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**Empire Health Foundation and Community Health Systems Reach a
\$72 Million Settlement in Cash Payments and Debt Relief for Patients**

*As much as \$50 million in hospital debt is eliminated for
thousands of former patients of CHS Deaconess Medical Center and
CHS Valley Hospital and Medical Center*

Spokane, WA (October 8, 2019) – Empire Health Foundation (EHF) today announced the settlement of its lawsuit against Community Health Systems, Inc. (CHS), the for-profit Nashville, Tennessee-based company that owned CHS Deaconess Medical Center (Deaconess) and CHS Valley Hospital and Medical Center (Valley) from October 31, 2008 to June 30, 2017. Under the terms of the settlement, CHS will immediately discharge certain uncollected hospital debt of thousands of former patients of the two hospitals, estimated as high as \$50 million with at least \$23.5 million still within the six-year statute of limitations for collection.

Former patients with qualifying debt who still owe money to CHS for hospital services received at Deaconess or Valley between November 1, 2008 and June 30, 2017 will receive a letter informing them of the elimination of their debt, the amount discharged, and the date it was released. The letter will be sent by November 30, 2019. This debt discharge is automatic and patients are not required to take any action to have their hospital debt eliminated.

The settlement resolves a lawsuit pending in federal court in Spokane, *Empire Health Foundation v. CHS/Community Health Systems, Inc., et al*, filed by EHF against CHS in June 2017. EHF alleged that CHS failed to comply with state law and its own purchase agreement in its provision of charity care to patients of Deaconess and Valley. Specifically, EHF, which had the right to enforce CHS’s contract to purchase the two hospitals, alleged that CHS had breached its contractual obligation to make “reasonable efforts” to provide charity care to the community at levels that met or exceeded the eastern Washington regional average.

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CHS will also pay \$20 million in cash to the Empire Health Community Advocacy Fund, a new foundation incorporated as an IRC §501(c)(4) organization which will partner with EHF to improve health outcomes for people in eastern Washington. Lastly, the settlement includes a payment of \$2 million to EHF for legal fees and costs of litigation.

“The Settlement Agreement is a win for all involved. Thousands of former CHS patients will receive hospital debt relief and a new partner, the Empire Health Community Advocacy Fund, will work in tandem with EHF to improve the health of the region,” said Jeffrey Bell, Interim President of Empire Health Foundation. “I applaud Antony Chiang, the former President of EHF, who had the foresight to identify this issue, and EHF’s Board of Directors for undertaking the risks involved in this high-stakes litigation to benefit the community.”

“This settlement will deliver historic and lasting benefits to our community,” said Empire Health Foundation Board Chair, Mary Selecky. “EHF’s Board of Directors could not be prouder of the results of this case.”

EHF was represented by Sirianni Youtz Spoonemore Hamburger, a Seattle law firm that has brought other lawsuits to enforce access to hospital charity care. “This case should send a strong message to hospitals that ignore their contractual and legal obligations to provide medically necessary care to the uninsured, underinsured and disadvantaged people in our state,” said Rick Spoonemore, legal counsel for Empire Health Foundation. “Turning people away from necessary medical care or crushing them with medical debt is both bad medicine and bad policy.”

“The Court explicitly recognized the right of the Foundation to seek remedies on behalf of the community it serves,” said Eleanor Hamburger, legal counsel for Empire Health Foundation. “This important precedent provides communities around the state and across the country with a powerful tool to ensure compliance with charity care obligations.”

For more information about the lawsuit and the settlement agreement, including information for former patients of CHS Deaconess and Valley Hospitals about the debt release, please go to <http://www.syshlaw.com/empire-chs-settlement>. Former patients who receive a debt discharge letter from CHS are encouraged to contact their own legal counsel or call 1-844-787-8822 to receive no-cost legal consultation, provided by Northwest Justice Project of Spokane, related to the debt relief process, credit fixing and any related tax implications. Northwest Justice Project is receiving a grant from EHF to provide this service.

ABOUT EMPIRE HEALTH FOUNDATION

Empire Health Foundation is a private health foundation based in Spokane, Washington with philanthropic assets totaling approximately \$76 million. Through partnerships with key community leaders, government agencies and nonprofit organizations, EHF seeks to move the dial equitably, measurably and sustainably on health by investing in improvements in health outcomes, strengthening health systems, growing physician supply, building nonprofit capacity and advancing health equity.

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