

Eli's Hospice Insider

Mergers & Acquisitions: Humana Plans \$2.8 Billion Sale Of Hospice, PC Businesses

Plus: Nonprofits merge in Maryland.

The hospice landscape continues to shift with major M&A activity.

Case in point: Humana Inc. has signed a definitive agreement with private investment firm Clayton, Dubilier & Rice to sell the firm a majority interest in the Hospice and Personal Care divisions of Humana's Kindred at Home subsidiary for about \$2.8 billion in cash, the Louisville, Kentucky-based behemoth says in a release. "Humana had previously indicated its intent to divest a majority stake in these non-core businesses when it acquired the remaining interest in Kindred at Home in April 2021," the company notes.

"While palliative and hospice services are important components in the continuum of care that Humana offers patients, we are confident that we can deliver desired patient outcomes and improved customer experiences through partnership models rather than fully owning KAH Hospice," Humana CFO **Susan Diamond** says in the release. Humana intends to use proceeds from the transaction for the repayment of debt and share repurchases, it says.

And in Texas, four-state chain Choice Health at Home has acquired the central Texas assets of Abiding Home Health, it says in a release. Tyler-based Choice entered home health in late 2012, hospice in 2018, and partnered with Trive Capital and Coltala Holdings in 2020, it notes.

"The transaction marks Choice's first in 2022 following a very busy 2021," the company says. Choice "executed on nine transactions last year within the home health and hospice space. A core focus for Choice is further development of their Southwestern U.S. footprint and the capability to provide all four service lines to Choice patients."

Other recent deals around the nation include:

In Missouri: Salt Lake City-based Bristol Hospice has acquired Hope Hospice based in St. Louis for an undisclosed sum, confirms Bristol's VP for M&A on social media. Bristol operates more than 45 locations across 13 states and is owned by private equity firm Webster Equity Partners.

In Texas: Bristol Hospice also has made another acquisition in Dallas. Bristol has acquired Hospice Select for an undisclosed sum, according to a Bristol representative. It's the chain's second deal of the year. The company is planning more acquisitions this year, the rep tells AAPC.



In Pennsylvania: AHN Healthcare@Home in Warrenton has acquired TCM Home Health in Washington for undisclosed terms, the Allegheny Health Network says in a release. The acquisition is part of a joint partnership between AHN and Graham Health Care Group. AHN now owns a 60 percent stake of TCM Home Health, with Graham Health Care Group owning the remaining 40 percent, according to the Network.

In Georgia: Archbold Medical Center in Thomasville and LHC Group Inc. have agreed to form a new joint venture with two locations. The JV will expand LHC's service area by five counties in the state, the Lafayette, Louisiana-based chain says in a release. UnitedHealth Group's \$5.4 billion purchase of LHC is pending.

In Maryland: Hospice of the Chesapeake based in Pasadena is in the process of acquiring nonprofit Calvert Hospice in Prince Frederick. "Small independent hospices such as ours struggle to operate in the rapidly changing hospice care

industry," Calvert Executive Director **Sarah Simmons** says in a statement. "It has been evident for some time that, as for many hospices of our size, the best possible future for our organization is to join with another likeminded non-profit hospice."

Also in Texas: College Station-based Traditions Health has acquired five hospice locations and one home health and hospice provider in three states, the chain says in a release. Traditions bought California hospices Sonata Hospice in San Diego, Cadence Hospice in Orange, Pacific Crest Hospice in Pasadena, and Sonata Hospice of Riverside County in Temecula, as well as Sonata Hospice of Las Vegas in Nevada. Traditions also has acquired Serenity Health Management, a provider of home health and hospice services in Wichita and Hutchinson, Kansas, it says in the release. Traditions, a portfolio company of private equity firm Dorilton, now operates in 18 states, it says.

In Alabama: Birmingham-based Affinity Hospice has opened a new location in Alabaster, reports the Shelby County Reporter newspaper. Affinity has four other locations in Alabama, three in Georgia, three in South Carolina, and one in Arkansas, according to its website.

In Nebraska: Oakdale, Minnesota-based St. Croix Hospice has opened a new location in Fremont, the chain says in a release. St. Croix has four other locations in Nebraska and operates in nine Midwest and Plains states.