

## WEEKLY HCRE BRIEFING: SENIOR LIVING AND SNF OPERATORS POISED FOR M&A GROWTH IN 2025 | ILLINOIS HEALTH CARE MARKET CONTINUES TO EVOLVE WITH PRIME AND ADVOCATE INVESTMENTS

1. The sale of Ascension's 11 Illinois hospitals for \$375M to Prime Healthcare has **received** regulatory approval. The transaction is part of Ascension's strategic realignment of its health care facilities to focus on outpatient care.
2. Advocate Health Care, the largest health system in Illinois, plans to **invest** \$1B over the next decade to expand its presence on Chicago's South Side, including the construction of a new \$300M hospital to replace the 115-year-old Advocate Trinity Hospital.
3. A recent article **predicted** trends in the senior housing industry for 2025. The predictions include: (1) a move away from third-party marketing websites to prioritize in-house strategies; (2) increases in REIT senior housing operating portfolios via RIDEA conversions; (3) a mid- to late-year pickup in construction; and (4) a wider variety of concepts and amenities for senior living communities.
4. In 2024, North Florida saw a **surge** in the construction of freestanding emergency departments ("EDs") by various health care systems, driven by regional population growth. HCA Florida, Baptist Health and Nutex Health were three systems with recent multi-million dollar freestanding ED projects in the region.
5. Skilled nursing facility ("SNF") and senior housing REIT CareTrust recently **announced** that the company's unsecured revolving credit facility has been doubled to \$1.2B, facilitating an accelerated pace of M&A activity. The company said it is on pace to close approximately \$1.5B of investments this year, which is seven times its annual average.
6. According to a recent **roundup**, the Supreme Court's overturning Chevron deference, OIG is refocusing its enforcement from pandemic-related fraud to marketing and referral practices, and the increase in private equity investment in the health care space are all areas that are likely to see an uptick in regulatory enforcement in the coming year.
7. The HHS OIG has **recommended** that CMS enhance its review of nursing homes' related-party cost reporting. According to an audit, more than 20% of SNFs are non-compliant with the Medicare guidelines requiring disclosure of related-party transactions on their cost reports.
8. Four states (NC, SC, TN and GA) will **implement** significant changes to their certificate of need regulations in 2025, which could impact health care facility planning and development within those states.
9. A **new hospital**, Cedar Hill Regional Medical Center, is set to open in Southeast Washington, D.C., at a cost to the District of \$434M. An affiliate of George Washington University Hospital will operate the facility, providing much-needed services to a primarily poor and minority area of the city.
10. Sutter Health is set to **redevelop** 1M SF of former office buildings into two ambulatory care buildings in Santa Clara, CA. The development sits on a 75-year ground lease with a community college and will be completed by 2030.
  - **Andrew Dick** at [adick@hallrender.com](mailto:adick@hallrender.com) or (317) 977-1491;
  - **Joel Swider** at [jswider@hallrender.com](mailto:jswider@hallrender.com) or (317) 429-3638; or
  - Your primary Hall Render contact.

*Hall Render blog posts and articles are intended for informational purposes only. For ethical reasons, Hall Render attorneys cannot give legal advice outside of an attorney-client relationship.*