

# Nursing Facility Bed Transactions

## *Now is the Time to Act*

- *Providers who wish to reduce or increase their bed size need to act in the very near future, as opportunities will diminish soon.*
- *Our firm assists clients with identifying buyers and sellers of beds across Ohio without charging broker fees.*

In light of a variety of factors, we expect that over the next few months many nursing facility providers throughout the State will be considering the possibility of selling, buying, leasing, relocating, and/or relinquishing or “de-licensing” nursing facility beds.

**Reducing Franchise Fees.** For one, the May 1, 2012 “snap-shot” date for the determination of each provider’s State fiscal year 2013 franchise permit fee liability is fast approaching. Many providers may find it beneficial to explore the possibility of de-licensing beds at their facilities prior to this annual snap-shot date to potentially reduce their bed tax liability in the upcoming State fiscal year. These same providers frequently attempt to sell their unused beds in an effort to obtain some value for these assets.

**Cross County Line Transfers Soon to Be Limited.** In addition, following July 2012, there will be less opportunity for providers to relocate and transfer beds across county lines. Specifically, absent a change in law, July 2012 will be the last time in the next four (4) years that providers will be able to file “comparative review” certificate of need applications to relocate beds across county lines from counties with a “bed excess” to counties with a “bed need.” From July 2012 through 2016, providers will be able to relocate beds across county lines only in limited circumstances and only to contiguous counties. Therefore, over the next few months, we expect that many providers will consider the possibility of acquiring and relocating beds from excess counties to take advantage of this short-lived opportunity in July 2012.

**Bed Deals on the Rise.** Due to these factors, as well as ongoing challenges and pressure brought about by increased competition, changes in demographics, and reduced governmental reimbursement, we are beginning to see an upswing in bed acquisitions, dispositions, and de-licensing, as many providers attempt to reduce costs, identify new opportunities, and better position their businesses for the future.

**Putting Together Deals without a Broker Fee.** Since our firm represents and has contacts with a vast number of providers throughout Ohio, we are often asked by clients to assist with locating potential buyers and sellers of beds. Unlike many other firms and brokers, as a value-added service to our clients, we charge only for our time. That is, we do not charge large fees or percentage-based commissions. Therefore, if you have any interest in selling or buying beds, we would be pleased to

assist in attempting to locate potential buyers or sellers in any area of the state that may meet your needs.

Please contact us if you would like further information or assistance with any of the matters discussed in this alert, or if you have any questions regarding this alert.

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