

Exhibit A
Koenig Affidavit

CHI 69602710v2

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

<i>In re:</i> Curae Health, Inc., <i>et al.</i> ¹ Debtors.	:	Chapter 11 : Case No. 18-05665 : (Jointly Administered) : Judge Walker : :
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**DECLARATION OF SUZANNE KOENIG IN SUPPORT OF THE APPLICATION
OF THE PATIENT CARE OMBUDSMAN FOR ENTRY OF AN
ORDER AUTHORIZING THE RETENTION AND EMPLOYMENT OF SAK
MANAGEMENT SERVICES, LLC AS MEDICAL OPERATIONS ADVISOR,
NUNC PRO TUNC AS OF SEPTEMBER 18, 2018**

STATE OF ILLINOIS)
) ss:
COUNTY OF COOK)

I, Suzanne Koenig, being duly sworn, deposes and say:

1. I am President of SAK Management Services, LLC (“SAK”), which maintains an office at 300 Saunders Road, Suite 300, Riverwoods, Illinois 60015 and the Court appointed Ombudsman in the above-captioned Chapter 11 cases (the “Cases”). I submit this declaration (the “Declaration”) on behalf of SAK in support of the Application² of Suzanne Koenig as patient care ombudsman (the “Ombudsman”) for entry of an Order, pursuant to sections 105, 333 and 330 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”) and Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), authorizing the retention and employment of SAK, as medical operations

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).

² Capitalized terms used herein but not otherwise defined shall have those meanings set forth in the Application.

advisor for the Ombudsman, *nunc pro tunc* as of September 18, 2018. Except as otherwise indicated herein, I have personal knowledge of the matters set forth herein and, if called as a witness, would testify competently thereto.³

QUALIFICATIONS OF SAK MANAGEMENT SERVICES, LLC

2. SAK has substantial experience in managing and turning around distressed health care businesses. SAK has served as medical operations advisor in connection with the following cases: *In re New York Westchester Square Medical Center*, Chapter 11 Case No. 06-13050 (Bankr. S.D.N.Y., December 19, 2006); *In re Brotman Medical Center, Inc.*, Chapter 11 Case No. 07-19705 (Bankr. C.D. Cal., October 25, 2007); *In re Johnny Kumar Jain, M.D.* Chapter 11 Case No. 10-24550 (Bankr. C.D. Cal., April 15, 2010), *In re Meridian Behavioral Health LLC*, Chapter 11 Case No. 11-10860 (Bankr. S.D.N.Y., February 28, 2011), *In re Christ Hospital, a New Jersey not-for-profit corporation*, Case No. 12-12906 (Bankr. D. NJ), *In re ICL Holding Company Inc., et al.*, Case No. 12-13319 (Bankr. D. Del.), *In re Horizon Health Center, Inc.*, Case No. 13-26348 (Bankr. D. NJ) and *In re Fairmont General Hospital, Inc., et al.*, Case No. 13-01054 (Bankr. N.D. W.Va.). SAK's staff consists of experienced and licensed nurses, social workers and dietitians.

SAK'S DISINTERESTEDNESS

3. To the best of my knowledge and information after due inquiry, except as disclosed herein, SAK has no connections with the Debtors, their creditors, any other party in interest herein or their respective attorneys or professionals, and does not hold or represent any entity having an adverse interest in connection with these Cases, except as disclosed herein. For so long as SAK is employed by the Ombudsman, and absent further order of this Court, SAK will not accept employment from any other entity in connection with these Cases.

³ Certain of the disclosures herein relate to matters within the knowledge of other professionals at SAK.

4. In order to prepare this Declaration, I caused SAK to complete a conflicts check by comparing SAK's client names to (a) the Debtors; (b) the creditors set forth on the Debtors' consolidated top thirty (30) unsecured creditors; (c) the Debtors' lenders; and (d) certain other creditors and/or parties-in-interest. A list of those names reviewed for possible conflicts is attached hereto as **Exhibit 1** (the "Potentially Interested Parties"). This inquiry revealed that SAK has relationships with certain of the Potentially Interested Parties in matters unrelated to the Debtors or these Cases, which relationships are disclosed on **Exhibit 2**.

5. SAK specializes in the distressed management of health care businesses and may have relationships with parties in interest not currently known to me who may be creditors of the Debtors in matters wholly unrelated to the Debtors or these Cases. To the extent that SAK discovers any such information, SAK will promptly disclose such information to the Court on notice to creditors and the United States Trustee.

6. Based on the foregoing and except as set forth herein, SAK, insofar as I have been able to ascertain based on the information currently available to me, does not represent any interest adverse to the Debtors in the matters upon which SAK is to be engaged. To the best of my knowledge, information and belief, SAK is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code in that SAK:

- (a) is not a creditor, equity security holder or insider of the Debtors;
- (b) is not, and was not, within two years before the date of filing of the Debtors' chapter 11 petitions, a director, officer, or employee of the Debtor; and
- (c) does 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.

7. No member or employee of SAK is a relative of the Honorable Charles M. Walker, the Bankruptcy Judge presiding over these Cases, the United States Trustee for this Region, or any person employed in the Office of the United States Trustee for this Region.

SCOPE OF EMPLOYMENT

8. The professional services that the Ombudsman expects SAK to render include, but shall not be limited to, the following:

- (a) Conducting interviews of patients and facility staff as required;
- (b) Reviewing license and governmental permits;
- (c) Reviewing adequacy of staffing, supplies and equipment;
- (d) Reviewing safety standards;
- (e) Reviewing facility maintenance issues or reports;
- (f) Reviewing patient, family, staff or employee complaints;
- (g) Reviewing risk management reports;
- (h) Reviewing litigation relating to the Debtors;
- (i) Reviewing patient records;
- (j) Reviewing any possible sale or restructuring of the Debtors and how it impacts patients;
- (k) Reviewing other information, as applicable to the Debtors and these Cases, including, without limitation, patient satisfaction survey results, regulatory reports, utilization review reports, discharged and transferred patient reports, staff recruitment plans and nurse/patient/acuity staffing plans;
- (l) Reviewing various financial information, including, without limitation, current financial statements, cash projections, accounts receivable reports and accounts payable reports to the extent such information may impact patient care; and
- (m) Assisting the Ombudsman with such other services as may be required under the circumstances of these Cases, including any diligence or investigation required for the reports to be submitted by the Ombudsman.

PROFESSIONAL COMPENSATION

9. SAK intends to apply for compensation for professional services rendered in connection with these Cases subject to the approval of the Court and in compliance with applicable provisions of the Bankruptcy Code, Bankruptcy Rules, Local Rules, U.S. Trustee Guidelines, and Orders of the Court, plus reimbursement of actual, necessary expenses and other charges incurred.

10. SAK has advised the Ombudsman that the current hourly rates applicable to the principal professionals proposed to be employed in connection with the Cases:

Professional	Rate Per Hour
Suzanne Koenig	\$400
Joyce Ciyou	\$375
Flora Reznik	\$375
Helen Colon	\$100

11. Other professionals will render services to the Ombudsman as needed. Generally, SAK’s hourly rates range between \$175 and \$450. The Ombudsman understands that SAK’s hourly rates are subject to periodic adjustments to reflect economic and other conditions. The hourly rates will likely be adjusted upward as of January 1, 2019 and annually thereafter.

12. The hourly rates set forth above are SAK’s standard hourly rates for work of this nature. These rates are set at a level designed to fairly compensate SAK for its work and to cover fixed and routine overhead expenses. It is SAK’s policy to charge its clients in all areas of practice for all other expenses incurred in connection with the client’s case. The expenses charged to clients include, among other things, mail and express mail charges, special or hand delivery charges, photocopying charges, courier services, overnight delivery services, docket and court filing fees, telecommunications, travel expenses, expenses for working meals, computerized research and any other incidental costs advanced by the firm specifically for these matters, at the rates commonly charged for such costs to other SAK clients. In addition, SAK

has advised the Ombudsman that it intends to seek compensation for all time and expenses associated with its retention as a professional, including the preparation of this Application, the Koenig Affidavit, and related documents, as well as any monthly, interim or final fee applications.

13. Other than as set forth herein, there is no proposed arrangement to compensate SAK. SAK has not shared, nor agreed to share (a) any compensation it has received or may receive with any other party or person, or (b) any compensation another person or party has received or may receive.

14. By reason of the foregoing, I believe that SAK is eligible to be retained as medical operations advisor in the Cases pursuant to sections 105, 330 and 333 of the Bankruptcy Code and the applicable Bankruptcy Rules.

I declare under penalty of perjury under the laws of the United States of America and the State of Illinois that the foregoing is true and correct.

Executed this 3rd day of October, 2018 at Chicago, Illinois.

SAK MANAGEMENT SERVICES, LLC

By: Suzanne Koenig
Suzanne Koenig,
President of SAK Management Services, LLC

SUBSCRIBED AND SWORN to
before me this 3 day of October, 2018.

Helen Kouis
Notary Public

STATE OF ILLINOIS
COUNTY OF COOK
My Commission Expires April 7, 2019



EXHIBIT 1

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
Caredem
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

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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.
Home LLP
Hospital Care Consultants
Hospital Housekeeping Systems, Ltd.
Insity 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.

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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 2

Below is a chart setting forth the SAK connections with those persons set forth on Exhibit 1 who are involved in these Cases. All of the disclosures below relate to matters that do not involve the Debtors or these Cases.

Name of Entity Searched	Brief Description of Relationship
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 Industries, Inc. is a vendor for certain of these facilities.