



Testimony of Deborah Chernoff, Public Policy Director  
New England Health Care Employees Union, District 1199, SEIU  
Supporting HB 5257 and SB 460 – Hospital Conversions

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Good afternoon, Senator Gerratana, Representative Johnson, and distinguished members of the Public Health Committee.

For the record, my name is Deborah Chernoff, Public Policy Director for the New England Health Care Employees Union, District 1199/SEIU, the state's largest union of health care workers, including our members who work in Connecticut's acute care hospitals.

You are hearing two bills today, House Bill 5257 and Senate Bill 460, that focus on a critical issue confronting our state: what will happen to our hospitals and our system of acute care now that for-profit entities are pounding on our door, hoping to come in and do business here? I testified a few weeks ago on Senate Bill 35, which takes another approach to protecting vital services for Connecticut patients and communities.

Currently Connecticut's rules and statutes are inadequate to protect citizens and communities from the excesses profit driven health care can bring about. We need legislation that strikes a balance between protecting the public's interest and assets while also allowing change in an efficient and timely manner. Key protections proposed in these bills include:

- Enacting a moratorium on for-profit hospital conversions until we have statutory and regulatory protections in place
- Preventing hospital administrators from selling local hospitals at "fire sale" prices

- Giving the state increased oversight and access to information on the entities seeking to buy hospitals – transparency is key to prevent fraud and steep price increases after conversion
- Ensuring a commitment to continued quality of care and access to services for the affected communities
- Allowing the state to prevent conversions if the purchasing entity is under federal investigation for fraud
- Protecting jobs and workers by preventing acquiring entities from generating their profits primarily by cutting staff, wages and benefits

The General Assembly must look very closely at all of these bills in light of the advent of out-of-state, for-profit corporations that want to buy local hospitals, hoping to maximize revenue in the changing health care landscape. Because these are entities organized to make profits, we need to ask questions about how those profits will be realized – and at whose expense. We must enact strong measures that protect us collectively from some of the predatory practices we have seen in other for-profit hospital ventures, for example, the scandals involving some of the country’s largest for-profit hospital chains, like Columbia/HCA , which was fined millions of dollars for Medicare fraud in 2000 – and is once again the subject of a federal probe into its practices in Florida.

The members of District 1199 urge your support for these bills, even though we believe even more should to be done before we embark on such a profound change to the provision of acute care in Connecticut’s towns and cities. For example, given the pricing practices exposed by Stephen Brill earlier this year in a *Time Magazine* article entitled “Bitter Pill: Why Medical Bills are Killing Us,” we should be looking at mechanisms for cost containment to control the rising prices of prescription drugs and specialized medical services as for-profit institutions move into our provider mix.

Acute care hospitals are often the dominant employers in the cities in which they are located. They play a vital role as community centers. It is, therefore, imperative that we take appropriate steps to ensure that whoever operates those hospitals in the future operates them to our collective benefit, not just for the financial benefit of a few.