



**Testimony of Barbara Simonetta
President, CT Health Care Associates/NUHHCE/AFSCME
Before the Public Health Committee**

March 19, 2014

S.B. 460, An Act Concerning Hospital Conversions and Other Matters Affecting Hospitals and H.B. 5571, An Act Concerning Certificate of Need Requirements, Hospital Conversions & Medical Foundations

I am testifying today on behalf of CT Health Care Associates/AFSCME on S.B. 460 and H.B. 5571 regarding hospital conversions. We represent union members throughout Connecticut, including 550 nurses and technical employees at Waterbury Hospital, which is pursuing a for-profit conversion with Tenet Corporation of Texas.

We applaud the chairs and this committee for your leadership to regulate and rein in for-profit conversions and protect the public. Nurses at Waterbury Hospital have been undergoing exceptionally difficult negotiations with the hospital for over a year due to the proposed merger with Tenet. Tenet is trying to pad their bottom line by eliminating 30-plus year pensions, cutting jobs, pay, sick time and health care, and more. They now demand that nurses reapply for their jobs and take drug tests. Our nurses are devastated and note the hypocrisy. Tenet has paid out nearly \$2 billion in fines for fraud, abuse and more, and now faces new Medicaid charges. Their CEO is a former investment banker. This is a loud warning signal as you consider whether to even allow for-profits in Connecticut. New York does not and we believe that S.B. 460's ban on expanding for-profits may ultimately be in the best interests of taxpayers and communities.

Both S.B. 460 and H.B. 5571 are important starting points and include many protections and concepts we support, including S.B. 460's new information and transparency requirements and ongoing oversight of any hospital deal. We also believe it is important that the tax exempt status is properly valued such as S.B. 5571 does, and to expand the purview of the Attorney General's oversight with regard to reproductive services, and more not listed. Many legislators have been told (especially by Tenet sales personnel) that the AG's review process is adequate to address the proposed deals, but that is not true. The AG's CON purview is currently open to interpretation. It does not include explicit review many areas, such as changes in working conditions.

We support S.B. 460's emphasis on community benefits, but would ask that the definition of "community benefits" be expanded to explicitly include worker protections. We also suggest you include more baseline reporting measures to help regulators gauge changes in staffing and working conditions, and require the establishment of a community benefits agreement. We would also suggest you consider freezing the hospital's ability to make changes to worker pay or benefits -- from the moment a Letter of Intent is signed by any parties until a CON is approved -- to protect workers and patients during the transition phase.

We know these bills are works in progress and that other committee bills, such as H.B. 5257 and S.B. 52, include additional protections missing from today's bills that must be part of this debate. That said, if either of today's bills were passed as-is: 1) the implementation dates you suggest would appear to mostly exempt Waterbury Hospital, and 2) neither bill would preserve collective bargaining rights or shield workers from the attacks they are fighting now. It is fundamental that these and other core gaps be addressed, or Tenet and other for-profits should be banned from doing business in this state entirely. The risk is too great. Thank you.

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