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

In re:	)	
	)	Chapter 11
Curae Health, Inc., *et al*.	)	Case No. 18-05665
	)	
1721 Midpark Road, Suite B200	)	Judge Walker
Knoxville, TN 37921	)	
Debtors.	)	Jointly Administered

JOINT OBJECTION OF THE DEBTORS AND OFFICIAL COMMITTEE OF UNSECURED CREDITORS OPPOSING THE STATE OF MISSISSIPPI DIVISION OF MEDICAID'S MOTION
AND
JOINT CROSS-MOTION OF THE DEBTORS AND OFFICIAL COMMITTEE OF UNSECURED CREDITORS SEEKING (A) PAYMENT OF ACTUAL DAMAGES FOR THE STATE OF MISSISSIPPI DIVISION OF MEDICAID'S WILLFUL VIOLATIONS OF THE AUTOMATIC STAY AND (B) TURNOVER OF ESTATE FUNDS

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The above-captioned debtors and debtors in possession (the "**Debtors**") and the official committee of unsecured creditors (the "**Committee**", together with Debtors, the "**Objecting Parties**") hereby file this joint objection and cross-motion (this "**Objection and Cross-Motion**") in response to *The State of Mississippi Division of Medicaid's Motion to (I) Approve its Administrative Expense, and Compel Payment Thereof, And (II) Upon any Failure to Pay that the Debtor(s) be Required to Appear at a Hearing to Show Cause and for the Court to Hear and Consider Whether to Dismiss or Convert the Proceedings* [Docket No. 758] (the "**DOM Motion**"). The Objecting Parties further move for (a) recovery of actual damages on behalf of Debtors' estates for the State of Mississippi Division of Medicaid's willful violations of the

[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); and Clarksdale Regional Medical Center, Inc. (4755); Amory Regional Physicians, LLC (5044); Batesville Regional Physicians, LLC (4952); Clarksdale Regional Physicians, LLC (5311).

automatic stay, and (b) turnover of estate funds. The Objecting Parties respectfully state as follows:

PRELIMINARY STATEMENT

1. Throughout these Chapter 11 Cases, Debtors have been diligently working to keep three rural, Mississippi hospitals open for the benefit of their communities. During this same time, the Mississippi Division of Medicaid ("**DOM**") has withheld nearly $4,000,000.00 from Debtors, risking the shutdown of the Hospitals and jeopardizing the well-being of the Mississippi citizens living in the communities served by the Hospitals. The funds that DOM has withheld are statutorily mandated payments intended to offset the Hospitals' uncompensated care costs for serving low-income patients. DOM, an agent of the State of Mississippi, has withheld these funds and endangered healthcare access in these rural communities based solely on Debtors' refusal to pay DOM's pre-petition claims. DOM's actions violate both the Bankruptcy Code and the Medicaid statutes and are an unconscionable abuse of state power.

2. Since the Petition Date, DOM has violated multiple provisions of the Bankruptcy Code to the detriment of the Debtors, Debtors' estates, Debtors' Hospitals, and the communities served by those Hospitals. DOM has willfully violated the automatic stay by, *inter alia*, acting to recover pre-petition debts and exercising control over property of the estate in direct violation of sections 362(a)(1) and (6) of the Bankruptcy Code. DOM has also withheld approximately $4 million in statutorily mandated Supplemental Payments (as defined below) that are property of the Debtors' estates. DOM has withheld these funds, to which the Debtors are statutorily entitled, based solely on Debtors' refusal to pay DOM's pre-petition claims.[2]

[2] By withholding these funds, DOM has also violated § 362(a)(3) because it has taken an act to obtain possession of property of the estate. Withholding these funds is also a violation of § 542(b) of the Bankruptcy Code and arguably discrimination in violation of § 525 of the Bankruptcy Code because DOM is withholding based solely on Debtors' refusal to pay pre-petition claims.

3. Now, DOM seeks to further prejudice Debtors and their estates by requesting that the Court grant DOM administrative expense priority for its claims and that the Court dismiss or convert these Chapter 11 cases if DOM's claim is not paid. DOM has failed, however, to show that its claims are taxes under federal law or that its claims arose post-petition as required by section 503(b) to qualify for administrative expense status.

4. DOM's claims should not be granted administrative expense priority because the DOM Fees are not a tax under federal law. Faced with a nearly identical situation, the U.S. Bankruptcy Court for the Central District of California in the *Gardens* case held that California's version of DOM Fees did not qualify as a tax under federal law because it was a fee, not a tax, given that it was not an involuntary burden levied on the public at large. Moreover, even if the DOM Fees were a tax, DOM's claims arose pre-petition and cannot be afforded administrative expense priority. DOM Fees are assessed annually at the beginning of Mississippi's fiscal year in July, and the assessments are based on cost reports from prior years. All of the DOM Fees at issue in this case were assessed at the beginning of Mississippi's fiscal year in June 2018, nearly two months before the Petition Date.

5. DOM has also failed to show cause for either conversion or dismissal of Debtors' Chapter 11 Cases. Debtors are designated non-profit, non-moneyed corporations, and the explicit language of the Bankruptcy Code prevents DOM from successfully moving for conversion to chapter 7. DOM's sole basis for alleging that good cause exists lies in 11 USC 1112(b)(4)(I), *i.e.* a failure to pay post-petition taxes. As established in detail herein, DOM Fees are fees, not taxes and are prepetition claims not entitled to administrative priority status. Moreover, DOM cannot show that dismissal of Debtors' Chapter 11 Cases is in the best interests of Debtors' estates and creditors.

6. DOM's attempts to collect the DOM Fees are willful violations of the automatic stay because DOM's claims arose pre-petition. DOM has further violated the automatic stay by withholding approximately $4 million in Supplemental Payments due to the Debtors without seeking relief from the automatic stay. Debtors are entitled to the Supplemental Payment because the Debtors' hospitals operate in rural areas where a disproportionate share of those treated are low-income individuals. By withholding these payments, DOM has damaged the Debtors, their bankruptcy estates, and the communities served by Debtors' hospitals. DOM has provided no authority under the Bankruptcy Code for its withholding of Supplemental Payments. In fact, the Supplemental Payments necessarily include federal funds that the federal government has mandated be paid to qualifying disproportionate share hospitals such as the Debtors' Hospitals. Under sections 362(k) and 105(a), Debtors are entitled to actual damages for DOM's willful violations of the automatic stay, including payment of all Supplemental Payments withheld by DOM and Debtors' attorneys' fees and costs. Debtors are also entitled to turnover of the Supplemental Payments under section 542 of the Bankruptcy Code.

BACKGROUND

History of the Medicaid Program and Disproportionate Share Hospital Payments

7. Medicaid is a medical assistance program jointly financed by state and federal governments for low income individuals and is embodied in 42 U.S.C. § 1396 *et seq*. All states, the District of Columbia, and the U.S. territories have Medicaid programs designed to provide health coverage for low-income people. Centers for Medicare and Medicaid, *Program History*, MEDICAID, https://www.medicaid.gov/about-us/program-history/index.html. While each state administers its Medicaid program differently, federal law establishes parameters that all states must follow. *Id.*

8. Beginning with Medicaid's enactment in 1965, states were required to pay hospitals' reasonable costs. Medicaid and CHIP Payment and Access Commission, *Disproportionate Share Hospital Payments*, MACPAC, https://www.macpac.gov/subtopic/disproportionate-share-hospital-payments/. In 1981, Medicaid hospital payments were delinked from Medicare payment levels. *Id.* Because states were given broader discretion over payments to hospitals, Congress became concerned that this shift might threaten hospitals serving large numbers of Medicaid beneficiaries and the uninsured. *Id.* In response, Congress required states to "take into account" the situation of hospitals serving a disproportionate share of low-income patients when designing payment systems. *Id*; *see also* 42 U.S.C. § 1396(a)(13)(A)(iv). The result of Congress' concern was statutorily required supplemental payments to hospitals serving a disproportionate share of low-income patients. *Id.* These Disproportionate Share Hospital ("**DSH**") payments are "statutorily required payments intended to offset hospitals' uncompensated care costs to improve access for Medicaid and uninsured patients as well as the financial stability of safety-net hospitals." *Id.* In 2017, Medicaid made a total of $18.1 billion in DSH payments ($7.7 billion in state funds and $10.4 billion in federal funds). *Id.*

9. Under federal law, state Medicaid programs are statutorily required to make DSH payments to hospitals that serve a high proportion of Medicaid beneficiaries and other low-income patients. Medicaid and CHIP Payment and Access Commission, *Analyzing Disproportionate Share Hospital Allotments to States*, March 2017, MACPAC, at 55. The Centers for Medicare and Medicaid Services ("**CMS**") determine maximum federal DSH allotments for each state. Federal law permits states to enact additional supplemental payment programs. Medicaid and CHIP Payment and Access Commission, *Disproportionate Share Hospital*

Payments, MACPAC, https://www.macpac.gov/subtopic/disproportionate-share-hospital-payments/. Although states have some flexibility with implementing their Medicaid state plans, these supplemental payment programs all serve the purpose of compensating hospitals that serve a disproportional share of low-income patients. *See id.*

10. Mississippi administers the Medicaid program through DOM. DOM and the Mississippi legislature work together with "the goal of maximizing the use of available federal funds." *Mem'l Hosp. at Gulfport v. Dzielak*, 250 So. 3d 397, 398 (Miss. 2018). Prior to 2015, DOM's supplemental Medicaid payments comprised two categories: (a) DSH payments and (b) upper payment limit ("**UPL**") hospital payments. *Id*. In 2015, the Mississippi legislature enacted the Mississippi Hospital Access Program ("**MHAP**"), which, *inter alia*, replaced UPL payments with MHAP payments (supplemental payments to Mississippi hospitals under MHAP and DSH are collectively referred to herein as "**Supplemental Payments**").

11. DSH and other supplemental payments are jointly financed by state and federal governments. Similar to many other states, including California and Indiana, Mississippi finances the state portion of MHAP and DSH by collecting fees from Mississippi hospitals (the "**DOM Fees**"). The DOM Fees allow Mississippi to obtain more healthcare funds from the federal government. DOM Fees are essentially investments that benefit the hospitals. Mississippi hospitals pay fees to DOM. DOM uses those funds to obtain matching funds from the federal government based on the Federal Medical Assistance Percentage ("**FMAP**") and state multiplier.[3] Then, hospitals receive back the funds that they previously paid to DOM in addition to the matching funds from the federal government. DOM Fees are assessed based on the FMAP

[3] "The FMAP rate is used to reimburse states for the federal share of most Medicaid expenditures. In FY2019, 13 states are to have the statutory minimum FMAP rate of 50%, and Mississippi is to have the highest FMAP rate of 76.39%." Alison Mitchell, *Medicaid's Federal Medical Assistance Percentage (FMAP)*, FAS, April 25, 2018, *available at* https://fas.org/sgp/crs/misc/R43847.pdf. Mississippi's multiplier is 3.24. Meaning, for every dollar funded by the state, the federal government provides 3.24 dollars to fund DSH payments.

rate and the multiplier to finance the state portion of DSH and allow for receipt of the maximum federal allotment of DSH funds each fiscal year. DOM Fees are assessed to directly benefit the hospitals that pay the fees and are not a fundraising device for the state.

Debtors' Relationship with DOM

12. Debtors' hospitals are rural hospitals that serve a disproportionate share of low-income patients and are entitled to receive Supplemental Payments. Debtors began operating three Mississippi hospitals in 2017: one hospital in Amory, Mississippi (the "**Amory Hospital**"); one hospital in Batesville, Mississippi (the "**Batesville Hospital**"); and one hospital in Clarksdale, Mississippi (the "**Clarksdale Hospital**", together with the Batesville Hospital and the Amory Hospital, the "**Hospitals**"). The Amory Hospital and Batesville Hospital began paying DOM Fees and receiving Supplemental Payments in May 2017. The Clarksdale Hospital began paying DOM Fees and receiving Supplemental Payments in November 2017.

13. The DOM Fees are assessed annually on all licensed hospitals in the state of Mississippi. Mississippi State's fiscal year runs from July 1 through June 30 of each year. At the beginning of each fiscal year, DOM provides an annual assessment of all DOM Fees owed for the fiscal year. All invoices for payment of DOM Fees reference payments as a fraction of the yearly assessment. For example, the December invoice for the Clarksdale Hospital provides the annual MHAP assessment amount, $1,013,960.00, and refers to the December MHAP Fee as a fraction of the annual assessment as follows: "1/4 of Assessment Due on December 17." Attached hereto as Exhibit A are invoices received by Debtors for the DOM Fees. All of the Debtors' DOM Fees that came due after the Petition Date were assessed at the beginning of Mississippi's fiscal year 2019 in June 2018, nearly two months before the Petition Date.

14. DOM relies on cost report data from prior years to assess DOM Fees. For assessing DOM Fees for fiscal year 2017, DOM relied on cost report data as of December 2015

for all three Hospitals. For fiscal year 2018, DOM relied on cost report data as of December 2016 for all three Hospitals. For fiscal year 2019, DOM relied on cost report data from May 2017 through December 2017 for the Amory Hospital and Batesville Hospital. For fiscal year 2019, DOM relied on cost report data as of October 2017 for the Clarksdale Hospital. Debtors paid all DOM Fees that accrued and came due prior to the Petition Date.

Bankruptcy Proceedings

15. On August 24, 2018 (the "**Petition Date**"), each of the Debtors filed a voluntary petition in this Court commencing a case for relief under chapter 11 of the Bankruptcy Code (the "**Chapter 11 Cases**"). The factual background regarding the Debtors, including their business operations, their capital and debt structures, and the events leading to the filing of the Chapter 11 Cases, is set forth in detail in the *Declaration of Stephen N. Clapp, Chief Executive Officer of Curae Health, Inc., in Support of Chapter 11 Petitions and First Day Pleadings* [Docket No. 49] (the "**First Day Declaration**") and fully incorporated herein by reference.

16. The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been requested in the Chapter 11 Cases. On September 6, 2018, the Committee was appointed.

17. Since the Petition Date, Debtors have not paid DOM Fees because doing so would constitute post-petition payment on account of pre-petition claims in violation of federal bankruptcy law.

18. In November 2018, DOM began contacting Debtors regarding payment of the pre-petition DOM Fees. Debtors and DOM attempted to negotiate a resolution regarding the outstanding pre-petition DOM Fees. The parties were unable to reach an agreement, and in December 2018, DOM withheld $500,000.00 from Debtors' Supplemental Payments without

seeking any relief in this Court. Debtors have not received any Supplemental Payments since December 2018. By Debtors' calculations, DOM has withheld approximately $4,000,000.00 of Supplemental Payments that are the rightful property of the Debtors' estates. A chart breaking down the Supplemental Payments DOM failed to pay Debtors is attached hereto as Exhibit B.[4]

19. As of December 31, 2018, the transaction for the sale of Debtors' Amory Hospital closed and change of ownership occurred. As of March 1, 2019, the transaction for the sale of Debtors' Batesville Hospital closed and change of ownership occurred. Debtors are in the process of negotiating the sale of Debtors' Clarksdale Hospital. As of the date of filing of this Objection and Cross-Motion, Debtors continue to own the Clarksdale Hospital and no change of ownership has occurred.

20. On January 30, 2019, DOM sent Debtors a letter demanding payment of its pre-petition claims, a true and correct copy of which is attached hereto as Exhibit C.

21. On February 13, 2019, DOM filed the DOM Motion. DOM claims that Debtors owe DOM approximately $1,895,358.48,[5] inclusive of penalties and interest, and that the entire amount should be afforded administrative expense priority. DOM provides scant support for its position that the DOM Fees qualify as taxes under federal law. And DOM provides no support that its claims are based on post-petition debts incurred by Debtors' estates. DOM has failed to meet its burden to show its claims are entitled to administrative expense authority. DOM has further failed to demonstrate cause for conversion or dismissal of Debtors' Chapter 11 Cases. Finally, as provided in detail herein, DOM's claims arose pre-petition, and DOM has willfully violated the automatic stay by attempting to recover such claims.

[4] Outstanding amounts are as of the date of the filing of this Objection and Cross-Motion and are subject to increase for as long as the Debtors own the Clarksdale Hospital.

[5] $315,170.00 was paid to DOM on account of January and February 2019 DOM Fees in connection with the sale of the Batesville Hospital. Accordingly, the amount claimed by DOM should be decreased by $315,170.00.

22. Accordingly, the Objecting Parties respectfully submit that the DOM Motion should be denied in its entirety. The Objecting Parties further submit that DOM has willfully violated the automatic stay, and pursuant to sections 362(k) and 105(a), Debtors' estates are entitled to actual damages for such violations, including, but not limited to, payment of approximately $4 million of unpaid Supplemental Payments as well as attorneys' fees and costs. Debtors' estates are further entitled to turnover of estate funds under section 542.

ARGUMENT

I. DOM HAS NOT MET ITS BURDEN TO SHOW ITS CLAIMS ARE ENTITLED TO ADMINISTRATIVE EXPENSE PRIORITY BECAUSE THE DOM FEES ARE NOT TAXES AND DOM'S CLAIMS AROSE PRE-PETITION

23. DOM's claims cannot be afforded administrative priority because: (i) the DOM Fees do not qualify as a tax under federal law, and (ii) DOM's claims arose pre-petition. In its motion, DOM argues that the DOM Fees are taxes, and as such, should be an allowed administrative expense under 11 U.S.C. § 503. Not only does DOM fail to provide adequate authority for this position, but this characterization is incorrect under federal law. Under the applicable legal standards, the DOM Fees should be categorized as regulatory fees, not taxes. Moreover, even if these fees were deemed to be taxes, DOM's claims arose pre-petition and are, therefore, not eligible for administrative expense priority.

24. "Because administrative expense priority (and other priorities in distribution) are contrary to the Bankruptcy Code's general policy of equal distribution, these priorities should be narrowly construed." *In re Unitcast, Inc.*, 219 B.R. 741, 748 (B.A.P. 6th Cir. 1998) (internal quotation marks omitted); *In re Alumni Hotel Corp.*, 203 B.R. 624, 630 (Bankr. E.D. Mich. 1996), *as amended* (Dec. 30, 1996) ("Administrative expenses under § 503(b) are priority claims paid directly from the bankruptcy estate and reduce the funds available for creditors and other claimants. Accordingly, § 503(b) is strictly construed."); *see also Otte v. United States*, 419 U.S.

43, 53, 95 S. Ct. 247, 254, 42 L. Ed. 2d 212 (1974) (noting the "overriding concern in the Act with keeping fees and administrative expenses at a minimum so as to preserve as much of the estate as possible for the creditors"). Granting DOM's claims administrative expense priority would prejudice other creditors in these Chapter 11 Cases.

25. "The burden of proving entitlement to priority payment as an administrative expense . . . rests with the party requesting it." *In re Hemingway Transp., Inc.*, 954 F.2d 1, 5 (1st Cir. 1992); *In re Englewood Cmty. Hosp. Corp.*, 117 B.R. 352, 358 (Bankr. N.D. Ill. 1990) ("The burden of proving entitlement to an administrative expense is on the claimant and the standard of proof is a preponderance of the evidence."); *see also In re Alumni Hotel Corp.*, 203 B.R. 624, 630 (Bankr. E.D. Mich. 1996).

26. DOM has not met its burden to demonstrate that its claims are allowable as administrative expenses under § 503(b)(1)(B). A claim is allowable as an administrative expense under § 503(b)(1)(B)(i) only if the claimant can demonstrate that the claim is a tax under federal law and that the claim based on such tax arose post-petition. *See* 11 U.S.C. § 503(b)(1)(B)(i). DOM must prove by a preponderance of the evidence that: (i) DOM Fees qualify as a tax under federal law, and (ii) such tax was incurred by the Debtors' estates, *i.e.*, DOM's claims arose post-petition. As provided in more detail below, DOM fails to demonstrate either requirement and its claims cannot be afforded administrative expense priority.

A. The DOM Fees Are Not Taxes under Federal Law

27. Under the Bankruptcy Code and applicable federal law, DOM Fees do not qualify as a tax. "Federal law controls" for the purposes of determining whether these fees qualify as a tax within the meaning of § 503(b)(1)(B)(i). *In re Gardens Reg'l Hosp. & Med. Ctr., Inc.*, 573 B.R. 811, 818 (Bankr. C.D. Cal. 2017), *aff'd*, No. BR 2:16-17463 ER, 2018 WL 2213449 (C.D. Cal. May 11, 2018), *appeal dismissed sub nom. California Dep't of Health Care Servs. v.*

Gardens Reg'l Hosp. & Med. Ctr., Inc., No. 18-55752, 2018 WL 4348162 (9th Cir. June 20, 2018). This section first discusses the statutes authorizing MHAP and DOM Fees and demonstrates that the statutes were enacted for the benefit of disproportionate share hospitals and not for the purpose of generating revenue for the state of Mississippi. It then discusses the requirements to be classified as a tax under federal law and demonstrates that the MDOM Fees do meet such requirements.

i. The Mississippi Legislature Implemented MHAP and DOM Fees to Benefit Disproportionate Share Hospitals, Not to Increase State Revenues

28. Section 43-13-117(A)(18)(a) of the Mississippi Code requires DOM make payments to hospitals that serve a disproportionate share of low-income patients. *See* Miss. Code. Ann. § 43-13-117(A)(18)(a) ("[T]he division shall make additional reimbursement to hospitals that serve a disproportionate share of low-income patients and that meet the federal requirements for those payments as provided in Section 1923 of the federal Social Security Act and any applicable regulations."). DSH payments are intended to offset hospitals' uncompensated care costs to improve the financial stability of safety-net hospitals. Section 43-13-117(A)(18)(a) further provides that "[i]t is the intent of the Legislature that the division shall draw down all available federal funds allotted to the state for disproportionate share hospitals." *Id.*

29. Section 43-13-145 of the Mississippi Code provides the statutory basis on which DOM relies. Sections 43-13-145(4)(a)(i)–(iii) impose the DOM Fees, which include an MHAP fee, a DSH fee, and a third hospital fee. The DOM Fees are assessed annually on all licensed hospitals in the state of Mississippi. *See* Miss. Code. Ann. § 43-13-145(4)(a) (Each subdivision of § 43-13-145(4)(a) provides that "effective for state fiscal years 2016 through fiscal year 2021, an *annual assessment* on each hospital licensed in the state is imposed . . . .").

30. The DOM Fees are assessed for the purpose of financing the state portion of MHAP and the Supplemental Payments. Section 43-13-117(A)(18)(c) provides that DOM shall assess the DOM Fees in "[s]ection 43-13-145(4)(a) for the purpose of financing the state portion of the MHAP, supplemental payments and such other purposes as specified in Section 43-13-145." Miss. Code. Ann. § 43-13-117(A)(18)(c)(iv). DOM Fees are assessed based on the FMAP rate and multiplier to finance the state portion of MHAP and allow for receipt of the maximum federal allotment of DSH funds each fiscal year.

31. The Mississippi Legislature follows procedures when enacting laws that propose to increase or decrease taxes or increase or decrease revenues of the state. Pursuant to the Mississippi Legislature's Joint Rules of the Senate and the House, bills "whose primary purpose is to increase or decrease taxes or to authorize the issuance of bonds or the borrowing of money" are referred to as "revenue bills." *See* MISSISSIPPI LEGISLATURE JOINT RULES OF THE SENATE AND THE HOUSE, *available at* http://billstatus.ls.state.ms.us/htms/j_rules.pdf. In addition, the Joint Rules require statements known as "fiscal notes" for "[e]very bill and concurrent resolution, the purpose or effect of which is to expend any state funds or enable the spending of any state funds or to *increase or decrease the revenue of the state, either directly or indirectly*[.]"JOINT RULES, at 2. A fiscal note is "a brief explanatory statement or note which shall include a reliable estimate of the anticipated change in state expenditures or revenues under its provisions." *Id.* Sections 43-13-145 and 43-13-117 were amended in 2014 to authorize MHAP and make certain amendments to the assessment of the DOM Fees. *See* S.B. 2588, 2015 Reg. Sess. (Miss. 2015), *available at* http://billstatus.ls.state.ms.us/2015/pdf/history/SB/SB2588.xml#addinfo. Importantly, SB 2588 was not enacted as a "revenue bill" and no fiscal note was conducted. *See id.* The legislative history of SB 2588 demonstrates that MHAP and the MDOM Fees were not enacted for the

purpose of increasing or decreasing state revenue, either directly or indirectly. Instead, as provided in the statutes, MHAP and DOM Fees serve the purpose of maximizing federal funds to benefit hospitals that serve a disproportionate share of low-income patients.

ii. DOM Fees Do Not Qualify as a Tax under Federal Law Because the Benefits and Burdens Primarily Inure to the Benefit of Disproportionate Share Hospitals

32. "For the purposes of priority under the Bankruptcy Act, the Supreme Court in 1941 defined taxes as including 'those pecuniary burdens laid upon individuals or their property, regardless of consent, for the purpose of defraying the expenses of government or of undertakings authorized by it.' The Court has defined 'fees' for bankruptcy purposes as monies being paid to the Government 'incident to a voluntary act' such as applying to the bar or obtaining a broadcast license, since such payments 'bestow[ ] a benefit on the applicant, not shared by other members of society.'" *In re Suburban Motor Freight, Inc.*, 998 F.2d 338, 339–40 (6th Cir. 1993), *quoting City of New York v. Feiring*, 313 U.S. 283, 285, 61 S.Ct. 1028, 1029, 85 L.Ed. 1333 (1941) and *National Cable Television Ass'n, Inc. v. United States*, 415 U.S. 336, 340–41 (1974); *see also State of New Jersey v. Anderson*, 203 U.S. 483, 492, 27 S. Ct. 137, 140, 51 L. Ed. 284 (1906) ("[A] tax is a pecuniary burden laid upon individuals or property for the purpose of supporting the government.").

33. The Ninth Circuit outlined a four-factor test, known as the Lorber test, for determining whether a governmental claim is, in fact, a tax. *County Sanitation District v. Lorber Industries of California (In re Lorber Industries of California)*, 675 F.2d 1062 (9th Cir. 1982). Under the Lorber test, a tax is "(1) an involuntary pecuniary burden; (2) imposed by the state legislature; (3) for a public purpose; (4) under the police or taxing power of the state." *In re Lorber Industries of California*, 675 F.2d 1062 at 1066. The Sixth Circuit later refined the Lorber test and added two additional factors: "(1) that the pecuniary obligation be universally applicable

to similarly situated entities; and (2) that according priority treatment to the government claim not disadvantage private creditors with like claims." *In re Suburban Motor Freight, Inc.*, 36 F.3d 484 at 488.

34. With respect to the third factor, the Sixth Circuit has noted that "to say as a matter of definition that all taxes are collected for public purposes does not allow the Government to say that all funds collected for public purposes are taxes." *In re Suburban Motor Freight, Inc.*, 998 F.2d 338, 342 (6th Cir. 1993). Accordingly, "looking at the public purpose of a payment due the Government may help determine whether the payment is akin to a tax, but this must not be the determinative criterion." *Id.*

35. A review of these factors reveals that DOM fees do not meet the definition of a tax. First, these fees are not involuntary pecuniary burdens. An "involuntary pecuniary burden" is "a non-contractual obligation imposed by state statute upon taxpayers who had not consented to its imposition." *In re Lorber Industries of California*, 675 F.2d 1062 at 1066. In *In re Lorber*, the court determined that sewer user fees were fees rather than taxes in part because debtor decided to acquire a permit to engage in a high level of sewer use. *Id.* at 1068. In making this decision, the court found it significant that fees, rather than taxes, are "incident to a voluntary act," much like "a request that a public agency permit an applicant to practice law or medicine." *Id.* at 1067. Here, similarly, Debtor voluntarily submitted to licensure by the State of Mississippi to be a medical services provider. Therefore, the DOM fees, which are associated with Debtors' licensure, are incident to Debtor's voluntary act and are thus voluntary fees.

36. Debtor does not argue that the second factor, "imposed by the state legislature," and the fourth factor, "under the police or taxing power of the state," apply here. In the Sixth Circuit, these two prongs have been deemed to "describe virtually every government program,"

and should not be considered dispositive here. *In re Suburban Motor Freight, Inc.*, 998 F.2d 338 at 341.

37. In addition to failing the first prong of the test, DOM Fees do not meet the "public purpose" prong because DOM Fees are fees, not taxes. "Congress may impose a tax without regard to the benefits bestowed on the taxpayer, considering only the need for revenue to fund the government's public functions." *United States v. River Coal Co.*, 748 F.2d 1103, 1106 (6th Cir. 1984). However, a "fee relates to an individual privilege or benefit to the payer." *See, e.g.*, *United States v. River Coal Co.*, 748 F.2d 1103, 1106 (6th Cir. 1984); *In re Jenny Lynn Min. Co.*, 780 F.2d 585, 588 (6th Cir. 1986); *In re Sunset Enterprises, Inc.*, 49 B.R. 296, 297 (Bankr. W.D. Va. 1985) ("A fee may be differentiated from a tax in that a fee relates to an individual privilege or benefit to the payor, whereas a tax is for a public purpose.").

38. In *Saint Catherine Hosp. of Indiana, LLC v. Indiana Family & Soc. Servs. Admin.*, the Seventh Circuit discussed certain issues related to Indiana's Hospital Assessment Fee (the "**HAF**"), Indiana's version of the DOM Fees under the Medicaid program. 800 F.3d 312 (7th Cir. 2015). The Seventh Circuit found that the "HAF is not, in fact, a tax" and that "it operated very differently from one." *Id.* at 317. The Seventh Circuit further noted that the HAF was not "a fundraising device for the state. Rather, it was a fee imposed on hospitals for the purpose of increasing Medicaid reimbursements for those same hospitals." *Id.*

39. As discussed in detail above, DOM Fees were not enacted for the purpose of generating revenue for the state. Instead, DOM Fees were enacted to finance the state portion of MHAP and maximize federal funds for the benefit of Mississippi disproportionate share hospitals. *See* Miss. Code. Ann. § 43-13-117(18)(a) ("The division shall assess each hospital . . . for the sole purpose of financing the state portion of the Medicare Upper Payment Limits

Program . . . . The goals of such payment models shall be to ensure access to inpatient and outpatient care and to maximize any federal funds that are available to reimburse hospitals for services provided."); *id.* at § 43-13-145(11) ("The division shall implement DSH and supplemental payment calculation methodologies that result in the maximization of available federal funds."). At their cores, MHAP and DSH are hospital reimbursement programs, wherein hospitals pay a fee to ultimately receive greater reimbursements on a state and federal level. To be sure, some members of the public ultimately benefit from the reimbursement hospitals receive through increased access to healthcare. This benefit, however, is ancillary; a consequence of hospitals receiving the funds necessary to treat an increased number of low-income patients without operating at a loss.

40. In drafting section § 43-13-117(18), it was the intent of the Mississippi Legislature that DOM "draw down all available federal funds allotted to the state for disproportionate share hospitals." Miss. Code. Ann. § 43-13-117(a). When DOM and the federal government ultimately reimburse participating hospitals with their share of Medicaid returns, the payments go directly to the hospitals as direct assistance to the hospitals. Thus, DOM Fees are not a fundraising device for the state; rather, they are imposed for the purpose of increasing Medicaid reimbursement for Mississippi disproportionate share hospitals such as the Debtors' Hospitals. Accordingly, DOM Fees are properly characterized as a fee under federal law. *See Saint Catherine Hosp. of Indiana, LLC v. Indiana Family & Soc. Servs. Admin.*, 800 F.3d 312 (7th Cir. 2015).

41. *In re Gardens Reg'l Hosp. & Med. Ctr., Inc.*, 573 B.R. 811 (Bankr. C.D. Cal. 2017) (referred to herein as "***In re Gardens***") is especially instructive and applicable to this matter. Specifically, *In re Gardens* is useful in understanding that because DOM Fees are not for

a public purpose, they are fees, and not taxes. The facts of *In re Gardens* are almost identical to the facts at hand. There, the Department of Health Care Services ("**DHCS**"), California's equivalent to DOM, moved for approval of its Hospital Quality Assurance Fee ("**HQA Fee**"),[6] California's equivalent to DOM Fees, as an administrative expense after Debtor, who operated a general acute care hospital, filed a Chapter 11 petition. 573 B.R. 811 at 812–14. Like DOM, DHCS argued that the HQA Fees were deserving of administrative expense priority because they were taxes. The Bankruptcy Court disagreed with this characterization, finding that HQA payments were fees not imposed for a public purpose. *Id.* at 815.

42. The *In re Gardens* court first recognized that in the United States' hybrid healthcare system, where elements of private enterprise and government support are combined, both hospitals and the public can ultimately benefit from government fees. *Id.* at 815–16. With the hybrid healthcare system in mind, the court reasoned that to determine the public purpose factor of the Lorber test, it must "assess whether it is hospitals or the public at large that receives the preponderance of the benefits." *Id.* at 816. Ultimately, the court held that "the HQA exactions are best seen as operating to strengthen hospitals' balance sheets . . . . [F]or the purpose of determining whether the exactions are best characterized as a fee or tax, the exactions are imposed to benefit hospitals, not the public at large." *Id*; *see also Saint Catherine Hosp. of Indiana, LLC v. Indiana Family & Soc. Servs. Admin.*, 800 F.3d 312 (7th Cir. 2015) (finding that Indiana's HAF was "a fee imposed on hospitals for the purpose of increasing Medicaid reimbursements for those same hospitals.").

[6] The HQA Fee is a quarterly quality assurance fee paid by California hospitals "used to increase federal financial participation in order to make supplemental Medi-Cal payments to hospitals, and to help pay for health care coverage for low-income children." *In re Gardens Reg'l Hosp. & Med. Ctr., Inc.*, 569 B.R. 788, 795 (Bankr. C.D. Cal. 2017), *aff'd*, No. 2:16-BK-17463-ER, 2018 WL 1354334 (B.A.P. 9th Cir. Mar. 12, 2018), *citing* Cal. Welf. & Inst. Code § 14169.50(a)–(d). "The HQA Fee allows California to obtain more healthcare funds from the federal government, which generally matches state Medi–Cal contributions dollar-for-dollar." *In re Gardens Reg'l Hosp. & Med. Ctr., Inc.*, 573 B.R. 811 at 813.

43. In making its decision, the *In re Gardens* court noted that the purpose of the HQA Fee "is to increase the total amount of funding available to California hospitals by ensuring that California receives the maximum amount of matching federal dollars under the Medicare program." *Id.* ("Roughly every dollar collected by way of the HQA exaction yields an additional dollar in matching funds from the federal government. From the perspective of the hospitals, the exaction therefore more closely resembles an investment than a tax. The hospitals receive back the funds they pay in HQA exactions, plus additional matching funds from the federal government."). Moreover, "[i]n determining that the preponderance of the benefit is to the hospitals, the Court [found] it significant that hospitals are reimbursed directly for healthcare services they provide." *Id.* at 817.

44. Just like the HQA Fee, the purpose of the DOM Fees is to maximize any federal funds that are available to reimburse hospitals for services provided. DOM Fees, like the HQA Fee, result in matching funds from the federal government. Just like the HQA Fee, DOM Fees are most akin to an investment by Mississippi hospitals, wherein the hospitals receive the funds they have paid out back *and* receive additional funding from the federal government. By following the parallel facts, test, and reasoning provided *In re Gardens*, it is clear that Mississippi hospitals, not the public at large, receive a preponderance of the benefits conferred by DOM Fees. Thus, the "public purpose" factor weighs against classifying the DOM Fees as a tax.[7]

[7] Note that when it adopted the Lorber test, the *In re Suburban Motor Freight, Inc.* court decided to expand on it out of concern that the "public purpose" prong was so broadly applicable that it would not "limit in any meaningful way the circumstances under which government claims would be entitled to priority." 36 F.3d 484 (Suburban II) at 488, quoting *In re Suburban Motor Freight, Inc.* (Suburban I), 998 F.2d 338, 341 (6th Cir. 1993) ("[A]ll money collected by the Government goes toward defraying its expenses, and is used for public purposes. The threat of the Lorber reasoning, then, is that the Government automatically wins priority for all money any debtor owes it, regardless of the nature of the payments.") In other words, the concern was that courts would find "that a governmental entity almost always had a public purpose." *In re Fagan*, 465 B.R. 472 at 476. Clearly, this concern is not applicable to the Supplemental Payments at hand. As discussed above and through the apt comparison to *In re Gardens*, though the

45. Finally, to be deemed a tax, courts look at whether (1) the pecuniary obligation would be universally applicable to similarly situated entities; and (2) according priority treatment to the government claim would not disadvantage private creditors with like claims. Both factors weigh against classifying DOM Fees as a tax.

46. First, "[t]he universality requirement ensures that the financial exaction's burden and benefit inure to the general public welfare, and that it not provide a discrete benefit to, or result from privileges claimed by, the payor." *In re Suburban Motor Freight, Inc.*, 36 F.3d 484 at 488–89. This factor, too, is not met here. As discussed at length above, DOM Fees provide a significant, discrete benefit primarily to Mississippi hospitals that serve a disproportionate share of low-income patients such as Debtors' Hospitals. The MHAP and DSH burdens and benefits, therefore, primarily "inure" to the hospitals that pay the fees, and not the general public.

47. Second, according priority treatment to DOM's claims would certainly disadvantage private creditors with like claims. DOM's claims are properly characterized as pre-petition, unsecured claims. According such claims administrative priority would greatly disadvantage private creditors with pre-petition, unsecured claims as well as private creditors with secured claims.

48. In sum, because DOM Fees are not involuntary burdens and because hospitals, not the public at large, predominantly receive the benefits of DOM Fees, these obligations are properly characterized as fees, and not taxes. As such, DOM's motion to approve its claims as administrative tax expenses should be denied.

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public purpose element could be susceptible to being widely applicable to various government fees, a review of the statute, legislative history, and case law evinces an understanding that the primary purpose of DOM fees is to benefit hospitals like those operated by Debtors.

B. Even if the DOM Fees Were Taxes, DOM's Claims Arose Pre-petition and Do Not Qualify for Administrative Expense Priority

49. Notwithstanding the above, even if the DOM Fees were deemed to be taxes under the Bankruptcy Code, the fees are nevertheless ineligible for administrative expense priority as they arose pre-petition. The DOM Motion provides no authority or support for its claim that the DOM Fees are post-petition expenses that warrant administrative expense priority. "[I]it is an absolute requirement for administrative expense priority that the liability at issue arise post-petition." *In re Sunarhauserman, Inc.*, 126 F.3d 811, 817 (6th Cir. 1997). Specifically, "[a] tax claim arising pre-petition is not entitled to administrative priority." *In re Gardens*, 2018 WL 2213449, at *2 (C.D. Cal. May 11, 2018), *appeal dismissed sub nom. California Dep't of Health Care Servs. v. Gardens Reg'l Hosp. & Med. Ctr., Inc.*, No. 18-55752, 2018 WL 4348162 (9th Cir. June 20, 2018). DOM's claims arose pre-petition because DOM could fairly contemplate its claims and all of the acts giving rise to liability took place prior to the Petition Date. DOM has failed to meet its burden to demonstrate that its claims should be accorded administrative expense priority because DOM has failed to show that its claims arose post-petition.

50. For an obligation to constitute an administrative expense under § 503(b)(1)(B)(i), the obligation must be "incurred by the estate." 11 U.S.C. § 503(b)(1)(B)(i). In bankruptcy, the estate is created only upon the filing of the bankruptcy petition. *See* 11 U.S.C. § 541(a) (the commencement of a case creates an estate). Section 503(b)(1)(B)(i) defines administrative expenses to include only those taxes that are incurred by the estate, not those that the debtor incurred pre-petition. *See In re Gardens Reg'l Hosp. & Med. Ctr., Inc.*, 573 B.R. 811, at 818 ("Section 503(b)(1)(B)(i) accords administrative priority to a claim arising on account of 'any tax incurred by the estate . . . .' The estate does not spring into existence until the filing of the petition, § 541(a), so a tax claim arising prepetition cannot be entitled to administrative

priority."). Accordingly, "a tax statute must be applied with recognition that two distinct entities are involved—one existing up to the date of the filing, and a second, the estate, existing from and after the filing—and that the latter is not responsible, on an administrative expense basis, for the liabilities of the former." *Id.*

51. "While applicable nonbankruptcy law determines if liability on a claim has been incurred, bankruptcy law determines whether the claim arose pre- or postpetition for administrative expense purposes." *In re Unitcast, Inc.*, 219 B.R. 741, 746 (B.A.P. 6th Cir. 1998). "[T]he proper standard for determining [a] claim's administrative priority looks to when the acts giving rise to a liability took place, not when they accrued." *In re Sunarhauserman, Inc.*, 126 F.3d 811, 818 (6th Cir. 1997); *see also In re Overly-Hautz Co.*, 57 B.R. 932, 937 (Bankr. N.D. Ohio 1986), *affd sub nom. Matter of Overly-Hautz Co.*, 81 B.R. 434 (N.D. Ohio 1987) (holding that excise taxes were "pre-petition irrespective of the fact that returns, assessment and payment were not due until after the petition date"). In addition, courts find that "under most circumstances, finding that a claim arose 'at the earliest point possible' will best serve the policy goals underlying the bankruptcy process." *Saint Catherine Hosp. of Indiana, LLC v. Indiana Family & Soc. Servs. Admin.*, 800 F.3d 312, 317 (7th Cir. 2015).

52. The Sixth Circuit has yet to adopt a test for determining the proper characterization of a claim as pre-petition versus post-petition. *In re Cleveland*, 349 B.R. 522, 530 (Bankr. E.D. Tenn. 2006). However, a majority of courts that have decided the issue in the Sixth Circuit and, specifically, in Tennessee, have adopted the fair contemplation test. *Id.*; *see also Signature Combs, Inc. v. United States*, 253 F. Supp. 2d 1028, 1038 (W.D. Tenn. 2003) ("[T]he Court finds the fair contemplation standard to be the appropriate standard to apply in the case at bar."); *In re Parks*, 281 B.R. 899, 903 (Bankr. E.D. Mich. 2002) (adopting the fair

contemplation test because it best meets the Bankruptcy Code's objective of giving a debtor a fresh start); *In re Miller*, 489 B.R. 74, 85 (Bankr. E.D. Tenn. 2013) (citing the fair contemplation test to determine whether creditor's claim was pre-petition); *In re City of Detroit, Michigan*, 548 B.R. 748, 763 (Bankr. E.D. Mich. 2016) ("The Court will follow and apply the 'fair contemplation test' here, because the Court concludes that it is the correct approach."); *Hobart Corp. v. Dayton Power & Light Co.*, 2014 WL 12842525, at *3 (S.D. Ohio Sept. 26, 2014).

53. Under the fair contemplation test, "'[a] claim is a pre-petition claim within the scope of § 101(5)(A) if there was a relationship, existing pre-petition, between the debtor and the creditor such that the creditor could fairly contemplate the possibility of a claim against the debtor's bankruptcy estate at the time that the bankruptcy petition was filed.'" *In re Miller*, 489 B.R. 74 at 85 (quoting *In re Cleveland*, 349 B.R. 522 at 531). "This test requires some pre-petition relationship, such as contact, exposure, impact, or privity, between the debtor's pre-petition conduct and the claimant in order for the claimant to hold a § 101(5) claim." *In re Cleveland*, 349 B.R. 522 at 530.

54. Here, DOM's claims arose pre-petition under the fair contemplation test. The relationship between Debtors and DOM began in 2017, when Debtors began operating licensed hospitals in the state of Mississippi and officially affiliated with DOM. Inherent in the relationship between Debtors and DOM was Debtors' requirement to pay its DOM Fees under Miss. Code Ann. §§ 43-13-117 and 43-13-145. Given that both the parties' relationship and Debtors' obligation to pay DOM Fees began in 2017, DOM could certainly contemplate the possibility of a claim against debtor on the Petition Date. In other words, as of Debtor's Petition Date, DOM could fairly contemplate or, at the very least, "had reason to foresee" Debtor's potential liability to DOM for the DOM Fees. *See Signature Combs, Inc. v. United States*, 253 F.

Supp. 2d 1028 at 1040. Therefore, under the Fair Contemplation Test, DOM's claims arose pre-petition and are not entitled to administrative expense priority.

55. Because DOM's claims arose pre-petition, the penalties and interest claimed by DOM are also not entitled to administrative expense priority. "The case law uniformly recites or assumes that to be allowed under § 503(b)(1)(C), any fine, any penalty and any reduction in credit, must relate to a tax allowed under § 503(b)(1)(B)." *In re Unitcast, Inc.*, 219 B.R. 741, 750 (B.A.P. 6th Cir. 1998).

56. DOM appears to think it is significant that there have been DOM Fees that have become due after the Petition Date. Case law has established, however, that a payment due date has no bearing on whether it is a pre- or post-petition claim. "If a right to payment becomes vested prior to commencement of the bankruptcy case, the claim becomes a pre-petition claim. A claim is not rendered a post-petition claim simply by the fact that time for payment is triggered by an event that happens after the filing of the petition." *Matter of Oxford Mgmt., Inc.*, 4 F.3d 1329, 1335 n.7 (5th Cir. 1993); *see also In re Stewart Foods, Inc.*, 64 F.3d 141, 146 (4th Cir. 1995) ("[T]he fact that the payments became due after the bankruptcy filing does not alter the conclusion that the payments are pre-petition obligations."); *In re Cleveland*, 349 B.R. 522 at 532 ("A claim does not arise post-petition simply because the time for payment is triggered by an event that happens after the filing of the petition. As a result, 'it is possible that a right to payment that is not yet enforceable at the time of filing of the petition under non-bankruptcy law, may be defined as a claim with [§] 101(5)(A) of the Bankruptcy Code.'"). Accordingly, it is immaterial that payments for DOM Fees became due after the Petition Date.

57. DOM Fees are assessed on an annual basis at the beginning of each fiscal year. Mississippi state's fiscal year begins on July 1. This means that the all of the fees DOM is

arguing arose post-petition actually became vested in July of 2018, nearly two months *before* the Petition Date.[8] Thus, DOM's claims are pre-petition debts because they became vested long before the Petition Date.

58. Nor can DOM argue that the payments that became due after the Petition Date are post-petition by virtue of the fact that Debtors' Hospitals are still operating. Courts have affirmed that "[u]nder no circumstances can [a] debtor's authority to operate its business under Section 1108 of the Code or to use property of the estate in the ordinary course of business under Section 363 be interpreted or extended to permit the transformation of pre-petition debt to an administrative expense." *In re White Motor Corp.*, 831 F.2d 106, 111–12 (6th Cir. 1987). The DOM Fees, therefore, are undeniably pre-petition claims.

59. The Court can again turn to *In re Gardens* for guidance on this issue. After the *In re Gardens* court determined that California's HQA Fees were not taxes, the court similarly determined that even if the Debtor's HQA liabilities were a tax, DHCS' claim would not be entitled to administrative priority because it arose pre-petition. 573 B.R. 811 at 818. According to the court, because § 503(b)(1)(B)(i) "accords administrative priority to a claim arising on account of 'any tax incurred by the estate . . . ,'" and because "[t]he estate does not spring into existence until the filing of the petition," "a tax claim arising pre-petition cannot be entitled to administrative priority." *Id.* In making its decision, the court also used the fair contemplation test, determining that "DHCS could fairly contemplate its claim against the Debtor pre-petition even though it did not know the exact amount of the claim" until after the debtor's petition was filed. *Id.* at 819.

[8] Arguably, DOM's right to payment vested even before July 2018, when the state of Mississippi passed the MHAP statutes in 2015 for fiscal years 2016 through 2021. *See* Miss. Code § 43-13-145(4)(a)(i)–(iii).

60. Some circuit courts of appeals have adopted the conduct test to determine whether a claim arose pre- or post-petition. Under the conduct test, "the date of a claim is determined by the date of the conduct giving rise to the claim." *Saint Catherine Hosp. of Indiana, LLC v. Indiana Family & Soc. Servs. Admin.*, 800 F.3d 312, 315 (7th Cir. 2015). "Because the conduct test includes both contingent and unmatured claims, it is thought to be in accordance with the broad definitions of 'debt' and 'claim' in the Code." *Id.* "The determination of what conduct gives rise to a claim will vary depending on the nature of the liability, be it tort, contract, or tax." *Id.* at 316 (citations omitted). In *Saint Catherine Hosp. of Indiana, LLC*, the Seventh Circuit noted that the HAF, Indiana's version of the DOM Fees, "does not fit neatly into any of these categories." *Id.*

61. In examining whether a claim based on nonpayment of the HAF arose pre- or post-petition, the Seventh Circuit found that the conduct giving rise to the HAF all occurred pre-petition. The Seventh Circuit did not find it "of particular significance that FSSA sought to collect this fee in two installments and issued two separate bills." *Id.* The Seventh Circuit compared the HAF to home loans, which "are assessed over time, but that does not mean that a home loan is many individual debts." *Id.* "[T]he 2013 HAF was assessed based upon the activities reflected in St. Catherine's cost reports from May 1, 2010 to April 30, 2011, and other financial information on file as of February 28, 2012. These activities—along with the passage of Section 281 and CMS's approval of that law—all occurred before St. Catherine filed for bankruptcy." *Id.*

62. Similarly, all of the conduct giving rise to DOM's claims occurred prior to the Petition Date. Mississippi State's fiscal year runs from July 1 through June 30 of each year. At the beginning of each fiscal year, DOM provides an annual assessment of all DOM Fees owed

for the fiscal year. In its Motion, DOM seeks payment of DOM Fees for state fiscal year 2019, which were assessed as of July 1, 2019. The fact that the DOM Fees are due in installments is irrelevant to when DOM's claims arose. All of the Debtors' DOM Fees that came due after the Petition Date were assessed nearly two months before the Petition Date. Moreover, DOM Fees for state fiscal year 2019 were assessed based upon the activities reflected in Debtors' cost reports from 2017, long before the Petition Date. Finally, section 43-13-145 of the Mississippi Code was enacted in 2015, also long before the Petition Date. Thus, under the conduct test, DOM's claims arose pre-petition because all of the conduct giving rise to DOM's claims occurred prior to the Petition Date.

63. For the reasons articulated above, the DOM Fees are not taxes eligible for administrative priority as alleged by DOM. However, even if they were deemed to be taxes, the fees indisputably arose pre-petition. Therefore, DOM's motion for administrative expense priority should be denied.

II. DEBTORS' CHAPTER 11 CASES CANNOT BE CONVERTED TO CASES UNDER CHAPTER 7 OF THE BANKRUPTCY CODE BECAUSE DEBTORS ARE NONPROFIT ENTITIES

64. The DOM Motion further requests that Debtors' Chapter 11 Cases be converted to cases under Chapter 7. However, DOM's request for conversion is explicitly forbidden under the Bankruptcy Code. Specifically, 11 U.S.C. § 1112(c) states that a "court may not convert a case under this chapter to a case under chapter 7 of this title if the debtor is a farmer *or a corporation that is not a moneyed, business, or commercial corporation*, unless the debtor requests such conversion." (emphasis added). This exception was made by design. "Congress, in classifying corporations subject to adjudication in bankruptcy, intended to include corporations which were engaged in enterprises for profit, but did not intend to include charitable, fraternal, educational, and literary or nonprofit corporations, none of which are conducted for profit." *Missco*

Homestead Ass'n v. United States, 185 F.2d 280, 282 (8th Cir. 1950) (interpreting the identical language in the Bankruptcy Act of 1898).

65. As nonprofit corporations, Debtors are, quite clearly, a nonmoneyed organization. "[T]he test for whether a debtor is a moneyed, business, or commercial corporation is determined by a consideration of the classification of the corporation by the state; the powers conferred upon it; and the character and extent of its main activities.'" *In re Malden Brook Farms, LLC*, 475 B.R. 299, 303 (Bankr. D. Mass. 2012), *quoting In re Yehud-Monosson USA, Inc.*, 458 B.R. 750, 755 (B.A.P. 8th Cir. 2011). Debtors clearly meet this test. Debtors' hospitals have all been designated as non-profit, non-moneyed corporations under Tennessee law. Because Debtors are designated non-profit, non-moneyed corporations, the explicit language of the bankruptcy code prevents DOM from successfully moving for conversion to chapter 7 here.

III. DEBTORS' CASES SHOULD NOT BE DISMISSED BECAUSE DOM HAS FAILED TO DEMONSTRATE CAUSE EXISTS AND DISMISSAL IS NOT IN THE BEST INTERESTS OF CREDITORS AND THE ESTATES

66. Finally, DOM has moved to dismiss Debtors' case. Like the request for conversion, DOM's request for dismissal must be denied. "A motion to dismiss pursuant to 11 U.S.C. § 1112(b) requires the bankruptcy court to engage in a two-step analysis. The first step is 'to determine whether cause exists either to dismiss or to convert the Chapter 11 proceeding to a Chapter 7 proceeding, and [the second step is] to determine which option is in the best interest of creditors and the estate.'" *Monroe Bank & Tr. v. Pinnock*, 349 B.R. 493, 497 (E.D. Mich. 2006), *quoting Rollex Corp. v. Assoc. Materials, Inc.*, 14 F.3d 240, 242 (4th Cir.1994). DOM cannot meet either step here.

67. First, as established above, DOM has not and cannot show that cause exists to dismiss Debtors' Chapter 11 Cases. DOM's sole basis for alleging that good cause exists lies in 11 USC 1112(b)(4)(I), *i.e.* a failure to pay post-petition taxes. As established at length above,

DOM Fees are fees, not taxes. And, even if they were taxes, under the fair contemplation test and the conduct test, they would be deemed pre-petition under § 503(b) (as discussed in Part I.B of this Objection and Cross-Motion) and under § 101(5)(A). Thus, DOM cannot show cause for dismissal.

68. Even if DOM could prove that it had good cause for dismissal or conversion, DOM cannot show that dismissal is in the best interests of both the creditors and the estates. "The Bankruptcy Code does not define the phrase 'best interests of creditors and the estate,' but courts have typically considered the following factors to determine whether dismissal or conversion is in the best interest of creditors: (1) whether some creditors received preferential payments, and whether equality of distribution would be better served by conversion rather than dismissal, (2) whether there would be a loss of rights granted in the case if it were dismissed rather than converted, (3) whether the debtor would simply file a further case upon dismissal, (4) the ability of the trustee in a chapter 7 case to reach assets for the benefit of creditors, (5) in assessing the interest of the estate, whether conversion or dismissal of the estate would maximize the estate's value as an economic enterprise, (6) whether any remaining issues would be better resolved outside the bankruptcy forum, (7) whether the estate consists of a "single asset," (8) whether the debtor had engaged in misconduct and whether creditors are in need of a chapter 7 case to protect their interests, (9) whether a plan has been confirmed and whether any property remains in the estate to be administered, and [ ] whether the appointment of a trustee is desirable to supervise the estate and address possible environmental and safety concerns. *In re Efron*, 529 B.R. 396, 413 (B.A.P. 1st Cir. 2015), *quoting* Alan N. Resnick & Henry J. Sommer, 7 COLLIER ON BANKRUPTCY, at ¶ 1112.04[7] (16th ed. 2011)). "In essence, the court should evaluate and

choose the alternative that would be most advantageous to the parties and the estate as a whole." *In re Costa Bonita Beach Resort, Inc.*, 513 B.R. 184, 201 (Bankr. D.P.R. 2014).

69. Debtors' Chapter 11 Cases have been ongoing for seven months now. Since the Petition Date, Debtors have sold two of three Hospitals. Debtors and the Committee have filed a Joint Chapter 11 Plan of Liquidation (the "**Plan**"). Debtors and the Committee have received approval of their Disclosure Statement in support of the Plan. Debtors and the Committee have begun the solicitation process of their Plan. To date, Debtors have transitioned almost all of their Hospitals and are in the process of transitioning the final, remaining Hospital. To dismiss Debtors' cases now would effectively unravel and derail months of progress and effort towards ensuring that all of the Hospitals remain open and distributions to all creditors are maximized.

70. Dismissal is not in the best interests of the creditors, including DOM. If Debtors' cases are dismissed, creditors, including DOM, will likely not recover anything. The pending Plan is designed to maximize the estates for creditors. To effectuate this maximization, it is most advantageous to Debtors and their various creditors that Debtors' Chapter 11 Cases proceed as planned. Accordingly, DOM's request for dismissal should be denied.

IV. DOM WILLFULLY VIOLATED THE AUTOMATIC STAY AND DEBTORS ARE ENTITLED TO AN AWARD OF ACTUAL DAMAGES

71. DOM has willfully violated the automatic stay, and pursuant to sections 105(a) and 362, Debtors are entitled to actual damages for such violations, including, but not limited to, payment of approximately $4 million of unpaid Supplemental Payments and attorneys' fees and costs.[9]

[9] DOM may not assert sovereign immunity as a defense to any request for relief in this Objection and Cross-Motion. *See, e.g.*, 11 U.S.C. § 106(a) (abrogating sovereign immunity as to a governmental unit with respect to, *inter alia*, sections 362, 525, and 542); *Fugate v. Greeneville Light & Power Sys. (In re MD Recycling, Inc.)*, 475 B.R. 885, 889–90 (Bankr. E.D. Tenn. 2012) (finding that courts have "uniformly concluded that states and their agencies are not permitted to assert the defense of sovereign immunity in proceedings within the scope of Congress' bankruptcy power because the states in ratifying the Bankruptcy Clause gave up their right to do so"). Moreover, by filing a

72. The "automatic stay" is a statutory injunction against efforts outside of bankruptcy to collect debts from a debtor who is under the protection of the bankruptcy court. 11 U.S.C. § 362. It bars any "act to collect, assess, or recover a claim against the debtor that arose before the commencement of the case." *Id.* at § 362(a)(6). Section 362 also prohibits "any act to obtain possession of property of the estate or of property from the estate or to exercise control over property of the estate." *Id.* at § 362(a)(3).

73. The automatic stay is "one of the fundamental debtor protections provided by the bankruptcy laws." *United Savings Ass'n of Texas v. Timbers of Inwood Forrest Assocs., Ltd.*, 484 U.S. 365, 369 (1988). "The automatic stay is intended 'to prevent certain creditors from gaining a preference for their claims against the debtor; to forestall the depletion of the debtor's assets due to legal costs in defending proceedings against it; and, in general, to avoid interference with the orderly liquidation or rehabilitation of the debtor.'" *In re Aleris, Intern. Inc.*, 456 B.R. 35, 46 (Bankr. D. Del. 2011) (quoting *Borman v. Raymark Ind., Inc.*, 946 F.2d 1031, 1036 (3d Cir. 1991)).

74. Under section 362 of the Bankruptcy Code, willful violations of the automatic stay allow debtors to "recover actual damages, including costs and attorneys' fees, and in appropriate circumstances, . . . punitive damages." *See also Duby v. United States (In re Duby)*, 451 B.R. 664 (B.A.P. 1st Cir. 2011) (finding that debtors do not need to suffer actual damages to be awarded attorneys' fees for willful violations of the automatic stay). "A willful violation occurs where the defendant (1) knows about the automatic stay, and (2) the defendant's actions

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proof of claim in Debtors' Chapter 11 Cases, DOM is deemed to have waived sovereign immunity pursuant to section 106(b). *See* Claim No. 263 filed in Case No. 18-05665; 11 U.S.C. § 106(b) ("A governmental unit that has filed a proof of claim in the case is deemed to have waived sovereign immunity with respect to a claim against such governmental unit that is property of the estate and that arose out of the same transaction or occurrence out of which the claim of such governmental unit arose."). Section 106(c) further provides that "[n]otwithstanding any assertion of sovereign immunity by a governmental unit, there shall be offset against a claim or interest of a governmental unit any claim against such governmental unit that is property of the estate." 11 U.S.C. § 106(c).

that violate the stay are intentional . . . . No specific intent requirement exists." *In re Montgomery Ward, LLC*, 292 B.R. 49, 57–58 (Bankr. D. Del. 2003) (citation omitted).

75. Many courts recognize that corporate debtors may avail themselves of section 362(k). *See, e.g., In re Mallard Pond Partners*, 113 B.R. 420, 421 (Bankr. W.D. Tenn. 1990) ("[F]or purposes of [§ 362(k)] the word 'individual' is construed to include a partnership (or corporate) debtor."). The Objecting Parties recognize that "[t]he question whether a corporate debtor is an 'individual' entitled to damages under [§ 362(k)] has split the circuits." *In re Del-Met Corp.*, 322 B.R. 781, 827–28 (Bankr. M.D. Tenn. 2005); *compare Cuffee v. Atlantic Bus. & Cmty. Dev. Corp. (In re Atlantic Bus. & Cmty. Corp.)*, 901 F.2d 325, 328–29 (3d Cir. 1990) (corporate debtor allowed punitive damages for willful violation of the automatic stay), *and Budget Serv. Co. v. Better Homes of Va., Inc.*, 804 F.2d 289, 292 (4th Cir.1986) (finding that individual includes a corporate debtor), *with Spookyworld, Inc. v. Town of Berlin (In re Spookyworld, Inc.)*, 346 F.3d 1 (1st Cir. 2003) (limiting 362(k)'s damages to natural persons).

76. However, even the courts that limit damages to natural persons find that courts may award corporate debtors damages for violations of the automatic stay under 11 U.S.C. § 105(a). *See, e.g., Spookyworld, Inc. v. Town of Berlin (In re Spookyworld, Inc.)*, 346 F.3d 1, 8 (1st Cir. 2003) (Prior to the enactment of section 362(k), "contempt orders issued under section 105(a), including awards of damages, were routinely used to punish violations of the automatic stay."); *In re Del-Met Corp.*, 322 B.R. 781, 827–28 (Bankr. M.D. Tenn. 2005) (same); *In re TLB Equip., LLC*, 479 B.R. 464, 480 ("The Court's source of authority to levy sanctions for a violation of the automatic stay that injures a corporate entity is its general equitable powers under § 105(a) of the Code[.]"); *In re Nicole Gas Prod.*, 519 B.R. 723, 736–37 (Bankr. S.D. Ohio 2014) ("Under § 105(a), the Court has the authority to use its civil contempt powers to

compensate trustees for damages incurred as a result of violations of the automatic stay."); *In re Richard Potasky Jeweler*, 222 B.R. 816, 829–30 (S.D. Ohio 1998). "The contempt remedy can be tailored to the nature and extent of the stay violation." *In re Del-Met Corp.*, 322 B.R. 781, 827–28 (Bankr. M.D. Tenn. 2005).

77. In *Saint Catherine Hosp. of Indiana, LLC*, the Seventh Circuit was faced with the issue of whether the HAF, Indiana's version of DOM Fees, constituted a "claim" against the hospital debtor that arose prior to the commencement of its bankruptcy, and was therefore subject to the automatic stay. *Saint Catherine Hosp. of Indiana, LLC v. Indiana Family & Soc. Servs. Admin.*, 800 F.3d 312, 315 (7th Cir. 2015). The Seventh Circuit held that a state's collection of a fee assessed pre-petition but not payable until after the debtor's petition date constituted an act to collect a pre-petition claim and, therefore, violated the automatic stay imposed by section 362(a) of the Bankruptcy Code. 800 F.3d 312 (7th Cir. 2015) ("Since all of the conduct that could have given rise to the 2013 HAF occurred pre-petition, we find that the claim is subject to the automatic stay.").

78. Here, DOM has willfully violated the automatic stay. DOM has attempted to recover pre-petition claims and withheld approximately $4 million from the Debtors—funds that were meant to compensate Debtors' Hospitals for the costs associated with serving low-income patients and which are necessary to the financial stability of rural hospitals that serve a disproportionate share of low-income patients. The Debtors are statutorily entitled to receive these funds. As discussed in detail above, DOM's claims arose pre-petition because all of the conduct giving rise to DOM's claims occurred prior to the Petition Date. Since the Petition Date, DOM has intentionally attempted to recover on its pre-petition claims on multiple occasions by, *inter alia*, making payment demands and withholding Debtors' Supplemental Payments. DOM

was aware of Debtors' Chapter 11 Cases and the imposition of the automatic stay when it engaged in those acts. Accordingly, DOM's attempts to recover pre-petition claims are willful violations of the automatic stay.

79. The Supplemental Payments are property of Debtors' estates. Debtors' Hospitals serve a disproportionate share of low-income patients and are thus statutorily entitled to receive Supplemental Payments. *See* Miss. Code. Ann. § 43-13-117(A)(18)(a) ("[T]he division shall make additional reimbursement to hospitals that serve a disproportionate share of low-income patients and that meet the federal requirements for those payments as provided in Section 1923 of the federal Social Security Act and any applicable regulations."). Accordingly, DOM's withholding of approximately $4 million of Debtors' Supplemental Payments is also a willful violation of the automatic stay in violation of § 362(a)(3).

80. DOM has withheld approximately $4 million in Supplemental Payments when it claims Debtors owe DOM less than $2 million. There is no statutory authority under which DOM is permitted to stop making Supplemental Payments to hospitals that meet the disproportionate share requirements. Allowing DOM to withhold statutorily mandated payments based solely on Debtors' nonpayment of pre-petition claims would frustrate the purposes of both the Bankruptcy Code and the Medicaid program. The Supplemental Payments include federal funds that the federal government has mandated be paid to qualifying disproportionate share hospitals such as the Debtors' Hospitals. Under section 362(k), Debtors are entitled to actual damages for DOM's willful violations of the automatic stay, including payment of all Supplemental Payments withheld by DOM as well as attorneys' fees and costs.[10] Even if the Court finds that Debtors may not avail themselves of section 362(k), the Court may grant the

[10] Debtors expressly reserve all of their rights with respect to any additional claims Debtors or their estates may have against DOM, including, but not limited to, discrimination under section 525 of the Bankruptcy Code.

relief requested herein under section 105(a). *See In re Del-Met Corp.*, 322 B.R. 781, 827–28 (Bankr. M.D. Tenn. 2005) ("The contempt remedy can be tailored to the nature and extent of the stay violation.")

V. DEBTORS' ESTATES ARE ENTITLED TO TURNOVER OF THE OUTSTANDING SUPPLEMENTAL PAYMENTS

81. Debtors are also entitled to turnover of all Supplemental Payments DOM has withheld since the Petition Date.[11] A debtor's estate comprises, subject to certain exceptions, "all legal or equitable interests of the debtor as of the commencement of the case." 11 U.S.C. § 541(a)(1). The debtor's estate includes any debt that is matured, payable on demand, or payable on order as of the petition date. *Id.* §§ 541(a)(1), 542(b). A debtor's estate also includes future and non-possessory interests maintained by a debtor in property held by another. *In re Shelbyville Rd. Shoppes, LLC*, 775 F.3d 789, 795 (6th Cir. 2015). Any entity that owes such a debt must pay this debt to the order of the bankruptcy trustee or debtor-in-possession. *Id.* § 542(b). This obligation is mandatory, and "[t]here is no requirement that the trustee make demand, obtain a court order, or take any further action to obtain a turnover of the estate's property." *In re Lucas*, 100 B.R. 969, 973 (Bankr. M.D. Tenn. 1989), *rev'd on other grounds*, 924 F.2d 597 (6th Cir. 1991).

82. Here, as discussed in detail above, DOM has impermissibly withheld approximately $4 million of estate funds. DOM is required to make Supplemental Payments to qualifying hospitals, including Debtors' Hospitals, under §§ 43-13-145 and 43-13-117(A)(18) of

[11] Should the Court find that an adversary proceeding is required to seek turnover, Debtors hereby request that the Court deem the Cross-Motion as the Debtors' complaint and treat this proceeding as an adversary proceeding. *See In re Mark Twain Marine Indus., Inc.*, 115 B.R. 948, 949 (Bankr. N.D. Ill. 1990) (excusing the parties from compliance with the technical procedural rules and allowing them to proceed in a turnover action by motion under Rule 9014 because the parties waived FRBP 7001). "In the interest of saving both parties additional costs and expenses attendant to a formal adversary proceeding, and in the interest of judicial economy, the Court will decide the matter notwithstanding the technical non-compliance with Bankruptcy Rule 7001(1)." *Id.* Other courts have also cited to this waiver procedure. *See Matter of Vill. Mobile Homes, Inc.*, 947 F.2d 1282, 1283 (5th Cir. 1991) ("Compliance with the requisites of an adversary proceeding may be excused by waiver of the parties.").

the Mississippi Code. Moreover, the Supplemental Payments include federal funds that the federal government has mandated be paid to qualifying disproportionate share hospitals such as the Debtors' Hospitals. DOM's withholding of statutorily mandated payments based solely on Debtors' nonpayment of pre-petition claims violates both the Bankruptcy Code and the Medicaid program. The outstanding Supplemental Payments are the rightful property of the Debtors' estates. As such, these funds must be turned over to the Debtors pursuant to 11 U.S.C. § 542(b).

CONCLUSION

83. In light of the foregoing, the Objecting Parties submit that the DOM Motion should be denied in its entirety. The Objecting Parties further submit that DOM has willfully violated the automatic stay, and pursuant to sections 362 and 105(a), Debtors' estates are entitled to actual damages for such violations, including, but not limited to, payment of approximately $4 million of unpaid Supplemental Payments as well as attorneys' fees and costs. Debtors are also entitled to turnover of estate funds under section 542(b).

Dated: March 26, 2019
Nashville, Tennessee

Respectfully submitted,

POLSINELLI PC

/s/ Michael Malone

Michael Malone
401 Commerce Street, Suite 900
Nashville, TN 37219
Telephone: (615) 259-1510
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-and-

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asherman@sillscummis.com
bmankovetskiy@sillscummis.com

Co-Counsel for the Official Committee of Unsecured Creditors of Curae Health, Inc., et al.

EXHIBIT A

Invoices for DOM Fees

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street, Suite 1000 | Jackson, Mississippi 39201

MISSISSIPPI DIVISION OF MEDICAID

Monday, December 03, 2018

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY-2019 Medicaid assessment and serves as an invoice for the hospital's payment due on December 17, 2018. The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145.

Provider Name: **Merit Health Northwest MS**
Provider Number: **00220380**

$102.9 Million Assessment

1/4 of Assessment Due on December 17th:		$ 207,609.00
Annual Assessment:	$ 831,841.00	

DSH Assessment

1/3 of Assessment Due on December 17th:		$ 146,143.00
Annual DSH Assessment:	$ 438,428.00	

MHAP Assessment

1/4 of Assessment Due on December 17th:		$ 253,065.00
Annual MHAP Assessment:	$ 1,013,960.00	

Annual Total Medicaid Assessment: **$ 2,284,229.00**

Payment Currently Due: **$ 606,819.00**
Due Date: **Monday, December 17, 2018**

Payments can be made via check or electronic funds transfer. If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to:

Division of Medicaid
Office of Financial Reporting
550 High Street, Suite 1000
Jackson, MS 39201

If remitting payment via electronic funds transfer, please contact Shedrick Joiner at 601-359-6115 for instructions and complete the transfer an authorized personnel sections below and email completed invoice to Shedrick.Joiner@medicaid.ms.gov or fax to 601-359-4193.

Date of Transfer: _____ Amount: _____

Transferred from:

Routing Number: _____ Account Number: _____

Authorized Personnel: _____ *printed name*

_____ *signature*

Telephone Number: _____ Date: _____

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street, Suite 1000 | Jackson, Mississippi 39201

MISSISSIPPI DIVISION OF MEDICAID

Monday, December 03, 2018

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY-2019 Medicaid assessment and serves as an invoice for the hospital's payment due on December 17, 2018. The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145.

Provider Name: **Gilmore Memorial Hospital**
Provider Number: **00020003**

$102.9 Million Assessment

1/4 of Assessment Due on December 17th:		$ 160,947.00
Annual Assessment:	$ 644,864.00	

DSH Assessment

1/3 of Assessment Due on December 17th:		$ 113,293.00
Annual DSH Assessment:	$ 339,880.00	

MHAP Assessment

1/4 of Assessment Due on December 17th:		$ 196,182.00
Annual MHAP Assessment:	$ 786,047.00	

Annual Total Medicaid Assessment: **$ 1,770,791.00**

Payment Currently Due: **$ 470,422.00**
Due Date: **Monday, December 17, 2018**

Payments can be made via check or electronic funds transfer. If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to:

Division of Medicaid
Office of Financial Reporting
550 High Street, Suite 1000
Jackson, MS 39201

If remitting payment via electronic funds transfer, please contact Shedrick Joiner at 601-359-6115 for instructions and complete the transfer an authorized personnel sections below and email completed invoice to Shedrick.Joiner@medicaid.ms.gov or fax to 601-359-4193.

Date of Transfer: _____ Amount: _____

Transferred from:

Routing Number: _____ Account Number: _____

Authorized Personnel: _____ *printed name*

_____ *signature*

Telephone Number: _____ Date: _____

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street, Suite 1000 | Jackson, Mississippi 39201

MISSISSIPPI DIVISION OF MEDICAID

Monday, December 03, 2018

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY-2019 Medicaid assessment and serves as an invoice for the hospital's payment due on December 17, 2018. The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145.

Provider Name: **Panola Medical Center**
Provider Number: **00020229**

$102.9 Million Assessment

1/4 of Assessment Due on December 17th:		$ 212,694.00
Annual Assessment:	$ 852,218.00	

DSH Assessment

1/3 of Assessment Due on December 17th:		$ 149,722.00
Annual DSH Assessment:	$ 449,167.00	

MHAP Assessment

1/4 of Assessment Due on December 17th:		$ 259,266.00
Annual MHAP Assessment:	$ 1,038,798.00	

Annual Total Medicaid Assessment: **$ 2,340,183.00**

Payment Currently Due: **$ 621,685.00**
Due Date: **Monday, December 17, 2018**

Payments can be made via check or electronic funds transfer. If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to:

Division of Medicaid
Office of Financial Reporting
550 High Street, Suite 1000
Jackson, MS 39201

If remitting payment via electronic funds transfer, please contact Shedrick Joiner at 601-359-6115 for instructions and complete the transfer an authorized personnel sections below and email completed invoice to Shedrick.Joiner@medicaid.ms.gov or fax to 601-359-4193.

Date of Transfer: _____ Amount: _____

Transferred from:

Routing Number: _____ Account Number: _____

Authorized Personnel: _____ *printed name*

_____ *signature*

Telephone Number: _____ Date: _____

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street, Suite 1000 | Jackson, Mississippi 39201

MISSISSIPPI DIVISION OF
MEDICAID

Wednesday, May 3, 2017

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY-2017 Medicaid assessment and serves as an invoice for the hospital's payment due on May 15, 2017. The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145.

Amory 251.020 per Jim's 5/8/17 email SSB

Provider Name: Merit Health Gilmore Hospital
Provider Number: 00020003

$104 Million Assessment

1/12 of Assessment Due on May 15th:		$ 57,982.00
Annual Assessment:	$ 695,787.00	

DSH Assessment

Annual DSH Assessment:	$ 380,256.00

MHAP Assessment

1/12 of Assessment Due on May 15th:		$ 74,897.00
Annual MHAP Assessment:	$ 898,766.00	

Annual Total Medicaid Assessment: **$ 1,974,809.00**

Payment Currently Due: **$ 132,879.00**
Due Date: **Monday, May 15, 2017**

Payments can be made via check or electronic funds transfer. If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to:

D007

Division of Medicaid
Office of Accounting
550 High Street, Suite 1000
Jackson, MS 39201

If remitting payment via electronic funds transfer, please contact Curtis Collins at 601-359-6115 for instructions and complete the transfer and authorized personnel sections below and email completed invoice to Curtis.Collins@medicaid.ms.gov or fax to 601-359-4193.

Date of Transfer: _____ Amount: _____

Transferred from:

Routing Number: _____ Account Number: _____

Authorized Personnel: _____ *printed name*

_____ *signature*

Telephone Number: _____ Date: _____

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street, Suite 1000 | Jackson, Mississippi 39201

MISSISSIPPI DIVISION OF
MEDICAID

Monday, June 05, 2017

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY-2017 Medicaid assessment and serves as an invoice for the hospital's payment due on June 15, 2017. The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145.

Provider Name: Merit Health Gilmore Hospital - 251.020
Provider Number: 00020003

$104 Million Assessment

1/12 of Assessment Due on June 15th:		$ 57,985.00
Annual Assessment:	$ 695,787.00	

DSH Assessment

1/3 of Assessment Due on June 15th:		$ 126,752.00
Annual DSH Assessment:	$ 380,256.00	

MHAP Assessment

1/12 of Assessment Due on June 15th:		$ 74,899.00
Annual MHAP Assessment:	$ 898,766.00	

Annual Total Medicaid Assessment: **$ 1,974,809.00**

Payment Currently Due: TSB $ 259,636.00
Due Date: Thursday, June 15, 2017

Payments can be made via check or electronic funds transfer. If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to:

Division of Medicaid D007
Office of Accounting
550 High Street, Suite 1000
Jackson, MS 39201

If remitting payment via electronic funds transfer, please contact Avis Phillips or Curtis Collins at 601-359-6115 for instructions and complete th authorized personnel sections below and email completed invoice to Avis.Phillips@medicaid.ms.gov or fax to 601-359-4193.

Date of Transfer: _____ Amount: _____

Transferred from:

Routing Number: _____ Account Number: _____

Authorized Personnel: _____ *printed name*

_____ *signature*

Telephone Number: _____ Date: _____

Toll Free 800-421-2408 | Phone 601-359-6050 | Fax 601-359-6294 | medicaid.ms.gov

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street, Suite 1000 | Jackson, Mississippi 39201

MISSISSIPPI DIVISION OF MEDICAID

Friday, September 1, 2017

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY-2018 Medicaid assessment and serves as an invoice for the hospital's payment due on September 15, 2017. The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145.

Provider Name: Merit Health Gilmore Hospital
Provider Number: 00020003

$104 Million Assessment

1/4 of Assessment Due on September 15th:		$ 173,298.00
Annual Assessment:	$ 693,195.00	

DSH Assessment

***		$ -
Annual DSH Assessment:	$ -	

MHAP Assessment

1/4 of Assessment Due on September 15th:		$ 216,123.00
Annual MHAP Assessment:	$ 864,491.00	

Annual Total Medicaid Assessment: **$ 1,557,686.00**

251,020

Payment Currently Due: **$ 389,421.00**
Due Date: **Friday, September 15, 2017**

Payments can be made via check or electronic funds transfer. If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to:

D007

Division of Medicaid
Office of Accounting
550 High Street, Suite 1000
Jackson, MS 39201

If remitting payment via electronic funds transfer, please contact Avis Phillips at 601-359-6115 for instructions and complete the transfer and authorized personnel sections below and email completed invoice to Avis.Phillips@medicaid.ms.gov or fax to 601-359-4193.

Date of Transfer: _____ Amount: _____

Transferred from:

Routing Number: _____ Account Number: _____

Authorized Personnel: _____ *printed name*

_____ *signature*

Telephone Number: _____ Date: _____

***NOTE: The DSH portion of the hospital tax will be reflected on the December 2017 invoice.

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street, Suite 1000 | Jackson, Mississippi 39201

MISSISSIPPI DIVISION OF
MEDICAID

Friday December 1, 2017

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY-2018 Medicaid assessment and serves as an invoice for the hospital's payment due on December 15, 2017. The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145.

Provider Name: Merit Health Gilmore Hospital
Provider Number: 00020003 251.020

$104 Million Assessment

1/4 of Assessment Due on December 15th:		$ 173,514.00
Annual Assessment:	$ 693,623.00	

DSH Assessment

1/3 of Assessment Due on December 15th:		$ 107,936.00
Annual DSH Assessment:	$ 323,807.00	

MHAP Assessment

1/4 of Assessment Due on December 15th:		$ 216,387.00
Annual MHAP Assessment:	$ 865,025.00	

Annual Total Medicaid Assessment: **$ 1,882,455.00**

Payment Currently Due: **$ 497,837.00**
Due Date: **Friday, December 15, 2017**

Payments can be made via check or electronic funds transfer. If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to:

Division of Medicaid
Office of Accounting D007
550 High Street, Suite 1000
Jackson, MS 39201

If remitting payment via electronic funds transfer, please contact Curtis Collins at 601-359-6115 for instructions. Complete the transfer and authorized personnel sections below and email completed invoice to Avis.Phillips@medicaid.ms.gov or fax to 601-359-4193.

Date of Transfer: _____ Amount: _____

Transferred from:

Routing Number: _____ Account Number: _____

Authorized Personnel: _____ *printed name*

_____ *signature*

Telephone Number: _____ Date: _____

Toll-free 800-421-2408 | Phone 601-359-6050 | Fax 601-359-6294 | medicaid.ms.gov

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street, Suite 1000 | Jackson, Mississippi 39201

MISSISSIPPI DIVISION OF MEDICAID

Wednesday, January 03, 2018

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY-2018 Medicaid assessment and serves as an invoice for the hospital's payment due on January 15, 2018. The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145.

Provider Name: Merit Health Gilmore Hospital
Provider Number: 00020003

$104 Million Assessment

1/12 of Assessment Due on January 15th: $ 57,802.00
Annual Assessment: $ 693,623.00

DSH Assessment

1/3 of Assessment Due on: $
Annual DSH Assessment: $ 323,807.00

MHAP Assessment

1/12 of Assessment Due on January 15th: $ 72,085.00
Annual MHAP Assessment: $ 865,025.00

Annual Total Medicaid Assessment: **$ 1,882,455.00**

251.020

Payment Currently Due: **$ 129,887.00**
Due Date: **Monday, January 15, 2018**

Payments can be made via check or electronic funds transfer. If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to:

D007

Division of Medicaid
Office of Accounting
550 High Street, Suite 1000
Jackson, MS 39201

If remitting payment via electronic funds transfer, please contact Curtis Collins at 601-359-6115 for instructions. Complete the transfer and authorized personnel sections below and email completed invoice to Avis.Phillips@medicaid.ms.gov or fax to 601-359-4193.

Date of Transfer: _____ Amount: _____

Transferred from:

Routing Number: _____ Account Number: _____

Authorized Personnel: _____ *printed name*

_____ *signature*

Telephone Number: _____ Date: _____

Toll Free 800.421.2408 | Phone 601.359.6050 | Fax 601.359.6294 | medicaid.ms.gov

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street, Suite 1000 | Jackson, Mississippi 39201

MISSISSIPPI DIVISION OF
MEDICAID

Thursday, February 01, 2018

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY-2018 Medicaid assessment and serves as an invoice for the hospital's payment due on February 15, 2018. The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145.

Provider Name: Merit Health Gilmore Hospital
Provider Number: 00020003 251.020

$104 Million Assessment

1/12 of Assessment Due on February 15th: $ 57,802.00
Annual Assessment: $ 693,623.00

DSH Assessment

1/3 of Assessment Due on : $ [illegible]
Annual DSH Assessment: $ 323,807.00

MHAP Assessment

1/12 of Assessment Due on February 15th: $ 72,085.00
Annual MHAP Assessment: $ 865,025.00

Annual Total Medicaid Assessment: **$ 1,882,455.00**

Payment Currently Due: **$ 129,887.00**
Due Date: **Thursday, February 15, 2018**

Payments can be made via check or electronic funds transfer. If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to:

Division of Medicaid
Office of Accounting 0007
550 High Street, Suite 1000
Jackson, MS 39201

If remitting payment via electronic funds transfer, please contact Curtis Collins at 601-359-6115 for instructions. Complete the transfer and authorized personnel sections below and email completed invoice to Avis.Phillips@medicaid.ms.gov or fax to 601-359-4193.

Date of Transfer: _____ Amount: _____

Transferred from:

Routing Number: _____ Account Number: _____

Authorized Personnel: _____ *printed name*

_____ *signature*

Telephone Number: _____ Date: _____

Toll Free 800.421.2408 | Phone 601.359.6050 | Fax 601.359.6293 | [illegible]

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street Suite 1000 | Jackson Mississippi 39201

MISSISSIPPI DIVISION OF MEDICAID

D007

Thursday, March 1, 2018

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY-2018 Medicaid assessment and serves as an invoice for the hospital s payment due on March 15, 2018 The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145

Provider Name Merit Health Gilmore Hospital
Provider Number 00020003

$104 Million Assessment

1/12 of Assessment Due on March 15th		$ 57,802 00
Annual Assessment	$ 693,623 00	

DSH Assessment

1/3 of Assessment Due on March 15th		$ 137,408 00
Annual DSH Assessment	$ 368,016 00	

MHAP Assessment

1/12 of Assessment Due on March 15th		$ 72,085 00
Annual MHAP Assessment	$ 865,025 00	

Annual Total Medicaid Assessment. **$ 1,926,664 00**

Payment Currently Due $ 267,295 00
Due Date Thursday, March 15, 2018

251020 SSB

Payments can be made via check or electronic funds transfer If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to

Division of Medicaid
Office of Accounting
550 High Street, Suite 1000
Jackson, MS 39201

If remitting payment via electronic funds transfer, please contact Curtis Collins at 601-359-6115 for instructions Complete the transfer and authorized personnel sections below and email completed invoice to Avis Phillips@medicaid ms gov or fax to 601-359-4193

Date of Transfer _____ Amount _____

Transferred from.

Routing Number _____ Account Number _____

Authorized Personnel _____ *printed name*

_____ *signature*

Telephone Number _____ Date _____

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street, Suite 1000 | Jackson, Mississippi 39201

MISSISSIPPI DIVISION OF MEDICAID

Friday, March 30, 2018

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY-2018 Medicaid assessment and serves as an invoice for the hospital's payment due on April 15, 2018. The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145.

Provider Name: Gilmore Memorial Hospital
Provider Number: 00020003

D007
251020

$104 Million Assessment

1/12 of Assessment Due on April 15th:		$ 57,802.00
Annual Assessment:	$ 693,623.00	

DSH Assessment

1/3 of Assessment Due on April 15th:		$ -
Annual DSH Assessment:	$ 368,016.00	

MHAP Assessment

1/12 of Assessment Due on April 15th:		$ 72,085.00
Annual MHAP Assessment:	$ 865,025.00	

Annual Total Medicaid Assessment: **$ 1,926,664.00**

Payment Currently Due: **$ 129,887.00**
Due Date: **Sunday, April 15, 2018**

Payments can be made via check or electronic funds transfer. If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to:

Division of Medicaid
Office of Financial Reporting
550 High Street, Suite 1000
Jackson, MS 39201

If remitting payment via electronic funds transfer, please contact Shedrick Joiner at 601-359-6115 for instructions and complete the transfer an authorized personnel sections below and email completed invoice to Shedrick.Joiner@medicaid.ms.gov or fax to 601-359-4193.

Date of Transfer: _____ Amount: _____

Transferred from:

Routing Number: _____ Account Number: _____

Authorized Personnel: _____ *printed name*

_____ *signature*

Telephone Number: _____ Date: _____

Tuesday, May 01, 2018 D007

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street Suite 1000 | Jackson Mississippi 39201

MISSISSIPPI DIVISION OF MEDICAID

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY 2018 Medicaid assessment and serves as an invoice for the hospital's payment due on May 15, 2018 The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145

Provider Name Gilmore Memorial Hospital
Provider Number 00020003

$104 Million Assessment

1/12 of Assessment Due on May 15th		$ 57,802 00
Annual Assessment	$ 693,623 00	

DSH Assessment

1/3 of Assessment Due on May 15th		$ -
Annual DSH Assessment	$ 368 016 00	

MHAP Assessment

1/12 of Assessment Due on May 15th		$ 72,085 00
Annual MHAP Assessment	$ 865,025 00	

Annual Total Medicaid Assessment **$ 1,926,664 00**

Payment Currently Due **$ 129,887 00** 251020
Due Date **Tuesday, May 15, 2018**

Payments can be made via check or electronic funds transfer If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to

Division of Medicaid
Office of Financial Reporting
550 High Street, Suite 1000
Jackson, MS 39201

If remitting payment via electronic funds transfer, please contact Shedrick Joiner at 601-359-6115 for instructions and complete the transfer an authorized personnel sections below and email completed invoice to Shedrick.Joiner@medicaid ms gov or fax to 601-359-4193

Date of Transfer _____ Amount _____

Transferred from,

Routing Number _____ Account Number _____

Authorized Personnel _____ *printed name*

_____ *signature*

Telephone Number _____ Date _____

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street Suite 1000 | Jackson, Mississippi 39201

MISSISSIPPI DIVISION OF MEDICAID

Friday, June 01, 2018

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY-2018 Medicaid assessment and serves as an invoice for the hospital s payment due on June 15, 2018 The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145

Provider Name	**Gilmore Memorial Hospital**	
Provider Number	**00020003**	
$104 Million Assessment		
1/12 of Assessment Due on June 15th		$ 57,801 00
Annual Assessment	$ 693,623 00	
DSH Assessment		
1/3 of Assessment Due on June 15th		$ 122,672 00
Annual DSH Assessment	$ 368,016 00	
MHAP Assessment		
1/12 of Assessment Due on June 15th		$ 72,090 00
Annual MHAP Assessment	$ 865,025 00	
Annual Total Medicaid Assessment.	$ 1,926,664 00	
Payment Currently Due		$ 252,563 00
Due Date		**Friday, June 15, 2018**

251020

Payments can be made via check or electronic funds transfer If remitting payment via check please complete the authorized personnel information below and return the completed invoice with your payment to

D007

Division of Medicaid
Office of Financial Reporting
550 High Street, Suite 1000
Jackson, MS 39201

If remitting payment via electronic funds transfer, please contact Shedrick Joiner at 601 359-6115 for instructions and complete the transfer an authorized personnel sections below and email completed invoice to Shedrick.Joiner@medicaid ms.gov or fax to 601-359-4193

Date of Transfer _____ Amount _____

Transferred from.

Routing Number _____ Account Number _____

Authorized Personnel _____ *printed name*

_____ *signature*

Telephone Number _____ Date _____

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street, Suite 1000 | Jackson, Mississippi 39201

MISSISSIPPI DIVISION OF
MEDICAID

Wednesday, May 3, 2017

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY-2017 Medicaid assessment and serves as an invoice for the hospital's payment due on May 15, 2017. The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145.

Provider Name: Merit Health Batesville
Provider Number: 00020229

251.021 per Jim's 5/8/17 email SSB

$104 Million Assessment

1/12 of Assessment Due on May 15th:		$ 71,917.00
Annual Assessment:	$ 863,007.00	

DSH Assessment

Annual DSH Assessment:	$ 471,643.00

MHAP Assessment

1/12 of Assessment Due on May 15th:		$ 92,897.00
Annual MHAP Assessment:	$ 1,114,768.00	

Annual Total Medicaid Assessment: **$ 2,449,418.00**

Payment Currently Due: **$ 164,815.00**
Due Date: **Monday, May 15, 2017**

Payments can be made via check or electronic funds transfer. If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to:

D007

Division of Medicaid
Office of Accounting
550 High Street, Suite 1000
Jackson, MS 39201

If remitting payment via electronic funds transfer, please contact Curtis Collins at 601-359-6115 for instructions and complete the transfer and authorized personnel sections below and email completed invoice to Curtis.Collins@medicaid.ms.gov or fax to 601-359-4193.

Date of Transfer: _____ Amount: _____

Transferred from:

Routing Number: _____ Account Number: _____

Authorized Personnel: _____ *printed name*

_____ *signature*

Telephone Number: _____ Date: _____

Toll-free 800-421-2408 | Phone 601-359-6050 | Fax 601-359-4193 | medicaid.ms.gov

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street, Suite 1000 | Jackson, Mississippi 39201

MISSISSIPPI DIVISION OF MEDICAID

Monday, June 05, 2017

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY-2017 Medicaid assessment and serves as an invoice for the hospital's payment due on June 15, 2017. The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145.

Provider Name: Merit Health Batesville
Provider Number: 00020229

$104 Million Assessment

1/12 of Assessment Due on June 15th: $ 71,920.00
Annual Assessment: $ 863,007.00

DSH Assessment

1/3 of Assessment Due on June 15th: $ 157,215.00
Annual DSH Assessment: $ 471,643.00

MHAP Assessment

1/12 of Assessment Due on June 15th: $ 92,901.00
Annual MHAP Assessment: $ 1,114,768.00

Annual Total Medicaid Assessment: **$ 2,449,418.00**

251,021

Payment Currently Due: **$ 322,025.00**
Due Date: TSB **Thursday, June 15, 2017**

Payments can be made via check or electronic funds transfer. If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to:

Division of Medicaid
Office of Accounting
550 High Street, Suite 1000
Jackson, MS 39201

D007

If remitting payment via electronic funds transfer, please contact Avis Phillips or Curtis Collins at 601-359-6115 for instructions and complete th authorized personnel sections below and email completed invoice to Avis.Phillips@medicaid.ms.gov or fax to 601-359-4193.

Date of Transfer: _____ Amount: _____

Transferred from:

Routing Number: _____ Account Number: _____

Authorized Personnel: _____ *printed name*

_____ *signature*

Telephone Number: _____ Date: _____

Toll Free 800-421-2408 | Phone: 601-359-6050 | Fax 601-359-6911 | medicaid.ms.gov

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street, Suite 1000 | Jackson, Mississippi 39201

MISSISSIPPI DIVISION OF MEDICAID

Friday, September 1, 2017

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY-2018 Medicaid assessment and serves as an invoice for the hospital's payment due on September 15, 2017. The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145.

Provider Name: Merit Health Batesville
Provider Number: 00020229

$104 Million Assessment

1/4 of Assessment Due on September 15th:		$ 214,947.00
Annual Assessment:	$ 859,791.00	

DSH Assessment

***		$ -
Annual DSH Assessment:	$ -	

MHAP Assessment

1/4 of Assessment Due on September 15th:		$ 268,065.00
Annual MHAP Assessment:	$ 1,072,255.00	

Annual Total Medicaid Assessment: **$ 1,932,046.00**

Payment Currently Due: **$ 483,012.00** 251.021
Due Date: **Friday, September 15, 2017**

Payments can be made via check or electronic funds transfer. If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to:

Division of Medicaid D007
Office of Accounting
550 High Street, Suite 1000
Jackson, MS 39201

If remitting payment via electronic funds transfer, please contact Avis Phillips at 601-359-6115 for instructions and complete the transfer and authorized personnel sections below and email completed invoice to Avis.Phillips@medicaid.ms.gov or fax to 601-359-4193.

Date of Transfer: _____ Amount: _____

Transferred from:

Routing Number: _____ Account Number: _____

Authorized Personnel: _____ *printed name*

_____ *signature*

Telephone Number: _____ Date: _____

***NOTE: The DSH portion of the hospital tax will be reflected on the December 2017 invoice.

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street, Suite 1000 | Jackson, Mississippi 39201

MISSISSIPPI DIVISION OF
MEDICAID

Friday December 1, 2017

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY-2018 Medicaid assessment and serves as an invoice for the hospital's payment due on December 15, 2017. The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145.

Provider Name: Merit Health Batesville 251.021
Provider Number: 00020229

$104 Million Assessment

1/4 of Assessment Due on December 15th:		$ 215,217.00
Annual Assessment:	$ 860,323.00	

DSH Assessment

1/3 of Assessment Due on December 15th:		$ 133,876.00
Annual DSH Assessment:	$ 401,628.00	

MHAP Assessment

1/4 of Assessment Due on December 15th:		$ 268,395.00
Annual MHAP Assessment:	$ 1,072,918.00	

Annual Total Medicaid Assessment: **$ 2,334,869.00**

Payment Currently Due: $ 617,488.00
Due Date: Friday, December 15, 2017

Payments can be made via check or electronic funds transfer. If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to:

Division of Medicaid 0007
Office of Accounting
550 High Street, Suite 1000
Jackson, MS 39201

If remitting payment via electronic funds transfer, please contact Curtis Collins at 601-359-6115 for instructions. Complete the transfer and authorized personnel sections below and email completed invoice to Avis.Phillips@medicaid.ms.gov or fax to 601-359-4193.

Date of Transfer: _____ Amount: _____

Transferred from:

Routing Number: _____ Account Number: _____

Authorized Personnel: _____ *printed name*

_____ *signature*

Telephone Number: _____ Date: _____

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street, Suite 1000 | Jackson, Mississippi 39201

MISSISSIPPI DIVISION OF MEDICAID

Wednesday, January 03, 2018

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY-2018 Medicaid assessment and serves as an invoice for the hospital's payment due on January 15, 2018. The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145.

Provider Name: Merit Health Batesville
Provider Number: 00020229

$104 Million Assessment

1/12 of Assessment Due on January 15th: $ 71,694.00
Annual Assessment: $ 860,323.00

DSH Assessment

1/3 of Assessment Due on: $
Annual DSH Assessment: $ 401,628.00

MHAP Assessment

1/12 of Assessment Due on January 15th: $ 89,410.00
Annual MHAP Assessment: $ 1,072,918.00

Annual Total Medicaid Assessment: **$ 2,334,869.00**

Payment Currently Due: **$ 161,103.00** 251.021
Due Date: **Monday, January 15, 2018**

Payments can be made via check or electronic funds transfer. If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to:

Division of Medicaid 0007
Office of Accounting
550 High Street, Suite 1000
Jackson, MS 39201

If remitting payment via electronic funds transfer, please contact Curtis Collins at 601-359-6115 for instructions. Complete the transfer and authorized personnel sections below and email completed invoice to Avis.Phillips@medicaid.ms.gov or fax to 601-359-4193.

Date of Transfer: _____ Amount: _____

Transferred from:

Routing Number: _____ Account Number: _____

Authorized Personnel: _____ *printed name*

_____ *signature*

Telephone Number: _____ Date: _____

Toll Free 800-421-2408 | Phone 601-359-6050 | Fax 601-359-6293 | medicaid.ms.gov

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street, Suite 1000 | Jackson, Mississippi 39201

MISSISSIPPI DIVISION OF MEDICAID

Thursday, February 01, 2018

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY-2018 Medicaid assessment and serves as an invoice for the hospital's payment due on February 15, 2018. The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145.

Provider Name: Merit Health Batesville
Provider Number: 00020229 251.021

$104 Million Assessment

1/12 of Assessment Due on February 15th: $ 71,694.00
Annual Assessment: $ 860,323.00

DSH Assessment

1/3 of Assessment Due on : $
Annual DSH Assessment: $ 401,628.00

MHAP Assessment

1/12 of Assessment Due on February 15th: $ 89,410.00
Annual MHAP Assessment: $ 1,072,918.00

Annual Total Medicaid Assessment: **$ 2,334,869.00**

Payment Currently Due: **$ 161,103.00**
Due Date: **Thursday, February 15, 2018**

Payments can be made via check or electronic funds transfer. If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to:

Division of Medicaid
Office of Accounting
550 High Street, Suite 1000
Jackson, MS 39201

B007

If remitting payment via electronic funds transfer, please contact Curtis Collins at 601-359-6115 for instructions. Complete the transfer and authorized personnel sections below and email completed invoice to Avis.Phillips@medicaid.ms.gov or fax to 601-359-4193.

Date of Transfer: _____ Amount: _____

Transferred from:

Routing Number: _____ Account Number: _____

Authorized Personnel: _____ *printed name*

_____ *signature*

Telephone Number: _____ Date: _____

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street Suite 1000 | Jackson, Mississippi 39201

D007

Thursday, March 1 2018

MISSISSIPPI DIVISION OF MEDICAID

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY-2018 Medicaid assessment and serves as an invoice for the hospital's payment due on March 15, 2018 The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145

Provider Name Merit Health Batesville
Provider Number 00020229

$104 Million Assessment

1/12 of Assessment Due on March 15th		$ 71 694 00
Annual Assessment	$ 860,323 00	

DSH Assessment

1/3 of Assessment Due on March 15th		$ 170,432 00
Annual DSH Assessment	$ 456,462 00	

MHAP Assessment

1/12 of Assessment Due on March 15th		$ 89,410 00
Annual MHAP Assessment	$ 1,072,918 00	

Annual Total Medicaid Assessment **$ 2,389,703 00**

Payment Currently Due **$ 331,529 00**
Due Date **Thursday, March 15, 2018**

251021 AWB

Payments can be made via check or electronic funds transfer If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to

Division of Medicaid
Office of Accounting
550 High Street, Suite 1000
Jackson, MS 39201

If remitting payment via electronic funds transfer, please contact Curtis Collins at 601-359-6115 for instructions Complete the transfer and authorized personnel sections below and email completed invoice to Avis Phillips@medicaid ms gov or fax to 601-359-4193

Date of Transfer _____ Amount _____

Transferred from.

Routing Number _____ Account Number _____

Authorized Personnel _____ *printed name*

_____ *signature*

Telephone Number _____ Date _____

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street, Suite 1000 | Jackson, Mississippi 39201

MISSISSIPPI DIVISION OF MEDICAID

Friday, March 30, 2018

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY-2018 Medicaid assessment and serves as an invoice for the hospital's payment due on April 15, 2018. The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145.

0007

Provider Name: Panola Medical Center
Provider Number: 00020229

251021

$104 Million Assessment

1/12 of Assessment Due on April 15th:		$ 71,694.00
Annual Assessment:	$ 860,323.00	

DSH Assessment

1/3 of Assessment Due on April 15th:		$
Annual DSH Assessment:	$ 456,462.00	

MHAP Assessment

1/12 of Assessment Due on April 15th:		$ 89,410.00
Annual MHAP Assessment:	$ 1,072,918.00	

Annual Total Medicaid Assessment: **$ 2,389,703.00**

Payment Currently Due: **$ 161,103.00**
Due Date: **Sunday, April 15, 2018**

Payments can be made via check or electronic funds transfer. If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to:

Division of Medicaid
Office of Financial Reporting
550 High Street, Suite 1000
Jackson, MS 39201

If remitting payment via electronic funds transfer, please contact Shedrick Joiner at 601-359-6115 for instructions and complete the transfer an authorized personnel sections below and email completed invoice to Shedrick.Joiner@medicaid.ms.gov or fax to 601-359-4193.

Date of Transfer: _____ Amount: _____

Transferred from:

Routing Number: _____ Account Number: _____

Authorized Personnel: _____ *printed name*

_____ *signature*

Telephone Number: _____ Date: _____

D007

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street, Suite 1000 | Jackson, Mississippi 39201

MISSISSIPPI DIVISION OF MEDICAID

Tuesday, May 01, 2018

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY-2018 Medicaid assessment and serves as an invoice for the hospital's payment due on May 15, 2018. The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145.

Provider Name: Panola Medical Center
Provider Number: 00020229

251021

$104 Million Assessment

1/12 of Assessment Due on May 15th:		$ 71,694.00
Annual Assessment:	$ 860,323.00	

DSH Assessment

1/3 of Assessment Due on May 15th:		$ -
Annual DSH Assessment:	$ 456,462.00	

MHAP Assessment

1/12 of Assessment Due on May 15th:		$ 89,410.00
Annual MHAP Assessment:	$ 1,072,918.00	

Annual Total Medicaid Assessment: **$ 2,389,703.00**

Payment Currently Due: **$ 161,103.00**
Due Date: **Tuesday, May 15, 2018**

Payments can be made via check or electronic funds transfer. If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to:

Division of Medicaid
Office of Financial Reporting
550 High Street, Suite 1000
Jackson, MS 39201

If remitting payment via electronic funds transfer, please contact Shedrick Joiner at 601-359-6115 for instructions and complete the transfer an authorized personnel sections below and email completed invoice to Shedrick.Joiner@medicaid.ms.gov or fax to 601-359-4193.

Date of Transfer: _____ Amount: _____

Transferred from:

Routing Number: _____ Account Number: _____

Authorized Personnel: _____ *printed name*

_____ *signature*

Telephone Number: _____ Date: _____

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street Suite 1000 | Jackson, Mississippi 39201

MISSISSIPPI DIVISION OF MEDICAID

Friday, June 01, 2018

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital s total SFY-2018 Medicaid assessment and serves as an invoice for the hospital's payment due on June 15, 2018 The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145

Provider Name Panola Medical Center
Provider Number 00020229

$104 Million Assessment
1/12 of Assessment Due on June 15th $ 71,689 00
Annual Assessment $ 860,323 00

DSH Assessment
1/3 of Assessment Due on June 15th $ 152,154 00
Annual DSH Assessment $ 456,462 00

MHAP Assessment
1/12 of Assessment Due on June 15th $ 89,408 00
Annual MHAP Assessment $ 1,072,918 00

Annual Total Medicaid Assessment $ 2,389,703 00

Payment Currently Due $ 313,262 00 251021
Due Date Friday, June 15, 2018

Payments can be made via check or electronic funds transfer If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to

Division of Medicaid
Office of Financial Reporting D007
550 High Street, Suite 1000
Jackson, MS 39201

If remitting payment via electronic funds transfer please contact Shedrick Joiner at 601-359-6115 for instructions and complete the transfer an authorized personnel sections below and email completed invoice to Shedrick Joiner@medicaid ms gov or fax to 601-359-4193

Date of Transfer _____ Amount _____

Transferred from.

Routing Number _____ Account Number _____

Authorized Personnel _____ *printed name*

_____ *signature*

Telephone Number _____ Date _____

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street, Suite 1000 | Jackson, Mississippi 39201

MISSISSIPPI DIVISION OF
MEDICAID

Friday December 1, 2017

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY-2018 Medicaid assessment and serves as an invoice for the hospital's payment due on December 15, 2017. The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145.

Provider Name: Merit Health Northwest MS 251.022
Provider Number: 00220380

$104 Million Assessment

1/4 of Assessment Due on December 15th:		$ 257,274.00
Annual Assessment:	$ 1,028,459.00	

DSH Assessment

1/3 of Assessment Due on December 15th:		$ 160,040.00
Annual DSH Assessment:	$ 480,120.00	

MHAP Assessment

1/4 of Assessment Due on December 15th:		$ 320,850.00
Annual MHAP Assessment:	$ 1,282,603.00	

Annual Total Medicaid Assessment: **$ 2,791,182.00**

Payment Currently Due: $ 738,164.00
Due Date: Friday, December 15, 2017

Payments can be made via check or electronic funds transfer. If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to:

Division of Medicaid D007
Office of Accounting
550 High Street, Suite 1000
Jackson, MS 39201

If remitting payment via electronic funds transfer, please contact Curtis Collins at 601-359-6115 for instructions. Complete the transfer and authorized personnel sections below and email completed invoice to Avis.Phillips@medicaid.ms.gov or fax to 601-359-4193.

Date of Transfer: _____ Amount: _____

Transferred from:

Routing Number: _____ Account Number: _____

Authorized Personnel: _____ *printed name*

_____ *signature*

Telephone Number: _____ Date: _____

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street, Suite 1000 | Jackson, Mississippi 39201

MISSISSIPPI DIVISION OF MEDICAID

Wednesday, January 03, 2018

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY-2018 Medicaid assessment and serves as an invoice for the hospital's payment due on January 15, 2018. The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145.

Provider Name: Merit Health Northwest MS
Provider Number: 00220380

$104 Million Assessment

1/12 of Assessment Due on January 15th: $ 85,705.00
Annual Assessment: $ 1,028,459.00

DSH Assessment

1/3 of Assessment Due on: $ -
Annual DSH Assessment: $ 480,120.00

MHAP Assessment

1/12 of Assessment Due on January 15th: $ 106,884.00
Annual MHAP Assessment: $ 1,282,603.00

Annual Total Medicaid Assessment: **$ 2,791,182.00**

Payment Currently Due: **$ 192,589.00** 251.022
Due Date: **Monday, January 15, 2018**

Payments can be made via check or electronic funds transfer. If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to:

Division of Medicaid D007
Office of Accounting
550 High Street, Suite 1000
Jackson, MS 39201

If remitting payment via electronic funds transfer, please contact Curtis Collins at 601-359-6115 for instructions. Complete the transfer and authorized personnel sections below and email completed invoice to Avis.Phillips@medicaid.ms.gov or fax to 601-359-4193.

Date of Transfer: _____ Amount: _____

Transferred from:

Routing Number: _____ Account Number: _____

Authorized Personnel: _____ *printed name*

_____ *signature*

Telephone Number: _____ Date: _____

Toll Free 800-421-2408 | Phone 601-359-6050 | Fax 601-359-6294 | medicaid.ms.gov

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street, Suite 1000 | Jackson, Mississippi 39201

MISSISSIPPI DIVISION OF
MEDICAID

Thursday, February 01, 2018

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY-2018 Medicaid assessment and serves as an invoice for the hospital's payment due on February 15, 2018. The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145.

Provider Name: Merit Health Northwest MS
Provider Number: 00220380

251.022

$104 Million Assessment

1/12 of Assessment Due on February 15th: $ 85,705.00
Annual Assessment: $ 1,028,459.00

DSH Assessment

1/3 of Assessment Due on : $ -
Annual DSH Assessment: $ 480,120.00

MHAP Assessment

1/12 of Assessment Due on February 15th: $ 106,884.00
Annual MHAP Assessment: $ 1,282,603.00

Annual Total Medicaid Assessment: **$ 2,791,182.00**

Payment Currently Due: **$ 192,589.00**
Due Date: **Thursday, February 15, 2018**

Payments can be made via check or electronic funds transfer. If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to:

Division of Medicaid
Office of Accounting
550 High Street, Suite 1000
Jackson, MS 39201

D007

If remitting payment via electronic funds transfer, please contact Curtis Collins at 601-359-6115 for instructions. Complete the transfer and authorized personnel sections below and email completed invoice to Avis.Phillips@medicaid.ms.gov or fax to 601-359-4193.

Date of Transfer: _____ Amount: _____

Transferred from:

Routing Number: _____ Account Number: _____

Authorized Personnel: _____ *printed name*

_____ *signature*

Telephone Number: _____ Date: _____

Toll Free 800-421-2408 | Phone 601-359-6050 | Fax 601-359-6294 | medicaid.ms.gov

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street Suite 1000 | Jackson, Mississippi 39201

D007

MISSISSIPPI DIVISION OF MEDICAID

Thursday, March 1, 2018

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY-2018 Medicaid assessment and serves as an invoice for the hospital s payment due on March 15, 2018 The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145

Provider Name Merit Health Northwest MS
Provider Number 00220380

$104 Million Assessment

1/12 of Assessment Due on March 15th		$ 85,705 00
Annual Assessment	$ 1,028,459 00	

DSH Assessment

1/3 of Assessment Due on March 15th		$ 203,740 00
Annual DSH Assessment	$ 545,671 00	

MHAP Assessment

1/12 of Assessment Due on March 15th		$ 106,884 00
Annual MHAP Assessment	$ 1,282,603 00	

Annual Total Medicaid Assessment. **$ 2,856,733 00**

Payment Currently Due **$ 396,329 00**
Due Date **Thursday, March 15, 2018**

251022 SSB

Payments can be made via check or electronic funds transfer If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to

Division of Medicaid
Office of Accounting
550 High Street, Suite 1000
Jackson, MS 39201

If remitting payment via electronic funds transfer please contact Curtis Collins at 601-359-6115 for instructions Complete the transfer and authorized personnel sections below and email completed invoice to Avis Phillips@medicaid ms gov or fax to 601-359-4193

Date of Transfer _____ Amount _____

Transferred from.

Routing Number _____ Account Number _____

Authorized Personnel _____ *printed name*

_____ *signature*

Telephone Number _____ Date _____

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street, Suite 1000 | Jackson, Mississippi 39201

MISSISSIPPI DIVISION OF
MEDICAID

Friday, March 30, 2018

D007

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY-2018 Medicaid assessment and serves as an invoice for the hospital's payment due on April 15, 2018. The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145.

Provider Name: Merit Health Northwest MS
Provider Number: 00220380 251022

$104 Million Assessment

1/12 of Assessment Due on April 15th:		$ 85,705.00
Annual Assessment:	$ 1,028,459.00	

DSH Assessment

1/3 of Assessment Due on April 15th:		$ -
Annual DSH Assessment:	$ 545,671.00	

MHAP Assessment

1/12 of Assessment Due on April 15th:		$ 106,884.00
Annual MHAP Assessment:	$ 1,282,603.00	

Annual Total Medicaid Assessment: **$ 2,856,733.00**

Payment Currently Due: **$ 192,589.00**
Due Date: **Sunday, April 15, 2018**

Payments can be made via check or electronic funds transfer. If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to:

Division of Medicaid
Office of Financial Reporting
550 High Street, Suite 1000
Jackson, MS 39201

If remitting payment via electronic funds transfer, please contact Shedrick Joiner at 601-359-6115 for instructions and complete the transfer an authorized personnel sections below and email completed invoice to Shedrick.Joiner@medicaid.ms.gov or fax to 601-359-4193.

Date of Transfer: _____ Amount: _____

Transferred from:

Routing Number: _____ Account Number: _____

Authorized Personnel: _____ *printed name*

_____ *signature*

Telephone Number: _____ Date: _____

0007

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street, Suite 1000 | Jackson, Mississippi 39201

MISSISSIPPI DIVISION OF MEDICAID

Tuesday, May 01, 2018

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY-2018 Medicaid assessment and serves as an invoice for the hospital's payment due on May 15, 2018. The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145.

Provider Name: Merit Health Northwest MS 251022
Provider Number: 00220380

$104 Million Assessment

1/12 of Assessment Due on May 15th:		$ 85,705.00
Annual Assessment:	$ 1,028,459.00	

DSH Assessment

1/3 of Assessment Due on May 15th:		$ -
Annual DSH Assessment:	$ 545,671.00	

MHAP Assessment

1/12 of Assessment Due on May 15th:		$ 106,884.00
Annual MHAP Assessment:	$ 1,282,603.00	

Annual Total Medicaid Assessment: **$ 2,856,733.00**

Payment Currently Due: **$ 192,589.00**
Due Date: **Tuesday, May 15, 2018**

Payments can be made via check or electronic funds transfer. If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to:

Division of Medicaid
Office of Financial Reporting
550 High Street, Suite 1000
Jackson, MS 39201

If remitting payment via electronic funds transfer, please contact Shedrick Joiner at 601-359-6115 for instructions and complete the transfer an authorized personnel sections below and email completed invoice to Shedrick.Joiner@medicaid.ms.gov or fax to 601-359-4193.

Date of Transfer: _____ Amount: _____

Transferred from:

Routing Number: _____ Account Number: _____

Authorized Personnel: _____ *printed name*

_____ *signature*

Telephone Number: _____ Date: _____

OFFICE OF THE GOVERNOR
Walter Sillers Building | 550 High Street Suite 1000 | Jackson, Mississippi 39201

MISSISSIPPI DIVISION OF MEDICAID

Friday, June 01, 2018

HOSPITAL ASSESSMENT INVOICE

This notice reports your hospital's total SFY-2018 Medicaid assessment and serves as an invoice for the hospital's payment due on June 15, 2018 The assessments are in accordance with Mississippi Code of 1972, as annotated, Section 43-13-145

Provider Name	**Merit Health Northwest MS**	
Provider Number	**00220380**	
$104 Million Assessment		
1/12 of Assessment Due on June 15th		$ 85,704 00
Annual Assessment	$ 1,028,459 00	
DSH Assessment		
1/3 of Assessment Due on June 15th		$ 181,891 00
Annual DSH Assessment	$ 545,671 00	
MHAP Assessment		
1/12 of Assessment Due on June 15th		$ 106,879 00
Annual MHAP Assessment	$ 1,282,603 00	
Annual Total Medicaid Assessment.	$ 2,856,733 00	
Payment Currently Due		**$ 374,474 00**
Due Date		**Friday, June 15, 2018**

251022

Payments can be made via check or electronic funds transfer If remitting payment via check, please complete the authorized personnel information below and return the completed invoice with your payment to

D007

Division of Medicaid
Office of Financial Reporting
550 High Street, Suite 1000
Jackson, MS 39201

If remitting payment via electronic funds transfer, please contact Shedrick Joiner at 601-359-6115 for instructions and complete the transfer an authorized personnel sections below and email completed invoice to Shedrick.Joiner@medicaid ms.gov or fax to 601-359-4193

Date of Transfer _____ Amount _____

Transferred from.

Routing Number _____ Account Number _____

Authorized Personnel _____ *printed name*

_____ *signature*

Telephone Number _____ Date _____

EXHIBIT B

Outstanding Supplemental Payments

	Not Received				Notes	Total Outstanding Supplemental Payments*
	Dec 18	Jan 19	Feb 19	Mar 19		
Amory Hospital	$ 106,855	$ 358,331	$ 358,331	$ 358,331	Closing effective as of 12/31	
Batesville Hospital	$ 152,552	$ 511,577	$ 511,577	$ 511,577	Closing effective as of 3/1	
Clarksdale Hospital	$ 240,593	$ 806,818	$ 806,818	$ 806,818		
Total Funds Not Received	$ 500,000	$ 1,318,394	$ 1,318,394	$ 806,818		**$ 3,943,606**

Amounts shaded blue not included in total

*Total amount as of March 26, 2019

EXHIBIT C

DOM Demand Letter

STATE OF MISSISSIPPI

JIM HOOD
ATTORNEY GENERAL

January 30, 2019

David E. Gordon

via email only: DGordon@Polsinelli.com

Re: Curae Health, Inc.,
Amory Regional Medical Center, Inc.
Batesville Regional Medical Center, Inc.
Clarksdale Regional Medical Center, Inc.

Dear David:

Thank you for discussing this matter with me.

The Mississippi Division of Medicaid's records reflect that the debtors owe the following post-petition taxes:

August 25, 2018 - September 30, 2018	$ 33,625.00
December 3, 2018	$1,701,092.00
January 4, 2019	$ 430,645.00

As you are aware, the failure to pay taxes owed after the petition date is cause for conversion or dismissal of the chapter 11 proceeding. 11 U.S.C. § 1112. In that context, the Mississippi Division of Medicaid makes the following demand on the debtors.

Therefore, on or before February 5, 2019, the debtors must either:

(1) remit payment in full; or

(2) deliver to me written confirmation from the debtors' authorized representative(s) that:

(a) the post-petition taxes are due and owing in the amounts set forth above;

(b) the debtors will not remit payment of any portion of the due and owing post-petition taxes;

(c) none of the debtors will make any claims under programs administered by the Mississippi Division of Medicaid unless and until the post-petition taxes are paid in full;

(d) no debtor has any claim to or interest in funds presently in possession of Molina Healthcare of Mississippi, Inc., or Magnolia Health Plan Inc., or UnitedHealthcare of Mississippi, Inc., and

(e) any such funds in the possession of these entities, or any one or combination of them, are not part of the bankruptcy estates of the debtors or any one or combination of them.

The Mississippi Division of Medicaid does not waive any of its rights, claims or defenses, and reserves all such rights, claims and defenses. However, if certifications are made, the Mississippi Division of Medicaid will forebear through February 28, 2019, in seeking the dismissal of the bankruptcy proceedings or the conversion of the proceedings to a Chapter 7 proceedings. The Mississippi Division of Medicaid reserves its right to object to the disclosure and plan or to seek dismissal or conversion in the future.

The debtors should also be aware that as of February 1, 2019, an additional $430,645.00, will be due and payable and must be paid on that date.

Thank you for your attention to this matter. Please contact me if you have any questions or require anything further.

James A. Bobo
Special Assistant Attorney General

WALTER SILLERS BUILDING • POST OFFICE BOX 220
JACKSON. MISSISSIPPI 39205-0220 • TELEPHONE (601) 359-3822 • TELEFAX (601) 359-3841