



## **FOR IMMEDIATE RELEASE**

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### **Heywood Healthcare Files for Chapter 11 Protection**

**Gardner, MA, (October 2, 2023)** - Heywood Healthcare is dedicated to the health and well-being of the residents and communities it serves, and takes great pride in the work we do. "Heywood Hospital has stood independently for 116 years, while navigating national and local challenges, which include Heywood being one of the lowest commercially reimbursed hospitals in Commonwealth. Athol Hospital has operated for 73 years, and remains a hallmark critical access hospital. Though our health system has stood the test of time, we are not impervious to financial challenges," stated Tom Sullivan, co-CEO of Heywood Healthcare.

In the midst of the pandemic, Heywood Healthcare and community hospitals across the Country were adversely affected by workforce and supply chain challenges and the revenue shortfalls it caused. Heywood Healthcare was also impacted by a costly and lengthy electronic medical record (EMR) transition, while managing its aging infrastructure, and engagement in a milestone construction project, also significantly impacted by the current economic landscape.

Over the past few months, Heywood Healthcare has made significant progress. Strong volume, responsible fiscal management, excellent operational stewardship, robust revenue cycle work and a dedicated workforce has contributed to improving its financial performance. However, low reimbursement rates and the impact of the aforementioned events have contributed to a substantially challenging operational infrastructure.

With a focus on long-term viability, Heywood Healthcare took a major step to address many of the financial and operational business challenges adversely impacting the health system and hindering its sustainability and ability to explore new affiliation opportunities.

To better position itself to address these challenges and to regain stability, it has voluntarily filed a petition with the U.S. Bankruptcy Court for the District of Massachusetts for protection under Chapter 11 of the Bankruptcy Code, otherwise known as "Reorganization".

Co-CEO Thomas Sullivan explains, Chapter 11 protection or "Reorganization" is a strategic



business measure that provides the necessary framework and process to address historical and pressing fiscal challenges. This path enables us to continue to provide essential healthcare services to our community, while restructuring historical financial obligations.”

This is an unprecedented time in the history of Heywood Healthcare. “Access to quality healthcare in the Gardner and Athol areas remains our utmost priority. We are committed to our community, our patients, our medical staff and our employees. Core hospital services will continue to operate as usual. We are grateful for the support from our state leadership and for the open communication with our legislators and city leadership. In the days and weeks ahead, Heywood Healthcare will continue to provide exceptional patient-centered care and remain laser-focused on operational stability” - Rozanna Penney, co-CEO, Heywood Healthcare.

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Heywood Healthcare is apprised of Heywood Hospital, a 134-bed acute care community-owned non-profit hospital in Gardner, MA; Athol Hospital, a 25-bed not-for-profit, Critical Access Hospital in Athol, MA; Heywood Medical Group, with primary care physicians and specialists located throughout the region.

Heywood Medical Group includes multiple satellite facilities throughout the region: Ashburnham Family Medicine, Heywood Rehabilitation Center, Summit Family Medicine, Main Street Primary Care & Heywood Urgent Care in Gardner, the Winchendon Health Center & Murdock School-based Health Center in Winchendon, Athol Primary Care, Tully Family Medicine and Walk-In Care in Athol, and ACES School Based Health Center, in Athol. For more information, visit [www.heywood.org](http://www.heywood.org).