

WEEKLY HOSPITAL REAL ESTATE BRIEFING: MORE INFO ON WAKEMED/ATRIUM HEALTH MERGER | HEALTH CARE CONSTRUCTION INDUSTRY CONTINUES TO GROW | ADVENTHEALTH POSTS \$23B IN OPERATING REVENUE

1. As announced on May 1, WakeMed plans to merge with Atrium Health. However, a recent article **reported** that UNC Health submitted an unsolicited \$5B merger proposal to WakeMed (as compared to the \$2B bid offered by Atrium). WakeMed's board of directors ultimately proceeded with Atrium, citing concerns over market consolidation and reduced health care choice in Wake County.
2. According to a recent **survey** of design and construction professionals, 62% of respondents said that the health care construction industry is growing despite challenges like high costs, lower reimbursement rates and supply chain competition with data centers. Health care organizations are focusing on flexible, easily repurposed spaces and designing facilities to accommodate advanced technologies like AI and robotics.
3. A developer recently **filed** a Letter of Intent to demolish the shuttered Carney Hospital in Boston to build an \$850M mixed-use "Dorchester Health Campus." The proposed 12.8-acre development will include 350k sf of dedicated health care space, 300 housing units, 200 senior living units, retail space and open parkland.
4. Ascension Saint Thomas and Lifepoint Health have **filed** a letter of intent with the Tennessee Health Facilities Commission to build a 40-bed, \$89.5M rehabilitation hospital in Gallatin, TN. The proposed facility would be located near a separate, \$59.3M full-service hospital planned by the health systems' Highpoint Health joint venture.
5. The Delaware Senate unanimously **passed** legislation aimed at reducing health care costs by capping hospital and outpatient expenses to 250% of the Medicare rate by 2033. The bill also seeks to boost primary care by requiring insurance carriers to allocate at least 11.5% of total medical costs to primary care.
6. AdventHealth is now one of the top 10 **largest** hospital groups in the country after reaching \$23B in operating revenue for 2025, driven in part by its \$265M acquisition of ShorePoint Health (Port Charlotte, FL). The nonprofit health care system's net income rose 52% year-over-year to \$4.1B.
7. A recent article **outlines** how New Markets Tax Credit ("NMTC") equity can help rural health systems overcome critical funding shortages and infrastructure challenges. By providing subsidies of up to 20% of project costs, this financing enables facilities to consolidate campuses, modernize medical equipment and establish training partnerships to attract health care talent.
8. A recent report **identified** three UPMC hospitals as being at high risk for closure due to massive federal Medicaid and Children's Health Insurance Program ("CHIP") funding cuts. The facilities are considered vulnerable because of their heavy reliance on government programs and the disproportionate number of low-income and minority patients they serve.
9. UK HealthCare (KY) is **building** a \$580M central utility plant through a public-private partnership to support the upcoming expansion of the Albert B. Chandler Hospital in Lexington, KY. The new facility will upgrade heating, cooling and water systems to increase campus capacity.
10. Indiana University Health is set to **break** ground this summer on a new hospital in West Lafayette, IN. The \$214M facility will include 12 inpatient beds, an ED with 14 treatment spaces, four operating room suites and imaging.

For additional information on this topic, please contact:

- **Andrew Dick** at adick@hallrender.com or (317) 977-1491;
- **Joel Swider** at jswider@hallrender.com or (317) 429-3638; or

- Your primary Hall Render or Hall Render Advisory Services contact.

Hall Render blog posts and articles are intended for informational purposes only. For ethical reasons, Hall Render attorneys cannot—outside of an attorney-client relationship—answer specific questions that would be legal advice.