

## **Health Care Finance**

Our attorneys are actively involved with our hospital, home health, nursing home, long-term care and other health care clients in connection with financing transactions, including tax-exempt bond financings, lines of credit, equipment leasing and various re-financings of the foregoing. In the bond transactions, we help our health care organization clients on structure issues that arise with respect to bond insurers, letter of credit banks, lenders, bondholders and trustees as well as relations with the state bond issuing authorities and the various state and federal agencies such as the Department of Health and Senior Services, HHS and HUD. This also includes representing for-profit health care providers and health care private equity firms in various financings in connection with purchasing companies and add-on acquisitions. We also provide ongoing advice regarding compliance with various covenants and obligations under financing documents.

When operational problems and financial markets fluctuations create adverse consequences for one of our health care organization clients, our finance group, in conjunction with our workout and insolvency specialists, provides insightful and aggressive counsel to develop various strategies for restructuring outstanding debt within the universe of competing claims of the organization's bondholders, trustees, banks, bond insurers, suppliers, equipment lessors and other stakeholders.

As counsel to health care systems that constitute "Obligated Groups" under tax-exempt bond financings, equipment leases and bank credit facilities, we regularly advise on a variety of matters including:

- Permitted transfers of operating assets and non-operating assets between Obligated Group members and non-members, whether the non-members are foundations, other affiliates or third party non-affiliates;
- Permitted liens on assets of the Obligated Group;
- Adding and removing members to and from an Obligated Group;
- Mergers and acquisitions vis-à-vis other hospital systems;
- Corporate governance issues as to power and authority of the parent entity of the Obligated Group to control activities and decisions of subsidiary Obligated Group members with respect to financings, acquisitions, dispositions, operations and otherwise; and
- Fiduciary duties of the board of trustees of an Obligated Group member to other members of the Obligated Group.

In consultation with our health care transactional and compliance attorneys, we also advise hospitals on "private use" issues in connection with tax-exempt bond financings. "Private use" issues impact our clients when they lease space to others, or enter into certain management or services contracts, which involve the use of facilities and/or equipment which was financed in whole or in part with the proceeds of tax-exempt bond financings. In this regard, we routinely advise

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clients regarding qualifying for one of the management contract safe harbors set forth in IRS Revenue Procedure 97-13.

## Representative Matters

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- Representation of an obligated group of a major health care system with respect to its \$300,000,000 taxable note offering to a consortium of insurance companies.
- Representation of the obligated group of a major health care system with respect to its restructure of its \$1,200,000,000 bond and bank debt, including both taxable and non-taxable financing pieces.
- Representation of the obligated group of a major health care system in the workout and restructuring of its \$900,000,000 bond and bank debt.
- Representation of a major health care system with respect to a \$147,000,000 HUD-insured mortgage and GNMA mortgage bonds financing aspect of acquisition of another hospital system.
- Representation of the obligated group of a major hospital system in a \$100,000,000 line of credit transaction with a group of lending institutions.
- Representation of the obligated group of a major health care system in a transaction consisting of credit facilities in the aggregate amount of \$90,000,000 from a bank syndicate (revolver, term loan and letter of credit facilities).
- Representation of a multi-property landlord with respect to \$69,000,000+ HUD-insured mortgages and related nursing home tenant issues.
- Representation of the obligated group of a hospital system in an \$80,000,000 tax-exempt bond financing.
- Representation of the obligated group of a major health care system in a \$450,000,000 bond issue involving revenue and refunding bonds (fixed rate and variable), tender offer and letter of credit enhancements and mortgages.
- Representation of a major hospital system in a \$200,000,000 bond financing with a state financing agency (involving underwriters, a bond insurer and a letter of credit issuer).
- Representation of a hospital in a composite bond issue with a state financing agency in the amount of \$5,100,000.
- Representation of a hospital and nursing home in a \$101,000,000 refunding of tax-exempt bond issues.
- Representation of a home health care company with respect to a \$40,000,000 credit facility.
- Representation of a hospital, nursing home and related solar energy company in a \$10,000,000 bank financing.
- Representation of a major health care system in the first of its kind tax-exempt equipment leasing program through the New Jersey Health Care Facilities Financing Authority providing for

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up to \$70,000,000 in financing under a conduit equipment leasing structure among multiple private lessors, the NJHCFFA and the health care system.

- Representation of money center banks with respect to workouts and foreclosures of loans to assisted living facilities and nursing homes.
- Representation of the obligated group of a hospital system in a \$65,000,000 tax-exempt bond financing.
- Representation of a nursing home chain in a \$23,000,000 bank financing.
- Representation of a home health care company in a \$22,000,000 financing of an acquisition of a home health care business.
- Representation of a home health care company in the refinancing of a \$31,500,000 credit facility.
- Representation of the obligated group of a hospital system in a \$10,000,000 line of credit.
- Representation of a hospital in a \$10,000,000 line of credit transaction.
- Representation of a hospital in a \$6,300,000 capital assets loan program with a state financing agency.
- Representation of a national home health care company in a corporate and financing restructuring.
- Representation of a growing adult day care center chain in financing the acquisition of additional facilities and real estate.
- Representation of a biotech company in a \$7,000,000 restructuring.
- Representation of a leading provider of revenue cycle technology and services to the health care industry in connection with a \$5,400,000 bank financing.