

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

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

**NOTICE OF APPOINTMENT OF PATIENT CARE OMBUDSMAN**

The Acting United States Trustee, Region 8, pursuant to section 333 of the Bankruptcy Code and this Court’s order dated September 6, 2018 (Docket Entry 111) directing the appointment of a health care ombudsman, hereby appoints Suzanne Koenig, having an office located at SAK Management Services, LLC, 300 Saunders Rd, Suite 300, Riverwoods, Illinois 60015, as the Patient Care Ombudsman in these cases. The appointee’s verified statement of disinterestedness is attached as **Exhibit 1**.

Section 333(b, c) of the Bankruptcy Code provides, in part:

**(2)(A)** If the court orders the appointment of an ombudsman under paragraph (1), the United States trustee shall appoint 1 disinterested person (other than the United States trustee) to serve as such ombudsman.

**(B)** If the debtor is a health care business that provides long-term care, then the United States trustee may appoint the State Long-Term Care Ombudsman appointed under the Older Americans Act of 1965 for the State in which the case is pending to serve as the ombudsman required by paragraph (1).

**(C)** If the United States trustee does not appoint a State Long-Term Care Ombudsman under subparagraph (B), the court shall notify the State Long-Term Care Ombudsman appointed under the Older Americans Act of 1965 for the State in which the case

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

is pending, of the name and address of the person who is appointed under subparagraph (A).

(b) An ombudsman appointed under subsection (a) shall--

(1) monitor the quality of patient care provided to patients of the debtor, to the extent necessary under the circumstances, including interviewing patients and physicians;

(2) not later than 60 days after the date of appointment, and not less frequently than at 60-day intervals thereafter, report to the court after notice to the parties in interest, at a hearing or in writing, regarding the quality of patient care provided to patients of the debtor; and

(3) if such ombudsman determines that the quality of patient care provided to patients of the debtor is declining significantly or is otherwise being materially compromised, file with the court a motion or a written report, with notice to the parties in interest immediately upon making such determination.

(c)(1) An ombudsman appointed under subsection (a) shall maintain any information obtained by such ombudsman under this section that relates to patients (including information relating to patient records) as confidential information. Such ombudsman may not review confidential patient records unless the court approves such review in advance and imposes restrictions on such ombudsman to protect the confidentiality of such records.

(2) An ombudsman appointed under subsection (a)(2)(B) shall have access to patient records consistent with authority of such ombudsman under the Older Americans Act of 1965 and under non-Federal laws governing the State Long-Term Care Ombudsman program.

Respectfully submitted,

**PAUL RANDOLPH,**  
Acting U.S. Trustee, Region 8

**By: /s/ Megan Seliber**  
MEGAN SELIBER  
Trial Attorney for the U.S. Trustee  
318 Customs House, 701 Broadway  
Nashville, TN 37203  
(615) 695-4060; 615-736-2260 (fax)  
Megan.Seliber@usdoj.gov

**CERTIFICATE OF SERVICE**

I certify that on September 18, 2018, a copy of the foregoing document was sent electronically to registered ECF users.

/s/ Megan Seliber  
Megan Seliber

**IN THE UNITED STATES BANKRUPTCY COURT  
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NASHVILLE DIVISION**

In re:	)	
	)	Chapter 11
Curae Health, Inc., <i>et al.</i> <sup>2</sup>	)	Case No. 18-05665
	)	
	)	Judge Walker
Debtors.	)	Jointly Administered

**VERIFIED STATEMENT OF SUZANNE KOENIG IN SUPPORT OF APPOINTMENT  
AS PATIENT CARE OMBUDSMAN PURSUANT TO 11 U.S.C. § 333 AND RULE  
2007.2(c) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE**

Suzanne Koenig, being duly sworn, deposes and says:

1. This verified statement (the “**Verified Statement**”) is being submitted in connection with the United States Trustee’s Notice of Appointment of Patient Care Ombudsman (the “**Ombudsman Notice**”). The Ombudsman Notice appoints me as Patient Care Ombudsman in the above-captioned chapter 11 cases (the “**Cases**”) filed by Curae Health, Inc. and its affiliated debtors in possession (collectively, the “**Debtors**”).

2. I am President of SAK Management Services, LLC (“**SAK**”), which maintains an office at 300 Saunders Rd, Suite 300, Riverwoods, Illinois 60015. SAK manages and turns around distressed health care businesses. SAK’s staff consists of experienced, licensed nursing home administrators, licensed nurses, licensed social workers and licensed dietitians. SAK has represented clients involved in financial distress situations including debtors in possession, trustees, examiners, financial institutions and creditor's committees.

3. As President of SAK, I have significant experience with distressed health care businesses. I have served as the patient care ombudsman in other cases, including the Chapter

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<sup>2</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 Medical Center, Inc. (4755); Amory Regional Physicians, LLC (5044); Batesville Regional Physicians, LLC (4952); and Clarksdale Regional Physicians, LLC (5311).

11 cases filed by Brotman Medical Center, Inc., Downy Regional Medical Center Hospital, Inc., New York Westchester Square Medical Center, Meridian Behavioral Health LLC (and its affiliates) and Johnny Kumar Jain, MD.

4. I am willing to serve as the Patient Care Ombudsman in the above-captioned Cases.

5. The purpose of this Verified Statement is to provide the disclosures required under the Bankruptcy Code in order to qualify as a “disinterested person,” as such term is defined pursuant to section 101(14) of the Bankruptcy Code, and to comply with the disclosure requirements of Rule 2007.2(c) of the Federal Rules of Bankruptcy Procedure. This Verified Statement is intended to set forth, to the best of my knowledge, all of my connections with the Debtors, their creditors, patients, any other parties in interest, their respective attorneys and accountants in the Cases, the United States Trustee for this District, any person employed in the Office of the United States Trustee for this District and this Court. In the event that additional connections within the scope of Bankruptcy Rule 2007.2(c) are discovered during the pendency of the Cases, I will undertake to file supplemental disclosures as may become appropriate.

6. I am not related, to the best of my knowledge, to any Judge of the United States Bankruptcy Court for the Middle District of Tennessee nor do I have any connection with the United States Trustee’s Office in that District.

7. In order to prepare this Verified Statement and in addition to the foregoing, I completed a conflicts check by comparing my client names and SAK’s client names to those names set forth on **Exhibit A**, which is attached hereto and incorporated herein by reference.

8. Both I and SAK may have clients in the past or clients in the future, or have other connections with certain creditors of the Debtors or other professionals or parties in interest in

matters unrelated to the Debtors or the Cases. I have no connections with those parties listed on **Exhibit A** in any matters relating to the Debtors or these Cases. SAK, however, has connections with those creditors identified in **Exhibit B** of this Verified Statement in matters wholly unrelated to the Debtors or the Cases. SAK's current or past relationships with such creditors do not comprise a material component of SAK's business and such relationships are unrelated to the matters upon which I will be appointed in the Cases.

9. Both SAK and I may have relationships with parties in interest not currently known to us, who may be creditors of the Debtor or parties in interest in these cases in matters wholly unrelated to the Debtors or the Cases. To the extent that I discover any such information, I will promptly disclose such information to the Court on notice to the Debtors, the United States Trustee and those parties in interest requesting notice in these Cases.

10. I am a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code in that I:

- (a) am not a creditor, equity security holder or insider of the Debtor;
- (b) am not, and was not, within two years before the date of filing of the petition, a director, officer, or employee of the Debtor; and
- (c) do not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the debtor, or for any other reason.

11. An ombudsman appointed under section 333 of the Bankruptcy Code must "(1) monitor the quality of patient care provided by the debtor to the extent necessary including interviewing patients and physicians, (2) report to the Court orally or in writing at not more than sixty (60) day intervals concerning the quality of patient care provided, and (3) if the ombudsman determines that the quality of patient care is declining significantly or is otherwise being materially compromised, file a motion or report with the Court immediately upon making

such determination." 11 U.S.C. § 333(b). I will comply with these requirements.

12. I intend to apply for compensation for services rendered in connection with the Cases subject to the approval of this Court and in compliance with applicable provisions of the Bankruptcy Code, Bankruptcy Rules, Local Rules, U.S. Trustee Guidelines, and Orders of this Court, on an hourly basis, plus reimbursement of actual, necessary expenses and other charges incurred. For purposes of these Cases, I have agreed to discount my hourly rate to \$400.00.

13. The expenses charged to clients include, among other things, telephone and telecopier tolls and other charges, mail and express mail charges, special or hand delivery charges, document processing, photocopying charges, word processing charges, courier services, overnight delivery services, docket and court filing fees, telecommunications, travel expenses, expenses for working meals, computerized research, and transcription costs, as well as non-ordinary overhead expenses such as overtime for secretarial personnel and other staff. I will charge the Debtors' estates for these expenses in a manner and at rates consistent with charges made generally to my clients.

14. Given the number of facilities owned by the Debtors and in order to fulfill the role of Patient Care Ombudsman in a cost efficient manner, I intend to retain SAK as medical operations consultants to assist me in performing my duties and responsibilities and will apply for Court approval of that retention. The professionals at SAK (other than me) have also agreed to discount their hourly rates and depending upon the professional, their discounted rates will be between \$125 per hour and \$375 per hour.

15. In addition, I intend to retain the law firm of Greenberg Traurig, LLP to assist me in my engagement and will apply for Court approval of that retention.

16. I understand the importance of limiting fees in this case to the extent possible.

17. By reason of the foregoing, I believe that I am eligible for appointment as Patient Care Ombudsman pursuant to section 333 of the Bankruptcy Code and Bankruptcy Rule 2007.2(a).

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief

Date: September 17, 2018

/s/ Suzanne Koenig \_\_\_\_\_  
Suzanne Koenig



## **EXHIBIT A**

### Debtors

Curae Health, Inc.  
Amory Regional Medical Center, Inc,  
Batesville Regional Medical Center Inc.  
Clarksdale Regional Medical Center Inc.  
Amory Regional Physicians, LLC  
Batesville Regional Physicians, LLC  
Clarksdale Regional Physicians, LLC

### Lender

MidCap Finance  
Midcap Financial Trust  
MidCap Funding IV Trust  
Midpark Knoxville, LLC

### All Creditors

3M Health Information Systems  
Aesynt, Inc.  
Alliance Healthcare Serv Inc  
American National Red Cross  
AmoryWater and Electric  
Anesthesia Assoc of MS PLLC  
ASD Specialty Healthcare Inc  
Baker Donelson  
Batesville Family Medical PLLC  
Beckman Coulter Inc.  
BOA Vida Healthcare, LLC  
Brentwood Acquisition  
Brentwood Behavioral Healthcare  
Brentwood Behavioral Healthcare of Mississippi  
Brightree LLC  
Cardinal Health 110, Inc  
Cardinal Health Incorporated  
Cardinal Health Pharmacy #32  
Caremed  
CDW Computer Centers Inc  
CDW Government, Inc.  
Change Healthcare Solutions, LLC  
CHCT Mississippi, LLC

CHS/Community Health Systems, Inc.  
CHS dba/Shared Services Center-Ft. Smith  
CHSPSC, LLC  
City of Amory, Mississippi  
City of Batesville  
Community Health Systems, Inc  
Comos Facility Support, Inc.  
Comphealth Associates, Inc.  
Comprehensive Hospitalists of MS LLC  
Crown Healthcare Laundry Service, LLC  
Delta Dental of TN  
Diversified Clinical Service  
DSI Security Services  
Eclinical Works LLC  
Egerton McAfee  
Egerton McAfee Armistead & Davis P.C.  
Epstein Becker Green, P.C.  
Eye Med (Fidelity Security Life Insurance Co.)  
GE Healthcare II ITS USA Corp  
Gifted Nurses LLC  
Halyard Health Inc  
Harrison, Scott MD  
Healogics, Inc  
Healthcare Financial Management Assoc.  
Healthtrust Workforce Solutions LLC  
HHS Culinary and Nutrition  
HHS LLC  
Hologic Limited Partnership  
Hologic, Inc  
Horne LLP  
Hospital Care Consultants  
Hospital Housekeeping Systems, Ltd.  
In10sity Interactive, LLC  
Intuitive Surgical Inc  
Johnson and Johnson Healthcare  
Kronos  
Lifepoint Health, Inc. (Parent of Russellville Hospital, Inc.)  
Mag Mutual Insurance Company  
Medhost  
Medhost Direct, Inc  
Medhost of Tennessee, Inc

Meditract  
Medline Industries Inc.  
Medtronic USA Inc  
Methodist Healthcare Corp  
Mid South Rehab Services, Inc.  
Midpark Knoxville, LLC  
Mississippi Emergency Physician Services, LLC  
Monroe County Tax Collector  
Morrison Healthcare  
Morrison Management Specialists, Inc.  
MS Emergency Phys Srv LLC  
Mutual of Omaha  
No MS Med Ctr Pathology Dept.  
North Mississippi Health Services, Inc.  
Northwest Medical Center, Inc.  
Olympus Surgical Technologies  
Otis Elevator Co  
Owens and Minor  
Panola County Tax Assessor  
Patientsafe Solutions, Inc  
PGN Technologies, LLC  
Philips Healthcare  
Ricoh  
Ring Central  
Siemens Healthcare Diagnostics  
Staples Advantage  
Stat Imaging Solutions LLC  
Stat Informatic Solutions, LLC  
Strategic Healthcare Resources  
Stryker Endoscopy  
Stryker Orthopedics  
Sun Life Financial  
Synthes (USA) Inc  
Sysco Memphis, LLC  
Sysco of Memphis  
Tallahatchie Valley EPA  
Weatherby Locums Inc  
Willow Anesthesia Services  
Yourcare Universe, Inc

**EXHIBIT B**

Below is a chart setting forth the Patient Care Ombudsman's and SAK's connections with those entities set forth on Exhibit A. The disclosures below relate to matters that do not involve the Debtors or these Cases.

<b>Name of Entity Searched</b>	<b>Brief Description of Relationship</b>
Sysco Memphis, LLC Sysco of Memphis	SAK operates certain skilled nursing facilities and Sysco is a vendor for certain of these facilities.
Medline Industries Inc.	SAK operates certain skilled nursing facilities and Medline is a vendor for certain of these facilities.