

**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
WACO LOCATIONS
INCLUDING: CENTRAL TEXAS UROLOGY AND WACO IMAGING**

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 hospital 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 – Waco Locations* ("**First Waco Report**") detailing site visit review, observations, and analyses of Debtors' operations in the Waco, Texas geographic area. Of note, due to the anticipated separation of Central Texas Pathology Laboratory to PCO's site visit, this location was not visited.

² The Georgetown geographic area also had a 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.

SITE VISIT SUMMARY

Waco Urology is a large specialty clinic that in a larger medical plaza that is situated across the highway from Providence Health Center Hospital. The clinic is home to six urologists, one physician assistant, and one physical therapist. Waco imaging is around the corner from the urology office in a separate office suite.

PCO met with the clinical nursing director and office manager (“**Manager**”). The Manager denied staffing or physician departures associated with the bankruptcy. Patient volumes have remained stable in this large-volume, busy clinic. Certainly, early bankruptcy supply challenges as reported in the Milam County and KDC First Reports were also experienced at the Waco Locations, with office and paper products most notably affected³. Yet, other than this, the urology clinic has been fortunate to be somewhat removed from the larger bankruptcy experience.

The clinic has its own EHR (UroChartEHR) and bills independently. The largest bankruptcy related concern relates to the departure of the quality team member from Rockdale who would be the person able to understand and assist with MIPS quality metric reporting as required by CMS. A vendor-based EHR option exists for abstracting the MIPS data, although there would be a non-budgeted cost associated with this option.

PCO did not meet with physicians, although the Manager did relay that the clinicians’ biggest frustration was that of patient refunds caught in the bankruptcy process. Rent was also reportedly behind. Limited paper records are stored on site, limited mainly to printed SuperBills that serve as backup during the billing process. The urology office does not report any off-site record storage.

The Imaging Center has US, X-ray and CT capability. PCO met with the technician covering each of these modalities along with the front and back imaging office staff. All denied bankruptcy-associated concerns outside of the office and paper product outages discussed above. PCO reviewed film badge monitoring reports, physicist calibration reports, and point of care

³ Clinic staff reported running out of toner, toilet paper, paper towels, and postage meter postage.

testing documentation. Updated preventative maintenance contracts as reported in the First Milam Report will include this Imaging Center. The Imaging Center is on the Greenway EHR, although previous paper records, segregated by service date, are stored on site in upright file cabinets. These records have not been scanned in to patient charts. Like the urology clinic, Waco Imaging has largely been removed from the bankruptcy fatigue seen in Milam County.

SUMMARY AND NEXT STEPS

PCO did not observe patient care concerns as contemplated by 11 U.S.C. § 333(b). PCO can engage with the Manger remotely regarding MIPS data reporting and quality metrics. Likewise, PCO can engage with the Imaging Director to remotely monitor the imaging center. So long as current staff and clinicians remain in place, the Waco Locations could be effectively monitored remotely over the next reporting cycle.

DATED: October 12, 2018.

Respectfully submitted,

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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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