

# HEALTH FACILITIES MONITOR

*What You Need to Know Now*

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## MERGERS, ACQUISITIONS, AND PARTNERSHIPS

### Financial Challenges Spur Healthcare M&A Activity

Thirty-nine percent of the announced transactions in Q3 were spurred at least in part to financial distress.

*Healthcare Finance, Healthcare Dive, RevCycle Intelligence, Kaufman Hall*

### Medical Office REITs Merge in Deal Valued at \$21 Billion

Real estate investment trusts Healthpeak Properties and Physicians Realty Trust agreed to combine in an all-stock merger valued at \$21 billion.

*CoStar, REBusiness Online, GlobeSt., Becker's Hospital Review*

### Henry Ford, Ascension Michigan JV to Create \$10.5 Billion Health System

Under its branding, Henry Ford Health will integrate Ascension Michigan's Southeast and Genesys healthcare facilities and assets as part of the joint venture. While not a merger or an acquisition, the Detroit-based health system would be made up of 13 acute care hospitals, 50,000 employees, and more than 550 regional healthcare sites.

*Fierce Healthcare, AP, DOTmed, Detroit Free Press, The Detroit News*

### Walmart Names 1st Health System Partner

The retail giant's healthcare arm has signed a care coordination agreement with Orlando (Fla.) Health. Walmart Health has 23 of its 48 healthcare centers adjacent to stores in Florida.

*Walmart, Becker's Health IT*

### UPMC, Washington Health Care Services to Affiliate

On October 18, 2023, University of Pittsburgh Medical Center (UPMC) and Washington Health Care Services Inc. (WHS) entered into an integration and affiliation agreement.

*Modern Healthcare, Becker's Hospital Review, Healthcare Dive, Healthcare Facilities Today*

### Baptist Memorial Health Care to Merge with Anderson Regional Health

## System

Anderson Regional Health System (ARHS), based in Meridian, has announced a shared mission statement with Baptist Memorial Health Care, which operates Baptist Memorial Hospital-DeSoto in Southaven and other medical services and centers in West Tennessee, Mississippi, and eastern Arkansas. The two groups plan to merge in January.

*DeSoto County News, Action News 5*

## Justice Department Puts Healthcare Consolidation on Notice

A Justice Department antitrust division leader is telling payers and providers they should expect close scrutiny of any acquisitions.

*Politico, Becker's Hospital Review*



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## INNOVATION

### How Thomas Jefferson is Using AI to Create Its Digital Twin

Philadelphia-based Thomas Jefferson University Hospital is expanding the use of a predictive artificial intelligence platform that allows the hospital to create a "digital twin" on which they can test operational scenarios.

*Becker's Health IT*

### President Issues Executive Order to Address AI Safety, Security

The executive order calls for the Department of Health and Human Services to establish a safety program to regulate healthcare AI practices.

*The White House, American Hospital Association, Axios, Healthcare IT News*

### Rush University Hospital Allegedly Facing Lawsuit Over Fingerprint Scanning

Chicago-based Rush University Hospital is allegedly being sued by a former employee for requiring the employee to scan their fingerprints to access medicine and supply dispensing machines.

*Law360, Becker's Hospital Review*

### FDA to Form Digital Health Advisory Council to Enhance Regulatory

## Oversight

Comprising a chair and nine voting members, the council will play a pivotal role in shaping the regulatory landscape for digital health.

*The Healthcare Technology Report*

## Sutter Health Unveils San Francisco Innovation Center

The upcoming center will become the base of operations of Sutter's in-house innovation team and a hub for collaboration with physicians, co-workers, students and technology partners.

*Fierce Healthcare*

## 2024 Hospital, Outpatient Facilities & Medical Office Buildings Summits

# Piloting Healthcare's Road to Recovery

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## ENERGY & SUSTAINABILITY

### White House Sets Clean Energy Goals for Safety-Net Health Organizations

Among other projects, the Inflation Reduction Act has set a goal of facilitating or building clean resilient microgrids on 1,000 Community Health Centers across the U.S. in the next 10 years.

*White House*

### Why this Boston Hospital is Paying Its Patients' Energy Bills

Boston Medical Center is the first hospital in the nation to give patients a discount on their energy bills, thanks to their new Clean Power Prescription program.

## **Valley Children's Gets \$55M Grant for Renewable Energy Microgrid Project**

The U.S. Department of Energy and the California Energy Commission have awarded Valley Children's Hospital with \$55 million towards the hospital's renewable energy microgrid.

*ABC 30*

## **What Do You Do with An Old Hospital? In Boulder, You Recycle It**

The city's first deconstruction project since its 2020 sustainability ordinance has single-handedly kept 60.8 million pounds out of the landfill

*The Colorado Sun*

## **Macquarie Capital Commits \$300M for Healthcare Renewable Energy Projects**

Macquarie Capital has committed \$300 million to invest in renewable energy project developments for hospitals and hospital systems. The support is part of a U.S. initiative to leverage grants and tax credits from the Inflation Reduction Act to finance and develop energy-efficient projects for healthcare hubs.

*Environmental Energy Leader*

## **IHF Center Releases Tool to Support Healthcare Environmental Stewardship**

The International Hospital Federation's Geneva Sustainability Centre, in partnership with Deloitte, launched a **Sustainability Accelerator Tool** to help healthcare leaders assess and track organizational efforts to reduce emissions and promote environmental stewardship.

*American Hospital Association*

## **SAFETY & SECURITY**

### **California Requires Businesses to Implement Workplace Violence Prevention Plans**

California employers must implement detailed Workplace Violence Prevention Plans by no later than July 1, 2024, following the recent promulgation of California Senate Bill 553, which creates a series of new obligations intended to safeguard employees and workplace safety.

*Spencer Fane*

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Do you have a newsworthy item to share? [SUBMIT HERE](#)

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## **BUILDING, BUYING, SELLING**

- **NATIONAL**

## 4 States Update Certificate-of-Need Laws

Here are four states that have updated or proposed updates to their certificate-of-need laws in 2023.

*Becker's ASC Review*

## ProMedica Sells Home Health, Hospice Business

Toledo, Ohio-based ProMedica, a 12-hospital system, has completed the sale of its home health, palliative, and hospice business to Gentiva Health Services, a hospice company backed by Humana and private equity firm Clayton Dubilier & Rice. The \$710 million transaction adds more than 120 locations to Gentiva.

*Becker's Hospital Review, Bloomberg, Gentiva*

## 20 Cities with Surging Populations

Some health systems in the cities that saw the highest population growth have been preparing for the boom, local health system executives report.

*Becker's Hospital Review, SmartAsset*

## Labcorp Invests \$380M in Q3 Acquisitions to Advance Health System Strategy

Just one quarter in without its clinical development business, Labcorp is seeing its new laboratory strategy pay off. The company saw its base business increase 14%, helping revenue jump 6.6% year-over-year.

*Triad Business Journal*

## MOB Sector Remains Stable, Attractive

But a key problem could still hinder growth, according to the latest report from Institutional Property Advisors.

*Commercial Property Executive*

- **NORTHEAST**

## Hospital For Special Surgery's Expansion Takes Shape in Manhattan

Construction is underway on The Anna-Maria and Stephen Kellen Tower, a 12-story waterfront expansion of the Hospital For Special Surgery. The \$200 million addition will span 100,000 square feet and connect to the main hospital wing to the south via a sky bridge.

*New York Yimby*

## Construction Starts on Strong Memorial Hospital Expansion Project

The largest capital project in the University of Rochester's history, the expansion will more than triple the size of the ED for Strong Memorial Hospital in Rochester, New York, and add a nine-story patient tower. The project is expected to be completed in 2027.

*Medical Construction + Design*

## Turner Wins \$186M NY Healthcare Tower Job

Turner Construction won a \$186 million contract to build a five-story, 96-bed patient care tower on Westchester Medical Center's Valhalla, New York, campus.

*Construction Dive, Turner Construction*

### **New York Governor Presses Hospitals to Restore Psychiatric Beds**

Part of New York Gov. Kathy Hochul's plan to create more mental healthcare capacity as part of the state's \$1 billion investment in mental healthcare is to reopen approximately 500 inpatient psychiatric beds at community hospitals that were closed during the COVID-19 pandemic.

*Becker's Hospital Review*

### **New Medical Center to Be Built in Quincy**

Beth Israel Deaconess Medical Center has signed a lease agreement with FoxRock Properties to develop an ambulatory medical care center in downtown Quincy, Massachusetts. Construction is expected to begin in 2025 in preparation for a 2027 opening.

*The Patriot Ledger*

### **Cape Cod Hospital's New Tower Hits Construction Milestone**

Cape Cod Healthcare's has put the final steel beam in place on its \$185 million tower for Cape Cod Hospital. The tower will increase the hospital's chemotherapy and radiation services.

*CAI, Cape Cod Times*

### **\$50M Medical Office Building Breaks Ground in Connecticut**

Hartford (Conn.) HealthCare has broken ground on the second phase of a \$50 million healthcare hub, which includes redeveloping a one-story commercial building into a 47,000-square-foot medical office building.

*Becker's ASC Review, NEREJ*

### **Vermont's Healthcare Regulator Seek Input in Hospital Transformation**

Through a series of 32 virtual meetings, state regulators are gathering feedback from providers, patients and community members in every region of Vermont on their experiences with the health care system and what it should look like in the future.

*VT Digger*

- **SOUTHEAST**

### **Groundbreaking Ceremony for Behavioral Health Hospital in NC**

ECU Health and Acadia Healthcare have begun construction on a behavioral health hospital in Greenville, N.C. The 144-bed hospital is expected to open in spring 2025.

*NBC WITN*

### **AdventHealth Breaks Ground on 60K-Square-Foot Medical Office Building**

AdventHealth Hendersonville in N.C. has broken ground on a 60,000-square-foot medical office building slated to open November 2024. The building will be partially funded by \$45 million in community donations.

*AdventHealth, Becker's ASC Review*

## **Greensboro Nursing/Rehab Center Seeks New Facility Site**

A Greensboro, N.C., skilled-nursing and rehabilitation center is requesting state regulatory approval to move from the Cone Health campus to what would be a new \$24.9 million facility.

*Winston-Salem Journal*

## **Blue Cross NC to Acquire all 55 North Carolina FastMed Urgent Care Clinics**

Blue Cross and Blue Shield of North Carolina will acquire and work with all 55 FastMed urgent care locations in the state to enhance the care and patient experiences they provide.

*DOTmed*

## **Four More Rural Arkansas Hospitals to Receive Federal Pandemic Relief Fund**

More than \$16 million in federal aid will go to four rural Arkansas hospitals that received preliminary approval for the funds Tuesday from state lawmakers. One of the four hospitals is merging with another in North Central Arkansas.

*Arkansas Advocate*

- **FLORIDA**

## **Florida's 1st Orthopedic Hospital Opens in Downtown Orlando**

The Orlando Health Jewett Orthopedic Institute in downtown Orlando, Florida is complete. Spanning 375,000 square feet, the project includes a six-story medical office pavilion with 12 operating rooms and a seven-story facility featuring the state's first orthopedic hospital with 10 additional operating rooms, 75 inpatient rooms and a bioskills lab.

*Medical Construction + Design*

## **\$91M VA Mental Health Clinic Consolidates Care**

A two-story, 144,000-square-foot U.S. Veterans Affairs mental health clinic in Temple Terrace, Florida, brings together services from three local hospitals into one location. The first patients will be seen in January of 2024.

*Medical Construction + Design*

## **Florida Medical Office Building Sold for \$18.5M**

A Coral Gables, Fla.-based medical office building originally constructed in 1954 has sold for \$18.5 million. The 17,245-square-foot building, last traded for \$2.65 million in 2001, was acquired by the Cam Group, which plans to redevelop it into a medical complex through a \$35 million construction investment.

*ConnectCRE, Becker's ASC Review*

## **Hospital In Hialeah Proposes Major Expansion**

The Larkin Community Hospital Palm Springs Campus in Hialeah could expand with a new medical office building. The City Council will consider several variances for the project on the 14.4-acre site. It currently has a three-story 247-bed hospital that was built in 1964.



### **Miami Center for Mental Health and Recovery Completed**

The seven-story facility is an adaptive reuse of a 180,000-square-foot property owned by the state and leased to Miami-Dade County. The 208-bed facility will divert people with mental illnesses from the criminal justice system, while facilitating recovery and transitioning them to permanent housing.

*Healthcare Facilities Today*

### **Winter Haven ER Opens to Keep Pace with Rapid Growth of City**

One of the fastest-growing metro areas in the country is making sure health services are keeping pace with the rapid population growth. The new AdventHealth Winter Haven emergency department will include 24 patient rooms.

*ABC WFTS Tampa Bay, Business Observer*

- **MIDWEST**

### **HGA Breaks Ground on New Surgical and Critical Care Facility**

When completed in 2026, the HGA-designed surgical and critical care facility at Abbott Northwestern Hospital in Minneapolis will be the largest facilities project in Allina Health's history.

*Healthcare Facilities Today*

### **UMKC to Build \$120M Medical Office Building**

The University of Missouri-Kansas City has released renderings of its planned \$120 million medical and dental office building, the system's largest capital investment to date. The six-story, 200,000-square-foot building will be constructed in a university-owned parking lot.

*Fox 4 News, Becker's ASC Review*

### **Youngstown Orthopaedic Associates opens \$14M Medical Office Building**

Canfield, Ohio-based Youngstown Orthopaedic Associates has opened a \$14 million medical office building in Boardman, Ohio. The new site is two stories and offers 37,000 square feet of space attached to Youngstown's orthopedic ASC.

*The Business Journal, Becker's Spine Review*

### **TITLE Cincinnati Children's Breaks Ground for Eastgate Medical Building**

The two-story building will encompass nearly 110,000 square feet and employ about 200 people.

*Healthcare Facilities Today*

### **Minnesota Medical Office Building Acquired for \$9.8M**

A 32,711-square-foot medical office building in Woodbury, Minn., has been acquired for \$9.8 million.

*Commercial Property Executive, Becker's ASC Review*

### **Plan Calls for Expansion of Idaho Hospital Campus**



Years after winning approval for a major expansion and redevelopment of its main hospital, work crews have descended on St. Luke's in Boise, Idaho, to begin work on the nine-story north tower expansion.

*Boise dev*

- **TEXAS**

### **Investors Team Up to Buy Baylor Scott & White's Frisco Medical Campus**

Chicago-based Remedy Medical Properties and Kayne Anderson Real Estate of Florida have purchased the Baylor Scott & White Frisco Medical Center.

*The Dallas Morning News, Becker's ASC Review*

### **\$452 Million State Hospital Construction to Start in 2024**

The \$452 million construction of a new North Texas State Hospital will begin during the summer of 2024 with completion expected in 2027.

*CBS 6*

### **Everest Rehabilitation Hospitals Building New Inpatient Hospital**

Everest Rehabilitation Hospitals announced plans to construct a 40-bed inpatient physical rehabilitation hospital in McKinney, Texas. This will be Everest's second location in the DFW Metroplex.

*Healthcare Facilities Today*

### **118K-Square-Foot Texas Medical Office Building Acquired**

A 118,472-square-foot medical office building in Richardson, Texas, has been acquired by healthcare investor Big Sky Medical. The property is located 20 miles from Dallas.

*Commercial Property Executive, Becker's ASC Review, The Dallas Morning News, RE Journals*

### **Texas Hospital Faces Pushback on Medical Office Building**

Methodist Hospital is in talks with the Bellaire (Texas) City Council to develop a three-story medical office building in the city's downtown.

*Community Impact, Becker's ASC Review*

- **WEST**

### **Great Falls Hospital Completes First Two Phases of Expansion**

The first two phases of the \$58 million Great Falls, Montana, project included the expansion of the west wing and the addition of the hospital tower, which opened to the public Oct. 31.

*The Electric*

### **Prosser Memorial Hospital Hits Construction Milestone**

Prosser Memorial Health's \$112 million hospital complex hit a construction milestone as the last structural beam was raised. The new complex is expected to open its doors in Prosser,

Washington, in 2025.

*Tri-Cities Area Journal of Business*

### **Mercy Hospital Breaks Ground on Colorado ASC**

Durango, Colo.-based Mercy Hospital has broken ground on an ASC and medical office building on the hospital's campus. The Three Springs Surgery Center, originally announced last year, will be 13,500 square feet and feature three operating rooms and two procedure rooms.

*Durango Herald, Becker's ASC Review*

### **California Medical Office Building Sells for \$8.8M**

A medical office building in Upland, Calif., has sold for \$8.8 million. The three-story, 47,850-square-foot building has easy highway access to the Los Angeles and Orange County areas.

*Becker's ASC Review, REBusiness Online, ConnectCRE*

### **Tri-City Medical Center Plans to Partner with UCSD Health**

UCSD Health is looking to take over operations of San Diego's Tri-City by March. In addition to reopening a labor and delivery department, UCSD Health plans to transform a vacant medical office building into a hospital tower that will provide radiation oncology surgery services and minimally invasive specialty care.

*NBC 7 San Diego*

### **California Medical Office Building Approved Despite Opposition**

The Los Angeles city council has approved a three-story medical office building proposal from hospital operator CHA Health Systems to build a 96,000-square-foot facility that will be leased by Hollywood Presbyterian Medical Center.

*Urbanize Los Angeles, Becker's ASC Review*

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### **MORE TO EXPLORE**

- Which Procedures are Moving to the ASC Setting? - [Becker's ASC Review](#)
  - Healthcare Facilities Trends to Look Out for in 2024 - [Healthcare Facilities Today](#)
  - The Most Powerful Private Equity Forces in ASCs - [Becker's ASC Review](#)
  - 3 Strategies for Overcoming Challenges of Carbon Reduction in Healthcare Projects - [Medical Construction + Design](#)
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5th Philadelphia Hospital, Outpatient Facilities & Medical Office Buildings Summit  
March 1, 2023

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## CALENDAR OF EVENTS

### How the Future of Healthcare Delivery is Rewriting Today's Capital Plans

Organized by AMFP North Texas  
November 16, 2023 - Dallas

### Inflation Reduction Act and Its Impact on Projects

Organized by AMFP Upper Midwest  
November 16, 2023 - Bloomington, Minn.

### AMFP Conversations: The Roadmap to Net Zero

Organized by AMFP NYC  
November 16, 2023 - Online

### Cost Escalation & Mega Projects: How to Navigate a Large Ship Through the Icebergs

Organized by AMFP Nashville  
November 30, 2023 - Nashville

## The Challenges & Hidden Costs of Adaptive Reuse

Organized by AMFP NYC

December 6, 2023 - Online

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

Organized by SquareFootage.net and AMFP

February 8, 2024 – Atlanta

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

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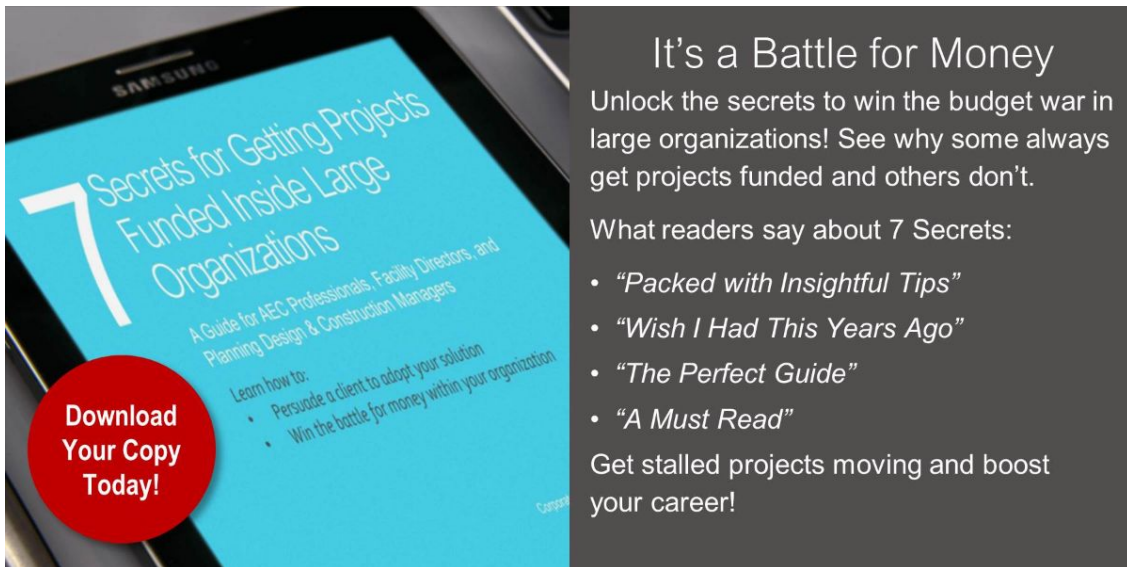
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## Piloting Healthcare's Road to Recovery: Hospital, Outpatient Facilities & Medical Office Buildings Summit

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