

**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
GEORGETOWN LOCATIONS**

INCLUDING: GEORGETOWN ORTHOPEDICS AND GEORGETOWN 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 – Georgetown Locations* ("**First Georgetown Report**") detailing site visit review, observations, and analyses of Debtors' operations in the Georgetown, Texas geographic area.

SITE VISIT SUMMARY

Georgetown Orthopedics is a large, free-standing orthopedic specialty clinic that joined Little River Healthcare in 2013. Like Waco Urology, the clinical nursing director and office manager ("**Manager**") has been affiliated with this physician group for a significant period

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.

preceding its Little River affiliation. The Manager denied staffing departures or instability associated with the bankruptcy. While certain long-standing vendor relationships were reported as strained with the bankruptcy process, the Manager denied patient impact from these challenges.

In addition to six orthopedic surgeons and two physician assistants, the office provides physical therapy services and x-ray on site. PCO reviewed x-ray safety and calibration documentation. No concerns noted.

The clinic was initially on a different version of the Greenway EHR when it first partnered with Little River moving to the current Greenway EHR in late 2015. Clinical records were migrated to the new system, billing and patient account records were not. Some paper records are stored on site, particularly total joint records that are held indefinitely. Other records subject to a planned destruction schedule are stored by a vendor in West Virginia.

PCO did not meet with physicians at this location, although interacted with a physician from this group while at the Temple Locations. The Manager did relay the clinicians' concern regarding refund monies owed to patients. The Manager also relayed that some patients have reported delays in billing statement production that they requested for timely completion of Form 410. PCO relayed this information to the restructuring team for follow-up as needed. Finally, while not limited to the Georgetown Locations, PCO consistently received unsolicited staff and clinician concerns surrounding unpaid reimbursement monies owed for work-related training, mileage, postage, and the like. Some staff have reported feeling hesitant to push the issue for fear of being targeted in possible future RIFs.

Georgetown Imaging Center is a short drive away from the orthopedic clinic and next door to the Little River Spine Care Program Office. The Center has MRI, CT, and X-ray modalities available. PCO met with the front office staff and the two radiology technicians. The Imaging Director was also on-site following up on an MRI table issue. A vendor representative was on site to accomplish pre-procedure planning. PCO reviewed current physics calibration reports and spot-checked staff licensure. No concerns noted.

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 Manager and the Imaging Director remotely regarding staffing, data reporting, and quality metrics over the next reporting period so long as no significant changes occur with clinicians or staff. That would provide some savings in PCO expenses over the next reporting cycle.

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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