



An Open Letter to the Vendors of Copper Basin Medical Center:

Status as of 10/02/2017:

Copper Basin Medical Center (CBMC) ceased hospital operations effective Sunday, October 1, 2017 at 7:00 am. No hospital services including inpatient, outpatient, diagnostic laboratory, or emergency care will be provided at this location until further notice. The Patient Accounts office and the Medical Records office will remain open to receive payments on accounts and to fulfill medical record information requests.

As most of our vendors know, CBMC has for a significant period had difficulty in paying vendor invoices for the various medical and other supplies and services furnished. Many vendors have had to wait well beyond the usual and customary remittance period for payment for many years. Most have been patient and have worked with us to keep us supplied.

However, CBMC's cash flow situation never improved on a consistent basis. In addition, CBMC has incurred additional debt related to unpaid payroll taxes during late 2016 and early 2017. This situation compounded with numerous other factors too lengthy to expound here only led to the recent decision that the best course of action is to cease operations and close the facility. Obviously, this will negatively impact all of our vendors to whom we are obligated. Unfortunately, many of our vendors will not receive full payment, some will not receive any future payment. Details regarding liquidation and final disbursement have not been finalized. CBMC has not filed for bankruptcy protection, but may consider doing so.

Additionally, CBMC still owes approximately \$22,000 in employee payroll from 9/22/2017, and will owe approximately \$90,000 for the payroll period that ends 9/30/2017, and payable to employees on 10/6/2017. These remaining employee payroll obligations will receive payment preference over amounts due to vendors.

Copper Basin Medical Center has served the Copper Basin and the surrounding east Polk County communities of Copperhill, Ducktown, Turtletown (TN) and McCaysville (GA) for more than 60 years. Originally built in 1954 with the donations from the area copper miners and their very own labor, CBMC grew into a vital part of a thriving community offering the full array of general hospital services including obstetrics. After the last copper mine closed in 1987, CBMC and the community has seen their ups and downs adapting to the loss of its primary industry. Over the years, the health care industry has advanced and changed dramatically with how services are accessed and delivered. Unfortunately, like many other small rural hospitals in the Southeastern United States, CBMC has not been able to attract the investment necessary to adapt to these industry changes. Compounded with declining patient visits, mounting debt, and reimbursement reductions, CBMC, like many other rural hospitals, had no choice but to cease operations.

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