
Coshocton Hospital Enters Chapter 11 in Anticipation of a Sale Transaction to a National Healthcare System

June 30, 2016

Coshocton County Memorial Hospital announced today that the organization has filed for protection under Chapter 11 of the U.S. Bankruptcy Code. This action was taken to enable the organization to sell its assets and operations to its proposed new owner, the Prime Healthcare Foundation, a 501(c)(3) public corporation, free of liens and encumbrances. Throughout the Chapter 11 process and through the eventual sale to the new buyer, the hospital, with all of its employees and clinical staff, will remain open, providing full acute care and outpatient services.

Over the past several years, Coshocton Hospital has faced increased competition, significant debt and the compounding effects of healthcare reform. In order to combat these challenges and ensure long-term success as a full service acute care hospital, it has been determined that a strategic combination with a larger, nationally recognized healthcare provider is necessary.

As part of the filing, Prime Healthcare Foundation and Coshocton Hospital have executed an asset purchase agreement. Prime Healthcare's agreement includes significant investment in facilities, equipment and capital upgrades to maintain the organization as an acute care, not-for-profit facility and further secure its long-term position as the leading provider of comprehensive healthcare services to residents throughout Central Ohio. Also, pursuant to the purchase agreement with Prime, Coshocton Hospital is able to pursue and evaluate competing bids from other healthcare providers during the bankruptcy reorganization process.

The Prime Healthcare Foundation is affiliated with Prime Healthcare, a national hospital management company based in California with nearly 43,000 employees operating 43 acute care hospitals in 14 states. Prime Healthcare's commitment to clinical excellence and its unique physician-led model of healthcare delivery has helped make it the "fastest growing hospital system" in the U.S. according to Modern Healthcare and led to multiple patient safety and clinical quality accolades, including being named Top 15 Health System in the Nation three times by Truven Health Analytics. Prime Healthcare has a history of preserving and transforming financially distressed hospitals into thriving community assets and remains dedicated to "Saving Hospitals, Saving Jobs, and Saving Lives."

"We are not immune to the financial pressures that rural hospitals nationwide are facing, but we remain resolute in our commitment to maintaining a full service hospital in Coshocton County," said Coshocton Hospital CEO Lorri S. Wildi. "We appreciate our community's support as we continue serving the best interests of our patients, employees, physicians and all those whose health and livelihoods will be positively impacted by maintaining a hospital serving our communities."

Coshocton Hospital, with its employees and clinical staff, remains open providing a full array of healthcare services to Coshocton County and surrounding communities.

The parties anticipate the bankruptcy court will review in early July the process for Coshocton Hospital to pursue and evaluate other bids, with a sale hearing date in late September, and an estimated closing date of no later than December 31, 2016.

Throughout the Chapter 11 reorganization process, McDonald Hopkins LLC serves as legal counsel and **SOLIC Capital Advisors, LLC serves as financial and restructuring advisor to Coshocton County Memorial Hospital.**

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