



Testimony of
Neil Alper
Field Representative, AFT Connecticut, AFL-CIO
and
Sharon Thompson, President
Rockville Federation of Nurses, AFT Connecticut Local 5143, AFL-CIO

Public Health Committee Public Hearing
March 19, 2014

SB 460 An Act Concerning Hospital Conversions And Other Matters Affecting Hospitals
HB 5571 An Act Concerning Certificate of Need Requirements, Hospital Conversions
and Medical Foundations

Good afternoon Senator Gerratana, Representative Johnson and members of the Public Health Committee. My name is Neil Alper and I am a Field Representative of AFT Connecticut responsible for directly representing the approximately 700 members at Manchester and Rockville Hospitals which belong to the Eastern Connecticut Health Network (ECHN). President Thompson is a Registered Nurse at Rockville Hospital and President of the Rockville Federation of Nurses, AFT Connecticut Local 5143. Thank you for the opportunity to speak to you today in support of SB 460 and HB 5571.

Connecticut's rules and statutes are inadequate to protect citizens from the impacts profit-driven healthcare can create. We applaud the Committee for attempting to strengthen our hospital conversion statute by expanding the role of the Attorney General, improving transparency and providing safeguards for the community. Together, SB 460 and HB 5571 strike a balance between protecting the concerns of patients, communities and healthcare professionals while allowing hospitals to pursue conversion options. AFT Connecticut wholeheartedly supports these bills.

Though marginally profitable in recent years, ECHN has faced increasing pressures all too familiar in health care entities of its size. Earlier this year it sought out a partner, or purchaser, and began an RFP process and ultimately signed a letter of intent with Yale New Haven Health System and Vanguard Health Systems. Vanguard has since been sold to Tenet Healthcare Corporation.

To their credit, the leadership at ECHN began speaking early and substantively with union representatives about their intentions. This dialogue resulted in a number of substantive agreements reached between the parties, and perhaps more significantly continues to allow for an important line of communication between ECHN and its employees throughout any potential transition. While the worker protection aspect of this potential hospital conversion has been positive, a for-profit healthcare corporation may behave differently at different worksites, especially between union and non-union worksites. We are concerned that workers who lack the benefit of union representation will be unfairly treated and urge you to strengthen worker protections in SB 40.

In addition, there are many other components related to hospital conversions that cause great concern. Among them is the tendency of for-profit hospital corporations to limit or terminate unprofitable services. This has even been the case at existing non-profit hospitals. The closure of the Birthing Center at Rockville Hospital in the Fall of 2010 took employees and surrounding communities alike by surprise. In fairness, ECHN worked with the union to mitigate the impact of the closure on its nursing staff, yet the

rapidity of its ability to close such long standing services speaks to the necessity of transparent processes and safeguards to govern the provision of healthcare services throughout the state. Provisions in both SB 460 and HB 5771 would appropriately require a certificate of need for termination of such services, thereby providing more notice and an opportunity for the affected community to provide input into those kinds of decisions.

In fact, the long term survival of Rockville General Hospital is in question, whether ECHN is acquired by Tenet or not. Its closure could have a significant negative impact on the surrounding area. This possibility makes SB 460 even more important as it allows for transparency and review of any attempt at conversions through the State.

Certainly the access to large pools of capital and influence that national for profit healthcare corporations theoretically can provide to many of our struggling institutions is an attractive proposition. Similarly with the Affordable Care Act taking hold and associated changes in Federal reimbursement mechanisms, many solutions to the ongoing uncertainty in healthcare are national in scope. However, none of these points negate the need for effective safeguards on the state level on how conversions take place, and their potential impact both on employees and the larger community they operate within. Without a transparent, meaningful, and thorough review and enforcement process the dangers of an unrestrained for profit entity operating in Connecticut outweigh the potential benefits they may offer.

Simply put, if Tenet and similar for-profit entities seek to operate in our state, than surely they should be willing to submit to a process that offers transparency and certainty to stakeholders beyond their shareholders. SB 460, and HB 5571 offer a template for providing such a roadmap that can ensure that for profit providers can operate effectively in our state while safeguarding the interests of our employees, patients and communities.

Thank you for the opportunity to testify before you today.