

JAMES L. DAY (WSBA #20474)
 THOMAS A. BUFORD (WSBA #52969)
 BUSH KORNFIELD LLP
 601 Union Street, Suite 5000
 Seattle, WA 98101
 Tel: (206) 292-2110
 Email: jday@bskd.com
tbuford@bskd.com

HONORABLE WHITMAN L. HOLT

SAMUEL R. MAIZEL (Admitted *Pro Hac Vice*)
 MALKA S. ZEEFE (Admitted *Pro Hac Vice*)
 DENTONS US LLP
 601 South Figueroa Street, Suite 2500
 Los Angeles, California 90017-5704
 Tel: (213) 623-9300
 Fax: (213) 623-9924
 Email: samuel.maizel@dentons.com
malka.zeeffe@dentons.com

SAM J. ALBERTS (WSBA #22255)
 DENTONS US LLP
 1900 K. Street, NW
 Washington, DC 20006
 Tel: (202) 496-7500
 Fax: (202) 496-7756
 Email: sam.alberts@dentons.com

Hearing Date: April 15, 2021
Time: 10:30 a.m. (Pacific Time)
Location: Telephonic only
Phone Number: (877) 402-9757
Conference Code: 7036041

Attorneys for the Reorganized Debtors

**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

**REPLY TO CLAIMANT RESPONSES TO
 REORGANIZED DEBTORS' NOTICE OF
 TREATMENT OF TERMINATED
 EMPLOYEE PRIORITY CLAIMS AND,
 TO THE EXTENT APPLICABLE,
 OMNIBUS OBJECTION THERETO**

[Related Docket Nos. 2390, 2422, 2425-34, 2438]

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), SHC 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).

**REPLY TO CLAIMANT RESPONSES
 TO OMNIBUS OBJECTION TO
 TERMINATED EMPLOYEE CLAIMS**

US. Active 118013194IV-3

1 601 1
 DENTONS US LLP BUSH KORNFIELD LLP
 Phone: 19011892104130000000000003 2373
 Telephone (206) 292-2110
 Facsimile (206) 292-2104

1 Astria Health (“Astria”), SHC Medical Center - Yakima, formerly an operating
2 hospital (“ARMC”), SHC Medical Center - Toppenish, doing business as Astria
3 Toppenish Hospital (“Toppenish”), Sunnyside Community Hospital Association
4 (“Sunnyside”), all Washington nonprofit corporations under § 501(c)(3) of title 26 of
5 the United States Code, and along with the above-referenced affiliated debtors
6 (collectively, the “Reorganized Debtors”),² formerly the debtors and debtors in
7 possession (as such, the “Debtors”) in the above-captioned chapter 11 bankruptcy
8 cases (collectively, the “Chapter 11 Cases”), hereby file this reply (the “Reply”) to
9 formal and informal responses to the *Reorganized Debtors’ Notice of Treatment of*
10 *Terminated Employee Priority Claims and, to the Extent Applicable, Omnibus*
11 *Objection Thereto* (the “Objection”),³ filed March 17, 2021 [Docket No. 2390]. The
12 Reorganized Debtors attach the Declaration of Brian P. Gibbons, Jr., in support of
13 the Reply (the “Reply Declaration”), and respectfully state as follows:

14 Between the Objection filing date and the Response Deadline, responsive
15 letters were submitted to the Court (and entered by the Clerk on the Court docket) by
16 the following Claimants with regard to their Claims (collectively, the “Timely Filed
17 Responses”):

18 _____
19 ² As a technical matter, ARMC did not reorganize because it was closed and the
20 building where it operated was sold during the Chapter 11 Cases. Nevertheless, for
21 simplicity, it is referred to as a Reorganized Debtor.

³ All capitalized terms not otherwise defined herein have the meanings ascribed to
them in the Objection.

- A. Campeau (Claim No. 592, Exhibit Line No. 6) [Docket No. 2428]
- S. Carlson (Claim No. 597, Exhibit Line No. 7) [Docket No. 2433]
- R. Hartwig (Claim No. 493, Exhibit Line No. 16) [Docket No. 2427]
- W. Johnson (Claim No. 511, Exhibit Line No. 18) [Docket No. 2426]
- A. McManus (Claim No. 539, Exhibit Line No. 27) [Docket No. 2425]
- D. Wilburn (Claim No. 521, Exhibit Line No. 46) [Docket No. 2430]
- J. Wilburn (Claim No. 522, Exhibit line No. 47) [Docket No. 2431]
- S. Young (Claim No. 476, Exhibit Line No. 50) [Docket No. 2422]

Between the Response Deadline and the filing of this Reply, responsive letters were submitted to the Court (and entered by the Clerk on the Court docket) by the following Claimants with regard to their Claims (collectively, the “Additional Filed Responses” and together with the Timely Filed Responses, the “Filed Responses”):

- H. Crawford (Claim No. 503, Exhibit Line No. 10) [Docket No. 2434]
- B. Yost (Claim No. 507, Exhibit Line No. 49) [Docket No. 2438]⁴

Between the Objection filing date and the Response Deadline, the Noticing Agent also received e-mail inquiries by the following Claimants seeking clarification regarding the requested relief who did not subsequently file a formal response (the “Informal Inquiries”):⁵

- B. Fischer (Claim No. 594, Exhibit Line No. 13)
- B. Strutner (Claim No. 495, Exhibit Line No. 43)

⁴ B. Yost also submitted an Informal Inquiry (defined below) before the Response Deadline.

⁵ S. Carlson and B. Yost had also submitted Informal Inquiries prior to their Timely Filed Responses.

1 Letters were also submitted to the Court (and entered by the Clerk on the Court
2 docket) by the following former Union Employees of the Debtors who were not
3 subject to the Objection (the “Non-Claimant Letters”):

- 4 • K. Dawson [Docket No. 2429]
- 5 • B. Cooper [Docket No. 2432]

6 For the sake of clarity, no response to the Objection was received by the
7 Reorganized Debtors from the remaining Claimants appearing in Exhibit lines 1-5,
8 8-9, 11-12, 14-15, 17, 19-26, 28-42, 44-45, or 48 (the “No Response Claims”).

9 For some of the reasons set forth below, while neither the Additional Filed
10 Responses, Informal Inquiries, nor the Non-Claimant Letters technically constitute
11 “Responses” as defined in and required by the Objection,⁶ for the purpose of this
12 Reply and as used herein, the Reorganized Debtors reply to all four defined categories
13 collectively as the “Responses” and the Claimants submitting the Responses, the
14 “Responding Claimants.”

15
16
17
18 ⁶ For example, the Objection required Responses to: (a) be served on the Reorganized
19 Debtors and the Office of the United States Trustee, Region 18: Eastern District of
20 Washington no later than April 8, 2021 at 4:00 p.m. (Pacific Time); and (b) include
21 a complete written statement of all reasons in opposition to the Objection or in
support, declarations and copies of all evidence on which the responding party
intends to rely, and any responding memorandum of points and authorities.

REPLY

A. The Objection Seeks Reasonable, Consistent, and Statutory Relief

As a threshold matter, the Reorganized Debtors wish to clarify for the Court the misunderstanding repeated throughout the Filed Responses. By the Objection, the Reorganized Debtors are not seeking to “deny” the Responding Claimants’ claims for PTO they accrued while employees of the Debtors;⁷ rather, the Reorganized Debtors are seeking to reclassify claims scheduled as priority to general unsecured.⁸ Moreover, the Reorganized Debtors noted in the Objection that the GUC Distribution Trustee has the authority to challenge the amount and validity of the Claimants’ PTO claims in the future to the extent those claims are general unsecured; however, the GUC Distribution Trustee is not a movant and thus is not seeking such relief at this time.

As to the actual relief requested, the Reorganized Debtors recognize that in the ordinary course of business, the Employees accrued PTO. Reply Decl., ¶ 5. Once the Chapter 11 Cases filed, the Debtors continued to permit employees to use PTO

⁷ In the Objection, the Reorganized Debtors do object to some Claimants’ PTO hours as not being “contractually eligible” for payout, but that does not apply to any of the Responding Claimants. See Exhibit A to Objection.

⁸ Although the Reorganized Debtors sought in the Objection to “reduce and reclassify” as appropriate based on priority and administrative payments made, any reduction would be effectuated in relation to the final reconciliation and allowance of the remaining general unsecured claims, with any priority or administrative components disallowed.

1 according to company policy and, upon an employee's termination, payment of
2 unused administrative and priority period PTO (up to the remaining applicable
3 statutory cap of \$13,650). However, as is not uncommon in chapter 11 cases, the
4 Debtors here developed a practice they had not needed pre-bankruptcy: that is, how
5 accrued PTO would be calculated on a pre- versus post-petition basis for purposes of
6 use and payout (to the extent allowed under the respective employee's arrangement).
7 *Id.* In balancing the equities of bankruptcy and fairness to employees and other
8 creditors of the estate, the Debtors employed the following approach. *Id.*

9 First, all accrued PTO hours could be utilized during the Chapter 11 Cases
10 regardless of when it accrued, even if accrued prior to 180 days prepetition, but
11 subject to the Debtors' other PTO policies, including staffing ratios, financial
12 considerations, Covid-19 precautions, and manager discretion. *Id.* at ¶ 6.

13 Second, PTO usage and payout would be subject to a "last in, first out" or
14 "LIFO" mechanism. *Id.* at ¶ 7. In other words, the last hour accrued would be the
15 first hour used or cashed out and the PTO payout would continue to be calculated
16 backward. *Id.* By way of example: (1) where an employee had a higher PTO balance
17 at employment termination than they held on the Petition Date, such employee
18 received a check for the difference, as an administrative expense claim; (2) where an
19 employee had a higher PTO balance on the Petition Date than they held on the date
20 that was 180 days prepetition, such employee received a check for the difference, as

1 a priority claim; and (3) the remaining PTO balance after accounting for the
2 administrative and priority components is considered a general unsecured claim. *Id.*
3 Additionally, where an employee had a lower PTO balance at employment
4 termination than they held on the Petition Date, then the negative balance in the
5 administrative period was carried back into the calculation for the priority period,
6 following the LIFO method. *Id.*

7 The Debtors adopted the above practice and reinforced it by direct individual
8 communication whenever an employee requested information regarding PTO usage
9 and payout, and applied it consistently for every person in every arrangement—as to
10 both Union Employees and non-Union Employees, in settlements and ordinary
11 course terminations. *Id.* at ¶ 8.

12 Section 507(a)(4) gives priority to “allowed unsecured claims, but only to the
13 extent of \$13,650 for each individual . . . earned within 180 days before the date of
14 the filing of the petition . . . for . . . wages, salaries, or commissions, including
15 vacation, severance, and sick leave pay earned by an individual.” 11 U.S.C.
16 § 507(a)(4). Accordingly, to the extent employees have priority claims against the
17 Debtors, they are limited in amount (subject to a \$13,650 cap) and timing (earned in
18 the 180 days prepetition). With regard to the Claimants, the priority of their claims
19 is limited by timing and the remaining balance under the statutory cap. Wages earned
20 prepetition during the prior 180 days (which were limited to a stub period) were paid
21

1 during the Chapter 11 Cases, including the first paycheck postpetition which was on
2 account of prepetition hours earned during the priority period. The Debtors and their
3 professionals specifically structured the Compensation Motion to pay employees
4 their paycheck for priority period prepetition hours even though such accrual would
5 otherwise constitute a priority claim not paid until the Plan Effective Date. The
6 Debtors further permitted employees' use of PTO hours, including prepetition hours
7 earlier than the 180-day priority period, so long as the PTO was approved by a
8 manager consistent with other hospital policies (the same practice that existed
9 prepetition). Accordingly, to the extent the Debtors could legally shine favor on their
10 employees with regard to payment of wages and usage of PTO, they did. However,
11 as to calculating such hour usage (and when paid out) the Debtors were bound by the
12 Bankruptcy Code and their duty to all creditors of the estates to do so on a LIFO
13 basis.

14 One of the Additional Filed Responses also stated hours owed for "EIB," or
15 Extended Illness Bank. As stated in the Objection, no employee is eligible for EIB
16 payout upon separation as it is not a vested benefit. Reply Decl., ¶ 11.

17 Prior to filing this Reply, counsel for the Reorganized Debtors reached out to
18 each individual who submitted a Filed Response and/or Informal Inquiry to discuss
19
20
21

1 the Objection and any questions the Claimant might have.⁹ In these conversations,
2 some Claimants, while disappointed at the prospect of recovering less than 100% on
3 accrued PTO that was general unsecured in nature, understood the nature of the
4 Objection. This understanding manifested in some of the Informal Inquiries never
5 becoming Filed Responses; and one of the Filed Responses (S. Young, Claim No.
6 476, Exhibit line 50) having been resolved. The remaining Claimants, while also
7 seeming to understand the requested relief, were not willing to concede resolution,
8 wanting instead to be heard by the Court.

9 B. The Filed Responses Relate to General Unsecured Claims

10 Applying the explanation from the previous section to the Filed Responses and
11 Informal Inquiries, the following is a snapshot of the Claimants' PTO accrual, per
12 consistent Debtor practice:

19 ⁹ Counsel also attempted to reach out to the two individuals who submitted Non-
20 Claimant Letters; however, the one who provided a phone number had a full
21 voicemail box and the other did not provide contact information (and had not filed a
proof of claim with contact information).

Employee Name	GUC Hrs	Bal 11/03/18 (180 days prepetition)	Priority Claim Hrs	Bal 05/04/19 (Petition Date)	Admin Claim Hrs	Final Balance (at termination)
A. Campeau	114.64	229.10604	0	195.93	0	114.64
S. Carlson	38.46	87.478	0	38.46	2.91	41.37
H. Crawford	130.93	220.674	0	189.55	0	130.93
B. Fischer	166.50	166.498	52.332	218.83	54.15	272.98
R. Hartwig	211.19	211.186972	18.593028	286.53	0	229.78
W. Johnson	118.83	167.79	0	189.92	0	118.83
A. McManus	88.66	88.6645	23.6255	129.03	0	112.29
B. Strutner	95.92	95.916	45.584	148.21	0	141.5
D. Wilburn	175.81	223.756	0	283.25	0	175.81
J. Wilburn	79.93	140.96865	0	188.97	0	79.93
B. Yost	147.17	177.693835	0	170.42	0	147.17
S. Young	149.37	163.63	0	151.6	0	149.37

Reply Decl., ¶ 9.

The above chart reveals the following:

- As a result of using PTO in the ordinary course, only two of these Claimants had a higher PTO balance at employment termination than they held on the Petition Date. *Id.* at ¶ 10. Those Claimants received a check for the difference times the Claimants' individual hourly rates, as an administrative expense claim. *Id.*
- As a result of using PTO in the ordinary course, only four of these Claimants had a higher PTO balance on the Petition Date than they held 180 days prepetition. *Id.* Those Claimants received a check for the difference times the Claimants' individual hourly rates, as a priority claim. *Id.* Of these four, three had a lower PTO balance at employment termination than they held on the Petition Date, so the negative balance in the administrative period was carried back into the calculation for the priority period, following the LIFO method. *Id.*
- The Reorganized Debtors' books and records show the above remaining PTO balances as "GUC Hrs." *Id.* As stated in the Objection and reiterated above, all rights and authority of the GUC Distribution Trustee to object to the Claimants' general unsecured claims as to validity, amount, and anything else are reserved and preserved. Note that J. Wilburn's PTO hours totals and classifications have been settled pursuant to the SEIU Settlement.

1 C. Relief Should be Deemed Conceded with Regard to the No Response
2 Claims

3 As noticed in the Objection, “pursuant to LBR 3007-1(c)(3), the failure to file
4 and serve a timely Response to the Objection by the Response Deadline may be
5 deemed by this Court to be consent to the relief requested therein.” No response was
6 filed with respect to the 38 No Response Claims. Accordingly, the relief requested
7 in the Objection has been conceded. Specifically:

- 8 • Claims 29, 48, and 85 (lines 20, 39, 40) should be disallowed for having
9 been paid;
- 10 • Claim 536 (line 31) should be disallowed as a duplicate; and
- 11 • The remaining No Response Claims (Claims 485, 533, 534, 618, 515,
12 577, 93, 524, 657, 614, 540, 607, 461, 611, 665, 506, 520, 504, 509,
13 633, 513, 491, 477, 512, 501, 529, 561, 499, 456, 580, 604, 601, 585,
14 608; lines 1-5, 8-9, 11-12, 14-15, 17, 19, 21-26, 28-30, 32-38, 41-42,
15 44-45, 48) should be reclassified as general unsecured claims, and
16 remain subject to future challenge, allowance, and/or disallowance by
17 the Reorganized Debtors or the GUC Distribution Trustee.

18 D. The Non-Claimant Letters Lack Standing

19 The Non-Claimant Letters put forth a similar narrative to the Filed Responses,
20 which has already been refuted above. However, the Non-Claimant Letters further
21 fail to overcome the Objection for lack of standing. Specifically, the Non-Claimant
Letters were submitted by two former Union Employees whose claims for PTO (1)
were settled by SEIU, (2) were paid to the extent they were classified as priority or
administrative in the SEIU Settlement, and, critically, (3) are not included in the

1 Objection. On account of point 3, these former employees face no injury in fact by
2 virtue of the Objection and, therefore, lack standing to respond.

3 Accordingly, the Reorganized Debtors restate and incorporate the Objection,
4 including the Reservation of Rights. By the Responses, no Claimant has provided
5 sufficient explanation or evidence to overcome the relief requested in the Objection.
6 *See In re Lundell*, 223 F.3d 1035, 1039 (9th Cir. 2000) (ultimate burden of persuasion
7 remains at all times upon the claimant); *In re Garvida*, 347 B.R. 697, 706-08 (9th
8 Cir. B.A.P. 2006) (While the “burden of going forward is primarily a procedural
9 matter pertaining to the order of presenting evidence,” the substantive burden of
10 proof remains at all times upon the claimant.). As such, the Responses should be,
11 respectfully, overruled.

12 WHEREFORE, the Reorganized Debtors request that the Court enter an order
13 (a) sustaining the Objection, (b) disallowing or reducing and reclassifying the Claims
14 as set forth on Exhibit A to the Objection, and (c) granting such other and further
15 relief the Court deems just and proper.

1 Dated: April 13, 2021

/s/ Sam J. Alberts

2 JAMES L. DAY (WSBA #20474)
3 THOMAS A. BUFORD (WSBA
#52969)
4 BUSH KORNFELD LLP

5 SAMUEL R. MAIZEL (Admitted *Pro*
6 *Hac Vice*)
7 SAM J. ALBERTS (WSBA #22255)
8 MALKA S. ZEEFE (Admitted *Pro*
9 *Hac Vice*)
10 DENTONS US LLP

11 *Attorneys for the Reorganized Debtors*

12
13
14
15
16
17
18
19
20
21
**REPLY TO CLAIMANT RESPONSES
TO OMNIBUS OBJECTION TO
TERMINATED EMPLOYEE CLAIMS**

US_Active\118013194\V-3

13 DENTONS US LLP
601 South Figueroa Street, Suite 2500
Los Angeles, CA 90017-5704
Phone: (213) 623-9300
Fax: (213) 623-9829

BUSH KORNFELD LLP
LAW OFFICES
601 Union St., Suite 5000
Seattle, Washington 98101-2373
Telephone (206) 292-2110
Facsimile (206) 292-2104

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21

1. I am the President and Chief Executive Officer of Astria Health (“CEO”). I was appointed CEO by the Astria Health Board in November 2020.

3. This declaration is prepared in support of the *Reply to Claimant Responses to the Reorganized Debtors' Notice of Treatment of Terminated Employee Priority Claims and, to the Extent Applicable, Omnibus Objection Thereto* (the "Reply").¹⁰

¹⁰ All capitalized terms not otherwise defined herein have the meanings ascribed to them in the Reply.

DENTONS US LLP
1 601 South Figueroa Street, Suite 2500
Los Angeles, CA 90017-5704
Phone: (213) 623-9300
Fax: (213) 611-3824

BUSH KORNFELD LLP
LAW OFFICES
601 Union St., Suite 5000
Seattle, Washington 98101-2373
Telephone (206) 292-2110
Facsimile (206) 292-2104

1 5. In the ordinary course of business, the Employees accrued PTO. Once
2 the Chapter 11 Cases filed, the Debtors continued to permit employees to use PTO
3 according to company policy and, upon an employee's termination, payment of
4 unused administrative and priority period PTO (up to the remaining applicable
5 statutory cap of \$13,650). In the Chapter 11 Cases, the Debtors developed a practice
6 they had not needed pre-bankruptcy: that is, how accrued PTO would be calculated
7 on a pre- versus post-petition basis for purposes of use and payout (to the extent
8 allowed under the respective employee's arrangement). In balancing the equities of
9 bankruptcy and fairness to employees and other creditors of the estates, the Debtors
10 employed the following approach.

11 6. First, all accrued PTO hours could be utilized during the Chapter 11
12 Cases regardless of when it accrued, even if accrued prior to 180 days prepetition,
13 but subject to the Debtors' other PTO policies, including staffing ratios, financial
14 considerations, Covid-19 precautions, and manager discretion.

15 7. Second, PTO usage and payout would be subject to a "last in, first out"
16 or "LIFO" mechanism. In other words, the last hour accrued would be the first hour
17 used or cashed out and the PTO payout would continue to be calculated backward.
18 By way of example: (1) where an employee had a higher PTO balance at employment
19 termination than they held on the Petition Date, such employee received a check for
20 the difference, as an administrative expense claim; (2) where an employee had a

21 **DECLARATION IN SUPPORT OF
REPLY TO CLAIMANT RESPONSES
TO OMNIBUS OBJECTION TO
TERMINATED EMPLOYEE CLAIMS**

U.S. Active 118013194\V-3

DENTONS US LLP
2 601 South Figueroa Street, Suite 2500
Los Angeles, CA 90017-5704
Phone: (213) 623-9300
Fax: (213) 623-9829

BUSH KORNFIELD LLP
LAW OFFICES
601 Union St., Suite 5000
Seattle, Washington 98101-2373
Telephone (206) 292-2110
Facsimile (206) 292-2104

1 higher PTO balance on the Petition Date than they held on the date that was 180 days
2 prepetition, such employee received a check for the difference, as a priority claim;
3 and (3) the remaining PTO balance after accounting for the administrative and
4 priority components is considered a general unsecured claim. Additionally, where
5 an employee had a lower PTO balance at employment termination than they held on
6 the Petition Date, then the negative balance in the administrative period was carried
7 back into the calculation for the priority period, following the LIFO method.

8 8. The Debtors adopted the above practice and reinforced it by direct
9 individual communication whenever an employee requested information regarding
10 PTO usage and payout, and applied it consistently for every person in every
11 arrangement—as to both Union Employees and non-Union Employees, in
12 settlements and ordinary course terminations.

13 9. Applying the above explanation to the Filed Responses and Informal
14 Inquiries, the following is a snapshot of the Claimants' PTO accrual, per consistent
15 Debtor practice:
16
17
18
19
20

21 **DECLARATION IN SUPPORT OF
REPLY TO CLAIMANT RESPONSES
TO OMNIBUS OBJECTION TO
TERMINATED EMPLOYEE CLAIMS**

U.S. District Court, District of Columbia
Case No. 1:18-cv-01189-WLH

DENTONS US LLP
3 601 South Figueroa Street, Suite 2500
Los Angeles, CA 90017-5704
Phone: (213) 623-9300
Fax: (213) 623-9829

BUSH KORNFIELD LLP
LAW OFFICES
601 Union St., Suite 5000
Seattle, Washington 98101-2373
Telephone (206) 292-2110
Facsimile (206) 292-2104

Employee Name	GUC Hrs	Bal 11/03/18 (180 days prepetition)	Priority Claim Hrs	Bal 05/04/19 (Petition Date)	Admin Claim Hrs	Final Balance (at termination)
A. Campeau	114.64	229.10604	0	195.93	0	114.64
S. Carlson	38.46	87.478	0	38.46	2.91	41.37
H. Crawford	130.93	220.674	0	189.55	0	130.93
B. Fischer	166.50	166.498	52.332	218.83	54.15	272.98
R. Hartwig	211.19	211.186972	18.593028	286.53	0	229.78
W. Johnson	118.83	167.79	0	189.92	0	118.83
A. McManus	88.66	88.6645	23.6255	129.03	0	112.29
B. Strutner	95.92	95.916	45.584	148.21	0	141.5
D. Wilburn	175.81	223.756	0	283.25	0	175.81
J. Wilburn	79.93	140.96865	0	188.97	0	79.93
B. Yost	147.17	177.693835	0	170.42	0	147.17
S. Young	149.37	163.63	0	151.6	0	149.37

10. The above chart reveals the following:

- As a result of using PTO in the ordinary course, only two of these Claimants had a higher PTO balance at employment termination than they held on the Petition Date. Those Claimants received a check for the difference times the Claimants' individual hourly rates, as an administrative expense claim.
- As a result of using PTO in the ordinary course, only four of these Claimants had a higher PTO balance on the Petition Date than they held 180 days prepetition. Those Claimants received a check for the difference times the Claimants' individual hourly rates, as a priority claim. Of these four, three had a lower PTO balance at employment termination than they held on the Petition Date, so the negative balance in the administrative period was carried back into the calculation for the priority period, following the LIFO method.
- The Reorganized Debtors' books and records show the above remaining PTO balances as "GUC Hrs."

11. One of the Additional Filed Responses also stated hours owed for "EIB" or Extended Illness Bank. No employee is eligible for EIB payout upon separation as it is not a vested benefit.

**DECLARATION IN SUPPORT OF
REPLY TO CLAIMANT RESPONSES
TO OMNIBUS OBJECTION TO
TERMINATED EMPLOYEE CLAIMS**

U.S. Active 118013194\V-3

DENTONS US LLP
4 601 South Figueroa Street, Suite 2500
Los Angeles, CA 90017-5704
Phone: (213) 623-9300
Fax: (213) 623-9829

BUSH KORNFIELD LLP
LAW OFFICES
601 Union St., Suite 5000
Seattle, Washington 98101-2373
Telephone (206) 292-2110
Facsimile (206) 292-2104

1 I declare under penalty of perjury under the laws of the United States of
2 America that the foregoing is true and correct.

3
4 Dated: April 13, 2021

ASTRIA HEALTH

5
6
7 By: 

Brian P. Gibbons, Jr.

8 President and Chief Executive Officer
9
10
11
12
13
14
15
16
17
18
19
20

21 **DECLARATION IN SUPPORT OF
REPLY TO CLAIMANT RESPONSES
TO OMNIBUS OBJECTION TO
TERMINATED EMPLOYEE CLAIMS**

DENTONS US LLP
5 601 South Figueroa Street, Suite 2500
Los Angeles, CA 90017-5704

Phone: (213) 623-9300
Fax: (213) 623-9924

BUSH KORNFIELD LLP

LAW OFFICES
601 Union St., Suite 5000
Seattle, Washington 98101-2373
Telephone: (206) 292-2110
Facsimile: (206) 292-2104