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## **THOMAS HEALTH FILES CHAPTER 11 TO ADVANCE RESTRUCTURING OPTIONS**

*South Charleston, WV*— After exploring strategic options on an out-of-court basis, Thomas Health’s Board of Directors has voted to seek protection under Chapter 11 to advance its strategic alternatives, including restructuring options to address its long-term debt. Chapter 11 will provide Thomas Health with the opportunity to not only lessen its debt burden but also strengthen the system’s ability to meet the new health care payment realities and ensure its future.

Thomas Health is not closing its doors and there are no planned changes to employment, services, or how we deliver care to our patients. The Chapter 11 process will not affect enrollment of patients or employers in healthcare plans in 2020. This strategic step allows Thomas Health to align its operations with the realities of the current healthcare industry and meet the ongoing health care needs of the communities it serves.

Thomas Health officials have been publicly discussing these challenges for several years and have made significant changes within its organization that have saved the health system millions of dollars. For example, Thomas Health has merged duplicative services between Thomas Memorial and Saint Francis Hospital; consolidated both IT systems to an integrated platform; and built more affordable care clinics for non-emergent patients.

Thomas Health’s financial challenges are largely beyond its control:

1. West Virginia continues to see a significant decrease in commercially-insured patients.

2. Medicaid, Medicare and PEIA continue to reimburse at levels below what it costs hospitals to provide such services.
3. Many patients are not able to afford their deductibles; although Thomas Health works with patients to pay for their deductibles through payment plans.
4. Opioid/Substance Use Disorder treatment costs are significant and often exceed corresponding reimbursement.

“By addressing our debt structure now, we can secure the long-term future of Thomas Health. This is not a Thomas Health-only problem. Many hospital systems throughout the country are experiencing financial challenges and are now taking similar actions. We appreciate our community’s support as we continue serving the best interests of our patients, employees, physicians and all those whose livelihoods will be positively impacted by Thomas Health’s mission to each of communities that we proudly serve,” said Dan Lauffer, CEO, Thomas Health.

Throughout the Chapter 11 reorganization process, Whiteford Taylor & Preston, LLP serves as legal counsel, SOLIC Capital Advisors, LLC serves as investment banking and restructuring advisor, and Force 10 Partners serves as financial advisor to Thomas Health.

*Thomas Health is a partnership built on the strengths between Thomas Memorial Hospital and Saint Francis Hospital, bringing over 100 years of compassionate quality health care to the Kanawha Valley. Thomas Health is the trusted, personal choice for wellness and quality care, focused on optimal individual health. Thomas Health offers a range of patient focused service lines creating value for patients, physicians and payers through committed healthcare professionals delivering a compassionate exceptional patient experience, superior clinical outcomes and fiscal stewardship to enhance the health and wellness of the communities we serve.*