

Press Release

Michael Pluta appointed provisional insolvency monitor for Krankenhaus 14 Nothelfer

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Krankenhaus 14 Nothelfer, a Weingarten hospital, is to be restructured under debtor-in-possession insolvency proceedings. The necessary application was filed with the Local Court of Ravensburg on 28 July 2020 due to imminent illiquidity. The court ordered provisional debtor-in-possession proceedings and appointed Mr Michael Pluta from PLUTA Rechtsanwalts GmbH as provisional insolvency monitor.

The provision of geriatric care will be resumed and expanded where necessary. A utilisation concept is to be developed for the building in consultation with the city of Weingarten. However, there will no longer be acute inpatient care for surgical patients. The hospital, which still employed 344 people in 2019, has been kept operationally ready since late March as a reserve coronavirus medical facility for the federal state of Baden-Württemberg.

Friedrichshafen municipal council gave its backing last Monday to the hospital filing for debtor-in-possession insolvency. Prior to that, the relevant bodies had refused to continue funding the hospital's operations, which have been heavily loss-making for years, and bear its costs. This put it at risk of illiquidity.

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PLUTA helps companies in legally and economically difficult situations. Since the company was founded in 1982, PLUTA has constantly grown. Today PLUTA has a staff of about 500 employees in Germany, Spain and Italy including more than 290 graduates in business economics and business management, attorneys, business lawyers, tax consultants, public auditors, certified accountants, economists, bankers, bookkeepers, engineers and insolvency administration specialists. Many of them own multiple qualifications what ensures practicable and economically sensible solutions. In particular, PLUTA provides support in restructuring companies affected by a crisis or insolvency and in continuing business operations, if necessary by involving restructuring experts in a responsible role. PLUTA is one of the top enterprises specialising in restructuring and turning around companies, as demonstrated by rankings and awards from INDat, JUVE, The Legal 500, Who's Who Legal, brandeins, and Focus. Further information at www.pluta.net

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Having originally planned to close the facility on 30 September 2021, shareholders Klinikum Friedrichshafen and the city of Weingarten then moved quickly to avoid further losses through the hospital's continued operation and high costs. As the hospital's emergency geriatric care project (GeriNoVe) has a viable future, it will be restructured under debtor-in-possession proceedings. During this court-supervised process, the management team will remain in charge and will be advised by Berlin law firm GT Restructuring, which specialises in restructurings under insolvency law.

"Our first step will be to reopen the centre providing emergency geriatric care to elderly people requiring acute social or nursing support. This has been closed since March. We want to develop the plot as needed together with the city of Weingarten and, by summer 2021, present an insolvency plan for the expansion of the GeriNoVe project and the use of the plot in order to adequately satisfy all creditors. We will therefore be holding discussions with all stakeholders in the coming days," explained attorney Mr Christian Köhler-Ma from GT Restructuring, who has been appointed managing director alongside Ms Margita Geiger. The insolvency proceedings are expected to be opened by late August already.

All measures will be agreed with the court-appointed provisional creditors' committee, which will include representatives of the city of Weingarten and the Stadtwerk am See municipal utility company. "I will constructively support the proceedings. My role is to make sure that the creditors are no worse off than in regular

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insolvency proceedings. Where moderation is required, I would be pleased to help the management team reconcile any conflicting interests – not only those of employees, but also of the cities of Weingarten and Friedrichshafen,” said attorney Mr Michael Pluta of PLUTA Rechtsanwalts GmbH, who has been appointed provisional insolvency monitor by the Local Court of Ravensburg.

“Although we will no longer offer acute inpatient care, we want to ensure good services for the population in and around Weingarten. That is why we want to focus on providing emergency geriatric care through an innovation project that will receive funding of 4.6 million euros from the Federal Joint Committee (GBA). We see an opportunity here to close a gap with respect to the care of the elderly,” explained managing director Ms Margita Geiger. A medical centre with a pharmacy and medical supply store as well as acute care facilities are also located close to Krankenhaus 14 Nothelfer.

Of the originally 344 employees of Krankenhaus 14 Nothelfer, some 260 moved in the past year to other clinics within the Medizin Campus Bodensee Group, while others resigned. The 37 people still currently employed will also be able to switch to other clinics within the group if they are not involved in the GeriNoVe project.

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