

# HEALTH FACILITIES MONITOR

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## TOP STORIES

### Hospitals Won't See a "V-shaped Recovery"

Hospitals are starting to dig themselves out of a formidable operating trench, but results for the sector still lag far behind pre-pandemic levels, according to Fitch Ratings.

Source: [Becker's Hospital CFO Report](#)

### Hospitals Earn their Keep as U.S. Healthcare Spending Hits \$4.5T

Hospital care consumed \$1.4 trillion in 2022. That figure accounted for 30% of the total U.S. healthcare spend, \$4.5 trillion, more than any other single category of care delivery.

Source: [HealthExec](#)

### New Analysis Predicts Steady Recovery for U.S. Healthcare REITs in 2024

Analysis from Fitch Ratings suggests that there has been notable growth in occupancy levels in skilled nursing facilities and senior living communities in recent months and staffing challenges are beginning to ease.

Source: [Fitch Ratings](#), [Off Plan Property Exchange](#)

### Certificate-of-Need Laws: Where They Stand and Where They're Headed

Certificate-of-need laws, which govern where providers can build facilities, have been an obstacle to ASC growth for years, but many leaders are hopeful about the policy changes made in 2023.

Source: [Becker's ASC Review](#)

## **12 Healthcare Trends and Issues to Follow for 2024**

The year begins with a number of challenges that have only intensified for U.S. healthcare providers.

Source: [Becker's Hospital Review](#)

## **Best Buy Health Plans Bigger Healthcare Presence in 2024**

Best Buy Health became a major player in healthcare over the last 12 months by partnering with some of the largest health systems in the U.S. to support in-home services, virtual care, supply chain management and more.

Source: [Becker's Hospital Review](#)

## **MERGERS, ACQUISITIONS, AND PARTNERSHIPS**

### **FTC and DOJ Issue New Merger Guidelines**

A merger between competitors that increases concentration and consolidates a market may substantially lessen competition, agencies say.

Source: [Healthcare Finance](#), [Advisory Board](#), [Fierce Healthcare](#)

### **Jefferson Health and Lehigh Valley Health Network Announce Intent to Merge**

If approved, the merger would join Jefferson's hospital system with Lehigh's 13 facilities to form a \$14 billion, 30-hospital system with more than 62,000 employees.

Source: [Healthcare Dive](#), [Fierce Healthcare](#), [Becker's Hospital Review](#), [Chief Healthcare Executive](#)

### **Saint Luke's, BJC Complete Merger**

With the finalization of their merger, St. Louis-based BJC HealthCare and Kansas City, Mo.-based Saint Luke's Health System have consolidated \$10 billion in revenue, encompassing 28 hospitals and numerous clinics and service centers. Their reach extends to more than 6 million patients across Missouri, Illinois and Kansas.

Source: [Becker's Hospital Review](#), [St. Louis Public Radio](#), [Fierce Healthcare](#), [Saint Luke's](#)

### **Wisconsin Hospital Systems Finalize Merger**

About eight months after announcing plans to merge, Froedtert Health and ThedaCare have joined forces. The merged system will operate 18 hospitals and have combined revenue of more than \$4 billion.

Source: [Chief Healthcare Executive](#), [Urban Milwaukee](#), [Post Crescent](#)

### **UC San Diego Health Takes Reins of Alvarado Hospital with \$200M Acquisition**

UC San Diego Health has officially taken the wheel at Alvarado Hospital Medical Center, marking a significant step in the university's health system expansion plans. The acquisition saw UCSD Health acquire the 302-bed facility from Prime Healthcare.

Source: [Hoodline](#), [EurekAlert!](#)

## **Children's Hospital of Orange County, Rady Children's Unveil Merger Agreement**

Two of southern California's largest pediatric providers are planning to come together in 2024. The parent companies of Children's Hospital of Orange County and Rady Children's Hospital-San Diego plan to merge under the new banner of Rady Children's Health.

Source: [Fierce Healthcare](#)

## **Mercy Acquires SoutheastHealth**

SoutheastHealth — a Cape Girardeau, Mo.-based system including two hospitals, a behavioral health hospital and 48 clinics — is now part of St. Louis-based Mercy.

Source: [Becker's Hospital Review](#)

## **ENERGY & SUSTAINABILITY**

### **Federal Climate Funding for Hospitals Sparks Little Interest**

Eighteen months ago, Congress and President Joe Biden set aside billions of dollars in funding and tax incentives for sustainability and decarbonization efforts. Take-up in the healthcare industry has lagged.

Source: [Modern Healthcare](#)

## **SAFETY & SECURITY**

### **OSHA to Publish Details of Workplace Injuries Under New Reporting Rules**

A new Occupational Safety and Health Administration rule requires about 50,000 employers in industries with hazardous jobs — including healthcare — to beef up their reporting of workplace incidents. The rule applies to companies with 100 or more employees.

Source: [Marketplace](#)

### **Oahu Hospitals Bolster Security with High-Tech Gadgets, Additional Guards**

All visitors to the Waianae Coast Comprehensive Health Center's emergency department must now walk through a weapons detection system that uses artificial intelligence to locate and identify dangerous objects.

Source: [Honolulu Civil Beat](#)

### **New North Carolina Law Aims to Prevent Violence Against Healthcare Workers**

A new North Carolina law requires hospitals with emergency departments to have a law enforcement officer on site at all times, unless they get officials to approve an exemption.

Source: [WCNC Charlotte](#)

### **Virginia Hospital Shooting Injures Patient, Officer**

Police said a 27-year-old man, Rasheed Pope Jr., had a firearm during the intake process at

Chippenham Hospital, an HCA Healthcare facility in Richmond, Va., on Dec. 22. Police said Pope self-presented at the hospital for a mental health evaluation and was getting into a gown when, without warning, he began firing his weapon.

Source: [Becker's Hospital Review](#)

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2024 Hospital, Outpatient Facilities & Medical Office Buildings Summits

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## BUILDING, BUYING, SELLING

- **NATIONAL**

### 88 Hospitals Closing Departments or Ending Services

2023 saw a number of healthcare organizations closing medical departments or ending services at facilities to shore up finances, focus on more in-demand services or address staffing shortages.

Source: [Becker's Hospital Review](#)

### Anchor Health JV Pays \$62M for MOB Portfolio

Anchor Health Properties, in a joint venture with Australian Retirement Trust, has acquired a three-property medical office portfolio in the Seattle and Charlotte, N.C., markets for \$62 million.

Source: [Commercial Property Executive](#)

### GI Partners Launches UDLR Healthcare to Invest in Medical Outpatient Buildings

UDLR Healthcare – a partnership between private investment firm GI Partners and a team of

former executives from Healthcare Trust of America – has been launched with a focus on investment in medical outpatient buildings.

Source: [UDLR Healthcare](#), [Becker's GI & Endoscopy](#), [PE Hub](#), [Phoenix Business Journal](#)

- **NORTHEAST**

### **Lehigh Valley Health Network Opens \$27M Medical Office Building**

Allentown, Pa.-based Lehigh Valley Health Network opened the three-story medical office building at its Lehigh Valley Hospital-Macungie campus in December 2023.

Source: [Becker's ASC Review](#), [The Morning Call](#), [ROI-NJ.com](#)

### **Jackson Township, N.J., Medical Office Building Sells for \$24M**

JLL Capital Markets arranged the \$24 million sale of the 150,000-square-foot Jackson Health Village to national real estate firm Horizon Equities. The three-story building has a current occupancy rate of 64%.

Source: [NJBiz](#), [Becker's ASC Review](#)

### **3 Philadelphia Hospitals Reportedly Up for Grabs**

Three Philadelphia-based hospitals are reportedly up for sale, according to an email notice from Los Angeles-based investment bank Xenergy. While the names of three hospitals were not confirmed, the notice described the hospitals' owner as one that has acute care facilities with an average of 136 beds.

Source: [The Philadelphia Inquirer](#), [Becker's Hospital Review](#)

### **NY Court Backs Eminent Domain Appeal Near Wynn Hospital: What's Next**

The New York State Court of Appeals has ruled on an eminent domain appeal involving a property on Columbia Street in Utica that falls within the footprint of the recently opened Wynn Hospital. The matter has snaked through the court system since late summer 2021.

Source: [Observer-Dispatch](#)

- **SOUTHEAST**

### **\$1 Million Grant Funds MOB for Maryland's Medically Underserved**

TidalHealth Peninsula Regional in Salisbury, Md., received a \$1,000,000 grant for the TidalHealth Community Clinic, including demolition of an existing structure and construction of a single story medical office building that will serve a medically underserved area.

Source: [Delmarva Now](#)

### **Medical Group Buys Raleigh Office Building in Red-Hot Area**

Wake Internal Realty III, an LLC tied to Wake Internal Medicine, paid \$17.765 million for a medical office building near UNC Rex Hospital in early December.

Source: [Triangle Business Journal](#)

### **Ashburn Medical Property Sold for \$9M**

A 12,580-square-foot medical office building in Ashburn, Virginia, occupied by OrthoVirginia, has been sold for \$8.5 million. The names of the buyer and seller were not disclosed.

Source: [ConnectCRE](#), [REBusiness Online](#)

### **MedStar Georgetown University Hospital Opens Verstandig Pavilion on Hilltop Campus**

MedStar Georgetown University Hospital has opened a new 477,000-square-foot medical and surgical pavilion on Georgetown's campus that will focus on research, clinical care and medical education.

Source: [Georgetown University](#), [Hospital Management](#)

### **McLeod Health to Build New MOB in Lake City, S.C.**

McLeod Health plans to build a new office building for McLeod Primary Care Lake City. The 5,000-square-foot office building will have space for mobile imaging and diagnostic services. Construction is scheduled to be completed in summer 2024.

Source: [Post and Courier](#)

### **Georgia County OKs Northside Hospital Medical Office**

Northside Hospital in Lawrenceville, Ga., has received the green light from Gwinnett County commissioners to build and operate a medical office building at the Gas South District for, potentially, the next century.

Source: [Gwinnett Daily Post](#)

### **Huntsville Hospital Health to Acquire 134-Bed Hospital**

Huntsville (Ala.) Hospital Health System plans to acquire DeKalb Regional Medical Center, a 134-bed hospital in Fort Payne, Ala. The 11-hospital system said that it is committed to employee retention.

Source: [al.com](#), [Becker's Hospital Review](#)

### **Erlanger Behavioral Health Hospital Opens New Satellite Location**

Erlanger Behavioral Health Hospital in Chattanooga, Tenn., has opened 48 new beds at a new satellite location. This is the first major bed expansion since the hospital's opening in 2018.

Source: [Healthcare Facilities Today](#)

- **FLORIDA**

### **Tampa General Gets Greenlight for \$510M Davis Islands Expansion**

Tampa City Council members approved a rezoning request from Tampa General Hospital to begin construction of a 13-story pavilion. The \$510 million, 565,000-square-foot structure will be adjacent to the hospital's main building, adding 144 beds, 32 operating rooms and a new intensive care unit.

Source: [Tampa Bay Times](#)

### **AdventHealth Starts Work on \$271M Hospital in Minneola, FL**

The Altamonte Springs-based nonprofit health system started work Dec. 14 on the \$271 million

hospital in Lake County. The four-story, 204,000-square-foot, 80-bed facility will be the first hospital in Minneola when it opens in late 2025.

Source: [Orlando Business Journal](#), [The News Leader](#), [ClickOrlando](#)

### **Bayfront Health Breaks Ground on Campus Expansion in Downtown St. Pete**

Bayfront Health St. Petersburg, the oldest hospital in St. Petersburg, Florida, has begun construction on a major expansion of its downtown campus.

Source: [St. Pete Rising](#)

### **Regency Health Center Development in Works as Part of \$1B-plus Resort**

An important component of a billion-dollar, master-planned resort community in Osceola County, Florida, is escalating its marketing push. Regency Health Center is a medical office and retail project slated for the northeastern corner of the \$1 billion-plus Everest Place project near Disney.

Source: [Orlando Business Journal](#)

### **Investors Buy Wellington Medical Office for \$18M**

HTA – Wellington LLC, a subsidiary of Nashville-based Healthcare Realty Trust, sold Wellington Medical Arts Pavilion III in Wellington, Florida, to 1397 Medical Park Blvd Owner LLC, a partnership between Jupiter-based Rendina Healthcare Real Estate and Apollo Equity Investors.

Source: [South Florida Business Journal](#)

### **Hammes Buys Medical Office Building in Coral Springs for \$15M**

Hammes Partners paid \$15.3 million for a medical office building adjacent to Coral Springs Medical Center in Florida. The Hammes affiliate acquired Central Medical Plaza in a deal that breaks down to \$291 per square foot.

Source: [The Real Deal](#)

### **HCA Healthcare Starts Construction on \$13.5M Freestanding ER in Orlando**

HCA Florida Healthcare has started construction on a \$13.5 million freestanding emergency room in east Orlando. The new facility, affiliated with Oviedo Medical Center, will have 11 exam rooms and imaging technology when it opens in spring 2024.

Source: [Orlando Business Journal](#)

### **Florida Medical Office Building Sells for \$8.3M**

The West Palm Medical Plaza medical office building in West Palm Beach, Fla., has sold for \$8.3 million. The property is within walking distance from HCA Florida JFK North Hospital and was fully leased at the time of sale.

Source: [Becker's ASC Review](#), [REBusiness Online](#)

- **MIDWEST**



## **Franciscan Alliance to Open \$200M**

Replacement Hospital in Indiana

Franciscan Alliance, also known as Franciscan Health, will open its new \$200 million Franciscan Health Crown Point hospital in Northwest Indiana nearly three and a half years after beginning construction on the 199-inpatient bed hospital.

Source: [Becker's Hospital Review](#), [Off Plan Property Exchange](#), [NWI.com](#), [DOTmed](#)

## **MetroHealth Rethinks New Outpatient Center**

Construction of MetroHealth System's Outpatient Health Center in Cleveland has slowed as the health system rethinks how to meet healthcare's changing future. Design changes are expected to increase construction costs for the outpatient center.

Source: [Cleveland.com](#)

## **\$198M, 94-bed Wisconsin Hospital Nears Completion**

Construction on Mayo Clinic Health System's new hospital in LaCrosse, Wis., is entering its home stretch and is on track to open in the fall of 2024.

Source: [EMS1](#)

## **OSF HealthCare Receives Approval for St. Joseph expansion**

The state of Illinois has given approval for a \$17.77 million expansion of OSF St. Joseph Medical Center in Bloomington. This expansion will add 25 beds to the current 152-bed capacity, with 10 for medical-surgical care and 15 for intensive care patients.

Source: [Hospital Management](#)

## **New Hospital in Duluth, MN, Now Region's Largest Healthcare Facility**

At about 1 million square feet, spanning two city blocks, St. Mary's overlooks Lake Superior, providing views on almost every floor of the world's largest freshwater lake.

Source: [Building Design + Construction](#)

## **Gundersen Tri-County Project Replaces 60-Year-Old Hospital**

Kraus-Anderson has completed construction on Gundersen Tri-County Hospital, a two-story, 68,000-square-foot hospital, and renovated clinic for Gundersen Health System in Whitehall, Wisconsin.

Source: [Medical Construction & Design](#)

## **Froedtert & MCW to Open New Clinic in Shorewood, Wisconsin**

A primary care clinic to serve residents of Milwaukee's East Side and North Shore is slated to open in Shorewood in summer 2024, pending approval of the Village of Shorewood. The 7,000-square-foot primary care facility will house 13 exam rooms and an on-site laboratory.

Source: [Healthcare Facilities Today](#)

- **TEXAS**

## **Baylor Scott And White Health Previews Plans for Its Anchor Hospital in Frisco**



Ryan Gebhart, president of Frisco's acute-care Baylor Scott and White Medical Center-Centennial, said the master-planned campus on 40 acres "will set a new standard" for healthcare in Texas as it grows along with the community. The facility's first phase will include a 340,000-square-foot hospital and 155,000-square-foot medical office building.

Source: [MySweetCharity](#)

### **Round Rock Baylor Scott & White Expansion Shows Progress**

The Round Rock (TX) Baylor Scott & White Medical Center has reached the top-off phase of construction for a new tower. Construction is expected to be completed in 2026.

Source: [Community Impact](#)

### **McAllen Opens 43K-Square-Foot MOB**

Hammes Partners has completed Jackson Medical Plaza, a 43,000-square-foot medical office building and ambulatory surgery center in McAllen, Texas. The developer partnered with Surgery Ventures, HCA Healthcare and Texas Digestive Specialists for this project.

Source: [ConnectCRE](#)

### **Ridgeline Capital Buys Dallas Medical Facility**

Ridgeline Capital Partners has acquired The Professional Building I, a 44,045-square-foot medical office building in Dallas, from 2GR Equity. At the time of the deal, the on-campus asset was 94 percent leased by tenants including Dallas Doctors Pain Clinic, Comprehensive Pediatric Care and Plunk & Dragan Smiles.

Source: [Commercial Property Executive](#)

### **Big Sky Medical Gets Rezoning Approval for Dallas MOB**

Big Sky Medical has received approval from the Dallas City Council to rezone the roughly 145,000-square-foot Pyramids South Tower, which can now include medical tenants within the property.

Source: [Commercial Property Executive](#)

- **ARIZONA**

### **Arizona Hospital Plans Back On**

Maricopa City Council unanimously approved new contracts for an S3 Biotech medical campus in Maricopa, Ariz., during a special meeting. Construction on the medical campus will begin within the next few months.

Source: [inMaricopa.com](#)

### **Phoenix Medical Office Building Sells for \$46M**

Big Sky Medical has acquired a \$46 million medical office building in Phoenix. The three-story, 252,000-square-foot Blackhawk Medical Center is located near area health providers including Deer Valley Medical Tower, HonorHealth Outpatient Surgery and HonorHealth Sonoran Crossing Medical Center.

Source: [Becker's ASC Review](#), [Commercial Property Executive](#)

## **First Off-campus Medical Building Complete**

The first “off-campus” medical building in Queen Creek, Ariz., is complete. The 22,000-square-foot, \$10 million office building is 100% leased by five tenants.

Source: [East Valley Tribune](#)

- **WEST**

## **UCSF Benioff Children’s Hospital Plans \$1.5 Billion Campus Expansion in Oakland**

UCSF Benioff Children’s Hospital is planning a \$1.5 billion expansion on its campus in Oakland, Calif. The project will demolish two buildings on campus that are not compliant with the state’s seismic regulations to make way for a new eight-story, 330,000-square-foot building.

Source: [Healthcare Design](#)

## **Legacy Health Sells Medical Building in Portland for \$60.5M**

The 119,400-square-foot Medical Office Building 2 on the Legacy Emanuel Medical Center campus in Portland, Oregon, was purchased by the Centurion Foundation, a nonprofit based in Atlanta, for \$60.5 million, or about \$506 per square foot. The foundation has also entered into a long-term lease agreement with Legacy Health.

Source: [The Registry](#), [Becker’s ASC Review](#), [Portland Business Journal](#), [Oregon Live](#)

## **Great Falls Clinic and Hospital Announces Campus Expansion**

The Great Falls Clinic and Hospital in Great Falls, Mont., is expanding its campus on the site of the former Centene Corporation campus. Catalyst Realty, which supports healthcare facility expansions nationally, purchased the property in the summer of 2023.

Source: [Healthcare Facilities Today](#)

## **Construction Underway on Community Medical Center Heart and Vascular Center**

Community and Medical Center (CMC) in Missoula, Mont., has broken ground on a \$17.9 million expansion project for a heart and vascular center.

Source: [KPAX](#)

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## **MORE TO EXPLORE**

- What Happens When Private Equity Takes Over a Hospital - **Harvard Medical School**
- How Medical Uses Can Fill Some Vacant Offices - **Finance & Commerce**
- Unlocking Healthcare Trends And Considerations For Investors - **Forbes**
- 5 Numbers Shaping the ASC industry in 2024 - **Becker's ASC Review**

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Organized by AMFP SoCal  
January 18, 2024 - Online

### Piloting Healthcare's Road to Recovery: Hospital, Outpatient Facilities & Medical Office Buildings Summit

Organized by SquareFootage.net and AMFP Atlanta  
February 8, 2024 – Atlanta

### Piloting Healthcare's Road to Recovery: Hospital, Outpatient Facilities & Medical Office Buildings Summit

Organized by SquareFootage.net and AMFP Southern California  
February 21, 2024 – Los Angeles

### NFMT2024

Organized by FacilitesNet.com  
March 12-14, 2024 - Baltimore

### PDC Summit

Organized by ASHE

March 17-24, 2024 - San Diego

## **Piloting Healthcare's Road to Recovery: Hospital, Outpatient Facilities & Medical Office Buildings Summit**

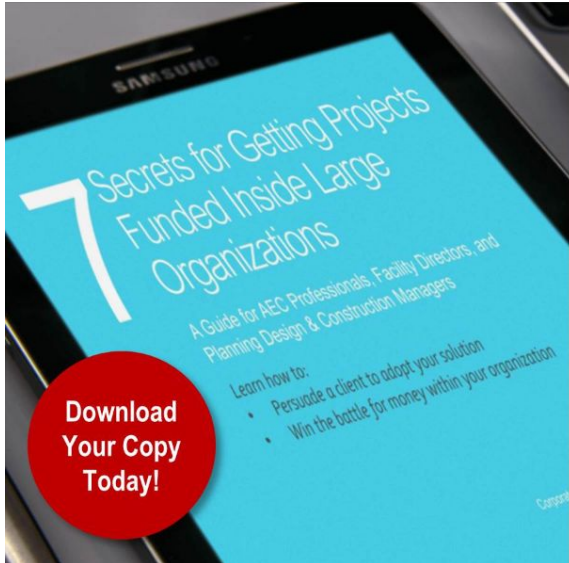
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