



## **Pipeline Health Charts Path Forward Amidst Industry-Wide Financial Challenges**

### *Purposeful Restructuring Strategy Focuses on Uninterrupted Service to Patients*

Pipeline Health System, LLC, announced Oct. 3 that it has filed a petition for relief under Chapter 11 protection of the United States Bankruptcy Code in the Southern District of Texas.

The Chapter 11 process will provide Pipeline the flexibility and resources to continue operations and care for patients as it evaluates and implements purposeful strategies to enhance efficiency and chart a long-term, sustainable path forward.

Through these efforts, Pipeline and its hospitals remain open and focused on helping to ensure access to quality, compassionate care for the communities served.

As part of the restructuring process, Pipeline will continue to operate under the normal course of business during the Chapter 11 proceedings.

Pipeline Health has seven hospitals in three states, each one serving diverse underserved communities for decades. These hospitals include: Weiss Memorial Hospital and West Suburban Medical Center in Chicago; White Rock Medical Center in Dallas; and four hospitals in the Los Angeles area – Memorial Hospital of Gardena, Coast Plaza Hospital, Community Hospital of Huntington Park, and East Los Angeles Doctors Hospital.

Importantly, Pipeline is taking the necessary steps to ensure that its obligations to employees continue to be satisfied. The hospital system will continue to pay salaries and fees, and purchase supplies and equipment during this process. Pipeline has secured financial commitments to ensure that the health system continues to operate during the Chapter 11 process.

The decision to restructure Pipeline’s operations has been driven by the significant, industry-wide financial challenges that have been exacerbated by the Covid-19 pandemic, including skyrocketing labor and supply costs, decreased ability to generate revenue, and delayed payments from various insurance plans for critical patient care services already delivered.

“We intend for the restructuring process to allow our hospitals to remain open and operating in their communities, while putting the hospital system in a more secure and sustainable financial position going forward,” explained Pipeline CEO Andrei Soran. “Our employees and physicians across the organization have a long tradition of caring for patients in their communities, and our goal is for that care to continue.”



Soran continued, “As we move ahead, our patients, team members, vendors and communities can expect ongoing and transparent updates on our progress. It’s important to know that our patients do not need to reschedule appointments as a result of today’s announcement.”

Pipeline officials emphasized that during the Chapter 11 process they will continue to pursue all available options to complete the planned sale of the two Chicago hospitals to Resilience Healthcare as approved by the Illinois Health Facilities and Services Review Board on June 7, 2022.

If the buyer is unable to close the sale, Pipeline plans to undertake a marketing process to identify other potential buyers.

Patients, community members, employees and others with questions can call 800-764-6401, visit <https://dm.epiq11.com/PipelineHealth> or email [pipelinehealth@epiqglobal.com](mailto:pipelinehealth@epiqglobal.com) for more information.

Organizations or individuals who believe they may have a prepetition claim or an administrative claim for goods and services provided to Pipeline Health may need to file a proof of claim with the Bankruptcy Court to be eligible for payment on their claim. These individuals can visit Pipeline’s detailed claims website at <https://dm.epiq11.com/PipelineHealth> for more information.

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