

**MARTIN GENERAL HOSPITAL WEEKLY UPDATE
SEPTEMBER 15, 2023**

**Dawn Carter – Is our hired Consulting firm and these
are ideas/plans she submitted**

Martin General Hospital Update and Next Steps

Martin County leaders recognize that Quorum's decision to file bankruptcy for Williamston Hospital Corporation (the entity of Quorum that leased and operated Martin General Hospital) and close Martin General Hospital is a very unfortunate situation for our county and has generated questions about the future of local healthcare. The County is doing its best to work through a complex situation, with the goal of finding a sustainable solution to healthcare access for area residents. Moving forward, Martin County has hired Ascendient, a nationally recognized healthcare strategy and feasibility consultant, to help explore and evaluate different options for Martin General Hospital if the appointed bankruptcy trustee rejects the lease of the hospital building as part of the bankruptcy.

Background

- Rural hospitals are facing challenges across the country, and Martin General was no exception. These hospitals have been experiencing financial struggles exacerbated by the pandemic, including nursing and provider shortages that have decreased the number of available services.

- Previously, the Martin County Board of Commissioners hired Ascendient to examine healthcare in the community and find ways to ensure local healthcare continues to remain accessible.

- Earlier in 2023, Ascendient compiled a report outlining the current state of Martin General Hospital and potential future

opportunities—including different models of care and additional funding sources. That report revealed several different options for the provision of care in Martin County in the future.

Updates

- Recently, a bankruptcy trustee was appointed by Delaware’s bankruptcy court to oversee the assets held by Williamston Hospital Corporation. The hospital and all its assets are currently under the full management and control of this bankruptcy trustee.
- It is up to the trustee to decide whether to sell the rights to the lease that is valid through 2028 or to reject the lease and allow the County to resume control over the physical hospital building.
- The trustee has indicated he is likely to reject the lease and turn over control of the hospital building to the County. However, until the trustee’s official decision is made, Martin County cannot make any decisions regarding the hospital's future. What we can do is continue planning for the future of healthcare in Martin County.
- Martin County’s goal has been and will continue to be ensuring local access to sustainable, high quality care for Martin County residents and the surrounding community.

Frequently Asked Questions

I heard that Quorum offered Martin County the chance to buy back the hospital. Why didn’t they?

- For several reasons, Quorum’s offer to Martin County was not sufficient to ensure the responsible, successful operation of the hospital. **Quorum would** have kept virtually all the hospital’s funds, and we estimate it would have required well over \$10 million in new working capital funds to operate the hospital until a new buyer could be found, which would have put Martin County in a difficult position financially. Other terms in the offer were also unfavorable.

For example, there was no due diligence period to determine the state of the hospital's affairs before the County had to take control. Additionally, Martin County lacks hospital management experience—therefore an experienced operator is needed to ensure patient care is not negatively impacted.

Where can I go for care now that the hospital is closed?

- The nearest emergency room is ECU Health Beaufort Hospital in Washington, NC is 22 miles south.
- The following clinics remain open to care for patients: Martin Family Medicine, Agape Health Services.

How long will the trustee be in control of Martin General Hospital?

- The bankruptcy trustee's primary role is to take control of Williamston Hospital Corporation's assets and determine how best to sell those assets to pay the hospital's creditors— this may include selling the rights to the lease that is valid through 2028 or rejecting the lease and allowing the County to resume control over the hospital building.
- The trustee has indicated he is likely to reject the lease and turn over control of the hospital building to the County but has not made a final decision as of now. Ascendant and the County must wait for the bankruptcy trustee in Delaware to make a final decision about the lease before we can take any further action.

Where can I go to remain up to date?

- Please visit <https://martincohealth.com> to sign up to receive updates.

Notice of Assets and Proofs of Claim

Ben Eisner is an Attorney hired by Martin County

On September 8th, the Clerk of Court for the Bankruptcy Court of Delaware issues a Notice that There are Assets from Which a Dividend Might be Paid to Creditors (the “Notice”). A copy of the Notice is attached for reference.

The Notice provides information for creditors on certain deadlines for the filing of proofs of claim in the Williamston Hospital Corporation Chapter 7 Case.

If you have any questions about the filing of proofs of claim, please contact the Chapter 7 Trustee, Don Beskrone. Further information may be found on the Bankruptcy Court’s website (District of Delaware | United States Bankruptcy Court (uscourts.gov)). For specific questions and/or legal advice, you should seek legal counsel

Cody Hand – is a hired Lobbyist assisting with the Rural Emergency Hospital legislation

“This week, legislative leaders broke up for the week after the House walked away from a vote on casinos and video slot machines, a key “must have” for the Senate. To my knowledge, there is nothing that was agreed to without the Casinos, and the Senate has signaled that they will not accept that. Nothing has changed on our front. Other rumors are that they have cleared the impasse and will return soon to vote. When I hear more, I will let you know.

This week, legislative leaders broke up for the week after the House walked away from a vote on casinos and video slot machines, a key “must have” for the Senate. To my knowledge, there is nothing left on the debate but that issue. The House has sworn to come back next week to pass another budget that is basically what was agreed to without the Casinos and the Senate has signaled that they will not accept that **left on the debate but that issue. The House has sworn to come back next week to pass another budget.”**

1. HOSPITAL APPEARANCE

On this past Thursday (September 14th) a group was able to tour the hospital to assess the condition, equipment, supplies, security and utility usage that may be required to operate the building once the Bankruptcy Trustee abandons the property. In essence to have a workable plan. In actuality, we are in the process of changing the insurance coverage to Martin County Government, Water, Electricity, Phone and Security as well.