

## WEEKLY HCRE BRIEFING: STATES AND NONPROFITS FILE SUIT AGAINST CMS OVER SNF MINIMUM STAFFING RULE | LEASE-PURCHASE AGREEMENT ON THE BALLOT IN PALM SPRINGS

1. Nonprofit health care providers affected by Hurricanes Helene and Milton may qualify for FEMA relief under the Stafford Act. Hall Render published a [recent article](#) with tips on applying for disaster relief.
2. Twenty states and 19 nonprofit organizations [filed](#) a lawsuit against HHS and CMS over recent nursing home minimum staffing mandates. The plaintiffs allege the final rule “poses an existential threat” to the nursing home industry.
3. Two recent reports evaluated the value of tax exemptions for [nonprofit hospitals](#), reigniting debates over their tax-exempt status. According to the reports, nonprofit hospitals collectively spent \$129B on community benefits in 2020, exceeding the \$13.2B value of their tax exemptions.
4. The Cincinnati VA is [expanding](#) with a new 27k-sf medical center on a ground lease from Cincinnati Children’s Hospital. The facility will house the Clermont County Clinic, increasing services and capacity for up to 4,000 veterans annually, with completion anticipated in November 2025. The development partner on the deal is Innovcare VA.
5. Hospital [financial performance](#) in August remained stable, with revenue and expenses declining despite higher patient volume. The median operating margin reported by Kaufman Hall for August 2024 was 4.2%. In August 2023, the operating margin was 2.4%.
6. The Desert Healthcare District in Palm Springs, CA, has published information about a [30-year lease-purchase](#) agreement for Desert Regional Medical Center, set to begin in 2027. Measure AA will appear on ballots in November, proposing to lease the hospital to Tenet Healthcare with ownership transferring to Tenet in 2057.
7. Cottage Health and Nationwide Children’s Hospital are addressing affordable housing needs in their communities. [Cottage Health](#) plans to build 204 below-market homes in Santa Barbara, CA, for its employed healthcare workers. [Nationwide Children’s Hospital](#) opened four affordable duplexes in Linden, OH, to help improve social determinants of health.
8. Jacksonville’s medical outpatient space market faces a [shortage](#) of suitable Class A properties to meet demand from the region’s growing aging population. However, many developments have been hampered by an inability to meet preleasing requirements, with developers reluctant to build medical office space on spec.
9. Novant Health has completed a multiphase [sale-leaseback](#) transaction involving 20 facilities across North Carolina. The final four properties sold include locations in Clemmons and Charlotte.
10. St. Elizabeth’s Hospital is planning a \$50M [expansion](#) in O’Fallon, IL, that will include a new surgical center and medical office building. The project is designed to address high operating room usage and local healthcare access needs.

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Special thanks to Olivia Allison, undergraduate intern, for her assistance in the preparation of this article.

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