

How to Sell a Home Health or Hospice Agency

Selling your home health or hospice agency could be one of the biggest decisions of your lifetime. If you are considering the sale of your home health or hospice agency, then these may be some of the questions you have:

- Is right now a good time to sell?
- How much is my company worth?
- Who can I trust and engage to sell my home health or hospice agency?
- Will the new owners take good care of my employees and patients?
- Will my legacy and quality of care be preserved under the new ownership?
- Should I hire a general business broker or a specialized Healthcare M&A advisor?
- What about taxes on the sale?

We at Fleetridge Pacific are highly specialized in representing sellers of home health and hospice agencies. Sometimes, agency owners decide to hire general business brokers, only to later be surprised by an unsatisfactory experience or a negative outcome. The sale of a home health or hospice agency is much more complex than the sale of simpler, small businesses and requires the industry knowledge, skill and experience of a specialized healthcare Mergers & Acquisitions intermediary.

We at Fleetridge Pacific help facilitate what can be a lengthy and complicated process. When you engage Fleetridge Pacific to represent your home health or hospice agency in a sale or merger, we will do the following:

- 1) Provide a complete analysis of the business and its operations.
- 2) Prepare a confidential company profile. This profile provides prospective buyers with information about the business and highlights the positive aspects.
- 3) Upon profile approval, we will work with you to develop a pricing strategy.
- 4) Develop a marketing plan, identifying suitable buyers. The goal is always to increase the likelihood of presenting multiple offers, thereby increasing your negotiating leverage.
- 5) We then solicit initial interest from a wide variety of buyers. We send out a blind profile or tickler, which gives some general information about your business but not enough information to identify the business or any specific information about your company.
- 6) Interested buyers are asked to sign a confidentiality agreement before the company profile is sent to them. The confidentiality agreement binds the prospective buyer to keep the information confidential.
- 7) All prospective buyers are profiled to determine eligibility before any information is sent.
- 8) Meetings and telephone conferences are scheduled to facilitate introductions between you and the prospective buyers. To insure confidentiality, we suggest that these initial meetings be scheduled off-site or after business hours. These meetings provide you an opportunity to educate the buyer about your business and highlight the value of the intangible assets of the

- company. You should also learn more about the buying company and their objectives to determine if the two companies are a “fit” and if there is a basis to move forward.
- 9) At this stage, we begin to solicit proposals from prospective buyers. Proposals are normally submitted in the form of a Letter of Intent (LOI) or Term Sheet. The document lays out the framework of price, terms and conditions of the transaction.
 - 10) We work with you to negotiate the LOI by determining strategies, solving problems and examining opportunities. As third-party intermediaries representing you, we examine the offer from all perspectives to help you negotiate a favorable outcome.
 - 11) Once agreement of the LOI has been reached, due diligence activities will begin. Due Diligence provides the buyer with an opportunity to review financial, clinical and corporate books, records, policies and procedures of your company.
 - 12) During the due diligence period or immediately thereafter, the buyer will draft a definitive purchase agreement. This document incorporates the elements laid out in the LOI and adds representations and warranties. The Definitive Purchase agreement (DPA), sometimes called the Stock Purchase Agreement (SPA) or Asset Purchase Agreement (APA) is the binding document that concludes the sales transaction. We work with you to orchestrate the process every step of the way.

If you're interested in learning more about how Fletridge Pacific can help you sell your home health or hospice agency, [contact us](#) today at **(888) 220-2270** and we'll help you through the process.