

For Owners of Home Health and Home Care Agencies,
and Assisted Living Facilities



SELLER'S SECRET SAUCE

BEST PRACTICES FOR SELLING SENIOR CARE OPERATIONS

In this section you will find helpful information on (i) what successful sellers do before they take their operations to market, (ii) how their deals are structured, (iii) what resources they use during the selling process, and (iv) how they manage the transaction after closing. In this segment, what should administrators focus on - *profits or cash flow*.

FINANCING

ARE INTEREST RATE HEADED LOWER IN 2026?

On August 22, Federal Reserve Board Chairman Powell [commented](#) at the *Labor Markets in Transition: Demographics, Productivity, and Macroeconomic Policy* symposium in Jackson Hole, Wyoming, "...Our policy rate is now 100 basis points closer to neutral than it was a year ago, and the stability of the unemployment rate and other labor market measures allows us to proceed carefully as we consider changes to our policy stance...the baseline outlook and the shifting balance of risks may warrant adjusting our policy stance." Are rates headed lower? The stock market thinks so. Follow the Chairman's comments, the stock market rallied in anticipation that the Federal Reserve

et cetera

- The Fifth District (Federal Reserve Bank of Richmond) reported in its August 26, 2025 Survey of Non-Manufacturing that although tariff uncertainty persists, most businesses that are directly affected by tariffs
- have raised prices, and many plan to raise prices in the coming months.
- Despite ongoing market uncertainty, the broader merger and acquisition landscape remained robust in Q2, marking the third

MARKET WATCH

HOME HEALTHCARE'S ROLE WILL EXPAND IN NEXT 5 YEARS

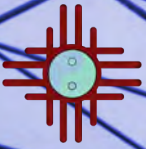
By 2030, seniors will make up 21% of the US population. The US senior population is expected to reach 80 million by 2050. US home healthcare spending is projected to reach \$152 billion by 2029. As hospitals and skilled nursing facilities struggle to meet service demands, home healthcare agencies will play an expanded role in the post-acute continuum of care. Expanded services, including outpatient therapy at home, home-based mental health, and other higher-acuity services, will

REGULATORY WATCH

NC & VA APPLY FOR FUNDS TO HELP RURAL HEALTHCARE SYSTEMS

The governors of North Carolina and Virginia instructed their staff and stakeholders to apply for federal Rural Health Transformation Program (RHTP) funds. RHTP is designed to address challenges facing rural healthcare systems in light of recent cuts in Medicaid funding. The initiative will provide \$50 billion to the states over five years. States could use the





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What and when should you focus on profits or cash flow? The AICPA views profits as the condition when agency billings exceed its costs. Costs include operating costs (e.g., salaries, rent, supplies) and non-operating costs (e.g., interest, depreciation). Cash flow measures the ebbs and flows of your bank accounts.

Focus on Profits. Emphasis profitability for pricing decision (e.g., billings), long-term investment decisions (e.g., lease verses buy your facility or office space), and minimizing your tax burdens.

Focus on Cash Flow. Emphasis cash flow to manage liquidity (e.g., making payroll), debt service (e.g., repaying the bank), and valuing the agency or facility (e.g., buyers buy the stream of cash flow from the operation).

et cetera Cont'd

consecutive quarter deal value hit about \$1 trillion across roughly 12,000 transactions.

- On July 13, the US Postal Service increased its First-Class Mail Forever stamp by 5 cents to 78 cents. Shipping services also increased for Priority Mail (6.3%), USPS Ground Advantage (7.1%), and Parcel Select (7.6%). Priority Main Express prices remained unchanged.
- Nuance Dragon Ambient eXperience Express may be the most popular AI tool in healthcare today.

MARKET WATCH

CONT'D

help the home healthcare industry diversity and grow. The push for value-based care is forcing large MCOs and MA plans to include home healthcare options as part of their service offerings.

However, home healthcare providers can expect new entrants to invade the industry. Expect new delivery models such as SNF at Home and Hospital at Home to grab market share from home healthcare industry leaders. Large healthcare systems will partner with reputable home health organizations through strategic alliances or acquisitions. As home healthcare agencies diversity their services into areas such as Therapy at Home or home-based mental health, firms will be able to hedge against revenue and reimbursement risks in the other home healthcare services they provide.

FINANCING

CONT'D

was likely to lower interest rates at its September meeting. Yahoo Finance [reports](#) that interest-rate strategists at Bank of America lowered Treasury yield forecasts due to (i) the Fed being more tolerant of higher inflation and (ii) more low-rate champions on the Federal Reserve Board. The appointment of Stephen Miran, an ally of the current Administration, as a Fed governor, may tilt the balance in favor of lower interest rates. However, Bank of America's economic team still expects the Fed to remain on hold until the second half of 2026.



REGULATORY WATCH

CONT'D

funds to maintain essential services like emergency room care, labor and delivery services, and behavioral health care. States could also bolster funding for rural emergency medical services (EMS) and support training for new EMS personnel. States must apply to the program before December 31, 2025 to be considered. As of this writing, South Carolina has not apply for funds under RHTP.

