

Background

1. OneCore is a duly licensed hospital that has been specializing in orthopedic and specialty surgeries in the community of central Oklahoma for more than a decade. In late 2021, OneCore completed the construction of its present leased facility in northeast Oklahoma City and has been operating at such location since January 2022.

2. OneCore has focused on a culture of excellence in the delivery of surgical and other health care services such as radiology and orthopedic care with the goal of being one of the top performing surgical hospitals in Oklahoma. In the past four (4) years, OneCore has received many accolades for its excellence and patient care, including the following:

- Healthgrades: Knee Replacement 5-star recipient, 2023 and 2024;
- Healthgrades: Spinal Fusion Surgery 5-star recipient 2021 – 2024;
- Healthgrades: Outstanding Patient Experience 2024; and
- Press Ganey: Guardian of Excellence Award for Outstanding Patient Experience.¹

3. Despite the new hospital and recognition as an esteemed hospital for patient care and focus, difficulties ensued in June of 2022, initially due to the Covid pandemic, with the implementation of a new billing system as the legacy system was sunset by the software provider. This difficult conversion caused disruptions to operations for almost two years as OneCore struggled with calibrating the software, creating appropriate interfaces and then billing/collecting claims. This created several million dollars in lost revenue and difficulty tracking patient claims and accounts receivable during the transition. Due to implementation issues, the hospital could not

¹ The Press Ganey Guardian of Excellence Award® honors organizations that perform in the top 5% of healthcare providers and health plans for patient experience, employee engagement, physician experience, clinical quality performance or consumer experience in one year. Only 501 hospitals and health systems achieved this recognition out of over 10,000.

effectively create patient statements to collect good patient accounts receivable, rendering many of these accounts uncollectible.

4. OneCore continued to fight to resolve billing system issues, and with the help of its management company, began to regain control over the revenue cycle in early 2024. From January through August 2024, the hospital produced break-even results and was beginning to turn the corner toward a pathway to profitability with new physician recruitment.

5. In early September 2024, a former patient obtained a significant jury verdict against the hospital relating to care provided by a physician in 2021. OneCore maintains that the evidence shows that the patient's ongoing injuries were unrelated to the accident. Notwithstanding this evidence, the former patient obtained a judgment in the amount of 15 million dollars, which exceeds the estimated enterprise value of the hospital. OneCore timely has appealed the judgment but was required to initiate this Chapter 11 Case to continue to operate its business, continue to employ its approximately 100 employees, and to maintain the enterprise value of Debtor's assets until a sale pursuant to section 363 of the Bankruptcy Code can be conducted.

6. As of the Petition Date, OneCore employs approximately 60 full-time and 40 contract, or part-time employees.

7. Debtor continues to operate its business and manage its properties as a debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

8. Additional factual background relating to Debtor's business and the commencement of this Chapter 11 Case is set forth in detail in the McEntire Declaration.

Facts Specific to the Relief Requested

1. On the Petition Date, Debtor filed the First Day Motions seeking relief that is essential to the (i) continued operation of Debtor's business, (ii) preservation of Debtor's estate, and (iii) effective and efficient administration of the bankruptcy case.

2. The First Day Motions seek emergency relief related to Debtor's financing needs, cash management systems, employee programs, utilities services, relationships with critical vendors, and the efficient administration of Debtor's chapter 11 case.

3. Each of the First Day Motions requests relief essential to the continued operation and success of Debtor, and therefore the First Day Motions should be heard and considered on an emergency basis. The First Day Motions seek relief typical of a chapter 11 case of similar size and complexity to that of Debtor's chapter 11 case.

4. The Bankruptcy Court's immediate consideration of the First Day Motions is crucial to Debtor's survival and success during this Chapter 11 Case. If the First Day Motions are not immediately heard, Debtor runs the risk of losing its employees, and failing to make progress that is essential to its success in this Chapter 11 Case, including, without limitation, jeopardizing its ability to successfully reorganize.

5. In light of the necessity for immediate hearing, Debtor requests that, pursuant to Rule 9006(c), the time for responding to the First Day Motions be shortened and that the First Day Motions be set for hearing on October 10, 2024 at 10:00 a.m.

6. Debtor intends to seek a mixture of interim and final relief as to the First Day Motions. The nature of the relief sought is identified as to each Motion below:

**Emergency Motions as to which Entry of an Interim Order
at the First Day Hearing Is Requested**

a. *Debtor's Emergency Motion for Entry of Interim and Final Orders, Pursuant to 11 U.S.C. §§ 105, 345, 363, 364, and 503, Authorizing Debtor to Continue (I) to*

Operate Its Cash Management System, Maintain Existing Bank Accounts and Business Forms, and (II) Granting Related Relief [Doc. __]²;

b. *Debtor's Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Payment of Prepetition Claims of Critical Vendors and (II) Authorizing the Payment of Outstanding Orders [Doc. __];*

c. *Debtor's Emergency Motion for Interim and Final Orders (I) Prohibiting Utility Companies from Altering, Refusing or Discontinuing Service, (II) Deeming Utility Companies to Have Adequate Assurance of Payment, (III) Establishing Procedures for Resolving Requests for Additional Assurance, and (IV) Granting Related Relief [Doc. __];*

d. *Debtor's Emergency Motion for Order Under 11 U.S.C. §§ 105, 363 and 507, (I) Authorizing Payment of Prepetition Employee Obligations and Related Amounts, (II) Confirming Right of Debtor to Continue Employee Programs on Postpetition Basis, and (III) Confirming Right of Debtor to Pay Withholding and Payroll-Related Taxes [Doc. __]; and*

e. *Debtor's Emergency Motion for Entry of Interim and Final Orders, Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 503, 506, and 507, (I) Authorizing the Use of Cash Collateral, (II) Granting Adequate Protection, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (VI) Granting Related Relief [Doc. __].*

f. *Debtor's Emergency Motion for Entry of an Order (I) Authorizing Debtor to Redact Personally Identifiable Information for Certain Individual Creditors and Parties in Interest, (II) Authorizing Procedures to Maintain and Protect Confidential Patient Information, and (III) Granting Related Relief [Doc. __].*

² Per Local Rules, documents to be filed after entry of the requested order.

g. *Debtor's Motion for Entry of an Order (I) Authorizing Debtor to (A) Continue Insurance Coverage Entered Into Prepetition and Satisfy Prepetition Obligations Related Thereto, (B) Renew, Amend, Supplement, Extend, or Purchase Insurance Policies, (C) Honor the Terms of the Premium Financing Agreement and Pay Premiums Thereunder, (D) Enter Into New Premium Finance Agreements in the Ordinary Course of Business, (II) Authorizing Banks to Honor and Process Check and Electronic Transfer Requests Related Thereto, and (III) Granting Related Relief* [Doc. ___].

7. Debtor further requests that the Court approve the form and manner of notice to be provided by Debtor of the First Day Hearing and the objection deadline applicable to the First Day Motions. Debtor requests that the Court determine that the proposed Notice of Hearing to Consider First Day Motions, attached hereto as Exhibit 3, provides adequate and sufficient notice of the First Day Hearing and the objection deadline applicable to the First Day Motions, and no other or further notice needs to be provided. Debtor further requests that the Court find and determine that the manner and scope of notice set forth in the Proposed Order is adequate and sufficient, and no other or further notice needs to be provided.

Notice

8. No creditors' committee, trustee, or examiner has been appointed in this Chapter 11 Case. Notice of this Application is being provided, via e-mail, facsimile, or overnight delivery, to: (a) the United States Trustee for the Western District of Oklahoma (the "U.S. Trustee"); (b) the United States Attorney's Office for the Western District of Oklahoma; (c) the Internal Revenue Service; (d) counsel to BOKF, N.A.; (e) the parties identified on Debtor's list of 20 largest unsecured creditors; and (f) any other party that has requested notice pursuant to Bankruptcy Rule 2002. Debtor submits that, in light of the expedited nature of the relief requested

and the irreparable harm to Debtor if the relief requested is not granted on an *ex parte* basis, no other or further notice need be provided.

Conclusion

WHEREFORE, for the reasons set forth herein, Debtor respectfully requests that the Court (a) enter the Proposed Order and (b) grant such other and further relief as is just and proper.

Dated: October 7, 2024

Respectfully submitted,

ONECORE

/s/Craig M. Regens

William H. Hoch, OBA #15788

Craig M. Regens, OBA #22894

Mark A. Craige, OBA #1992

Kaleigh M. Ewing, OBA #35598

-Of the Firm-

CROWE & DUNLEVY

A Professional Corporation

Braniff Building

324 N. Robinson Ave., Suite 100

Oklahoma City, OK 73102-8273

(405) 235-7700

will.hoch@crowedunlevy.com

craig.regens@crowedunlevy.com

mark.craige@crowedunlevy.com

Kaleigh.ewing@crowedunlevy.com

Proposed Counsel to Debtor

EXHIBIT 1

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA**

<hr/>		X
In re	:	
	:	Chapter 11
HOSPITAL FOR SPECIAL SURGERY, LLC	:	
<i>Db</i> a ONECORE HEALTH,	:	Case No. 24-12862-JDL
	:	
Debtor.	:	
<hr/>		X

ORDER GRANTING DEBTOR’S EMERGENCY APPLICATION FOR EXPEDITED HEARING AND TO SHORTEN TIME TO RESPOND TO FIRST DAY MOTIONS

Upon the Application (the “Application”)³ of Hospital for Special Surgery, LLC *dba* OneCore Health (“OneCore” or “Debtor”), as debtor-in-possession in the above-referenced chapter 11 case, for entry of an order (this “Order”), pursuant to rule 9006 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and rule 9006-1 of the Local Bankruptcy Rules for the Western District of Oklahoma (the “Local Bankruptcy Rules”), shortening the time to

³ All defined terms shall have the meaning ascribed to them in the Application unless otherwise defined herein.

respond to the First Day Motions and setting a hearing on the First Day Motions (the “First Day Hearing”); and this Court finding that, the exigencies of the case require that this Order be entered *ex parte*, and that, thus, under the circumstances, proper and adequate notice of the Motion and the relief requested therein has been provided in accordance with the Bankruptcy Rules and the Local Bankruptcy Rules, and that, except as otherwise ordered herein, no other or further notice is necessary; and this Court having found and determined that the relief sought in the Application is in the best interests of Debtor, its estate, its creditors and all other parties-in-interest; and that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Application is GRANTED as further set forth herein.
2. A hearing on the First Day Motions shall be conducted on the 10th day of October, 2024, at 10:00 a.m. before the Honorable Janice D. Loyd, in the second floor courtroom of the United States Bankruptcy Court for the Western District of Oklahoma, 215 Dean A. McGee Ave., Oklahoma City, Oklahoma 73102.
3. Responses or objections, if any, to the First Day Motions shall be filed no later than 12:00 p.m. on October 9, 2024.
4. The First Day Hearing shall be an interim hearing to consider entry of the proposed interim orders granting the following First Day Motions:
 - a. *Debtor’s Emergency Motion for Entry of Interim and Final Orders, Pursuant to 11 U.S.C. §§ 105, 345, 363, 364, and 503, Authorizing Debtor to Continue (I) to Operate Its Cash Management System, Maintain Existing Bank Accounts and Business Forms, and (II) Granting Related Relief Debtor’s Emergency Motion for Entry of Interim and Final Orders (i) Authorizing the Payment of Prepetition Claims of Critical Vendors and (ii) Authorizing the Payment of Outstanding Orders [Doc. __];*

- b. *Debtor's Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Payment of Prepetition Claims of Critical Vendors and (II) Authorizing the Payment of Outstanding Orders [Doc. __];*
- c. *Debtor's Emergency Motion for Interim and Final Orders (I) Prohibiting Utility Companies from Altering, Refusing or Discontinuing Service, (II) Deeming Utility Companies to Have Adequate Assurance of Payment, (III) Establishing Procedures for Resolving Requests for Additional Assurance, and (IV) Granting Related Relief [Doc. __];*
- d. *Debtor's Emergency Motion for Order Under 11 U.S.C. §§ 105, 363 and 507, (I) Authorizing Payment of Prepetition Employee Obligations and Related Amounts, (II) Confirming Right of Debtor to Continue Employee Programs on Postpetition Basis, and (III) Confirming Right of Debtor to Pay Withholding and Payroll-Related Taxes [Doc. __];*
- e. *Debtor's Emergency Motion for Entry of Interim and Final Orders, Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 503, 506, and 507, (I) Authorizing the Use of Cash Collateral, (II) Granting Adequate Protection, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (VI) Granting Related Relief [Doc. __];*
- f. *Debtor's Emergency Motion for Entry of an Order (I) Authorizing Debtor to Redact Personally Identifiable Information for Certain Individual Creditors and Parties in Interest, (II) Authorizing Procedures to Maintain and Protect Confidential Patient Information, and (III) Granting Related Relief [Doc. __];*
- g. *Debtor's Motion for Entry of an Order (I) Authorizing Debtor to (A) Continue Insurance Coverage Entered Into Prepetition and Satisfy Prepetition Obligations Related Thereto, (B) Renew, Amend, Supplement, Extend, or Purchase Insurance Policies, (C) Honor the Terms of the Premium Financing Agreement and Pay Premiums Thereunder, (D) Enter Into New Premium Finance Agreements in the Ordinary Course of Business, (II) Authorizing Banks to Honor and Process Check and Electronic Transfer Requests Related Thereto, and (III) Granting Related Relief [Doc. __];*

5. Debtor is directed to serve the Notice of the First Day Hearing (the "Notice"), substantially in the form set forth in Exhibit 2 of the Application, setting forth the response deadline and the hearing date, on the notice recipients who were provided notice of the Application

via overnight delivery, facsimile, or email. Service of the Notice in such manner is adequate and sufficient under the Bankruptcy Rules and the Local Bankruptcy Rules, and no other or further notice of the First Day Hearing or the response deadline applicable to the First Day Motions shall be required.

6. Findings of fact are based upon representations of counsel. Local Rule 9013-1(L)(1)(a).

IT IS SO ORDERED.

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Approved for Entry:

ONECORE

/s/Craig M. Regens

William H. Hoch, OBA #15788

Craig M. Regens, OBA #22894

Mark A. Craige, OBA #1992

Kaleigh Ewing, OBA #35598

-Of the Firm-

CROWE & DUNLEVY

A Professional Corporation

Braniff Building

324 N. Robinson Ave., Suite 100

Oklahoma City, OK 73102-8273

(405) 235-7700

will.hoch@crowedunlevy.com

craig.regens@crowedunlevy.com

mark.craige@crowedunlevy.com

kaleigh.ewing@crowedunlevy.com

Proposed Counsel to Debtor

EXHIBIT 2

Proposed Notice of Hearing to Consider First Day Motions

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA**

In re	X	
	:	
	:	Chapter 11
HOSPITAL FOR SPECIAL SURGERY, LLC	:	
<i>Db</i> a ONECORE HEALTH,	:	Case No. 24-12862-JDL
	:	
Debtor.	:	
	:	
	X	

NOTICE OF HEARING TO CONSIDER FIRST DAY MOTIONS

PLEASE TAKE NOTICE that on October 7, 2024, Hospital for Special Surgery, LLC *dba* OneCore Health (“OneCore” or “Debtor”) filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) with the United States Bankruptcy Court for the Western District of Oklahoma (the “Bankruptcy Court”).

PLEASE TAKE FURTHER NOTICE that Debtor continues to operate its business and manage its properties as debtor and debtor-in-possession, pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

PLEASE TAKE FURTHER NOTICE that a hearing (the “First Day Hearing”) will be held before the Honorable Janice D. Loyd, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Western District of Oklahoma, United States Bankruptcy Court for the Western District of Oklahoma, 215 Dean A. McGee Ave., Oklahoma City, Oklahoma 73102 on **October 10, 2024 at 10:00 a.m. (CDT)** on the following motions requesting certain “first day” relief (collectively, the “First Day Motions”), which were filed by Debtor in connection with its chapter 11 case (the “Chapter 11 Case”):

Dkt. No.	FIRST DAY MOTIONS
	Debtor's Emergency Motion for Entry of Interim and Final Orders, Pursuant to 11 U.S.C. §§ 105, 345, 363, 364, and 503, Authorizing Debtor to Continue (I) to Operate Its Cash Management System, Maintain Existing Bank Accounts and Business Forms, and (II) Granting Related Relief
	Debtor's Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Payment of Prepetition Claims of Critical Vendors and (II) Authorizing the Payment of Outstanding Orders
	Debtor's Emergency Motion for Interim and Final Orders (I) Prohibiting Utility Companies from Altering, Refusing or Discontinuing Service, (II) Deeming Utility Companies to Have Adequate Assurance of Payment, (III) Establishing Procedures for Resolving Requests for Additional Assurance, and (IV) Granting Related Relief
	Debtor's Emergency Motion for Order Under 11 U.S.C. §§ 105, 363 and 507, (I) Authorizing Payment of Prepetition Employee Obligations and Related Amounts, (II) Confirming Right of Debtor to Continue Employee Programs on Postpetition Basis, and (III) Confirming Right of Debtor to Pay Withholding and Payroll-Related Taxes
	Debtor's Emergency Motion for Entry of Interim and Final Orders, Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 503, 506, and 507, (I) Authorizing the Use of Cash Collateral, (II) Granting Adequate Protection, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (VI) Granting Related Relief
	Debtor's Emergency Motion for Entry of an Order (I) Authorizing Debtor to Redact Personally Identifiable Information for Certain Individual Creditors and Parties in Interest, (II) Authorizing Procedures to Maintain and Protect Confidential Patient Information, and (III) Granting Related Relief
	Debtor's Motion for Entry of an Order (I) Authorizing Debtor to (A) Continue Insurance Coverage Entered Into Prepetition and Satisfy Prepetition Obligations Related Thereto, (B) Renew, Amend, Supplement, Extend, or Purchase Insurance Policies, (C) Honor the Terms of the Premium Financing Agreement and Pay Premiums Thereunder, (D) Enter Into New Premium Finance Agreements in the Ordinary Course of Business, (II) Authorizing Banks to Honor and Process Check and Electronic Transfer Requests Related Thereto, and (III) Granting Related Relief

PLEASE TAKE FURTHER NOTICE that responses or objections to any First Day Motion must be filed on or before October 9, 2024 at 12:00 p.m.

Copies of the First Day Motions and the *Declaration of Carrie McEntire in Support of Debtor's First Day Pleadings* [Dkt. No.] (the "McEntire Declaration") may be downloaded via ECF or PACER. Please note that prior registration with the PACER Service Center and payment

of a fee may be required to access such documents. Additionally, copies of such documents are available free of charge via the case website maintained by Debtor's proposed claims and noticing agent, Verita Global (<https://www.veritaglobal.net/OneCore>).

Dated: October 7, 2024

Respectfully submitted,

ONECORE

/s/Craig M. Regens

William H. Hoch, OBA #15788

Craig M. Regens, OBA #22894

Mark A. Craige, OBA #1992

Kaleigh Ewing, OBA #35598

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Oklahoma City, OK 73102-8273

(405) 235-7700

will.hoch@crowedunlevy.com

craig.regens@crowedunlevy.com

mark.craige@crowedunlevy.com

kaleigh.ewing@crowedunlevy.com

Proposed Counsel to Debtor