



U.S. Dept. of Housing and Urban Development

Minneapolis Field Office
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<http://www.hud.gov/local/min/minhome.html>

Market Study Requirements for Section 232 Projects for Purchase or Refinance of Existing Nursing Homes, Assisted Living Facilities, Intermediate Care Facilities, and Board & Care Facilities

At a minimum, the market study must:

- o demonstrate a "durable real estate asset value" over the next 35 years;
- o specify how the facility will adapt to the expected nursing home bed decline (de-licensing options and conversions considered);
- o include direct comparison analyses with all other nursing home and assisted living facility options within that county, including reference to that county's Medicaid Elderly Waiver contract rates schedule for lower acuity ambulatory residents;
- o describe whether the operator intends to preserve lower acuity residential beds in private rooms;
- o indicate whether a significant subacute care (Medicare certification and referral network) profit center will enhance or sustain the facility's operations;
- o explore various configurations, conversions, and potential campus-like settings that the site zoning and physical attributes allow;
- o present a transition plan to effectively compete with new lower Medicaid payment (Elderly Waiver) home based alternatives within the subject's county.

Questions should be directed to Tim Gruenes at (612) 370-3051 x2252 or Del Relopez at (612) 370-3051 x2274.