

HOME HEALTH & HOME CARE M&A · APRIL 2026

The Home Health & Home Care Owner's Pre-Sale Readiness Checklist · 2026

27 things to confirm before any buyer sees your numbers.
For home health, home healthcare, home care, and senior care agencies.

WHY THIS CHECKLIST EXISTS — APRIL 2026

Federal regulators just suspended Medicare payments to 23 home health organizations and 447 hospices over more than \$600M in alleged fraudulent billing — with the home health portion of the action concentrated in California. Days later, a Congressional witness testified that organized fraud is now migrating from hospice into home health.

For clean home health, home healthcare, home care, and senior care operators, this is the strongest seller's market in five years — but buyers' diligence teams are sharper than ever. This 27-point checklist is the same readiness pass Vallexa Advisors runs in the first 30 days of every home health and home care engagement.

Prepared by Jason Atty, Managing Director

Vallexa Advisors · Healthcare-only M&A · 100% success-based fees

Informational only — not legal, tax, accounting, or investment advice.

Section 1 · Financials & EBITDA (Days 1–30)

- ☐ Pull three years of P&L, balance sheet, and cash flow statements; reconcile to GL and Medicare cost reports.
- ☐ Build a normalized EBITDA worksheet with documented add-backs (owner comp, one-time legal, M&A advisory, non-recurring marketing, personal expenses).
Buyers will recompute every add-back. Document every one with a paper trail.
- ☐ Trend episode volume, PDGM case-mix weight (CMW), and LUPA rate by month, by branch, for the last 24 months.
- ☐ Build a payer-mix analysis (Medicare FFS / MA / Medicaid / managed care / private) by month for the last 24 months.
- ☐ Run a working-capital schedule and a CapEx history.
- ☐ If you operate a private-pay home care or senior care line: build hours-per-client-per-week, average client tenure, and caregiver retention metrics for the last 24 months.

Section 2 · Compliance & 36-Month Rule (Days 1–30)

- ☐ Confirm CMS 36-month rule eligibility for every CCN and licensed location.
If you tripped the rule, the buyer must apply for new Medicare certification — typically a deal-killer. Get this answered first.
- ☐ Pull last three surveys with Plans of Correction and close-out letters.
- ☐ Document UPIC, ZPIC, RAC, and MAC review history. Address any open items.
- ☐ Audit OASIS-E submissions for accuracy. Reconcile a sample to claims and clinical documentation.
- ☐ Pull your latest PEPPER report. Document credible explanations for any flagged outlier metrics.
- ☐ Refresh exclusions screening at the NPI level (not just entity level) using OIG and SAM lists.
- ☐ Refresh marketer compensation FMV documentation; review physician arrangements for Stark/AKS compliance.

Section 3 · Operations, Quality & People (Days 31–60)

- ☐ Build HHVBP / Quality of Patient Care / HH CAHPS Patient Survey star-rating trend lines for the trailing 8 quarters.
- ☐ Document caregiver retention: RN turnover, aide turnover, fill rate, and average tenure by branch.
A documented hiring engine and 12-month retention plan is worth real multiple expansion.
- ☐ Map referral concentration. Flag any single referral source above 15–20% of admissions.
- ☐ Document the post-close transition plan for the owner: 0, 6, 12, or 24 months — and what 'help' looks like.
- ☐ Build a management-depth org chart. Identify which roles depend on the owner today and which run independently.
- ☐ Catalog every payer contract (Medicare, MA, Medicaid, managed care, hospital systems, MA plans, LTC insurers).

Section 4 · Legal, Corporate & Real Estate (Days 31–60)

- ☐ Update minute books, cap table, equity grants, and board consents.
- ☐ Confirm contract assignability for top 25 contracts (payer, real estate, vendor).
- ☐ Pull state license status for every operating state and confirm renewal dates.
- ☐ Pull lease estoppels and confirm any change-of-control clauses.
- ☐ Identify any pending litigation, EPLI claims, or wage-and-hour exposure (a recurring issue in private-duty home care).

Section 5 · Advisor & Process Readiness (Days 61–90)

- ☐ Engage a healthcare-only M&A advisor for a confidential, complimentary valuation.
Vallexa Advisors offers a free confidential valuation built on the same model used in live home health and home care transactions. 100% success-based fees.
- ☐ Build the data room outline. Identify what's missing and assign owners with deadlines.
- ☐ Build a net-proceeds model with your CPA: headline price, structure, taxes, working capital, escrow holdback, post-close liabilities.
- ☐ For dual-line operators (Medicare-certified home health + private-duty home care): document clean separation, separate compliance programs, clean intercompany economics.

FREE · CONFIDENTIAL · NO OBLIGATION

Get a complimentary home health, home care, or senior care valuation from Vallexa Advisors.

Built on the same model we use to price live transactions. Confidential. No upfront fee.
Vallexa is paid 100% on success.

Request my free valuation →

vallexaadvisors.com/contact-us

Call (586) 623-5616 · jason@vallexa.com

ABOUT VALLEXA ADVISORS

Vallexa Advisors is a healthcare-only M&A firm specializing in home health, home care, hospice, and behavioral health transactions. We run a confidential, vetted-buyer-network process for owners exiting at all scales — from single-branch home care agencies to multi-state Medicare-certified platforms. Fees are 100% success-based.

This checklist is published for informational purposes only and does not constitute legal, tax, accounting, or investment advice. Engage qualified counsel and a CPA before making material decisions. Last updated April 28, 2026.