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Patient Care Ombudsman

UNITED STATES BANKRUPTCY COURT

DISTRICT OF ARIZONA

In re: ☐ GV HOSPITAL MANAGEMENT, LLC, (EIN: 46-5098773) ☐ GREEN VALLEY HOSPITAL, LLC (EIN: 45-4006710) ☐ GV II HOLDINGS, LLC, (EIN: 46-1495917) Debtors. Address: 4455 S. I-19 Frontage Rd., Green Valley, AZ 85622	Chapter 11 No.: 4:17-bk-03351-SHG No.: 4:17-bk-03353-SHG No.: 4:17-bk-03354-SHG (Jointly Administered)
This Filing Applies to: ☒ All Debtors ☐ Specified Debtor(s)	

PATIENT CARE OMBUDSMAN'S FIRST INTERIM REPORT

Pursuant to 11 U.S.C. §333 of the Bankruptcy Code and the April 14, 2017 Stipulated and Agreed Order Directing United States Trustee to Select a Patient Care Ombudsman for Appointment [DE No. 82], the United States Trustee provided notice of appointment of Susan N. Goodman, RN JD as the Patient Care Ombudsman ("**PCO**")

[DE No. 83] and directed her to submit her reports of her evaluation regarding the patient care provided at Green Valley Hospital ("**Debtor**").

PCO is a Registered Nurse and an attorney with work experience in clinical/operational health care and health regulatory compliance law. In compliance with the federal privacy requirements, the PCO cannot disclose any individually identifiable health information that could distinguish a patient directly or could provide a reasonable basis to do so. *See* 45 CFR §160.103. Accordingly, specific site visit and patient interview dates are not provided although PCO's observations, audits, and interviews occurred between the date of appointment and the filing of this report.

Further, although PCO reviews Debtor's care processes relative to federal and state licensing and quality regulations, PCO does not assume liability for Debtor's compliance obligations under state and federal law and any and all proposed or implementing regulations. Moreover, while PCO may use the auditing tools and guidelines employed by certification agencies and auditors; PCO does not certify the Debtor's compliance with any regulatory standards.

PCO comes now and submits this *Patient Care Ombudsman's First Interim Report* ("**First Report**") detailing site visit review, observations, and analyses of Debtor's hospital operations.

EXECUTIVE SUMMARY

PCO did not observe care compromise or decline as contemplated by 11 U.S.C. § 333(b). Financial challenges that long preceded the reorganization filing arguably contributed to fractured physician relationships and departures pre-petition that the hospital is rebuilding from. Given this, and nursing turnover including, most recently, departure of the Director of Nursing ("**DON**") and elimination of the night/weekend nursing supervisor roles, PCO will engage in an unscheduled, follow-up site visit in approximately forty-five (45) days.

Because Debtor hospital moved much of its supply acquisition procedures to pre-payment processes pre-petition, the longer supply acquisition time was already in place. The pharmacy experienced one instance of medication unavailability early in the reorganization process while establishing its' post-petition pharmacy vendor account, without patient incident.

Physicians previously providing Debtors' intensivist[1] and hospitalist professional services exited their contracts pre-petition. Since approximately early 2017, Debtors' have partnered with an individual hospitalist who has worked to recruit additional hospitalists and acute-care mid-level professionals ("**ACNPs**") for inpatient care coverage. Turnover in this area remains, particularly related to night shift coverage. The Chief Nursing Officer ("**CNO**") and the Hospitalist Director are evaluating an on-call model for some or all night shift coverage.

DEPARTMENTAL REVIEW

Facility Overview. Green Valley Hospital is a spacious, 49-bed, two-story facility. Three, partially occupied Medical Office Buildings ("**MOBs**") are located just south of the hospital. Of the 49 licensed beds, 43 medical/surgical/telemetry licensed beds ("**M/S**") are located on the second floor separated in to three patient halls, ranging from 9 – 22 beds per hall. All rooms are private rooms. At the time of PCO's visit, only the 22 bed hall was being utilized with a patient census ranging from 15 – 17 patients noted in this area.

The first floor includes a 12-bed Emergency Department ("**ED**") with eleven of twelve rooms plumbed with suction and medical gas; a 6-bed intensive care unit ("**ICU**"); a full service radiology department; a cardiac catheterization laboratory ("**Cath Lab**"); and a comprehensive operating room ("**OR**") area that includes four operative suites, two

[1] An intensivist is typically defined as a clinician specialized in critical care medicine, providing care to high acuity intensive care unit ("ICU") patients. Physicians with board certification in critical care medicine and/or pulmonary medicine often fill this role.

gastrointestinal ("**GI**") procedure rooms, and a 13-bed pre/post care unit ("**PACU**"). The location of the PACU relative to the ED allows for weekend overflow ED patient care in part of the PACU when needed to maximize staff productivity.

Some ancillary departments such as dietary/cafeteria, security, admitting, pharmacy, and laboratory are located on the first floor. Other ancillary departments such as materials management ("**Supply**"), sterile processing department ("**SPD**"), information technology ("**IT**"), EVS, health information management ("**HIM**" or "**Medical Records**"), and facilities are located in the hospital basement. Business Office and Human Resources departments are located in portion of a MOB.

Clinical Overview. Typical average daily hospital patient census ("**ADC**") is reported as approximately high teens to low twenties, with about 80% of the patient volume in the M/S clinical area and the rest in the ICU. High acuity ICU patients are typically transferred to Tucson. Typical ED daily patient volume was reported as approximately 40 – 45 patients/day, and OR at over 100 surgeries/GI procedures per month. Much of the OR surgical volume comes from ED patient visits. OR staff also provides outpatient infusion services and supports certain outpatient cardiology procedures (e.g. cardioversions).

The hospital is pursuing approval to provide swing bed services to allow it to care for post-acute patient populations such as post joint-replacement patients who may need rehabilitative care prior to returning home.

Debtors' DON resigned after the bankruptcy filing. She was well liked by many, particularly so in those clinical areas where she frequently assisted with direct patient care. The CNO quickly replaced the DON and added two clinical manager positions, with those changes in place prior to PCO's visit.

Emergency Department ("ED"). PCO visited the ED area on both day and night shifts. ED physician and mid-level professional coverage is contracted with a group based out of Phoenix. This group has been in place since the hospital opened. PCO interviewed

three ED physicians and two mid-level providers. All reported having adequate staff and supplies to care for patients. The providers directly employ medical scribes to assist with documentation and patient care flow. Physicians reported a consistent process of transferring patients when needed specialists were unavailable. Of note, the hospital is putting in place a teleneurology program, expected to be functional by the end of May.

The new DON is experienced in the ED and came in on the weekend to assist with patient care when the ED got busy. One of the two clinical managers is also an ED nurse and assists with direct patient care when needed.

Medical/Surgical/Telemetry ("M/S"). PCO visited this department on both day and night shifts. Nurse to patient ratios were noted as ranging from 4 to 6 patients per nurse, consistent with the hospital's staffing matrix. Additionally, patient care technicians ("**PCTs**"), with higher technician to patient ratios assisted the nursing staff. PCO noted two PCTs with the M/S census in the high teens. In addition to the nursing and PCT staff, clergy, respiratory therapy, physical therapy, monitor technician, dietary, and case management staff were all noted in the M/S clinical area. Staff team members are assigned a color of scrub uniform by role type to assist patients and families in differentiating care roles (nursing, PCT, respiratory, etc. . .).

On the day shifts, PCO noted the hospitalist rounding on patients in the M/S area. Like the ED physicians, the hospitalists employ medical scribe assistants to assist with patient flow. The hospitalist holds a daily care management meeting to discuss patient status and plan of care with the cross-functional care team.

Intensive Care Unit ("ICU"). The six-bed unit had four patients when PCO visited with appropriate nurse to patient ratios. Nurses denied supply challenges related to the bankruptcy process, although they did report occasional operational supply challenges—particularly when less common disposable supplies were suddenly needed, given the pre-

payment acquisition process. Staff did, however, deny any negative patient impact from these delays.

The ICU staff self reported as being very close to the prior DON, with some predicting additional ICU resignations after her departure. The concern was that these additional departures, coupled with an already offered and accepted summer incentive program to reduce the number of ICU nurses over the summer slow-down could leave this unit short for experienced nurses. The CNO, however, reported feeling comfortable that staffing would not be a problem given ongoing recruitment and hiring of staff coupled with the newly appointed manager having ICU experience to support patient care when needed.

Cath Lab. Somewhat atypical for a rural hospital licensure designation, the Debtor's have a cath lab for diagnostic and interventional cardiac procedures, including electro-physiologic procedures (pacemakers and resynchronization devices). PCO observed part of a procedure and interviewed the cardiologist. The physician expressed some concern regarding the recent DON departure and the potential for regular, on-call-only night hospitalist or ACNP coverage. He denied supply concerns. Much of the product in this specialty department is placed on consignment or walked in specifically by the vendor representative on the day of the case. Staff denied challenges with vendors trying to remove consignment post bankruptcy filing or refusing case coverage. Because the former DON worked procedures in this department regularly, PCO confirmed with the new Clinical Director over this area that staff competencies were in place for cross training additional staff, as needed.

Operating Room and Pre/Post Anesthesia Care ("OR/PACU"). The OR team supports surgical procedures, GI procedures, infusion/transfusion services, and certain cardiac procedures (including post cath lab procedure recovery). Like other areas, strained pre-petition physician payment relationships had some impact on elective procedure volumes. The Debtor's have established new specialty relationships with orthopedic and

urogynecology surgeons with increased elective surgery volumes anticipated. PCO interacted most significantly with PACU staff who expressed a history and willingness of covering other clinical areas when surgery volumes were light. The Perioperative Director was visible in the department interacting with physicians and staff. PCO queried a GI specialist and anesthesia—both stated they had the staff and supplies necessary for their procedures. During the second site visit, PCO will prioritize OR case observation.

Radiology. The hospital has both CT (computerized tomography) and MRI (magnetic resonance imaging) scanners in addition to traditional x-ray, portable x-ray, ultra-sound, and C-arm machines. The annual physicist analysis was reported as current (last visible report dated April 2016) with the final report being held for payment. PCO looked at preventative maintenance ("**PM**") logs and confirmed the appropriate licensure posting of the radiology team members. Radiation exposure monitoring remains in place. The mammography and DEXA (bone densitometry machine) machines are currently on the Arizona Radiation Regulatory agency registration, but are in the process of being decommissioned for non-use, and were not included in the annual physicist survey.

Radiologist services are contracted and read remotely by Phoenix physician group. This group has remained in place, importantly so, since software interface from the image system to the electronic health record ("**EHR**") (HL7 integration) is not universal to all provider groups.

Respiratory Therapy ("RT"). PCO observed and interacted with respiratory therapy staff in both the ED and M/S clinical areas. PCO met, but did not significantly interact with the director or supervisor over this area, and will do so on the second site visit. RT staff assists, as needed, with emergency intubation, electrocardiograms, arterial line and blood draw management, and ventilator management for the stable, short-term ICU ventilator patients cared for at the hospital. Staff denied concerns with staffing or

supply/equipment adequacy. PCO noted appropriately current PM stickers on equipment utilized by this team. No concerns noted.

Physical Therapy ("PT"). PT is provided on-site, seven-days-a-week by one main therapist, supported by two additional "as needed" ("PRN") therapists and a PT assistant. Given the average age of patients cared for at the hospital, the therapy group is quite busy. Headcount has been approved for an additional therapist and an occupational therapist ("**OT**") in anticipation of swing bed service approval. Speech therapy is available, as required by licensure, on a PRN basis. The main therapist is easily visible and engaged with clinical staff and patients/families on the M/S floor and was also an active participant in the daily patient care meeting. No concerns noted.

Pharmacy. Daily Pharmacist coverage is provided until 8:00 pm, Monday through Friday. Night and weekend coverage is provided on an on-call basis. Pharmaceutical supplies and fluids are ordered directly by the pharmacy. Accordingly, this team underwent a process to establish a post-petition account with their medication vendor; and, during that process, experienced an inability to get a medication as was noted above, without patient incident.

Laboratory ("Lab"). The 24/7 lab is CAP certified (College of American Pathologists). Certification is due again in October 2017. Microbiology is currently sent out to a reference lab, although a proposal has been presented to begin performing these services in house. Appropriate redundancy in hematology and chemistry equipment was noted. Staff denied turnover or supply challenges. The lab serves as an internship location for Pima Community College Medical Lab Technologist students. Lab medical director coverage is provided on a contracted basis by a Tucson Pathologist. No concerns noted.

Admitting/Registration and Medical Records/Coding. Admitting staff is situated in an area off of the main hospital lobby and in the ED. The ED admitting desk is open, and not separated by Plexiglas as is typical in many emergency departments. The security office

is also situated by the ED admitting desk. The admitting/registration team has experienced overall reductions in full-time positions as attrition openings were not replaced. Contracted leadership for this area reported current staffing levels to be consistent with or slightly above staffing norms for patient volumes.

The Medical Record Department is staffed with three individuals—one of whom is situated off the main lobby to respond to patient record requests. When the former HIM Interim Director resigned pre-petition, that position was eliminated with department coverage provided by an HIM analyst and a generalist who is serving as the acting department leader. She is on call to support physicians with problem solving related to chart location and dictation needs. Paper records are located on site and are not voluminous. Paper records are scanned in to the electronic health record ("**EHR**"), verified, and then shredded after a holding period. Scanning is reported as being up-to-date. Scan verification is lagging by about 180 days. Patient record requests are responded to internally. Billable (legal) requests are outsourced. Debtor's have a 100% shred policy. Shredding bins were noted throughout the facility, and the shredding vendor was on site emptying bins on the date of PCO's site visit. HIM staff reported continued ability to send encrypted messages when needed.

Coding is accomplished by three remote, contracted coders, split up by clinical area. Coder challenges getting additional charge codes built were confirmed by contracted patient financial services leadership but are related to the type of EHR that was purchased, not the reorganization. Debtor is pooled with other rural hospitals in an EHR provider "community" or "domain," which made the EHR more affordable. In turn, however, all system changes/updates require a lengthy approval process as changes must be adopted by the entire EHR community.

Information Technology ("IT"). IT leadership is provided by a contractor who is reported as serving as the privacy and security officer. Help Desk staff is employed directly

by the hospital. The EHR is cloud hosted. On-site servers store the active directory, email, local shared drives, and finance/HR information. Assigning employee access permissions through the EHR system is challenging as the system does not allow a user to hold different permissions to float between departments. IT staff reported staff training is provided by the national vendor, HealthStream, with continued post-petition access confirmed.

Facilities/ Maintenance/ Security/ EVS. Facility PMs are tracked through a software program that is provided by subscription. That service remains in place post-petition. When the former Facilities Director departed pre-petition, this department, like others, "flattened" with the facilities team member assuming the director role. He is assisted by one maintenance technician and an administrative team member. Security is staffed 24/7 during the week and over a 12-hour period on the weekends. PCO reviewed PM and life safety logs. Critical vendor concerns were relayed to debtors' counsel.

The EVS staff was moving to a new staffing matrix around the time of PCO's visit, which resulted in a loss of scheduled hours for some team members. For areas covered by the affected personnel, clinical staff expressed sadness for what was viewed as a reduction in force.

Materials and SPD. The materials buyer position was eliminated prior to the bankruptcy filing. The department consists of a Director, two supply technicians, and a small sterile processing team. Supply management is augmented by volunteers who assist with counting and stocking clinical area supplies. The supply management process is relatively manual and largely dependent on visual assessment and experience. On the margins, shortages of infrequently used supplies may occur. Some of the EHR system challenges that plague other departments also exist in this area.

Supply vendors sign in on a log at the front desk and are provided an access badge by security. The hospital does not have an electronic vendor management system. Materials

staff denied challenges with vendor removal of supplies (including surgical trays) post petition.

Dietary. PCO met the registered dietician ("**RD**") for the facility, confirming a nutrition care manual/policies and RD oversight. Additional time will be spent the second site visit in the kitchen area. Patient interviews repeatedly described the food as "bland," which may be related to heart healthy diet prescriptions. The cafeteria recently changed operational hours in an effort to reduce costs, now closing in the afternoon.

Medical Staff and Chief Medical Officer ("CMO"). PCO briefly met the medical staff coordinator and the CMO. Because medical staff appointments are for a two-year period, many physician reappointments will come due this year. Volunteer assistance is important to this department, as they help track and ensure that complete paperwork is present in the file. PCO will attempt to spend additional time with the CMO next site visit. Cursory discussions did not reveal CMO concerns.

Quality and Compliance. The CNO also serves as the Director of Quality. PCO generally reviewed quality tracking logs kept for this area. A secure, ShareFile will be established so data may be reviewed as it is collated for April forward, to monitor post-petition quality metrics. The CNO anecdotally reported data remaining stable post-petition.

The Patient Advocate role remains in place, with coverage provided by another Director when the Patient Advocate is on vacation. Patient complaint data was also reported as "stable" post petition. Because the mechanism for anonymous reporting of staff compliance concerns is internally managed, it was unaffected by the reorganization. PCO will look to engage directly with case management and infection control staff during the second site visit.

Patient and Family Interviews. PCO interviewed approximately one third of hospital inpatients, asking for general feedback about the care quality received at the hospital. Resoundingly, patients and families were complimentary of the nursing and PCT

staff. Those who had frequented the facility both pre and post bankruptcy reported no change in patient care delivery between the visits. To the extent the interviews yielded anecdotal operational opportunities, interview feedback was provided to clinical leadership.

SUMMARY AND NEXT STEPS

Hospital staff comes to the reorganization process from a rocky pre-petition course that included significant turnover in hospital leadership, nursing, and physicians. As such, the level of bankruptcy fatigue likely significantly out-paces the filing date. Many staff reported residing along the I-19 corridor and expressed deep desires that the hospital rebuild itself and remain viable. PCO will continue to monitor staff stability, physician coverage changes, and quality metrics.

DATED: May 23, 2017

MESCH CLARK ROTHSCHILD

By: */s/ Susan N. Goodman, 019483*
Susan N. Goodman
Patient Care Ombudsman

CERTIFICATE OF SERVICE

I, Susan N. Goodman, hereby certify that a copy of this document was emailed to those parties requesting notice in Exhibit A. Notice to patients, provided through a posting in the main and emergency department lobby areas was confirmed at Debtor's Hospital location.

DATED: May 23, 2017

MESCH CLARK ROTHSCHILD

By: */s/ Susan N. Goodman, 019483*
Susan N. Goodman
Patient Care Ombudsman

EXHIBIT A

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