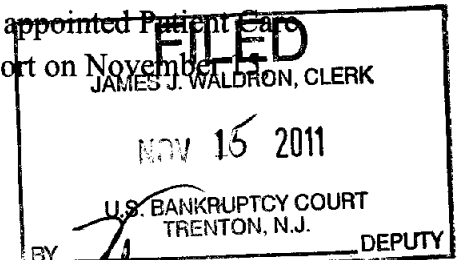


**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEW JERSEY**

In re:	:	
	:	
Miller Health Care, LLC,	:	Chapter 11
Db a Lawrenceville Nursing Rehabilitation Center	:	
	:	Case No. 11-28615 (RTL)
Debtor.	:	
	:	Honorable Raymond Lyons, Jr.

SECOND REPORT OF PATIENT CARE OMBUDSMAN

I, James McCracken, State Long-Term Care Ombudsman and the duly appointed Patient Care Ombudsman in this case, file this second Patient Care Ombudsman report on November 15, 2011, 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 designate a Patient Care Ombudsman to monitor quality of care where the debtor is a health care business. 11 U.S.C. § 333(a)(1). Where the debtor is a provider of long-term care services, BAPCPA suggests the appointment of the State Long-Term Care Ombudsman to act in this capacity. 11 U.S.C. § 333(a)(2)(B). This preference is in recognition that the State Long-Term Care Ombudsman is already charged under federal law to advocate on behalf of elderly residents to ensure the highest standard of care in long-term care facilities. See id.

New Jersey’s Office of the Ombudsman for the Institutionalized Elderly (OOIE) was named Patient Care Ombudsman in this case on June 7, 2011. I visited Lawrenceville Nursing and Rehabilitation (“Lawrenceville”) on August 23, 2011 accompanied by James Plastine, R.N., Nurse Consultant for OOIE, to interview staff and residents and to assess the provision of services since the initiation of this bankruptcy proceeding. Mr. Plastine returned on August 25, 2011 and again on September 8, 2011 for further observation and follow-up. I submitted my First Report on September 16, 2011.

Barbara Collis, R.N., Nurse Investigator visited Lawrenceville on October 18 and again on October 28, 2011 to continue to monitor quality of care.

Overall, Collis found that the quality of service provided by Lawrenceville has remained consistently high since the filing of this bankruptcy proceeding. Collis did note that the October 15<sup>th</sup>, 2011 payroll was not paid until October 16<sup>th</sup>, which Administrator Miller stated was due to late Medicare and Medicaid reimbursements. Miller assured Collis that this will not recur. Payroll was timely on October 31, 2011. OOIE will continue to closely monitor payroll in the future.

## II. Facility Licensure and Census

New Jersey Department of Health and Senior Services (DHSS) reports that Lawrenceville Nursing and Rehabilitation has one hundred (100) licensed beds that are dually certified to house both Medicare and Medicaid eligible residents. Administrator Thomas E. Miller informed the Ombudsman that thirty (30) beds are designated for sub-acute rehabilitation patients and seventy (70) for long-term care residents.

Lawrenceville's census has increased since the First Report was submitted; eighty-six (86) beds are currently occupied, up from seventy-three (73) in September. As of November 14, 2011 there are sixty-one (61) long-term care residents and twenty-five (25) residents receiving sub-acute rehabilitation services.

## III. Service and Staffing Levels (by Department)

### Nursing

Barbara Collis reviewed the facility's Nursing Schedule for October 2011 and found the scheduled coverage to be adequate given the current census and residents' needs.

### Social Work

There has been no change in social work staffing or services since the First Report.

### Pharmacy

Pharmcare U.S.A. continues to be the pharmacy provider for this facility. Orders and deliveries continue normally and the facility has adequate supplies of antibiotics and basic life support medications.

### Dietary

Collis found the food supplies to be adequate for residents' needs. Food menus were reviewed and found to meet nutritional standards and to offer a variety of choices. Collis visited the dining hall and found it to be clean and orderly with residents dining and socializing. Residents interviewed expressed satisfaction with food services.

### Activities

The Activity Calendar for October 2011 includes a wide range of regular activities appropriate for the population. Activities are varied and offered throughout the day, seven days a week. Activities were being offered as scheduled when Collis was present.

### Central Supply

Storage spaces revealed adequate supplies.

### Hospice

The facility continues to contract with Compassionate Care, Life Choices and Hospice of New Jersey.

### Wound Care

The facility currently houses six (6) residents requiring wound care services, one (1) with a stage four (4) pressure ulcer and five (5) residents with stage two (2) ulcers. Barbara Collis will check the status of these wounds on her next visit.

### Psychiatry/Psychology

Psychiatric and psychology services continue to be available when requested by attending physicians.

### Physical/Occupational/Speech Therapy

At the time of Barbara Collis' visit, residents were receiving physical and/or occupational therapy in the therapy area.

### Payroll

Barbara Collis was informed by Tom Miller that payroll due on October 15, 2011 was paid on October 16, 2011, one day late. Mr. Miller explained that Medicare and Medicaid reimbursements were received late and this was the reason for the delay. Mr. Miller explained the situation to staff and assured Collis that this situation will not recur. Miller reported on November 14, 2011 that payroll was timely on October 31, 2011 and will be paid timely in the future. Collis interviewed several staff members who stated that they were displeased and are hopeful that this situation will not recur.

IV. Resident Interviews and Observations

Barbara Collis, Nurse Consultant, interviewed and/or observed three (3) long-term care residents during her visit on October 18, 2011.

All were satisfied with their care and none expressed any complaints.

V. Impressions of Facility

Facility installations continue to be clean and tidy and have no odor. Residents' rooms were clean and orderly. Work spaces were clean and well-organized. Storage spaces near residents' rooms were locked and adequately stocked with necessary supplies, including clean linens. Barbara Collis suggested that the supply closets could be more neatly organized. All medication carts were locked. The dining room and activity areas were occupied by residents and staff providing care at the time of the visit.

VI. OOIE Complaints

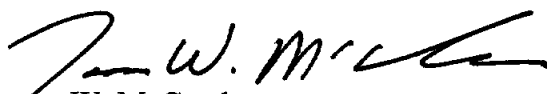
OOIE has opened three (3) cases involving this facility since September 16, 2011. The first involves a resident fall resulting in injury and is currently under investigation. The second involves an allegation of resident-to-resident sexual abuse. That complaint was not verified and will be closed. The third involved a resident's right to access records held by the facility. The resident received the records sought and that case is closed.

VII. Future Visits

Nurse Investigator Barbara Collis, R.N., will routinely visit Lawrenceville Nursing and Rehabilitation to continue to interact with and observe residents and to monitor their level of satisfaction and the service provided to them. Another report will be provided in sixty (60) days.

Records gathered in the course of OOIE's visits will be provided to the Court upon request, with redactions as necessary to protect confidential information.

Respectfully submitted,

  
James W. McCracken  
State Long-term Care Ombudsman



State of New Jersey

OFFICE OF THE OMBUDSMAN FOR THE INSTITUTIONALIZED ELDERLY  
P.O. Box 852  
TRENTON, NJ 08625-0852  
PHONE: (609) 826-5090 FAX: (609) 943-3479  
COMPLAINT HOTLINE: (877) 582-6995

BANKRUPTCY COURT  
FILED  
TRENTON, NJ  
11 NOV 15 AM 11:14  
JAMES L. WALORON  
BY: \_\_\_\_\_  
DEPUTY CLERK

CHRIS CHRISTIE  
Governor

JAMES W. MCCrackEN  
Ombudsman

KIM GUADAGNO  
Lt. Governor

November 14, 2011

**VIA Overnight Mail**

Honorable Raymond Lyons, Jr.  
402 East State Street  
Trenton, N.J. 08608

**In re: Miller Healthcare, LLC,  
dba Lawrenceville Nursing and Rehabilitation Center**

**Case No. : 11-28615 (RTL)**

Dear Judge Lyons:

James McCracken, New Jersey's Ombudsman for the Institutionalized Elderly, was named Patient Care Ombudsman for this bankruptcy proceeding on July 7, 2011. Enclosed for service upon you, please find the following documents:

- (i) Second Report of Patient Care Ombudsman
- (ii) Certification of Non-compliance Regarding Case Management/Electronic Case Filing ("CM/ECF")

We will file our third report on January 14, 2011.

Please do not hesitate to call me at 609-826-5126 if you have any questions or concerns.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Amy Kathryn Brown', with a long horizontal flourish extending to the right.

Amy Kathryn Brown  
Staff Attorney

Cc: Robert Schechter, Esq., Porzio Bromberg & Newman P.C.  
John P. Leon, Esq., Subranni Zauber LLC  
Jeffrey M. Sponder, Esq., Office of U.S. Trustee  
John C. Kilgannon, Esq., Stevens & Lee  
Genevieve M. Murphy-Bradacs, Esq., Zazzali, Fagella, Nowak et als  
Michael Sirota, Esq., Cole, Schotz, Meisel, Forman & Leonard  
Carl Soranno, Esq., Brach Eichler LLC