



## Greenwood Leflore Hospital

# Employee Update

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We are providing this update on the hospital's efforts to stabilize both its short- and long-term operations.

In the short term, the hospital continues to seek relief from Medicaid recoupments announced in June 2025. To date, Medicaid has recouped \$2.5 million in payments that would otherwise have been received by the hospital. An additional \$5.0 million remains at risk. The hospital is actively challenging these recoupments through administrative processes and court proceedings.

Looking ahead, the hospital is in negotiations with a large healthcare system to transfer all of its services to that organization. The goal is to complete this transaction later this summer.

These recoupments are significantly affecting the hospital's ability to fund its operations, and there is no guarantee that negotiations with the larger system will be successful.

To help ensure the hospital can continue providing services during this period, a Chapter 9 bankruptcy filing is under consideration. This step would allow operations to continue while efforts to complete a transaction are ongoing.

As a result, we are issuing notice under the WARN Act today, which you will receive separately from this update. The WARN Act requires employers to notify employees of a potential closure or significant workforce reduction that results in loss of employment. This could occur if services are transferred to the larger system, if the hospital ceases operations entirely, or if a substantial portion of operations is closed.

The hospital reserves the right to amend the WARN Act notice and revise the effective date as additional information becomes known and as it continues to assess its financial condition. This assessment includes the potential positive impact of bankruptcy on preserving cash reserves, fluctuations in inpatient admissions and outpatient visits and their associated revenues, the timing of payments from government programs, and the availability of new financing sources.

We want to express our deepest gratitude to every member of our hospital workforce for your unwavering commitment during these challenging financial times. Your dedication, resilience, and compassion have ensured that our patients continue to receive the care they need, even in the face of uncertainty. Thank you for your loyalty, your perseverance, and the vital role you play every single day.