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## [Troubled Pennsylvania Hospital Chain Preps \\$1 Billion Debt Swap.](#)

- **Proceeds of new debt sale will be used for working capital**
- **Tower Health expects to reach profitability this year**

Struggling Pennsylvania hospital chain Tower Health plans to exchange current debt and raise additional funds as it pursues a turnaround.

The system, trustee and bondholders of about \$992 million in debt are supporting an exchange of “substantially all” existing bonds, according to a May 31 agreement that Tower Health disclosed in a [filing](#) Monday. The system also plans on selling \$142.5 million of new municipal bonds for working capital. The finalized agreement will close in August, according to a spokesperson for Tower Health.

“This agreement secures substantial liquidity support and provides a longer-term window to advance our continued financial turnaround efforts,” Tower Health said in an emailed statement.

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### **Bloomberg Markets**

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