



FOR IMMEDIATE RELEASE

Christine McCarty  
312 596 1617  
cmccarty@ziegler.com

## **Ziegler Advises Presbyterian Homes of Tennessee on Affiliation With Covenant Living & Sale of Skilled Nursing Centers**

**CHICAGO – JUNE 28, 2024** – Ziegler, a specialty investment bank, is pleased to announce its role as Strategic Advisor to Presbyterian Homes of Tennessee (PHOT) on two (2) significant and concurrent transactions.

PHOT operates two life plan communities, Shannondale of Knoxville located in Knoxville, Tennessee, and Shannondale of Maryville located in Maryville, Tennessee. With a focus on compassion, integrity, and excellence, PHOT offers a continuum of care that includes independent living, assisted living, and skilled nursing services.

Ziegler performed an extensive process on behalf of PHOT in the search for an affiliation partner, meticulously evaluating potential candidates to ensure alignment with the organization’s mission, values, and strategic objectives.

Suzy Booker, Board Chair of PHOT, stated, “Ziegler provided sound guidance to our board through the affiliation process, helping to attract and evaluate prospective partners, so that we could ultimately identify the organization that would provide our residents and staff with the quality of care and long-term security they deserve.”

A crucial aspect of the search process was Ziegler’s collaboration with Healthcare Management Partners (HMP), a leading management and consulting firm that was engaged by PHOT in 2023. This partnership was instrumental in achieving the best outcome for PHOT, as HMP provided valuable insights and expertise in financial management and operational optimization.

Among them was the strategic decision to sell the skilled nursing and short-term rehab facilities on the Knoxville campus in a transaction separate from the affiliation due to a myriad of factors. Ziegler was seamlessly able to loop in its professionals with expertise in that space and ran an accelerated concurrent affiliation and sales process.

PHOT received proposals from many of the nation's top not-for-profit senior living organizations, reflecting the high level of interest in the opportunity. Covenant Living Communities & Services (Covenant Living) was selected as the affiliation partner of choice. It is one of the nation's largest not-for-profit senior living providers, ranking at #8 on the 2023 version of the LeadingAge-Ziegler 200, with a total of 5,649 units and beds across its platform. Covenant Living currently operates in 10 states, and the affiliation marks its first foray into the Tennessee market, a targeted regional area of growth for Covenant Living.

The affiliation with Covenant Living will enable PHOT to leverage the resources, expertise, and best practices of a nationally recognized senior living organization while maintaining its local identity and commitment to excellence in care and service delivery.

Following HMP's recommendation, the PHOT Board approved the divestiture of its two healthcare centers located on the Knoxville campus, totaling 175 operating beds. Skilled nursing beds at the Maryville community will be available to residents of both campuses.

American Health Partners (AHP) was identified as the ideal partner for the skilled nursing assets given its operating history in the state. The sale to AHP strengthens the balance sheet and improves cash flow of the go-forward entity while providing residents at the Knoxville campus the option of access to a continuum of care with a respected long-term care provider that is in close proximity.

AHP is a family of six divisions, offering a range of skilled nursing and ancillary services. Its skilled nursing division, American Health Communities, operates 28 skilled nursing and rehabilitation facilities throughout Tennessee. The sale was valued around \$80,000 per operating bed.

Nick Glaisner, Managing Director at Ziegler, commented, "Both engagements are indicative of Ziegler's commitment to providing tailored solutions to its clients in the senior living and care sector and honoring each organization's unique legacy of service to their communities."

The Ziegler team members involved in execution of the transactions included Stephen Johnson, Nick Glaisner, Marie Carlson and Ryan Anders.

For more information about Ziegler, please visit us at [www.ziegler.com](http://www.ziegler.com).

## **About Ziegler:**

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