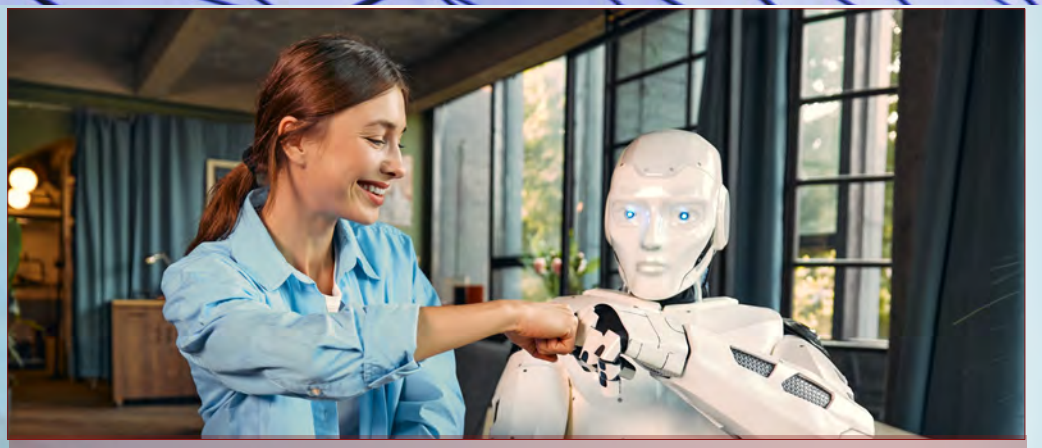
PENUMBRA

WINTER 2027

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, we will discuss how successful sellers develop a winning business strategy.

FINANCING

WHAT DOES "CLEAN BOOKS" REALLY MEAN?

Many agency owners hire bookkeepers or CPAs to do their taxes. When it comes to selling your agency, just keeping the books to pay taxes is not enough. You need "clean books." Buyers and bankers view Clean Books as (i) orderly financial documentation, (ii) keeping a detailed history of financial performance, (iii) describing the characteristics of the income, expenses, assets, and liabilities, and (iv) explaining transactions that are not in the ordinary course of business. Here are a few of these important items:

-Complete federal tax returns including all schedules and amendments for the past 3 years;

et cetera

- JAMA Neurology recently published a report that global dementia cases could double by 2050.
- The CDC updated its Viral Respiratory Infections guidance. Workers are to remain out until at least 3 days have passed since symptom onset - or since the first positive test if alway asymptomatic - symptoms are improving, the person feels well enough to work, and the person has been fever-free for 24 hours without

MARKET WATCH

GROWING YOUR HOME CARE PRACTICE AMID HIGHER ACUITY DISCHARGES

Home care agencies are accepting more complex care patients. These patients come from hospitals and are higher-acuity cases. Agencies are also seeing more patients with shorter stays at rehab facilities. To properly serve this growing population, administrators need to sufficiently train their caregivers, develop processes for matching clients with available payor options, and develop better relationships with these

REGULATORY WATCH

CMS EXTENDS HOSPICE AND HOME HEALTH ENROLLMENT FREEZE FOR SIX MONTHS

In November 2026, the U.S. Centers for Medicare & Medicaid Services (CMS) extended its temporary nationwide moratoria on Medicare hospice and home health enrollment for six months. The moratoria suspends initial Medicare enrollment applications for new hospices and home health agencies, including



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SELLER'S SECRET SAUCE
CONT'D

Planning and Performing for Success

So what do successful agencies do to win their markets? Here's the list:

- *In a crowded local market, build a brand that distinguishes your agency.* Know why clients use your agency. Your clients are your best referral source.
- *Pick a service that your agency can excel in.* Does your agency excel in care management? Offering family care options? Full service coverage regardless of acuity?
- *Focus on high quality and excellent service.* Do employees view quality services as uncompromising? Do you?
- *Price your services fairly, but do not "low ball" them.* Price follows value and your patients know it.
- *Wash, Rinse, and Repeat.* Create policies and procedures that encourage repeatable successes.

MARKET WATCH
CONT'D

referral sources.

Training Caregivers to Serve High-Acuity Patients.

Develop training modules that include specialized caring modules for different patient populations.

Matching Acuity Clients with Available Payor Options.

Educate staff on how to advise patients and family on insurance options. Update your intake process to include a menu of payment options and insurance plans

Improving Relationships with High-Acuity Referral Sources.

Meet rehab staff and share best practices. Set up coordination planning meeting to better handle patient transfers. Be transparent and responsiveness while maintain HIPAA confidentiality.



REGULATORY WATCH
CONT'D

certain majority-ownership changes requiring new applications. CMS stated the restriction gives it more time to investigate suspicious billing, strengthen safeguards, and block potentially fraudulent operators, protecting Medicare beneficiaries and taxpayers dollars in high-risk provider categories. Existing Medicare enrollments and services remain unaffected.

et cetera
Cont'd

fever-reducing medication. Symptom onset or the positive test date is day zero; 4 days is the earliest return date. After returning, wear source control around residents, coworkers, and visitors through at least the end of day 7. Day 8 is the earliest day to work without source control.

- North Carolina, Virginia, and South Carolina are finally raising Medicaid reimbursement rates. However, these increases come with a catch. Read more here.

FINANCING
CONT'D

- Current financial statements within 90 days;
- Internal balance sheets and income statements for the past 3 years;
- Business debt schedule;
- Accounts receivable aging report;
- Accounts payable aging report;
- Concentration of revenue by payors and top CPT and HCPCS codes;
- Net collections by payors and top CPT and HCPCS codes; and
- Detailed management discussion.

Click here for more metrics.



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