

**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)

**STATUS CONFERENCE REPORT AND DECLARATIONS OF RALPH CETRULO,
CHIEF FINANCIAL OFFICER, AND LOUIS E. ROBICHAUX, CHIEF
RESTRUCTURING OFFICER, IN SUPPORT THEREOF**

**TO THE HONORABLE CHRISTOPHER M. LOPEZ, UNITED STATES BANKRUPTCY
JUDGE:**

Global Wound Care Medical Group, a Professional Corporation, the debtor and debtor in possession in the above-captioned chapter 11² case (the “Debtor”), hereby files this Status Conference Report, along with the declarations of Ralph Cetrulo, Chief Financing Officer (the “Cetrulo Declaration”), and Louis E. Robichaux, Chief Restructuring Officer (the “Robichaux Declaration”), in support thereof, to provide the Court with additional facts and circumstances in advance of the status conference the Court set for Tuesday, October 21, 2025 at 1:00 p.m. (CT) (the “Status Conference”) and in connection with the *Debtor’s Emergency Motion to Schedule Status Conference* [Docket No. 278] (the “Emergency Motion”).³

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

² All references to “chapter,” “§” or “section” herein are to chapters or sections of title 11 of the United States Code, §§ 101 et seq. (the “Bankruptcy Code”).

³ Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such terms in the Emergency Motion.



I.

PRELIMINARY STATEMENT

As the Court is aware, the Debtor, Wound Pros Management Group, Inc. (“Wound Pros”), and the United States Department of Justice (the “DOJ”), on behalf of itself, the Centers for Medicare and Medicaid Services (“CMS”), the U.S. Department of Health and Human Services (“HHS”), and other government agencies (together, the “United States”), have been working collaboratively on a global settlement for nearly ten months, and the parties continue to engage in good faith efforts to reach a final resolution. In connection with these settlement discussions, the Debtor and the DOJ entered into the Stipulation and Agreed Order [Docket No. 87] (as extended, the “Medicare Stipulation”), which has been extended most recently to November 1, 2025 [Docket No. 272].

Since the filing of the Emergency Motion, the Debtor has learned that there has been a slowdown of reimbursements related to a material increase in demands by Medicare Administrative Contractors (the “MACs”)⁴ for additional documentation before the Debtor’s Medicare claims are paid. The demands for documentation are unprecedented, unannounced, and unexplained and have resulted in a dramatic slowdown in the processing and the payment of Medicare claims.

The slowdown in Medicare reimbursements has created a liquidity crisis, and, consequently, the Debtor and Wound Pros face an imminent shutdown of their businesses, which would eliminate essential medical care provided to thousands of elderly patients nationwide and nearly 900 jobs.

⁴ MACs are private insurance companies contracted by CMS to process Medicare claims, handle provider enrollment and reimbursement, and serve as the primary point of contact between the Medicare program and healthcare providers.

II.

SUPPLEMENTAL FACTS

1. In the Emergency Motion, the Debtor explained it should have received Medicare reimbursement payments between \$5.5 and \$6 million each week on Medicare claims in accordance with historical norms and provided a chart setting the actual amounts received, which were much less. For ease, the Debtor has included the chart again below except that the Debtor also includes the additional receipts for the weeks ending October 10 and 17:

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
October 10, 2025	\$2,712,627
October 17, 2025	\$2,372,036

2. To date, given the slowdown in reimbursements, the Debtor and Wound Pros have not received over \$38 million, including pending and “approved to pay” claims, that they had projected for operations and other expenses in their budget. Further, the slowdown in processing the Debtor’s initial Medicare claims has, in turn, delayed the Debtor’s ability to submit claims to secondary Medicare payors and receive reimbursement payments on those claims.

3. After the filing of the Emergency Motion, on October 10, 2025, DOJ informed the Debtor (through counsel) that they learned there were outstanding medical requests, also referred

to as an Additional Documentation Request (“ADR”), which were allegedly causing the delay in reimbursements.

4. After the Debtor further looked into the ADR and related issues, it became clear that the Debtor’s payments were delayed by an influx of ADRs from the Noridian Healthcare Solutions (the MAC for California) and Novitas Solutions, Inc. (the MAC for Texas) beginning on September 1, 2025. An ADR is sent to the Debtor (or any healthcare provider) for medical records to support a Medicare claim, ensure compliance, or conduct reviews. These requests are used to verify the accuracy of a claim, assess the medical necessity of services, and check for compliance with billing policies. The request can be for records needed to pay a claim before or after payment, and the Debtor must respond to ensure continued billing privileges. While the MACs have a right to make an ADR in connection with their review of a claim prepayment, the need for ADR is not a bar to a claim being paid. To the contrary, as outlined in 42 CFR § 405.929, a MAC can issue an ADR after paying a claim, and declare an overpayment, subject to reimbursement or recoupment, should the information provided be insufficient.

5. Over the course of the ten months since the Medicare Stipulation was executed, the Debtor has continued to submit claims to the applicable MACs. The vast majority—over 96%—of the Debtor’s claims have been approved during this period. Moreover, the Debtor has appealed the small number of denials it has received, and it has frequently succeeded on appeal. In addition, between January and July of this year, the MACs issued 48 ADRs to the Debtor in connection with Medicare claims. Wound Pros and the Debtor supplied all requested documentation, and no claims for biologics or “skin substitutes”—which comprise the highest portion of any Debtor reimbursement claim—were denied.

6. Now, however, since September 1, 2025, 90% of the ADR are for claims related to biologics and, more importantly, there have been 462 ADR issued to the Debtor. Of these, as of Wednesday, October 15, 2025, 97 ADR have already been submitted; 137 have medical records already clinically reviewed and completed and pending submission; 156 are waiting for clinical review; 100 are pending with the medical record manager; and 36 are still having records complied in response to the ADR.

7. Now that the Debtor has visibility into the issue, and given the dire nature of the payment interruption, additional resources are being applied to respond to the ADR, with the goal of having all ADR responded to shortly and promptly on a go forward basis. However, the Debtor is informed and believes that even with the timely submission of responses to an ADR, the MAC may still utilize a 30-day period before rendering a decision on the claim.⁵

8. As of this filing, the status of the Medicare claims that have been submitted versus approved to pay are broken down per state as follows:

State	No. of Pending	Pending Amount	Approved to Pay Claims	Approved To Pay
CA (Northern)	385	\$5,390,948.64	71	\$142,254.96
CA (Southern)	1,549	\$18,171,104.49	352	\$733,478.32
NEVADA	31	\$466,171.79	2	\$165.30
ARIZONA	72	\$851,734.36	22	\$14,650.93
WASHINGTON	56	\$18,340.80	16	\$884.54
TEXAS	414	\$4,953,600.55	57	\$22,931.57
LOUISIANA	11	\$335,264.58	3	\$109,648.98

⁵ See Centers for Medicare & Medicaid Services, Medicare Claim Review Programs, (Sep. 2016), at 10, *available at* <https://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnproducts/downloads/mcrp-booklet-text-only.pdf>.

ILLINOIS	0	\$0.00	22	\$127,349.24
TENNESSEE	0	\$0.00	6	\$17,086.47
GEORGIA	0	\$0.00	55	\$1,232,580.30
INDIANA	31	\$665,434.12	18	\$5,512.87
MICHIGAN	97	\$997,446.21	35	\$315,871.85
NEW YORK	0	\$0.00	25	\$44,965.77
FLORIDA	183	\$1,284,447.71	64	\$247,710.56
CONNECTICUT	0	\$0.00	0	\$0.00
WISCONSIN	0	\$0.00	2	\$285.13
WCC OHIO	639	\$1,941,833.67	176	\$271,478.93
WCC-DMERC	3	\$2,700.00	8	\$7,600.34
\$35,079,026.92			\$3,294,456.06	

9. The additional and unforeseen delay in payment of the Debtor's properly submitted claims for Medicare reimbursement resulting from the influx of ADR has now reached a point that, absent providing the Debtor with access to additional funds, the Debtor and Wound Pros will be forced to consider immediate cessation of operations.

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Dated: October 20, 2025

Respectfully submitted,

DENTONS US LLP

/s/ Casey W. 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 W. Doherty

CERTIFICATE OF SERVICE

This is to certify that I have on October 20, 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 W. Doherty

**DECLARATION OF RALPH CETRULO IN SUPPORT OF
THE DEBTOR'S STATUS CONFERENCE REPORT**

I, Ralph Cetrulo, hereby declare and state as follows:

1. I am the Chief Financial Officer (“CFO”) of Global Wound Care Medical Group, a Professional Corporation, the debtor and debtor in possession (the “Debtor”) in the above-captioned chapter 11 case (“Case”), and the CFO of Wound Pros Management Group, Inc. (“Wound Pros”), the management company for the Debtor. I submit this declaration in support of the contemporaneously filed *Status Conference Report* (the “Status Conference Report”).¹ All of the factual assertions in the Status Conference Report are true and correct to the best of my knowledge.

2. I have been the CFO of Wound Pros since February 2023, and the CFO of the Debtor since December 2024. I have a Bachelor of Science in accounting from the University of Delaware and have over three decades of experience in public accounting and over a decade as a CFO. I have experience in mergers and acquisitions, business valuations, financial forecasting, and stock options planning. I am a member of the American Institute of Certified Public Accountants and the Delaware Society of Certified Public Accountants, and have served on the boards of various organizations, including the Horn Entrepreneurship Board at the University of Delaware, the Delaware Deferred Compensation Board, and the Delaware Workforce Development Board. As CFO of Wound Pros and the Debtor, I am intimately familiar with their cash management systems, as well as all facets of its revenue cycle management, current cash balances, and claims submissions to and payments from the Medicare program and other payors.

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Status Conference Report.

Background

3. The Debtor commenced this Case because, as described in the First Day Declaration, the prepetition Payment Suspension imposed by CMS suspended all Medicare payments to the Debtor, resulting in a cessation of approximately 91% of the Debtor's income. On December 19, 2024, the Debtor entered into in the Court-approved Stipulation and Agreed Order (the "Medicare 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. These suspended funds are held in the Suspense Account and now total over \$300 million.

4. As the Debtor, Wound Pros, and DOJ have continued to negotiate a global settlement, the term of the Medicare Stipulation has been extended multiple times, most recently to November 1, 2025.

5. Recently, however, there has been a dramatic slowdown in Medicare reimbursements, and the Debtor and Would Pros have not received over \$38 million in Medicare reimbursements, including pending and "approved to pay" claims. In this regard, the Debtor and Wound Pros are being subjected to an unprecedented, unannounced, and unexplained material increase in demands for additional documentation before the Debtor's Medicare claims can be paid, resulting in a dramatic slowdown in the processing and the payment of Medicare claims.

6. This slowdown in Medicare reimbursements has created a liquidity crisis, and, consequently, the Debtor and Wound Pros face an imminent shutdown of their businesses, which would eliminate essential medical care provided to thousands of patients nationwide and nearly 900 jobs as early as the end of this week.

Medicare Reimbursements & Additional Documentation Request

7. Beginning in September 2025, Medicare reimbursement payments to the Debtor have been sharply 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, as provided in the Medicare Stipulation.

8. Upon information and belief, the Debtor should have received Medicare reimbursement payments between \$5.5 and \$6 million each week on Medicare claims. Instead, the Debtor recently received the following Medicare reimbursements over the last seven 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
October 10, 2025	\$2,712,627
October 17, 2025	\$2,372,036

9. The chart below reflects Medicare claims that have been submitted for payment versus the Medicare claims that have been approved for payment:

State	No. of Pending	Pending Amount	Approved to Pay Claims	Approved To Pay
CA (Northern)	385	\$5,390,948.64	71	\$142,254.96
CA (Southern)	1,549	\$18,171,104.49	352	\$733,478.32
NEVADA	31	\$466,171.79	2	\$165.30
ARIZONA	72	\$851,734.36	22	\$14,650.93
WASHINGTON	56	\$18,340.80	16	\$884.54
TEXAS	414	\$4,953,600.55	57	\$22,931.57
LOUISIANA	11	\$335,264.58	3	\$109,648.98
ILLINOIS	0	\$0.00	22	\$127,349.24
TENNESSEE	0	\$0.00	6	\$17,086.47
GEORGIA	0	\$0.00	55	\$1,232,580.30
INDIANA	31	\$665,434.12	18	\$5,512.87
MICHIGAN	97	\$997,446.21	35	\$315,871.85
NEW YORK	0	\$0.00	25	\$44,965.77
FLORIDA	183	\$1,284,447.71	64	\$247,710.56
CONNECTICUT	0	\$0.00	0	\$0.00
WISCONSIN	0	\$0.00	2	\$285.13
WCC OHIO	639	\$1,941,833.67	176	\$271,478.93
WCC-DMERC	3	\$2,700.00	8	\$7,600.34
TOTAL		\$35,079,026.92		\$3,294,456.06

10. As reflected, consequently, the “pending amount” that has not been approved for payment of Medicare claims is over \$35 million. It also appears to me from the review of the Medicare claims that CMS is only processing smaller Medicare claims as the average approved

Medicare claim is \$1,528 while the average pending Medicare claim is \$20,616. Further, the slowdown in processing the Debtor's initial Medicare claims has, in turn, delayed the Debtor's ability to submit claims to secondary Medicare payors and receive reimbursement payments on those claims.

11. I am informed and believe that Debtor's counsel promptly brought this to the attention of counsel from the DOJ. Thereafter, on or about October 10, 2025, I was informed through Debtor's counsel that DOJ informed them that the slowdown in payments was allegedly due to outstanding medical requests, also referred to as an Additional Documentation Request ("ADR"), which were allegedly causing the delay in reimbursements.

12. At my direction, employees of Wound Pros investigated the issue and discovered that the Debtor's payments were delayed by the influx of ADRs from the Noridian Healthcare Solutions (the MAC for California) and Novitas Solutions, Inc. (the MAC for Texas) beginning on September 1, 2025.

13. An ADR is sent to the Debtor (or any healthcare provider) for medical records to support a Medicare claim, ensure compliance, or conduct reviews. These requests are used to verify the accuracy of a claim, assess the medical necessity of services, and check for compliance with billing policies. The request can be for records needed to pay a claim before or after payment, and the Debtor must respond to ensure continued billing privileges. While I am aware that the MACs have a right to request ADR in connection with their review of a claim prepayment, I am informed and believe that the need for ADR is not a bar to a claim being paid, and that, a MAC can request ADR after paying a claim, and declare an overpayment, subject to reimbursement or recoupment, should the information provided be insufficient.

14. Over the course of the ten months since the Medicare Stipulation was executed, the Debtor has continued to submit claims to the applicable MACs. The vast majority—over 96%—of the Debtor’s claims have been approved during this period. Moreover, the Debtor has appealed the small number of denials it has received, and it has frequently succeeded on appeal. In addition, between January and July of this year, the MACs issued 48 ADRs to the Debtor in connection with Medicare claims. Wound Pros and the Debtor supplied all requested documentation, and no claims for biologics or “skin substitutes”—which comprise the highest portion of any Debtor reimbursement claim—were denied.

15. Now, however, since September 1, 2025, 90% of the ADR are for claims related to biologics and, more importantly, there have been 462 ADR sent to the Debtor. Of these, as of Wednesday, October 15, 2025, 97 ADR have already been submitted; 137 have medical records already clinically reviewed and completed and pending submission; 156 are waiting for clinical review; 100 are pending with the medical record manager; and 36 are still having records complied in response to the ADR.

16. Now that the Debtor has visibility into the issue, and given the dire nature of the payment interruption, additional resources are being applied to respond to the ADR, with the goal of having all ADR responded to shortly and promptly on a go forward basis.

17. However, I am informed and believe that after submission of the ADR, the MAC may still utilize a 30-day period before rendering a decision on the claim.

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Conclusion

18. The additional and unforeseen delay in payment of the Debtor's properly submitted claims for Medicare reimbursement resulting from the influx of ADR has now reached a point that, absent access to liquidity, there will be imminent and irreparable harm to the Debtor and Wound Pros.

19. In fact, the Debtor's need for liquidity is necessary to continue critical patient care to elderly patients and to preserve the Debtor's estate and to maximize value for its creditors. The delay in the processing of Medicare reimbursement requests of the Debtor due to the unexpected influx of ADR has caused the Debtor's cash position to precipitously drop to levels that will cause the imminent cessation of operations thereby eliminating care to thousands of elderly patients and nearly 900 jobs. As set forth above, the Debtor is waiting for over \$38 million in Medicare reimbursements, including pending and "approved to pay" claims, as a result of the dramatically increased ADRs from the MACs, despite the fact that the MACs have authority to authorize reimbursement in advance of receipt of documentation.

20. As set forth above, without access to additional liquidity, neither the Debtor nor Wound Pros will have the liquidity necessary to continue operating thereby suffering immediate and irreparable harm.

I certify under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Date: October 20, 2025

/s/ Ralph Cetrulo
Ralph Cetrulo

**DECLARATION OF LOUIS E. ROBICHAUX IV IN SUPPORT OF
THE DEBTOR'S STATUS CONFERENCE REPORT**

I, Louis E. Robichaux IV, hereby declare and state as follows:

1. I am a Senior Managing Director at Ankura Consulting Group, LLC ("Ankura"). I have over 30 years of healthcare industry and restructuring experience, with significant expertise serving in chief restructuring officer roles. I have provided restructuring, crisis management, financial advisory, and expert witness services to parties in a broad variety of distressed corporate settings, with a significant emphasis on the US healthcare industry.

2. In the above-captioned case (the "Case"), I am the Chief Restructuring Officer ("CRO") of Global Wound Care Medical Group, a Professional Corporation, the debtor and debtor in possession (the "Debtor"). I submit this declaration in support of the contemporaneously filed *Status Conference Report* (the "Status Conference Report").² All of the factual assertions in the Status Conference Report are true and correct to the best of my knowledge.

3. I have been working closely with Ralph Cetrulo, the Chief Financial Officer to the Debtor and to Wound Pros Consulting Group, Inc. ("Wound Pros"), with respect to the liquidity challenges caused by the slowdown in Medicare receipts.

4. This slowdown in Medicare reimbursements has created a liquidity crisis, and, consequently, the Debtor and Wound Pros face an imminent shutdown of their businesses, which would eliminate essential medical care provided to thousands of elderly patients nationwide and nearly 900 jobs.

5. As of today, and as a result of the slowdown in Medicare reimbursements, the Debtor's and Wound Pros's combined cash on hand has fallen dramatically to approximately \$14

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Status Conference Report.

million, and I project (i) payroll payments to employees in the next two weeks totaling approximately \$3.9 million, (ii) payments to biologic vendors in the next two weeks totaling approximately \$7.7 million (which do not include payments on any amounts owed in arrears), and (iii) payments to other vendors in the next two weeks totaling approximately \$1.8 million. Given the slowdown in receipts and the cash burn, I project that the Debtor and Wound Pros will have approximately \$6 million cash on hand the week ending October 31, 2025, absent reversal of the extreme slowdown in Medicare reimbursements which has had a devastating impact on liquidity.

6. In connection with the liquidity challenges, I have worked closely with Mr. Cetrulo to evaluate the Debtor and Wound Pros current liquidity emergency. In connection therewith, Ankura formulated a two-week cash flow forecast, which was provided to the parties, including the United States on or about October 15th, which forecast reflects the dramatic slowdown in Medicare reimbursements resulting from an expansion in medical record requests. This forecast was quite concerning as it reflected that: (i) the Debtor and Wound Pro had already fallen below what would be, in my business judgement, a minimum cash balance level of at least \$20 million; and (ii) the Debtor and Wound Pros would exhaust all liquidity in approximately three (3) weeks.

7. A review of the financial performance of the Debtor and Wound Pros since that forecast validates my concerns, as the liquidity situation is no better than projected.

8. Absent a significant improvement in cash flow commencing immediately, to bridge the gap between the current slowdown and the return of cash receipts to something close to historical norms for the current volume of services, the Debtor and Wound Pros would have to commence shutdown of operations shortly.

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I certify under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Date: October 20, 2025

/s/ Louis E. Robichaux IV

Louis E. Robichaux IV
Senior Managing Director
Ankura Consulting Group, LLC