

## WEEKLY HEALTH CARE REAL ESTATE BRIEFING: HOSPITALS BUILDING AFFORDABLE HOUSING FOR EMPLOYEES | META SUED FOR PATIENT PRIVACY VIOLATIONS

Our Health Care Real Estate Briefing is your comprehensive summary of weekly health care real estate highlights happening across the nation.

1. Last week, we highlighted Arizona's spending to house Medicaid recipients experiencing homelessness and mental health issues. This week, the focus on housing turns to hospital employees. Affordable housing continues to be a challenge for hospitals to retain and recruit staff, leading to some hospitals building employee housing per [Becker's Healthcare](#).
2. HCA Healthcare and Steward Health Care System abandoned a proposed **5-hospital transaction** that the FTC had challenged. The sale would have seen Steward sell 5 of its Utah hospitals to HCA. This announcement came just days after RWJBarnabas Health and Saint Peter's Healthcare System called off merger plans in New Jersey after a similar FTC challenge per [Fierce Healthcare](#).
3. **Modern Healthcare** highlighted several initiatives by hospitals to buy blighted real estate and revamp clinical space for innovation hubs. Although models vary, in many cases the hospital investor provides seed funding and free space to health care startups participating in accelerator programs in exchange for equity in the venture and rental income after the initial acceleration phase ends. Examples include incubators by Allegheny Health Network in Bellevue, PA; Froedtert and Medical College of Wisconsin in Menomonee Falls, WI; Cedars-Sinai in Los Angeles, CA; and OSF HealthCare in Peoria, IL.
4. Pittsburgh Mayor Ed Gainey is in the process of conducting private talks with UPMC and Allegheny Health Network to agree to payment in lieu of tax arrangement to get the hospitals to "pay their fair share," per [Public Source](#). There has been a steady drumbeat of late to tax hospital property, including a piece this past week out of Cleveland per [Ideastream Public Media](#).
5. Analysts expect the medical office sector to continue holding steady for at least the next 12 months, despite virtual care becoming a bigger part of the health care landscape per [Wealth Management](#).
6. Private equity is turning to physicians after courting ASCs for years. Private equity firms have long used ASCs as investment vehicles, which they have wrapped into larger portfolios and marketed to pension funds and other big institutional investors. But across the market, those institutions are reaching their capacity for such investments and are now creating new lines of health care investments marketed to physician investors per [Becker's Healthcare](#).
7. **The Washington Post** ran an opinion piece on the unintended consequences of the \$178 billion pandemic relief provided to hospitals and doctors. While some hospitals were able to survive through the help of federal emergency grants, the author argues that the funds also exacerbated gaps between well-funded providers and those who were barely getting by.
8. Facebook parent Meta has been sued for allegations of patient privacy violations. A recent report indicated that Meta scraped health data from hundreds of hospitals' patient portal websites using its Meta Pixel tracker, sparking patient privacy concerns per [Health IT Security](#).
9. A study showed that Medicare could save \$3.6B buying generic drugs at Mark Cuban pharmacy's prices. The Mark Cuban Cost Plus Drug Company, launched online at the start of this year, offers commonly used generic drugs at a 15 percent markup, plus a \$3 dispensing fee and \$5 shipping fee. It does not accept insurance per [The Hill](#).
10. UPMC broke ground on what will be the largest hospital in Pittsburgh's history. The new UPMC Presbyterian Hospital will stand 17 stories tall and have 636 private patient rooms. The project is estimated to cost \$1.5 billion. Although the project does not add any new beds, President and CEO Leslie Davis said the use of the 1.2 million square feet of space will be used in more flexible and creative ways per [CBS News](#).

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