

So Ordered.

Docket #2905 Date Filed: 05/30/2023



Whitman L. Holt
Bankruptcy Judge

Dated: May 30th, 2023

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**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON**

IN RE:
ASTRIA HEALTH,

Remaining Debtor.

Chapter 11
Case No. 19-01189-~~11~~WLH11
**ORDER GRANTING THE GUC
DISTRIBUTION TRUSTEE'S
SIXTH OMNIBUS CLAIMS
OBJECTION (LATE-FILED
CLAIMS, SUPERSEDED CLAIMS,
NO LIABILITY CLAIMS,
OVERSTATED CLAIMS, AND
UNSUPPORTED CLAIMS)**

This matter came before the court on *The GUC Distribution Trustee's Sixth Omnibus Claims Objection (Late-Filed Claims, Superseded Claims, No Liability Claims, Overstated Claims, and Unsupported Claims)* [Docket No. 2884] (the "Objection"). Capitalized terms not defined in this Order shall have their meanings as set forth in the Objection.

ORDER GRANTING GUC
DISTRIBUTION TRUSTEE'S SIXTH
OMNIBUS CLAIMS OBJECTION -1

SILLS CUMMIS & GROSS P.C.
One River
Newark,
Phone: (973) 043-0300
Fax: (973) 043-0300

POLSINELLI, PC



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1 This court has found that it has jurisdiction over this matter pursuant to 28
2 U.S.C. §§ 157 and 1334 and has authority to enter a final order consistent with
3 Article III of the United States Constitution; that venue of this proceeding and
4 the Objection in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409;
5 and that the notice of the Objection was appropriate under the circumstances and
6 no other notice need be provided. Having reviewed the Objection and all
7 documents filed in support of or opposition thereto; having heard the statements
8 of counsel at any hearing before this court; and upon the record in this matter;
9 and after due deliberation thereon; and this court having determined that just
10 cause has been established for the relief granted herein, it is hereby **ORDERED**
11 as follows:

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13 1. The Objection [Docket No. 2884] is granted as set forth herein.

14 2. Any Response to the Objection that has not otherwise been withdrawn
15 or resolved, or with respect to which the hearing on the Objection has not been
16 adjourned, is hereby overruled.

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18 3. The Late-Filed Claims identified on **Exhibit A** attached hereto are
19 hereby disallowed and expunged in their entirety, except for the claim of Milroy
20 Emergency Group, a Professional LLC, d/b/a/Milroy Emergency Group, PLLC,
21 which claim shall not be disallowed and expunged under this Order.
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ORDER GRANTING GUC
DISTRIBUTION TRUSTEE'S SIXTH
OMNIBUS CLAIMS OBJECTION -2

SILLS CUMMIS & GROSS P.C.
One Riverfront Plaza
Newark, NJ 07102
Phone: (973) 643-7000
Fax: (973) 643-6500

POLSINELLI, PC
1000 Second Avenue, Suite 3500
Seattle, WA 98104
Phone: (206) 393-5400
Fax: (206) 393-5401

1 4. The Superseded Claims identified on **Exhibit B** attached hereto are
2 hereby disallowed and expunged in their entirety.

3 5. The No Liability Claims identified on **Exhibit C** attached hereto are
4 hereby disallowed and expunged in their entirety.

5 6. The Overstated Claims identified on **Exhibit D** attached hereto are
6 hereby reduced as set forth on **Exhibit D**.

7 7. The Unsupported Claim identified on **Exhibit E** attached hereto is
8 hereby disallowed and expunged in its entirety.

9 8. The official claims register shall be modified in accordance with this
10 Order.
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12 9. Each Claim that is the subject of the Objection (together with the
13 objection to such Claim set forth in the Objection and any applicable Response
14 thereto) constitutes a separate contested matter as contemplated by Bankruptcy
15 Rule 9014. This Order shall be deemed a separate order with respect to each such
16 Claim. Any stay of this Order pending appeal by any of the claimants subject to
17 this Order shall only apply to the contested matter that involves such claimant and
18 shall not act to stay the applicability and/or finality of this Order with respect to the
19 other contested matters addressed hereby.
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1 Presented by:

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3 POLSINELLI PC

4 /s/ Jane Pearson

Jane Pearson, WSBA # 12785

6 SILLS CUMMIS & GROSS P.C.

7 /s/ Andrew H. Sherman

8 Andrew H. Sherman, admitted pro hac vice

9 *Co-Counsel for Steven D Sass LLC,*
10 *as GUC Distribution Trustee*

11 * Changes made by court

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ORDER GRANTING GUC
DISTRIBUTION TRUSTEE'S SIXTH
OMNIBUS CLAIMS OBJECTION -5

SILLS CUMMIS & GROSS P.C.
One Riverfront Plaza
Newark, NJ 07102
Phone: (973) 643-7000
Fax: (973) 643-6500

POLSINELLI, PC
1000 Second Avenue, Suite 3500
Seattle, WA 98104
Phone: (206) 393-5400
Fax: (206) 393-5401

Exhibit A

| # | Claimant Name ¹ | Claim Amount | Claim No. ¹ | Debtor Name | Date Filed | Reason for Disallowance |
|---|--|--|------------------------|-----------------------------|------------|--|
| 1 | Milroy Emergency Group a Professional LLC d/b/a Milroy Emergency Group, PLLC | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$160,188.58 General Unsecured | 86 | SHC Medical Center-Yakima | 8/14/2019 | Claim filed after Bar Date (see Objection pp. 6-8) |
| 2 | Cascade Natural Gas Corporation | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$-4,863.29 General Unsecured | 16 | Yakima HMA Home Health, LLC | 10/3/2019 | Claim filed after Bar Date (see Objection pp. 6-8) |

¹ Claimant and Claim Numbers refer to the official claims register maintained in Case No. 19-01189 (Astris Health) and the related cases as indicated.

Exhibit B

| # | Claimant Name ¹ | Scheduled Amount | | Superseded Schedule ID / Claim No. ² | Scheduled Debtor Name | Surviving Claim No. ² | Surviving Claim Amount | Surviving Debtor Name | Reason for Disallowance |
|---|------------------------------------|------------------|-----------|---|--|----------------------------------|------------------------|--|--|
| | | Secured | Unsecured | | | | | | |
| 1 | MEDLINE INDUSTRIES INC | \$0.00 | \$0.00 | Sched ID 3228625 | SHC Medical Center-Toppertish | | | | Superseded by subsequently filed claim(s) (see Objection p. 8) |
| | | \$0.00 | \$0.00 | | | | | | |
| | | \$0.00 | \$0.00 | | | | | | |
| 2 | MEDLINE INDUSTRIES INC | \$7,069.53 | \$0.00 | Sched ID 3228626 | SHC Medical Center-Yakima | | | | Superseded by subsequently filed claim(s) (see Objection p. 8) |
| | | \$0.00 | \$0.00 | | | | | | |
| | | \$0.00 | \$0.00 | | | | | | |
| 3 | MEDLINE INDUSTRIES INC | \$7,645.95 | \$0.00 | Sched ID 3228622 | SHC Medical Center-Toppertish | 316 | \$5,132.09 | Astria Health | Superseded by subsequently filed claim(s) (see Objection p. 8) |
| | | \$0.00 | \$0.00 | | | 318 | \$35,042.84 | Astria Health | |
| | | \$0.00 | \$0.00 | | | 320 | \$36,956.84 | Astria Health | |
| 4 | MEDLINE INDUSTRIES INC | \$12,758.13 | \$0.00 | Sched ID 3228624 | Sunnyside Community Hospital Association | | | | Superseded by subsequently filed claim(s) (see Objection p. 8) |
| | | \$0.00 | \$0.00 | | | | | | |
| | | \$0.00 | \$0.00 | | | | | | |
| 5 | MEDLINE INDUSTRIES INC | \$91,696.57 | \$0.00 | Sched ID 3228623 | SHC Medical Center-Yakima | | | | Superseded by subsequently filed claim(s) (see Objection p. 8) |
| | | \$0.00 | \$0.00 | | | | | | |
| | | \$0.00 | \$0.00 | | | | | | |
| 6 | Favorite Healthcare Staffing, Inc. | \$239,034.99 | \$0.00 | 251 | Astria Health | 111 | \$106,526.35 | Astria Health | Superseded by other filed claim(s) (see Objection p. 8) |
| | | \$0.00 | \$0.00 | | | | | | |
| | | \$0.00 | \$0.00 | | | | | | |
| 7 | INSTRUMENTATION LABORATORY | \$57,714.24 | \$0.00 | 449 | Astria Health | 79 | \$49,239.16 | Sunnyside Community Hospital Association | Superseded by other filed claim(s) (see Objection p. 8) |
| | | \$0.00 | \$0.00 | | | | | | |
| | | \$0.00 | \$0.00 | | | | | | |
| | | \$40,236.97 | \$0.00 | | | | | | |

¹ Claimant and Claim Numbers refer to the official claims register maintained in Case No. 19-01189 (Astria Health) and the related cases as indicated.

² Identification of a claim as a surviving claim does not constitute allowance. Such claims may already have been or may in the future be addressed by other objections, agreements, or otherwise. All rights of the GUC Distribution Trustee and the Debtors are expressly reserved with respect to all surviving claims (or portions thereof) that have not been fully resolved.

Exhibit C

| # | Claimant Name ¹ | Scheduled Amount | Superseded Schedule ID/ Claim No. ¹ | Scheduled Debtor Name | Date Filed | Reason for Disallowance ² |
|---|---|--|---|-----------------------|------------|---|
| 1 | Heritage Professional Landscaping, Inc. | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$31,386.07 General Unsecured | 516 | Astria Health | 4/17/2020 | Asserted claim relates to post-petition amounts allegedly owed. Under the Plan, the GUC Distribution Trust has no liability for any post-petition obligations |
| 2 | LaDon Linde | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$6,614.26 General Unsecured | 628 | Astria Health | 7/20/2020 | Continued employee PTO rolled over to Reorganized Debtor for usage and continued accrual, no PTO payable as general unsecured claim |
| 3 | Sandra Linde | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$5,620.62 General Unsecured | 629 | Astria Health | 7/21/2020 | Continued employee PTO rolled over to Reorganized Debtor for usage and continued accrual, no PTO payable as general unsecured claim |
| 4 | Mohammed Riaz | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$213,498.26 General Unsecured | 660 | Astria Health | 8/5/2020 | Physician terminated and not contractually entitled to PTO payout |
| 5 | D. Chase Livingston | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$8,147.01 General Unsecured | 640 | Astria Health | 10/2/2020 | Physician terminated and not contractually entitled to PTO payout |
| 6 | Kyla J Way | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$12,767.52 General Unsecured | 553 | Astria Health | 7/7/2020 | Continued employee PTO rolled over to Reorganized Debtor for usage and continued accrual, no PTO payable as general unsecured claim |

¹ Claimant and Claim Numbers refer to the official claims register maintained in Case No. 19-01189 (Astria Health) and the related cases as indicated.

² For the avoidance of doubt, nothing in the Objection or this Exhibit shall constitute an allowance of any post-petition claim not otherwise previously allowed, and all of the Reorganized Debtors' and the GUC Distribution Trustee's rights, claims, defenses, causes of action and/or objections, including, without limitation, objections to any post-petition claim asserted by holders of these Claims are expressly reserved and preserved.

Exhibit D

| # | Claimant Name | Claim No. 1 | Claim Amount | Modified Claim Amount ² | Debtor Name | Reason for Reduction / Modification ³ |
|----|--------------------------|-------------|---|---|---------------|---|
| 1 | Loni L. Stephenson | 599 | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$6,558.00 General Unsecured | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$3,381.44 General Unsecured | Astria Health | Employee terminated and PTO paid by Reorganized Debtor through date certain; reduced claim reflects payout and remaining PTO balance. |
| 2 | Jill M. Arnold | 652 | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$17,683.26 General Unsecured | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$13,148.38 General Unsecured | Astria Health | Employee terminated and PTO paid by Reorganized Debtor through date certain; reduced claim reflects payout and remaining PTO balance. |
| 3 | Nancy J. Leahy | 638 | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$5,603.35 General Unsecured | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$315.68 General Unsecured | Astria Health | Employee terminated and PTO paid by Reorganized Debtor through date certain; reduced claim reflects payout and remaining PTO balance. |
| 4 | Elaina M. Wagner | 471 | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$14,481.85 General Unsecured | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$1,507.37 General Unsecured | Astria Health | Employee terminated and PTO paid by Reorganized Debtor through date certain; reduced claim reflects payout and remaining PTO balance. |
| 5 | Karen Tucker | 486 | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$5,347.96 General Unsecured | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$3,129.38 General Unsecured | Astria Health | Employee terminated and PTO paid by Reorganized Debtor through date certain; reduced claim reflects payout and remaining PTO balance. |
| 6 | Melissa Fortier | 487 | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$11,009.66 General Unsecured | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$7,851.68 General Unsecured | Astria Health | Employee terminated and PTO paid by Reorganized Debtor through date certain; reduced claim reflects payout and remaining PTO balance. |
| 7 | Suzanne Kristine Krueger | 502 | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$5,496.38 General Unsecured | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$3,071.57 General Unsecured | Astria Health | Employee terminated and PTO paid by Reorganized Debtor through date certain; reduced claim reflects payout and remaining PTO balance. |
| 8 | Dr. Roy Pierson | 512 | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$66,617.39 General Unsecured | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$6,631.54 General Unsecured | Astria Health | Physician terminated and not contractually entitled to PTO payout. Modified claim amount: not PTO related. |
| 9 | Trever Koenig | 525 | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$8,787.00 General Unsecured | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$5,739.49 General Unsecured | Astria Health | Employee terminated and PTO paid by Reorganized Debtor through date certain; reduced claim reflects payout and remaining PTO balance. |
| 10 | Cristina B. Kluth | 527 | \$0.00 Administrative \$0.00 Secured \$0.00 Priority UNKNOWN General Unsecured | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$1,530.47 General Unsecured | Astria Health | Employee terminated and PTO paid by Reorganized Debtor through date certain; reduced claim reflects payout and remaining PTO balance. |
| 11 | Michael D. Smith | 561 | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$11,712.88 General Unsecured | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$3,191.94 General Unsecured | Astria Health | Employee terminated and claims settled (SEIU); remainder classified as general unsecured claim. |
| 12 | Innovent Global, Inc. | 363 | \$0.00 Administrative \$0.00 Secured \$39,103.72 Priority \$0.00 General Unsecured | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$36,693.73 General Unsecured | Astria Health | Asserted claim relates to post-petition amounts allegedly owed. Under the Plan, the GUC Distribution Trusts has no liability for any post-petition obligations. |

¹ Claimant and Claim Numbers refer to the official claims register maintained in Case No. 19-01189 (Astria Health) and the related cases as indicated.

² Reflects adjusted GUC claim amount pursuant to Reorganized Debtors' notice of treatment of terminated employee priority claims and, to the extent applicable, omnibus objection thereto at: Docket: #2390

³ For the avoidance of doubt, nothing in the Objection or this Exhibit shall constitute an allowance of any post-petition claim not otherwise previously allowed, and all of the Reorganized Debtors' and the GUC Distribution Trusts' rights, claims, defenses, causes of action and/or objections, including, without limitation, objections to any post-petition claim asserted by holders of these Claims are expressly reserved and preserved.

Exhibit E

| # | Claimant Name ¹ | Claim No. ¹ | Claim Amount | Debtor Name | Reason for Disallowance |
|---|----------------------------|------------------------|--|---------------|---|
| 1 | Totalmed | 220 | \$0.00 Administrative \$0.00 Secured \$0.00 Priority \$152,877.95 General Unsecured | Astria Health | Claim lacks sufficient supporting materials and/or is otherwise inconsistent with Debtors' Books and Records (see Objection pp. 9-10) |

¹ Claimant and Claim Numbers refer to the official claims register maintained in Case No. 19-01189 (Astria Health) and the related cases as indicated.