

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
Lafayette Division**

IN RE:	CASE NO. 16-50740
PROGRESSIVE ACUTE CARE, LLC, et al.	CHAPTER 11
DEBTORS	JOINTLY ADMINISTERED

**FIRST INTERIM APPLICATION FOR COMPENSATION
OF MICHEAL FREEMAN AND THE FIRM OF TFG CONSULTING, LLC,
HEALTHCARE ACCOUNTANTS AND CONSULTANTS FOR DEBTORS**

Michael Freeman and the firm of TFG Consulting, LLC (collectively “Applicants”), healthcare accountants and consultants for Progressive Acute Care, LLC (“PAC”), Progressive Acute Care Avoyelles, LLC (“PAC Avoyelles”), Progressive Acute Care Oakdale, LLC (“PAC Oakdale”) and Progressive Acute Care Winn, LLC (“PAC Winn”), as debtors and debtors-in-possession (collectively, the “Debtors”), hereby file this *First Interim Application for Compensation* (“Application”) and respectfully represent:

1.

This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. § 157(b). Venue is properly before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2.

On May 31, 2016 (“Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the U.S. Code (“Bankruptcy Code”). An Official Committee of Unsecured Creditors (the “Committee”) has been appointed in this case; and, the Debtors continue to operate their businesses as debtors-in-possession, pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

3.

This Court approved Applicants' retention by the Debtors herein by *Order* [P-415] entered December 20, 2016.

4.

This Application represents Applicants' first application for compensation. To date, no previous orders have been applied for or received by Applicants.

5.

Applicants were retained by Debtors as healthcare accountants and consultants in connection with the preparation, review and submission of both Medicaid and Medicare final cost reports ("Cost Reports") and any audit support that may be required during the duration of the engagement. Applicants were retained on a fixed-fee basis, determining total costs to prepare and submit the final Cost Reports for each of the Debtors to be \$35,150.00 (PAC-Avoyelles Cost Reports - \$10,800.00, PAC-Oakdale Cost Reports - \$10,800.00, PAC-Winn Cost Reports - \$10,800.00 and PAC Cost Reports - \$2,750.00).

6.

Because the cost reports are final cost reports, they cannot be filed until the Centers for Medicare and Medicaid Services ("CMS") recognize the change of ownership ("CHOW") from the Debtors to the Central Louisiana Health Group entities. Based on their prior experience in such situations, Applicants believe it may take up to six (6) months for CMS to recognize the CHOW. With respect to PAC Avoyelles and PAC Oakdale, once the CHOW has been recognized, Applicants need only modify the cost reports to accommodate any updates to regulatory requirements which have been imposed during the delay between the original preparation and filing. With respect to the PAC Winn Cost Report, due to a delay in TFG's receipt of information from the Debtor, in addition to those required by regulatory updates, certain other adjustments must be completed before filing.

7.

No retainer was provided to Applicants upon engagement by the Debtors. Because the final cost reports are substantially complete but cannot be filed for several months due strictly to governmental requirements, Applicants seek interim compensation commensurate with the services rendered to date. Specifically, Applicants seek a total of \$30,290.00 as interim compensation, comprised of:

- (a) \$2,750, *i.e.*, the total fee for the PAC Cost Report – 100% complete
- (b) \$9,720 of the \$10,800 total fee for PAC Avoyelles Cost Report – 90% complete
- (c) \$9,720 of the \$10,800 total fee for PAC Oakdale Cost Report – 90% complete
- (d) \$8,100 of the \$10,800 total fee for the PAC Winn Cost Report – 75% complete.

Applicants maintain that they will seek final compensation of the balance of the fixed fees, *i.e.*, \$4,860.00 upon completion and filing of all Cost Reports with CMS.

8.

Your Applicants show that the following factors under *In the Matter of First Colonel Corp. of America*, 544 F.2d 1291 (15th Cir. 1977), *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714 (5th Cir. 1974); and, the *United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. §330*, are to be considered in awarding fees in this case:

- a) **Time and Labor Required:** Pursuant to the terms of their engagement, Applicants' compensation is based on a fixed-fee for each Cost Report. Applicants' however, attach hereto a report of the time spent to date on each Cost Report.
- b) **Novelty and Difficulty of the Questions:** The questions posed during this case were not strange or complicated for an experienced healthcare accountant and consultant, but often required immediate attention.

- c) **The Skill Requisite to Perform Services Properly:** The skills required were those of a healthcare accountant. Services were performed primarily by Michael Freeman.
- d) **The Preclusion of Other Employment Due to Acceptance of the Case:** Applicants' retention by the Debtors has not precluded its acceptance of new clients.
- e) **The Customary Fee:** The fees charged by your Applicants are customary in the area.
- f) **Whether the Fee is Fixed or Contingent:** The fees charged are not contingent in nature.
- g) **Time Limitations:** The time limitations imposed by the client, creditors, or other circumstances are addressed in (d) above.
- h) **The Amount Involved and the Results Obtained:** Applicants charged the amount for traditional services for preparation and submission of Medicaid and Medicare cost reports and any required audit support.
- i) **The Experience, Reputation and Ability of Applicant:** These factors are expressed in (c) above.
- j) **The Undesirability of the Case:** This is not an undesirable case.
- k) **The Nature and Length of Professional Relationship:** The professional relationship with the Debtors began in November 2016 and has continued until the date of this Application.

9.

Applicants also request an Order that the compensation requested herein be paid forthwith by the Debtors, and/or any disbursing agent(s) out of funds held by them and out of the Debtors' estates as a priority claim pursuant to 11 U.S.C. §507(a)(2).

10.

All services by Applicants were rendered to and on behalf of the Debtors and their estates and no other person or entity.

WHEREFORE, your Applicants pray that this Application be granted and that:

- (1) there be an Order made by this Court approving compensation for professional fees to Michael Freeman and the firm of TFG Consulting, LLC in the amount of \$30,290.00 in accounting fees for services rendered in preparation of the Debtors' final Cost Reports;
- (2) that the Order direct the Debtors and/or disbursing agent(s) to pay the balance of said fees and expenses forthwith out of the Debtors' funds held by them and out of the Debtors' estates as a priority administrative claim pursuant to 11 U.S.C. §507; and,
- (3) for any and all other relief to which applicants may be entitled.

Respectfully submitted,

By: /s/ Barbara B. Parsons
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**UNITED STATES BANKRUPTCY COURT
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JOINTLY ADMINISTERED

**ITEMIZATION OF TIME OF MICHAEL FREEMAN
AND THE FIRM OF TFG CONSULTING, LLC,
HEALTHCARE ACCOUNTANTS AND CONSULTANTS FOR DEBTORS**

SEE ATTACHED ITEMIZATION

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DECLARATION

**PARISH OF EAST BATON ROUGE
STATE OF LOUISIANA**

I, Michael Freeman, healthcare accountant and consultant at TFG Consulting, LLC, do hereby make solemn oath that I have read such Application and that all of the allegations of fact contained therein are true and correct to the best of my knowledge, information and belief.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 24th day of January, 2017.

/s/ Michael Freeman
MICHAEL FREEMAN