



Behavioral Health

QUARTERLY SECTOR BRIEF | Q4 2025

What's Included:

- 01** **Insights:** Overview of the different subsectors and individual companies that are a part of the broader behavioral health landscape, along with recent developments impacting the sector
- 02** **Sector Activity:** Recent notable transactions in the space and stock performance for publicly traded behavioral health companies
- 03** **Connect With Us:** How to get connected with our team and get the latest insights into the growing behavioral health sector

01

BEHAVIORAL HEALTH
Q4 2025

Insights

The demand for behavioral health services continues to surge, contributing to sustained tailwinds and growth for the sector.



Perspectives on Behavioral Health



Mental Health (Inpatient, Residential, PHP, and IOP)

Mental health programs designed to treat diagnoses such as depression, anxiety, trauma, schizophrenia, etc., in a variety of care settings often based on acuity

- › PHP / IOP consists of regimented therapy sessions and treatment programs occurring outside of 24 / 7 care settings
- › Residential settings act as structured environments enabling stabilization while not requiring full hospitalization
- › Inpatient facilities provide intensive care and supervision for the highest acuity mental health crises
- › Growing focus on individualized treatments that incorporate a variety of therapeutic modalities aimed at addressing the diverse needs of patients



Mental Health (Outpatient)

Structured treatment programs to support mental health in an in-person or virtual outpatient setting

- › Psychiatric services such as therapy, medication management, and crisis intervention tailored to those managing their mental health while integrated into daily life; for treatment-resistant depression, therapy options include psychotherapy, transcranial magnetic stimulation, electroconvulsive therapy, and esketamine
- › The mental health (outpatient) subsector has continued to grow through in-person and remote therapy models



Autism (ABA)

Facilitate therapy and skill development within centers, home, or school-based environments for individuals with autism

- › Autism spectrum disorder services include diagnostic evaluations, behavioral therapies, and educational programs to promote skill development and independence
- › Meaningful demand / supply imbalance between individuals and families seeking access to care

Perspectives on Behavioral Health (Cont.)



Eating Disorders (ED)

Treatments offering nutritional guidance, psychological counseling, and medical oversight to restore healthy eating habits often provided within residential, PHP, IOP, or virtual settings

- › Treatment services specialized in treating conditions such as anorexia, bulimia, and binge eating disorder, offering a range of services from inpatient care to outpatient support
- › Increasing focus on early detection, leveraging screening tools and educational programs



Substance Use Disorders (SUD) and Medication Assisted Treatment (MAT)

Evidence-based support for people struggling with addiction, including a combination of pharmacology and behavioral therapy often provided within residential, PHP, IOP, or virtual settings

- › Treatment providers aimed at recovery and rehabilitation for individuals grappling with substance addiction, offering detoxification, counseling, and long-term relapse prevention
- › Services are expanding to include support for co-occurring mental health conditions, recognizing the complex interplay between substance abuse and mental health



Intellectual and Development Disabilities (IDD)

Treatment services to bolster quality of life and autonomy of individuals diagnosed with IDD

- › Support for individuals with a range of cognitive or physical disabilities to enhance quality of life and promote autonomy
- › Home- and community-based settings are increasingly the preferred site of care due to their relative cost for payors and higher quality of life for clients compared to institutional care settings



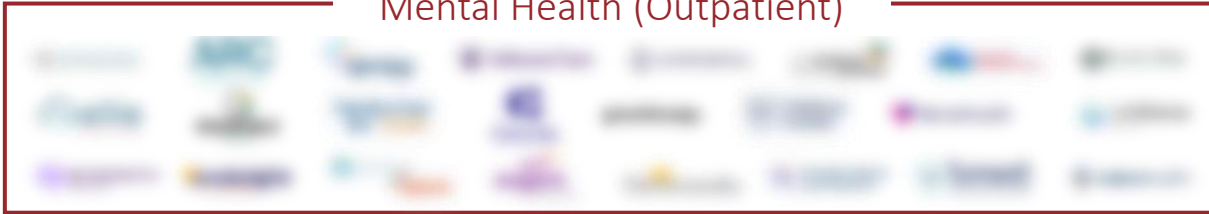
School-Based Services

School-based services for children and adolescents with various learning and development disorders

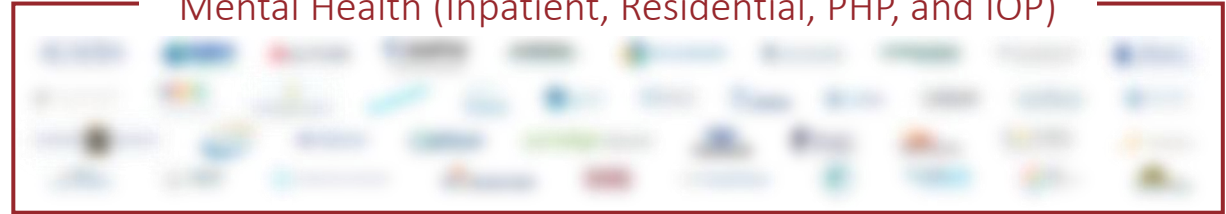
- › Includes speech therapy, physical and occupational therapy, mental health, psychology, academic assistance, and behavioral health services more broadly for pre-K – 12 students
- › The number of students enrolled in special education services has been increasing nearly every year since data collection began in 1975 due to an increase in prevalence in specific learning disabilities, speech and language impairment, and autism spectrum disorder

Behavioral Health Market Landscape

Mental Health (Outpatient)



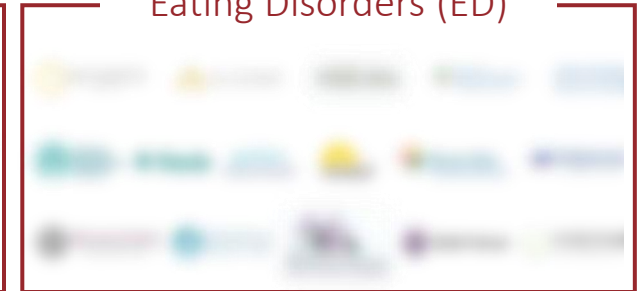
Mental Health (Inpatient, Residential, PHP, and IOP)



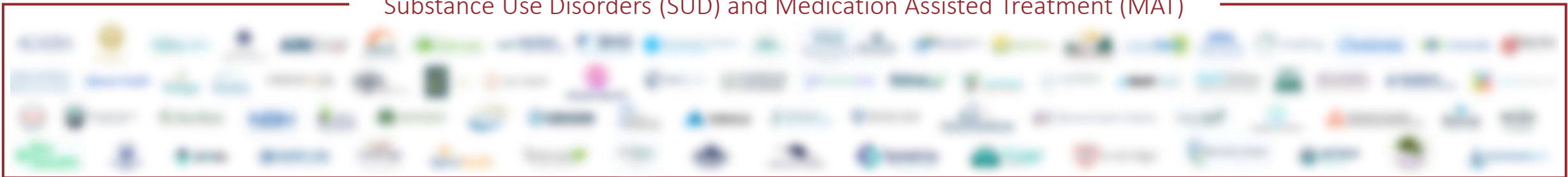
Autism (ABA)



Eating Disorders (ED)



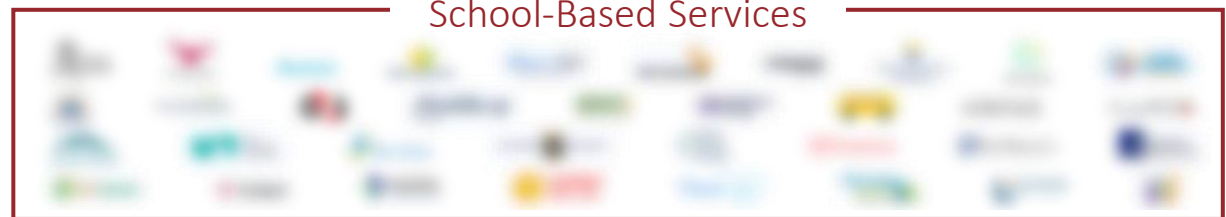
Substance Use Disorders (SUD) and Medication Assisted Treatment (MAT)



Intellectual and Developmental Disabilities (IDD)



School-Based Services



To view the full market map, please contact BehavioralHealth@harriswilliams.com

What We're Reading

Relevant behavioral health news.

Autism Therapy Providers Fight Medicaid Rate Cuts in Court – Behavioral Health Business

[READ HERE](#)

“Autism therapy providers and industry advocates in two states have taken the fight over state austerity measures to court.”

Key takeaway: As officials in states such as Colorado and North Carolina target autism therapy in order to reduce costs in the wake of Medicaid cuts, they are facing substantial pushback

WHO Releases New Reports and Estimates Highlighting Urgent Gaps in Mental Health – World Health Organization

[READ HERE](#)

“WHO releases two major reports — the Mental Health Atlas 2024 and the World Mental Health Today — alongside updated suicide estimates, presenting the most comprehensive evidence yet on the urgent need to strengthen mental health services and prevention worldwide.”

Key takeaway: The WHO’s reports further underscore the fact that a substantial portion of the world’s population receives inadequate treatment for mental illnesses

CMS Finalizes Key Medicare Reimbursement Policies for Telehealth, Chronic Disease, and Digital Health – Sidley

[READ HERE](#)

“...CMS also finalized certain proposals, or is seeking comment on items, of significant importance with respect to Medicare reimbursement for telehealth services, chronic disease and behavioral healthcare, and digital health.”

Key takeaway: CMS’s Medicare reimbursement policies pave the way for further expansion and support of reimbursement for telehealth and digital health

Centene Highlights Efforts to Push Back Against Elevated ABA Spending – Behavioral Health Business

[READ HERE](#)

“Centene Corp. (NYSE: CNC) reported progress on tamping down what it sees as problematic spending on behavioral health, namely applied behavior analysis (ABA).”

Key takeaway: Centene’s recent efforts are another example of payors attempting to reduce perceived excessive spending on ABA

02

BEHAVIORAL HEALTH
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Sector Activity

The behavioral health sector continues to experience strong activity, with several notable transactions occurring recently.



Select Behavioral Health Transactions

October 23, 2025



Addiction Recovery Care (ARC) Acquired by Ethema

Addiction Recovery Care (ARC) is one of the largest addiction treatment providers across the state of Kentucky and the Appalachia region, with the capacity to treat roughly 900 patients across its locations. Ethema recently signing an LOI to acquire the business signals continued consolidation in the SUD / MAT space.

September 25, 2025



Modern Recovery Network Acquired by BrentCare Behavioral Health

Modern Recovery Network offers virtual IOP programming and recovery coaching for adults as well as family therapy, teen group therapy, and individual teen therapy. The transaction adds several facilities and, most critically, a nationwide telehealth network to BrentCare's platform.

September 23, 2025



Neuropsychology and Counseling Associates Acquired by PAX Health

Neuropsychology and Counseling Associates is a New Jersey-based provider of outpatient mental health services. M&A-fueled growth has proven central to the growth strategy of PAX Health, which was formed last year and has acquired two other outpatient psych providers, Harris Psychiatric Services and Richardson Psychiatric Associates, earlier this year.

August 4, 2025



Ellie Mental Health (Minnesota) Acquired by Nystrom & Associates

Ellie Mental Health Minnesota has built a strong reputation as a leader in mental health services since 2015, primarily offering therapy and psychiatry services, including specialized treatments like TMS and ketamine, across 23 locations. The combined organization, which then rebranded to Sagent Behavioral Health, operates 84 locations and is one of the largest behavioral health networks in the Midwest.

July 22, 2025



Family Health Services Acquired by Crossroads Treatment Centers

Family Health Services is a trusted provider of outpatient addiction treatment with locations in New Kensington and Ford City, Pennsylvania. The transaction represents an opportunity for Crossroads to expand in scale to an extent where it now operates over 100 locations across nine states.

July 16, 2025



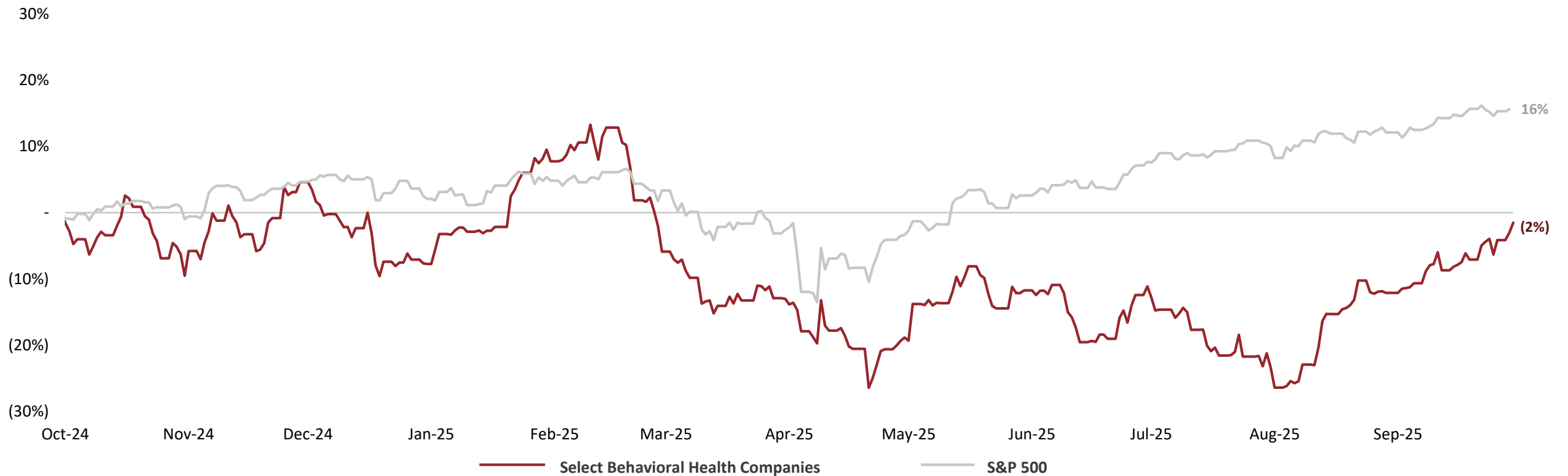
Bend Health Acquired by Lyra Health

Bend Health is a virtual pediatric mental health provider offering personalized care for children, teens, and families. The deal enables Lyra to utilize Bend Health's collaborative care model and specialized providers to offer more comprehensive evaluations and virtual IOP care to its 20 million members, with strengthened capabilities to serve pediatric and neurodiverse clients.

Behavioral Health Trended Stock Performance

Public Company Stock Performance – Past 12 Months

Indexed Stock Price Performance for the Period October 2024 – Q3 2025⁽¹⁾



Select Behavioral Health Companies











Harris Williams Has Robust Experience Advising Behavioral Health Clients

Select Behavioral Health Transactions

 PERIMETER Healthcare

— a portfolio company of —

 Ridgemont EQUITY PARTNERS™

— has been acquired by —

A PRIVATE INVESTOR

 unison THERAPY SERVICES

— a portfolio company of —

 Ridgemont EQUITY PARTNERS™

— has been acquired by —

ASCEND PARTNERS

 eventus WHOLE HEALTH

— a portfolio company of —

 ENHANCED HEALTHCARE PARTNERS

— has been acquired by —

 GENERAL ATLANTIC

 CARAVEL AUTISM HEALTH

— a portfolio company of —

 FRAZIER HEALTHCARE PARTNERS

— has been acquired by —

GTCR

 BRADFORD HEALTH SERVICES

— a portfolio company of —

 CENTREPARTNERS

— has been acquired by —

 LEE EQUITY

 Monte Nido & Affiliates Treating Eating Disorders

— a portfolio company of —

 LEVINE LEICHTMAN CAPITAL PARTNERS

— has been acquired by —

 REVELSTOKE CAPITAL PARTNERS

 CenterPointe BEHAVIORAL HEALTH SYSTEM

— a portfolio company of —

 NAVIMED CAPITAL

 HEP HEALTH ENTERPRISE PARTNERS

 SIGULER & GUFF

— has been acquired by —

ACADIA HEALTHCARE

 crossroads

— has been recapitalized by —

 CDPQ

 REVELSTOKE CAPITAL PARTNERS

 CBC Community Based Care

— a portfolio company of —

JEFFERSON RIVER CAPITAL

— has been acquired by —

 MARTIS CAPITAL

 PINNACLE PRIVATE EQUITY

— a portfolio company of —

LINDEN¹

— has acquired —

 AEGIS

— a portfolio company of —

 HOUSATONIC

 hopebridge PEDIATRIC SOLUTIONS

— a portfolio company of —

Baird Capital BAIRD

— has been acquired by —

 ARSENAL CAPITAL PARTNERS

 LEARN Behavioral

— a portfolio company of —

LLR

— has been acquired by —

 GRYPHON INVESTORS

— a portfolio company of —

 CCS EXPERT CARE

— and —

 FRAZIER

— has merged with —

 CHC CONNECTICUT

— a portfolio company of —

GTCR

 THERAPYBRANDS

— a portfolio company of —

PROVIDENCE STRATEGIC GROWTH

 GSV

— has been acquired by —

LIGHTYEAR CAPITAL

 OAK HC/FT

03

BEHAVIORAL HEALTH
Q4 2025

Connect With Us



Our Team

Select Transactions in the Behavioral Health Sector:

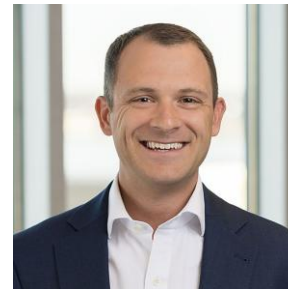
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Connect With Our Team

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