

**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 – EDMOND AND MERCY/OKC**

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 AMG Specialty Hospital – Edmond and Mercy/OKC (the "**Facility**" or "**Debtor**").

Accordingly, PCO submitted this *Patient Care Ombudsman's First Interim Report – Edmond and Mercy/OKC* to this Court on September 1, 2017 ("**First Report**") [Docket No. 275]. PCO comes now and submits this *Patient Care Ombudsman's Second Interim Report – Edmond and Mercy/OKC* ("**Second Report**") detailing remote monitoring, site visit observations, and analyses of the Debtor's operations for the greater Oklahoma City area.

EXECUTIVE SUMMARY

PCO did not observe patient care decline or compromise at either the Edmond or Mercy facilities that share one, 37-bed LTAC license in the greater Oklahoma City metropolitan area. Continued environmental services ("**EVS**") staff breaches in infection control precautions were directly observed by PCO at Mercy. Moreover, at least one nurse confirmed that none of her

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.

patient rooms were cleaned on the date of PCO's visit. Because PCO reported on these concerns in the First Report, PCO introduced herself to the hospital-based EVS manager and directly relayed these continued concerns. PCO asked to review the environmental surface testing (aka ATP Surface Tests) specific to the AMG rooms and was told that such information was not available. Because the AMG Infection Preventionist ("IP") for this location has been actively engaged in providing specific documentation and feedback to the hospital team without affecting a behavior change, PCO recommended to both site and corporate leadership that Mercy engage and pay for their own cleaning verification testing given the persistent lapses in infection control practices. Of note, the quality team member who works closely with the IP resigned, leaving the IP to cover both roles. Leadership indicated that additional assistance may be available from the registered dietician ("RD") who has extensive facility experience.

Unfortunately, the day after PCO's visit, leadership announced the closure of the Edmond facility, reporting to PCO that wind down will occur naturally as the existing nine (9) patients meet discharge criteria. Because this closure was surprising, PCO expects some reverberation both in the remaining Oklahoma facilities, as well as potentially in the Indiana market since the Ball and Hancock locations also share one LTAC license. Should staff departures accelerate after the Edmond closure, PCO will consider shortening the visit cycle from the currently-planned sixty-day interval.

MERCY SITE VISIT SUMMARY

Mercy had a census of thirteen (13) in its eighteen bed facility. Staffing was reported as within matrix with three nurses and a charge nurse covering direct clinical care. The main staff concern surrounded the prior-weekend's corporate communication that the Edmond facility had an admission freeze, and would only admit patients to that location once Mercy was full. Staff were concerned that such a move was ominous for closure—with their greatest fear playing out less than one week later.

The wound nurse at Mercy resigned during the interim reporting period. Unit clerk, therapy assistant, and nursing departures were also reported. Leadership attributed these departures to better pay and a chance to work with former colleagues providing LTAC-type

services in the rural Oklahoma market. PCO cannot, however, rule out some contribution from the associated bankruptcy uncertainty to these departures. Certainly, future staff resignations may be anticipated given the sudden closure of the Edmond facility.

PCO interacted with the dietician, therapy staff (including the speech therapist), pharmacist, admission coordinator, and liaison, case management staff, medical record staff, and clinical team. All denied supply concerns. Some sense that census was too low at 13 was conveyed along with continued fears of bankruptcy uncertainty.

Patient interviews were generally positive. One patient expressed a care transition concern that appeared insurance related. Clinical team responsiveness feedback was positive.

EDMOND SITE VISIT SUMMARY

The census at Edmond was nine (9) at the time of PCO's visit, with one near-term discharge anticipated. PCO interacted with two physicians—an internist and a wound specialist. Both denied supply concerns. The wound physician relayed her awareness of the directive to hold admissions at Edmond as a concern.

PCO interacted with clinical, case management, EVS, therapy, respiratory, wound, and pharmacy staff. Additionally, the same quality, IP, and RD staff that covered Mercy was noted on-site at Edmond. No concerns were noted outside of the admission hold and its impact on census and staffing. The air conditioning in the central nurses' station area noted to be non-functional in August was fixed by early October. One blood pressure machine (“**Dynamap**”) was noted to have an expired biomed sticker and was reported to quality.

Quality data was reviewed, with an emphasis on August and September data. No dramatic data shifts were noted. Given the low census numbers, any data point relative to infection resulted in a data bump with year-to-date numbers generally still staying within metric goals.

After learning of the Edmond closure, PCO scheduled a call with site leadership to review specifics relating to patient care and record issues. Patients are scheduled to discharge from Edmond no later than November 16, 2017. Supplies will be moved to Mercy as will on-site paper records. Off-site Edmond record storage will remain in place with the current off-site

storage vendor. The nursing home that utilizes AMG staff for meal preparation has been informed of the Edmond closure and departure of kitchen staff. At the time of report filing, AMG kitchen staff was reported as declining employment with the nursing home. Pharmacy staff was employed directly through Cardinal effective November 1st, and will be responsible for the orderly shut-down of the Edmond pharmacy in conjunction with the Regional Pharmacy Director. Leased equipment will be returned (primary here is the electronic medication dispensing system), with owned equipment remaining at Edmond. Trash and biohazard waste services will remain in place to service the nursing home leaving leadership to deny concerns related to a final trash pickup. Shredding pickup is currently occurring on Fridays with November 17th anticipated as the final shredding pickup for Edmond. Any leftover documents needing shredding will be transported to Mercy as needed. Printer and copying equipment managed by a third-party will be returned. PCO reminded site leadership of the importance of obtaining an appropriate certificate of destruction to document device sanitization as required by HIPAA. PCO will confirm the completion of site closure with site and/or corporate leadership after November 16th.

Because the Tulsa location had some open clinical positions, discussions surrounding the development of a “float pool” to provide interim Tulsa coverage with AMG experienced staff, as opposed to engaging in agency contract coverage, was underway. PCO’s hope is that such plans come to fruition and can soften the unemployment impact that will be felt by approximately forty or more Oklahoma City based team members.

While patient interviews are a moot point given the imminent closure of Edmond, they were strikingly positive this site visit. One patient’s feedback poignantly sums up the dichotomy between Edmond’s care quality and the assumed economics driving closure: “I never knew that God could put so many angels on Earth in one spot. I would never go anywhere else for care.”

SUMMARY AND NEXT STEPS

Chasing the reverberations of the Edmond closure feels a bit like engaging in a game of Whac-A-Mole. Because the census at Edmond was similar to that at other locations, relative to total bed availability, PCO expects staff departures at other locations if a clear bankruptcy exit

strategy is not forthcoming, particularly given staff's desire to have assured income during the holiday season. PCO will engage remotely in an attempt to appropriately prioritize follow-up site visits accordingly.

DATED: November 10, 2017.

MESCH CLARK ROTHSCHILD

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

Susan N. Goodman
 259 North Meyer Avenue
 Tucson, Arizona 85701
 Phone: (800) 467-8886 ext 141
 Fax: (520) 798-1037
sgoodman@mcrazlaw.com

CERTIFICATE OF SERVICE

I hereby certify that the above and foregoing *Patient Care Ombudsman's Second Interim Report – Edmond and Mercy/OKC* 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: November 10, 2017.

MESCH CLARK ROTHSCHILD

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

Susan N. Goodman

<p>Bradley L. Drell Heather M. Mathews B. Gene Taylor, III Chelsea Tanner Gold, Weems, Bruser, Sues & Rundell 2001 MacArthur Drive P.O. Box 6118 Alexandria, LA 71307-6118 bdrell@goldweems.com hmathews@goldweems.com gtaylor@goldweems.com ctanner@goldweems.com <i>Attorneys for Debtors</i></p>	<p>Gail Bowen McCulloch Office of the U.S. Trustee 300 Fannin, Suite 3196 Shreveport, LA 71101 gail.mcculloch@usdoj.gov <i>U.S. Trustee</i></p>
<p>Timothy M. Lupinacci Baker, Donelson, Bearman, Caldwell & Berkowitz, PC 420 20th Street North, Suite 1400 Birmingham, AL 35203 tlupinacci@bakerdonelson.com <i>Attorneys for CHCT Louisiana LLC</i></p>	<p>Lacey E. Rochester Jan M. Hayden Baker, Donelson, Bearman, Caldwell & Berkowitz, PC 201 St. Charles Avenue, Suite 3600 New Orleans, LA 70170 lrochester@bakerdonelson.com jhayden@bakerdonelson.com <i>Attorneys for CHCT Louisiana LLC</i></p>

<p>Rudy J. Cerone Sarah Edwards McGlinchey Stafford, PLLC 601 Poydras Street, 12th Floor New Orleans, LA 70130 rcerone@mcglinchey.com sedwards@mcglinchey.com <i>Attorneys for Bank of Oklahoma</i></p>	<p>Robert M. Hirsh Jordana L. Renert Arent Fox LLP 1675 Broadway New York, NY 10019 robert.hirsh@arentfox.com jordana.renert@arentfox.com <i>Attorneys for Medline Industries, Inc.</i></p>
<p>Samuel S. Ory Frederic Dorwart, Lawyers PLLC 124 East Fourth Street Tulsa, OK 74103-5010 sory@fdlaw.com <i>Attorneys for Bank of Oklahoma</i></p>	<p>Michael F. Holbein Frank N. White Arnall Golden Gregory LLP 171 17th Street, NW, Suite 2100 Atlanta, Georgia 30363-1031 michael.holbein@agg.com frank.white@agg.com <i>Attorneys for Sysco Oklahoma, Sysco New Mexico, and Sysco Las Vegas</i></p>
<p>Darryl T. Landwehr Landwehr Law Firm 1010 Common Street, Suite 1710 New Orleans, LA 70112 dtlandwehr@cox.net <i>Attorneys for Gifted Nurses, LLC d/b/a Gifted Healthcare</i></p>	<p>Matthew D. McConnell McConnell Law Offices 1021 Coolidge Blvd. Lafayette, LA 70503 matt@mcconnelllawoffices.com <i>Attorneys for Rader Solutions, LTD</i></p>
<p>Bartley P. Bourgeois 10754 Linkwood Court Baton Rouge, LA 70810 bartley@thecohnlawfirm.com contact@thecohnlawfirm.com <i>Attorneys for Amite Psychiatric Services, LLC</i></p>	<p>Alan H. Goodman Breazeale, Sachse & Wilson, LLP 909 Poydras St., Suite 1500 New Orleans, LA 70112 alan.goodman@bswillp.com <i>Attorneys for Mercy Hospital Oklahoma City, Inc.</i></p>
<p>Amy P. Williams Troutman Sanders LLP 301 S. College Street, Suite 3400 Charlotte, NC 28202 amy.williams@troutmansanders.com <i>Attorneys for Flagship Keystone Covington, LLC</i></p>	<p>Tristan Manthey Cherie Dessauer Nobles William H. Patrick, III Heller, Draper, Patrick, Horn & Dabney, L.L.C. 650 Poydras Street, Suite 2500 New Orleans, LA 70130 tmanthey@hellerdraper.com cnobles@hellerdraper.com wpatrick@hellerdraper.com <i>Attorneys for Unsecured Creditors Committee</i></p>
<p>Joseph P. Herbert Liskow & Lewis 822 Harding Street Lafayette, LA 70503 P.O. Box 52008 Lafayette, LA 70505-2008 jpherbert@liskow.com <i>Attorneys for Wells Fargo Equipment Finance, Inc.</i></p>	<p>Patrick Johnson, Jr. Brent C. Wyatt Akerman LLP Pan-American Life Center 601 Poydras Street, Suite 2200 New Orleans, LA 70130 patrick.johnson@akerman.com brent.wyatt@akerman.com <i>Attorneys for Sierra Home Medical Products, Inc.</i></p>
<p>Christopher T. Caplinger Lugenbuhl, Wheaton, Peck, Rankin & Hubbard 601 Poydras St., Suite 2775 New Orleans, LA 70130 ccaplinger@lawla.com <i>Attorneys for First American Commercial Bancorp, Inc.</i></p>	<p>Steven E. Adams Adams Law Office, APLC 4845 Jamestown Ave., Suite 204 Baton Rouge, LA 70808 sea2334@yahoo.com <i>Attorneys for Louisiana Department of Health</i></p>

<p>W. Thomas Gillman 1617 N. Waterfront Parkway, Suite 400 Wichita, KS 67206 tgilman@hinklaw.com <i>Attorneys for Affiliated Medical Services Lab</i></p>	<p>John D. Baumgartner Stout Risius Ross Advisors, LLC & Stout Risius Ross, LLC 1000 Main Street, Suite 32000 Houston, TX 77002 jbaumgartner@stoutadvisory.com <i>Financial Advisors for Acadiana Management Group, L.L.C., et al.</i></p>
<p>Mike P. Pipkin Weinstein Radcliff Pipkin LLP 8350 N. Central Expressway, Suite 1550 Dallas, TX 75206 mpipkin@weinrad.com <i>Attorneys for Cardinal Health 110, LLC</i></p>	<p>Steven T. Ramos 1301 Camellia Blvd., Suite 401 Lafayette, LA 70508 bankruptcy@andrus-boudreaux.com <i>Attorneys for Stephen J. Sere</i></p>
<p>Elizabeth J. Futrell R. Patrick Vance Jones Walker LLP 201 St. Charles Avenue, Suite 5100 New Orleans, LA 70170-5100 efutrell@joneswalker.com pvance@joneswalker.com <i>Attorneys for Indian University Health Ball Memorial Hospital, Inc., and Indiana University Ball Memorial Physicians, Inc.</i></p>	<p>Harold L. Domingue, Jr. 711 West Pinhook Road Lafayette, LA 70503-2315 hdomingue@bellsouth.net <i>Attorneys for Houma Healthcare Properties, LLC and Imperial Healthcare Leasing, LLC</i></p>

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