

UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION

In re:	:	Chapter 11
	:	
Curae Health, Inc., et al. ¹	:	Case No. 18-05665
	:	(Jointly Administered)
	:	
Debtors.	:	Judge Walker
	:	
	:	

PATIENT CARE OMBUDSMAN’S FOURTH AND FINAL REPORT

In accordance with Section 333(b)(2) of chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”), Suzanne Koenig (the “**Ombudsman**”), in her capacity as the patient care ombudsman appointed by this Court in the above-captioned Chapter 11 cases commenced by Curae Health, Inc. (“**Curae**”), a Tennessee nonprofit corporation and sole member and sponsoring organization of the other debtors and debtors-in-possession, Amory Regional Medical Center, Inc. (“**Amory**”), Batesville Regional Medical Center, Inc. (“**Batesville**”), Clarksdale Regional Medical Center, Inc. (“**Clarksdale**”), Amory Regional Physicians, LLC (“**Amory Regional**”), Batesville Regional Physicians, LLC (“**Batesville Regional**”) and Clarksdale Regional Physicians, LLC (“**Clarksdale Regional**”, collectively, with Curae, Amory, Batesville, Clarksdale, Amory Regional and Batesville Regional the “**Debtors**”), respectfully submits this fourth and final report (the “**Fourth and Final Report**”) for the time period from March 13, 2019 to the date of this Fourth Report (the “**Report Period**”). This Fourth Report supplements the Ombudsman’s observations, as set forth in the initial report, which was filed

¹ The “**Debtors**” in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are Curae Health, Inc. (5638); Amory Regional Medical Center, Inc. (2640); Batesville Regional Medical Center, Inc. (7929); Clarksdale Regional Medical Center, Inc. (4755); Amory Regional Physicians, LLC (5044); Batesville Regional Physicians, LLC (4952); and Clarksdale Regional Physicians, LLC (5311).

with the Court on November 16, 2018 [Docket No. 471], the second report, which was filed with the Court on January 16, 2019 [Docket No. 677] and the third oral report, which was presented to this Court on March 12, 2019.

I. APPOINTMENT OF THE OMBUDSMAN

On September 6, 2018, this Court entered an order directing the appointment of a patient care ombudsman under Section 333 of the Bankruptcy Code (the “**Appointment Order**”) [Docket No. 111]. On September 18, 2018, the Office of the United States Trustee for the Middle District of Tennessee (the “**United States Trustee**”) appointed Suzanne Koenig of SAK Management Services, LLC to serve as patient care ombudsman in these cases (the “**Appointment Notice**”) [Docket No. 191]. The Ombudsman filed applications to retain the law firm of Greenberg Traurig, LLP as her counsel and SAK Management Services, LLC (“**SAK**”) as her medical operations advisor. These applications were approved by the Bankruptcy Court [Docket Nos. 387 and 388].

II. SUMMARY OF OMBUDSMAN’S MONITORING AND OBSERVATIONS

The following summarizes the Ombudsman’s observations during this Report Period:

A. Clarksdale Regional Medical Center, Inc. (d/b/a Northwest Mississippi Regional Medical Center)

The Ombudsman made one visit to Clarksdale during the Report Period (mid-afternoon on April 4, 2019). During this visit, the Ombudsman met with the chief executive officer (the “**CEO**”), the dietary manager (the “**Dietary Manager**”), the chief nursing officer (the “**CNO**”), the director of pharmacy (the “**Pharmacy Director**”), the chief medical officer (the “**CMO**”) and the lab director (the “**Lab Director**”) and toured the surgery department.

1. Chief Executive Officer

The Ombudsman met with the CEO, who reported that a Department of Public Health surveyor had made a routine visit to check the status of the sale/merger. The surveyor had no concerns and requested notification when the sale became final. The CEO said that despite the press coverage and uncertainty regarding the status of the hospital, the physicians and hospital department managers have remained supportive. The hospital census dropped to 29 from its March levels, which were in the 60s. The CEO asserted that it was not unusual for the census to drop from month to month, but also speculated that the decrease might be attributable to press coverage related to the perceived delay in finalizing the sale.

2. Dietary Manager

The Ombudsman met with the Dietary Manager who indicated that a service recovery log was now in place and that all issues identified by the Ombudsman on previous visits (outdated food, non-functioning equipment and areas that needed further cleaning) had been resolved. The CEO confirmed this assessment and indicated that he was now doing routine rounds in the kitchen. There have been no recent complaints regarding food. The dietary department is meeting with new patients within 24 hours and providing them with menus for all three meals.

3. Chief Nursing Officer

The Ombudsman met with the CNO, who indicated that there was increased anxiety among the nursing staff due to negative press coverage of the sale process. Some of the nurses left the facility, but the department remains able to appropriately staff units due to the decreased census. A PRN nurse is now filling open shifts. At the time of the Ombudsman's visit, the census was at 29 patients, including five post-partum patients, five infants and two patients in labor. The CNO indicated that while census has decreased, emergency room visits have

remained at the same level as prior months. The CNO suggested a possible intervention to address low census. In addition, the CNO indicated that staffing concerns are being addressed by combining the medical surgical and telemetry units. The CNO reported no noticeable negative results due to this combination. The CNO reports that CHS has provided some educational resources and indicated that one sentinel event² occurred in surgery during this Reporting Period.

4. Director of Pharmacy

The Ombudsman met with the Pharmacy Director. The Pharmacy Director told the Ombudsman that the department is well staffed with three pharmacy technicians and three pharmacists; one being a clinical pharmacist assigned to work with each nursing unit. The pharmacy is staffed with a pharmacist from 7:00 a.m. to 7:00 p.m. seven days per week. The pharmacy has internal measures in place to check all physician orders several times before medication is released to the nursing units. All medication errors are thoroughly reviewed, with even the "near misses"³ reviewed by the pharmacy. There have been no sentinel events regarding medications in this Report Period.

5. Chief Medical Officer

The Ombudsman met with the CMO to discuss any concerns regarding physician services. The CMO told the Ombudsman that the local physicians remain supportive of the hospital, and the CMO does not anticipate physicians leaving the hospital during the sale transition. Furthermore, the physician group staffing the emergency room is stable and is likely

² Sentinel Event: An adverse event in health care delivery or other service, which either leads to or has potential to lead to catastrophic outcomes (for example, near-miss), thereby often mandating initiation of emergency intervention or of preventive measures. The Joint Commission adopted a formal Sentinel Event Policy in 1996 to help hospitals that experience serious adverse events improve safety and learn from those sentinel events. Careful investigation and analysis of Patient Safety Events (events not primarily related to the natural course of the patient's illness or underlying condition), as well as evaluation of corrective actions, is essential to reduce risk and prevent patient harm. (https://www.jointcommission.org/sentinel_event_policy_and_procedures/)

³ A "near miss" is any medication error that does not result in patient harm or error with potential for harm that does not reach the patient.

to remain stable through the transition process. However, the CMO is concerned regarding the contract physicians, whose contracts are up for renewal in July. The CMO was concerned that the contracted physicians may choose not to renew their contracts if the hospital is still in transition at that time.

6. Lab Director

The Ombudsman met with the Lab Director, who told the Ombudsman that the daily operations of the lab remained stable and that there have been no difficulties obtaining supplies. The lab is staffed around the clock, with two technicians and one phlebotomist. The daily operations of the lab are under the oversight of a pathologist who is responsible for control standards and checks and balances. The Lab Director affirmed that a quality control program is in place. The Lab Director indicated that all blood draws are labeled immediately at the point of procedure and the tube labels are consistently compared to the patient's identification band.

The Lab Director has been at this facility for 24 years and is responsible for the hospital's central supply. The central supply is open during regular day time hours, and a staff member is on call always. The Lab Director keeps par levels in central supply based on the in-house census, and is able to obtain supplies; in the rare cases in which a supply cannot be ordered, it can be borrowed from neighboring labs. All sterilization procedures for reusable equipment have remained in place according to the Lab Director.

7. The Surgery Department

The CEO told the Ombudsman that the hospital had one sentinel event during this Report Period relating to the surgery department. Investigations to determine the root cause of the event are still ongoing. The event that took place is described below:

A patient was to have a surgical appliance implanted in their finger (a pin). The patient's finger was marked appropriately, however, during the procedure the pin was implanted in the wrong finger. These "wrong-site, wrong-procedure, wrong-patient errors" ("WSPEs") are rightly termed never events⁴—errors that should never occur and indicate serious underlying safety problems. The event was identified immediately and the surgeon was able to pin the appropriate finger. All appropriate actions are in place to complete the root cause analysis and the patient was informed.

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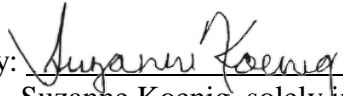
⁴ Becker's Hospital Review has categorized the reasons for wrong-patient, wrong-site wrong-procedure in a review of cases studied. There is a table in appendix A of their report that lists the percentage of these errors attributable to each contributing factor; note that one event may have many causes.

III. CONCLUSION

This is the Ombudsman's Fourth and Final Report. Clarksdale was the only remaining hospital still being monitored by the Ombudsman. The Ombudsman followed up on the transition of Clarksdale to its new owners on May 31, 2019 and received confirmation that the transition had occurred and went smoothly. Therefore, at this time, the Ombudsman has completed her duties. As a result, the Ombudsman does not expect to make any further reports. The Ombudsman will be discharged of her duties upon the occurrence of the effective date of the confirmed plan of reorganization. If the Court has any questions, the Ombudsman is available to address those questions.

Dated: June 4, 2019

PATIENT CARE OMBUDSMAN

By: 
Suzanne Koenig, solely in her capacity
as Patient Care Ombudsman in the
Above-Captioned Cases