

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
LAFAYETTE DIVISION**

IN RE:

ACADIANA MANAGEMENT GROUP, L.L.C., ET AL.¹

CASE NO. 17-50799

DEBTORS

CHAPTER 11

**PATIENT CARE OMBUDSMAN'S SECOND INTERIM REPORT –
CENTRAL INDIANA**

Pursuant to 11 U.S.C. §333 of the Bankruptcy Code and the Court's Order Directing United States Trustee to Appoint a Patient Care Ombudsman [Docket No. 118], the United States Trustee provided notice of appointment of Susan N. Goodman, RN JD as the Patient Care Ombudsman ("PCO") [Docket No. 131]. PCO was directed to submit her report of her evaluation regarding the quality of patient care provided at Central Indiana AMG Specialty Hospital ("Debtor").

Accordingly, PCO submitted *Patient Care Ombudsman's First Interim Report – Central Indiana* to this Court on September 20, 2017 ("**First Report**") [Docket No. 317]. PCO comes now and submits this *Patient Care Ombudsman's Second Interim Report – Central Indiana* ("**Second Report**") detailing remote monitoring, follow-up, a second site visit, observations, and analyses of the Central Indiana operations.

EXECUTIVE SUMMARY

PCO performed a second, unscheduled site visits at the Indiana "in-hospital" facilities: Hancock/Greenfield ("**Hancock**") and Ball/Muncie ("**Ball**"). New CEO coverage had been in place for approximately one (1) month. While staff departures have slowed, full, core-staff

¹ AMG Hospital Company, L.L.C., Case No. 17-50800; AMG Hospital Company II, L.L.C., Case No. 17-50801; Albuquerque – AMG Specialty Hospital, L.L.C., Case No. 17-50802; Central Indiana – AMG Specialty Hospital, L.L.C., Case No. 17-50803; Tulsa – AMG Specialty Hospital, L.L.C., Case No. 17-50804; LTAC Hospital of Louisiana – Denham Springs, L.L.C., Case No. 17-50805; Las Vegas – AMG Specialty Hospital, L.L.C., Case No. 17-50806; LTAC Hospital of Greenwood, L.L.C., Case No. 17-50807; LTAC of Louisiana, L.L.C., Case No. 17-50808; Houma – AMG Specialty Hospital, L.L.C., Case No. 17-50809; LTAC Hospital of Edmond, L.L.C., Case No. 17-50810; LTAC Hospital of Wichita, L.L.C., Case No. 17-50811; AMG Realty I, L.L.C., Case No. 17-50812; CHFG Albuquerque, L.L.C., Case No. 17-50813; and, AMG Realty Youngsville, L.L.C., Case No. 17-50814.

replacement had not yet occurred leaving significant agency shift coverage at both locations. Agency coverage is less than ideal for many reasons: cost, staff commitment to quality metrics and processes, and onerous contractual obligations that cause core staff to experience shift cancellations with census fluctuations—a dynamic that can exacerbate staff departures as staff seek stable hours elsewhere. Core staff and leadership reported that a “market pay adjustment” had been implemented since PCO’s last site visit. However, some staff reported that the adjustment was *de minimus* considering the “ask” of leadership to flex shifts and hours to meet minimum staffing matrices during the period of peak staff departures. Accordingly, additional staff departures, although less, are anticipated.

Medication errors at Hancock and patient interview feedback related to call light response times at Muncie were the primary concerns identified during the second site visit. A bump in the fall rate metric was also noted at Hancock. While it is difficult to negate any impact of the bankruptcy process on these metrics, PCO discussions with leadership support a conclusion that the primary drivers are operational coupled with a renewed focus on processes that has come with new leadership. Leadership is engaged and PCO will remain in regular contact with the CEO, Chief Clinical Officer (“CCO”), Assistant CCO (“ACCO”), and the Quality Director to track interventions and outcomes that are implemented in response to these concerns.

BALL SITE VISIT SUMMARY

Patient census was 16 (out of a total possible 18) on the date of PCO’s visit. Clinical staffing was within Debtor’s staffing matrix. Debtor moved offices formally located on the 3rd floor of Ball Hospital (the patient care area is on the 5th floor of Ball Hospital) to a nearby Ball State University office building as part of an arrangement made with the host Hospital who needed the space for other departments during Hospital renovations.

One case management departure occurred in the interim reporting period, described as operational in nature and unrelated to the bankruptcy process. Ball had two case managers, so the remaining case manager will provide coverage moving forward. The Human Resources (“HR”) manager, covering Ball and Hancock, also departed this reporting period, and has stayed

on PRN to assist with payroll awaiting coverage from the newly hired associate who will begin in early November. This departure was also described as operational.

The ACCO role was created to provide a consistent leadership presence at Hancock. However, the ACCO had been pulled in staffing at Ball during at the time of PCO's visit to assist with nursing coverage while core staff was on vacation. PCO will prioritize meeting with the ACCO on the third site visit, if possible.

PCO met the Pharmacy Director along with a pharmacist and pharmacy technician who PCO met previously. All denied bankruptcy-related supply concerns. The team reported anticipating moving from AMG to Cardinal Health employment effective November 1, 2017. Of note, one pharmacist was noted engaged rounding with the physician. No concerns noted.

Two Environmental Services ("EVS") staff members were visible throughout the site visit in the clinical area engaged in cleaning. These team members denied having any supply concerns. PCO did not notice any gross housekeeping concerns while on the unit. All dispensers utilized by PCO for hand hygiene were noted to be functional and stocked. Antimicrobial wipes were noted to be available to clinical staff in patient rooms and on the unit.

PCO attempted to introduce herself to the host hospital Facilities Director, leaving a voicemail message for this Director. PCO will continue to try and engage this individual to visually confirm that host facility preventative maintenance, life safety, and required licensure audits are inclusive of Debtor's operation, as has been reported.

PCO interacted with the dietician and the therapy staff, all of whom are Debtor contracted through the host hospital. Supply concerns were denied with these important team members describing their interaction with Debtor as "status quo."

PCO met with two physicians during the site visit: a pulmonologist (lung specialist) and an internist. Both denied concerns. Of note, the new internist group has improved chart delinquency rates from those observed in the first reporting period.

PCO interviewed four patients and families/visitors when present. Interviews revealed some patient concern as to call light response time and clinical staff attentiveness. One

interviewee reported being at the facility five days before being offered assistance with bathing and oral care. Another reported “not being able to hold it” on several occasions (described as “at least four”) while waiting for clinical staff to come and assist him/her up to the bathroom. PCO discussed patient interview feedback at length with the CCO and CEO, and will continue to engage with them as they follow up on what appears to be predominately operational feedback.

One patient supply concern was relayed as the patient was told that a toilet riser was unavailable. In hindsight, the issue was also determined to be an operational one, occurring when the regular supply team member was on vacation. Patient interviews elicited positive feedback regarding respiratory and therapy progress to achievement steps such as tracheostomy decannulation, catheter discontinuation, and progress with ambulation and activities of daily living (“ADLs”). PCO discussed these praises, in addition to the concerns, with the new CCO and CEO.

HANCOCK SITE VISIT SUMMARY

PCO met with both shifts of Hancock clinical staff during the second site visit. Census was ten (10) with staffing consistent with the reported staffing matrix. Like Ball, some services are contracted at Hancock through the host hospital. PCO was able to meet the contracted dietician and the physical and occupational therapists providing services. Additionally, PCO checked in with EVS Management at the hospital level and made introductions to the new Director of Facilities for the hospital. No concerns noted.

PCO met with the host hospital pharmacist to discuss pharmacy-related quality concerns. Over a recent three (3) week period, a handful of drug administration errors were documented related to missed medications and medication administration. At least one of the errors would have a high scope/severity matrix rating. PCO engaged with site leadership to understand the analyses and approaches to this important early feedback and was satisfied with the corrective action engagement plan detailed by leadership. PCO will schedule phone follow-up discussions with the CCO as needed to continue to track process improvement efforts in this area. Again, while agency staff utilization is a variable that is highly scrutinized as part of any root cause

analysis of medication errors, leadership has not concluded that bankruptcy-related bumps in agency nursing coverage correlates to the recent documented errors.

Patient and physician interviews were positive. All four (4) patients interviewed denied concerns. Several had positive comments regarding the facility food, something that is not common. The wound care clinician reported feeling better about the staffing ratio of licensed practice to registered nurses. PCO met with the wound nurse and discussed dressing change processes generally as no dressing changes were necessary on the date of PCO's visit. PCO also met the new case manager, in his position for less than one (1) month. No concerns noted.

Supply cabinets were checked for outdates. Adequate linen supplies were confirmed. PCO met the Medical Records (**Health Information Management** or "**HIM**") Director, confirming the information that had been left for PCO in the Director's absence during the first site visit. Chart delinquency data was reviewed with no concerns noted.

SUMMARY AND NEXT STEPS

PCO will work with leadership surrounding the Ball patient feedback and the Hancock medication error concerns. Utilization of agency staff will be monitored and will include the two international and the one long-term agency staff included in the second site visit reported baseline of eleven (11) agency shifts per week at Hancock and seventeen (17) at Ball. PCO will make remote introductions to the new HR Director and stay engaged with pharmacy to track hiring efforts and continued medication administration concerns. Should this follow-up uncover concerns, PCO will visit ahead of the current, anticipated sixty (60) day interim visit cycle.

DATED: October 27, 2017.

MESCH CLARK ROTHSCHILD

By: /s/ Susan N. Goodman, AZ Bar #019483

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CERTIFICATE OF SERVICE

I hereby certify that the above and foregoing *Patient Care Ombudsman’s Second Interim Report – Central Indiana* has been electronically filed with the Clerk of Court using the CM/ECF filing system and a true and correct copy of this pleading has been sent to the following parties or counsel of record who have registered to receive electronic service.

DATED: October 27, 2017.

MESCH CLARK ROTHSCHILD

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