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March 17, 2025

The Hon. Stacey G. Jernigan
Bankruptcy Court Judge for the Texas Northern Bankruptcy Court
ND Texas Bankruptcy Court
1100 Commerce Street, Room 1254
Dallas, TX 75242-1496

Re: Case number: 8:25-bk-80002 - Prospect Medical Holdings, Inc. - Texas Northern Bankruptcy Court

## Dear Judge Jernigan:

During the status hearing in the Prospect Medical Holdings, Inc. Bankruptcy proceeding referenced above on March 11, 2025, you asked questions about Delaware County, Pennsylvania, the County served by Crozer Hospital and Taylor Hospital, the last two operating hospitals in the Crozer System, which is owned by the Debtor. As elected officials who serve the County on the Delaware County Council and in the Pennsylvania General Assembly, we wanted to answer your questions and provide some local context as to why a closure of the Crozer Health System would represent such a dire situation for our community.

First, Delaware County has a population of 576,720 according to the 2024 US Census Bureau estimate. Delaware County is the fifth most populous county of the 67 counties in Pennsylvania. Until April of 2022, it was the largest county in the United States by population without a public health department. While Delaware County has some areas of great wealth, Crozer is located in Upland Township adjacent to the City of Chester, a municipality that filed for bankruptcy in 2022 after decades of financial distress. Like many economically distressed urban areas, it grew as an industrial city through the first half of the Twentieth Century and suffered as manufacturing declined. Its remaining industrial sites include a refinery, a sewage treatment plant and a trash incinerator.

Second, while Delaware County is large in population, it is relatively small in geographic area. It is the third smallest county in the Commonwealth in terms of size, consisting of 184 square miles. It is the second most densely populated county in Pennsylvania, with a combination of old growth municipalities and sprawling newer subdivisions. Our county is vibrant and complex, consisting of 49 municipalities. A portion of the campus of Crozer Chester Medical Center is on the National Historical Register, as Martin Luther King, Jr attended Crozer Theological Seminary there. Delaware County has a wide range of income and health disparities. Many people served by the Crozer Health System reside in communities with low to moderate income levels and have a higher population of persons of color.

Finally, you asked about the number of hospitals that will remain in Delaware County if Crozer and Taylor close.

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- Closure of Crozer Chester Medical Center and Taylor Hospital would reduce the number of
  hospitals serving Delaware County communities from four to two (a micro hospital with an
  emergency room and 10 inpatient beds is in development in Aston Township, approximately 27
  minutes by car from the current Crozer emergency room). The closure would impact the
  thousands of individuals that reside 5 miles and more from a hospital.
  - Our two non-Crozer hospitals (Riddle Hospital/Main Line Health and Mercy Fitzgerald Hospital//Trinity) are already facing significant financial and resource constraints after Crozer closed its first two hospitals in the county (Delaware County Memorial Hospital and Springfield Hospital). The cascading impact of more financial burdens on the two remaining hospitals could be catastrophic.
  - The Crozer Regional Trauma Center at Crozer-Chester Medical Center is the only trauma center in Delaware County, treating more than 2,000 trauma patients every year. If Crozer Chester Medical Center closes, it is of huge concern that we will see increases in fatalities in trauma victims who will need to travel longer distances for critical care.
- Crozer's Emergency Medical Services (EMS) cover approximately 50% of Delaware County. We cannot stress enough the concerns we have about the impact of the loss of these EMS services. In Pennsylvania, EMS response areas are directed by municipalities. EMS is not organized at the regional level or county level but municipality by municipality. Some Delaware County municipalities have formal agreements for their EMS services, but many do not and have historically relied on Crozer services. They do not currently budget for those services and most municipalities effected would not have sufficient reserves to cover the cost of contracting with a private provider for EMS services until they are able to implement property tax increases in 2026. Crozer EMS provides Basic Life Support Services to 12 out of 49 municipalities and Advanced Life Support Services to 21 out of 49 municipalities in Delaware County, Pennsylvania.
- Crozer Health is currently the sole provider for inpatient psychiatric treatment in Delaware County and the only site-based behavioral health crisis center in Delaware County.
- There will be indirect job loss compounding the direct job loss. The Crozer Health System is one of the largest employers in Delaware County, with approximately 3,200 employees. The Pennsylvania Labor and Industry's Center for Workforce Information and Analysis estimated the number of indirect and induced jobs lost due to the closing of the Crozer Hospitals within Delaware County. Their estimate for a job's multiplier is calculated to be -1.71: or, for every 100 direct jobs lost per industry sector or subsector, an additional 36 indirect jobs and 35 induced jobs are projected to be lost.

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We hope this illustrates the crisis a closure of the Crozer Health System would instigate to the well-being of Delaware County and our region.

Sincerely,

Dr. Monica Taylor

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