

**UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:	§	Chapter 11
	§	
THE LASALLE GROUP, INC., et al.,¹	§	Case No. 19-31484 -sgj-11
	§	
Debtors.	§	(Jointly Administered)
	§	

**PATIENT CARE OMBUDSMAN’S FIRST INTERIM REPORT
PEARLAND LOCATION**

Pursuant to 11 U.S.C. §333 of the Bankruptcy Code and the May 15, 2019 *Agreed Order Appointing a Patient Care Ombudsman Pursuant to 11 U.S.C. §333* [Docket No. 69], the United States Trustee provided *Notice of Appointment of Patient Care Ombudsman* (“PCO”) at Docket No. 86 on May 21, 2019. The PCO was directed to monitor the quality of care and represent resident interests at four locations: West Houston Memory Care, LLC (Case No. 19-31485) (“**West Houston**”); Cinco Ranch Memory Care, LLC (Case No. 19-31486) (“**Cinco Ranch**”); Pearland Memory Care, LLC (Case No. 19-31488) (“**Pearland**”); and, Riverstone Memory Care, LLC (Case No. 19-31493) (“**Riverstone**,” collectively “**Debtors**”).

PCO is a Registered Nurse and an attorney with work experience in clinical/operational health care and health care regulatory compliance. In compliance with the federal privacy requirements, the PCO cannot disclose any individually identifiable health information that could distinguish a resident directly or could provide a reasonable basis to do so. *See* 45 CFR §160.103. Accordingly, specific site visit and resident interview dates are not provided although PCO’s observations, audits, and interviews occurred between the date of appointment and the filing of this report.

¹ In addition to the LaSalle Group, Inc. (last four EIN 0143), other Debtors include: West Houston Memory Care, LLC, Case No. 19-31485, last four EIN 2760; Cinco Ranch Memory Care, LLC, Case No. 19-31486, last four EIN 2716; Pearland Memory Care, LLC, Case No. 19-31488, last four EIN 5311; and, Riverstone Memory Care, LLC, Case No. 19-31493, last four EIN 5407.

Further, although PCO reviewed Debtors' care processes relative to federal and state licensing and quality regulations, PCO does not assume liability for Debtors' compliance obligations. Moreover, while PCO may use the auditing tools and guidelines employed by certification agencies and auditors; PCO does not certify Debtors' compliance with any regulatory standards.

PCO comes now and submits this *Patient Care Ombudsman's First Interim Report, Pearland Location* ("**Pearland First Report**") detailing site visit review, observations, and analysis of services provided at Pearland Memory Care.

BACKGROUND INFORMATION

General Facility Description Applicable to All Locations. Pearland is one of four, Houston-area, Autumn Leaves memory-care communities visited by the PCO. The communities are in what would probably be described as "mixed-use" zoning areas that co-locate residential and commercial properties. Each of these four communities had nearly an identical floor plan. The building is set up as a large square with four "neighborhoods" or halls coming off a central lobby/all-purpose area—two neighborhoods from either side. The halls were "themed" to assist the memory impaired residents with room location. For example, a garden themed hall may be named "Floral" or "Garden" and be filled with pictures depicting that theme. Other noted themes were Western, Kites, Harbor, etc.

Behind the lobby/all-purpose area is a central, enclosed garden patio that is readily accessible to residents. On the other side of that patio is the dining area. The dining area has two dining rooms—one for independent eaters and one for those who require assistance. For the most part, residents are out of their rooms and in the common areas during the day. PCO observed residents engaged in various activities both in the lobby/all-purpose area and in the various other, smaller congregation areas throughout the building.

The facilities are licensed for 45-50 residents. Some resident rooms are used for offices, so the total operational capacity may vary slightly from the number of facility licensed beds. Most of the rooms are private, single occupancy with a ½ bath (approximately 20 rooms). The

remaining room capacity is made up from the following room types: studio, large private with $\frac{1}{2}$ bath, extra-large private with $\frac{3}{4}$ bath, private with shared Jack-and-Jill bathroom, and semi-private. Pricing presumably varies depending on the floorplan selected.

Each hallway had one laundry room and shower/tub room. Pearland had different laundry machines, as compared to the other three facilities. The Maintenance Manager stated that he was not a fan of the HE front-loader machines at his locations, based on their repair history. Luckily, he has been able to complete many of the repairs personally at a savings to the Debtors. Commercial laundry soap was connected to the washing machine with the ability to select wash temperature (cold/warm/hot) and load size. Resident laundry was washed individually, often timed with the shower/bath schedule. Facility provided linens were washed collectively. Staff denied supply concerns related to laundry supplies.

Debtors reported that residents were either private pay or covered by long-term-care (“LTC”) commercial insurance. Medicare/Medicaid payer sources for room-and-board were denied.

Contracted physician and mid-level provider support (a nurse practitioner) were available at each facility on at least a weekly basis through a contracted provider. Because the providers bill insurances directly, the bankruptcy has not affected these services. PCO confirmed that residents were offered a choice in continuing to see a community provider or utilizing the contracted, facility provider group. Leadership reported that most residents elected to receive on-site clinician support, particularly given the inherent challenges associated with taking memory-impaired residents out of their familiar environment. In addition to on-site primary care services, certain specialists periodically visit the facilities (e.g., dentist, podiatrist). These services were also reported as continuing without difficulty after the bankruptcy filing.

The communities are termed “secure” because the doors require a code or a pass card for entry. Exit is only accomplished through the entry of a four-digit code. The doors alarm from the inside with light pressure and alarm more loudly if opened from within without using the numeric exit passcode. Staff takes seriously the integrity of the exit passcode and did not

provide it to the PCO. Rather, a staff member was called upon for assistance with exiting the building. The Executive Director and Admission Manager offices are located on either side of the entry door, facilitating building ingress/egress of visitors, vendors, and family members.

The resident record is largely in paper format. Charts were in the medication room or in the Director of Healthcare's ("DOH") office. Resident assessments were initially recorded electronically in a Debtor-created, record system called the "Wellness Site" with a printed copy added to the resident chart. Limitations of the Wellness Site were noted when an assessment record was inadvertently misnamed or if additional assessment information was received/added after an assessment was created. These limitations resulted in assessment date errors that impacted the accuracy of the reports that tracked future assessment due dates.

Record storage is a mix of on-site and off-site storage. PCO noted boxes of patient records and employee files in the maintenance shed. The visible boxes did not appear to be marked with either contents or planned destruction dates. The ED indicated that these records preceded her tenure with the Pearland facility.

The Pearland location was the last facility visited by the PCO. On the morning of PCO's arrival, the Maintenance Manager was mowing, utilizing the ED's personal mowing equipment brought from home.

The Medication Administration Record ("MAR") is created by the pharmacy vendor and printed once a month. Medication changes are then documented manually until the new MAR is created the following month. Medication administration timing is staggered to allow for timely medication administration by one individual across all four hallways.

In addition to patient information kept on the Wellness Site, Debtors also have employee information kept on a site referred to as "The LaSalle Group University" ("TLGU"). Like the Wellness Site, employee training and competency information is documented in TLGU then printed copies are added to employees' files kept in the ED's office. PCO attempted to randomly confirm the presence of printed training and competency documentation at all locations.

SITE VISIT SUMMARY

The Pearland ED is proud of the level of organization demonstrated at her facility. Many of the team members at the Pearland location knew her from previous work experience and chose to follow her to this facility.

On the date of PCO's visit, the Pearland occupancy 32 out of a total operational capacity of 45. Four caregiver staff were scheduled to allow for coverage during staff inservicing. Because of the higher occupancy, Pearland has the additional Resident Services/Care Coordinator ("RCC") position as was detailed in the Cinco Ranch report. The RCC can also work as a medication technician if needed. Pearland had a second, housekeeping team member, with at least one housekeeper cross-trained in the caregiver role. Housekeeping staff split the rooms – each cleaning roughly 16-17 rooms. The housekeeping staff reported that hours had been cut by 8 hours per pay bi-weekly period—from 72 hours down to 64. Housekeeping staff denied supply concerns. PCO noted adequate paper products, hand soap and sanitizer throughout the facility.

The corporate nurse who previously met PCO at the Cinco Ranch facility was the former Director of Healthcare ("DOH") at Pearland. While at the Pearland facility, PCO primarily interacted with the ED, DOH, and the Maintenance Manager. The Life Engagement (Activities) Manager was also noted and observed working with residents in the facility.

From an equipment perspective, PCO noted that the Flowers Hall dryer was not working, awaiting a part that was reported as ordered. Each of the facilities has two hot water heaters. The backup hot water heater at Pearland was also broken. The Maintenance Manager was able to fix the ice maker fan that recently needed repair and was waiting on approval for lighting ballast (for fluorescent fixtures) replacements. While PCO was at the facility, a family member indicated concerns surrounding the air conditioning in a resident room.

Like Riverstone, the Pearland facility is overdue on its Life Safety survey. The fire marshal visit cannot be scheduled until the new, third party fire safety vendor is in place and completes the annual testing/tagging. Prompt engagement of the new vendor's services will be important at all facilities given the safety implications associated with these regulations.

PCO spent time in the kitchen with the Chef and cook. Regulations associated with food preparation and storage were discussed. PH testing procedures in the dish washing area were reviewed for PCO's understanding. Kitchen repairs related to sink faucets that predated the bankruptcy remain as action items. One sink must be manually turned on and off at the water inlet for use and another only runs hot water and is run nearly continuously to reduce the temperature out of the faucet to a manageable level.

Consistent with all the other facilities, staff at Pearland reported a period preceding and immediately after the bankruptcy where supply availability was tight. Current supply challenges were denied, including the incontinence products which are a critical supply item for this resident population.

NEXT STEPS

Pearland has experienced some vendor challenges associated with the bankruptcy process. Resident care decline or compromise was not seen. PCO will remain engaged remotely to monitor occupancy, staffing, vendor issues, and family concerns. At this juncture, PCO is comfortable maintaining a 60-day site visit period.

DATED: July 5, 2019.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, Susan N. Goodman, hereby certify that a copy of this document has been electronically filed with the Clerk of Court using the Court's electronic case filing system and a true and correct copy of this report has been sent to the following parties or counsel of record who have registered to receive electronic service.

DATED: July 5, 2019.

Respectfully submitted,

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