



Statement Regarding FCHS Chapter 9 Filing March 2, 2020

Faith Community Health System (FCHS) filed Chapter 9 on February 29th, taking advantage of a financial mechanism that provides FCHS with leverage against insurance companies that owe FCHS millions of dollars in unpaid health care claims. FCHS leadership assures the public that it is not closing and has no intention of closing. It will be business as usual for FCHS.

This strategic financial move only affects the insurance companies and a couple of large lenders. It will not affect vendors doing business with FCHS, patients, employees or taxpayers. For all of them, it will be business as usual. There will be no interruption of services provided by FCHS, or the quality and level of care for our patients. This process will provide FCHS with the best pathway forward, positioning FCHS for continued future growth.

The FCHS Board of Directors unanimously voted on February 24th to approve the filing of Chapter 9 measures to protect the future of healthcare in Jack County and the surrounding region, while simultaneously stopping ongoing legal disputes with insurance companies that owe FCHS for unpaid health care claims.

At a time when rural hospitals are in jeopardy, commercial insurance companies continue to rack up unprecedented profits. Our battle is not unusual as rural hospitals around the country continue to close, or are in jeopardy of closing, due to in part to the insurance companies intentionally slow-paying or denying payments to rural facilities for valid claims.

Over the past four years, two hospitals have closed within 30 miles of FCHS – Bridgeport and Bowie. In addition, the hospital in Graham has ended its obstetric services. Without FCHS, there would be a gap in obstetric and other essential services for a large portion of the region, spanning a nearly 50-mile radius.

FCHS has been an example of what rural healthcare can achieve with the right vision and board leadership. Cumulatively, healthcare in Jack County has flourished into a thriving health system that supports not only local residents, but also those in a five-county region. The FCHS Board of Directors is committed to providing high quality health care and services to our region, while operating in a cost-efficient manner.

Frank L. Beaman, Chief Executive Officer
Faith Community Health System