Clinical Neurology
INDUSTRY MARKET UPDATE

Industry Overview

Clinical neurology practices are evolving into one of the most attractive segments of U.S. healthcare delivery. Demand is being fueled by the increased prevalence of **neurological disorders, enhanced by aging populations.** In turn, practices that can provide **realistic physician access** and integrated access to **infusion, imaging, and ancillary services are increasingly attracting patients.**

At the same time, as an increasing number **of infusion therapeutics** become available, patients are finding more places for care, including dedicated **infusion centers, hospitals and physician offices. Neurology will remain in the forefront as research & development** funding in neurological disorders **is second only to oncology** and a wave of novel treatments for Alzheimer's, Parkinson's, and MS is driving demand. Practices are adapting through **new operating models** (greater APP-to-physician ratios, telehealth, and alternate site infusions) to expand access and efficiency. Taken together, these tailwinds are fueling an expected annual growth rate of 8.3% through 2034 for U.S. neurology services.[1]

Neurology Market Outlook: Demand, Innovation & Expansion

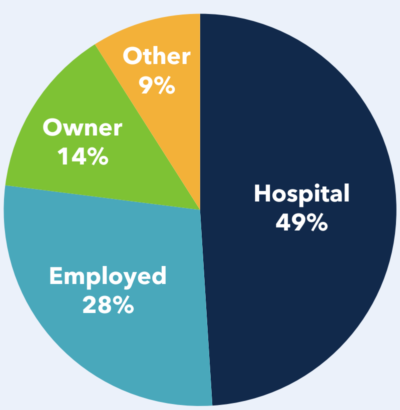
Increasing Burden of Chronic Neurological Diseases

Broader prevalence of migraines and neurodegenerative conditions continues to fuel long-term demand. Over the past 10 years, **stroke incidence has increased nearly 8%** and the number living with stroke has increased **over 80%.** Alzheimer's affects over 7M[5] Americans, up 55% since 2000. Parkinson's diagnoses (~90K per year) are projected to reach 1.2M cases by 2030.[6] Dementia-related costs alone are expected to grow from **$384B in 2025 to ~$1T by 2050**, underscoring system-wide pressure.[5]

Increasing Prevalence of Multi-modality, One-Stop-Shop Practices

With long wait times and recurring therapy needs, patients are seeking easier solutions. Aided by improved costs, **outpatient infusion** (including at home) is expanding to nearly **$38.0B**[7] and ambulatory centers to **$52.0B** by 2034,[1] presenting a significant ancillary revenue opportunity. Practices should consider imaging, infusion, behavioral health, and pharmacy to **speed diagnosis** and coordinated chronic care. All of which can be used to support value-based reimbursement, reduce readmissions, and streamline prior authorizations.

Operational Constraints



The growth in demand for general neurologists and specialists is evident in the makeup of their practices. The number of owned practices and employment in practices has increased, while hospital-employed neurologists have contracted since 2018, a sharp contrast to physicians as a whole.

Unfortunately, a 19% projected shortfall of neurologists this year, and wait times exceeding 2 months are pressuring practices to accelerate APP deployment, telehealth, and other efficiency-focused workflows.[3]

The impact of this fragmented market with smaller practices creates clear dynamics for scale-driven operational efficiencies.

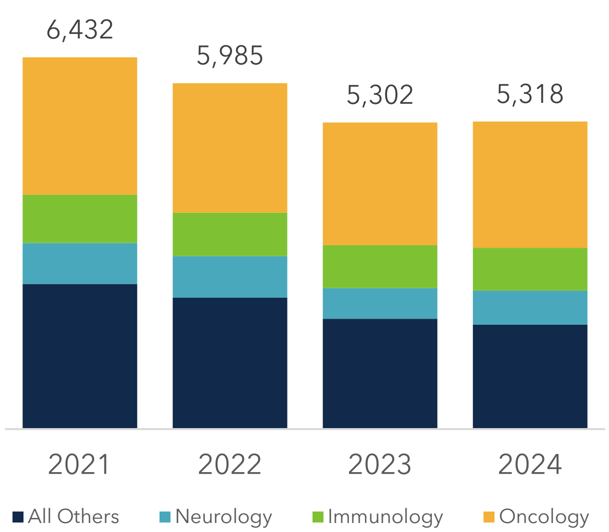
Growth In Clinical Research Spend[8]

Strong drug development and therapeutic focus on neurological disorders such as MS, Alzheimer's, and Parkinson's will drive increased patient demand.

Top Therapeutic Area: 77 neurology drugs were launched in the past decade; Neurology represents 11% of Phase I–III trial starts in 2024, behind oncology and immunology.

Robust Pipeline: ~3,400 neurology trials launched in the past five years, with Alzheimer's, depression, and Parkinson's, each recording 200+ trials.

Clinical Trial Starts
by Therapeutic Area



Sources: 1) Precedence Research, 2) Centers for Disease Control and Prevention, 3) American Academy of Neurology, 4) American Academy of Neurology's 2024 Demographics Report, 5) Alzheimer's Association. 2025 Alzheimer's Disease Facts and Figures, 6) Parkinson's Foundation, 7) Fortune Business Insights, 8) IQVIA

M&A Activity in Clinical Neurology Increasing

Fragmented Market with No Scaled Platforms: U.S. neurology remains highly fragmented, with most practices comprising 1–3 physicians. Unlike cardiology, dermatology, or GI, there is no scaled PE-backed national platform...YET. While 15+ practices have transacted in the past five years, activity has been infusion-focused or small in scale, underscoring early sponsor interest and a white-space opportunity for platform creation.

Vertical Integration Opportunities: Existing PE-backed infusion platforms are pursuing neurology practices to expand patient access and diversify revenue. Integrated, multi-modality groups offering infusion, imaging, EEG, and diagnostics present a compelling consolidation thesis, capturing higher-margin services while enhancing payer and pharmacy leverage.

Secular Demand Tailwinds: Neurologist shortages, aging demographics, and rising chronic neurological diseases are driving sustained volume growth, while U.S. medicine spending is projected to increase by $116B from 2024–2029[8], fueled by biologics and novel therapies that create a favorable backdrop for specialty growth and ancillary buildout.

Proven Playbook from Adjacencies: Oncology, rheumatology, and pain management have delivered strong sponsor returns with similar clinical and ancillary characteristics. Neurology offers a similar but untapped path, with opportunities to replicate this model at scale via consolidation, ancillary buildout, and enhanced payer contracting leverage.

U.S. M&A Quarterly Deal Volume

Source: PitchBook; *as of Sept 01, 2025

Key Buyers

Company	Investor / Parent Company
Clearway Pain Solutions	NexPhase Capital
HOPCo	Audax, Linden
NeurAbilities Healthcare	Council Capital
Nira Medical	JSL, SV Health Investors, Silversmith, Transformation Capital
Vivo Infusion	InTandem Capital Partners

Select M&A Activity

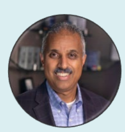
Date	Acquirer	Target	Location
Aug-25	AleraCare	Pure Infusion Suites (Build Capital Partners, Frazier Group)	AZ
Jul-25	The Boster Center For Multiple Sclerosis	Singlepoint Healthcare (DFW Capital Partners)	OH
Mar-25	FlexCare Infusion Centers	Optum (UnitedHealth Group)	OK
Jan-25	Eastern Neurodiagnostic Associates	Clearway Pain Solutions (NexPhase Capital)	NJ
Dec-24	Neurology Institute of San Antonio	Vivo Infusion (InTandem Capital Partners)	TX
Sep-24	Progressive Health & Rehab	Central Ohio Spine & Joint	OH
Jun-24	IVXpress	Ardian, Crescent Capital Group, Linden, North Sky Capital	TN
Jun-24	New England Neurological Associates	Tufts Medicine (Lowell General Hospital, Tufts Medical Center)	MA
May-24	Infusion Associates Management	Vivo Infusion (InTandem Capital Partners)	MI
Apr-24	Midwest Neurological	Ascension Via Christi Hospital in Pittsburg	IN

Select Cascade Experience

Sell-Side Advisor
DeGara P.L.L.C. has merged with American Physician Partners

Sell-Side Advisor
Michigan Eye Institute has partnered with Midwest Vision Partners, a portfolio company of Alpine

Sell-Side Advisor
Grand Rapids Ophthalmology has sold a majority interest to Sterling Partners



Rajesh Kothari, CFA
248.430.7723
RajK@Cascade-Partners.com

Gary Sandhu
248.345.0480
GaryS@Cascade-Partners.com