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HEALTH LAW NEWS

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WEEKLY HEALTH CARE REAL ESTATE BRIEFING: SOME HEALTH SYSTEMS SELL LTC, SNF FACILITIES IN RESPONSE TO RISING COSTS | NC HEALTH SYSTEMS INVESTING HEAVILY IN NEW FACILITIES

1. In the past two years, many health systems have been selling their long-term care, home health, nursing home, hospice and lab businesses, largely due to rising costs and regulatory pressures. This trend reflects a shift from ownership to partnership models as hospital systems focus on cost reduction and operational simplicity.
2. Despite some financial struggles last year, health systems in North Carolina continue to make significant investments in new construction and facilities. North Carolina's predicted growth and aging is a major driver, as the state is projected to increase its population by 33% to 14 million by 2050. Atrium, Novant and Cone Health all have current projects well above $100M.
3. VMG Health released its biannual report of Physician Alignment: Tips & Trends. The report highlights trends including private equity and major specialty supply and demand. In the regulatory section, the report highlighted last year's $9.85M False Claims Act settlement between BioReference Health and OPKO Health, which included allegations of above-market rents to physician landlords by way of including disproportionate common areas in the calculation of exclusive space.
4. Cincinnati Children's held a ribbon-cutting ceremony for a new $108M, 160,000-sf mental health center that features 83 private rooms. The opening of the facility makes Cincinnati Children's the largest inpatient mental health provider among U.S. children's hospitals.
5. Commercial Observer published an interview with Vicki Match Suna, Executive Vice President and Vice Dean for Real Estate Development and Facilities at NYU Langone Health. The piece discussed how NYU's real estate strategy fits into the health system's overall continuum of care as well as growth opportunities in the current real estate market.
6. A new lawsuit seeks class-action status for former employees at a closed hospital in St. Louis. The suit, brought by former employees of the hospital, seeks back pay from the hospital under the WARN Act.
7. PeaceHealth reported its plan to shutter University District Hospital because of underutilization. The hospital is located in Eugene, the home of the University of Oregon, and was the city's only hospital.
8. Orlando Health opened the first fully dedicated orthopedic hospital in Florida, with 75 "smart" inpatient rooms, 10 operating rooms, a 3D printing center and a 116-seat medical education auditorium. The hospital is part of Orlando Health's $300M, 375,000-sf Jewett Orthopedic Institute downtown complex.
9. In partnership with the Miami Dolphins, Baptist Health in Miami announced the opening of a new, state-of-the-art orthopedic complex across the street from the Dolphins' training facility. Part of the appeal for the 17,000-sf facility is that community members can "go where the pros go," according to Baptist's Chief Medical Executive.
10. The legislative task force created to weigh certificate of need laws in Kentucky heard presentations recently from community members in favor of repeal, as well as those who wanted CON reforms short of repeal. The task force was created after two Kentucky legislators filed bills in the 2023 legislative session to reform CON requirements.

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