

**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 (A) SUSTAINING IN PART
REORGANIZED DEBTORS' NOTICE OF
TREATMENT OF ACTIVE EMPLOYEE
PRIORITY CLAIMS AND, TO THE EXTENT
APPLICABLE, OMNIBUS OBJECTION
THERE TO; (B) OVERRULING CERTAIN
RESPONSES; AND (C) CONTINUING
HEARING AS TO REMAINING RESPONSES
PENDING FURTHER BRIEFING**

Re: Docket Nos. 2390, 2422, 2425-34, 2438, 2444,
2458]

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 RE OMNIBUS OBJECTION
TO TERMINATED EMPLOYEE CLAIMS

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Los Angeles, CA 90012
T 213-623-9300 / F 213-623-9924 / J 200 292 2110 / P 200 292 2104

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1 Upon the *Reorganized Debtors' Notice of Treatment of Terminated*
2 *Employee Priority Claims and, to the Extent Applicable, Omnibus Objection*
3 *Thereto* [Docket No. 2390] (the "Objection"), filed by Astria Health, SHC
4 Medical Center - Yakima, formerly an operating hospital, SHC Medical Center -
5 Toppenish, doing business as Astria Toppenish Hospital, Sunnyside Community
6 Hospital Association, all Washington nonprofit corporations under § 501(c)(3) of
7 title 26 of the United States Code, and along with the above-referenced affiliated
8 debtors (collectively, the "Reorganized Debtors"), formerly the debtors and
9 debtors in possession in the above-captioned chapter 11 bankruptcy cases
10 (collectively, the "Chapter 11 Cases"), seeking to disallow or reduce and
11 reclassify the proofs of claim set forth on Exhibit A thereto, all as set forth in the
12 Objection and the Gibbons Declaration; and it appearing that this Court has
13 jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334(b) and 157; and that
14 venue of these Chapter 11 Cases and the Objection in this district is proper
15 pursuant to 28 U.S.C. §§ 1408 and 1409; and that the Objection is a core
16 proceeding pursuant to 28 U.S.C. § 157(b); and that due and adequate notice of
17 the Objection having been given under the circumstances; and this Court having
18 considered the Objection, the Gibbons Declaration, the Claims, any Responses,
19 the *Reply to Claimant Responses to Reorganized Debtors' Notice of Treatment of*
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ORDER RE OMNIBUS OBJECTION
TO TERMINATED EMPLOYEE CLAIMS

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1 *Terminated Employee Priority Claims and, to the Extent Applicable, Omnibus*
2 *Objection Thereto* [Docket No. 2444] (the “Reply”),¹ and the *Certification of*
3 *Counsel and Request for Entry of Order Sustaining in Part and Continuing in*
4 *Part Reorganized Debtors’ Notice of Treatment of Terminated Employee Priority*
5 *Claims and, to the Extent Applicable, Omnibus Objection Thereto* [Docket No.
6 2458]; and upon the record herein, including the hearing held on April 15, 2021 at
7 10:30 a.m. (Pacific Time) (the “April 15 Hearing”); and after due deliberation
8 thereon and good and sufficient cause appearing thereof; it is hereby

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

10 1. The Objection is sustained in part, and continued in part, as set forth
11 herein.

12 2. The Objection is sustained with respect to the No-Response Claims, as
13 listed on Exhibit A to this Order.

14 3. The Objection is further sustained with respect to the single Claim for
15 which a Filed Response was submitted (the “SEIU Claim”) that is already subject
16 to the SEIU Settlement approved by an Order of this Court [Docket No. 2149].

17 4. The Clerk of the Court is authorized and directed to adjust the Claims
18 Register to reclassify and/or disallow the No-Response Claims and SEIU Claim as
19 set forth on Exhibit A.

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

1 5. The Non-Claimant Letters are hereby overruled.

2 6. The Objection is continued as to the Claims held by the individuals
3 who submitted Filed Responses and Informal Inquiries as set forth in the Reply,
4 with the exception of the SEIU Claim, (collectively, the “Continued Claims”), as
5 listed on Exhibit A.

6 7. A telephonic hearing on the Objection to the Continued Claims is
7 scheduled for May 18, 2021, at 10:30 a.m. (Pacific Time). The deadline for the
8 Reorganized Debtors to file further briefing on the Objection to the Continued
9 Claims as requested at the April 15 Hearing is May 10, 2021.

10 8. The Reorganized Debtors and the GUC Distribution Trustee shall
11 retain and shall have the right to seek to amend, modify, and/or supplement this
12 Order as may be necessary.

13 9. Notwithstanding the relief granted in this Order or any actions taken
14 pursuant to such relief, nothing in this Order shall (a) constitute an allowance of any
15 GUC of the affected employees not otherwise previously allowed; or (b) be deemed
16 a waiver of any of the Reorganized Debtors’ and the GUC Distribution Trustee’s
17 rights, claims, defenses, causes of action and/or objections, including, without
18 limitation, objections to any general unsecured claims asserted by such employees,
19 which are expressly reserved and hereby preserved.

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ORDER RE OMNIBUS OBJECTION
TO TERMINATED EMPLOYEE CLAIMS

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1 10. Notwithstanding the possible applicability of Bankruptcy Rules
2 6004(h), 7062, 9014 or otherwise, the terms and conditions of this Order shall be
3 immediately effective and enforceable upon its entry.

4 11. This Court shall retain jurisdiction over all affected parties with
5 respect to any matters, claims or rights arising from or related to the
6 implementation and interpretation of this Order.

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