UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
--- OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 1999
or
TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
--- SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______________ to ______________

Commission file number 1-11316

OMEGA HEALTHCARE INVESTORS, INC.
(Exact name of Registrant as specified in its charter)

Maryland	38-3041398
(State of Incorporation)	(I.R.S. Employer Identification No.)

900Victors Way, Suite 350, Ann Arbor, MI 48108 (Address of principal executive offices)

(734) 887-0200
(Telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of September 30, 1999

Common Stock, $.10 par value	19,887,250
(Class)	(Number of shares)

OMEGA HEALTHCARE INVESTORS, INC.

FORM 10-Q

September 30, 1999

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PART II Other Information

PART 1 - FINANCIAL INFORMATION

Item 1. Financial Statements

OMEGA HEALTHCARE INVESTORS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In Thousands)

<TABLE>
<CAPTION>

	September 30 1999 (Unaudited)	December 31, 1998 (See Note)
ASSETS		
Real estate properties		
Land and buildings at cost	$ 721,445	$ 643,378
Less accumulated depreciation	(69,125)	(56,385)
Real estate properties - net	652,320	586,993
Mortgage notes receivable	251,911	340,455
	904,231	927,448
Other investments	60,196	41,753
Other real estate	76,834	-
	1,041,261	969,201
Assets held for sale	25,097	35,289
Total Investments (Cost of $1,135,483 at September 30, 1999 and $1,060,875 at December 31, 1998)	1,066,358	1,004,490
Cash and short-term investments	183	1,877
Goodwill and non-compete agreements - net	3,178	4,422
Other assets	15,343	21,856
Total Assets	$ 1,085,062	$ 1,032,645
LIABILITIES AND SHAREHOLDERS' EQUITY		
Acquisition lines of credit	$ 195,100	$ 123,000
Unsecured borrowings	311,131	311,570
Secured borrowings	21,510	21,784
Subordinated convertible debentures	48,405	48,405
Deferred purchase obligation	6,467	-
Accrued expenses and other liabilities	11,583	22,124
Total Liabilities	594,196	526,883
Preferred Stock	107,500	107,500
Common stock and additional paid-in capital	449,364	454,445
Cumulative net earnings	250,624	212,434
Cumulative dividends paid	(315,071)	(266,054)
Stock option loans	(2,796)	(2,863)
Unamortized restricted stock awards	(652)	(461)
Accumulated other comprehensive income	1,897	761
Total Shareholders' Equity	490,866	505,762
	$ 1,085,062	$ 1,032,645

</TABLE>

Note - The balance sheet at December 31, 1998, has been derived from audited consolidated financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

See notes to condensed consolidated financial statements.

OMEGA HEALTHCARE INVESTORS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

Unaudited

(In Thousands, Except Per Share Amounts)

<TABLE>
<CAPTION>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>
Revenues				
Rental income	$ 19,723	$ 19,602	$ 56,431	$ 55,602
Mortgage interest income	8,671	6,905	29,076	21,658
Other investment income	1,694	1,758	5,105	4,920
Other real estate income	951	-	951	-
Miscellaneous	264	169	530	448
	31,303	28,434	92,093	82,628
Expenses				
Depreciation and amortization	6,488	5,758	17,948	16,730
Interest	10,992	8,108	31,504	23,787
General and administrative	1,468	1,410	4,451	4,082
	18,948	15,276	53,903	44,599
Net earnings before gain on distribution of Omega Worldwide, Inc. and preferred stock dividends	12,355	13,158	38,190	38,029
Gain on distribution of Omega Worldwide, Inc	-	-	-	30,240
Net earnings	12,355	13,158	38,190	68,269
Preferred stock dividends	(2,408)	(2,408)	(7,224)	(5,786)
Net earnings available to common	$ 9,947	$ 10,750	$ 30,966	$ 62,483
Net Earnings per common share:				
Basic before gain on distribution	$ 0.50	$ 0.53	$ 1.56	$

				1.61
	======	======	======	======
Diluted before gain on distribution	$ 0.50	$ 0.53	$ 1.56	$ 1.61
	======	======	======	======
Basic after gain on distribution	$ 0.50	$ 0.53	$ 1.56	$ 3.13
	======	======	======	======
Diluted after gain on distribution	$ 0.50	$ 0.53	$ 1.56	$ 3.13
	======	======	======	======
Dividends paid per common share	$ 0.70	$ 0.67	$ 2.10	$ 2.01
	======	======	======	======
Average Shares Outstanding, Basic	19,872	20,173	19,872	19,979
	======	======	======	======
Average Shares Outstanding, Diluted	19,873	20,178	19,873	19,983
	======	======	======	======
Other comprehensive income (loss), net of taxes:				
Unrealized Gain on Omega Worldwide, Inc.	$ 36	$ (2,835)	$ 1,136	$ 3,096
	====	========	=======	=======
Total comprehensive income	$ 12,391	$ 10,323	$ 39,326	$ 71,365
	========	========	========	========

</TABLE>

See notes to condensed consolidated financial statements.

OMEGA HEALTHCARE INVESTORS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited
(In Thousands)

<TABLE>
<CAPTION>

	Nine Months Ended September 30,	
	1999	1998
	----	----
<S>	<C>	<C>
Operating activities		
Net earnings	$ 38,190	$ 68,269
Adjustment to reconcile net earnings to cash provided by operating activities:		
Depreciation and amortization	17,948	16,730
Income realized on assets held for sale	2,214	-
Other non-cash charges	385	946
Gain on distribution of Omega Worldwide	-	(30,240)
	-----	-------
Funds from operations available for distribution and investment	58,737	

		55,705
Net change in operating assets and liabilities	(4,134)	(16,418)
Net cash provided by operating activities	54,603	39,287
Cash flows from financing activities		
Proceeds (payments) of acquisition lines of credit	72,100	(44,000)
Proceeds from unsecured note offering	-	125,000
Proceeds from preferred stock offering	-	50,000
Payments of long-term borrowings	(274)	(217)
Receipts from Dividend Reinvestment Plan	1,878	1,331
Dividends paid	(49,017)	(45,227)
Purchase of 312,100 shares of common stock for retirement	(8,740)	-
Costs of raising capital	-	(3,390)
Other	431	1,204
Net cash provided by financing activities	16,378	84,701
Cash flow from investing activities		
Acquisition of real estate	(73,378)	(118,345)
Placement of mortgage loans	(22,944)	(12,000)
Proceeds from assets held for sale	7,829	-
Net proceeds from sale of Omega Worldwide shares	-	16,938
Fundings of other investments - net	(10,798)	(10,241)
Collection of mortgage principal	26,616	2,250
Other	-	(2,613)
Net cash used in investing activities	(72,675)	(124,011)
Decrease in cash and short-term investments	$ (1,694)	$ (23)

</TABLE>

See notes to condensed consolidated financial statements.

OMEGA HEALTHCARE INVESTORS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

September 30, 1999

Note A - Basis of Presentation

The accompanying unaudited condensed consolidated financial statements for Omega Healthcare Investors, Inc. (the "Company"), have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation

S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three-month and nine-month periods ended September 30, 1999, are not necessarily indicative of the results that may be expected for the year ending December 31, 1999. For further information, refer to the financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 1998.

Note B - Asset Concentrations

As of September 30, 1999, 89.6% of the cost of the Company's real estate investments ($973.4 million) is related to long-term care skilled nursing facilities, 4.9% to assisted living facilities, 2.4% to rehabilitation hospitals, and 3.1% to medical office facilities. These healthcare facilities are located in 30 states and are operated by 29 independent healthcare operating companies. Approximately 79.1% of the Company's total investments are operated by nine public companies, including Sun Healthcare Group, Inc. (24.7%), Integrated Health Services, Inc. (15.3%), Advocat Inc. (10.6%), RainTree Healthcare Corporation (f.k.a. Unison Healthcare Corporation) (7.8%), Genesis Health Ventures, Inc. (6.7%), Mariner Post-Acute Network (5.6%), Alterra Healthcare Corporation (3.2%) and two other public companies (5.2%). The two largest private operators represent 4.4% and 3.0% of investments, and no other operator represents more than 2.5% of investments. Total investments include Other Real Estate operated for the Company's own account (see Note C). The three largest states in which investments are located are Florida (14.1%), Texas (7.5%) and California (6.4%).

Note C - Portfolio Valuation Matters

In the ordinary course of its business activities, the Company periodically evaluates investment opportunities and extends credit to customers. It also is regularly engaged in lease and loan extensions and modifications. Additionally, the Company actively monitors and manages its investment portfolio with the objectives of improving credit quality and increasing returns. In connection with portfolio management, it engages in various collection and foreclosure activities. The Company believes its management has the skills, knowledge and experience to deal with such issues as may arise from time to time.

When the Company acquires real estate pursuant to a foreclosure proceeding, it is classified as "other real estate" and recorded at the lower of cost or fair value based on appraisal. Additionally, when a formal plan to sell real estate is adopted, the real estate is classified as "assets held for sale," with the net carrying amount adjusted to the lower of cost or estimated net realizable value. Based on management's current review of the lease and mortgage portfolio, no provision for impairment of leased assets or collection losses of mortgage principal is required as of September 30, 1999.

Assets Held For Sale

During 1998 management was authorized to initiate a plan to dispose of certain properties judged to have limited long-term potential and to redeploy the proceeds. As of September 30, 1999, the carrying value of assets held under plan for disposition total $25.1 million. During the three-month and nine-month periods ended September 30, 1999, the Company realized disposition proceeds of $1.0 million and $7.8 million, respectively. Reported net rental revenue for the 1999 three-month and nine-month periods excludes approximately $898,000 and $2.2 million, respectively, of income realized from these assets.

Other Real Estate

The Company owns 18 facilities with 1,665 beds located in three states, which are operated for its own account. The investment in this real estate is classified under Other Real Estate as of September 30, 1999. It includes 12 nursing homes located in Massachusetts and Connecticut with 1,259 licensed beds. The facilities were acquired by the Company on July 14, 1999 in lieu of foreclosure and are currently being managed by Genesis Healthcare. At September 30, 1999, the Company had invested approximately $70.4 million in these facilities. The Company presently is considering negotiating a lease with one or more new operators or selling the facilities. Income from these facilities approximated $850,000 for the period from July 15 through September 30, 1999.

Other Real Estate also includes six facilities with 406 licensed beds located in Indiana. Pursuant to the reorganization completed by RainTree Healthcare Corporation, formerly known as Unison Healthcare Corporation, the Company terminated its lease with respect to these six facilities. In exchange for terminating the lease, the Company received $1 million in cash and a $3 million secured note. Income realized for the three months ended September 30, 1999 was approximately $101,000.

Property Agreement with Sun Healthcare Group

On October 14, 1999, the Company completed a comprehensive property agreement with Sun Healthcare Group ("Sun") related to the 54 facilities leased by the Company to Sun. Immediately after the agreement was signed, Sun filed for Chapter 11 reorganization with the Federal Bankruptcy Court at Wilmington, Delaware and filed a motion with the Bankruptcy Court for authority to fulfill the terms of the comprehensive property agreement. The Federal Bankruptcy Court has set a November 12, 1999 hearing date with respect to the comprehensive property agreement. If approved, the agreement will confirm the existing economic terms of lease agreements between the Company and Sun with respect to 50 healthcare properties, representing $219 million in investments and $23.2 million in annual rental revenues. Four facilities involving an original investment of $19.8 million and annual rents of $2.1 million will be managed by new operators for the account of the Company if operating leases are not in place upon entry of the court order. As of the date of this report, the Company has arranged for the lease of one of these facilities with no substantive change to the rent and other terms of the lease as compared with the Sun lease. Pending the confirmation of the court order, the Company is considering its various options with respect to the remaining three facilities.

Purchase / Prepayment Options

The Company received notice from a mortgagor that it intends to prepay a mortgage balance of approximately $26 million. On September 30, 1999 the mortgagor received a commitment from HUD and it expects to complete the refinancing on or about November 30, 1999.

One tenant has exercised its purchase option to acquire three custodial care facilities and one skilled nursing facility leased from the Company, with a cost of $15.3 million and net carrying amount of $12.6 million. An appraisal process to establish the purchase price was completed on October 29, 1999, resulting in sales proceeds of $7.5 million. The sale is expected to close on or before November 10, 1999 and will result in the recognition of a loss of approximately $5 million during the fourth quarter of 1999.

Note D - Preferred Stock

During 1997, the Company issued 2.3 million shares of 9.25% Series A Cumulative Preferred Stock at $25 per share. During 1998, the Company issued 2 million shares of 8.625% Series B Cumulative Preferred Stock at $25 per share. Dividends on the preferred stock are cumulative from the date of original issue and are payable quarterly.

Note E - Net Earnings Per Share

Net earnings per share is computed based on the weighted average number of common shares outstanding during the respective periods. Diluted earnings per

share amounts reflect the dilutive effect of stock options (970 shares and 4,531 shares for the nine-month periods in 1999 and 1998, respectively). Assumed conversion of the Company's 1996 convertible debentures is antidilutive.

Note F - Omega Worldwide, Inc.

As of September 30, 1999 the Company holds a $7,362,000 investment in Omega Worldwide, Inc. ("Worldwide"), represented by 1,163,000 shares of common stock and 260,000 shares of Preferred stock. The Company has guaranteed repayment of $25 million of Worldwide permitted borrowings pursuant to a revolving credit facility in exchange for a 1% annual fee and an unused fee of 25 basis points. The Company has been advised that at September 30, 1999 no borrowings are outstanding under Worldwide's revolving credit facility. Additionally, the Company has a Services Agreement with Worldwide, which provides for the allocation of indirect costs incurred by the Company to Worldwide. The allocation of indirect costs is based on the relationship of assets under the Company's management to the combined total of those assets and assets under Worldwide's management. Indirect costs allocated to Worldwide for the three-month and nine-month periods ending September 30, 1999 were $186,000 and $580,000, respectively, compared with $152,000 and $303,000 for the same periods in 1998.

Note G - Shareholder Rights Plan

On May 12, 1999, the Company's Board of Directors authorized the adoption of a shareholder rights plan. The plan is designed to require a person or group seeking to gain control of the Company to offer a fair price to all the Company's shareholders. The rights plan will not interfere with any merger, acquisition or business combination that the Company's Board of Directors finds is in the best interest of the Company and its shareholders.

In connection with the adoption of the rights plan, the board declared a dividend distribution of one right for each common share outstanding on May 24, 1999. The rights will not become exercisable unless a person acquires 10% or more of the Company's common stock, or begins a tender offer that would result in the person owning 10% or more of the Company's common stock. At that time, each right would entitle each shareholder other than the person who triggered the rights plan to purchase either the Company's common stock or stock of an acquiring entity at a discount to the then market price. The plan was not adopted in response to any specific attempt to acquire control of the Company.

Note H - Subsequent Events

On October 19, 1999 the Board of Directors declared its regular quarterly dividend of $.70 per share to be paid November 15, 1999 to common shareholders of record on October 29, 1999. In addition, the board declared its regular quarterly dividends of $.578 per share and $.539 per share, respectively, to be paid on November 15, 1999 to Series A and Series B Cumulative Preferred shareholders of record on October 29, 1999.

Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations.

"Safe Harbor" Statement Under the United States Private Securities Litigation Reform Act of 1995. Statements contained in this document that are not based on historical fact are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements regarding the Company's future development activities, the future condition and expansion of the Company's markets, the Company's ability to meet its liquidity requirements and the Company's growth strategies, as well as other statements which may be identified by the use of forward-looking terminology such as "may," "will," "expect," "estimate," "anticipate," or similar terms, variations of those terms or the negative of those terms. Statements that are not historical facts contained in Management's Discussion and Analysis are forward-looking statements that involve risks and uncertainties that could cause actual results to differ from projected results. Some of the factors that could cause actual results to differ materially include: The financial strength of the Company's facilities as it affects the operators' continuing ability to meet their obligations to the Company under the terms of the Company's agreements with such operators; changes in the reimbursement levels under the Medicare and Medicaid programs; operators' continued eligibility to participate in the Medicare and Medicaid programs; changes in reimbursement by other third party payors; occupancy levels at the Company's facilities; the availability and cost of capital; the strength and financial resources of the Company's competitors; the Company's ability to make additional real estate investments at attractive yields; and changes in tax laws and regulations affecting real estate investment trusts.

Following is a discussion of the consolidated results of operations, financial position and liquidity and capital resources of the Company, which should be read in conjunction with the consolidated financial statements and accompanying notes.

Results of Operations

Revenues for the three-month and nine-month periods ending September 30, 1999 totaled $31.3 million and $92.1 million, respectively, an increase of $2.9 million and $9.5 million, respectively, over the periods ending September 30, 1998. The 1999 revenue growth stems primarily from new real estate investments of approximately $255.8 million during the twelve-month period ending September 30, 1999, offset by revenues of approximately $7.2 million from assets identified for sale. Additionally, approximately $1.0 million of revenue growth stems from participating incremental net revenues that became effective in 1999. As of September 30, 1999, gross real estate investments of $973 million have an average annualized yield of approximately 11.4%.

Expenses for the three-month and nine-month periods ended September 30, 1999 totaled $18.9 million and $53.9 million, respectively, an increase of $3.7 million and $9.3 million, respectively, over expenses for 1998. The provision for depreciation and amortization for the three-month and nine-month periods ended September 30, 1999 totaled $6,488,000 and $17,948,000, respectively, increasing $730,000 and $1,218,000 over the same periods in 1998. The increase for the three-month and nine-month periods relates to higher average real property investments and additions to other real estate stemming from foreclosure proceedings.

Interest expense for the three-month and nine-month periods ended September 30, 1999 was $11.0 million and $31.5 million, respectively, compared with $8.1 million and $23.8 million, respectively, for the same periods in 1998. The increase in 1999 is primarily due to higher average outstanding borrowings during the 1999 period at slightly lower rates than the same period in the prior year.

General and administrative expenses for the three-month and nine-month periods ended September 30, 1999 totaled $1.5 million and $4.5 million, respectively. These expenses for the three-month and nine-month periods were approximately 4.7% and 4.8% of revenues, respectively, as compared to 5.0% and 4.9% of revenues, respectively, for the 1998 periods.

Net earnings available to common shareholders were $9,947,000 and $30,966,000 for the three-month and nine-month periods in 1999, respectively, decreasing approximately $803,000 and $1,277,000 from the 1998 periods (excluding the non-recurring gain of $30.2 million in 1998). The decrease stems primarily from non-recognition of income from assets held for sale of $898,000 and $2,214,000 for the three-month and nine-month periods, respectively. Net earnings per diluted common share (excluding the non-recurring gain in 1998) decreased from $0.53 to $0.50 for the three-month period and decreased from $1.61 to $1.56 for the nine-month period as a result of the non-recognition of income on assets held for sale ($.04 per share for the three-month period and $.10 per share for the nine-month period), coupled with the effect of increased dividends from preferred stock issued in 1998. The decrease from these items is mitigated by the aforementioned asset growth and the reduction in average shares outstanding from the share repurchase program for the nine-month period.

Funds from Operations ("FFO") totaled $17,446,000 and $51,466,000 for the three-month and nine-month periods ending September 30, 1999, representing an increase of approximately $825,000 and $2,155,000 over the same periods in 1998. FFO is net earnings available to common shareholders, excluding any gains or losses from debt restructuring and the effects of asset dispositions, plus depreciation and amortization associated with real estate investments and charges to earnings for non-cash common stock based compensation.

No provision for Federal income taxes has been made since the Company intends to continue to qualify as a real estate investment trust under the provisions of Sections 856 through 860 of the Internal Revenue Code of 1986, as amended. Accordingly, the Company will not be subject to Federal income taxes on amounts distributed to shareholders, provided it distributes at least 95% of its real estate investment trust taxable income and meets certain other conditions.

Liquidity and Capital Resources

The Company continually seeks new investments in healthcare properties, primarily long-term care facilities, with the objective of profitable growth and further diversification of the investment portfolio. Permanent financing for future investments is expected to be provided through a combination of private and public offerings of debt and equity securities. Management believes the Company's liquidity and various sources of available capital are adequate to finance operations, fund future investments in additional facilities, and meet debt service requirements.

At September 30, 1999, the Company has a strong financial position with total assets of $1.1 billion, shareholders' equity of $490.9 million, and long-term debt of $381.0 million, representing approximately 35% of total capitalization. Long-term debt excludes funds borrowed by the Company under its acquisition credit agreements. The Company anticipates maintaining a long-term debt-to-capitalization ratio of approximately 40%. The Company has $250 million available under its revolving credit facilities, of which $195.1 million was drawn at September 30, 1999. During the remainder of 1999, the Company expects to receive approximately $35 million related to sale proceeds from the exercise of a lease/purchase option by a tenant and the prepayment of a mortgage.

On January 14, 1999, the Company's Form S-3 registration statement permitting the issuance of up to $300 million related to common stock, unspecified debt, preferred stock and convertible securities was declared effective by the Securities and Exchange Commission. Additionally, in February 1997, the Company filed a Form S-4 shelf registration statement with the Securities and Exchange Commission registering common stock totaling $100 million to be issued in connection with future property acquisitions.

The Company has demonstrated a strong capacity for access of capital markets and has raised more than $1.2 billion in debt and equity capital since it was organized in 1992. The Company raised more than $500 million in equity, including $130 million from the initial public offering in 1992, $73 million from a follow-on common stock offering in 1994, $165 million from the Health Equity Properties acquisition in 1994 and three additional offerings, including the offering of Series A and Series B Preferred Stock. Additionally, over $700 million of debt capital has been raised, some of which has been used to retire secured borrowings with higher interest rates. In 1996, the Company completed a placement of $95 million of 8.5% Convertible Subordinated Debentures due 2001, and executed an agreement to increase its current bank line of credit facility by $50 million and to extend the term of the revolving credit agreement to July 1999. In 1997, the Company issued $57.5 million of Series A Preferred Stock with a yield of 9.25% and completed a $100 million 10-year senior note offering priced to yield 6.99%. In September 1997, the Company completed the second amended and restated loan agreement. The new agreement provides for total permitted borrowings of up to $200 million, reduces interest rates on borrowings, and extends the term of the agreement to September 2000. In April 1998, the Company issued $50 million of Series B Preferred Stock with a yield of 8.625%. In June 1998, the Company completed a $125 million 4-year senior note offering priced to yield 7.04%. In March 1999 the Company entered into a three-year $50 million secured revolving line of credit facility with a bank.

Cash dividends paid totaled $2.10 per share for the nine-month period ending September 30, 1999, compared with $2.01 per share for the same period in 1998. The current $.70 per quarter rate represents an annualized rate of $2.80 per share. The dividend payout ratio, that is the ratio of per share amounts for dividends paid to the diluted per share amounts of funds from operations, was approximately 83.1% for the nine-month period ended September 30, 1999, compared with 83.4% for the same period in 1998. Approximately 50% of incremental cash flow from operations is expected to be retained annually through gradual reductions in the dividend payout ratio, with such funds used to fund additional investments and provide financial flexibility.

New investments generally are funded from temporary borrowings under the Company's acquisition credit line agreement. Interest cost incurred by the Company on borrowings under its revolving credit line facilities will vary depending upon fluctuations in prime and/or LIBOR rates. With respect to the unsecured acquisition credit line, interest rates depend in part upon changes in the Company's ratings by national agencies. The term of the $200 million unsecured facility expires on September 30, 2000. Borrowings under the facility bear interest at LIBOR plus 1.00% or, at the Company's option, at the prime rate. Borrowings under the $50 million facility bear interest at LIBOR plus 2.00% or, at the Company's option, at the prime rate. The Company expects to periodically replace funds drawn on the revolving credit facilities through fixed-rate long-term borrowings, the placement of convertible debentures, or the issuance of additional shares of common and/or preferred stock. Historically, the Company's strategy has been to match the maturity of its indebtedness with the maturity of its assets and to employ fixed-rate long-term debt to the extent practicable. Difficult capital markets continue to limit the Company's access to growth capital, and the Company is considering options to improve liquidity and strengthen its balance sheet. For example, if capital market conditions place limitations on the Company's access to traditional sources of capital, the Company expects to target real estate investments to sell as a source of additional liquidity and for payments of term obligations as they mature.

Year 2000 Compliance

The Year 2000 compliance issue concerns the inability of certain systems and devices to properly use or store dates beyond December 31, 1999. This could result in system failures, malfunctions, or miscalculations that disrupt normal operations. This issue affects most companies and organizations to large and small degrees, at least to the extent that potential exposures must be evaluated.

The Company has reviewed risks with regard to the ability of the Company's own internal operations, the impact of outside vendors' ability to operate, and the impact of tenants' ability to operate. The Company has focused this review on mission-critical operations, recognizing that other potential effects are expected to be less material. Based upon information available from technology vendors to date, the Company does not believe that there are issues which could have a material effect upon its operations with respect to its own internal operations, its technology infrastructure, information systems, and software. In those cases where there are compliance issues, these are considered to be minor in nature, and remedies are already identified. Expenditures for such remedies will not be material.

With respect to the Company's significant outside vendors, such as its banks, payroll processor, and telecommunications providers, the Company's assessment has covered the compliance efforts of significant vendors, the effects of potential non-compliance, and remedies that may mitigate or obviate such effects as to the Company's business and operations. Based upon its assessment of outside vendors, the Company does not believe that there are issues which could have a material effect upon its operations.

With respect to the Company's tenants and properties, the Company's assessment has covered the tenants' compliance efforts, the possibility of any interface difficulties or electromechanical problems relating to compliance by material vendors, the effects of potential non-compliance, and remedies that may mitigate or obviate such effects. Based upon responses from tenant surveys to date, the Company does not believe that there are tenant/property-related issues which could have a material effect upon its operations.

Because the Company's evaluation of these issues has been conducted by its own personnel or by selected inquiries of its vendors and tenants in connection with their routine servicing operations, the Company believes that its expenditures for assessing Year 2000 issues, though difficult to quantify, have not been material. In addition, the Company is not aware of any issues that will require material expenditures by the Company in the future.

Based upon current information, the Company believes that the risk posed by foreseeable Year 2000 related problems with its internal systems (including both information and non-information systems) is minimal. Year 2000 related problems with the Company's software applications and internal operational programs are unlikely to cause more than minor disruptions in the Company's operations. Year 2000 related problems at certain of its third-party service providers, such as its banks, payroll processor, and telecommunications provider, is marginally greater, though, based upon current information, the Company does not believe any such problems would have a material effect on its operations. For example, Year 2000 related problems at such third-party service providers could delay the processing of financial transactions and the Company's payroll, and could disrupt the Company's internal and external communications.

The Company believes that the risk posed by Year 2000 related problems with its tenants is marginally greater, though, based upon current information, the Company does not believe any such problems would have a material effect on its operations. Year 2000 related problems at certain governmental agencies and third-party payers could delay the processing of tenant financial transactions, though, based upon current information, the Company does not believe any such problems would have a material long-term effect on its operations. Year 2000 related problems with the electromechanical systems at its properties are unlikely to cause more than minor disruptions.

The Company has implemented identified remedies, will continue to monitor Year 2000 issues, and will develop contingency plans if, and to the extent, deemed necessary. However, based upon current information and barring developments, the Company does not anticipate developing any substantive contingency plans with respect to Year 2000 issues. In addition, the Company has no plans to seek independent verification or review of its assessments.

While the Company believes that it will be Year 2000 compliant by December 31, 1999, there can be no assurance that the Company will be successful in identifying and assessing all compliance issues, or that the Company's efforts to remedy all Year 2000 compliance issues will be effective such that they will not have a material adverse effect on the Company's business or results of operations.

The information above contains forward-looking statements, including, without limitation, statements relating to the Company's plans, strategies, objectives, expectations, intentions and adequate resources that are made pursuant to "Safe Harbor" provisions of the Private Securities Litigation Reform Act of 1995. Readers are cautioned that forward-looking statements about the Year 2000 should be read in conjunction with the Company's disclosures under the heading: "Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits - The following Exhibits are filed herewith:

Exhibit	Description
3.1	Articles of Amendment to the Company's Articles of Incorporation, as amended
27	Financial Data Schedule

(b) Reports on Form 8-K - None were filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OMEGA HEALTHCARE INVESTORS, INC.
Registrant

Date: November 2, 1999 By: /s/ESSEL W. BAILEY, JR.

Essel W. Bailey, Jr.
President

Date: November 2, 1999 By: /s/DAVID A. STOVER

David A. Stover
Chief Financial Officer

Exhibit 3.1

OMEGA HEALTHCARE INVESTORS, INC.

ARTICLES OF AMENDMENT

OMEGA HEALTHCARE INVESTORS, INC., a Maryland corporation having its principal office c/o The Corporation Trust Incorporated, 32 South Street, Baltimore, Maryland 21202 (hereinafter called the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: The charter of the Corporation is hereby amended by striking out Section 1. of Article IV in its entirety and inserting in lieu thereof the following:

ARTICLE IV
CAPITAL STOCK

Section 1. The total number of shares of capital stock which the corporation shall have authority to issue is One Hundred Ten Million (110,000,000) , of which One Hundred Million (100,000,000) shall be shares of Common Stock having a par value of $.10 per share and Ten Million (10,000,000) shall be shares of Preferred Stock having a par value of $1.00 per share. The aggregate par value of all of said shares shall be Twenty Million Dollars ($20,000,000). Prior to the increase, the aggregate par value of all said shares was Fifteen Million Dollars ($15,000,000).

SECOND: The board of directors of the Corporation, at a meeting duly convened and held on January 19, 1999, adopted a resolution in which was set forth the foregoing amendment to the charter, declaring that the said amendment to the charter was advisable and directing that it be submitted for action thereon at a meeting of the stockholders of the Corporation to be held on April 20, 1999.

THIRD: Notice setting forth the aforesaid amendment of the charter and stating that a purpose of the meeting of the stockholders would be to take action thereon, was given as required by law to all stockholders of the Corporation entitled to vote thereon. The amendment of the charter of the Corporation as hereinabove set forth was approved by the stockholders of the Corporation at said meeting by the affirmative vote required by law.

FOURTH: (a) The total number of shares of all classes of stock of the Corporation heretofore authorized, and the number and par value of the shares of each class were as follows.

Common Stock	Par Value
50,000,000	$.10 per share

Preferred Stock	Par Value
10,000,000	$1.00 per share

(b) The total number of shares of all classes of stock of the Corporation as increased, and the number and par value of the shares of each class, are as follows:

Common Stock	Par Value
100,000,000	$.10 per share

Preferred Stock	Par Value
10,000,000	$1.00 per share

(c) The aggregate par value of all shares of all classes of stock of the Corporation heretofore authorized was $15,000,000. The aggregate par value of all shares of all classes of stock as increased by this amendment is $20,000,000. This amendment has the effect of increasing the aggregate par value of all shares of all classes of stock of the Corporation by $5,000,000.

IN WITNESS WHEREOF, the Corporation has caused these presents to be signed in its name and on its behalf by its Vice-President and its corporate seal to be hereunto affixed and attested by its Secretary,

THE UNDERSIGNED, Vice-President acknowledges these Articles of

Amendment to be the corporate act of the Corporation and states that to the best of his knowledge, information and belief the matters and facts set forth therein with respect to the authorization and approval thereof are true in all material respects and that this statement is made under the penalties of perjury.

Attest: OMEGA HEALTHCARE INVESTORS, INC.

s/s: Susan A. Kovach By: s/s David A. Stover [SEAL]

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Susan Allene Kovach, Secretary David A. Stover, Vice President

[Affix corporate seal]

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