

**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 THIRD 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] and *Patient Care Ombudsman’s Second Interim Report – Central Indiana* on October 27, 2017 (“**Second Report**”) [Docket No. 440]. PCO comes now and submits this *Patient Care Ombudsman’s Third Interim Report – Central Indiana* (“**Third Report**”) detailing remote monitoring, follow-up, and site visit observations/analyses of the Central Indiana operations.

SITE VISIT SUMMARY

Hancock Facility. PCO did not observe patient care decline as contemplated by 11 U.S.C. § 333(b). Many staff reported being told that the bankruptcy “was finished” as of mid-

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.

December. Accordingly, PCO clarified that PCO engagement continued through plan confirmation, not just through plan disclosure.

Census at Hancock was 6 at the time of PCO's visit. Maximum capacity at this location is 14. Staff reported that the census had been quite high in the week before PCO's visit. Debtor's staffing matrix does not generally allow for aide support to the nursing staff until a census of 10 is reached. Clinical staff noted several challenges with two nurses covering 9 patients over the weekend. Immediate patient safety concerns; however, were denied. While these staffing ratios are consistent with the Debtor's staffing matrix, multiple team members voiced concern that this minimal staffing coverage created strain and could NOT be maintained over an extended period. Patient interviews also reflected a perception that staff was "stretched thin," leading to episodic extended-wait times for nursing to respond to the call-light request.

The pharmacist denied continued medication administration error-rate concerns as had been reported previously. A change in pharmacist staffing is underway, with the departing pharmacist denying that his departure is bankruptcy related. Bankruptcy-related pharmacy supply shortages were also denied. Various national shortages, both in fluids and pharmaceuticals remain challenging and require substitution. No concerns noted.

PCO interacted with environmental services ("EVS" aka housekeeping), EVS management, nursing, admissions, health information management ("HIM" aka medical records), materials, respiratory, wound care, case management, and therapy staff. All denied supply challenges. A rental equipment preventative maintenance need was reviewed with the materials team member. Low census nursing staffing strain was previously discussed. Some fear and uncertainty surrounding long-term operations remained evident, particularly with recent low census and short-stay data.

PCO interviewed half of the patient population and two physicians who were rounding at the location. PCO received helpful operational feedback regarding admission first-impressions from patients and families, passing that information on to leadership for follow-up as needed.

Patients reported positively on the genuineness of the clinical staff, despite call light response delays as discussed. Physicians denied concerns.

PCO relayed to staff that a fourth visit would be unlikely so long as the plan confirmation hearing remains on track for the end of February.

Muncie Facility. Muncie had 14 patients at the time of PCO's visit with a potential maximum capacity of 18. Clinical staffing included a charge nurse, three nurses, and one tech/aide. PCO observed care, engaged with clinical, pharmacy, therapy, case management, dietary, EVS, registered dietician, admitting, HIM, quality, and wound care staff. PCO also interviewed about 40% of the patient population, including family members, and spoke with the two physicians rounding at the facility.

No bankruptcy related supply or pharmaceutical/fluid concerns were reported. However, various operational challenges in both areas were noted during the interim reporting period. Patient impact was denied. Patient interviews revealed some improvement surrounding call light response times, with night-shift clinical response time challenges continuing more often than the day shift. Patient feedback on respiratory therapy staff engagement was somewhat negative for the day shift and more positive for the night shift team members. Additional interview feedback from patients and family members included some frustration on various topics that generally related to the common theme of a desire for clearer communication surrounding patient treatment plans and timing. Clinical leadership was engaged and supportive of the need for redundant communication and continued improvement in communication coordination between physicians, ancillary services (i.e. therapy) staff, clinical staff, and patients and family members. These operational challenges did not appear to be driven by bankruptcy dynamics.

The Indiana team hired a new human resources manager. PCO did not meet this individual. Clinical staff reported positively on the added support contributed by this team member in a role that had been vacant for months. New hire orientation occurred just prior to PCO's visit and included 9 new staff members. Night nursing and aide recruitment remains challenging with continued agency nurse usage reported. Previous long-term visa-program night

nurses have been reassigned by their staffing agency, a move that was reported as related to bankruptcy contractual concerns. Given the longevity and performance of these nurses, this loss is expected to exacerbate those night-shift call-light challenges previously discussed herein.

PCO reviewed the interim quality data, the operational challenges identified in the data, and the current strategies for continued improvement. PCO will remain engaged remotely, as needed, on improvement efforts in several key areas. Other than the loss of visa-program nurses as a consequence of the bankruptcy, PCO did not observe any other patient impact concerns that could be attributed to the bankruptcy.

SUMMARY AND NEXT STEPS

PCO anticipates plan confirmation before a fourth site visit/report will be necessary. PCO encouraged site staff to reach out should any concerns arise between the filing of this report and plan confirmation, particularly if strained staffing dynamics continue. PCO will follow-up accordingly if any concerns are reported.

DATED: January 9, 2017.

MESCH CLARK ROTHSCHILD

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CERTIFICATE OF SERVICE

I hereby certify that the above and foregoing *Patient Care Ombudsman’s Third 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: January 9, 2017.

MESCH CLARK ROTHSCHILD

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