

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF TENNESSEE  
AT CHATTANOOGA**

IN RE: : CHAPTER 11  
New Beginnings Care, LLC., : Jointly Administered Under  
et al., : CASE NO. 1:16-bk-10272-NWW  
: :  
Debtors. : :

**FIRST REPORT OF THE PATIENT CARE OMBUDSMAN**

COMES NOW the duly appointed Patient Care Ombudsman in this case, Laura E. Brown, Esq. (the “Ombudsman”), and respectfully files this first Patient Care Ombudsman report (“First Report”) pursuant to 11 U.S.C. § 333(b)(2).

***I. Introduction***

The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (“BAPCPA”) requires the Court to consider authorizing the appointment of a Patient Care Ombudsman whenever a health care business files for bankruptcy protection. Further, this Act notes the Patient Care Ombudsman should be appointed in the state where the bankruptcy is pending. However, in long-term care facilities, federal law has provided for ombudsman services to residents since 1978 through the Older Americans Act of 1965 and subsequent reauthorizations of that Act. 42 U.S.C. §§ 3058f, 3058g. Long-Term Care Ombudsman services include the identification, investigation, and resolution of complaints made by or on behalf of, residents that relate to the health, safety, welfare, or rights of residents of long-term care facilities. *Id.*

The Tennessee Long-Term Care Ombudsman Program consists of the Office of the State Long-Term Care Ombudsman (the “Office”), which is located within the Tennessee Commission

on Aging and Disability, the Tennessee governmental agency designated as the State Unit on Aging. There are a total of ten (10) representatives of the Office located in nine (9) Area Agencies on Aging and Disability districts across Tennessee. The Tennessee Commission on Aging and Disability contracts with the nine Area Agencies on Aging and Disability (AAADs) who either provide this service directly or subcontract with a service provider to provide the direct service to long-term care facility residents. The Tennessee Ombudsman Program visits residents in licensed nursing homes, assisted care living facilities, and residential homes for the aged on at least a quarterly basis, with increased visits in response to complaints or as needed based on the conditions of the facility. The Tennessee Department of Health, Office of Health Care Facilities, is responsible for the licensure and regulation of health care facilities, nursing homes, assisted care living facilities and residential homes for the aged.

The Debtor in question in this bankruptcy, New Beginnings Care, LLC. (“New Beginnings”), a company based in Hixson, Tennessee, is primarily involved in the operation and management of nursing homes in at least four states.

The U.S. Trustee has appointed me to serve as the Patient Care Ombudsman for the residents who live in the facilities of the Debtor. (*See* February 3, 2016 Appointment of Patient Care Ombudsman for Debtors). As this bankruptcy involves facilities in Georgia, Ohio, Oklahoma, and Tennessee, I am coordinating with the State Long-Term Care Ombudsmen in each state to monitor the quality of patient care and to represent the interests of the patients.

While the Patient Care Ombudsman role is more limited in scope than my duties as State Long-Term Care Ombudsman, it is consistent with my normal duties and will help to ensure a high degree of accountability from the facility management.

## *II. Facilities Involved*

When New Beginnings filed for Chapter 11 protection on January 22, 2016, its bankruptcy petition included the following thirteen (13) facilities located in Georgia, Ohio, Oklahoma, and Tennessee:

1. **Abbeville Healthcare and Rehab, LLC**
2. **Campus Healthcare and Rehab, LLC**
3. **Cedarcreek Healthcare and Rehab, LLC**
4. **Eastman Healthcare and Rehab, LLC**
5. **Edwards Redeemer Healthcare and Rehab, LLC**
6. **Goodwill Healthcare and Rehab, LLC**
7. **Jeffersonville Healthcare and Rehab, LLC**
8. **Mt. Pleasant Healthcare and Rehab, LLC**
9. **Oceanside Healthcare and Rehab, LLC**
10. **Pinewood Healthcare and Rehab, LLC**
11. **Rockmart Healthcare and Rehab, LLC**
12. **Savannah Beach Healthcare and Rehab, LLC**
13. **Woodlands Healthcare and Rehab, LLC**

### *III. Summary of Interviews and Visits to Facility*

#### **1. Abbeville Healthcare and Rehab, LLC**

Abbeville Healthcare and Rehab, LLC is located in Abbeville, Georgia. It had one hundred and one (101) certified beds. Abbeville's last regular survey was completed on August 13, 2015 and deficiencies were noted. On or about February 6, 2016, the Centers for Medicare and Medicaid notified the facility that its Medicare and Medicaid provider agreements would be terminated. Inspection reports are available on the Medicare.gov website.

Representatives of the Georgia Office of the Long-Term Care Ombudsman visited this facility frequently due to the survey issues and because New Beginnings filed for Chapter 11 bankruptcy protection. On each visit, the Ombudsman representative visited/interviewed residents to ensure that the residents were receiving quality care. In addition, the Ombudsman representative interviewed direct care staff members, nurses, social services staff, and the administrator.

A resident and family meeting regarding the pending facility closure was held on March 9, 2016. Representatives of the Georgia Office of the Long-Term Care Ombudsman attended the meeting to advise residents and families and assist with the process of resident relocation. The facility was scheduled to close on April 1, 2016; however, representatives of the Georgia Office of the Long-Term Care Ombudsman report that all residents were transferred to new locations before April 1, 2016 and the facility actually closed on or about March 17, 2016.

Representatives of the Georgia Office of the State-Long-Term Care Ombudsman will continue to follow up with the former Abbeville residents to ensure that the residents are settling in at their new facilities.

## **2. Campus Healthcare and Rehab, LLC**

Campus Healthcare and Rehab, LLC is located in Youngstown, Ohio. This facility had ninety-nine (99) certified beds. The facility's last regular survey was completed on December 30, 2015 and complaint surveys/investigations were completed on November 18, 2015; October 23, 2015; June 10, 2015; March 19, 2015; and March 16, 2015. Campus Healthcare and Rehab had been identified as a special focus facility. Inspection reports are available on the Medicare.gov website.

The Ohio Department of Health issued a letter to Campus Healthcare and Rehab on January 28, 2016 notifying the facility that an Order to revoke its license to operate had been proposed. The Ohio Department of Health based its decision on an investigation into a complaint that was completed on January 28, 2016. The Ohio Department of Health determined that this investigation revealed licensure violation(s). Inspection reports are available on the Medicare.gov website.

After the January 28, 2016 letter from the Ohio Department of Health, Ohio's State Resident Transition Team was engaged by the Ohio Office of the State Long-Term Care Ombudsman. On January 29, 2016 representatives of the Ohio Office of the State Long-Term Care Ombudsman acted quickly and assisted with immediate resident relocation. By 6:00 PM on January 29, 2016, the more than forty (40) Campus Healthcare and Rehab residents had been successfully relocated to new facilities of their choice. The sudden closure of Campus Healthcare and Rehab resulted in significant trauma to the residents as they did not have adequate notice or access to thoughtful discharge planning. Representatives of the Ohio Office of the State Long-Term Care Ombudsman conducted trauma-informed care training at facilities

in the area who accepted residents from Campus Healthcare and Rehab. The training was to help ease the residents' transition to new facilities and equip the new facilities to provide individualized care and services to the displaced residents. Representatives of the Ohio Office of the State-Long-Term Care Ombudsman will continue to follow up with the former Campus Healthcare and Rehab residents to ensure that the residents are settling in at their new facilities.

### **3. Cedar creek Healthcare and Rehab, LLC**

Cedar creek Healthcare and Rehab is located in Warren, Ohio. This facility is certified for seventy-one (71) beds. The Ohio Department of Health conducted a survey at Cedar creek Healthcare and Rehab on February 3, 2016 and noted several concerns, including a finding that the health and safety of the residents was in "immediate jeopardy". Inspection reports are available on the Medicare.gov website.

Based on the findings from the Ohio Department of Health, the Centers for Medicare and Medicaid terminated Cedar creek Healthcare and Rehab's Medicare and Medicaid provider agreements, effective February 18, 2016.

Representatives of the Ohio Office of the State Long-Term Care Ombudsman were in the facility on a daily basis to assist the remaining residents and to facilitate resident relocation to a facility of his or her choice. Cedar creek Healthcare and Rehab closed on or about February 20, 2016. Representatives of the Ohio Office of the State-Long-Term Care Ombudsman will continue to follow up with the former Cedar creek Healthcare and Rehab residents to ensure that the residents are settling in at their new facilities.

### **4. Eastman Healthcare and Rehab, LLC**

Eastman Healthcare and Rehab is located in Eastman, Georgia and it has 100 certified beds. This facility's last regular inspection occurred on October 15, 2015 and deficiencies were noted. Inspection reports are available on the Medicare.gov website.

Representatives of the Georgia Office of the State Long-Term Care Ombudsman have been, and will continue to be, a regular presence in this facility. The Ombudsman representatives frequently visit with residents to ensure that the residents are receiving quality care and to quickly address any complaints that may arise. The representatives of the Georgia Office of the Long-Term Care Ombudsman have not noted any decline in the quality of resident care.

#### **5. Edwards Redeemer Healthcare and Rehab, LLC**

Edwards Redeemer Healthcare and Rehab, LLC is located in Oklahoma City, OK. It is certified for 106 beds. The facility's last regular survey was completed on September 30, 2015 and during this survey, deficiencies were noted. Complaint surveys/inspections were completed on January 4, 2016; October 19, 2015; September 30, 2015; and June 19, 2015. Inspection reports are available on the Medicare.gov website.

Debi Burris, representative of the Oklahoma Office of the State Long-Term Care Ombudsman visited Edwards Redeemer Healthcare and Rehab on February 5, 2016; February 8, 2016; February 22, 2106; and March 3, 2016.

On February 5, 2016, Ms. Burris visited and interviewed a number of residents, as well as the Director of Nursing. Ms. Burris attempted to speak with the Administrator; however, he was not in at that time. On this visit, Ms. Burris began addressing three resident complaints.

As Ms. Burris was unable to complete her investigation on February 5, 2016, she returned to the facility on February 8, 2016. Ms. Burris spoke with a number of residents and in

general, most of the residents seemed satisfied with the facility. Ms. Burris addressed several issues with the Director of Nursing and the Director of Nursing was responsive and provided information requested by Ms. Burris.

Ms. Burris visited the facility on February 22, 2016, and on this visit, she spoke with the activity coordinator to see how things were going. Ms. Burris also wanted to ensure that the residents were still receiving snacks and the activity coordinator assured Ms. Burris that the residents received snacks twice a day and additional snacks were kept in the kitchen for the residents.

On March 3, 2016, Ms. Burris visited the facility and spoke with the Director of Nursing. Ms. Burris also visited with a number of residents and several residents expressed some concern about so many new staff members.

Ms. Burris did not note any decline in the quality of resident care on any of her visits.

## **6. Goodwill Healthcare and Rehab, LLC**

Goodwill Healthcare and Rehab is located in Macon, Georgia. According to the Centers for Medicare and Medicaid, this facility was certified for one hundred and seventy-two (172) beds. On June 11, 2015, the facility went through its regular, standard facility survey and deficiencies were noted. A follow-up survey was completed in August 2015. Due to deficiencies noted in both surveys, the Centers for Medicare and Medicaid elected to terminate the facility's Medicare and Medicaid provider agreements. Inspection reports are available on the Medicare.gov website.

Representatives of the Georgia State Long-Term Care Ombudsman Office were present in this facility frequently and they were actively involved in assisting residents through the



closure and transition process. It should be noted that this facility may have closed just before or at the same time that New Beginnings Care, LLC filed for Chapter 11 bankruptcy protection.

Representatives of the Georgia Office of the State-Long-Term Care Ombudsman will continue to follow up with the former Goodwill Healthcare and Rehab residents to ensure that the residents are settling in at their new facilities.

#### **7. Jeffersonville Healthcare and Rehab, LLC**

Jeffersonville Healthcare and Rehab, LLC is located in Jeffersonville, Georgia. This facility was certified for one hundred and thirty-one (131) beds. During a survey on January 13, 2016, surveyors from the State of Georgia noted some issues in the facility, including problems with some plumbing fixtures and resident trust accounts. Inspection reports are available on the Medicare.gov website.

Approximately two weeks after the January 13, 2016 survey, the Centers for Medicare and Medicaid issued notice that the facility's Medicare and Medicaid provider agreements would be terminated. Representatives of the Georgia State Long-Term Care Ombudsman Office were present in this facility frequently in order to assist residents with the transfer and relocation process. All residents have been transitioned to other facilities and it is believed that this facility closed in early March 2016. The current status of this facility is reported to be empty and locked. Representatives of the Georgia Office of the State-Long-Term Care Ombudsman will continue to follow up with the former Jeffersonville Healthcare and Rehab residents to ensure that the residents are settling in at their new homes.

#### **8. Mt. Pleasant Healthcare and Rehab, LLC**

Mt. Pleasant Healthcare and Rehab, LLC is located in Mt. Pleasant, Tennessee. This facility has seventy-two (72) certified beds. Mt. Pleasant's last regular survey was completed on December 11, 2014 and deficiencies were noted during this survey. A complaint survey was completed on March 21, 2015. Inspection reports are available on the Medicare.gov website.

Andrea Morrow, representative of the Tennessee Office of the Long-Term Care Ombudsman, visited and continues to visit Mt. Pleasant very frequently. Ms. Morrow visited the facility on February 3, 2016; February 4, 2016; February 5, 2016; February 9, 2016; February 17, 2016; and at least weekly during the month of March. During her visits, Ms. Morrow visited with residents and spoke with the business office manager, as well as other facility staff members, including the administrator and social services staff. While Ms. Morrow continued to address an on-going resident complaint, no new resident complaints were brought to her attention during her visits and staff members provided information and were responsive. On the visits, Ms. Morrow noted that no indication of decline in care was known.

#### **9. Oceanside Healthcare and Rehab, LLC**

Oceanside Healthcare and Rehab is located in Tybee Island, Georgia. This facility has eighty-five (85) certified beds. The facility underwent a regular survey on February 26, 2015 and during that survey, one deficiency was noted. Inspection reports are available on the Medicare.gov website.

Ms. Pam Lipsitz and Ms. Jeanne O'Brien, representatives of the Georgia Office of the Long-Term Care Ombudsman visited this facility on February 11, 2016. On this visit, the resident census was seventy-nine (79) and Ms. Lipsitz and Ms. O'Brien were able to speak with thirty (30) residents. A number of concerns and resident complaints were noted on this visit.

Ms. Lipsitz and Ms. O'Brien brought the concerns and resident complaints to the facility staff and the facility was responsive in correcting the problems. On this visit, Ms. Lipsitz and Ms. O'Brien noted that no indication of decline in care was known.

#### **10. Pinewood Healthcare and Rehab, LLC**

Pinewood Healthcare and Rehab is located in Whigham, Georgia. This facility has one hundred and forty-two (142) certified beds. The facility's last regular survey was completed on October 30, 2014 and during this survey, deficiencies were noted. Inspection reports are available on the Medicare.gov website.

Ms. Elaine Wilson, a representative of the Georgia Office of the Long-Term Care Ombudsman visited this facility on March 10, 2016. During this visit, Ms. Wilson noted that the resident census was seventy (70) and she visited with four (4) residents. In addition, Ms. Wilson visited with the administrator, nurses, activities director, social services staff and other important facility staff members. Ms. Wilson brought several issues and concerns to the attention of facility staff members and the issues were addressed; however, residents appeared hesitant to allow Ms. Wilson to address their concerns with facility staff. On this visit, Ms. Wilson noted that no indication of decline in care was known, but, on some occasions, staff was not always observant to residents in need of assistance. Ms. Wilson noted, however, that staff members do assist residents when resident needs are brought to their attention.

Ms. Wilson and Debbie Rogers, representatives of the Georgia Office of the Long-Term Care Ombudsman visited the facility on March 15, 2016. The resident census was noted to be seventy (70) and Ms. Wilson and Ms. Rogers visited with thirteen (13) residents. Ms. Wilson and Ms. Rogers attended a resident council meeting. Based on several observations that staff members, at times, tended to ignore details or residents in need of assistance, Ms. Wilson and

Ms. Rogers conducted staff in-service on Dignity and Respect. Forty-three (43) staff members participated in this in-service training session. On this visit, Ms. Wilson and Ms. Rogers noted that no indication of decline in care was known, but, at times, staff continued to overlook or ignore residents in need of assistance.

**11. Rockmart Healthcare and Rehab, LLC**

Rockmart Healthcare and Rehab is located in Rockmart, Georgia. This facility had seventy-three (73) certified beds. Rockmart's regular survey was conducted on May 28, 2015 and in this survey, deficiencies were noted. Inspection reports are available on the Medicare.gov website.

Due to issues with facility inspections, on January 8, 2016, the Centers for Medicare and Medicaid notified the facility that its Medicare and Medicaid provider agreements would be terminated as of February 8, 2016. However, on January 20, 2016, due to concerns about staffing and payroll, officials issued an order for an emergency closure of the facility. Representatives of the Georgia Office of the Long-Term Care Ombudsman promptly assisted over thirty (30) residents to relocate on January 20, 2016. This facility closed on January 20, 2016, just prior to the New Beginnings Chapter 11 bankruptcy filing.

**12. Savannah Beach Healthcare and Rehab, LLC**

Savannah Beach Healthcare and Rehab is located on Tybee Island, Georgia. This facility has fifty (50) certified beds. The last regular survey was conducted on February 27, 2015 and during

this survey, deficiencies were noted. Inspection reports are available on the Medicare.gov website.

Ms. Pam Lipsitz and Ms. Jeanne O'Brien, representatives of the Georgia Office of the Long-Term Care Ombudsman visited this facility on February 11, 2016. On this visit, the resident census was noted to be thirty-nine (39) and Ms. Lipsitz and Ms. O'Brien visited with ten (10) residents. Ms. Lipsitz and Ms. O'Brien also spoke with the administrator and nurses. During this visit, several issues, including concerns about bedding and equipment and a strong urine smell in one room, were identified and brought the attention of the facility staff members. Initially, facility staff members were not very responsive to the issues pointed out, but after insistence from Ms. Lipsitz and Ms. O'Brien, the staff member requested that housekeeping come and clean the resident room with the strong urine smell. On this visit, Ms. Lipsitz and Ms. O'Brien noted that no indication of decline in care was known.

### **13. Woodlands Healthcare and Rehab, LLC**

Woodlands Healthcare and Rehab is located in Midway, Georgia. This facility has one hundred and sixty-nine (169) certified beds. The last regular survey was conducted on May 15, 2015 and during this survey, both deficiencies were noted. Inspection reports are available on the Medicare.gov website.

Ms. Jeanne O'Brien, a representative of the Georgia Office of the Long-Term Care Ombudsman visited this facility on February 3, 2016. On that visit, the census was ninety-seven (97) and Ms. O'Brien visited with forty (40) residents. While complaints had been noted on previous visits, on this visit, Ms. O'Brien did not receive any complaints from the residents. Ms. O'Brien also met with the administrator, nurses and social services staff. No resident complaints

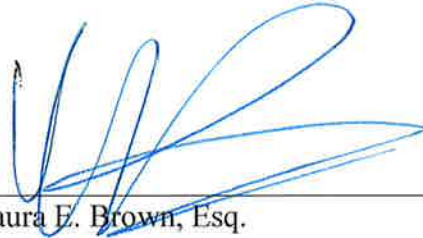
were brought to Ms. O'Brien's attention on this visit and facility staff members were responsive in addressing concerns and issues brought to their attention. Ms. O'Brien noted no indication of decline in care from month to month at the January visit.

***IV. Conclusion***

**WHEREFORE**, having complied with the requirements of 11 U.S.C. § 333(b)(2), the Ombudsman, Laura E. Brown, Esq., concludes her First Report.

This 4th day of April, 2016.

Respectfully submitted,

A handwritten signature in blue ink, appearing to be 'L. E. Brown', written over a horizontal line.

Laura E. Brown, Esq.  
Tennessee State Long-Term Care Ombudsman

PLEASE ADDRESS ALL  
COMMUNICATIONS TO:

Laura E. Brown, Esq.  
Patient Care Ombudsman in re: New Beginnings Healthcare, LLC et al  
502 Deaderick Street, 9<sup>th</sup> Floor Andrew Jackson  
Nashville, Tennessee 37243  
Telephone: 615-253-4392  
[Laura.brown@tn.gov](mailto:Laura.brown@tn.gov)