

PHILADELPHIA ACADEMIC HEALTH SYSTEM, LLC VENDOR FAQ

Q. What was announced?

A. On June 30, 2019, Philadelphia Academic Health System, LLC, the parent company of Hahnemann University Hospital and St. Christopher's Hospital for Children, and certain of its subsidiaries and related physician practices (together, PAHS), filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the District of Delaware. This action was taken to:

1. Enable an orderly wind down of the operations of Hahnemann University Hospital that, at the same time, upholds patient safety and preserves maximum value.
 2. Facilitate a restructuring or sale of St. Christopher's Hospital for Children.
- In conjunction with this process, PAHS is exploring potential strategic alternatives to maximize value for the benefit of its stakeholders.
 - Prior to the Petition Date, PAHS issued WARN Act notices to Hahnemann University Hospital employees and began the process of shutting down Hahnemann University Hospital.
 - PAHS has obtained debtor-in-possession financing in an amount that will allow us to continue operations and pay suppliers and vendors for goods and services provided on or after the filing date. We intend to meet our post-filing obligations in the ordinary course.

Q. What is Chapter 11?

A. Chapter 11 is the section of the U.S. Bankruptcy Code that allows a company to reorganize its operations and implement a financial restructuring through a court-supervised proceeding while continuing to operate their business.

Q. Why did PAHS file for Chapter 11?

A. Due to the deteriorating financial condition of Hahnemann University Hospital and its related physician practices, it is no longer sustainable to continue hospital operations. The closure of Hahnemann University Hospital was announced on June 26, 2019.

Bankruptcy and the closure of Hahnemann will enable PAHS to focus resources on the restructuring of St. Christopher's Hospital for Children and its related physician practices as it continues to operate in the ordinary course of business. With a strong reputation and world-class clinical expertise, PAHS remains confident in St. Christopher's ability to deliver value for the benefit of its stakeholders.

Q. How long will PAHS be in Chapter 11?

A. It is unclear how long this process will take but our goal is to move the process as quickly as possible.

Q. Will Hahnemann go out of business?

A. Yes, closure was announced on June 26, 2019. A gradual and orderly wind down of hospital operations has begun with an expected closing date on or about September 6, 2019.

Q. Will St. Christopher's go out of business?

A. No. St. Christopher's Hospital for Children remains open. Its operations will continue by-and-large in the ordinary course of business during this court-supervised process.

Q. Are the hospitals for sale?

A. PAHS has been seeking strategic alternatives to maximize value for the benefit of its stakeholders, including marketing assets.

PAHS believes that St. Christopher's Hospital for Children and its related physician practices are viable and valuable entities that can be preserved and reorganized through a restructuring or sale pursuant to section 363 of the Bankruptcy Code or a chapter 11 plan. That is not the case for Hahnemann University Hospital and its related physician practices, which PAHS has concluded are not viable or saleable as a going concern.

Q. How will the bankruptcy process affect day-to-day operations at St. Christopher's?

A. St. Christopher's Hospital for Children is a financial restructuring and their operations will continue by-and-large in the ordinary course of business during this court-supervised process.

Q. How will the bankruptcy process affect day-to-day operations at Hahnemann?

A. A gradual wind down of the operations of Hahnemann University Hospital has begun conjunction with a comprehensive closure plan. The hospital is expected to close on or around September 6, 2019.

Q. Does PAHS have sufficient liquidity to meet its business obligations?

A. We have sufficient liquidity to run our business throughout the court-supervised process.

PAHS has received a commitment for debtor-in-possession financing from its existing lender. This financing, combined with access to cash generated by the company's ongoing operations, is available to meet PAHS's operational needs and enable PAHS to continue operating our business, including paying vendors for all goods received and services provided to PAHS on or after the filing date.

Q: Will vendors be paid for goods and services delivered before the filing date?

A. We sincerely regret any hardship this may cause, and you will receive instructions regarding how to file a proof of claim for any pre-petition amounts owed to you. Payments on these pre-petition claims will be settled as part of a plan of reorganization, which must be accepted by stakeholders in accordance with the requirements of the Bankruptcy Code and approved by the Bankruptcy Court. We cannot say with certainty when you should expect payment on account of your pre-petition invoices. However, goods and services delivered after the filing date can and will be paid in full.

Q. Will you pay invoices for goods ordered before the Chapter 11 filing that are received after the Chapter 11 filing?

A. The key factor for determining whether a particular invoice is payable is not the date of the order or invoice, but the date when PAHS took ownership of the goods.

Q. Will vendors need to change their contracts to continue working for PAHS and subsidiaries?

A. No changes are necessary for you to continue working with either Hahnemann University Hospital or St. Christopher's Hospital for Children.

Q. Can vendors renegotiate or terminate the terms of their contracts with PAHS?

A. PAHS will maintain relationships with vendors and we expect our vendors to continue to honor existing agreements. If you have a contract with PAHS, bankruptcy laws require that you continue to perform services or provide products under that agreement unless otherwise ordered by the court. We are committed to the partnership we have developed with your organization and will continue to work closely with you throughout this process. We are committed to caring for our patients in a safe environment and your continued cooperation and supply of goods and services is vital to our ongoing business and the ability to continue working together.

Q. Can I take back my goods?

A. It is against the law to take back goods from a company that has filed for Chapter 11 without following the applicable procedures under the Bankruptcy Code.