

# Press Release

MUFG Americas Holdings Corporation

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## **With Overhaul of Affordable Care Act Derailed, Rising Prices Becomes the Most Critical Issue Facing U.S. Healthcare Industry, MUFG Says**

***Federal Policy Uncertainties, Opioid Crisis, Aging of Americans  
Are Primary Reasons for Climbing Costs,  
MUFG's Global Head of Healthcare Banking, Allen Fisher, Says  
At MUFG Explores Media Roundtable***

New York, October 6, 2017 — Following the recent inability of the U.S. Congress to overhaul the Affordable Care Act (ACA), the most critical issue facing the nation's healthcare system is soaring prices, according to **Allen Fisher**, Global Head of Healthcare Banking at Mitsubishi UFJ Financial Group, Inc. (MUFG).

Mr. Fisher cited three reasons for rapidly rising healthcare prices: uncertainties related to the federal government's healthcare policy, the high costs associated with the current U.S. opioid crisis; and increased Medicare spending as Americans live longer lives.

He made his remarks on September 28 in New York during a session of **MUFG Explores**, an issues-oriented series in which MUFG subject matter experts meet with journalists to discuss newsworthy topics and trends. **Andreas Dirnagl**, Global Head of MUFG's Healthcare Strategic Research, joined Mr. Fisher as a co-host for the event.

"As healthcare prices continue to climb, countless Americans will struggle to find adequate treatment – a situation that is particularly troubling given the decreased amount of funding the ACA receives from the federal government," said Mr. Fisher. "Further, when you factor in how expensive it is to fight the expanding opioid-addiction crisis, in addition to the costs associated with an aging population, it's clear that suitable, affordable healthcare will not be available to many of those who need it most."

One way to reduce costs and raise revenues, he added, is to increase access to walk-in clinics, urgent care facilities, and wellness centers.

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“By decentralizing the care provided away from expensive hospitals, people are able to get more care, more often – that is why we need to focus on wellness care,” said Mr. Fisher. “The United States is terrific in dire situations, such as cardiac and orthopedic surgeries — these operations are complex and highly profitable for hospitals. What we aren’t so good at is prenatal care and preventative medicine.”

### **Mergers & Acquisitions**

Meanwhile, Mr. Dirnagl noted that while there have been fewer transformative healthcare industry mergers and acquisitions, there have been a significant number of smaller transactions.

“One reason why healthcare M&A activity has been down this year is that in 2014 and 2015, many companies had the opportunity to do inversions,” said Mr. Dirnagl, citing the tactic in which U.S.-based companies keep some of their capital with overseas subsidiaries to avoid paying taxes in the U.S. where corporate rates are generally higher. “That was more or less snuffed out in 2016” when the Obama administration halted the practice, he added.

Mr. Fisher has nearly 20 years of healthcare-banking experience, as well as an extensive background in leveraged finance and loan syndications. Mr. Dirnagl has worked for more than 25 years in the financial markets and healthcare finance.

MUFG has relationships with virtually every major pharmaceutical, biotech, and med-tech company in the U.S. The bank ranks number one in healthcare receivable securitizations, and is in the top 10 for healthcare investment-grade bond underwriting.

Future **MUFG Explores** sessions will look into compelling subject areas including renewables, the retail sector, and Latin American finance.

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