

Eli's Hospice Insider

Hospice News: Gentiva Sheds 11 Hospice Locations

Hard times call for hard measures. National chain **Gentiva Health Services Inc.** closed or sold 53 locations in its latest quarter in the face of reimbursement cuts, it says in an earnings release.

Atlanta-based Gentiva closed 25 home health and nine hospice locations in the quarter ending Dec. 31. It also sold nine home health locations. After the year end, it agreed to sell eight more home health branches and two hospice branches, the company says in a release. Gentiva recorded a pre-tax charge of \$12.4 million in the fourth quarter for severance, lease terminations, and other items.

Gentiva "will likely be out of compliance with its financial covenant ratios in 2012," it says in the release. "The Company is currently in discussions with its lead bank on an amendment to provide covenant flexibility to its credit agreement."

Gentiva's revenues fell nearly 2 percent while its profits plummeted 70 percent compared to the previous year's quarter. The company reported a \$4.8 million profit on \$449.2 million in revenues for the latest quarter.