

Navigating Distressed Transactions

COVID-19 is expected to trigger a spate of healthcare bankruptcies in 2020, and charting the right path to preserve healthcare is critical.

Prior to the pandemic, many hospitals were exhibiting signs of economic distress, with healthcare bankruptcies comprising almost 10 percent of all corporate bankruptcies in 2018. The crisis, however, has exacerbated financial positions across the entire provider ecosystem – from for-profit and not-for-profit hospitals to health services companies – accelerating the need for change - and smart partnerships.

Fully realizing the benefits of such transactions requires careful articulation of the “why,” clear communication through deal close and deep understanding of how to navigate political and emotional stakeholder relations to secure critical buy-in as the transaction unfolds.

We can help.

Our firm is the national leader in healthcare transaction communications and has unparalleled experience working through bankruptcy filings, mergers, acquisitions and affiliations undertaken to preserve healthcare in communities across America. Through strategic communications, we help you generate understanding of the rationale and urgency for these transactions, so your stakeholders can move forward in lockstep with you and achieve the benefits of the effort.



Our expertise covers:

- » Buy Side
- » Sell Side
- » Joint Ventures
- » Bankruptcy
- » Restructuring

Clients span the spectrum of healthcare organizations, including:

- | | | | |
|---|---------------------------------|---|-------------------------------|
|  | Not-for-profit health systems |  | Investor-owned health systems |
|  | Behavioral health companies |  | Post-acute companies |
|  | Academic medical centers |  | Large physician groups |
|  | Ambulatory healthcare companies |  | Other provider organizations |

Trusted strategic communications consulting
devoted to healthcare providers.

JARRARD
A CHARTIS GROUP COMPANY

PHILLIPS
CATE &
HANCOCK

Examples of Our Work

Community Hospital Files for Chapter 11 Bankruptcy

CHALLENGE Following financial mismanagement, increasing pressure from rising costs of care and changing payment models, a small hospital was forced to move forward with filing Chapter 11 in order to complete an acquisition by a larger hospital corporation.

SOLUTION Our campaign team's strategy created an environment conducive to the Chapter 11 filing. Together, we educated employees, physicians and the community about what the filing meant for stabilizing healthcare in the region.

RESULT The hospital moved through the Chapter 11 process quickly. We then helped hospital leadership facilitate a successful partnership with the new operator. Integration was successful: The hospital is better positioned for success, and the community is aligned with the long-term vision for the quality of care.

Rural System Buys Time and Improves Balance Sheet

CHALLENGE A cherished rural health system faced threats to its financial stability due to industry headwinds, regional socioeconomic decline, an aging infrastructure and declining volume and market share from its regional population of 150,000. With bankruptcy on the horizon, a partnership search was not fruitful. Closure in the near-term seemed imminent.

SOLUTION We developed a robust grassroots-to-grassroots campaign focused on preserving local healthcare. Externally, leadership and advocates met with government officials and local leaders. Internally, employees and physicians were engaged with cadenced communication that kept morale in check, turnover rates low and created ambassadors for the cause.

RESULT The health system extended its timeline with the bank – filing for Chapter 11 a year later than expected – and is operating from a stronger position. While still exploring partnership options, the system improved its operating margin by \$9.3 million, has maintained a stable inpatient census and secured the potential option of financial support through a state loan program.

Continuing Care Retirement Community Grows through Debt Restructuring

CHALLENGE A Continuing Care Retirement Community (CCRC) was forced to restructure its long-term debt. Through Chapter 11, it was critical to gain community understanding of the process, retain existing residents and maintain a healthy sales pipeline.

SOLUTION Our campaign messaging focused first on current residents, the most significant influencers of community perception. We leveraged a group of resident ambassadors and armed an internal team with a communication plan and tools that were closely coordinated with external marketing efforts.

RESULT Public perception of the CCRC remained positive and several prospective new residents signed contracts during the Chapter 11 process. The organization emerged in a financial position poised for long-term stability for the organization and for residents.

Interested in learning more?

Contact Us:

NASHVILLE 615.254.0575

CHICAGO 312.419.0575

JARRARDINC.COM

JARRARD
A CHARTIS GROUP COMPANY

PHILLIPS
CATE &
HANCOCK