

Hospitals find national operators for home care JVs

By [Dave Barkholz](#) | June 7, 2017

Texas' largest hospital system has agreed to create a joint venture for its home health and hospice agencies with a national home care operator, a move that several other health systems have made in their quest to enhance care and preserve capital and management resources.

Baylor Scott & White Health will join forces with Dallas-based AccentCare to combine Baylor Scott's four home health and hospice locations in Texas with AccentCare's six, according to Baylor Scott CEO James Hinton.

AccentCare will run the business and keep it closely integrated with Baylor Scott's 48 owned and affiliated hospitals to ensure a smooth transition for patients to a home setting, said AccentCare CEO Steve Rodgers.

The joint venture is expected to be completed this summer. Terms were not disclosed, though AccentCare will be the majority owner of the joint venture.

"As healthcare delivery continues to evolve, this joint venture helps to ensure that high quality integrated care is available to our patients and their families in their homes," Hinton said.

The tie-up between Dallas-based Baylor Scott and AccentCare is just the latest between a hospital system and national home health operator.

"Joint ventures are an approach for providers to maintain the continuum of care for patients and still have the ability to measure clinical outcomes that are increasingly tied to reimbursement from payers," said Teresa Gregg, principal at KPMG's deal advisory practice who works with healthcare organizations.

More national home health operators are entering joint ventures because home health is still a relatively fragmented market and regional hospital systems can bring sizeable patient volumes, Gregg said.

"Larger home healthcare organizations stand to benefit by continuing to add scale and bring their systems and expertise to patient care, while satisfying the demands of their investors," she said.

In January, investor-owned hospital giant LifePoint Health of Brentwood, Tenn., [finalized a deal](#) with LHC Group that put LifePoint's 20 home health and 10 hospice locations in a joint venture that LHC is running.

Those locations near LifePoint hospitals in 22 states were combined into the venture with LHC locations serving those markets, the companies said.

When the deal closed, LifePoint CEO Bill Carpenter said the tie-up strengthened the continuum of care that LifePoint could provide in those communities.

"As an organization, we recognize when we can benefit from a strong partner who can provide greater, specialized expertise," Carpenter said.

LifePoint operates hospitals on 72 campuses, including 14 through a joint venture with Duke University Health System known as Duke LifePoint. LifePoint posted revenue of \$6.4 billion in 2016. Lafayette, La.-based LHC is one of the nation's largest home health providers with nearly 300 locations, 64 hospice locations and other post-acute facilities.

Late last year, Community Health Systems agreed to sell its home-health division to Louisville, Ky.-based Almost Family as part of an asset-divestiture strategy to reduce \$15 billion in debt.

CHS sold 80% of the business to Almost Family for \$128 million. But CHS CEO Wayne Smith said that it was important that CHS retain a piece of the company to ensure seamless handoffs of patients leaving CHS hospitals and facilities for Almost Family home care.

Franklin, Tenn.-based CHS is the nation's second-largest investor-owned hospital company with 155 hospitals.

AccentCare, which has 140 locations in 11 states, is not only expanding around Dallas with its Baylor Scott joint venture, but the company recently acquired Sta-Home Home Health & Hospice, one of the largest home-care providers in Mississippi. Terms were not disclosed.

"We are impressed with the dedication of Sta-Home's employees, and I am confident the uniting of our two companies will deliver our collective best for our patients and community healthcare partners," Rodgers said.

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Dave Barkholz is Modern Healthcare's Southern Bureau Chief stationed in Nashville. He covers hospitals, doctors, suppliers and governance across the Southeast. A winner of numerous national journalism awards, Barkholz started his career at Modern Healthcare in 1984 covering the investor-owned hospital companies. He spent the past 10 years in Detroit at Automotive News, a sister Crain publication.