

**MARTIN GENERAL HOSPITAL WEEKLY UPDATE**  
**SEPTEMBER 22, 2023**

**Dawn Carter – Is our hired Consulting Firm and these  
are ideas/plans submitted**

- The Chapter 7 bankruptcy trustee handling Martin General Hospital and its assets has filed a motion to reject the lease, and the County has taken over control of the hospital building with the consent of the trustee.
- Next, the trustee and the County will determine what assets remain in the hospital that belong to Williamston Hospital Corporation and to outside vendors and prepare for removal and possible retention of some of those items.
- The current arrangement for patients to obtain their hospital medical records continues, and the County is working with the trustee, who is responsible for the records, for a process for continued access.
- Ascendient’s work includes evaluating all plausible options and aligning on what is best for the community based on the condition of the hospital and its assets, the opportunities for additional funding sources and potential new operators.
- Though we fully expected Williamston Hospital Corporation to continue operating the hospital until 2028, Ascendient and the County have been working since the beginning of the year to find a viable solution for the future of healthcare in Martin County.
- Regarding the County’s ownership of the hospital building—the County does not have the experience or needed licenses and approvals to be a hospital operator, nor does it have the funds or infrastructure to do so. This is why the County leased the hospital facility to Williamston Hospital Corporation in 1998, and why it is important to find an operator who is willing to commit to this community.

- We anticipate that the North Carolina legislature will soon pass a new budget plan, which includes a provision for a new rural emergency hospital (REH) designation.
- A rural emergency hospital designation is a classification granted to hospitals located in rural areas, determined by specific criteria set forth by the state and federal government. It acknowledges and provides financial assistance to rural hospitals, like Martin General Hospital, facing distinct challenges because of their geographic location and the patients they serve.
  - Martin County has been instrumental in getting this legislation added to the state’s budget for this year—this designation likely would not have been possible without efforts by Martin County and its legislative officials.
- Earlier this year, Ascendient explored the REH designation as a potential option for keeping healthcare local and sustainable for the county.
- Ascendient and the County will continue to work together to further explore this and other potential options for the operation of Martin General. This is a complex situation, and therefore we will be exploring short- and long-term solutions to ensure the people of Martin County can access the care they need here, now and into the future. We recognize the importance of having local providers and we know that there are committed and dedicated providers interested in working to fill the healthcare gap in Martin County. If any providers would like to help review potential proposals, please contact the County Manager and the County Attorney for further discussion.

## **Ben Eisner is an Attorney hired by Martin County**

The Chapter 7 Trustee (the “Trustee”), Don Beskrone, has filed a motion with the Delaware Bankruptcy Court seeking the rejection of the lease agreement of the hospital building with Martin County (the

“County”). Through the motion, the Trustee is seeking to return possession and control of the hospital building to the County.

The Bankruptcy Court has not yet heard or ruled that motion; however, the County is taking proactive steps anticipating that the Trustee’s motion will likely be granted. Key among those steps are as follows:

1. The County is undertaking an assessment of the condition of the hospital building and infrastructure;
2. The County is identifying key personnel to help repair and maintain the hospital building and infrastructure;
3. The County has worked to reestablish use of the helipad by emergency medical services; and,
4. The County’s legal team is continuing to discuss with the Trustee and other stakeholders, key issues involving the Trustee’s rejection of the lease.

The Trustee’s motion seeks only the rejection of the lease with the County and does not make any requests related to medical records. The Trustee remains in control of the medical records and all questions related to those records should be directed to the Trustee or the Trustee’s attorney.

The Delaware Bankruptcy Court has issued a notice regarding claims and setting certain deadlines. If you believe you are a creditor or hold a claim against the Williamston Hospital Corporation, you should seek counsel to answer any questions or assist in the filing of a claim with the Court.

## **Cody Hand – is a hired Lobbyist assisting with the Rural Emergency Hospital legislation**

“The House held their final vote on the budget early this **morning**, and the Senate will do the same in a few hours. It is expected that Governor Cooper will ratify the bill, but I am not sure when that will be. Once ratified, Medicaid Expansion can proceed and REH licensure becomes law! I plan to reach out to the Department Monday on the process for REH to happen faster than normal rules. I am optimistic that they will be able to fast-track it”.

## **Tom Stukes is an Attorney hired by Martin County**

- The bankruptcy trustee has filed a motion to reject Williamston Hospital Corporation’s lease of Martin General Hospital and has given possession of the hospital buildings back to the County
- Various outside vendors will be removing their equipment from the hospital
- The trustee, who is responsible for patients’ medical records, is continuing to provide individuals the ability to obtain their records. He is working on a plan for longer-term storage of the records.
- The County is evaluating its costs for taking over the hospital buildings and its effect on the County's budget. The County seek to have the trustee repay the County for those costs out of the bankruptcy assets
- The legislation to authorize rural emergency hospitals in North Carolina may be close to passing as part of the State’s Budget Bill in the General Assembly, but disputes remain over issues in the budget
- Dawn Carter, with Ascendent, will step up efforts to evaluate and recommend options for healthcare services in Martin County now that the trustee no longer has control of the hospital facility

## **County – Updates**

- Change entry locks at the hospital and out buildings
- Hired vendors for HVAC, Water Treatment, Chillers, Cooling Towers and other equipment at hospital, develop an estimated cost of maintaining the buildings on a month to month and annual cost, made video of remaining equipment, hired on a Part Time basis the previous Maintenance Supervisor at Martin General Hospital, Develop a list of repairs that was deferred by Quorum over the past year, hired a pest control company, ramping down the use of energy, Hired a Lawn care company, determine remaining equipment that is lease vs. own
- Purchase Insurance on the Hospital Buildings
- Replacing (2) dehumidifiers by stairwells
- Sent letter to DHHS asking for any types of assistance during this period of time, the Emergency Room is closed
- Telephone conference with Attorneys in Delaware and here in North Carolina regarding Medical Record