



Employee FAQ

*If your question is not included below, please call the following hotline so that we can escalate your inquiry appropriately. Please call **1-888-249-2741** or visit <http://www.kccllc.net/verityhealth>.*

- 1. Is Verity Health System bankrupt?** Verity and its hospitals have filed voluntary petitions for protection under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Central District of California – Los Angeles Division.

The purpose of this filing is to facilitate a court-supervised sale of some or all of the hospitals.

We are seeking protection and pursuing a sale process in order to preserve the original mission of these hospitals - providing high-quality care to patients in underserved communities to the maximum extent possible.

Patient care remains our top priority and will be unaffected. Chapter 11 protection does not mean close of business. Importantly, as part of this process, we've secured additional financing that will allow us to continue to provide patient care, support employees, and serve the community.

- 2. Why is Verity Health System doing this now?** As we announced on July 9th, Verity's board, leadership team, financial and legal advisors have been conducting a thorough, diligent process of evaluating various strategic options to address the issues facing the System.

We have chosen the best possible outcome for our hospitals' patients, employees and communities. Verity and its hospitals have filed voluntary petitions for protection under Chapter 11 of the United States Bankruptcy Code, in order to facilitate a court-supervised sale of some or all of the hospitals. We are seeking protection and pursuing a sale process to preserve the original mission of these hospitals - providing high-quality care to patients in underserved communities to the maximum extent possible.

- 3. Did my hospital get sold to a new buyer?** There is no sale to announce yet, but Verity has begun the process. Verity and its affiliates have filed voluntary petitions for protection under Chapter 11 of the United States Bankruptcy Code, with the intent to sell all or some assets to buyers who can ensure the longevity of these important historical institutions and make sure they continue to serve the communities that need them the most.
- 4. Will I lose my pension?** We know our employees will be very concerned about retirement plans. / We are happy to confirm that: **retirement pension payments will continue throughout the bankruptcy; and Verity will make pension contributions as required by law.**

Since Verity was founded in 2015, we are proud to say that we have invested more than \$160 million in company funded retirement, the largest amount to-date in the history of these hospitals.



Retirement plans differ person-to-person. We encourage you to work directly with your retirement plan administrator / service provider. If you have questions, your HR team can direct you to the right information on your provider.

As the process continues, we will share more information as it becomes available and work closely with employees to ensure they have the latest information.

- 5. Am I going to lose my job?** Chapter 11 protection does not mean close of business. Importantly, as part of this process, we've secured additional financing that will allow us to continue to provide patient care, support employees, and serve the community. We have secured additional financing of up to \$185 million (called "debtor-in-possession" financing, or DIP financing). This financing enables us to continue to care for patients, pay employee wages and salaries, and honor employee benefits and other workforce obligations, including health benefits, vacation pay, paid holidays and paid sick time.
- 6. Will I still get paid during this process?** Yes. Chapter 11 protection does not mean close of business. Importantly, as part of this process, we've secured additional financing that will allow us to continue to provide patient care, support employees, and serve the community. Your role in the future success of the hospital is critical. We greatly value your contribution and continued commitment.
- 7. How long will this take?** This is just the beginning of a long process. This is just the announcement of the filing. We will keep you as updated as possible on next steps, including court approval and the sale process.
- 8. What should I tell patients who may be concerned?** Providing excellent care to the patients we serve remains our utmost priority. If a patient has additional questions and concerns, you can direct them to our website or direct them to our hotline, so we can escalate their inquiry appropriately. The number is **1-888-249-2741** or visit **<http://www.kccllc.net/verityhealth>**.
- 9. What should I do if a vendor contacts me and is asking about the status of their contract or payment?** Please direct all vendor questions about the filing and its impact on any contracts to our hotline. The number is **1-888-249-2741** or visit **<http://www.kccllc.net/verityhealth>**.
- 10. Where can I get more information if my questions haven't been answered here?** We will be hosting a series of employee forums to provide more information and answer questions. In the meantime, you can view Verity's press release on the website or reach out to HR.