

# Filing Announcement FAQ

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## OVERVIEW

### **1. What is Randolph Health announcing?**

Randolph Health has filed a petition for relief under Chapter 11 of the United States Bankruptcy Code to resolve its debt and secure a partner or successor health system for Randolph County. Chapter 11 protection is the next milestone in a planned process to maintain local health care access. This step – which we’ve talked about for some time now – supports the ongoing work to protect local health care access and meet the unique needs of this community.

### **2. Why is Randolph Health filing for Chapter 11? Why did Randolph Health have to take this action?**

The challenges of today’s health care industry across the country and here in North Carolina led Randolph Health to begin a journey almost three years ago to explore various options to protect local health care. We have undertaken significant efforts to strengthen our financials, identify a long-term path forward and ultimately protect Randolph County’s health care future. This important work to secure our health care future continues. Randolph Health is filing for Chapter 11 to resolve its debt and secure a partner or successor health system for Randolph County.

### **3. What has Randolph Health done so far to secure the future of health care?**

We have undertaken significant efforts to protect Randolph County’s health care future.

- Randolph Health has improved its operating margin by \$9.3 million in FY 2019 and continues to perform well financially in the first quarter of FY 2020.
- Additionally, engagement continues with important key stakeholders, including City, County and State government officials, Cone Health and additional potential health care partners.
- These ongoing efforts are focused on working toward implementing a new innovative model of care. In this new model, a successor to Randolph Health would ultimately become the new health care provider in Randolph County and sustain local access for the long-term.
- The Rural Health Stabilization Program passed by the state legislature provides an important avenue that would support the continuation of local health care services while the new model is being put in place.

This important work to secure our health care future continues.

### **4. What is Chapter 11?**

Chapter 11 is the reorganization chapter of the U.S. Bankruptcy Code and has been used by many hospitals and other businesses across the country. Chapter 11 does not mean close of business, and Randolph Health continues to operate under the normal course of business. This step supports Randolph Health’s ongoing work to preserve health care by resolving the system’s debt and helping us to secure a partner that will meet the needs of the community we serve.

### **5. Is Randolph Health closing / Is Randolph Health going out of business?**

No. Chapter 11 does not mean close of business, and Randolph Health continues to operate under the normal course of business. Chapter 11 protection is an important next step that supports our ongoing work to protect local health care access.

**6. How will this process affect day-to-day operations?**

Randolph Health is operating under normal course of business. During this process, Randolph Health is providing the same quality care by the same experienced physicians and nurses in the same location. During this restructuring process and our continued work to secure the future of health care, Randolph Health's doors remain open, and patients continue to depend on the care employees and physicians provide.

**7. What does this mean for patients?**

Delivering the exceptional, compassionate care patients need and deserve always has been, and continues to be, Randolph Health's number one priority. Nearly 150,000 Randolph County residents depend on local health care, and they will continue to receive high-quality care during this process. Randolph Health is operating under normal course of business and is providing the same quality care by the same experienced physicians and nurses in the same location. Patients will have the same access to their health care provider and services with no interruption of care. If there are any unanticipated changes, patients will be notified with plenty of time to plan their care.

**8. Can we expect the same level of services from Randolph Health and its employees?**

Yes. During this process, Randolph Health is providing the same quality care by the same experienced physicians and nurses in the same location. Randolph Health will continue to serve all patients with exceptional care and provide health care access to this community during this process. Patients will have the same access to their health care provider and services with no interruption of care. If there are any unanticipated changes, patients will be notified with plenty of time to plan their care.

**9. Are we cutting any services? Will any of Randolph Health's hospitals or clinics close or services be affected?**

No. Randolph Health is operating under normal course of business. During this process, Randolph Health is providing the same quality care by the same experienced physicians and nurses in the same location. Randolph Health will continue to serve all patients with exceptional care and provide health care access to this community during this process. Patients will have the same access to their health care provider and services with no interruption of care. If there are any unanticipated changes, patients will be notified with plenty of time to plan their care.

**10. What happens next / When do you expect to complete the Chapter 11 process?**

Debt restructuring is simply the next step in the process to ensure local health care access here in Randolph County. The work continues, including a full exploration of all options, ongoing conversations with Cone Health and the potential loan available through the Rural Health Stabilization Program. As always, our efforts to preserve our health care future are focused on a deliberate and thoughtful process that keeps patients, employees and caregivers first in mind. Our number one priority is to do everything we can to protect health care in this region for all those who depend on us. We expect the process to be completed this year.

**11. I have additional questions. How can I learn more?**

We are committed to being transparent throughout this process and will continue to provide patients, employees and the community with more information regarding the process as it develops. To learn more about this process, please visit our website [www.randolphhealth.org](http://www.randolphhealth.org).