UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF IOWA

In re:	)	Chapter 11
	)	
CENTRAL IOWA HEALTHCARE	)	Case No. 16-02438-als11
	)	
Debtor and Debtor in Possession.	)	
	)	

PATIENT CARE OMBUDSMAN'S SECOND INTERIM REPORT

Pursuant to 11 U.S.C. §333 of the Bankruptcy Code and the December 22, 2016 Order of this Court directing the United States Trustee to Appoint a Patient Care Ombudsman [D.N. 45], the United States Trustee provided notice of appointment of Susan N. Goodman, RN JD as the Patient Care Ombudsman ("**PCO**") and directed her to submit regular reports of her evaluation regarding the quality of patient care provided Central Iowa Healthcare ("**CIH**" or the "**Debtor**") at the main hospital facility as well as at the various hospital outpatient departments and clinics. Accordingly, PCO submitted *Patient Care Ombudsman's First Interim Report* to this Court on January 24, 2017 ("**First Report**") [D.N. 197]. PCO comes now and submits this second report detailing remote monitoring, follow-up, and a second site visit to observe patient care delivery and interact with patients, staff, and clinicians.

EXECUTIVE SUMMARY

PCO's second site visit focused on the main hospital and South Campus. The four primary care clinics were not revisited both in the interest of judicial economy and given the stability reported by the Director overseeing these areas. Additionally, PCO regularly interacted with nursing leadership regarding quality metrics and care delivery between site visits, in addition to data review and analyses.

The Emergency Department (the "**ED**") remains PCO's largest clinical concern. Nursing leadership and staff (clinical, EMS, and security) continued with episodic locums concerns balanced against a limited number of professionals available in the coverage pool. One community complaint was received regarding ED supply availability. While PCO confirmed

adequate supplies, the complaint may be consistent with persistent departmental strain that is apparent in PCO's assessment of internal quality feedback. Notably, this ED continues to have a generous number of psychiatric hold patients at any given time. During PCO's visit, 25% or greater of the ED volume was attributable to this challenging and staff-intensive patient population.

Generous inpatient volumes in January/February led to regular instances where nurse to patient ratios were stretched beyond the staffing matrix, particularly with staff illness during flu season. At times, leadership made the staffing work by "going in ratio" and caring for a patient team, and, at other times, patients needing admission were transferred to other hospitals. Fortunately, Debtors' have an on-site EMS team that flexed a great deal to accomplish transfers in addition to servicing other EMS calls.

All physician, clinical, and support staff PCO encountered on the second site visit were anxious for clarity regarding the buyer as an important step on the path out of bankruptcy. PCO was often asked to confirm the date of the sale hearing. Certainly, PCO feels strongly that consistent core ED clinician coverage is needed sooner versus later to prevent any material care compromise as contemplated by 11 U.S.C. § 333(b).

DEPARTMENTAL REVIEW

ED and Inpatient Clinical Teams. Given the ED challenges, PCO visited this area several times over two days to capture staff at different times and on both shifts. Nursing staff who transferred/promoted from MSTP (med/surg/tele/pediatrics, the "**Floor**") to the ED are starting to come off orientation, allowing a reduction in agency nurse coverage. A new ED Technician was also hired since PCO's First Report. ED Clinicians denied having supply concerns. Generally, staffing was reported as appropriate, with the caveat that staffing was tight during "bulge" periods of heavier ED volume. Further, episodic challenges with lab result turn-around times and Floor staffing seem to contribute to ED congestion.

Staffing on the Floor during PCO's visit was within Debtors' staffing matrix. Patient and family interviews were positive regarding nursing/CNA care delivery. A concern regarding

physician plan-of-care communication was elicited with PCO observing immediate, effective service recovery efforts by both the house supervisor and the nurse. The nurse call system for a portion of the Floor went out during the reporting cycle, with an appropriate interim plan immediately put in place while the system was fixed.

Hospitalist physicians and specialists were visible in the patient care areas. All declined having concerns surrounding supplies. A second Hospitalist resigned (one left around the time of PCO's first visit), with replacement physicians identified—keeping the two days/one night coverage matrix. Each physician expressed some level of bankruptcy fatigue along with the same noted anticipation for the sale hearing. Some also expressed some concern that care staff would begin to depart at a faster rate absent sale clarity.

ICU staffing was a mix of core and agency staff. Nurse to patient ratios were well within the staffing matrix. The team denied staffing or supply concerns. Patient interviews were positive in this area.

Women's Center (OB/Nursery) clinical staff reported largely being status quo, with a larger census noted this visit. Generally, the team denied concerns, as did families interviewed, with the exception of staff and EVS reporting episodic linen concerns that seemed to resonate house-wide. PCO will stay engaged as the Director over this area investigates the source of reduced linens, which in this case included baby t-shirts (staff denied running out of anything to date).

Home Care and Dieticians. PCO briefly checked in with both of these outpatient coverage teams, including home care leadership as discussed in the First Report. Each denied staffing and/or supply concerns.

Dietary and Nutrition. As discussed in the First Report, PCO reviewed departmental logging compliance after the implementation of new processes and tools, with positive results noted. A refrigerator that fell out of range was promptly addressed and repaired. Patient and family feedback on food selection was mostly neutral, describing the food as "ok." PCO checked inpatient clinical refrigerators for "floor stock" availability. No concerns noted.

Diagnostic Imaging Services (DIS) and Cath Lab. PCO did not observe care in these areas due to light volumes. PCO did check in with staff, reporting no changes in staffing or supplies as compared to PCO's first visit. DIS reported completion of their annual mammography survey without any adverse findings. Preventative Maintenance (PMs) on equipment was reported as occurring where service agreements were in place. Biomed was able to fix an x-ray machine that needed repair this reporting cycle. No concerns noted.

Pharmacy and Lab. Pharmacy Director Leadership changed shortly after PCO's First Report. Coverage is now provided by a pharmacist who retired around the time of the previous reduction in force. He denied concerns with any order denials related to the reorganization and reported working on updating some internal policies to add additional process clarifications. An additional pharmacist also returned from retirement, improving coverage for this area. No concerns noted.

Lab Director Leadership also changed since PCO's First Visit. Nursing leadership reported that the lab company provided notice of its intent to eliminate lab tech coverage at the South Campus, given that most lab testing done at that location are waived tests (meaning nursing staff could be certified to complete the tests). PCO's understanding is that the coverage change has since been postponed and will transpire after the sale hearing. PCO did ask for more specific information surrounding blood bank support to that location with any coverage changes. PCO will stay engaged on this topic.

Facilities / Security / Biomed / Environmental Services ("EVS"). PCO followed up on biomed PM servicing remotely from the summary equipment information provided by the quality department. While PMs are being prioritized and completed, the backlog that preceded bankruptcy is still concerning. PCO is hopeful that the successful buyer will provide additional resources in this area to eliminate the backlog as it relates to high priority items (those with a strong nexus between equipment failure and patient care concerns). PCO observed maintenance staff changing air filters. Ongoing fire drills were confirmed. Shredding bins were noted to be less full suggesting resolution of shredding vendor service issues. Housekeeping staff reported

some concern for episodic linen shortages that have led to things being tight without having run out of linens. The Director over this area is investigating the concern. Dirty linen, trash, hazardous waste bins, and trash compactor were audited with no concerns noted.

Security remains an important part of the ED milieu, particularly with the volume of psychiatric patients treated by that department. This staff was also noted rounding in the facility. No concerns noted.

Information Technology ("IT") and Medical Records. PCO spent time to better understand record storage in anticipation of record transition with the sale process. Two sets of servers are on site at the main campus for the hospital and South Campus records. The first set is owned by the Debtors and contains patient data from the previous EHR system. Read-only record access was maintained with this vendor through an agreement/subscription for that purpose. The newer EHR records are stored on servers owned by the third-party IT vendor. That system has been in place since late third quarter 2015. Daily snapshots are taken with stepped, planned backups to archived drives accomplished to allow for about a three week overlap between snapshots and archive. Archived drives are kept at South Campus. The clinics run a different EHR that is cloud-hosted (also in place since 2015). Image data from DIS and the clinics is stored on a Debtor-owned PACS system that was updated in the last several years. A back-up PACS is also in place, and the physician radiology group who reads the studies also keeps a back-up copy. Paper records preceding EHR implementation are either stored in the clinics or on the third floor of the Hospital.

PCO interacted with HIM/Business Office staff. The team reported working to significantly decrease delinquent charts (charts needing physicians to sign or otherwise complete the chart) to less than thirty as well as looking at ways to optimize coding to decrease the number of days outstanding here as well.

Quality / Risk/Infection Control / Compliance. PCO continues to interact regularly with this team, in conjunction with nursing leadership, to review and analyze quality dashboard and risk data. While the specifics of this review are not appropriate for report discussion, PCO is

satisfied that this team is proactively engaged and appropriately responding to concerns as they arise, with the two clinical areas experiencing the most strain being the ED and the Floor. A related group that contributes to the efforts surrounding patient care and placement are the social work and utilization teams. PCO briefly interacted with the ED social worker who is most challenged by the state-wide limitations on options for inpatient psychiatric support (for both adult and pediatric populations).

South Campus. PCO checked in with wound care, urgent care, DIS, and outpatient surgery staff at this Campus. Of note, urgent care daily volumes were up consistently as compared to trends during PCO's first site visit. The urgent care team denied supply or staffing issues. The wound care team had two staff departures since PCO's first visit. While the uncertainty of the bankruptcy process may have played in to staff looking at other opportunities, both departures were to different clinical environments and were not perceived to be directly connected to the reorganization. Wound clinic volumes were also increased as compared to PCO's initial site visit, with DIS and outpatient surgery experiencing relatively light volumes at the time of PCO's visit. This location experienced some wind damage to the roof in a recent storm with necessary repairs proceeding without incident. No concerns noted.

SUMMARY AND NEXT STEPS

The expectation at this juncture is that the sale process will complete, eliminating the need for a third site visit. PCO will remain engaged with clinical leadership and the quality department to monitor staff and physician coverage stability.

Dated: March 14, 2017

MESCH CLARK ROTHSCHILD

By: */s/Susan N. Goodman*

Susan N. Goodman
Arizona State Bar No. 019483
259 North Meyer Avenue
Tucson, Arizona 85701
Phone: (800) 467-8886 ext 141
Fax: (520) 798-1037
sgoodman@mcrazlaw.com
Patient Care Ombudsman

CERTIFICATE OF SERVICE

I certify that a copy of this document was sent to the parties below on March 14, 2017.

- Michael A. Brandess mbrandess@sugarfgh.com
- Jeffrey D. Goetz goetz.jeffrey@bradshawlaw.com
- Aaron L. Hammer ahammer@sugarfgh.com
- Krystal Mikkilineni mikkilineni.krystal@bradshawlaw.com
- Mark S. Melickian mmelickian@sfgh.com
- Matthew T. Cronin mtcronin@belinmccormick.com
- Jeffrey W. Courter jwc@nyemaster.com
- Craig Knickrehm cknickrehm@womglaw.com
- Robert C. Gainer rgainer@cutlerfirm.com
- Michael F. Kivett mfkivett@womglaw.com
- Julie Johnson McLean juliemclean@davisbrownlaw.com
- Brooke S. Van Vliet brooke.vanvliet@brickgentrylaw.com
- Lisa M. Peters lisa.peters@kutakrock.com; marybeth.brukner@kutakrock.com
- Thomas Flynn tom.flynn@brickgentrylaw.com;
- Erin M. Clanton erin.clanton@brickgentrylaw.com
- Eric W. Lam elam@simmonsperrine.com
- Jared F. Knight jknight@simmonsperrine.com
- Roger R. Schoell roger@gbsbhlaw.com
- Michael Thibodeau mthibodeau@iowafirm.com
- Angela E. Dralle dralle.angela@dorsey.com
- Alissa Smith smith.alissa@dorsey.com
- William Miller miller.william@dorsey.com;
- Janet M. Weiss weiss.janet@dorsey.com
- L. Ashley Zubal ashley.zubal@usdoj.com
- Gay D. Pelzer jackie-kjaer@uiowa.edu
- Richard Davidson rdavidson@l-wlaw.com
- Jeffrey Garfinkle jgarfinkle@buchalter.com
- James Pray pray@brownwinick.com; sprole@brownwinick.com
- Michael Tamburini mtamburini@levycraig.com; krose@levycraig.com
- Joseph A. Peiffer joe@peifferlaw.com
- Mark D. Walz markwalz@davisbrownlaw.com
- Verle W. Norris vwn@norrislw.com
- Timothy Van Vliet tim@midwestlawgroup.com
- Robert Westermann rwestermann@hf-law.com
- Elizabeth Hulsebos hulsebos.elizabeth@dorsey.com
- Monica Clark clark.monica@dorsey.com
- Andrew Biehl abiehl@womglaw.com
- Andrew Nazar anazar@polsinelli.com
- Dan Childers dchilders@elderkinpirnie.com
- Deb Kovsky kovskyd@pepperlaw.com
- Francis Lawall lawallf@pepperlaw.com
- James Bird jbird@polsinelli.com
- James Snyder james.l.snyder@usdoj.gov
- Kristina Stanger kmstanger@nyemaster.com
- Lori Purkey purkey@purkeyandassociates.com
- Michael Brandess mbrandess@sugarfgh.com
- Todd Bartels tbartels@polsinelli.com
- Leslie A. Bayles leslie.bayles@bryancave.com
- Aaron Davis aaron.davis@bryancave.com