

**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

By: /s/Susan N. Goodman, AZ Bar #019483
Susan N. Goodman
259 North Meyer Avenue
Tucson, Arizona 85701
Phone: (800) 467-8886 ext 141
sgoodman@mcrazlaw.com
Patient Care Ombudsman

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,

MESCH CLARK ROTHCHILD

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
Patient Care Ombudsman

<p>Tyler N. Layne Courtney K. Stone Waller Lansden Dortch & Davis, LLP 511 Union Street Suite 2700 Nashville, TN 37219 tyler.layne@wallerlaw.com courtney.stone@wallerlaw.com <i>Attorneys for Debtor</i></p>	<p>Shane P. Tobin U.S. Trustee 903 San Jacinto Blvd., Rm. 230 Austin, TX 78701 shane.p.tobin@usdoj.gov <i>Trial Attorney for United States Trustee</i></p>
<p>Morris D. Weiss Waller Lansden Dortch & Davis, LLP 100 Congress Ave Suite 1800 Austin, TX 78701-4042 morris.weiss@wallerlaw.com <i>Attorney for Debtor</i></p>	<p>Don Stecker Linebarger Goggan Blair & Sampson, LLP 711 Navarro Street, Ste 300 San Antonio, TX 78205 sanantonio.bankruptcy@publicans.com <i>Attorney for Bexar County</i></p>
<p>Michael M. Parker Norton Rose Fulbright US LLP 300 Convent Street, Suite 2100 San Antonio, Texas 78205 michael.parker@nortonrosefulbright.com <i>Attorney for Official Committee of Unsecured Creditors</i></p>	<p>Mel Smith Law Offices of Mel Smith, Esq. 4201 Cypress Creek Parkway, Suite 195 Houston, Texas 77068 mel@mlsesq.com <i>Attorney for Classic Bank, N.A.</i></p>

<p>Ryan E. Manns Norton Rose Fulbright US LLP 2200 Ross Avenue, Suite 3600 Dallas, TX 75201 ryan.manns@nortonrosefulbright.com <i>Attorney for Official Committee of Unsecured Creditors</i></p>	<p>John T. Banks Perdue, Brandon, Fielder, Collins & Mott, L.L.P. 3301 Northland Drive, Suite 505 Austin, TX 78731 jbanks@pbfc.com <i>Attorney for Cameron Independent School District</i></p>
<p>William L. Wallander Bradley R. Foxman Matthew J. Pyeatt Vinson & Elkins L.L.P. Trammell Crow Center 2001 Ross Avenue, Suite 3900 Dallas, Texas 75201-2975 bwallander@velaw.com bfoxman@velaw.com mpyeatt@velaw.com <i>Attorneys for Monroe Capital Management Advisors, LLC</i></p>	<p>David H. Leigh Ray Quinney & Nebeker, P.C. 36 South State Street, 14th Floor Salt Lake City, Utah 84111 dleigh@rqn.com <i>Attorney for Med One Capital Funding, LLC</i></p>
<p>J. Mark Chevallier Mcguire, Craddock & Strother, P.C. 2501 N. Harwood, Suite 1800 Dallas, TX 75201 MChevallier@mcsllaw.com <i>Attorney for BBL Construction Services, LLC</i></p>	<p>Gregory G. Hesse Allison Jacobsen Hunton Andrews Kurth LLP 1445 Ross Avenue, Suite 3700 Dallas, Texas 75202-2799 ghesse@hunton.com ajacobsen@hunton.com <i>Attorneys for Boston Heart Diagnostics Corp.</i></p>
<p>J. Casey Roy Assistant Attorney General Texas Attorney General's Office Bankruptcy & Collections Division P. O. Box 12548- MC 008 Austin, Texas 78711-2548 casey.roy@oag.texas.gov <i>Attorney for Texas Health and Human Services Commission</i></p>	<p>Tara LeDay McCreary, Veselka, Bragg & Allen, P.C. P.O. Box 1269 Round Rock, Texas 78680 tleday@mvbalaw.com <i>Attorney for The County of Bastrop, Texas</i></p>
<p>Kay D. Brock Assistant Travis County Attorney P.O. Box 1748 Austin, TX 78767 kay.brock@traviscountytexas.gov <i>Attorney for Travis County</i></p>	<p>Charles L. Eppright Sneed, Vine & Perry, P.C. 900 Congress Avenue, Suite 300 Austin, Texas 78701 ceppright@sneedvine.com <i>Attorney for River Place Estates</i></p>
<p>Mark Ralston Fishman Jackson Ronquillo PLLC 13155 Noel Road, Suite 700 Dallas, TX 75240 mrалston@fjrpllc.com <i>Attorney for Cerner Health Services, Inc.</i></p>	<p>J. Scott Douglass 1811 Bering Dr., Suite 420 Houston, Texas 77057 jsd@aol.com <i>Attorney for J. Scott Douglass</i></p>
<p>Darrell Clark Stinson Leonard Street LLP 1775 Pennsylvania Avenue NW, Suite 800 Washington, DC 20006-4605 darrell.clark@stinson.com <i>Attorney for Cerner Health Services, Inc.</i></p>	<p>Keith David Sherry Sherry Law Ltd 3104 Barton Point Drive Austin, Texas 78733 ksherry@sherrylawltd.com <i>Attorney for Old Town Square LLC</i></p>

<p>Lloyd A. Lim Rachel I. Thompson Reed Smith LLP 811 Main Street, Suite 1700 Houston, Texas 77002-6110 llim@reedsmith.com rithompson@reedsmith.com <i>Attorneys for Blue Cross and Blue Shield of Texas</i></p>	<p>Aaron M. Kaufman Jane A. Gerber Dykema Gossett, LLC 1717 Main Street, Suite 4200 Dallas, Texas 75201 akaufman@dykema.com jgerber@dykema.com <i>Attorneys for Salado Plaza, LLC</i></p>
<p>Martin J. Bishop Bryan M. Webster Reed Smith LLP 10 S. Wacker Drive, 40th Floor Chicago, IL 60606 mbishop@reedsmith.com bwebster@reedsmith.com <i>Attorneys for Blue Cross and Blue Shield of Texas</i></p>	<p>Duane J. Brescia Clark Hill Strasburger 720 Brazos, Suite 700 Austin, TX 78701 duane.brescia@clarkhillstrasburger.com <i>Attorney for Kelly Tjelmeland, M.D.; KTMSC Holdings, LLC; KTMSC Management, LLC, Little River Healthcare - Meridian Surgery Center, LLC</i></p>
<p>Blake Rasner Haley & Olson, P.C. 100 N. Ritchie Road, Suite 200 Waco, Texas 76712 brasner@haleyolson.com <i>Attorney for Bauer Brothers Investments, LLC</i></p>	<p>Christina L. Garcia P. Blake Henshaw Walsh Gallegos Trevino Russo & Kyle P.C. 10375 Richmond Avenue, Suite 1357 Houston, Texas 77042 cgarcia@wabsa.com bhenshaw@wasba.com <i>Attorneys for Little River Healthcare Holdings, LLC, et al.</i></p>
<p>Jason S. Brookner Amber M. Carson Gray Reed & McGraw LLP 1601 Elm Street, Suite 4600 Dallas, Texas 75201 jbrookner@grayreed.com acarson@grayreed.com <i>Attorneys for PharMerica Hospital Pharmacy Services, LLC d/b/a Luker Pharmacy Management</i></p>	<p>Peter C. Ruggero Ruggero Law Firm PC 1411 West Avenue, Ste 200 Austin, TX 78701 peter@ruggedlaw.com <i>Attorney for Houston County Hospital District</i></p>
<p>Phillip A. Martin Fultz Maddox Dickens P.C. 101 South Fifth Street, 27th Floor Louisville, KY 40202 pmartin@fmdlegal.com <i>Attorneys for PharMerica Hospital Pharmacy Services, LLC d/b/a Luker Pharmacy Management</i></p>	<p>Mitchell D. Savrick Savrick Schumann Johnson McGarr Kaminski & Shirley, L.L.P. 4330 Gaines Ranch Loop, Suite 150 Austin, Texas 78735 mittchell@ssjmlaw.com <i>Attorney for Greenfield and Fortenberry, LLC d/b/a Health Space Design, LLC</i></p>
<p>David C. Alford Pakis Giotes Page & Burleson, P.C. P.O. Box 58 Waco, Texas 76703-0058 alford@pakislaw.com <i>Attorney for Central Texas Pathology Laboratory, P.A.</i></p>	<p>Kerry L. Haliburton Naman, Howell, Smith & Lee, PLLC P.O. Box 1470 Waco, Texas 76703-1470 haliburton@namanhowell.com <i>Attorney for Hing-Sheung Eugene Fung, M.D., P.A.</i></p>

<p>Matthew T. Ferris Haynes and Boone, LLP 2323 Victory Avenue, Suite 700 Dallas, TX 75219 matt.ferris@haynesboone.com <i>Attorneys for GA HC Reit II Killeen Mob LLC and GA HC Reit II Temple Mob LLC</i></p>	<p>Joshua W. Wolfshohl Aaron J. Power Porter Hedges LLP 1000 Main Street, 36th Floor Houston, TX 77002 jwolfshohl@porterhedges.com ajpower@porterhedges.com <i>Attorneys for Brazos Valley Women Center, P.A.</i></p>
<p>Marie-Josée Dube IBM Corporation 275 Viger East Montreal, Quebec H2X 3R7 Canada mjdube@ca.ibm.com <i>Creditor International Business Machines Credit LLC</i></p>	

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