

For media inquiries, contact:

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FOR IMMEDIATE RELEASE

September 9, 2025 (JOHNSON CITY, Tenn)— At State of Franklin Healthcare Associates, we are committed to providing high-quality, compassionate care to the patients we serve, which we have done for nearly 30 years. Our focus is – and will remain – providing the best possible care to our patients and our entire community.

Unfortunately, we are aware of inaccuracies being circulated through local news outlets and social media, and we want to provide context to the situation. We have remained silent out of respect for our team members, physicians, and the thousands of patients who trust us with their care. But we cannot stay silent any longer while a small group of physicians continues to make false claims about us, which ultimately hurts our team and our patients. We will not stand for this.

To remain transparent, we want to address these claims. They are not only reckless to our patients and team, but also our community as a whole. We are limited in what we can say due to legal restrictions, but we believe it is important that the truth be told.

In early 2024, all SOFHA physician members except one voted to change the organization's structure to an Employee Stock Ownership Plan (ESOP). This was done in the best interest of the company as healthcare continues to evolve nationwide. SOFHA is physician-led and employee-owned, and when the transition occurred, the company was sold back to the physician members – who received significant payouts for the sale, with the legal agreement that they had to work for SOFHA for a specified duration or pay the money back if they leave early. All of the physicians consented to this and signed contractual agreements.

SOFHA was notified on April 30, 2025, that certain individual physicians submitted notices of non-renewal of their contracts. In good faith, SOFHA offered an extension of employment through December 31, 2025, specifically to assist with continuity of care for SOFHA's patients. The physicians initially

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accepted this extension but later rescinded it on August 20, 2025, when they declined to agree on language in a separate memorandum of understanding that would assist them, SOFHA and SOFHA's patients in their intended departure. As a result, their current employment contracts terminate on September 30, 2025.

We are doing everything we can to help our patients who were affected by these unexpected departures. Their care is our top priority, and we are committed to ensuring they have a smooth transition to one of our other physicians if they choose.

SOFHA has proudly served this region since 1998. With more than 225 dedicated providers and with over 30 locations, we will continue to provide high-quality care to the 160,000 patients across our network. We are grateful for the support we have received from our patients, our team members and the community that trusts us with their care.

About SOFHA

Headquartered in Johnson City, Tennessee, State of Franklin Healthcare Associates (SOFHA) is the largest physician-led, employee-owned, multi-specialty primary care group in the United States. Since 1998, SOFHA has delivered accessible, state-of-the-art primary healthcare to patients of all ages. Today, our team of skilled providers and staff work together to improve quality of life in the communities they serve.

To learn more about SOFHA's Mission, Vision, and Values, visit sofha.org. To schedule an appointment with a SOFHA provider, call (423) 794-5500.

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