

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA
GREENSBORO DIVISION**

In re)	
)	CASE NO. 20-10247
Randolph Hospital, Inc. d/b/a Randolph Health, et al.,)	CHAPTER 11
)	
Debtors.¹)	(JOINTLY ADMINISTERED)
)	

SECOND REPORT OF PATIENT CARE OMBUDSMAN

As the Patient Care Ombudsman (the “PCO”) appointed in the above-captioned chapter 11 cases (“Cases”) of Randolph Hospital, Inc. d/b/a Randolph Health, *et al.* (collectively, the “Debtors”), I respectfully submit this second report (the “Second Report”).

PRELIMINARY STATEMENT

1. This Second Report covers the time period from July 4, 2020 to and including September 2, 2020, the date of filing of this Second Report (the “Second Reporting Period”).

2. During the Second Reporting Period, I had regularly scheduled virtual meetings with Randolph Health’s administration team that were lengthy and informative. Guided by the administration team, I had an extensive virtual tour of the hospital’s various departments and facility and had an opportunity to speak with hospital personnel. I also spoke with Louis Robichaux, the Debtors’ Chief Restructuring Officer (the “CRO”), and counsel for the Debtors concerning these Cases.

3. To date, I have found no indication that the Debtors’ bankruptcy filings have adversely impacted operations or the quality of treatment and care provided to patients. As I

¹ The Debtors are Randolph Hospital, Inc. d/b/a Randolph Health, Case No. 20-10247; Randolph Specialty Group Practice, Case No. 20-10248; MRI of Asheboro, LLC d/b/a Randolph MRI Center, Case No. 20-10249.

previously noted in my first report to the Court [Dkt. No. 323], the COVID-19 pandemic has been the disruptive force to the Debtors' operations, not the bankruptcy case itself.

BACKGROUND

A. General

4. On March 6, 2020 (the "Petition Date"), each of the Debtors filed a voluntary petition under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").

5. It is my understanding that the Debtors and certain non-debtor affiliates operate as a comprehensive healthcare system in the Asheboro region. Randolph Health is a small community hospital with 145 licensed beds (operating 60 beds) located in Asheboro, North Carolina. It employs over 800 employees (in the hospital vertical). Due to the location of the hospital, there are many regional practice groups that provide care in this community, including radiologists, pathologists, neurologists and anesthesiologists.

6. Following its vision to be the preferred provider for high-quality care, Randolph Health offers a wide range of services, including, among others, a cancer treatment center, home health agency, outpatient surgery, emergency department, comprehensive on-site lab and a maternity unit.

7. Patient mix consists primarily of Medicare and Medicaid patients. There is little commercial insured and a number of patients are uninsured.

8. The Debtors are committed to the quality and safety of patient care. There are a number of departments and policies in place to ensure patient care, including a quality management department, daily patient safety huddle and multidisciplinary rounds, physician review process, board quality committee and a board of directors. Indeed, Randolph Health has received high

scores on recent surveys and reviews related to patient safety; in particular, in its most recent Leapfrog Group Hospital Safety Scores report, Randolph Health received an overall grade of “B.”

9. Due to operational losses during the past years, the Debtors have been looking for a strategic partner. It is my understanding that although the Debtors were unable to find a successor organization prior to the Petition Date, the Debtors’ search for a successor organization has continued post-petition.

B. Appointment of the PCO

10. On May 5, 2020, the Court entered an Order directing the appointment of a patient care ombudsman under section 333 of the Bankruptcy Code (the “PCO Appointment Order”). [Dkt. No. 217]. On May 11, 2020, the Bankruptcy Administrator filed the Notice of Appointment of Patient Care Ombudsman Under 11 U.S.C. § 333 (the “Notice of Appointment”) thereby providing notice of my appointment as the PCO in these Cases. [Dkt. No. 231].

11. In accordance with section 333(b)(2) of the Bankruptcy Code, and as described in the Notice of Appointment, a patient care ombudsman shall:

- (i) monitor the quality of patient care provided to patients of the debtor, to the extent necessary under the circumstances, including interviewing patients and physicians;
- (ii) no later than 60 days after appointment (and no 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 as per the order;
- (iii) If the ombudsman determines that the quality of patient care provided to the patients of the debtor is declining significantly or is otherwise being materially compromised, file with the Court a motion or written report, with notice to the parties in interest immediately upon making such determination; and
- (iv) Maintain any information obtained by such ombudsman under Section 333 of the Bankruptcy Code that relates to the 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.

12. Rule 2015.1 of the Federal Rules of Bankruptcy Procedure generally requires that a patient care ombudsman file a notice that a report will be made to the court. With respect to this Second Report, I caused such notice to be filed on August 18, 2020 [Dkt. No. 391, 392].

13. On July 3, 2020, I filed my first report (the “First Report”) with the Court, which covered the period from May 5, 2020 to and including July 3, 2020 [Dkt. No. 323]. This Second Report generally describes my observations to date based on, among other things, meetings with Randolph Health’s administration team, the CRO and Debtors’ counsel, and my review of materials made available to me by the administration team.

SUMMARY OF OBSERVATIONS

14. As required by the PCO Appointment Order, I have been performing, and continue to perform, my duties by telephone or videoconference to the maximum extent possible in view of the COVID-19 pandemic and the resulting travel restrictions and social distancing protocols. This has not been a deterrent to the performance of my duties. Indeed, the administrative staff of Randolph Health has adhered to a similar practice, keeping direct contact on patient floors to a minimum to minimize health and safety risks for patients and employees.

Virtual Meetings with the Administration Team

15. During the Second Reporting Period, I, along with my counsel, had regularly scheduled bi-weekly meetings with Randolph Health’s administration team. Specifically, we participated in three virtual meetings with Dr. Charles West (Chief Medical Officer) and Ms. Tremonteo Crawford (Chief Nursing Officer) from Randolph Health. Randolph Health’s Chief Executive Officer, Ms. Angela P. Orth, also joined in the virtual meetings when she was available. At the meetings, each of which lasted from 45 minutes to 1 hour, we discussed the status of

operations, general concerns and/or questions (if any) that Dr. West and his team may have had, and a review of recent events in the bankruptcy cases to the extent it may impact patient care.

16. The administration team continues to be cooperative in sharing statistical information and working with me to review the information to gain a broader handle of the impact sustained on the hospital's operations and/or patient care as a result of the bankruptcy filings and COVID-19. The information also allowed me to appreciate the administration team's efforts and approach in managing essential healthcare supplies—namely, COVID-19 testing supplies.

17. As noted in my First Report, Randolph Health's administration team had a general concern for the hospital's COVID-19 testing supplies. Based on my discussions with the administration team during the Second Reporting Period, the administration team continued to monitor testing supplies closely. To my knowledge, Randolph Health was never without any testing supplies, but their concerns did not diminish because of, among other things, the rise in COVID-19 cases in the region, the desire to test all patients prior to admission at Randolph Health, and requirements by neighboring healthcare providers for patients to be tested before patient transfers were accepted from Randolph Health. Indeed, the combination of factors further stressed the availability of Randolph Health's testing supplies, which were already limited. I was informed by the Randolph Health administration team that the issue surrounding the testing supplies had less to do with funding, but rather the accessibility to the testing supplies. While I do not believe the availability of Randolph Health's testing supplies is due to the bankruptcy filings, I offered to provide whatever assistance I could to Randolph Health's administration team to address their concerns over the potential shortage of testing supplies. I communicated the issue to the CRO and the Debtors' counsel and was pleased to learn that the issue was already being addressed by the

CRO. I have been informed by Randolph Health's administration team that the number of assay tests have nearly doubled for the time being, which has alleviated the pressure on testing.

Virtual Tour of Randolph Health

18. In addition to the bi-weekly virtual meetings with Randolph Health's administration team, I was also given an extensive virtual tour of the facility and the various departments maintained by Randolph Health, such as the emergency department, maternity department, the cancer center, the progressive care unit, and the laboratory department. Great deal of care was taken to prevent the disclosure of patient information during the tour and all patients were afforded privacy from the tour. Patients were not interviewed during the tour. In furtherance of the administration team's efforts to maintain privacy and to avoid any disruption in the care of patients, all video and audio was temporarily turned off while the tour proceeded from one area of the building to another area.

19. The virtual tour lasted a little less than 2 hours and was led by Ms. Crawford. I was able to make general observations of the facility as I normally would in-person. The facility appeared clean and organized. I was also able to speak with hospital personnel in each of the departments I toured and discussed the general procedures implemented in light of the pandemic. Based on my discussions with them, it appears that employees have continued to perform their duties with the utmost degree of professionalism and care. Staff was friendly and appeared at ease despite the bankruptcy filings.

20. The moments when video and audio were temporarily turned off during the tour, I had the opportunity to speak with Helga Sellers, Randolph Health's Director of Patient Safety, who explained that the hospital is preparing for reaccreditation by The Joint Commission and is anticipating a survey to be performed in the near future. Historically, Randolph Health has

received a number of honors for its quality of patient care. For instance, Randolph Health has received Healthgrades.com's Patient Safety Excellence Award (2020, 2019, 2018, 2017), America's 100 Best Hospitals for Pulmonary Care Award (2019, 2018) and the Stroke Care Excellence Award (2019, 2018). Home Health was also recently recognized by Strategic Health Programs as a 2019 Superior Performer, ranking in the top 20% nationally for patient satisfaction. Newsweek has listed Randolph Health on their 2020 list of Best Maternity Care Hospitals in the country based on safety/quality care data from The Leapfrog Group.

Public Inquiry

21. My physical absence as the patient care ombudsman from Randolph Health has not interfered with my availability or accessibility to the general public. For example, I was contacted by email by an individual ("Person X") regarding the alleged care provided to Person X's spouse ("Patient Y"). I promptly responded to Person X's email and scheduled a telephone call to discuss the matter further. I, along with my counsel, had a 30-minute telephone call with Person X. Person X described the alleged care received by Patient Y at Randolph Health. Based on the discussion with Person X, I concluded that the matter was outside of my purview as the PCO as it was not an instance of patient care being affected by the Debtors' bankruptcy filings. With Person X's express consent, I communicated the matter to Randolph Health's administration team to facilitate communications between the parties. It is my understanding that a member of Randolph Health's administration team has made several attempts to contact and follow up with Person X regarding the matter.

CONCLUSION

22. Overall, the hospital's operations appear to have been carried on in seemingly normal fashion since the bankruptcy filings, due in large measure to the efforts of its management,

administrators and staff, as well as the Debtors' counsel and advisors, to minimize on all fronts any ramifications from the bankruptcy filings on the patient level.

23. In the coming weeks it is my intention to continue to hold virtual meetings with Randolph Health's administration team to monitor the impact, if any, of the bankruptcy proceedings on the quality of patient care. I intend to monitor the Debtors' proposed sale and its impact, if any, on patient care. I also intend to communicate with the CRO, Debtors' counsel and the Official Committee of Unsecured Creditors regarding the progress of the Cases.

Dated: September 2, 2020
New York, New York

**MELANIE L. CYGANOWSKI, SOLELY IN
MY CAPACITY AS THE COURT
APPOINTED PATIENT CARE OMBUDSMAN**

By: */s/ Melanie L. Cyganowski*
Melanie L. Cyganowski