

```
#content_area {width:640px;margin:0 20px 0 0 !important;margin:0 18px 0 0;padding:10px 0 0;}  
#center_inside_content{width:640px;margin:0;padding:0;} #right_ad_inside{margin:0;padding:5px 0  
0;float:left;} #mini-carousel{margin:0;} #bottom_space{margin:0;}
```

## Owners say River West to remain open



[Show Caption](#) TRAVIS SPRADLING/THE ADVOCATE  
Company blames Gustav damage, drop in patients

- By [GREG GARLAND](#)
- Advocate staff writer
- Published: Feb 11, 2009 - Page: 1B - UPDATED: 12:05 a.m.

[Comments \(0\)](#)

PLAQUEMINE — River West Medical Center will remain in operation but on a reduced scale while waiting for a U.S. Bankruptcy Court case to be resolved, the hospital’s owners said Tuesday.

The first public statement of owner Shiloh Health Services Inc.’s plans for the hospital came in a news release late Tuesday.

The [statement](#) said the hospital will “downsize to match the current patient demand. Some departments

may temporarily cease operations due to lack of current need.”

But the statement did not say which departments would be eliminated or how many of the hospital’s 250 full- and part-time employees might have to be laid off.

Shiloh Health Services President Jim Cheek did not respond to messages, and other hospital officials would not comment beyond the news release issued late Tuesday.

The company’s statement came as U.S. Bankruptcy Court Judge Douglas D. Dodd directed that an “ombudsman” be appointed to monitor the quality of patient care at the hospital.

Such appointments are required in cases involving health-care companies unless the court is convinced after a hearing that one is not necessary, according to bankruptcy lawyers.

“Judge Dodd has expeditiously done exactly what the Bankruptcy Code required him to do,” said Gary K. McKenzie, the attorney representing the Louisiana Department of Health and Hospitals, Iberville Parish and other River West debtors.

Bradley L. Drell, an attorney for River West, also said an ombudsmen is routinely appointed in such cases.

The state and Iberville Parish went to court to force River West into involuntary bankruptcy in order to block any attempt by the owners to dismantle and gut the facility.

An order issued by the Bankruptcy Court judge on Monday prohibits the corporate owner from making “any payments to or for the benefit of insiders or affiliates for any purpose.” It also bars the sale of furniture and equipment.

Parish President J. Mitchell Ourso Jr. said it is essential to preserve the hospital for the health and safety of people living in the region.

In their statement, the owners blamed their financial woes on damage caused by Hurricane Gustav, which reduced the number of patients the hospital could accept.

“Basic services were restored relatively quickly but inpatient and surgical services were significantly impaired for a number of months,” the company said in the statement.

The company said it is still trying to recoup money from its insurer, and its attempts to obtain federal disaster relief assistance were unsuccessful.

In Bankruptcy Court this week, attorneys for River West said the state Department of Health and Hospitals also owes the hospital \$5.1 million.

But J.T. Lane, the state agency’s deputy chief of staff, said officials there were “completely flabbergasted” by the claim.

“There’s nothing we can find in our system where the state owes them \$5.1 million,” Lane said.

The news release said that River West, like many small community hospitals, has had “a history of financial challenges over the past several years” and had been targeted for closure.

“The current owners of the hospital were able to halt the scheduled closing of the facility by purchasing the hospital operations in September 2007,” the company said in its statement. “Hospital operations were beginning to see positive momentum when Hurricane Gustav hit in September 2008.”

The company said its emergency department is open and fully staffed and “will remain a safe environment for its patients.”

The owners said the hospital plans to restore discontinued services as it receives insurance reimbursements and as patient volumes increase.

**Find this article at:**

<http://www.2theadvocate.com/news/39414497.html?showAll=y&c=y>

Check the box to include the list of links referenced in the article.

Copyright © 1992-2008, 2theadvocate.com, WBRZ, Louisiana Broadcasting LLC and The Advocate, Capital City Press LLC, All Rights Reserved.