

IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

In re:

LAVIE CARE CENTERS, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 24-55507 (PMB)

(Jointly Administered)

Re: Docket Nos. 274, 356

**UNITEDHEALTHCARE INSURANCE COMPANY'S
LIMITED OBJECTION TO DEBTORS' NOTICES OF POTENTIALLY
ASSUMED EXECUTORY CONTRACTS AND RELATED CURE COSTS**

UnitedHealthcare Insurance Company (collectively with its affiliates, subsidiaries, and parents, "United") hereby submits this limited objection (the "Objection") to the (i) *Notice to Contract Parties to Potentially Assumed Executory Contracts and Unexpired Leases* dated July 23, 2024 [Docket No. 274] (the "Original Contract Assumption Notice") and (ii) *Notice of Revised List of Potentially Assumed Executory Contracts and Unexpired Leases and Related Cure Costs* dated August 28, 2024 [Docket No. 356] (the "Revised Assumption Notice", collectively, the "Cure Notices") filed by LaVie Care Centers, LLC and its affiliated co-debtors (collectively, the "Debtors").

United objects to the Cure Notices on the grounds that it (i) fails to accurately state the cure amounts due to United under the Agreements (as defined below) and (ii) it has provided

¹ The last four digits of LaVie Care Centers, LLC's federal tax identification number are 5592. There are 282 Debtors in these chapter 11 cases, which are being jointly administered for procedural purposes only. A complete list of the Debtors and the last four digits of their federal tax identification numbers are not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at <https://www.veritaglobal.net/LaVie>. The location of LaVie Care Centers, LLC's corporate headquarters and the Debtors' service address is 1040 Crown Pointe Parkway, Suite 600, Atlanta, GA 30338.



insufficient information to allow United to identify certain of the contracts that may be subject to assumption and assignment. In support of its Objection, United states as follows:

I. BACKGROUND

A. The Agreements

1. United provides health care insurance benefits to members insured under its fully insured group medical policies through a network of providers who contract with United to render medical services to members. United also administers self-insured health plans of third parties, by which the members of those self-insured plans may also access medical care through United's network of providers. United also provides health insurance benefits to members under certain governmental plans, including, but not limited to, Medicaid in certain states and Medicare Advantage plans. LaVie Care Centers, LLC (the "Debtor") has entered into various Agreements (as defined below) with United, by which the Debtors in this case are "in network" providers of medical services to United's members.

2. United, contracting on behalf of itself, UnitedHealthcare of Florida, Inc., and the other entities that are United's Affiliates (as defined therein) and the Debtor entered into an Ancillary Provider Participation Agreement with an effective date of April 1, 2023, as amended from time to time (the "APPA").

3. United, contracting on behalf of itself and Optum Public Sector Solutions, Inc., and the Debtor also entered into a Veteran's Affairs Community Care Network Participation Agreement with an effective date of April 1, 2023, as amended from time to time (the "VACCNPA").

4. United, contracting on behalf of itself, UnitedHealthcare of Florida, Inc., and the other entities that are United's Affiliates (as defined therein) and the Debtor also entered into an

Ancillary Provider Participation Agreement with an effective date of December 1, 2021, as amended from time to time (“FLMCD APPA”).

5. United, contracting on behalf of itself and the other entities that United’s Affiliates (as defined therein) and the Debtor also entered into an Ancillary Provider Participation Agreement with an effective date of April 1, 2023, as amended from time to time (the “PAMCD APPA”).

6. United, contracting on behalf of itself, UnitedHealthcare of North Carolina, Inc. and the other entities that are United’s Affiliates (as defined therein) and the Debtor also entered into an Ancillary Provider Participation Agreement with an effective date of July 1, 2019 (“NCMCD APPA”).

7. United, contracting on behalf of itself, UnitedHealthcare of the Mid-Atlantic, Inc. and the other entities that are United’s Affiliates (as defined therein) and the Debtor also entered into an Ancillary Provider Participation Agreement with an effective date of July 1, 2017 (“VAMCD APPA”, and together with the APPA, VACCNPA, FLMCD APPA, PAMCD APPA, and NCMCD APPA, the “Agreements”).

8. Pursuant to the Agreements, the Debtors agreed to provide certain covered medical services to United’s members in exchange for certain fees. In connection with paying claims submitted by the Debtors under the Agreements, United may periodically overpay a claim for a variety of reasons. When this occurs, United has the right to be reimbursed for such overpayments and may recoup such overpayments by an offset against future payment due to the Debtor under the terms of the Agreements and applicable law.

B. The Bankruptcy Filing

9. On June 2, 2024 (the “Petition Date”), the Debtor and certain of its affiliates and subsidiaries (collectively, the “Debtors”) filed voluntary petitions under chapter 11 of title 11 of

the United States Code (the “Bankruptcy Code”) in this Court.

10. On June 27, 2024, the Court entered its *Final Order Authorizing Debtors to (I) Pay Prepetition Wages, Compensation, and Employee Benefits, (II) Continue Certain Employee Benefit Programs in the Ordinary Courts, and (III) Granting Related Relief* [Docket No. 174] (the “Employee Benefits Order”).

C. United’s Proofs of Claim

11. On July 2, 2024, the Court entered its *Order (I) Establishing Bar Dates for Filing Claims Against the Debtors; and (II) Granting Related Relief* [Docket No. 218], which established August 30, 2024, at 5:00 p.m. (prevailing Eastern Time) as the General Bar Date for filing proofs of claim.

12. United has filed various proofs of claim in the Debtors’ cases for amounts due to United under the Agreements, including but not limited to amounts due in connection with pre-petition overpayments that the Debtors must reimburse to United. United has filed the following proofs of claim related to its contracts that appear on the Debtors’ Cure Notices:²

Date Filed	Case Number	Facility	Debtor	Creditor	Claim Amount
8/20/2024	24-55685	Manor at St. Luke Village	Manor at St. Luke Village Facility Operations, LLC	UnitedHealthcare Insurance Company	\$11,390.00
8/25/2024	24-55536	August Nursing & Rehab Center	Augusta Facility Operations, LLC	UnitedHealthcare Insurance Company	\$8,069.81
8/27/2024	24-55759	Skyline Nursing & Rehabilitation Center	Skyline Facility Operations, LLC	UnitedHealthcare Insurance Company	\$6,634.46
8/27/2024	24-55783	Consulate Health Care of Windsor	Windsor Facility Operations, LLC	UnitedHealthcare Insurance Company	\$6,045.81
8/27/2024	24-55621	Walnut Cove Health and Rehabilitation Center	Walnut Cove Healthcare, LLC	UnitedHealthcare Insurance Company	\$6,035.88
8/27/2024	24-55764	Grayson Rehabilitation and Health Care Center	Grayson Facility Operations, LLC	UnitedHealthcare Insurance Company	\$4,307.92
8/27/2024	24-55612	Cary Health and Rehabilitation Center	Cary HealthCare, LLC	UnitedHealthcare Insurance Company	\$4,260.00

² United has not received claim numbers for its filed proofs of claim yet.

8/27/2024	24-55564	Kings Daughters Community Health & Rehab	Kings Daughters Facility Operations, LLC	UnitedHealthcare Insurance Company	\$3,977.92
8/27/2024	24-55722	Newport News Nursing & Rehab	Newport News Facility Operations, LLC	UnitedHealthcare Insurance Company	\$2,827.41
8/27/2024	24-55522	Ashland Nursing & Rehabilitation Center	Ashland Facility Operations, LLC	UnitedHealthcare Insurance Company	\$2,510.94
8/27/2024	24-55636	Wellington Rehabilitation and Healthcare	Wellington HealthCare, LLC	UnitedHealthcare Insurance Company	\$1,760.00
8/28/2024	24-55771	Consulate Health Care of Williamsburg	Williamsburg Facility Operations, LLC	UnitedHealthcare Insurance Company	\$1,231.45
8/28/2024	24-55661	Pheasant Ridge Nursing & Rehab Center	Pheasant Ridge Facility Operations, LLC	UnitedHealthcare Insurance Company	\$1,036.01
8/28/2024	24-55515	The Oaks at Sweeten Creek	Oaks at Sweeten Creek HealthCare, LLC	UnitedHealthcare Insurance Company	\$903.09
8/28/2024	24-55746	Gateway Rehabilitation and Healthcare	Gateway HealthCare, LLC	UnitedHealthcare Insurance Company	\$720.00
8/30/2024	24-55544	Transitional Health Services of Kannapolis	Kannapolis HealthCare, LLC	UnitedHealthcare Insurance Company	\$2,208.00

13. As a result of ongoing submission and adjudication of claims for pre-petition dates of service as well as audits of the payment of claims with a pre-petition date of service, United’s proofs of claim against the Debtors may be amended from time to time over the course of these bankruptcy proceedings.

14. Additionally, the Debtors have continued to operate and to do business with United after the Petition Date. As a result, additional post-petition overpayments may occur and must be reimbursed to United under the Agreements.

D. The Original Contract Assumption Notice

15. On July 23, 2024, Debtors filed *Debtors’ Combined Disclosure Statement and Joint Chapter 11 Plan of Reorganization* [Docket No. 273] (the “Plan”). The Plan proposes a dual-track reorganization, involving either a sale transaction (the “Sale”) whereby the Debtors would sell all, or substantially all, of their assets or a plan transaction encompassing the issuance of new equity interests in the reorganized debtors. The Debtors are currently proceeding with the plan

transaction.³ See Docket No. 404.

16. On July 23, 2024, the Debtors also filed the Original Contract Assumption Notice, identifying, in its Exhibit A, a schedule of executory contracts and unexpired leases that could potentially be assumed and assigned (the “Potential Assumed Contracts”) and the proposed Cure Payments, if any, that the Debtors believe necessary for the assumption and assignment of such Potential Assumed Contract. See Docket No. 274.

17. As set forth below, Exhibit A attached to the Original Contract Assumption Notice identifies United HealthCare Insurance Company as a counterparty to the following contracts, each with a Cure Payment, reflected as a “Proposed Cure Settlement Amount”, as it relates to certain of the Debtors and their facilities. See *id.* The first two contracts listed are the only contracts for which the Debtors included a proposed Cure Payment. All remaining contracts have a Cure Payment of \$0.00. *Id.*

#	Case Number	Debtor	Contract Counterparty	Address	Description	Proposed Cure Settlement Amount
540	24-55507	LaVie Care Centers, LLC	United HealthCare Insurance Company	22561 NETWORK PLACE Chicago, IL, 60527	Facility Participation (Contract No. 13-MAS-UNI-01799; 14-AMD-UNI-01810; 14-AMD-UNI-06133; 14-AMD-UNI-06139; 14-AMD-UNI-21409; 15-AMD-UNI-21410; 17-AMD-UNI-21411; 17-AMD-UNI-21412; 17-AMD-UNI-21413; 19-AMD-UNI-21420; 19-AMD-UNI-21237; 19-AMD-UNI-21414; 19-AMD-UNI-21418; 19-AMD-UNI-21419; 19-AMD-UNI-21421; 20-AMD-UNI-21422)	\$62.00

³ On June 27, 2024, the Court entered an order setting forth the procedures for the debtor to solicit offers for the Sale. See Docket No. 177. However, on September 6, 2024, the Debtors filed a notice informing the court and parties in interest that they had not received any timely, conforming qualified bids by the bid deadline and, as such, Debtors decided to cancel the auction and the sale approval hearing. See Docket No. 404

541	24-55507	LaVie Care Centers, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$62.00
1013	24-55522	Ashland Facility Operations, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
1056	24-55536	Augusta Facility Operations, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
1107	24-55600	Cardinal North Carolina HealthCare, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
1169	24-55612	Cary HealthCare, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
1228	24-55737	Clay County HealthCare, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
1314	24-55580	Emerald Ridge HealthCare, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
1373	24-55726	Forrest Oakes HealthCare, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
1433	24-55746	Gateway HealthCare, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
1472	24-55761	Glenburney HealthCare, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
1518	24-55746	Grayson Facility Operations, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
1561	24-55776	Hilltop Mississippi HealthCare, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
1610	24-55519	Hunter Woods HealthCare, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00

1670	24-55544	Kannapolis HealthCare, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
1726	24-55564	Kings Daughters Facility Operations, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
1910	24-55602	Locust Grove Facility Operations, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
2021	24-55685	Manor at St. Luke Village Facility Operations, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
2074	24-55688	McComb HealthCare, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
2126	24-55722	Newport News Facility Operations, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
2200	24-55728	Norfolk Facility Operations, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
2235	24-55744	Oak Grove HealthCare, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
2296	24-55515	Oaks at Sweeten Creek HealthCare, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
2359	24-55623	Pavilion at St. Luke Village Facility Operations, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
2420	24-55627	Penn Village Facility Operations, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
2489	24-55631	Pennknoll Village Facility Operations, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00

2530	24-55661	Pheasant Ridge Facility Operations, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
2587	24-55724	Riley HealthCare, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
2625	24-55759	Skyline Facility Operations, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
2669	24-55766	Starkville Manor HealthCare, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
2707	24-55573	Valley View HealthCare, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
2758	24-55621	Walnut Cove HealthCare, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
2821	24-55636	Wellington HealthCare, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
2878	24-55665	Westwood HealthCare, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
2936	24-55771	Williamsburg Facility Operations, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
2975	24-55781	Willowbrook HealthCare, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
3038	24-55782	Wilora Lake HealthCare, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
3091	24-55783	Windsor Facility Operations, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
3110	24-55784	Winona Manor HealthCare, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00

3165	24-55787	Woodstock Facility Operations, LLC	UnitedHealthcare Insurance Company	11020 Optum Circle - MN102-0400 Eden Prairie, MN, 55344	Commercial / Medicare / Medicare ISNP / Veteran's Affairs Community Care Network	\$0.00
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18. The Original Contract Assumption Notice provides that to the extent a party in interest disagrees with the proposed Cure Payments, or objects to a proposed assignment to the Successful Bidder of any Executory Contract or Unexpired Lease or disputes the ability of the Successful Bidder to provide adequate assurance of future performance with respect to any Contract, a written objection must be filed by September 5, 2024, at 4:00 p.m. (prevailing Eastern Time) (the “Objection Deadline”).

19. Upon receipt of the Original Contract Assumption Notice, United made its best attempt at identifying its Agreements in the list of Potential Assumed Contracts. However, the Original Contract Assumption Notice does not include descriptions that are adequate enough for United to confirm that the listed contracts are the Agreements. Further, the Cure Payments listed for each of these contracts do not reflect the total amount owed by Debtors to United under any of the Agreements.

20. Prior to the Objection Deadline, United contacted Debtors’ counsel by email to advise that, among other things, there are amounts outstanding for overpayments under the Agreements and that, given the ongoing submission and adjudication of claims, United expects the amounts owed will change over time. In its communication, United requested an extension of time to file an objection to the proposed Cure Payments. The Debtors agreed to provide United with an extension to September 19, 2024, to file an objection or otherwise respond to the proposed Cure Payments while the parties work cooperatively to seek a resolution on these issues.

E. The Revised Assumption Notice

21. On August 28, 2024, the Debtors filed the Revised Assumption Notice. *See* Docket

No. 356. The Revised Assumption Notice removed the contract formerly identified as contract number 540 in the Original Contract Assumption Notice. It is not clear why Debtors removed this contract from the Revised Assumption Notice. Otherwise, Debtors did not include any revisions to the other Potential Assumed Contracts listing United as a counterparty.

22. The Revised Assumption Notice states that it provides a revised list of potentially assumed Executory Contracts and Unexpired Leases and related Cure Payments. *See id.* However, Debtors did not include cure amounts for any of the Potential Assumed Contracts that listed a \$0.00 Cure Payment in the Original Contract Assumption Notice. While the Revised Assumption Notice does not yet reflect the cure amounts owed to United under the Agreements, United and the Debtors continue to discuss the Cure Payments related to the Agreements.

II. LIMITED OBJECTION⁴

23. United hereby objects to the Cure Notices on two grounds. First, it fails to correctly state the cure amounts for the Agreements. Second, to the extent the Cure Notices list any of United's Agreements, the information provided in the Cure Notices is insufficient to allow United to identify any of their additional contracts that may be implicated by the Cure Notices in violation of Fed. R. Bankr. P. 6006(f).

A. If the Debtors Wish to Assume the Agreements, All Outstanding Amounts Owed under the Agreements Must Be Paid.

24. Section 365(b)(1) requires that “[i]f there has been a default in an executory

⁴ Prior to the Debtors' cancellation of the Sale, United filed a *Limited Objection and Reservation of Rights to Debtors' Notice to Contract Parties to Potentially Assumed Executory Contracts and Unexpired Leases and Notice of Revised List of Potentially Assumed Executory Contracts and Unexpired Leases and Related Cure Costs* dated September 5, 2024 [Docket No. 395] (the “Adequate Assurance Objection”), in which United reserved its rights to object to the assumption and assignment of the Agreements (i) to the extent that Debtors sought to assume and assign the Agreements without the provision of adequate assurance that the Successful Bidder would be able to perform thereunder, (ii) to the extent that Debtors sought to bifurcate the Agreements as a part of any of the Sale(s), and (iii) to the extent that Debtors sought to sell accounts receivable free from United's right of recoupment for overpayments under the Agreements. The Adequate Assurance Objection did not address the Cure Payments but reserved United's right to file a written objection to the Cure Payments by United's extended deadline of September 19, 2024.

contract . . . of the debtor, the trustee may not assume such contract . . . unless, at the time of assumption of such contract . . ., the trustee . . . cures, or provides adequate assurance that the trustee will promptly cure, such default” 11 U.S.C. § 365(b)(1). In other words, to assume the Agreements, the Debtors must cure or provide adequate assurance that they will promptly cure any defaults under the Agreements. *See id.* As presently provided in the Cure Notices, the Debtors have failed to meet their obligations under § 365(b). To be clear, United does not object to the assumption of the Agreements, but it objects to the \$0.00 proposed cure amounts by the Debtors. The actual cure amounts owed for services provided to the Debtors must be paid pursuant to 11 U.S.C. § 365 for the Agreements to be assumed.

25. As of approximately September 16, 2024, United has identified an aggregate total of \$63,918.70 of overpayments under the Agreements as reflected in its proofs of claim. United has provided the Debtor with a copy of the proofs of claims related to the Agreements. As noted above, it is expected that this amount will continue to change as (i) the Debtors and United continue to engage in their ongoing business relationship under the Agreements, and (ii) United reviews claims paid for prior months (both pre- and post-petition) and identified instances of overpayments under the terms of the Agreements.

26. Of all the Potential Assumed Contracts listed in the Revised Assumption Notice, Debtors only list a cure amount for two contracts in the amount of \$62.00 each, which does not constitute a full cure of the default under either contract. The Debtors have proposed a \$0.00 cure amount for all other Potential Assumed Contracts listing UnitedHealthcare Insurance Company as a contract counterparty, in violation of § 365(b)(1). *See, e.g., In re Kennesaw Dairy Queen Brazier*, 28 B.R. 535, 536 (Bankr. N.D. Ga. 1983) (“Section 365 does not allow the assumption of an executory contract or unexpired lease with anything less than full cure of all defaults.”).

27. Accordingly, United requests that the Debtors amend the Revised Assumption Notice to include a cure amount reflecting the total outstanding owed under each Potential Assumed Contract.

B. The Cure Notices Fail to Provide an Adequate Description of the Potentially Assumed Contracts.

28. Based on the descriptions provided by the Debtors in the Cure Notices, it is difficult to determine with certainty whether the Potential Assumed Contracts correctly identify the Agreements.

29. Fed. R. Bankr. P. 6006(f) requires, *inter alia*, that any motion to assume an executory contract should list the names of the parties and otherwise identify the corresponding contract. “The general purpose of Rule 6006(f) is to assist the other party to a contract being assumed or assigned in locating relevant information about its contract in the sea of material filed by the debtor.” 10 *Collier on Bankruptcy* (16th ed. 2024) ¶ 6006.05[1][c], p. 6006–23. Here, United has made its best effort to identify contracts designated on the Cure Notices; however, there are a substantial number of contracts for which United was identified as a counterparty on the Cure Notices where United has not been able to identify the corresponding contract. For example, all but one of the contracts have a description stating “Commercial / Medicare / Medicare ISNP / Veteran’s Affairs Community Care Network” but it is not clear whether this description is intended to identify the APPA, the VACCNPA, or any of the state-specific Agreements such as the FLMCD APPA. Debtors have not described any of these contracts as a network agreement, nor have they used another specific identifier that is recognizable to United. United is assuming that these contracts reference the Agreements but, without more information, it cannot fully verify the identity of these contracts.

30. Additionally, it is not clear why the Debtors removed the contract (No. 540) with a

description stating “Facility Participation (Contract No. 13-MAS-UNI-01799; 14-AMD-UNI-01810; 14-AMD-UNI-06133; 14-AMD-UNI-06139; 14-AMD-UNI-21409; 15-AMD-UNI-21410; 17-AMD-UNI-21411; 17-AMD-UNI-21412; 17-AMD-UNI-21413; 19-AMD-UNI-21420; 19-AMD-UNI-21237; 19-AMD-UNI-21414; 19-AMD-UNI-21418; 19-AMD-UNI-21419; 19-AMD-UNI-21421; 20-AMD-UNI-21422)”. United is assuming that this description relates to the Agreements, but United cannot fully verify the identity of this contract without more information because the Debtors’ contract numbers are not familiar to United.

31. Accordingly, United is requesting that Debtors amend the Revised Assumption Notice to include an adequate description of each Potential Assumed Contract that lists United as a counterparty.

III. RESERVATION OF RIGHTS

32. United hereby reserves its right to supplement this Objection, or make such other and further objections as may be appropriate, including (i) modifying the cure amount as additional amounts accrue or are determined to be owing under the Agreements before the effective date of assumption, and (ii) amending this objection to include cure amounts owed under any additional contracts between United and the Debtors that may be identified.

IV. CONCLUSION

WHEREFORE, United respectfully requests that the Court enter an order (i) requiring the payment of the amounts outstanding under the Agreements, to the extent that the Debtors will assume such Agreements, as described herein as part of the cure of defaults under 11 U.S.C. § 365(b), (ii) requiring the Debtors to further describe the contracts designated on the Cure Notice with United as the counterparty for which United has been unable to identify and provide a

reasonable time for United to supplement this Objection to include any amounts due thereunder, and (iii) granting such further relief as the Court deems appropriate.

Dated: September 19, 2024

CAIOLA & ROSE, LLC,

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Insurance Company*

CERTIFICATE OF SERVICE

I, Elizabeth B. Rose, hereby certify that on September 19, 2024, I caused a true and correct copy of the forgoing *Limited Objection to Debtors' Notices of Potentially Assumed Executory Contracts and Related Cure Costs* to be served electronically via the Court's CM/ECF electronic noticing system on all parties registered to receive electronic service in the above cases and via email and first class U.S. Mail on the parties set forth below.

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Dated: September 19, 2024

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