

EXHIBIT V-B

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW HAMPSHIRE**

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In re:	:
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LRGHEALTHCARE,	:
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Debtor.¹	:
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	:
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**DECLARATION OF STEPHEN E. MILLER IN SUPPORT OF
DEBTOR’S SALE MOTION**

I, Stephen E. Miller, declare, pursuant to section 1746 of title 28 of the United States Code, that:

1. I am the Interim Chief Financial Officer of LRGHealthcare (“LRGHealthcare” or the “Debtor”) as of June 1, 2020. In that capacity, I have become familiar with the Debtor’s day-to-day operations, businesses, and financial affairs.

2. As Interim CFO, I am responsible for certain aspects of the Debtor’s business, including operational matters, financial management and reports, and internal controls.

3. I submit this declaration in support of the *Debtor’s Motion for Sale of Property Under Section 363(B) and for Order (B)(I) approving the sale of substantially all of the debtor’s estate free and clear of all interests, (II) approving the assumption and assignment of certain executory contracts and unexpired leases, and (III) granting related relief* [Dkt. No. 45] (the “Sale Motion”).²

¹ The last four digits of the Debtor’s federal taxpayer identification number are 2150. The address of the Debtor’s headquarters is 80 Highland Street, Laconia, NH 03246.

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Sale Motion.

4. Except at otherwise indicated, all the facts set forth in this Declaration are based upon my personal knowledge, upon information supplied to me by other members of the Debtor's management or professionals, upon information learned from my review of the relevant documents, or opinion based upon my experience and knowledge of the Debtor's operations and financial condition and my experience in the healthcare industry generally. If called as a witness, I could and would testify to the facts set forth in this Declaration.

5. I am familiar with the Debtor's business operations, including existing contracts, receipts, cost and expenses.

6. Since taking on the role of Interim Chief Financial Officer, I have become familiar with the historical and current operations of LRGHealthcare. Specifically, I have acquired firsthand knowledge of the Debtor's:

- i. Financial performance;
- ii. Operations and procedures;
- iii. Software and IT systems;
- iv. Senior and middle management performance and skill levels;
- v. Staffing levels and performances; and
- vi. Current operating capital levels and requirements.

7. I have been preparing and updating the operating budgets and projections for the Debtor for the past six months, with the assistance of the Debtor's financial advisors. The Debtor is losing approximately \$2,500,000 per month from operations.

8. The Debtor has been experiencing a loss of revenue in recent years resulting from increased outmigration to competing facilities for key services. In addition, the Debtor does not have the financial clout to negotiate higher reimbursement rates from insurance carriers.

9. Net patient revenues have decreased over 23% percent since 2017. When compared to 2019, average inpatient admissions are down 26%, and emergency department (“ED”) visits are down approximately 16.5%. The ED is a main source of admissions to LRGHealthcare. The reduced ED visits and resulting reduction in admissions have and will impact the Debtor’s cash collections in the January through March of 2021 timeframe.

10. Furthermore, the Debtor continues to have a loss from operations and negative cash flow on a monthly basis. The Debtor’s cash flow projections demonstrate that it cannot operate much longer on projected cash from revenues without the support of a strong partner like Concord Hospital. With the added burden of restructuring costs including professional fees and expected reduced collections consistent with recent downturns in admissions and visits, the Debtor currently projects that cash will be nearly depleted prior to the middle of March of 2021 (assuming no extraordinary event like another pandemic shutdown or additional unexpected receipts like funds from the Care’s Act). These projections are evidenced in large measure by the Cash Collateral budgets (Debtor’s Exhibits 13-15).³

11. While closing is not expected for some period of time, the Asset Purchase Agreement (the “APA”) provides for funds for a wind down and conclusion of the estate in an amount of at least \$500,0000, and the parties continue to discuss the allocation of net proceeds amongst the various stakeholders.

12. I have been asked to estimate LRGHealthcare’s potential liability for Medicaid Enhancement Tax (“MET”) that may become due to the State of New Hampshire in or around April of 2021. Unfortunately, the amount of the potential MET liability cannot be calculated with any certainty or accuracy at his time.

³ The Debtor maintains these documents in its books and records in the ordinary course of its business.

13. Historically, for at least the last four years, the disproportionate share hospital (“DSH”) payments due to LRGHealthcare have always greatly exceeded the amount that LRGHealthcare owes in MET, though there can be no certainty that such will be the case in the coming year.

CONCLUSION

14. Accordingly, I respectfully request that the Court grant all relief requested in the Sale Order and such other and further relief as may be just.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: December 18, 2020

On behalf of LRGHealthcare as a debtor and
debtor-in-possession

By: /s/ Stephen E. Miller
Stephen E. Miller