

# Tower Health Press Release

## PRESS RELEASE

### **Tower Health Board Charts Path Forward, Including Plan to Develop Strategic Alliance with Penn Medicine**

*The independent organizations will work together to enhance healthcare delivery across the region*

West Reading, Pa. – July 30, 2021 – After several months of careful exploration and due diligence, Tower Health’s Board of Directors has decided that the system can best chart its path forward by developing a strategic alliance with Penn Medicine. As a separate organization, Tower Health will also continue its work to improve its clinical and financial operations.

The Tower Health Board has signed a non-binding Letter of Intent (LOI) to begin the process of developing an alignment model with Penn Medicine based on its renowned reputation for clinical excellence, compassionate care, leadership in research and innovation, and commitment to the community.

Tower Health’s financial turnaround has achieved positive momentum since March, as operational improvements have taken hold and patient volumes have returned to pre-pandemic levels. Today’s announcement comes at the conclusion of a months-long process by the Tower Health Board to consider all possible options to secure a bright future for the organization.

“Among our criteria for considering a strategic alliance as one possible path forward, the Board wanted to find a compatible health system that shares our patient-focused values and represents an opportunity to not only stabilize, but strengthen the care we deliver,” said Tom Work, Chair of Tower Health’s Board of Directors. “Penn Medicine is one of the premier healthcare systems in the country, embodying all of the key attributes we were looking for in a strategic affiliation. We are excited to work together to finalize the terms of our alliance.”

In the LOI, Tower Health and Penn Medicine have agreed to establish an Affiliation Steering Committee, with equal representation from both organizations, that will take approximately six months to evaluate potential areas of collaboration. No additional details will be released during this time.

It is important to emphasize that a strategic alliance is not a merger. Tower Health is not being purchased by Penn Medicine. It is a relationship between separate organizations focused on the joint development of innovative programs and initiatives that provide exceptional care and value and a high-quality patient experience. These are goals that both organizations share.

“Both Penn Medicine and Tower are committed to providing the very best care for patients in the regions we serve together,” said University of Pennsylvania Health System CEO Kevin B. Mahoney. “With this shared goal as our chief mission, forming a stronger alliance would allow us to work together to develop new approaches for delivering superior, cost effective and accessible patient care in our local communities.”

“From our Board to our dedicated physicians, caregivers, and administrative and support staff, everyone at Tower Health has worked incredibly hard to achieve this positive milestone. We are stabilizing and strengthening our health system for decades to come,” said P. Sue Perrotty, president and CEO of Tower Health. “This marks just the beginning of the next chapter of Tower Health as we remain steadfast in implementing our ongoing turnaround initiatives. Penn Medicine is a unique, world-class health system with outstanding leadership and clinical expertise, and we are incredibly optimistic about our future and the services that our strategically affiliated organizations have the potential to provide.”

### **About Tower Health**

Tower Health is a strong, regional, integrated healthcare provider/payer system that offers leading-edge, compassionate healthcare and wellness services to a population of 2.5 million people. With approximately 14,000 team members, Tower Health consists of Reading Hospital in West Reading; Brandywine Hospital in Coatesville; Chestnut Hill Hospital in Philadelphia; Jennersville Hospital in West Grove; Phoenixville Hospital in Phoenixville; Pottstown Hospital in Pottstown; and St. Christopher's Hospital for Children, a partnership of Tower Health and Drexel University in Philadelphia. It also includes Reading Hospital Rehabilitation at Wyomissing; Reading Hospital School of Health Sciences in West Reading; home healthcare services provided by Tower Health at Home; and a network of 25 urgent care facilities across the Tower Health service area. Tower Health offers a connected network of 2,200 physicians, specialists, and providers across more than 230 convenient locations. For more information, visit [www.towerhealth.org](http://www.towerhealth.org).

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