

**Dated: November 1, 2024**

**The following is ORDERED:**



Janice D. Loyd  
U.S. Bankruptcy Judge

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

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

**FINAL ORDER GRANTING DEBTOR’S FIRST AMENDED 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**

Upon the motion (the “Motion”)<sup>1</sup> of Hospital for Special Surgery, LLC *dba* OneCore Health (“OneCore” or “Debtor”) for entry of an Interim Order and a final order (this “Final Order”) pursuant to sections 105(a) and 366 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.*

<sup>1</sup> Capitalized terms not otherwise defined herein are to be given the meanings ascribed to them in the Motion.



(the “Bankruptcy Code”), and rule 9013-1 of the Local Rules for the United States Bankruptcy Court for the Western District of Oklahoma (the “Local Bankruptcy Rules”), (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; and this Court having jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334 and rule 81.4 of the Local Civil Rules of the United States District Court for the Western District of Oklahoma; and venue of this chapter 11 case and the Motion in this district being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this matter being a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having found that the Motion was filed on October 7, 2024, and served on or before October 7, 2024 and that the final response deadline to the Motion expired on November 1, 2024; and objections (if any) to the Motion having been withdrawn, resolved or overruled on the merits; and this Court having found that proper and adequate notice of the Motion and the relief requested therein has been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 of the United States Bankruptcy Court for the Western District of Oklahoma, and that, except as otherwise ordered herein, no other or further notice is necessary; and a hearing having been held to consider the relief requested in the Motion and upon the record of the hearing and all of the proceedings had before this Court; and this Court having found and determined that the relief sought in the Motion is in the best interests of the Debtor, its estate, its creditors and all other parties-in-interest; and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein on a final basis.

2. Debtor is authorized to pay on a timely basis, in accordance with its prepetition practices, all undisputed invoices for Utility Services rendered by the Utility Companies to Debtor after the Petition Date.

3. Subject to the Adequate Assurance Procedures set forth below, no Utility Company may (a) alter, refuse, terminate, or discontinue Utility Services to, or discriminate against, Debtor on the basis of the commencement of this Chapter 11 Case or on account of outstanding prepetition invoices, or (b) require additional assurance of payment, other than the Adequate Assurance Deposit, as a condition to Debtor receiving such Utility Services; *provided* that no Utility Company will be bound by the terms of this Interim Order until such Utility Company receives notice of this Interim Order.

4. The existence of ACH Agreements is found to be adequate assurance of future payment as required by section 366 of the Bankruptcy Code with respect to such Utility Companies as to which Debtor has executed ACH Agreements.

5. As to non-ACH Utilities, Debtor's the Adequate Assurance Deposit into the Adequate Assurance Deposit Account for the benefit of each of the Non-ACH Utilities in an amount equal to the cost of one month's Utility Services, calculated using the historical average for such payments during the past 12 months in the estimated amount of \$23,000 shall constitute adequate assurance of future payment of the Non-ACH Utilities as required by section 366 of the Bankruptcy Code.

6. No liens shall attach to the Adequate Assurance Deposit Account, except as to any reversionary interest of Debtor.

7. The following Adequate Assurance Procedures are hereby approved on an interim basis:

- (a) If a Utility Company is not satisfied with the Proposed Adequate Assurance and seeks additional assurance of payment in the form of a deposit, letter of credit, prepayment, or otherwise, it must serve a request (an “Additional Assurance Request”) upon (i) Debtor, [insert Debtor address], Attn: Kyle Pewitt; and (ii) proposed counsel to Debtor (a) Crowe & Dunlevy, Braniff Building, 324 N. Robinson Ave., Suite 100, Oklahoma City, OK 73102, Attn: William H. Hoch (will.hoch@crowedunlevy.com) and Craig M. Regens (craig.regens@crowedunlevy.com) (b) McEntire Advisory, PLLC, 13701 S. Santa Fe Ave., Suite B, Attn: Carrie McEntire (carrie@mcentireadvisory.com) and Carol E. Cox (ccox@ycst.com) (collectively, the “Notice Parties”);
- (b) Each Additional Assurance Request must (i) be made in writing; (ii) set forth all location(s) for which Utility Services are provided and the relevant account number(s); (iii) include a summary of Debtor’s payment history relevant to the affected account(s); (iv) describe any deposits or other security currently held by the requesting Utility Provider; and (v) identify and explain the basis of the Utility Provider’s proposed adequate assurance requirement under section 366(c)(2) of the Bankruptcy Code;
- (c) Upon the Notice Parties’ receipt of an Additional Assurance Request at the addresses set forth in subparagraph (a) above, Debtor shall promptly negotiate with such Utility Provider to resolve such Utility Provider’s Additional Assurance Request;
- (d) If Debtor determines that a timely received Additional Assurance Request is not reasonable and is unable to reach an alternative resolution with the applicable Utility Provider (each, an “Adequate Assurance Dispute”), Debtor shall, upon reasonable notice, schedule the matter for hearing to determine the adequacy of assurance of payment pursuant to section 366(c)(3) of the Bankruptcy Code (a “Determination Hearing”);
- (e) Pending resolution of any such Adequate Assurance Dispute, any such Utility Provider shall be prohibited from altering, refusing, or discontinuing service to Debtor on account of unpaid charges for prepetition services, the filing of the Chapter 11 Case or any objection to the adequacy of the Proposed Adequate Assurance;
- (f) Debtor may, in its discretion, resolve any Adequate Assurance Dispute by mutual agreement with the requesting Utility Provider without further notice to the Court or any other party-in-interest and may, in connection with any such agreement, provide a Utility Provider with additional adequate assurance of future payment, including, but not limited to, a cash deposit, prepayment, letter of credit, or other form of security, without further order of the Court to the extent Debtor believes that such additional assurance is reasonable in the exercise of its business judgment

and Debtor may, by mutual agreement with the objecting Utility Provider and without further order of the Court, reduce the Adequate Assurance Deposit by an amount not exceeding the requesting Utility Provider's estimated two-week utility expense; and

- (g) The portion of the Adequate Assurance Deposit attributable to each Utility Provider may be returned to Debtor, without further order of the Court, on the earlier of (i) the reconciliation and payment by Debtor of the Utility Provider's final invoice following Debtor's termination of Utility Services from such Utility Provider, provided that such Utility Provider does not dispute that it has been paid in full for postpetition services and (ii) the effective date of any chapter 11 plan in this Chapter 11 Case.

8. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in the Interim Order or this Final Order shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against Debtor under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of Debtor's or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in the Interim Order, this Final Order or the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of Debtor's estate; (g) a waiver or limitation of Debtor's, or any other party in interest's rights under the Bankruptcy Code or any other applicable law; or (h) a concession by Debtor that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in the Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

9. Notwithstanding the relief granted in the Interim Order or this Final Order, any payment made or to be made by Debtor pursuant to the authority granted herein shall be subject to and in compliance with the Approved Budget and in accordance with the Interim Cash Collateral Order and the Final Cash Collateral Order.

10. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective upon its entry.

11. Debtor is authorized to take all actions necessary to effectuate the relief granted in the Interim Order and this Final Order in accordance with the Motion.

12. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of the Interim Order and this Final Order.

13. Findings of fact are based on representations of counsel.

14. Debtor shall serve this Order on parties in interest appearing on the Distribution Service List in accordance with, and as such term is defined in, the *Order Authorizing Limited Notice and Establishing Notice Procedures* [Dkt. No. 9].

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

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***Proposed Counsel to Debtor***