaling compounds risk: Each new market adds a distinct set of Medicaid managed care rules, carve-in/carve-out structures, and state-level advocacy dynamics — geographic expansion without proportional payer strategy investment increases exposure without building resilience

#### Board-Level Risk Metric

Payer concentration — defined as the share of revenue attributable to a single plan or managed care organisation — should be treated as a core risk metric alongside standard financial covenants, not a back-office concern.

## M&A ACTIVITY: RECORD ANNUAL VOLUME, QUARTERLY MODERATION







### Full-Year 2025 Results

- M&A volume hit its highest post-recession peak, driven by a "flight to quality" toward tech-enabled platforms and fragmented outpatient networks
- Digital mental health platforms and specialized counselling dominated transaction volume, nearly tripling the prior year
- Autism/ABA platforms commanded the sector's highest valuation multiples; a disproportionate share of ASD deals were sponsor-backed
- SUD sector ranked second in transaction frequency; ASD and IDD tied for third

### Q1 2026: Sequential Deceleration

- Substantially fewer announced deals vs. prior year - continuing a downward quarterly trend
- Classic mid-market PE dynamics: extended diligence timelines, elevated seller expectations, heightened buyer caution
- Medicaid policy uncertainty - intensifying toward quarter's end seems to be the primary investor concern
- SUD sector saw a sharp transaction decline, attributed directly to Medicaid funding cuts and work requirement implementation under H.R.


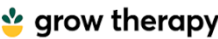



### Key transactions included:

Acquirer/Investor	Target Company	Sector Focus	Strategic Rationale
<b>Universal Health Services</b>	Talkspace (NAS: TALK) 	Virtual Behavioral Healthcare	Expansion of new outpatient and virtual behavioral health services
<b>Goldman Sachs Asset Management</b>	LearnWell 	Academic and Mental Wellness Services	Improve the lives of those facing behavioral challenges
<b>Spring Health</b>	Alma 	Mental Healthcare Platform	Build durable platform for mental healthcare
<b>Edustaff</b>	E-Therapy 	Therapy and Mental Care Services	Expand Student Support Service Offerings
<b>MKH Capital Partners</b>	Haven Health Management 	Addiction and Mental Health Treatment	Supports the expansion into new markets
<b>Anodyne Pain &amp; Wellness Solutions</b>	Insight Physicians 	Outpatient Behavioral Health Services	Expand suite of pain and wellness services to include behavioral health

## Venture Capital Momentum: Digital Mental Health Platform Drives Strategic Capital Deployment

Venture capital activity in behavioral health technology during Q1 2026 strengthened notably, marking a pivotal acceleration in capital deployment toward the "Digital Mental Health Platform" sector. Investment patterns have shifted decisively toward sophisticated platforms—ranging from AI-powered diagnostic portals to integrated care delivery systems—that demonstrate high-fidelity clinical utility. Q1 2026 reflected a "platform squeeze" where investors prioritized end-to-end ecosystems capable of embedding AI into clinical workflows and ensuring secure, payer-aligned reporting. Current investment trends favor developers of digital healthcare portals that bridge the gap between outpatient therapy and inpatient recovery, as evidenced by the rising valuations of companies offering integrated telehealth and employer-focused wellness services.

### Notable financing included:

	<b>Talkiatry \$210 million Series D</b> funding to fuel continued investment in industry-leading technology and support continued expansion across the acuity spectrum.
	<b>Grow Therapy: \$150 million Series D</b> funding to connect a fragmented mental health landscape and make effective care accessible to everyone, across every entry point.
	<b>Salma Health: \$80 million Series A</b> funding to build and operate centers of excellence designed to fundamentally reshape how brain conditions are diagnosed, treated and studied.
	<b>Click Therapeutics: \$50 million Series D</b> funding to support the commercialization of CT-155, treats experiential negative symptoms of schizophrenia.
	<b>Somethings: \$19 million Series A</b> funding to expand partnerships with Medicaid programs, state governments, schools, and healthcare organizations.

## PUBLICLY TRADED BEHAVIORAL HEALTHCARE COMPANIES

Selected Publicly Traded Behavioral Healthcare Companies														
Company Name	Ticker Symbol	Stock Price 3/31/2026	% Change Prior Quarter	% Change TTM	Price 52 Week High	Price 52 Week Low	Market Cap	EV	Diluted EPS	Price To Earnings	LTM Revenue	EBITDA	EV to EBITDA	EV to Revenue
Lifestance Health Group Inc	NAS:LFST	6.37	-9.52%	-4.35%	8.09	3.74	2,438	2,664	0.0	318.5	1,424	78.8	33.8x	1.9x
Acadia Healthcare Company Inc	NAS:ACHC	23.39	64.83%	-22.86%	30.97	11.43	2,153	4,855	(12.2)	N/A	3,313	(737.8)	N/A	1.5x
*Brightspring Health Services Inc	NAS:BTSG	42.61	13.78%	135.54%	45.59	15.48	8,185	10,815	0.9	88.8	12,911	459.5	23.5x	0.8x
*Talkspace	NAS:TALK	5.18	42.56%	102.15%	5.19	2.22	865	772	0.0	129.4	229	6.0	128.1x	3.4x
<i>*Outlier Adjusted</i>														
<b>Average</b>			<b>23.03%</b>	<b>36.11%</b>					<b>(3.8)</b>	<b>203.6</b>			<b>28.7x</b>	<b>2.2x</b>

Source: © PitchBook Data, Inc. 2026

### Public Markets and Investor Sentiment

The publicly traded behavioral healthcare sector presents a compelling but bifurcated investment picture, with the peer group trading at a weighted-average EV/EBITDA of 28.7x and EV/Revenue of 2.2x for Q1 26 - multiples that reflect the market's premium for secular demand growth in mental health services against a backdrop of persistently thin margins and operating complexity.

#### LifeStance Health Group (NASD: LFST)



In the Q1 2026, LifeStance Health solidified its fiscal turnaround, posting its first profitable fiscal year in 2025 with \$9.7 million in net income and carrying that momentum into a robust Q1. Quarterly revenue climbed 17% year-over-year to \$382.2 million, driven by a 9% expansion of its clinician base to 8,040 providers and a record 2.4 million patient visits. Net income saw a dramatic swing to \$11.7 million, bolstered by a 49% surge in Adjusted EBITDA to \$48.8 million and strong free cash flow generation of \$46.6 million. To optimize its capital structure, the company authorized a \$100 million buyback program, strategically repurchasing 7 million shares alongside a 25-million-share secondary offering to reduce float. Operationally, LifeStance is prioritizing scalability through a new \$20-\$30 million EHR transition and the integration of AI-scribe technology - which has already yielded a 40% reduction in documentation time - positioning the firm to achieve its ambitious 2026 revenue guidance of \$1.615-\$1.655 billion.

#### Acadia Healthcare (NASD: ACHC)



Acadia Healthcare's first quarter of 2026 was characterized by a complex interplay of robust top-line growth and significant executive upheaval. While quarterly revenue rose 6.1% year-over-year to \$821.5M-supported by a 4.4% increase in same-facility revenue-Adjusted EBITDA contracted by approximately 35% to \$99.8 million, largely due to a \$52.7 million professional liability and general liability (PLGL) reserve adjustment. Despite the operational headwinds of a \$300 million restructuring plan and nearly \$200 million in combined legal settlements, the company's "back-to-the-future" leadership transition-marked by the interim reinstatements of former CEO Debbie Osteen and former CFO David Duckworth-provided a stabilizing effect. Furthermore, Q1 earnings guidance of \$0.25-\$0.30 per share significantly outperformed consensus estimates, catalyzing a sharp upward re-rating of the stock and overshadowing the closure of five underperforming facilities. Following this pivotal quarter, management issued full-year 2026 revenue guidance of \$3.37-\$3.45 billion, signaling a cautious but definitive path toward recovery.



**BrightSpring Health Services (NASD: BTSG)**

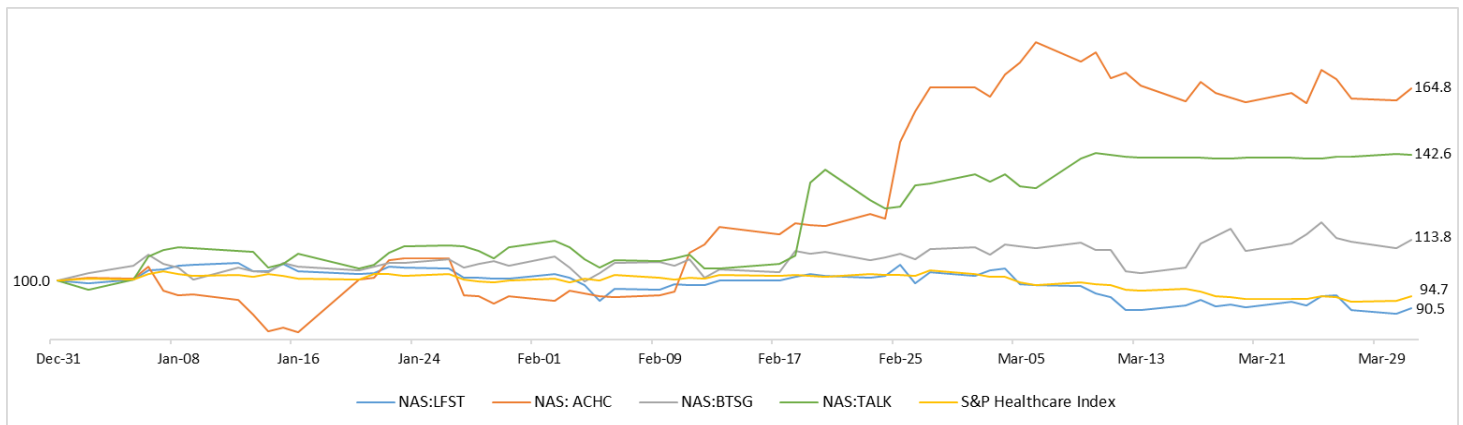
BrightSpring Health Services delivered a high-performance Q1 2026, building on the momentum of its robust full-year 2025 results with a strategically transformative quarter. The company reported a significant 29.3% year-over-year revenue increase to \$3.55B, fueled largely by a 32% surge in Pharmacy Solutions, while net income climbed to \$49.6M and adjusted EBITDA rose 41% to \$184M. This financial strength - highlighted by a staggering 135% trailing twelve-month return - was bolstered by the successful March 31st closing of the ResCare Community Living divestiture to Sevita, a decisive move to sharpen clinical focus and optimize cash flow. Looking ahead, BrightSpring has confidently set its full-year 2026 guidance with revenue targets between \$14.45B and \$15.00B and adjusted EBITDA projected at \$760M to \$790M, signaling continued operational excellence and market leadership.

**Talkspace (NASD: TALK)**

Talkspace delivered a robust Q1 2026 performance, characterized by a 29.3% year-over-year revenue increase to \$63.0 million, fueled primarily by a 41% surge in its payer business. Despite achieving record operating metrics - including a doubling of adjusted EBITDA to \$6.6 million and the strategic launch of its proprietary Talk AI agent - these results were largely eclipsed by the March 9 announcement of an \$835 million acquisition by Universal Health Services (UHS). At an offer price of \$5.25 per share, the merger effectively caps the stock's near-term upside while positioning Talkspace as the cornerstone of UHS's outpatient behavioral health strategy. Looking ahead, management has issued confident full-year 2026 guidance of \$275-290 million in revenue, with the finalization of the UHS deal pending a stockholder vote on May 29 and anticipated regulatory clearance in the third quarter.



**Behavioral Companies Stock Performance**



## SELECTED TRANSACTIONS

Deal Date	Deal Type	Target	Investor/Acquirer	Target Description	Deal Size MM
Apr 16, 2026	Merger/Acquisition	<b>Pediatric Associates Of NYC</b>	NYU Langone Health	Pediatric medicine provider offering wellness exams, diagnostic testing, and behavioral health consultations for children.	NA
Apr 07, 2026	Merger/Acquisition	<b>Keralty Hospital</b>	Coral Terrace Hospital	Operates a hospital facility providing medical, psychiatric, and emergency services for South Florida residents.	NA
Apr 01, 2026	Merger/Acquisition	<b>Tallahassee Memorial Healthcare</b>	Florida State University	Delivers comprehensive medical services including surgery, oncology, and behavioral health through a coordinated healthcare system.	\$109.00
Mar 31, 2026	Buyout/LBO	<b>Haven Health Management</b>	MKH Capital Partners	Provider of addiction recovery and mental health programs, including detox, residential care, and outpatient services.	NA
Mar 31, 2026	Buyout/LBO	<b>Insight Physicians</b>	New Harbor Capital	Provider of outpatient psychiatric evaluation, medication management, and therapy for patients with mental and emotional disorders.	NA
Mar 23, 2026	Merger/Acquisition	<b>Neuritek Therapeutics</b>	Undisclosed	Develops mechanism-based biopharmaceutical treatments for patients and families affected by post-traumatic stress disorder.	\$105.00
Mar 19, 2026	Merger/Acquisition	<b>Dothan Behavioral Medicine Clinic</b>	Elite DNA Behavioral Health	Specialized neurosurgical service treating movement disorders through advanced brain stimulation techniques and personalized clinical care.	NA
Mar 18, 2026	Buyout/LBO	<b>Move This World</b>	Alpine Investors, Riverside Insights	Provides interactive social-emotional learning programs for students, educators, and families through multimedia experiences.	NA
Mar 18, 2026	Buyout/LBO	<b>Widespread Wellness Group</b>	Abacus Investments, Recovery Now	Provider of addiction treatment and mental health services, specializing in detoxification and residential care.	NA
Mar 12, 2026	PIPE	<b>Firefly Neuroscience (NAS: AIFF)</b>	Undisclosed	Neuroscience company using AI and electrophysiological data to map brain function for mental health clinicians.	\$2.25
Mar 09, 2026	Merger/Acquisition	<b>Talkspace (NAS: TALK)</b>	Universal Health Services (NYS: UHS)	Offers virtual psychotherapy and psychiatry services through a network of providers for individuals and enterprises.	\$835.00
Mar 03, 2026	PE Growth/Expansion	<b>Sensible Care</b>	Undisclosed	Online behavioral health provider offering psychological testing, therapy, and TMS via a native telemedicine portal.	\$2.33
Mar 03, 2026	Merger/Acquisition	<b>Praesum Healthcare Services</b>	Mayfair Group	Behavioral healthcare provider offering counseling and medication-assisted treatment for individuals seeking addiction recovery.	NA
Feb 26, 2026	Merger/Acquisition	<b>JusticeWorks YouthCare</b>	Omni Visions	Provider of foster care, behavioral health, and trauma-informed support services for children and families in welfare systems.	NA
Feb 23, 2026	Merger/Acquisition	<b>North Shore Relationship Center</b>	Victory Recovery Partners	Provides therapy and counseling for individuals, families, and groups covering mental health and substance use.	NA

## SELECTED TRANSACTIONS CONT.

Deal Date	Deal Type	Target	Investor/Acquirer	Target Description	Deal Size MM
Feb 23, 2026	Buyout/LBO	<b>Parkdale Center</b>	Bradford Health Services, Constitution Capital Partners, Lee Equity Partners	Substance use disorder treatment provider offering intensive outpatient therapy and career advocacy for professionals.	NA
Feb 13, 2026	Merger/Acquisition	<b>Magellan Health</b>	Madison Health Group	Managed care provider offering behavioral healthcare, employee assistance, and pharmacy benefit management for organizations.	NA
Feb 13, 2026	Merger/Acquisition	<b>Rippl Care</b>	Harbor Health	Mental health care company providing personalized phone, online, and in-home support for seniors with neurocognitive conditions.	NA
Feb 02, 2026	Buyout/LBO	<b>E-Therapy</b>	Edustaff, Monroe Capital, PPC Enterprises	Teletherapy platform providing speech, occupational, and mental health services to students with special needs in schools.	NA
Feb 02, 2026	PE Growth/Expansion	<b>Elara Caring</b>	Ares Management (NYS: ARES), DaVita (NYS: DVA)	Provider of medical, behavioral health, and rehabilitation services for aged patients in home-based settings.	NA
Feb 01, 2026	Merger/Acquisition	<b>Dps Home Health Agency</b>	Caregiver Services	Provider of skilled nursing and therapeutic recovery services for homebound geriatric and post-surgical patients.	NA
Jan 30, 2026	Buyout/LBO	<b>LearnWell</b>	Goldman Sachs Asset Management	Offers customized academic and mental wellness services for students in behavioral health or medical treatment.	\$150.89
Jan 28, 2026	Merger/Acquisition	<b>Alma</b>	Spring Health	Healthcare platform connecting providers to mental health consultants and offering billing and video chat tools.	NA
Jan 28, 2026	Buyout/LBO	<b>MDB Behavioral Health Services</b>	MyTown Health Partners	Provides on-site primary, behavioral, and psychiatric care services for long-term care and nursing facilities.	NA
Jan 26, 2026	Buyout/LBO	<b>Invo HealthCare</b>	Five Arrows Managers, Leonard Green & Partners, The Stepping Stones Group	Provider of autism services and behavioral therapies for children and adults with developmental delays nationwide.	NA

## VENTURE AND OTHER INVESTMENTS

Deal Date	Deal Type	Target	Investor/Acquirer	Target Description	Deal Size MM
Apr 17, 2026	Seed Round	<b>Serenity For Life</b>	Undisclosed	Women's rehabilitation center offering holistic, nature-focused addiction treatment and personalized recovery programs.	NA
Apr 15, 2026	Later Stage VC	<b>Trayt Health</b>	Undisclosed	Patient-centric technology platform streamlining behavioral health care coordination for programs, plans, and providers.	\$7.17
Apr 09, 2026	Later Stage VC	<b>Click Therapeutics</b>	Boehringer Ingelheim, Laurel Touby, Supernode Ventures	Develops a prescription platform delivering digital treatments to patients with brain disorders and neuro-psychiatric dysfunctions.	\$50.00
Apr 07, 2026	Early Stage VC	<b>Anonymous Health</b>	111 West Capital, Life Extension Ventures	Provides a therapy application offering personalized treatments for substance abuse and behavioral addictions.	\$15.00
Apr 06, 2026	Early Stage VC	<b>Moona Health</b>	Undisclosed	AI-powered sleep care platform offering drug-free Cognitive Behavioral Therapy for insomnia related to hormonal shifts.	\$3.70
Apr 06, 2026	Seed Round	<b>Psych For Life</b>	Undisclosed	Well-being web application providing evidence-based psychological strategies and digital toolkits for students and employees.	\$0.32
Apr 06, 2026	Early Stage VC	<b>InSite Health</b>	Expanse Venture Partners	Hybrid telepsychiatry provider delivering mental health care and therapy to children and adults in person or remotely.	NA
Apr 01, 2026	Early Stage VC	<b>Clerie</b>	Ollin Ventures	AI-driven electronic health record platform automating documentation, billing, and scheduling for wellness and mental health practitioners.	NA
Apr 01, 2026	Later Stage VC	<b>Leaf</b>	Expert DOJO	Mental healthcare matching platform connecting individuals with qualified providers based on wellness needs.	NA
Apr 01, 2026	Early Stage VC	<b>Nara (Healthcare Technology Systems)</b>	GrowthX Capital, Launch NY	AI-assisted mental wellness platform offering therapist matching, mood tracking, and self-care resources.	NA
Apr 01, 2026	Early Stage VC	<b>Tetra (Enterprise Systems -Healthcare)</b>	Juxtapose	Developer of AI behavioral health software that streamlines workflows and data for high acuity providers.	NA
Mar 31, 2026	Seed Round	<b>Jimini Health</b>	LionBird, M13, One Mind, Town Hall Ventures, Zetta Venture Partners	Utilizes artificial intelligence and licensed professionals to enhance the effectiveness of mental health treatment.	\$17.00
Mar 31, 2026	Later Stage VC	<b>Ascellus</b>	.406 Ventures, Centripetal Capital Partners, Profound Ventures	Delivers trauma prevention and treatment to employees suffering from chronic pain to restore well-being.	\$16.04
Mar 26, 2026	Early Stage VC	<b>Blossom Health</b>	Correlation Ventures, Headline, Operator Partners, TA Ventures, Village Global	Provides affordable virtual psychiatry sessions and evidence-informed care through a secure, insurance-integrated platform.	\$18.41
Mar 26, 2026	Later Stage VC	<b>Kuya</b>	Undisclosed	Provider of integrative wellness services including neurostimulation, intravenous therapy, and ketamine-assisted psychotherapy.	\$5.10

## VENTURE AND OTHER INVESTMENTS – CONT.

Deal Date	Deal Type	Target	Investor/Acquirer	Target Description	Deal Size MM
Mar 26, 2026	Accelerator/Incubator	<b>Beacon</b>	Audos	AI platform providing communication scripts and coaching for caregivers interacting with people having substance use disorders.	\$0.05
Mar 26, 2026	Accelerator/Incubator	<b>Solace (Other Healthcare Technology Systems)</b>	Audos	Grief support platform offering coaching, daily check-ins, and memorial writing tools for individuals managing loss.	\$0.05
Mar 25, 2026	Equity Crowdfunding	<b>Valley Center Wellness</b>	Undisclosed	Wellness provider offering integrated therapeutic programs, counseling, and detox services for mental and physical health.	\$0.70
Mar 24, 2026	Later Stage VC	<b>Family First</b>	Undisclosed	Caregiver support provider offering eldercare, childcare, and mental health advocacy for families and employers.	\$0.95
Mar 23, 2026	Early Stage VC	<b>Recovery Nexus</b>	Undisclosed	Operator of recovery residences providing structured living and peer support for individuals overcoming addiction.	\$1.74
Mar 23, 2026	Seed Round	<b>Lumora</b>	Undisclosed	Mental health ecosystem delivering advanced therapies and integrated wellness programs for treatment-resistant conditions.	\$0.75
Mar 19, 2026	Accelerator/Incubator	<b>Total Life</b>	AscendRural	Digital health platform offering online talk therapy and mental health tools specifically for older adults.	NA
Mar 18, 2026	Seed Round	<b>Help Texts</b>	Undisclosed	Text-messaging platform delivering accessible grief, caregiver, and mental health support for individuals and organizations.	\$1.00
Mar 18, 2026	Later Stage VC	<b>Kai (Healthcare Technology Systems)</b>	10x Founders, Evolution Equity Partners, N47	AI-powered mental health platform offering clinical conversational tools and exercises for emotional well-being and mindfulness.	NA
Mar 16, 2026	Seed Round	<b>Neurotype</b>	Frontline Ventures, Techstars	Neurofeedback medical platform using brain sensing to help clinicians detect and treat substance use triggers.	NA
Mar 10, 2026	Accelerator/Incubator	<b>Phienx</b>	Peachscore	Emotional health tracking app that converts user logs into clinical data for healthcare providers.	NA
Mar 09, 2026	Accelerator/Incubator	<b>Arul Health</b>	Techstars	Healthcare company providing mental health support, counseling, and guided meditations specifically for cancer patients.	\$0.22
Mar 04, 2026	Later Stage VC	<b>Somethings</b>	Catalio Capital Management, General Catalyst, Tusk Venture Partners	Connects teenagers with trained peer mentors through a digital mental health platform to overcome stress.	\$33.42
Mar 03, 2026	Later Stage VC	<b>Grow Therapy</b>	BCI Holding, Goldman Sachs Asset Management, Menlo Ventures, Octant Ventures, Sequoia Capital, SignalFire, TCV, Transformation Capital	Operates a mental healthcare platform connecting individuals with licensed therapists and psychiatric providers.	\$150.00
Mar 01, 2026	Later Stage VC	<b>Anise Health</b>	CHAP Venture Partner	Digital mental health platform offering virtual therapy and coaching tailored specifically for communities of color.	NA

## VENTURE AND OTHER INVESTMENTS – CONT.

Deal Date	Deal Type	Target	Investor/Acquirer	Target Description	Deal Size MM
Mar 01, 2026	Accelerator/Incubator	<b>Sleep.ai</b>	AgeTech Collaborative from AARP	Digital sleep management platform using wearable data and analytics to improve user sleep health and lifestyle.	NA
Feb 26, 2026	Early Stage VC	<b>Salma Health</b>	ARCH Venture Partners, Averin, Lingotto, Mubadala Capital	Provides personalized diagnostic evaluations and neuroscience-backed psychiatric care through clinical facilities and virtual programs.	\$80.00
Feb 25, 2026	Seed Round	<b>Evanesc Therapeutics</b>	Undisclosed	Developer of a non-invasive medical device for targeted drug delivery to treat neurological and CNS diseases.	NA
Feb 23, 2026	Seed Round	<b>Therapprove</b>	Elevate Ventures, Flywheel Fund, Gravity Ventures, Pier 70 Ventures, VisionTech Partners, Wave 27 Ventures	Digital platform connecting caregivers to pediatric therapists for behavior, mental health, and physical growth.	\$0.05
Feb 18, 2026	Seed Round	<b>Kadia</b>	Stone Mountain Ventures	Digital health platform offering group therapy and community support for families affected by substance use disorders.	\$1.10
Feb 13, 2026	Angel (individual)	<b>Phoeb-X</b>	Undisclosed	AI-powered application helping neurodiverse individuals navigate high-sensory environments with personalized alerts and guidance.	\$0.91
Feb 12, 2026	Later Stage VC	<b>Talkiatry</b>	Andreessen Horowitz, blisce/, Left Lane Capital, Perceptive Advisors, Sofina (BRU: SOF)	Provides mental health services using evidence-based scales to offer preliminary diagnoses and expanded treatment access.	\$210.00
Feb 11, 2026	Early Stage VC	<b>TPN.health</b>	Breachway Capital, First Analysis	Behavioral health platform integrating professional networking and care coordination to support value-based delivery.	NA
Feb 09, 2026	Seed Round	<b>Ray (Clinics/Outpatient Services)</b>	Parable Ventures, Topology Ventures, Uncommon Projects	AI-powered mental health tool for tracking emotions and identifying behavioral patterns to improve self-regulation.	\$3.80
Feb 09, 2026	Seed Round	<b>Astro Health</b>	Undisclosed	AI-powered integrated care system addressing substance use disorders and workplace stress through telehealth and monitoring.	\$0.10
Feb 09, 2026	Accelerator/Incubator	<b>Birches Health</b>	One Mind	Online counseling provider offering licensed specialists and affordable insurance options for individuals with gambling addiction.	NA
Feb 09, 2026	Accelerator/Incubator	<b>Manatee</b>	One Mind	Virtual mental health platform offering family therapy, parent coaching, and daily activities for families.	NA
Feb 09, 2026	Accelerator/Incubator	<b>Orbit Neuro</b>	One Mind	Neurotechnology company using non-invasive devices to make mental health transparent and actionable for users.	NA
Feb 09, 2026	Accelerator/Incubator	<b>Vitalic</b>	One Mind	Geriatric psychiatry provider delivering behavioral health care and treatment planning for aging populations.	NA
Feb 03, 2026	Early Stage VC	<b>Cartwheel (Healthcare Services)</b>	A-Street, Able Partners, Alumni Ventures, American Heart Association Ventures, BakerBridge Capital, Britebound	Partners with schools to provide students and families with mental health assessments, therapy, and medication evaluation.	\$35.17

## VENTURE AND OTHER INVESTMENTS – CONT.

Deal Date	Deal Type	Target	Investor/Acquirer	Target Description	Deal Size MM
Feb 02, 2026	Later Stage VC	<b>Big Health</b>	.406 Ventures, AlleyCorp, Blue Venture Fund, CVS Health Ventures, Gilde Healthcare, Sandbox Clinical Ventures, Supermoon Capital	Offers a digital healthcare portal with personalized programs to treat sleep-related disorders and mental health issues.	\$23.70
Feb 01, 2026	Early Stage VC	<b>AidMi</b>	IT Park Ventures, Quest Ventures	AI clinical documentation platform helping mental health clinicians streamline assessments, transcription, and symptom tracking.	NA
Feb 01, 2026	Early Stage VC	<b>Attune Health</b>	1616 Ventures	AI clinical quality platform for mental health providers, automating documentation review and therapist supervision workflows.	NA
Feb 01, 2026	Later Stage VC	<b>Blackbird Health</b>	Hopelab	Provider of multidisciplinary mental health services for children and young adults with developmental and emotional challenges.	NA
Feb 01, 2026	Seed Round	<b>NeuroVitals</b>	City Light Capital	Mental health platform treating psychiatric conditions by combining AI personalization with metabolic and behavioral data.	NA
Feb 01, 2026	Later Stage VC	<b>Pivotal Health</b>	D3VC	Technology platform offering same-day, in-home urgent, primary, and mental healthcare house calls for all ages.	NA
Feb 01, 2026	Early Stage VC	<b>Poppy Seed Health</b>	The Mother Fund	Platform connecting women with on-demand access to doulas and nurses for pregnancy and postpartum support.	NA
Jan 23, 2026	Early Stage VC	<b>Klinic</b>	I2BF Global Ventures, Somersault Ventures	Digital addiction treatment clinic providing virtual recovery support, medication-assisted programs, and tools for sobriety.	NA



# LAWRENCE, EVANS & CO., LLC

Investment Banking | Healthcare Finance | Consulting

Lawrence, Evans & Co. LLC 'LECO' is a national boutique advisory firm. LECO provides a full range of capital raising (debt & equity), M&A including buy-side/sell-side, as well as financial and operational restructuring services. Since 2003, we have offered advice and support for every process and structure, from short-term solutions to long-term goals. The firm caters to the **Healthcare Providers and Service Companies** (senior housing, hospital, physician services, home health, hospice, behavioral health, RCM, HCIT, CCM, RPM, SDOH, etc.), **Transportation and Logistics** (trucking, warehouse, supply-chain), **Business Services** (managed IT and cyber), and **Real Estate**. Typical clients are under \$250M or \$15M EBITDA, no minimum.

**M&A Advisory:  
Buy-Side/Sell-Side**

**Capital Raising:  
Debt/Equity**

**Turnaround  
&  
Restructuring**

- Private Company Sales
- Division/Subsidiary Divestitures
- Buy-side search for proprietary
- Acquisition Advisory Services
- Private Market Financings
- LBO's and Recapitalizations
- Strategic Capital Options
- Valuations & Financial Assessments
- Bridge Financing, Real Estate, Bonds
- Private Equity, Family Office
- Lines of Credit, Senior Debt
- Debt Mezzanine, Unitranche
- Turnaround Management
- Debt Restructuring/Refinancing
- Orderly Liquidations
- Chief Restructuring Officer (CRO)
- Bankruptcy Planning/ 363 Sales
- Receivership / Trustee

## Represented Transactions

 <p>Moving Behavioral Health Forward</p> <p>ACQUIRED BY</p>  <p>ACTED AS ADVISOR</p>	<p>BEHAVIORAL HEALTH ADDICTION PROVIDER</p> <p>\$14,500,000</p> <p>REFINANCE, CASHOUT, AND GROWTH ACQUISITION LINE</p> <p>JULY 2025</p> <p>ACTED AS ADVISOR</p>	<p>YOUTH DISORDER TRANSITIONAL FACILITY</p> <p>SOLD TO</p> <p>STRATEGIC BUYER</p> <p>ACTED AS ADVISOR</p>	<p>BEHAVIORAL HEALTH SERVICES</p> <p>STRATEGIC OPTION ANALYSIS</p> <p>ACTED AS ADVISOR</p>
<p>BEHAVIORAL HEALTH AND ADDICTION OUTPATIENT CLINIC SERVICES</p> <p>EXCLUSIVE SELL-SIDE</p> <p>ACTED AS ADVISOR</p>	<p>IDD OPERATOR</p> <p>SECURED A BRIDGE LOAN</p> <p>ACTED AS ADVISOR</p>	<p>BEHAVIORAL HEALTH PROVIDER</p> <p>SALE LEASEBACK OF PORTFOLIO OF REAL ESTATE</p> <p>ACTED AS ADVISOR</p>	<p>6 BEHAVIORAL HEALTH FACILITIES</p> <p>SALE - LEASEBACK</p> <p>ACTED AS ADVISOR</p>

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