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Medical Properties Trust, Inc. (MPW)

Q1 2025 Earnings Call

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MANAGEMENT DISCUSSION SECTION

Operator: Thank you for standing by. My name is Bailey, and I will be your conference operator today. At this time, I would like to welcome everyone to the Medical Properties Trust First Quarter 2025 Earnings Conference Call. All lines have been placed on mute to prevent any background noise during the 60 minute call. After the speakers' remarks, there will be a question-and-answer session. [Operator Instructions] Thank you.

I would now like to turn the call over to Charles Lambert, Senior Vice President. Please go ahead.

Charles Reynolds Lambert
Senior Vice President, Finance and Treasurer, Medical Properties Trust, Inc.

Good morning and welcome to the Medical Properties Trust conference call to discuss our first quarter 2025 financial results. With me today are Edward K. Aldag Jr., Chairman, President and Chief Executive Officer of the company; Steven Hamner, Executive Vice President and Chief Financial Officer; Kevin Hanna, Senior Vice President, Controller and Chief Accounting Officer; Rosa Hooper, Senior Vice President of Operations and Secretary; and Jason Frey, Managing Director, Asset Management and Underwriting.

Our press release was distributed this morning and furnished on Form 8-K with the Securities and Exchange Commission. If you did not receive a copy, it is available on our website at medicalpropertiestrust.com in the Investor Relations section. Additionally, we're hosting a live webcast of today's call, which you can access in that same section. During the course of this call, we will make projections and certain other statements that may be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause our financial results and future events to differ materially from those expressed in or underlying such forward-looking statements. We refer you to the company's reports filed with the Securities and Exchange Commission for a discussion of the factors that could cause the company's actual results or future events to differ materially from those expressed in this call. The information being provided today is, as of this date only, and except as required by the federal securities laws, the company does not undertake a duty to update any such information.

In addition, during the course of the conference call, we will describe certain non-GAAP financial measures, which should be considered in addition to and not in lieu of comparable GAAP financial measures. Please note that in our press release, Medical Properties Trust has reconciled all non-GAAP financial measures to the most directly comparable GAAP measures in accordance with Reg G requirements. You can also refer to our website at medicalpropertiestrust.com for the most directly comparable financial measures and related reconciliations.

I will now turn the call over to our Chief Executive Officer, Ed Aldag.

Edward K. Aldag, Jr.

Chairman, President & Chief Executive Officer, Medical Properties Trust, Inc.

Thank you, Charles, and thanks to all of you for joining us this morning on our first quarter 2025 earnings call. I'm pleased to be joined again today by Steve, Kevin, Rosa and Jason. But before you hear from the rest of the team, I'll spend a few minutes discussing the state of the market and a few recent strategic updates.

Beginning with the broader market environment, it's important to note that despite all the noise surrounding the macro economy, healthcare has historically proven to be one of the most recession resistant industries. Across our portfolio, operators continue to report strong results with increasing volumes and steady coverage.

Further, any concerns surrounding the impacts of tariffs or proposed funding changes only served to reinforce the importance of MPT's business model. When hospitals need access to affordable capital solutions that enhance their financial flexibility and operational agility, that's where we come in. We empower operators to replace expensive debt solutions, immediately unlock 100% of the value of their real estate and redirect those funds into patient care. And we are confident in our ability to continue playing that role in this critical economic environment.

Turning to a few updates from the quarter. In February, we issued more than $2.5 billion of seven-year secured bonds at a blended coupon rate of approximately 7.8%, strengthening our balance sheet and providing sufficient liquidity to cover all debt maturities through 2026. As Rosa will discuss in more detail shortly, our new portfolio of tenants continues to ramp operations and facilities around the country.

Broadly speaking, we remain highly encouraged by the volume improvements being reported across these locations as well as the steps these new operators are taking to upgrade facilities. And importantly, all new operators, except for Insight who owed less than $100,000, were current on rent through the first quarter.

In Ohio, Insight Health had been making considerable progress, turning around performance at two facilities in Trumbull County. However, those efforts were interrupted by disputes between Steward Health Care's advisors and Insight regarding the distribution of cash collections from Insight's revenue under the terms of the transition services agreement. We're working with Insight and government officials to explore all viable solutions to restore full operations at these facilities as soon as possible.

A word briefly on Prospect before turning it over to Rosa. In line with the terms of our global settlement agreement with Prospect and its other creditors that the Bankruptcy Court approved in March. Prospect and its advisors are in the process of marketing the Prospect assets. With the progress of our new operators are making across most markets, the steady contributions from our stabilized portfolio, we remain confident in our ability to reach total annualized cash rent of more than $1 billion once our new tenants are fully ramped.

As we continue with this progress, we look forward to opportunities for accretive growth and increasing shareholders return. Rosa?

Rosa H. Hooper
Senior Vice President of Operations, Medical Properties Trust, Inc.

Thank you, Ed. And turning now to some of the highlights across our portfolio. Overall, operator trends remain largely consistent with our observations over the past few quarters. As publicly traded operators have recently reported in the first quarter of 2025, hospitals have produced strong revenues driven by reimbursement rate increases and admission trends. Within our portfolio, we continue to see strong growth in admissions and rate improvements. And on a trailing 12-month basis, we saw an uptick in year-over-year EBITDARM coverage across asset types, driven by improved volumes and strategic expense management.

I'll begin with the new tenants in our transitional portfolio with cash rents ramping through the fourth quarter of 2026. HSA, which operates eight hospitals in South Florida, Texas and Louisiana, commenced rent payments as scheduled in March. Performance has trended up, particularly in South Florida, driven by top-line growth on higher volumes. In Louisiana and Texas, HSA remains focused on expanding inpatient capacity, re-engaging key physicians, and improving operational efficiency.

HonorHealth, which operates in the Phoenix Metro area, remains engaged in enhancing physician alignment in the market and upgrading facilities ahead of anticipated volume recovery. Honor is executing a CapEx strategy for 2025 that includes $60 million of self-funded improvements spread across its new facilities.

Quorum Health, which operates two facilities in West Texas, has committed to recruiting physicians and staff to recapture volumes, ramping up new service lines and upgrading facilities. In March, Quorum also finalized an agreement to assume ownership of Steward's remaining IT and revenue cycle transition service agreements.

College Health is operating one MPT behavioral health facility in Phoenix. They have been ramping up capacity at the facility and now have a license for 127 beds. With 30 beds opened so far, they are actively adding beds on a regular basis and expect to be at full capacity within the next few months.

Finally, Tenor Health took over operations at Sharon Regional in Pennsylvania and reopened the facility in March. Tenor is now expecting an 18 – executing an 18-month plan to fully stabilize the facility and to facilitate this plan, recently secured new financing from a local community entity.

Turning now to our more established portfolio of operators and beginning with Europe. In the UK, three of the operators in the MPT's portfolio have been nominated for Health Investors' Private Hospital Group of the Year, Circle Health, Priory and Ramsay. Circle Health continues to benefit from increased private medical insurance utilization. To capitalize on these market tailwinds, Circle is investing in innovative technologies such as robotics and AI.

And Circle continues to report strong performance driven by increasing surgical volumes and patient acuity as more complex cases are being addressed in the private sector. The need for mental health care services has never been greater within the UK, and Priory the largest independent mental health care provider in the UK has maintained steady performance based on strong reimbursement trends and increased patient acuity.

Turning to Priory's parent company Median. These German assets have performed well through Q4 2024. This solid performance is largely attributable to an improving reimbursement rate environment and increasing occupancy trends. Swiss Medical's performance has benefited from a combination of continued cost optimization efforts and top-line growth driving high single digit EBITDAre growth.

With the planned integration of recent acquisitions Swiss Medical's consolidated revenues are expected to increase by approximately CHF 100 million in 2025. And in January 2025, Swiss Medical continued to grow its integrated care model with the addition of a second care region with 10 medical centers. In April, MPT invested approximately CHF 50 million in the Infracore joint venture in Switzerland to facilitate the platform's acquisition of a strategically valuable general acute facility.

Turning to the US, Ernest Health consolidated EBITDARM coverage remains excellent at 2.1 times. Earnest legacy IRFs are performing very well and newer IRF developments are moving closer to fully ramped capacity. Given the success of its first inpatient rehab unit at the Provo LTACH, Ernest is pursuing plans to open two more inpatient rehab units at the Post Falls and Billings LTACH in 2025.

Lifepoint Health continues to report strong top line revenue growth driven by increased admissions, particularly at Conemaugh Memorial, where trailing 12 month admissions increased 17% year-over-year. Lifepoint Behavioral reported another quarter of consistent operating performance with higher admissions growth year-over-year.

In 2025, Lifepoint Behavioral will remain focused on increasing outpatient volumes to drive increased revenues. Finally, MPT owns three hospitals operated by Surgery Partners. These facilities have performed exceptionally well with combined coverage greater than 7 times.

In closing MPT is clearly well-positioned to benefit from enhanced cash flows across a better diversified portfolio than ever before. With our stabilized portfolio producing steady or improving performance and our transitional portfolio ramping as expected, we are confident in our ability to create value for shareholders moving forward. Kevin?

J. Kevin Hanna

Chief Accounting Officer, Senior Vice President & Controller, Medical Properties Trust, Inc.

Thank you, Rosa. This morning we reported a GAAP net loss of $0.20 per share and normalized FFO of a positive $0.14 per share for the first quarter of 2025. It is worth pointing out that first quarter net loss and normalized FFO when compared to the fourth quarter of 2024 were affected by the partial quarter impact of our February debt refinancing transactions.

The normalization of cash rent payments from a small tenant who made a one-time catch up payment of $10 million in the fourth quarter and higher stock compensation expense. We expect the second quarter normalized FFO will be reduced by an additional approximately $0.02 per share due to the full, previously projected quarterly impact of higher interest expense resulting from our refinancing transactions.

The increased stock compensation expense results from a change in the fair market value of 2024 performance based equity compensation, of which no shares have been invested. In fact, none of these shares will ever vest unless the market price of our stock exceeds $7 for 20 consecutive days.

During the quarter, we recorded approximately $73 million in impairments and fair market value adjustments to our investments of Prospect, real estate in Connecticut and PHP. These adjustments were made according to third-party appraisals and approved restructuring terms. Actual recoveries may ultimately differ from these book values.

Further, we impaired our mortgage investments in Colombia by approximately $11 million as the government continues to limit reimbursement to hospitals. Normalized FFO was also adjusted for an approximate $12 million negative fair value adjustment related to marketable securities such as our investment in Aevis.

With that, I will now hand the call over to Steve.

Richard Steven Hamner

Executive Vice President, Chief Financial Officer & Director, Medical Properties Trust, Inc.

Thank you, Kevin. I would just make a couple of brief comments that basically reiterate our near-term perspective. I will not go through the details of the February secured notes offerings except to point out again that it was a significant culmination of two years of carefully executed transactions designed to reduce debt, extend maturities and provide liquidity, all at market valuations that demonstrate the resilience of well under-written hospital real estate and the long-term sustainability of our business model of net leased hospital real estate.

But I will describe one detail of this refi. At quarter end, we thought it prudent to build some additional cushion for the covenant that measures our ratio of unencumbered assets to unsecured debt. At that time, we had not completed our evaluation of the need for impairments as of the quarter end and we wanted this cushion in an abundance of caution. Drawing cash on a secured revolver has the effect of increasing that cushion.

The amounts we borrowed on March 31 were fully repaid on April 1. We remain and expect to remain within all covenants required by the secured and unsecured notes and the revolving credit facility. So our focus is on our existing portfolio of hospital real estate that continues to perform in accordance with lease terms, including annual inflationary escalations.

And over the remaining three quarters of 2025, cash rents solely from the former Steward facilities are scheduled to increase from the $4 million received in this first quarter to more than $23 million in the fourth. That's more than $90 million annualized. And investors can make their own estimates of an appropriate equity capitalization rate for that incremental revenue. And that incremental revenue is scheduled to continue growing to total contractual annual cash rents of $160 million from these hospitals by October 2026.

The first quarter results, of course, include no revenue or other proceeds from any prospect assets or from certain of our Colombian real estate assets, which have a book value of about $112 million. Any such revenue or proceeds will of course be available to further add to our operating and balance sheet strength. We're not in a position to predict these outcomes today, but it is important that with the balance sheet repositioning we have completed over the last couple of years, we have multiple options to continue to use the demonstrated value of our performing assets for further de-levering and repositioning as we may decide.

As we previously described, those options do include resolution of the Prospect assets through sales and re-tenanting, possible other asset sales, joint ventures and other transactions to reposition and rationalize our equity value. And with our current level of near-term maturities and liquidity, we have the freedom to be patient while even if we assume no external growth, our expected cash earnings escalate annually and we can hope macroeconomic conditions stabilized.

Lastly, as Ed emphasized, we are pleased with the operational performance that our new operators are achieving. This performance along with the very public and widespread support of local, state and federal government officials and healthcare advocates, yet again demonstrates the importance of and the demand for these infrastructure like hospital assets. Because our underwriting is designed to identify hospitals that we believe are critically necessary to their communities. This performance and public support is what we expected.

And from a financial perspective, MPT as landlord has gone above and beyond to demonstrate our long-term commitment to keeping these hospitals open. We have invested in the facilities. We have made working capital loans to facilitate the Steward transition, and we have agreed to lengthy periods where rent payments are not required. Along with our own efforts, the new operators are devoting time, effort, resources and their own finances to serve patients across many spectrums of care.

And we can point to government officials and representatives in Ohio and Pennsylvania who we see working out of public view on behalf of patients and employees in their own and even other jurisdictions. All of that is why we remain firm in our belief that these hospitals need to and will stay operating in their communities. And this is what we expected. What we did not expect and what is virtually inexplicable to us are the apparent roadblocks in front of these efforts to keep the hospitals open and operating.

The managers of the Steward bankruptcy process, for example, have paid professional fees, now approaching $400 million. They are collecting from Medicare, Medicaid, state reimbursement programs and commercial insurers amounts for medical, surgical and other treatment services that the new operators are providing to patients.

Our tenant, in two Ohio hospitals believes it is owed more than $20 million that has been collected by the bankrupt state, but not remitted to the operator. Most recently, another of the replacement operators was notified that the bankrupt the state is seeking to retain $55 million in Florida Medicaid supplemental funds that would not have been paid had not the new operator contributed approximately $30 million to the program in late December. These disputes are all apparently subject to defense by the professionals managing the Steward bankruptcy and they are being addressed in Bankruptcy Court.

Our point is that these new operators are diligently treating patients, even though substantial payments for these services are being withheld from them. Thankfully, we believe these operators will soon be able to bill and collect for themselves. Meanwhile, MPT has continued to cooperate with and support these local communities, including financially, while the Steward transition process finally unwinds.

For example, during the first quarter, in order to accelerate this unwinding process, we agreed to repurchase certain real estate interest we had previously exchanged for value with a secured creditor. Along with funding another small operator obligation, this aggregates about $40 million. We're actually happy to have these assets back because we believe we will get much more value out of them than the secured lender could have.

And with that, I will turn the call back to Bailey to queue any questions.

QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] Please limit to one question and one follow up. Your first question comes from the line of Michael Carroll with RBC Capital Markets. Please go ahead.

Michael Carroll
Analyst, RBC Capital Markets LLC

Q

Yeah, thanks. Steve, I wanted to follow-up on your, I guess, your prepared remarks, your last two comments. Do you think that there is risk to the Steward transitioned assets, those new operators and being able to have their rent ramp-up versus what you expect, given your comments regarding the issues within the Steward bankruptcy process and them not being able to collect the payments that are potentially owed to them?

Richard Steven Hamner
Executive Vice President, Chief Financial Officer & Director, Medical Properties Trust, Inc.

A

No, I don't think so, for a couple of reasons. Number one, I pointed out the Ohio situation, and I think we'd already described that that's very limited in any case. It's $100,000 that went uncollected. That's all that went uncollected in the quarter. And my point really was that these operators are doing as well as they are in the face of the disruption and not being able to collect what they're actually billing. We are hopeful that the transition will be fully moved away from Steward and it already is for some of the operators. But we think that will be complete in the very near future and this issue will resolve going forward.

Michael Carroll
Analyst, RBC Capital Markets LLC

Q

Okay. And then can you talk about the $40 million investment? Was that made during the quarter? What type of asset did you get back from that? And are you getting rent on that asset now? And/or do you plan on selling that asset in the near-term?

Richard Steven Hamner
Executive Vice President, Chief Financial Officer & Director, Medical Properties Trust, Inc.

A

We did do it during the quarter. Those assets represent assets that were originally part of Steward campuses, for example. Just as an example, as a big piece of it is a parking lot. And the parking lot was not necessary for the hospital operations other than to have contractual access to parking, which the hospital did.

The secured creditor to which we transferred rights to it well over a year ago was unable to market it and monetize it really because it was still connected to and part of the hospital. And so we were very happy to be able to get that back and frankly, we got it back at a significant discount to what the original transaction was. And it will remain part of and could be monetized as part of the hospital. That's a typical example.

Edward K. Aldag, Jr.
Chairman, President & Chief Executive Officer, Medical Properties Trust, Inc.

A

But the vast majority of those, Mike, we will collect rent on.

Michael Carroll
Analyst, RBC Capital Markets LLC

Q

Okay. And then just last for me, were there any other investments that occurred in the quarter? I didn't see the supplemental section that highlight your investments in the sup this time around. And your debt seemed a little bit higher than what I would have expected. So is there any other cash outflows that we should be aware of that kind of explain some of that?

Edward K. Aldag, Jr.
Chairman, President & Chief Executive Officer, Medical Properties Trust, Inc.
A

We made a relatively modest investment in an additional hospital in Switzerland with Infracore.

Michael Carroll
Analyst, RBC Capital Markets LLC
Q

Okay. So just those just that $40 million deal on the Infracore deal?

Richard Steven Hamner
Executive Vice President, Chief Financial Officer & Director, Medical Properties Trust, Inc.
A

Yeah and as part of the transaction very early in the quarter – I think very early in January, we did add to the Florida operator working capital loan to the extent of $10 million.

Michael Carroll
Analyst, RBC Capital Markets LLC
Q

Okay. Thank you.

Operator: Your next question comes from the line of Georgi Dinkov with Mizuho Securities. Please go ahead.

Georgi Dinkov
Analyst, Mizuho Securities USA LLC
Q

Hi, this is Georgi on for Vikram. Can you just talk sort of what are you monitoring on the regulatory side and any potential Medicaid cuts? Like, what are your expectations in a scenario where you see some severe budget cuts?

Edward K. Aldag, Jr.
Chairman, President & Chief Executive Officer, Medical Properties Trust, Inc.
A

Georgi, if you listened to our last earnings call, we welcomed some of those Medicare cuts. As you know, Medicare doesn't just cover reimbursement to hospitals. It's a very broad basket of items that we believe would be better served, if it went to hospitals. So we at this point, don't have any of our tenants that are nervous about any potential changes to Medicare or Medicaid.

Georgi Dinkov
Analyst, Mizuho Securities USA LLC
Q

Okay. And if I may squeeze a second question. Have you – do you expect to provide any loans to any of the operators? And do you currently have any tenants on your watch list that you are closely monitoring?

Edward K. Aldag, Jr.
Chairman, President & Chief Executive Officer, Medical Properties Trust, Inc.
A

So we don't expect to make any loans. We don't have any situations where we think that that would come up. And we currently don't have any operators on our watch list.

Georgi Dinkov
Analyst, Mizuho Securities USA LLC

Q

Great. Thank you for taking my question.

Operator: Your next question comes from the line of John Kilichowski with Wells Fargo. Your line is open.

John Kilichowski
Analyst, Wells Fargo Securities LLC

Q

Good morning. Thank you. My question is just on two operators. You mentioned no operators on the watch list, but I know that there were a couple of situations we were watching. There was an operator in Colombia dealing with some government holding back of reimbursement. And there was another one that was 1% of assets that you had gotten $10 million for last quarter. But I think that was a one-time chunk. Could you give some color on how those processes are going?

Edward K. Aldag, Jr.
Chairman, President & Chief Executive Officer, Medical Properties Trust, Inc.

A

So the 1% tenant, the $10 million was a catch-up in rent. They remain current on the rent schedule now. I actually spoke to the CEO of that operator yesterday and they had their best quarter in a long time. So they believe they're very much on track. We believe their operations are back where they should be.

From Colombia standpoint, the hospitals in all of Colombia continue to perform well. There is a political fight trying to get some health care reforms by the current President. And he's using the reimbursement to their system as a way to help pressure the politicians there to go along with his reforms. We are not concerned about the long term viability. We obviously are concerned about when they'll start getting full reimbursement from the government. But we think it's just a matter of time, not a matter of if.

John Kilichowski
Analyst, Wells Fargo Securities LLC

Q

Okay, thank you. And then maybe just on Prospect following the court approval. How do you expect that process to go? I guess as far as timing is concerned?

Edward K. Aldag, Jr.
Chairman, President & Chief Executive Officer, Medical Properties Trust, Inc.

A

So it's a little bit different or a lot different, I should say than the Steward process went. We and Prospect and the other creditors reached an agreement early in this process. We expect that we'll have the new – the potential new tenants in the hospitals late – identified late May, early June, and then closing as soon as regulatory can happen after that.

John Kilichowski
Analyst, Wells Fargo Securities LLC

Q

All right. Thank you.

Operator: Your next question comes from the line of Omotayo Okusanya with Deutsche Bank. Your line is open.

Omotayo Okusanya
Analyst, Deutsche Bank Securities, Inc.
Q

Hi. Yes. Good morning, everyone. First of all, just shout out to Rosa. I'm always impressed with all the details she gives in the operational overview. I always find that very helpful.

Edward K. Aldag, Jr.
Chairman, President & Chief Executive Officer, Medical Properties Trust, Inc.
A

[ph] Thank you, Tayo (00:31:13).

Omotayo Okusanya
Analyst, Deutsche Bank Securities, Inc.
Q

In terms of the cash ramp up for the transitional tenant, could you just give us an overview of how exactly that works in terms of the arrangement that they transfer or kind of all the excess cash flow to kind of ramp-up to that $40 million a quarter? Is there some sort of set math of, based on how much they earned that quarter? Or how much they have to kind of pay you? Just trying to understand how that works.

Edward K. Aldag, Jr.
Chairman, President & Chief Executive Officer, Medical Properties Trust, Inc.
A

Yeah, Tayo, it's actually a percentage of the rent not based on revenue or on their income. For example, at the beginning. And each lease is slightly different. They go from 25% to 50% to 75% into 100%. And by the time that we get to 100% is...

Richard Steven Hamner
Executive Vice President, Chief Financial Officer & Director, Medical Properties Trust, Inc.
A

Fourth quarter of 2026.

Edward K. Aldag, Jr.
Chairman, President & Chief Executive Officer, Medical Properties Trust, Inc.
A

...fourth quarter 2026.

Omotayo Okusanya
Analyst, Deutsche Bank Securities, Inc.
Q

Got you. Okay. So that's helpful. And then in terms of, again at March 31, the drawdown on the line to kind of make sure you guys were okay with the covenants. Just curious now that you've kind of settled in with the write downs, associated with Prospect, is that something you would expect to occur again on – at the end of a quarter? Or now that you kind of solidified what your write down numbers are, you kind of have much more sense of what your coverage is and you may not have to do that going forward?

Richard Steven Hamner
Executive Vice President, Chief Financial Officer & Director, Medical Properties Trust, Inc.
A

Well, in retrospect, Tayo, we didn't have to do it even at the end of the quarter. Had we not made that drawdown, we still had sufficient comfortable cushion even had we not done it. The reason we did it, as I said in my remarks was because we were still working on the impairment calculations.

And as it turned out, as I say, we had plenty of room even had we not done that. Kind of to answer your question going forward, [ph] would – it's (00:33:20) available to us. Banks are perfectly satisfied with it. It was the plan all along that this would give us that type of cushion should we need it. But there's no expectation as we sit here today that we will or will not need it. It depends on a number of things, frankly.

Omotayo Okusanya
Analyst, Deutsche Bank Securities, Inc.

Q

That's helpful. Thank you.

Operator: Thank you. And I will now turn the call back over to Ed Aldag for closing remarks.

Edward K. Aldag, Jr.
Chairman, President & Chief Executive Officer, Medical Properties Trust, Inc.

Bailey, thank you very much. I do have an unplanned comment I'd like to make. Over the last year of walking through the Steward bankruptcy, I've reflected on the different reactions and actions of the many different people involved. The bankruptcy process itself was obviously very painful. Those controlling the process didn't always have as their number one priority the patients or the communities. Some politicians use this as an opportunity to further their own political agendas as opposed to finding ways that we could all work together for the best outcomes of each community affected.

Steve has commented on the more than $100 million that MPT has put in voluntarily to help keep these hospitals open. But we haven't been alone in our fight to save these hospitals. And at the risk of inadvertently leaving someone out, let me do my best to call out some of the real heroes by name and some of those that I don't know their names.

Let me start Judge Marvin Isgur and Judge López of the Bankruptcy Court in Houston. They recognize that the process that was in place to find replacement operators for Steward hospitals wasn't working. And in August of last year, Judge Isgur invited me to Houston to look for a solution. He worked tirelessly to give MPT the opportunity to re-tenant these hospitals. He and we obviously didn't have much time starting in early September.

He literally worked 24 hours a day to find a solution that Judge López could approve. And then he worked with the parties for months to implement those solutions. But without Judge Isgur and Judge López, none of this would have been possible. I got to know Judge Isgur well over a five month period of time. He's an outstanding person and a terrific mediator and we appreciate all that he did for the people in all of the communities to ensure that these hospitals stayed open.

In Pennsylvania, I worked night and day with Judge Isgur and Deputy Attorney General, Jim Donahue to find solutions and share in Pennsylvania. Jim and Judge Isgur and I spent many hours late into the night in the holidays working to do what we could for Sharon. State Senator, Michele Brooks reached out to me to find ways that we could work together to find funding for the hospital there in Sharon. I can tell you her commitment to that community is truly second to none. And her willingness to work with MPT was very much appreciated.

In Ohio, I've gotten to know US Senator, Bernie Moreno. Senator Moreno reached out to me to work with MPT to find solutions for the two facilities there. Senator Moreno has been a breath of fresh air and a real pleasure to work with, and we both are working very hard to keep these two hospitals in Ohio open.

In Florida, Texas, Arizona and Arkansas while I don't know the names of the state officials there, but without exception the Attorney General offices, the Departments of Health and others have truly been can do people. People who jump through hoops to work with us and Judge Isgur to ensure their community hospitals stayed open. They offered help at every turn, not roadblock. And I'm truly sorry. I don't know their names to give them the credit they deserve.

While there have been people with personal agendas in other states, people who haven't wanted to let a crisis pass without using it for their benefit. Truly, the vast majority of the people that I came in contact with during this whole process are the true unsung heroes, and it's been my honor to work with each and every one of them. We look forward to moving forward from this point.

And again, we thank you all for being with us today. And if you have any additional questions, please don't hesitate to reach out to Tim and Drew. Thank you.

Operator: Ladies and gentlemen, that concludes today's call. Thank you for joining. You may now disconnect.