

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

In re:

Curae Health, Inc., *et al.*<sup>1</sup>

1721 Midpark Road, Suite B200  
Knoxville, TN 37921

Debtors.

Chapter 11

Lead Case No. 18-05665

Judge Walker

Jointly Administered

**RESPONSE OF MISSISSIPPI EMERGENCY PHYSICIAN SERVICES, LLC AND  
COMPREHENSIVE HOSPITALISTS OF MS, LLC 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**

Mississippi Emergency Physician Services, LLC and Comprehensive Hospitalists of MS, LLC, affiliated creditors of the above-captioned Debtors and former providers of emergency department staff and hospitalists to various of the Debtors’ facilities (collectively, “Schumacher”), hereby respond 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* [ECF No. 758] (the “Motion”) filed by the State of Mississippi Division of Medicaid (“DOM”) and in response thereto would state the following:

1. Schumacher hereby incorporates by reference the entirety of the *Joint Objection of the Debtors and Official Committee of Unsecured Creditors Opposing the State of Mississippi*

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

*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* [ECF no. 901] (the "Joint Objection") filed by the Debtors and the Official Committee of Unsecured Creditors on March 26, 2019.

2. As set forth in the Joint Objection, DOM is not entitled to any of the relief sought in the Motion, including but not limited to: (i) its requests for administrative expenses for the regulatory fees DOM attempts to categorize as taxes; (ii) its request for dismissal of this case in the event DOM is not granted administrative priority; and (iii) its request to have this case converted to chapter 7.

3. The Joint Motion clearly and effectively establishes why DOM is not entitled to the relief it is seeking and Schumacher will not repeat the thorough and effective arguments articulated therein, other than by reference and incorporation of the Joint Motion.

4. Schumacher further articulates its support for the requests in the Joint Motion for a turnover of the intentionally withheld Supplemental Payments (as defined in the Joint Objection), as such Supplemental Payments were withheld without relief from the automatic stay. This action is a clear violation of the protections afforded by the stay and the Debtors' and Committee's request in the Joint Motion for damages and fees should be granted.

5. Schumacher further notes the untimely nature of the DOM's Motion. The Motion seeks leave to object to a motion filed by the Debtor on March 8, 2019. Though such motion was filed on an expedited basis, there have been multiple hearings before the Court on the relief requested therein, legal argument and evidence presented, and an order entered. The DOM should not be permitted to object in arrears to this motion and order already entered.

WHEREFORE, Schumacher respectfully requests that this Court enter an order denying DOM's Motion, granting the requested relief in the Joint Objection, and granting such further relief as this Court deems just and proper.

Dated March 27, 2019.

Respectfully submitted,

**NELSON MULLINS RILEY  
& SCARBOROUGH LLP**

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**CERTIFICATE OF SERVICE**

I hereby certify that, on March 27, 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 CM/ECF electronic filing system to all parties receiving electronic notice thereunder.

**By ECF to all parties of record, including:**

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Dated March 27, 2019.

/s/ James A. Haltom  
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