

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

In re: : Case No. 24-90213 (CML)
: :
STEWARD HEALTH CARE SYSTEM : Chapter 11
LLC, *et al.*, : :
: (Jointly Administered)
Debtors.¹ : :
: Judge Christopher M. Lopez

**OHIO ATTORNEY GENERAL’S RESPONSE IN SUPPORT OF THE JOINT OBJECTION
AND RESERVATION OF RIGHTS OF WARREN CITY
HOSPITAL, INC., WESTERN RESERVE HEALTH EDUCATION, INC., CITY OF
WARREN AND TRUMBULL COUNTY, OHIO, TO THE DEBTORS’ CLOSURE OF
CERTAIN OHIO HOSPITALS**

[Related to Doc 626, Doc. 1711, Doc 1850, Doc 2097, Doc 2101, Doc 2146, Doc 2216, and Doc 2245]

NOW COMES the Ohio Attorney General and hereby files his Response in Support of the Joint Objection and Reservation of Rights of Warren City Hospital, Inc., Western Reserve Health Education, Inc., City of Warren and Trumbull County, Ohio as outlined herein to the Debtors’ Closure of Certain Ohio Hospitals filed by Steward Health Care System LLC and its related debtor affiliates (the “**Debtors**”) on August 21, 2024, (the “**Notices of Closure**”) (Docs 2097 and 2101), and respectfully submits to this Court as follows:

¹ A complete list of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ proposed 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.

Background

1. Ohio Attorney General, David Yost (the “Ohio **Attorney General**”), is the chief law enforcement officer of the State of Ohio and has standing to prosecute and advocate to protect the general health and well-being, both physical and economic, of Ohio’s residents.

2. Trumbull Regional Medical Center (“**Trumbull Medical Center**”) is a community hospital located Trumbull County which has a population of over 200,000 people and covers 615.8 square miles.¹ 17.2% of the population is below poverty level, according to the county profile published by the Ohio Department of Development. *See* FN1. 47% of the households in the area earning less than \$50,000. The median home value is \$121,400. *See* FN1.

3. Trumbull Medical Center offers inpatient and outpatient medical and surgical services from emergency, cardiac and critical care to orthopedic, childbirth, and other diagnostic and therapeutic services. ~~#~~A designated Level III Trauma Center, Trumbull Medical Center is Trumbull County’s first and only accredited Chest Pain Center with angioplasty. Further, it has the only interventional cardiology and open-heart surgery programs in the area. Trumbull Medical Center has an accredited Cancer Care program and a certified Cardiac Rehabilitation program. Trumbull Medical Center has served the region for over a century and is vital to the local and regional community.

4. Hillside Rehabilitation Hospital is an acute rehabilitation hospital providing inpatient and outpatient rehabilitation services at two locations in Trumbull County and for surrounding residents.

¹ <https://development.ohio.gov/about-us/research/county/trumbull>

5. On August 21, 2024, Debtors filed 30-day Notices of Closure for both facilities (Docs 2097 and 2101).

6. On August 28, 2024, Warren City Hospital, Inc., Western Reserve Health Education, Inc., City of Warren and Trumbull County (the “**Objecting Parties**”) filed their joint objection to the Notices of Closure seeking additional time to facilitate a bid and/or extend the time of the proposed September 20, 2024, closure deadline to November 20, 2024 (Doc 2216). An Amended Joint Objection was filed on August 29, 2024 (Doc 2245).

7. The Ohio Attorney General fully supports the Objecting Parties’ request for a brief extension of time to finalize bid proposals for the purchase of these facilities to allow continued needed health services in the community. He further supports the request to postpone any closures of these vital and necessary businesses to November 20, 2024.

Response in Support of the Objecting Parties

8. The Ohio Attorney General is an interested party as his role is to protect the physical and financial wellbeing of Ohioans, including the preservation of accessible, quality health care throughout Trumbull County and the surrounding region. The Ohio Attorney General fully supports the Objecting Parties’ request for additional time to facilitate a sale of these necessary facilities rather than the proposed closure by Debtors.

9. Trumbull Medical Center is a 356-bed facility that treated over 300,000 patients in 2023.² With the potential closing of this facility, the surrounding local hospitals may not be staffed or equipped to handle the increased flux of emergency medical cases should Trumbull be forced to close. The lethal combination of delayed medical response times and overstretched

² The Vindicator, August 28, 2024

surrounding facilities is an impending catastrophe for patients needing any medical care. This may be avoided if additional time is allowed as requested.

10. While providing regular and emergency hospital services to the Trumbull county and surrounding area is the most significant reason to support a sale versus closure, the two facilities remaining open would facilitate a smoother transition to potential new owners and the local economy would undoubtedly suffer less. Supporting a sale of the facilities as a “going concern” provides for a steadier cash flow into the community. Moreover, the hiring and retention of key employees for continued operations would be, in all likelihood, more successful if the facilities remain open and are transitioned to a new owner/operator.

11. In the past five fiscal years, the actual Medicaid dollars Ohio has expended to the two facilities has been substantial, demonstrating the vital services provided to the area residents which need to continue ³:

	<u>Trumbull Memorial Hospital</u>	<u>Hillside Rehabilitation Hospital</u>
2019	\$15,824,979	\$2,520,124
2020	\$15,872,166	\$2,065,311
2021	\$32,056,800	\$4,098,747
2022	\$30,323,964	\$4,882,906
2023	\$24,325,102	\$3,688,792
2024 YTD	\$13,183,266	\$6,608,730

12. WHEREFORE, the Ohio Attorney General respectfully requests this Court grant the additional time requested by the Objecting Parties to extend the proposed closure date of September 20, 2024, and extend for fifteen days the submission of bids to allow for a potential sale of Trumbull Medical Center and Hillside Rehabilitation Hospital as a going concern to ensure

³ Ohio Department of Medicaid, 2024.

the continued essential medical services for all Trumbull County and surrounding residents.

DATED: August 30, 2024

Respectfully submitted,

OHIO ATTORNEY GENERAL

David Yost
Attorney General

/s/ Kristin Radwanick*
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**Motion for Pro Hac Vice Pending*

CERTIFICATE OF SERVICE

I hereby certify that on August 30, 2024, a true and correct copy of the above document was electronically filed with the court using the CM/ECF system, which will send notification to all parties of interest participating in the CM/ECF system.

/s/ Kristin Radwanick
Kristin Radwanick (OH # 0079106)