

Philadelphia Academic Health System, LLC  
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**For Immediate Release**

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## **Philadelphia Academic Health System, LLC Commences Voluntary Chapter 11 Bankruptcy Proceedings**

**PHILADELPHIA - June 30, 2019** - Philadelphia Academic Health System, LLC, (PAHS), and certain of its subsidiaries, including Hahnemann University Hospital and St. Christopher's Hospital for Children, and related physician practice groups today voluntarily filed for Chapter 11 protection in the United States Bankruptcy Court for the District of Delaware (the "Court").

PAHS announced the closure of Hahnemann earlier this week. "Today's action will ensure an orderly wind down of the operations of Hahnemann, while assuring patient safety," said Allen Wilen, Chief Restructuring Officer for PAHS. "It will also facilitate a restructuring of St. Christopher's which will enable it to remain in full operation," he said.

"Let me be clear. This was not our first choice," Mr. Wilen added. "For months leading up to this announcement, PAHS held dozens of meetings with various parties, seeking funding and a way for Hahnemann to remain open. Unfortunately, none of these efforts resulted in a viable financial solution," Mr. Wilen said.

"Patient safety continues to be our number one priority," said Mr. Wilen. "We are implementing a comprehensive closure plan and working with the Pennsylvania Department of Health to ensure a smooth transition of patients and services."

PAHS' existing lender is providing debtor-in-possession ("DIP") financing that will be available upon Court approval. The financing, combined with access to cash generated by the Company's ongoing operations, will support PAHS' operational needs after the petition date.

While assisting Hahnemann to execute an orderly closing, today's filing will ensure the strength and continued operation of St. Christopher's. "After thoroughly examining all financial alternatives, our management team concluded that seeking Chapter 11 bankruptcy for St. Christopher's is the best path forward. It will enable the hospital to explore strategic alternatives for restructuring," Mr. Wilen added.

St. Christopher's Hospital is one of the nation's leading providers of pediatric services in the Philadelphia area. It has 188 pediatric beds; 1,900 employees; and numerous clinics, providing a comprehensive range of pediatric specialties and sub-specialties. As an academic medical center, St. Christopher's supports academic programs at Drexel University College of Medicine, Lewis Katz School of Medicine at Temple University, and Albert Einstein Healthcare Network.

### **Advisors**

Saul Ewing Arnstein & Lehr, LLP, is serving as restructuring counsel, SSG Capital Advisors, LLC, is serving as investment banker and EisnerAmper LLP is serving as restructuring advisor to Philadelphia Academic Health System, LLC (PAHS).

### **About Philadelphia Academic Health System, LLC**

Philadelphia Academic Health System, a subsidiary of Philadelphia Academic Health Holdings, LLC, is the owner of Hahnemann University Hospital and St. Christopher's Hospital for Children.