

EXHIBIT A

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re:

BERWICK HOSPITAL COMPANY, LLC

Debtor.

No. 22-47699-lsg
Chapter 11-Sub Chapter V
Hon Lisa S. Gretchko

PATIENT CARE OMBUDSMAN’S FIRST REPORT

Deborah L. Fish, patient care ombudsman, appointed by order dated October 3, 2022 (Docket #7); and in accordance with Section 333 of Title 11 of the United States Bankruptcy Code (the “Code”), submits this report on the status of the quality of patient care in the Chapter 11 Sub Chapter V case of Berwick Hospital Company, LLC (the “Debtor”). This written report¹ covers the period from October 3, 2022 to October 31, 2022. It is based on three on-site visits to the hospital, in person meetings and telephone calls with the night and day shift nursing staff and ancillary care staff in the Behavioral Health Unit, the former Medical Director, the Director of Nursing, the PA for the psychiatrist, communications with the State of Pennsylvania oversight administrator and the Pennsylvania Department of Human Resources audit staff, remaining hospital staff and telephone conferences and email

¹ The PCO provided an oral report on October 7, 2022.

communications with Priyam Sharma, Gina Dipippa, chief of hospital operations and counsel for the Debtor.

INTRODUCTION

The Debtor filed a petition under Chapter 11 of the Code on September 30, 2022. The Debtor is a health care entity as defined by the Bankruptcy Code. Prior to filing, the Debtor operated an acute care hospital in the town of Berwick Pennsylvania. It provided emergency care, ICU, surgical, radiology and imaging, Physical therapy, behavioral health and laboratory services (the “Acute Care Hospital”) to the City of Berwick and the surrounding communities. In July of 2022, the Debtor submitted a 90 day closure plan to the State of Pennsylvania Department of Health (the “State”) detailing the closure to the acute care hospital while at the same time requesting a Behavioral Health license from a separate Department of the State, the Department of Human Resources (the “DHS”). Eventually, the state approved the closure plan and the hospital was scheduled to close on October 13, 2022.

In the month prior to the filing and in advance of the closure date, the Debtor suffered from a lack of necessary staffing to maintain safe operations and accordingly, the State ordered the early closure of the hospital and hired a full-time administrator to oversee the windown/shutdown process. The State hired administrator was at the hospital until October 14, 2022.

On October 15, 2022 the State Department of Health transferred licensing, audit and oversight to the State Department of Human Resources (the “DHR”) which oversees Behavioral Health hospitals and institutions. Representatives of both state departments were on site the week of October 3 to 14, 2022. Since October 14, 2022 the DHR has visited the hospital at least once each week.

Currently, the Debtor operates a State licensed 14 bed inpatient behavioral health unit at the hospital. This license was granted by the State on September 19, 2022. Since the filing on September 30, 2022 the Debtor’s patient census has fluctuated between 7-11 patients.

STATE OVERSIGHT

The State performs regular audits of the facility, which means a State DHR employee appears unannounced on site to review and observe operations to confirm the quality of care given to patients meets the State standards. Any violations are reported on the State website. I check regularly for any violations. As of November 16, 2022 there were no violations reported.

PATIENT CONCERNS

The patient concerns need to be separated into the following two categories, former patients of the Acute Care Hospital and Current patients in the Behavioral Health Unit.

ACUTE CARE FORMER PATIENTS

The concerns relating to the Acute Care patients are access to and proper storage of medical records and collection on invoices for prior services rendered.

Medical Records:

Currently, former patients continue to have access to both electronic medical records and paper records for years 2014-2018. Patients can obtain their records by filling out a form at the hospital or by downloading a form from the hospital web-site. The records are printed and available for pick-up at the hospital.

Billing and Collection

This week I have been advised that the hospital sent out a substantial number of invoices for past services rendered. Generally, the PCO has no issue with the hospital collecting co-pays or collecting from patients without insurance, however, in this case, the PCO has advised the Debtor of the following issues reported to the PCO:

- Patients are being billed the first time for services provided in January and February of 2021.
- Patients are being billed when they have already paid the bill.
- Patients are not receiving an itemized bill.
- Patients are receiving a bill this week with a due date of November 29, 2022.

The PCO is working with the hospital to: establish procedures to confirm payments have been credited prior to sending additional invoices, confirm payment

arrangements are available to patients and to confirm all billing was appropriate pursuant to the Debtor's provider contracts and in compliance with state and federal laws.

BEHAVIORAL HEALTH UNIT PATIENTS

The concerns related to the Behavioral Health Patients: are staffing, insurance, labs, and temperature of food service room. The PCO is working with the Debtor to address these issues.

Staffing:

The PCO remains concerned about the staffing issues at the hospital. The Debtor prepares schedules in advance of the weeks ahead. The Debtor does not have sufficient full-time and part-time staff to fill all positions in each each shift every day. Currently the Debtor relies on staff working overtime or extra shifts. This is not a long term solution. It is the opinion of the PCO that the Debtor needs to continue to hire staff for the unit, that the patient census should not increase beyond the current number, and the census cannot increase to 14 without a substantial number of new hires.

Insurance

The Debtors professional liability and general liability policies expire on November 30, 2022. The Debtor is currently providing the necessary

information to the insurance broker to obtain a quote for the new policy. The PCO is concerned that the Debtor is close to the PCO will continue to monitor the Debtor's progress. In the event the policy lapses the PCO will immediately notify the court.

Lab

Currently, the Debtor does not have a contract with a lab to provide results of any lab prescriptions. The Debtor is working to remedy this issue and expects to sign a contract with a new provider soon. The PCO will continue to monitor this issue.

Unit Temperature Issues

The Debtor is working on resolving the temperature issues. Sometimes the unit is hot; currently the food service room is very cold. It is substantially colder than the remainder of the unit and the patients are complaining. The PCO will continue to monitor and report on the Debtor's progress in addressing the reported issues. It should be noted that it has been reported to the PCO that the Debtor has been working on these issues for months if not longer. During the 341 meeting the Debtor testified that it sought out quotes to make certain capital improvements in the building. The PCO will work with the Debtor to identify and implement short-term solutions.

UNIT OBSERVATIONS

The PCO has spent hours in the unit observing the Debtors patient care, including blood draws, the dispensing of medication, incident response, patient activities, bed check, food service, overall interaction to patients and with each other, patient meetings with PA for the psychiatrist, patient visits from the hospital internist, the exercise routine, and shower routine. The Debtors hand on staff are very dedicated and want to provide quality care to the patients. The Debtor needs to hire more staff to increase the quality of care given to patients.

AREAS OF INITIAL REVIEW

Listed below are some of the areas reviewed with management.

- Licensing: I requested and received licensing information on all current state licensed staff at the hospital.
- Staffing: I am advised by the Director of Nursing that the staffing is sufficient to address the needs of the patients (My concerns are detailed above). The Hospital has hired 2 new full-time nurses who will begin after Thanksgiving and rehired one as needed RN. The hospital has made offers to several other potential LPN's and Behavioral Health Techs (BHT). The Director of Nursing also submitted her resignation and is leaving on December 2,

2022. The hospital plans to promote from within to replace her. The hospital is hiring in all positions. Substantially more Behavioral Health Unit nurses, techs and aids have left than have been added.

- Supplies: The Debtor is adjusting to reduced supply inventory and seeking alternative suppliers as a result of the elimination the of acute care side of the hospital and all of its ancillary services. The director of material management had an issue with one pre-petition supplier, which has since been resolved. The Debtor had an issue with the cable provider and the residents were without a TV for several days. The Debtor resolved the issue. The Debtor has a current issue with its lab provider and is seeking an alternative provider. At this time the Debtor is unable to obtain lab results and accordingly does not draw labs on patients.
- Equipment: No equipment issues to report at this time.
- Food Service: Debtor provides 3 meals a day and 2 snacks per day to the patients. There are no reported food service issues.
- Safety and Security: The Debtor does not have security personal. The interior doors of the hospital beyond the lobby area are locked. The doors to the Behavioral Health Unit are locked and well as the two emergency exit doors in the unit. I required the Debtor to conduct a test of the emergency exits

while I was present. I confirmed the doors opened in case of an emergency and re-locked when the emergency was over.

- Medical Records: The Debtor currently maintains an electronic medical record system. Patients can request their Medical Records on-line at the hospital web-site or by calling 570-759-5071. I have reviewed and confirmed that several years of paper medical records remain on site at the hospital.

CONCLUSION

Pursuant to Section 333 (b) (3) the quality of patient care provided to patients has been maintained since the filing. I will file additional reports as necessary, or required under the code. Finally, I will instruct the Debtor to post a copy of this report on the web-site and in plain sight at the hospital.

/S/Deborah L. Fish
Patient Care Ombudsman
1001 Woodward Avenue
Suite 850
Detroit, MI 48226
dfish@allardfishpc.com
P36580

Dated: November 17, 2022
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