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NewGen Health to Acquire Genesis Nursing Homes in $1 Billion Bankruptcy Deal

By **Zahida Siddiqi** | January 21, 2026

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The sale of Genesis HealthCare's 175 nursing homes to NewGen Health for $1 billion was finalized in court late Tuesday. NewGen is a California-based provider of skilled nursing and other long-term care, which bid under the name 101 West State Street at the new auction on January 13.

A Genesis spokesperson told Skilled Nursing News that the company expects the transition of its assets to be finalized "this spring or later."

Concerns over fairness led to the failure of an insider-led bid in December and delayed the auction of

Genesis subsequently conducted a new auction after Judge Stacey Jernigan of the U.S. Bankruptcy Court for the Northern District of Texas pushed for greater transparency and rejected the earlier bid led by controlling shareholder Joel Landau and private equity firm ReGen Healthcare. That proposal would have allowed ReGen to retain control while reducing debts and malpractice claims, but creditors argued the process favored insiders.

NewGen's chief executive officer, Shawn Zhou, who had been present for last week's bidding and yesterday's sale hearing, testified Tuesday that Landau and other Genesis insiders were not involved in NewGen's acquisition of the company, according to a news report in Reuters.

Moreover, the latest sale process added extra steps to address creditor concerns, including releasing a public transcript and giving creditors and a mediator a more active role.

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Attorney John Anthony, who represents 345 people who have sued Genesis, said at the court hearing that the approved sale would let his clients and other junior creditors recover up to 30% of their claims, compared with just 17% under the failed insider deal, the Reuters report states.

Judge Jernigan emphasized that the new sale does not release legal claims against Genesis insiders.

Genesis, which filed for Chapter 11 in July last year, operates nursing homes and assisted living facilities across 18 states. The company carries over $2 billion in debt and faces more than 200 malpractice and wrongful death lawsuits, with $259 million tied to plaintiff claims. The company cited heavy expansion-related debt, staffing challenges, and numerous lawsuits over care quality.

Genesis leaders applauded the sale process in an emailed statement to SNN.

"Genesis HealthCare is pleased that the result of this competitive, court-supervised process reflects the value t[illegible] carefully b[illegible] statement read. "The court's approval of a sale to 101 W State Street Holdings, LLC, does not change our operations or services, and our teams remain focused on improving the lives we touch through the delive[illegible] everyday compassion."

thoughtful and collaborative transition with 101 W State Street Holdings, LLC, which we anticipate to be finalized this spring or later, prioritizing our residents, families, associates, communities and more who we serve every day," the statement note.

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Prior to joining SNN, Zahida Siddiqi covered financial news at the Dow Jones Newswires and taught writing at the University of Illinois-Chicago.

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