

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
WACO DIVISION**

In re:	§	Chapter 11
LITTLE RIVER HEALTHCARE	§	
HOLDINGS, LLC, <i>et al.</i>	§	Case No. 18-60526-RBK
	§	
Debtors ¹	§	(Jointly Administered)
	§	

**PATIENT CARE OMBUDSMAN'S FIRST INTERIM REPORT
TEMPLE LOCATIONS**

**INCLUDING: KING'S DAUGHTERS CLINIC, KING'S DAUGHTERS IMAGING, AND
TEMPLE SURGERY CENTER**

Pursuant to 11 U.S.C. §333 of the Bankruptcy Code and the August 29, 2018 Order of this Court directing United States Trustee to Appoint a Patient Care Ombudsman [DE No. 166], the United States Trustee entered Notice of Appointment of Patient Care Ombudsman [DE No. 178] Susan N. Goodman on August 31, 2018. Thereafter, this Court entered its September 4, 2018 Order Approving Patient Care Ombudsman's Motion for Admission *Pro Hac Vice* [DE No. 190]. Accordingly, Susan Goodman as the Patient Care Ombudsman ("PCO") was directed to evaluate and report on the patient care services provided by Little River Healthcare Holdings, LLC, et al. ("Debtors" or "Little River") no less than every sixty days.

PCO is a Registered Nurse and an attorney with work experience in clinical/operational health care and health care 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.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: Compass Pointe Holdings, LLC (1142), Little River Healthcare Holdings, LLC (7956), Timberlands Healthcare, LLC (1890), King's Daughters Pharmacy, LLC (7097), Rockdale Blackhawk, LLC (0791), Little River Healthcare - Physicians of King's Daughters, LLC (5264), Cantera Way Ventures, LLC (7815), and Little River Healthcare Management, LLC (6688). The Debtors' mailing address is 1700 Brazos Ave, Rockdale, TX 76567.

Further, although PCO reviews Debtors' care processes relative to federal and state licensing and quality regulations, PCO does not assume liability for Debtors' compliance obligations under state and federal law 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 Debtors' compliance with any regulatory standards.

Debtors' operations included more than twenty distinct locations. Because many of these locations were time-share clinical office space arrangements with limited clinic hours, PCO consolidated her site visit to include the following locations: Rockdale Hospital and campus clinics A, B, and C; Downtown Rockdale Clinic; Rockdale School Clinic (PCO visited the location that coincided with her visit day); Cameron Hospital; King's Daughters Clinic and Imaging; Temple Surgery Center, Central Texas Urology and Waco Imaging; Georgetown Orthopedics; and, Georgetown Imaging. The Rockdale and Cameron locations are collectively referred to as "**Milam County**" or "**Milam**" locations. King's Daughters Clinic, King's Daughters Imaging, and Temple Surgery Center are collectively referred to as "**Temple Locations**" or "**KDC Locations**." Central Texas Urology and Waco Imaging are collectively referred to as "**Waco Locations**." Lastly, Georgetown Orthopedics and Georgetown Imaging are collectively referred to as "**Georgetown Locations**²."

Given the distinct geographies associated with these various locations, PCO separated reports consistent with these distinctions. Accordingly, PCO comes now and submits this *Patient Care Ombudsman's First Interim Report – Temple Locations* ("**First Temple Report**") detailing site visit review, observations, and analyses of Debtors' operations in the Temple, Texas geographic area.

SITE VISIT SUMMARY

PCO did not observe patient care decline or compromise as contemplated by 11 U.S.C. § 333(b) while visiting the clinic, imaging, and ambulatory surgery outpatient services areas in Temple, Texas. The Debtors' Temple Locations are situated directly behind the McLane Children's

² The Georgetown geographic area also had Spine Care and Specialty Clinic offices. However, the clinicians were not in these locations on the date of PCO's visit. PCO will attempt to coordinate her second site visit, if possible, to include visiting these locations.

Scott & White Hospital which, many years ago now, was formerly King's Daughters Hospital. CT and MRI imaging services are in the Temple Surgery Center building, with mammography and other diagnostic radiology services located next door in the large, King's Daughters Clinic.

Temple Surgery Center opened in late 2008/early 2009. It has two OR rooms and one procedure room. The Clinical Director of the surgery center has been in place since mid-2009. The Director reported stability in volumes and staffing. She denied staff departures associated with the bankruptcy. PCO observed an outpatient surgery at the surgery center without concern. PCO spoke with one of two full-time employed nurse anesthetists who denied supply or staffing challenges affecting patient care as did the surgeon. PCO reviewed the various quality metric and life safety tracking for this facility, with no concerns noted. The surgery center has been on the Cerner Community Works EHR since 2012. Additional paper documentation that is utilized is scanned in to Cerner as a pdf. Scanning accuracy is confirmed, with paper documents held for 90-days then shredded.

King's Daughters CT and MRI suites were spot checked for current physicist calibration reports, staff credentials, non-magnetic extinguisher, and appropriate radiation exposure monitoring. The MRI room was down due to an HVAC issue. After the HVAC issue was repaired, additional MRI service was needed and appeared to occur timely without delay.

The King's Daughters Clinic facility is quite large. In addition to its same-day, walk-in clinic and a robust mammography/imaging/radiology program, the clinic offers family practice, internal medicine, and pediatric primary care services along with a host of specialists including OB/GYN, hematology/oncology, orthopedic/spine surgery, ophthalmology, cardiology, ENT, neurosurgery, pain management, urology, and podiatry. The clinic also has pharmacy, lab, and therapy services on site. The laboratory draw station at the clinic is now owned by an independent third party. The Chief Medical Officer ("CMO") graciously stayed after hours to meet with PCO. While clinician morale, payment, and departures such as those discussed in the Milam County report were concerning to the CMO, he denied concerns that patient care quality had been impacted by the bankruptcy process.

KDC has utilized Greenway as its EHR since approximately late 2012. Prior to Greenway, KDC utilized Practice Partners, and those records were reported as ported over to the current EHR. Older and ophthalmology paper records are stored on site at KDC in the basement. KDC laboratory utilizes a laboratory information system from the vendor Orchard, called Harvest. While Greenway is interfaced with Harvest, the third-party vendor CPL system is not interfaced, so lab results are pushed to Harvest and then approved and sent to the Greenway EHR by the KDC Lab Director. KDC materials management program is a stand-alone software for inventory management, cycle counts, and purchase order processing.

Storage of radiology images involves five distinct PACS (picture archiving and communication system). The main PACS is a GE system that stores x-ray, CT, MRI, and non-cardiac ultrasound images. This system is not capable of storing mammography, cardiac ultrasound, or cardiac nuclear medicine studies. Rockdale mammography images are stored in a RamSoft PACS system. KDC mammography is stored in a Fuji Synapse PACS, and 3D mammography (tomosynthesis, DBT, or tomo) images are currently stored in a loaner PACS. Cardiac nuclear medicine and US studies are stored in an UltraLinq PACS. While a single radiology information system and PACS has been proposed, such a system is expensive.

PCO looped back with the Chief Information Officer (“CIO”) regarding a reported dictation spooling issue that was impacting final clinician reports from timely appearing in the EHR. The CIO indicated that a fix for this operational issue had been put in place approximately one week prior to PCO’s site visit. The CIO also indicated that the system-wide lap-top encryption project was nearly complete, estimating less than 10% of devices remained to be encrypted.

Limited moderate complexity and waived laboratory testing is done at KDC in a separate area from the third-party draw station. Equipment PMs were current for this area, with one coming due later this year. Prepayment for annual proficiencies will also be due later this year. No current concerns noted.

PCO met with biomedical engineering and maintenance. These areas are covered by one team member in each role. Biomedical engineering utilizes a specific software program for

equipment maintenance management. While software access has been uninterrupted, updates have not been supported for approximately one year. Not atypical, these areas are making it work with limited resources. Biomed follow-up on PCO's incidental operational observations was prompt. Outdated annual tags on the clinic fire extinguishers were noted, appearing to be an operational issue rather than bankruptcy-related.

Consistent with PCO's experience in Milam County, Debtors' restructuring team has been communicative and engaged in following up with PCO on incidental operational findings. PCO also worked with clinical site leadership to finalize a 2015.1 Patient Posting for placement in lieu of personal service of report notices.

SUMMARY AND NEXT STEPS

PCO has and will continue to engage remotely with staff and clinicians. As was previously reported for Milam County, Debtors' leadership, restructuring team, and counsel have been engaged and responsive working with PCO as issues have been identified. The clinician and key staff departures that were noted in the First Milam County Report do not appear to be prevalent at the Temple Locations. Accordingly, PCO is more comfortable asserting that a 60-day follow-up visit cycle for this location is anticipated, absent significant changes.

DATED: October 12, 2018.

Respectfully submitted,

MESCH CLARK ROTHCHILD

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CERTIFICATE OF SERVICE

I, Susan N. Goodman, hereby certify that a copy of this document has been electronically filed with the Clerk of Court using the Court's electronic case 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 12, 2018.

Respectfully submitted,

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