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California Hospital With $193 Million Muni Debt Files Bankruptcy.

A California hospital about 70 miles north of Sacramento filed for Chapter 11 bankruptcy Monday after failing to sell itself or secure an affiliation with a larger hospital system.

The nonprofit Oroville Hospital has been struggling to pay $193 million of outstanding municipal debt used to finance a new tower. The construction of the facility was completed in March but its opening was delayed as the hospital awaits state approvals, according to a local news report.

“We believe this filing is an important step toward securing the hospital’s long-term future as a vital healthcare provider and employer in our community,” the hospital said in a statement. “The purpose of the filing is to facilitate a court-supervised transaction with a partner that has the resources and operating experience to invest in the hospital and maintain its mission for the benefit of all our stakeholders.”

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By Martin Z Braun

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