

So Ordered.

Docket #2442 Date Filed: 04/13/2021



Whitman L. Holt
Bankruptcy Judge

Dated: April 13th, 2021

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

IN RE:

ASTRIA HEALTH, et al.,

Debtors and Debtors in
Possession.¹

Chapter 11

Lead Case No. 19-01189-11

Jointly Administered

**ORDER SUSTAINING REORGANIZED
DEBTORS' NOTICE OF TREATMENT OF
ACTIVE EMPLOYEE PRIORITY CLAIMS
AND, TO THE EXTENT APPLICABLE,
OMNIBUS OBJECTION THERETO**

[Re: Docket Nos. 2389, 2440]

¹ The Debtors, along with their case numbers, are as follows: Astria Health (19-01189-11), Glacier Canyon, LLC (19-01193-11), Kitchen and Bath Furnishings, LLC (19-01194-11), Oxbow Summit, LLC (19-01195-11), SHS Holdco, LLC (19-01196-11), SHC Medical Center - Toppenish (19-01190-11), SHC Medical Center - Yakima (19-01192-11), Sunnyside Community Hospital Association (19-01191-11), Sunnyside Community Hospital Home Medical Supply, LLC (19-01197-11), Sunnyside Home Health (19-01198-11), Sunnyside Professional Services, LLC (19-01199-11), Yakima Home Care Holdings, LLC (19-01201-11), and Yakima HMA Home Health, LLC (19-01200-11).

ORDER SUSTAINING OMNIBUS
OBJECTION TO ACTIVE
EMPLOYEE CLAIMS

US. Active\118013192\V-1



Los Angeles, CA 90011
T 213-623-9300 / F 213-623-9224 / T 200-292-2110 / F 200-292-2104

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1 Upon the *Reorganized Debtors' Notice of Treatment of Active Employee*
2 *Priority Claims and, to the Extent Applicable, Omnibus Objection Thereto*
3 [Docket No. 2389] (the "Objection"),¹ filed by Astria Health ("Astria"), SHC
4 Medical Center - Yakima, formerly an operating hospital ("ARMC"), SHC
5 Medical Center - Toppenish, doing business as Astria Toppenish Hospital
6 ("Toppenish"), Sunnyside Community Hospital Association ("Sunnyside"), all
7 Washington nonprofit corporations under § 501(c)(3) of title 26 of the United
8 States Code, and along with the above-referenced affiliated debtors (collectively,
9 the "Reorganized Debtors"), formerly the debtors and debtors in possession (as
10 such, the "Debtors") in the above-captioned chapter 11 bankruptcy cases
11 (collectively, the "Chapter 11 Cases"), seeking to disallow the proofs of claim set
12 forth on Exhibit A thereto, all as set forth in the Objection and the Gibbons
13 Declaration; and it appearing that this court has jurisdiction over this matter
14 pursuant to 28 U.S.C. §§ 1334(b) and 157; and that venue of these Chapter 11
15 Cases and the Objection in this district is proper pursuant to 28 U.S.C. §§ 1408
16 and 1409; and that the Objection is a core proceeding pursuant to 28 U.S.C. §
17 157(b); and that due and adequate notice of the Objection having been given
18 under the circumstances; and this court having considered the Objection, the
19 Gibbons Declaration, ~~the Claims, any Responses,~~ and the *Certification of Counsel*

20 ¹ Capitalized terms used in this Order but not otherwise defined herein shall have the meanings
21 ascribed to such terms in the Objection.

ORDER SUSTAINING OMNIBUS
OBJECTION TO ACTIVE
EMPLOYEE CLAIMS

DENTONS US LLP BUSH KORNFELD LLP
SUITE 2500 LAW OFFICES

601 South Figueroa Street 601 Union Street, Suite 5000
Los Angeles, California 90017-5704 Seattle, Washington 98101-2373
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1 *Regarding No Unresolved Responses and Request for Entry of an Order*
2 *Sustaining Reorganized Debtors' Notice of Treatment of Active Employee*
3 *Priority Claims and, to the Extent Applicable, Omnibus Objection Thereto*
4 [Docket No. 2440] (the "Certification"), and any responses to the Objection; and
5 upon the record herein; and after due deliberation thereon and good and sufficient
6 cause appearing thereof; it is hereby

7 **ORDERED, ADJUDGED, AND DECREED THAT:**

8 1. The Objection is sustained as set forth herein.

9 2. The Claims listed on Exhibit A to this Order (the "Disallowed
10 Claims"), which reflects the modification made by the Certification, are hereby
11 disallowed in their entirety.

12 3. The Clerk of the Court and any applicable third-party claims
13 agent is authorized and directed to expunge the Disallowed Claims from the
14 Claims Register to reflect the relief granted by this Order.

15 4. The Reorganized Debtors and the GUC Distribution Trustee shall
16 retain and shall have the right to seek to amend, modify, and/or supplement this
17 Order as may be necessary.

18 5. Notwithstanding the relief granted in this Order or any actions taken
19 pursuant to such relief, nothing in this Order shall (a) constitute an allowance of any
20 GUC of the affected employees not otherwise previously allowed; or (b) be deemed

21 ORDER SUSTAINING OMNIBUS
OBJECTION TO ACTIVE
EMPLOYEE CLAIMS

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1 a waiver of any of the Reorganized Debtors' and the GUC Distribution Trustee's
2 rights, claims, defenses, causes of action and/or objections, including, without
3 limitation, objections to any general unsecured claims asserted by such employees,
4 which are expressly reserved and hereby preserved.

5 6. Notwithstanding the possible applicability of Bankruptcy Rules
6 6004(h), 7062, 9014 or otherwise, the terms and conditions of this Order shall be
7 immediately effective and enforceable upon its entry.

8 7. This court shall retain jurisdiction over all affected parties with
9 respect to any matters, claims or rights arising from or related to the
10 implementation and interpretation of this Order.

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Presented by:

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* Changes made by court

ORDER SUSTAINING OMNIBUS
OBJECTION TO ACTIVE
EMPLOYEE CLAIMS

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EXHIBIT A

Exhibit A: Schedule of Active Employee/Provider Claims

The Reorganized Debtors seek disallowance of the following claims filed by active employees and providers for wages, paid time off (PTO), reimbursement of expenses, or other benefits, which have been satisfied and/or rolled forward with their employment in accordance with their employment terms, and any related duplicative claims. The request and basis pertain only to the Claims listed in this schedule, and may not be extrapolated to any other claims, whether filed or not filed.

	Claimant Name and Number¹	Claim Number¹	Filed Claim Amount and Priority		Request and Basis
1.	M. Aguilar 4138557	627	\$3,671.95	P	Disallow - Active employee roll-forward
2.	W. Alvarez 4137662	586	\$1,690.92	P	Disallow - Active employee roll-forward
3.	L. Bailey 4138501	619	\$1,679.18	P	Disallow - Active employee roll-forward
4.	M. Barrera 4138516	620	\$1,851.36	P	Disallow - Active employee roll-forward
5.	C. Bofman 4137003	557	\$22,759.83	P	Disallow - Active employee roll-forward
6.	V. Bremjit 4083074	455	\$985.00	P	Disallow – Paid
7.	M. Brizuela 4113016	574	\$30,937.59	P	Disallow - Active employee roll-forward
8.	T. Brown 4138079	593	\$9,458.00	P	Disallow - Active employee roll-forward
9.	T. Bryson 4138214	596	\$2,150.69	P	Disallow - Active employee roll-forward

¹ Unless otherwise indicated, claimant and claim numbers refer to official claims register maintained in Case No. 19-01189 (Astria Health).

	Claimant Name and Number¹	Claim Number¹	Filed Claim Amount and Priority		Request and Basis
10.	M. Calkins 4137131	567	\$6,753.57	P	Disallow - Active employee roll-forward
11.	M. Carbajal 4137127	564	\$2,126.07	P	Disallow - Active employee roll-forward
12.	B. Carranza 4137661	582	\$1,047.92	P	Disallow - Active employee roll-forward
13.	B. Cendejas 4138723	645	\$1,472.19	P	Disallow - Active employee roll-forward
14.	S. Cerda 4137034	559	\$2,795.74	P	Disallow - Active employee roll-forward
15.	J. Correa 4137468	576	\$20,310.52	P	Disallow - Active employee roll-forward
16.	S. Cortez 4137251	571	\$8,456.32	P	Disallow - Active employee roll-forward
17.	C. Damron 4136955	552	\$10,179.10	P	Disallow - Active employee roll-forward
18.	X. Diaz 4137277	573	\$3,072.65	P	Disallow - Active employee roll-forward
19.	R. Dominguez 4137664	588	\$1,157.76	P	Disallow - Active employee roll-forward
20.	S. Farias 4139275	653	\$2,075.61	P	Disallow - Active employee roll-forward
21.	A. Garcia 4137666	590	\$86,816.73	P	Disallow - Active provider roll-forward
22.	M. Gardner 4113117	581	\$23,949.00	P	Disallow - Active employee roll-forward
23.	R. Gonzalez 4136902	550	\$7,245.84	P	Disallow - Active employee roll-forward
24.	M. Gonzalez-Sanchez 4137154	568	\$1,276.63	P	Disallow - Active employee roll-forward

	Claimant Name and Number¹	Claim Number¹	Filed Claim Amount and Priority		Request and Basis
25.	C. Goulet 4136885	542	\$28,540.70	P	Disallow - Active employee roll-forward
26.	A. Greenwald 4081200	448	\$1,680.09	P	Disallow - Paid
27.	A. Greenwald 4081201 ²	87 ²	\$1,680.09	P	Disallow - Multidebtor Duplicate of 448
28.	C. Grotewold 4137539	579	\$3,092.98	P	Disallow - Active employee roll-forward
29.	S. Heflick 4084997	457	\$835.00	P	Disallow - Paid
30.	M. Herrera 4138429	616	\$2,146.50	P	Disallow - Active employee roll-forward
31.	[removed]				
32.	S. Hoffer 4136901	549	\$7,152.22	P	Disallow - Active employee roll-forward
33.	L. Hoffert 4137269	572	\$22,447.51	P	Disallow - Active employee roll-forward
34.	V. Humphries 4110584	500	\$4,530.63	P	Disallow - Active employee roll-forward
35.	M. Izzi 4138562	632	\$2,508.00	P	Disallow - Active employee roll-forward
36.	M. Jimenez 4138571	635	\$13,841.40	P	Disallow - Active employee roll-forward

² Claim filed in Case No. 19-01192 (SHC Medical Center - Yakima).

	Claimant Name and Number¹	Claim Number¹	Filed Claim Amount and Priority		Request and Basis
37.	R. Jimenez ³ 4062778	646	\$4,328.01	P	Disallow - Active employee roll-forward
38.	S. Johnson 4137669	583	\$5,214.86	P	Disallow - Active employee roll-forward
39.	S. Kephart 4138574	636	\$8,652.54	P	Disallow - Active employee roll-forward
40.	A. Kim 4136877	541	\$1,976.29	P	Disallow - Paid
41.	B. Leija 4139272	656	\$13,577.73	P	Disallow - Active employee roll-forward
42.	C. Leishman 4136900	548	\$24,609.58	P	Disallow - Active employee roll-forward
43.	M. Licea 4137040	562	\$18,306.13	P	Disallow - Active employee roll-forward
44.	R. Lilienthal 4138523	624	\$8,747.70	P	Disallow - Active employee roll-forward
45.	M. Lindberg 4136980	556	\$2,315.15	P	Disallow - Active employee roll-forward
46.	Q. Lu 4063289	205	\$1,388.00	P	Disallow - Paid
47.	M. Macias 4136893	544	\$4,202.00	P	Disallow - Active employee roll-forward
48.	A. Madej	625	\$13,650.00	P	Disallow - Active provider roll-forward

³ The claims register reflects the Claimant's name and address as Astria Health, John Gallagher, 900 W Chestnut Avenue, Yakima, WA 98902, which belong to the Debtors. For the purpose of complete notice, the name and address included in this schedule are taken from the Claim's signature page.

	Claimant Name and Number ¹	Claim Number ¹	Filed Claim Amount and Priority		Request and Basis
	4138524		\$2,060.41	GUC	
49.	M. Madrigal 4138738	650	\$3,513.60	P	Disallow - Active employee roll-forward
50.	A. Martinez 4138572	634	\$1,375.20	P	Disallow - Active employee roll-forward
51.	M. Martinez 4137130	566	\$5,200.02	P	Disallow - Active employee roll-forward
52.	G. Mejia 4137240	570	\$1,373.76	P	Disallow - Active employee roll-forward
53.	A. Mendez 4138761	651	\$2,436.19	P	Disallow - Active employee roll-forward
54.	M. Mendoza 4141097	661	\$4,675.73	P	Disallow - Active employee roll-forward
55.	M. Montelongo 4139775	659	\$569.86	P	Disallow - Active employee roll-forward
56.	V. Morales 4137535	578	\$250.42	P	Disallow - Active employee roll-forward
57.	E. Montelongo 4136899	547	\$20,271.99	P	Disallow - Active employee roll-forward
58.	A. Musselman 4136898	546	\$4,623.83	P	Disallow - Active employee roll-forward
59.	N. Ochoa 4139682	658	\$1,466.94	P	Disallow - Active employee roll-forward
60.	A. Palomarez 4138726	648	\$1,520.00	P	Disallow - Active employee roll-forward
61.	A. Peralez 4138270	600	\$6,019.06	P	Disallow - Active employee roll-forward
62.	C. Perez 4137013	558	\$4,746.64	P	Disallow - Active employee roll-forward

	Claimant Name and Number¹	Claim Number¹	Filed Claim Amount and Priority		Request and Basis
63.	M. Rangel 4138580	639	\$837.18	P	Disallow - Active employee roll-forward
64.	C. Rasmusson 4138213	595	\$4,031.04	P	Disallow - Active employee roll-forward
65.	G. Rodriguez 4136932	551	\$31,910.01	P	Disallow - Active employee roll-forward
66.	A. Ruelas 4138341	609	\$2,013.81	P	Disallow - Active employee roll-forward
67.	I. Ruelas 4138556	626	\$1,781.73	P	Disallow - Active employee roll-forward
68.	C. Ruggles 4136894	545	\$4,890.31	P	Disallow - Active employee roll-forward
69.	C. Salinas 4139273	655	\$3,420.28	P	Disallow - Active employee roll-forward
70.	I. Sanchez 4138722	644	\$1,095.48	P	Disallow - Active employee roll-forward
71.	C. Sandoval 4136979	555	\$7,406.36	P	Disallow - Active employee roll-forward
72.	Y. Sandoval 4137665	589	\$1,696.08	P	Disallow - Active employee roll-forward
73.	D. Shoemaker 4136958	554	\$104,047.40	P	Disallow - Active provider roll-forward
74.	J. Venecia 4139274	654	\$2,007.63	P	Disallow - Active employee roll-forward

	Claimant Name and Number ¹	Claim Number ¹	Filed Claim Amount and Priority		Request and Basis
75.	S. Villarruel ⁴ 4062778	649	\$8,495.28	P	Disallow - Active employee roll-forward
76.	R. Wells 4137667	584	\$25,925.99	P	Disallow - Active employee roll-forward
77.	C. Whittlesey 4137044	563	\$11,191.41	P	Disallow - Paid
78.	C. Whittlesey 4069159 ⁵	16 ⁵	\$10,212.41	P	Disallow – Superceded by Claim 563
79.	C. Whittlesey 4069159 ⁶	18 ⁶	\$10,400.00	P	Disallow – Superceded by Claim 563
80.	M. Ybanez 4138390	613	\$183,903.06	P	Disallow - Active employee roll-forward
81.	L. Zarate 4138262	598	\$3,192.20	P	Disallow - Active employee roll-forward

⁴ The claims register reflects the Claimant's name and address as Astria Health, John Gallagher, 900 W Chestnut Avenue, Yakima, WA 98902, which belong to the Debtors. For the purpose of complete notice, the name and address included in this schedule are taken from the Claim's signature page.

⁵ Claim filed in Case No. 19-01192 (SHC Medical Center - Yakima).

⁶ Claim filed in Case No. 19-01192 (SHC Medical Center - Yakima).