

**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

STEWARD HEALTH CARE SYSTEM
LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 24-90213 (CML)

(Jointly Administered)

**SUPPLEMENTAL REPORT OF SUZANNE KOENIG, PATIENT CARE OMBUDSMAN,
RELATING TO THE CLOSURE OF NASHOBA VALLEY MEDICAL CENTER**

Suzanne Koenig, in her capacity as the Patient Care Ombudsman (the “**Ombudsman**”) for Nashoba Valley Medical Center (“**Nashoba**”), files this supplemental report regarding the closure of Nashoba to bring to the attention of the Court and all parties in interest the devastating impact that the closure of Nashoba is having, and will continue have, on the community members, who have been patients at this hospital over the years and rely on the care provided at Nashoba.

Pursuant to Section 333(a)(1) of the Bankruptcy Code, a patient care ombudsman is appointed “to monitor the quality of patient care and to represent the interests of the patients of the healthcare business . . .” 11 U.S.C. § 330(a)(1). The patients of Nashoba include not only those patients who are being cared for throughout the closure process but the members of the community surrounding Nashoba who depend on that hospital for care. I am filling this supplemental report to urge the Debtors, Commonwealth of Massachusetts (the “**Commonwealth**”), Unsecured Creditors Committee (the “**Committee**”), the Debtors’ lenders (the “**Lenders**”) and other stakeholders and parties in interest to take action to lessen the devastation of Nashoba’s closing.

¹ A complete list of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://restructuring.ra.kroll.com/Steward>. The Debtors’ service address for these chapter 11 cases is 1900 N. Pearl Street, Suite 2400, Dallas, Texas 75201.

I. General Overview of Closure² and Its Impact on the Community

Nashoba is a community fixture that has provided healthcare to residents for over fifty years. It is the sole emergency department (“ED”) within a thirty-minute radius in a community with limited paramedics and emergency medical services (“EMS”) personnel³ and no public transportation. The abrupt closure of Nashoba will unduly tax EMS providers’ ability to timely transport patients by extending a five-minute trip to thirty minutes. This increased travel time will effectively remove EMS personnel from service for an additional forty-five minutes during the return trip to the community. In addition to limiting the availability of EMS personnel, the EDs in other communities are not staffed or equipped to absorb the former Nashoba patients. This toxic combination of delayed EMS response times and overtaxed EDs will lead to dire results for patients needing emergency care.

These issues were raised at the in person and virtual public hearings regarding Nashoba’s closure held by the Massachusetts Department of Health on August 15, 2024 and August 19, 2024, respectively.⁴ I attended the August 15, 2024 public hearing. Over 400 people attended the in-person hearing, including fire chiefs (who are responsible for providing ambulance services),

² The Ombudsman is closely monitoring the Debtors’ efforts to close Nashoba and will file a further report regarding the closure upon its conclusion. Presently, the Debtors are transferring or discharging patients at Nashoba. To ensure continuity of care, however, the Debtors’ need to present a clear plan for (a) transferring, storing and accessing historical patient records and, most importantly, (b) providing assistance to patients to find alternative healthcare providers. The Ombudsman is working closely with the Debtors on these matters.

³ Relying on access to Nashoba, EMS providers have staffed the area for short trips for emergency care. Closure will require additional EMS staff and ambulances due to increased travel times. Unfortunately, such additional expenditures are now needed on approximately thirty-days’ notice.

⁴ The Massachusetts Department of Health also held public hearings (virtual and in person) regarding the closure of Carney hospital. The Ombudsman’s representatives attended those meetings given that the Ombudsman received late notice that these hearings were occurring. While many people attended these hearings and opposed the closure of Carney, there appears to be closer options for these patients to receive alternative healthcare services. However, as noted later in this supplemental report, Carney would benefit from having an ambulance at the ED entrance for at least seven days after closure of the ED.

mayors of surrounding communities, doctors, nurses and community members. At these hearings, dozens of witnesses recounted instances where family members would have died without the timely access to Nashoba's ED and the care provided by the ED doctors and nurses. EMS personnel spoke regarding delays that will be accompanied by the hour plus round trips that will result from Nashoba's closure. Patients with chronic conditions requiring weekly trips to the medical facilities (such as dialysis) lamented the inability to access care in their community.

The patients served by Nashoba are some of the most vulnerable in the area – the elderly and low income. Some lack transportation and funding to uproot their lives to move closer to other facilities. For the community in general, and these patients in particular, the impact of this closure will be devastating – a fact repeatedly echoed at these hearings.

II. The Commonwealth's Response to the Closure

Various community leaders and elected officials appeared and discussed the Commonwealth's response to the closure. Senator Edward Kennedy represented that he, and various other Commonwealth officials, are working on plans to fund a reopening of Nashoba with support from the Commonwealth. While the Ombudsman does not have information on these proposals, the Ombudsman strongly supports plans to maintain healthcare services in the area.

III. The Request for Interim Services

The Ombudsman has made two requests of the Debtors, the Commonwealth and the Committee:

1. that the Nashoba ED remain open for another thirty days to allow more time for the patients and community to find alternative care and for EMS to add the necessary staffing and equipment to serve the community; or

2. to the extent that it is not possible to leave the ED open (due to staffing and/or funding constraints), that sufficient funding be set aside to have an ambulance at Nashoba's ED entrance for at least seven days after closing the hospital so that if patients are unaware of the closure and come to the ED, the paramedics can do their best to stabilize and transport the patient safely to another hospital's ED.

Nashoba's ED and the entire hospital is scheduled to be shut down at 7 a.m. ET on Saturday, August 31, Labor Day weekend. Nashoba serves a vulnerable community and patient population that relies on its ED. Given the timing, the Ombudsman urges the Debtors, Commonwealth, Committee, Lenders and other parties in interest to provide a safety net to ensure that patient care is not abandoned due to the hasty closure (within 30 days of notice) happening over Labor Day weekend.

I am cognizant of the myriad of issues in these cases and the various stakeholders' desires to maximize their recoveries. Notwithstanding, the Nashoba closure is devastating to the community and the patients who rely on this hospital and the ED. The patient population served by Nashoba played no role in the decisions that ultimately lead to the closure of Nashoba. While the Ombudsman is hopeful that the Commonwealth arrives at a solution to reopen the hospital in the coming months, the Ombudsman requests that all parties carefully consider the inevitable outcomes of this expedited closure on the most vulnerable of the community and come together to provide for a basic level of interim services while the affected community adjusts to the closure of Nashoba.

The Ombudsman further urges the Debtors and other stakeholders to fund the costs of keeping an ambulance at Carney's ED entrance for at least seven days in the event that critical patients, who are not aware of the ED's closure, arrive needing emergency services. Over the

weekend, the Ombudsman was informed that a patient walked into the ED with a gun shot wound needing attention. It is incidents such as this one justifying the cost of having an ambulance stationed at the ED entrances for Carney and Nashoba for at least seven days.

Dated: August 26, 2024

**SUZANNE KOENIG, AS COURT
APPOINTED PATIENT CARE OMBUDSMAN**

By: /s/ Suzanne A. Koenig
Suzanne A. Koenig, solely in her capacity
as Patient Care Ombudsman