

**UNITED STATES BANKRUPTCY COURT  
MIDDLE DISTRICT OF TENNESSEE  
NASHVILLE DIVISION**

In re	)	
	)	Case No. 18-05665
Curae Health, Inc., <i>et.al</i> <sup>1</sup> ,	)	Chapter 11
	)	
1721 Midpark Road, Suite B200	)	Judge Walker
Knoxville, TN 37921	)	
	)	Jointly Administered
Debtors.	)	

**MEDHOST’S RESPONSE TO THE STATE OF MISSISSIPPI DIVISION OF MEDICAID’S  
MOTION TO APPROVE ADMINISTRATIVE EXPENSE CLAIM AND COMPEL PAYMENT  
THEREOF, AND TO SHOW CAUSE AND DISMISS OR CONVERT**

Come MEDHOST of Tennessee, Inc., its wholly-owned subsidiary, MEDHOST Direct, Inc., and MEDHOST Cloud Services, Inc., formerly known as YourCareUniverse, Inc., sometimes referred to herein collectively as “MEDHOST,” and respectfully submit this Response to *The State of Mississippi Division of Medicaid’s Motion to (I) Approve its Administrative Expenses, and Compel Payment thereof , and (II) Upon Any Failure to Pay that the Debtors be Required to Appear at a Hearing to Show Cause and for the Court to Hear and Consider Whether to Dismiss or Convert the Proceeding* (Docket No.758) (the “DOM Motion”). MEDHOST respectfully represents as follows:

1. MEDHOST hereby adopts and incorporates by this reference the 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 (the “Joint Objection”), filed

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

March 26, 2019 (Docket No. 901). As noted in the Joint Objection, the claims asserted by the Mississippi Division of Medicaid (the “DOM”) arose pre-petition. All acts or actions which may have given rise to liability to the DOM occurred prior to the filing of the bankruptcy petitions herein. Thus, any such claims are not entitled to priority as administrative expense claims. Further, any such claims are properly categorized as regulatory fees, not taxes, which arose pre-petition.

2. As further noted in the Joint Objection, these cases cannot be converted to cases under Chapter 7 because such conversion is forbidden under 11 U.S.C. §1112(c) unless the Debtors request conversion. These Debtors, not-for-profit entities, oppose conversion; consequently, conversion is not available.

3. For reasons stated in the Joint Objection, cause for dismissal of these cases cannot be demonstrated herein, and DOM’s request for dismissal must be denied.

4. Finally, DOM’s unilateral and intentional withholding of Supplemental Payments (as defined in the Joint Objection), without first requesting or obtaining relief from the bankruptcy stay, demonstrates a clear and willful violation of the automatic stay, for which the Debtors are entitled to damages and fees. The Debtors’ and Committee’s cross-motion for the payment of damages and turnover of estate funds should be granted.

WHEREFORE, MEDHOST respectfully supports the Debtors and the Committee for the reasons articulated in the Joint Objection, and MEDHOST adopts and incorporates the Joint Objection by this reference.

Respectfully submitted this the 26<sup>th</sup> day of March, 2019.

/s/ Thomas H. Forrester

Thomas H. Forrester  
Gullett, Sanford, Robinson & Martin, PLLC  
150 Third Avenue South, Suite 1700  
Nashville, TN 37201  
(615) 244-4994  
[tforrester@gsrm.com](mailto:tforrester@gsrm.com); [lcatabay@gsrm.com](mailto:lcatabay@gsrm.com)

*Attorneys for MEDHOST of Tennessee, Inc.*

**CERTIFICATE OF SERVICE**

I hereby certify that on March 26, 2019, a true and correct copy of the foregoing document was filed electronically. Notice of this filing will be sent by operation of the Court's electronic filing system to all parties indicated on the electronic filing receipt. Parties may access this filing through the Court's electronic filing system.

/s/ Thomas H. Forrester

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Thomas H. Forrester