

Hello, members of the Human Services Committee. My name is Vern Scatliffe and I live in Waterbury. I want to testify in favor of the two bills that require more financial transparency for nursing homes.

I'm a member of the health care workers union, District 1199 and I work as a Certified Nursing Assistant at the Danbury Health Care Center. If that nursing home sounds familiar, it's probably because of the long strike we had there against our corporate operator, HealthBridge Management. HealthBridge is another big nursing home chain. It's based in New Jersey and has dozens of nursing homes in the United States. Eight of them are here in Connecticut and five of those nursing homes, including Danbury, are in our union.

So what does this have to do with these bills? Hundreds of HealthBridge workers like me at the five union homes began an Unfair Labor Practice strike after HealthBridge said our negotiations weren't going anywhere and changed our contracts, slashing our hours, our wages and our benefits. The Labor Board says those changes were illegal and issued federal Complaints against the company. A federal Judge issued an injunction against them, ordering them to put the contracts back the way they were and negotiate with us.

That same judge then found them to be in contempt of court when they didn't follow the injunction. How could they do that? Right before we were supposed to go back to work under the old contracts, HealthBridge suddenly filed for bankruptcy in New Jersey court, so they could get the contract changes they wanted that way. Even though the Labor Board says it's illegal and the Judge ordered them back to the bargaining table. They filed for bankruptcy just for the nursing homes themselves, but not for HealthBridge Management or any of the other related companies they pay tens of millions of dollars to.

Just to give you an example: in 2011, for the nine nursing homes HealthBridge operated in Connecticut, HealthBridge paid more than \$14 million to related party companies for rent, management services, pharmacy and other services. But

because all of these related businesses are private, no public financial information is available about them. We couldn't get that information during negotiations and it wasn't given to the court. So far, HealthBridge has been able to get away with not following the federal court's orders by not sharing any information about how all the related businesses are doing financially.

In the meantime, besides the destructive cuts they made to our benefits, including making our health insurance unaffordable, they got the Bankruptcy Judge to approve cutting the staffing levels in our contracts. That hurts us, but it hurts our frail residents even more. We used to have some of the best staffing in the state, but no longer.

We have to remember that almost all of the money HealthBridge takes in – including the millions they pay to themselves through their related companies – is public taxpayer money that comes from Medicaid and Medicare. I don't think it's right or fair that they get to take in all that money without showing us where it's going, especially since it's leaving Connecticut and being paid to companies based in New Jersey. If they're really in financial trouble, they should show us the books. If everything's on the up and up, the books will show that. What do they have to hide – and why are we, as a state, allowing them to hide it?

That's why I am asking that this Committee support good public policy and real financial transparency about public money by passing these two important bills. Thank you for hearing my testimony.