

## Frequently Asked Questions

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### 1. What is being announced?

The Board of Directors and the leadership team at Randolph Health are pleased to announce that Randolph Health has an agreement with a new buyer, American Healthcare Systems, LLC, to acquire substantially all of Randolph Health's operating assets.

### 2. Why is this happening?

Recently, Randolph Health finalized an agreement with The DAVA Foundation, Inc. to acquire substantially all of Randolph Health's operating assets and for Java Medical Group to manage our new organization. The agreement was subject to bankruptcy court approval.

Part of the bankruptcy court approval process included an opportunity for other organizations to submit bids to purchase some or all of Randolph Health's operating assets. Multiple qualified bids were submitted. In such situations, the next step in the bankruptcy process requires an auction to take place between the qualified bidders.

### 3. What happened at the auction?

It is important to understand that Randolph Health and its advisor team conducted the auction process according to Court-approved rules and procedures. Our expert advisor team was in charge of running the auction, and together with Randolph Health's leadership determined which of the qualified bidders was ultimately determined the winner.

The bankruptcy process is confidential until a winner is determined. Today, we are pleased to share that American Healthcare Systems, LLC, is the successful bidder. American Healthcare Systems will acquire substantially all of Randolph Health's operating assets and will oversee our new organization's operations, working closely with the local leadership team. This new agreement replaces the previous agreement with The DAVA Foundation and will now progress through the remaining aspects of the bankruptcy process with the goal to finalize the purchase transaction no later than early in the first quarter of 2021. This plan is subject to final bankruptcy court approval and other requirements must be met to close this deal.

### 4. Why American Healthcare Systems?

American Healthcare Systems, LLC, founder Mike Sarian has extensive expertise in health care management. He is a former executive with Prime Healthcare, an award-winning health care operator with a significant track record of success and operates 46 hospitals and more than 300 outpatient locations in 14 states. During his time at Prime Healthcare, Mr. Sarian's focus was on the revival of healthcare facilities in distressed financial situations.

The agreement with American Healthcare Systems will keep the hospital open, ensuring continued local access to the health care services that Randolph County residents have today while preserving the jobs of Randolph Health employees.

An advantage to this agreement with American Healthcare Systems is partnering with an organization that has extensive expertise in health care management and a willingness to commit the capital to invest in the aging facility infrastructure and new equipment. We are encouraged by the progress we are making toward preserving access to local, high-quality health care for years to come.

**5. How will patients be impacted? Will services close?**

The commitments in the agreement ensure local access to high-quality health care services in Randolph County, including a sustainable acute-care hospital with inpatient beds and other services that are essential to our community's health including labor and delivery, emergency care, inpatient services, outpatient services, imaging, surgical care, home health, primary care, specialty care, services provided at Randolph Cancer Center and StayWell Senior Care, and more.

**County's Role**

**6. What is the County's role?**

Randolph Health has been working closely with the leaders of Randolph County and the City of Asheboro to help secure the future of the hospital. This work is particularly important because of Randolph County's opportunity to access funds through the Rural Health Care Stabilization Act (RHCSA). The RHCSA establishes a dedicated fund for eligible financially distressed hospitals to transition to sustainable, efficient and appropriately sized health care service models.

The \$20 million available for capital improvement and operational needs through the RHCSA is a necessary piece in helping to ensure continued access to local health care. As a result of American Healthcare Systems' successful bid to acquire Randolph Health's assets, the Randolph County Commissioners will consider updating the County's application to access the RHCSA funds available through the State of North Carolina to reflect this important development in Randolph's process.

**Next Steps**

**7. What are the next steps?**

While we continue to progress through the necessary steps in the bankruptcy process, it is important to know that nothing changes today. Randolph Health – including all services and clinics – remains open and will continue to operate as usual. Patients will continue to see the physicians and providers and access services as they do today, while Randolph Health continues to move through the necessary steps in the bankruptcy process and seeks the Court's approval of the transaction.

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