

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:

GLOBAL WOUND CARE MEDICAL GROUP, a
Professional Corporation,¹

Debtor and Debtor in Possession.

Chapter 11

Case No. 24-34908 (CML)

DEBTOR'S EMERGENCY MOTION TO SCHEDULE STATUS CONFERENCE

EMERGENCY RELIEF HAS BEEN REQUESTED. RELIEF IS REQUESTED NOT LATER THAN OCTOBER 9, 2025.

IF YOU OBJECT TO THE RELIEF REQUESTED OR YOU BELIEVE THAT EMERGENCY CONSIDERATION IS NOT WARRANTED, YOU MUST APPEAR AT THE HEARING IF ONE IS SET, OR FILE A WRITTEN RESPONSE PRIOR TO THE DATE THAT RELIEF IS REQUESTED IN THE PRECEDING PARAGRAPH. OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

Global Wound Care Medical Group, a Professional Corporation, the debtor and debtor in possession in the above-captioned case (the "Debtor"),² hereby files this motion (the "Motion") on an emergency basis to request the scheduling of a case status conference to address the delay in Medicare reimbursements to the Debtor, which is causing liquidity constraints that will impact the Debtor's ability to continue to operate as a going concern. The Debtor has been informed that the Centers for Medicare & Medicaid Services ("CMS") and its Medicare Administrative Contractors ("MACs") are continuing to process Medicare claims during the ongoing government shutdown;

¹ The last four digits of the Debtor's tax identification number in the jurisdiction in which it operates is 3572.

² Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such terms in the Application.



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however, the Debtor is not timely receiving reimbursements. The amount of the Debtor's Medicare claims submitted but pending approval now exceeds \$25 million. The Debtor is working collaboratively with the U.S. Department of Justice (the "DOJ") to gain visibility into the cause of the delay, but requests a status conference because the Debtor may need Court intervention to ensure prompt reimbursements from CMS and/or its MACs to avoid a liquidity crisis and the interruption of the medical care provided by the Debtor to its patients.

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157(a) and 1334. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

2. The statutory basis for the relief requested are §§ 105(a) and 362 of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").³

REDUCTION AND SLOWDOWN IN MEDICARE PAYMENTS

3. On October 21, 2024 (the "Petition Date"), the Debtor filed a voluntary petition for relief pursuant to chapter 11. As described in the First Day Declaration, a prepetition Payment Suspension (as defined in the First Day Declaration) imposed by CMS had suspended all Medicare payments to the Debtor, resulting in a cessation of approximately 91% of the Debtor's income. See First Day Declaration, ¶ 30.

4. On December 19, 2024, the Debtor entered into a stipulation with the DOJ to, among other things, allow 75% of amounts payable on claims submitted by the Debtor to resume while maintaining a suspension of 25% of Medicare payments to the Debtor. See *Stipulation and Agreed Order Regarding Suspension of Medicare Payments to the Debtor By the United States*

³ Unless specified otherwise, all chapter and section references are to chapters or sections of the Bankruptcy Code.

Department of Health and Human Services (the “Stipulation”) [Docket No. 86]. The Debtor and the DOJ have agreed to extend the term of the Stipulation multiple times, most recently to November 1, 2025, as they continue to negotiate a global settlement. *See* Docket No. 272.

5. Recently, beginning in September 2025, Medicare reimbursement payments to the Debtor have been reduced. In August and September 2025, the Debtor submitted Medicare claims to CMS for \$43.3 million and \$37.2 million, respectively, and has only received reimbursements in the amount of \$29.4 million and \$8.6 million, respectively. The amount of Medicare reimbursement payments received by the Debtor on these claims is significantly below 75% of the Medicare claims.

6. Based on the terms of the Stipulation, the Debtor should have received Medicare reimbursement payments between \$5.5 and \$6 million each week on these Medicare claims. Instead, the Debtor recently received the following Medicare reimbursements over the last five weeks:

Week Ending	Medicare Payment Received
September 5, 2025	\$4,814,484
September 12, 2025	\$4,130,115
September 19, 2025	\$2,771,916
September 26, 2025	\$2,551,125
October 3, 2025	\$2,194,478

7. Additionally, CMS recently slowed down its time to process the Debtor’s initial Medicare claims, which has, in turn, delayed the Debtor’s ability to submit claims to secondary Medicare payors and receive reimbursement payments on those claims. The Debtor notes that

CMS is also focused on processing smaller Medicare claims as the average approved Medicare claim is \$1,528 while the average pending Medicare claim is \$20,616.

8. The amount of the Debtor's Medicare claims submitted but pending approval now exceeds \$25 million – far higher than at any time in the past 60 days – while the amount of Medicare reimbursement payments by CMS to the Debtor is at its lowest point in the same time period.

9. Counsel for the Debtor brought this to the attention of counsel from the DOJ Commercial Litigation Branch who have been lead counsel for bankruptcy issues for CMS, but he is now furloughed as part of the ongoing government shutdown. Counsel for the Debtor subsequently brought this to the attention of counsel from the DOJ Fraud Section also involved in negotiations with the Debtor. For now, counsel for the DOJ Fraud Section are reportedly not affected by the funding lapse. All government counsel have attempted to assist in determining the cause of the slowdown and rectifying the situation, but Medicare reimbursement payments to the Debtor continue to be delayed. Therefore, given the impact on the liquidity, the Debtor seeks an emergency status conference.

EMERGENCY REQUEST TO SET STATUS CONFERENCE

10. The postpetition suspension or delay in Medicare reimbursement payments could violate the automatic stay imposed by § 362(a). Section 105(a) empowers the Court to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). The Court also has inherent authority to manage its own docket and affairs to achieve orderly and expeditious disposition of cases. *See Dietz v. Bouldin*, 579 U.S. 40, 47 (2016); *Link v. Wabash Railroad Co.*, 370 U.S. 626, 630 - 31 (1962); *Landis v. N. Am. Co.*, 299 U.S. 248, 254 (1936). Finally, the Stipulation provides that CMS can only retain 25% of the amounts

otherwise payable to the Debtor, while the slowdown in payments results in a much larger holdback for CMS.

11. Continued delay in Medicare reimbursements to the Debtor will cause a liquidity crisis. To date, the Debtor is waiting for over \$27.2 million. The status conference will allow the Court to hear from the parties and, if necessary, intervene to ensure prompt Medicare reimbursements are made to the Debtor

12. Accordingly, the Debtor requests that the Court set an emergency status conference for Thursday, October 9, 2025.

NOTICE

13. Notice of this Motion will be given to (i) the Debtor, (ii) the United States Trustee, (iii) the DOJ, (iv) CMS, and (v) all parties who have filed a notice of appearance with this Court.

WHEREFORE, for the above reasons, the Debtor asks the Court to issue an order, substantially in the form attached as **Exhibit A**, scheduling a status conference for Thursday, October 9, 2025.

[Signature page to follow]

Dated: October 6, 2025

Respectfully submitted,

DENTONS US LLP

/s/ Casey Doherty

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Counsel to the Debtor and Debtor-in-Possession

CERTIFICATE OF ACCURACY

I certify that the foregoing statements are true and accurate to the best of my knowledge. This statement is being made pursuant to BLR 9013-1(i).

/s/ Casey Doherty

CERTIFICATE OF SERVICE

This is to certify that I have on October 6, 2025, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Casey Doherty

EXHIBIT A

PROPOSED ORDER

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

GLOBAL WOUND CARE MEDICAL GROUP, a
Professional Corporation,¹

Debtor and Debtor in Possession.

Chapter 11

Case No. 24-34908 (CML)

**ORDER GRANTING DEBTOR'S EMERGENCY MOTION TO
SCHEDULE STATUS CONFERENCE**

Upon consideration of the *Debtor's Emergency Motion to Schedule Status Conference* (the "Emergency Motion")² of the above-captioned debtor and debtor in possession (the "Debtor"); and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that (a) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (b) venue of this proceeding and the Emergency Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; (c) the relief requested in the Emergency Motion is in the best interests of the Debtor's estate, its creditors, and other parties in interest; and (d) the Debtor's notice of the Emergency Motion and opportunity for a hearing on the Emergency Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Emergency Motion; and this Court having determined that the legal and factual bases set forth in support of the Emergency Motion establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing

¹ The last four digits of the Debtor's tax identification number in the jurisdiction in which it operates is 3572.

² Capitalized terms used herein but not otherwise defined shall have the meaning given to them in the Emergency Motion.

therefor, it is HEREBY ORDERED THAT:

1. The Emergency Motion is granted on the terms set forth herein.
2. The Court will set a status conference to be held on **October** ____, **2025**, at _____
a.m./p.m.

Dated: _____, 2025

Judge Christopher M. Lopez
United States Bankruptcy Judge