

# THE STEWARD HEALTH CARE REPORT:

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## HOW CORPORATE GREED HURT PATIENTS, HEALTH WORKERS, & COMMUNITIES

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## I. SUMMARY

Steward Health Care — alongside Cerberus Capital Management and Medical Properties Trust — gutted dozens of hospitals across the United States in order to extract maximum profit. In doing so, Steward became a case study of the extent of harm that corporate greed can have on health care access, quality, and safety. Using data from the Centers for Medicare and Medicaid Services (CMS) and the Lown Institute, reports from health workers, bankruptcy documents, and other public reporting, this report details how that financial destruction translated to dangerous conditions for patients and health workers.

Key findings include:

- Patients at some Steward-owned hospitals spend hours longer in emergency departments as compared to the national average.
- From 2017 to 2024, several Steward-owned hospitals saw significant increases in the amount of time patients spent in emergency departments.
- Patients at some Steward-owned hospitals left the emergency department without care at rates vastly higher than the national average, and the rates of patients leaving the emergency department without care increased over time.
- Death rates for certain conditions at some Steward-owned hospitals increased as death rates for those same conditions held steady or decreased across the country.
- More than half of Steward-owned hospitals rank in the bottom half of acute care hospitals nationwide for patient outcomes, and many of those hospitals rank in the bottom quartile for hospitals nationwide and in their state.
- Workers report difficulty providing care to patients, sustaining on-the-job injuries, and reduced morale due to degrading facilities, missing equipment, and chronic understaffing. Steward-owned hospitals have been repeatedly cited for creating unsafe conditions for patients.
- Between 2014 to 2024, Steward Health Care closed eight hospitals across four states. At a minimum, this translates to the loss of roughly 1,533 patient beds and 4,431 jobs for health providers, staff, and administrators.

The lesson from Steward Health Care is clear: we need permanent guardrails against corporate greed in health care. Otherwise, for profit forces will continue to place their wealth over the public's health, risking patient lives and worker livelihoods.

## II. INTRODUCTION

Where people saw vital pillars of communities in their hospitals, Steward Health Care (“Steward”), Cerberus Capital Management (“Cerberus”), and Medical Properties Trust saw only dollar signs. While Steward’s financial chaos has been extensively documented elsewhere, a true understanding of the harms of corporate greed in health care requires a clear picture of how decisions made by Steward, Cerberus, and Medical Properties Trust undermined health care access, quality, and safety at Steward-owned hospitals. This report outlines the evidence — including documented patient and provider experiences, data on patient outcomes, and hospital closures — that private equity involvement in Steward-owned hospitals harmed health care access, quality of care, patient and worker safety, and worker job security. In fact, the data shows that, compared to national averages, at Steward-owned hospitals patients are more likely to die, languish in emergency rooms, or leave the hospital without being treated.

Steward has become a case study of the risk posed by private equity investment in health care. In November 2010, Steward formed when Cerberus purchased six non-profit Caritas Christi hospitals in Massachusetts. Then-Caritas Christi CEO Dr. Ralph de la Torre transitioned to CEO of Steward.<sup>1</sup> The Massachusetts Attorney General approved the deal contingent on Steward being subject to five years of state monitoring and fulfilling various obligations including, but not limited to, maintaining employment for health workers, committing \$400 million for capital expenditures, and keeping hospitals open.<sup>2</sup>

In 2015, Massachusetts oversight ended with the issuance of a final report from the Massachusetts Attorney General.<sup>3</sup> Less than a year later, Steward began a multi-billion dollar series of deals to sell the real estate of its hospitals to Medical Properties Trust, use the revenue from the sales to expand to more than 30 hospitals nationwide, and extract profit for Steward executives, Cerberus, and Medical Properties Trust.<sup>4</sup> In turn, the hospitals were saddled with additional debt and rent obligations, and these decisions to extract maximum short-term profits caused such financial insecurity for the hospitals that they crumbled. On May 6, 2024, Steward filed for Chapter 11 bankruptcy and announced its intent to sell all of its 31 hospitals in the United States.<sup>5</sup> Two Steward-owned hospitals located in Massachusetts have been forced to close, leaving patients, providers, and communities in the lurch.

On April 3, 2024, the United States Senate Health, Education, Labor, and Pensions Subcommittee on Primary Health and Retirement Security held a field hearing in Boston titled “When Health Care Becomes Wealth Care: How Corporate Greed Puts Patient Care and Health

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<sup>1</sup> Elizabeth Koh et al., *Timeline: Steward Health Care kept expanding, even as the situation at hospitals turned dire*, Boston Globe (Sept. 6, 2024), <https://apps.bostonglobe.com/metro/investigations/spotlight/2024/09/steward-hospitals/timeline/>.

<sup>2</sup> Interim Reports on Steward Health Care System Pursuant to 2010 and 2011 Assessment & Monitoring Agreement, Office of the Massachusetts Attorney General (Jan. 30, 2013), <https://www.mass.gov/doc/interim-reports-on-steward-health-care-system-pursuant-to-2010-and-2011-assessment-monitoring/download>.

<sup>3</sup> *Id.*

<sup>4</sup> Rosemary Batt & Eileen Appelbaum, *The Role of Public REITs in Financialization and Industry Restructuring*, Center for Economic and Policy Research (July 9, 2022), <https://www.ineteconomics.org/research/research-papers/the-role-of-public-reits-in-financialization-and-industry-restructuring>.

<sup>5</sup> Susanna Vogel, *Steward’s bankruptcy documents reveal sprawling debt, planned hospital fire sale*, HealthcareDive (May 7, 2024), <https://www.healthcaredive.com/news/stewards-bankruptcy-documents-reveal-sprawling-debt-planned-hospital-fire/715245/>.

Workers at Risk,” which focused on Steward as an example of the potential dangers of prioritizing profit in the delivery of hospital care. Following the hearing, Cerberus released a statement arguing that “Cerberus’ long-term investment made it possible for Steward to continue to serve its communities, employ tens of thousands of professionals, and positively impact millions of patients’ lives.”<sup>6</sup>

Steward’s bankruptcy contradicts that assertion. By outlining data on quality of care, stories of patients and providers, and detailing the impact of hospital closures, this report clearly demonstrates the danger of private equity involvement in health care: When private equity acts to quickly extract maximum profit from health care assets, it comes at the expense of health care quality, access, and safety.

It is true that some patients did have positive experiences at Steward-owned hospitals. Indeed, Steward purchased hospitals that are, in some cases, pillars of their communities. But those successes are owed entirely to the hardworking health workers and administrators who provided care in spite of — not because of — the actions of Steward, Cerberus, and Medical Properties Trust. The health providers that continued to practice and provide care fulfilled their responsibilities despite Steward’s failure to pay its vendors and the deterioration of working conditions. In fact, these workers were often the first to raise complaints about the quality of care at Steward-owned hospitals, and it is their voices that have shed much needed first-person light on what is happening in these facilities.

The lesson from Steward’s failures is clear: corporate greed in health care is deadly. Private equity in health care must be regulated to protect patients and workers.

### **III. PRIVATE EQUITY INVOLVEMENT IN HOSPITALS HARMS HEALTH CARE ACCESS, QUALITY, AND SAFETY**

To private equity, purchasing a group of hospitals is no different than purchasing a chain of fast food restaurants, buying out an auto parts manufacturer, or investing in any other commodity. It is an opportunity to make a profit, and the structure of private equity places pressure on firms to do so quickly. Typically, private equity firms create an investment fund using pension funds, university endowments, foundation resources, and other funds, including a small amount of the firm’s own money.<sup>7</sup> Investors may make commitments to the fund for a 10-year period, and private equity makes investments and exits those investments in a quicker timeframe.<sup>8</sup> The firm makes money by charging management fees and taking a percentage of

<sup>6</sup> Press Release, *Statement from Cerberus on Massachusetts Congressional Delegation’s Hearing Related to Steward Health Care*, Cerberus Capital Management, L.P. (Apr. 3, 2024), <https://www.cerberus.com/media/statement-from-cerberus-on-massachusetts-congressional-delegations-hearing-related-to-steward-health-care/>.

<sup>7</sup> Robert Seifert, *Doctored by Wall Street: Private Equity Bodes Ill for Health Care*, Americans for Financial Reform Education Fund (June 2023), <https://ourfinancialsecurity.org/wp-content/uploads/2023/07/AFREF-Doctored-by-Wall-Street-COMPANION-final.pdf>; Aimee La France et al., *Hospital Ownership and Financial Stability: A Matched Case Comparison of a Nonprofit Health System and a Private Equity-Owned Health System*, *Advances in Health Care Management* (2021), <https://pubmed.ncbi.nlm.nih.gov/34779183/>.

<sup>8</sup> *Id.*

investment returns, which “creates pressure for [private equity] funds to deliver higher returns than those of the typical for-profit corporations.”<sup>9</sup>

Private equity firms seek to deliver returns through investments that are financed primarily with debt.<sup>10</sup> Once a private equity firm buys a company, the purchased company is then responsible for paying back the debt; profits are returned to the private equity fund and its investors.<sup>11</sup> When a firm acquires a company, it will take measures to guarantee a return on its investments, including executing real estate deals, taking on additional debt to pay its shareholders a dividend — also called dividend recapitalizations — and cutting company costs.<sup>12</sup> The firm also may make money when it sells a company.<sup>13</sup>

In recent years, health care has been regarded as particularly lucrative to private equity. Private equity firms view health care as an investment area that “has outperformed other sectors across multiple market cycles and recessionary periods.”<sup>14</sup> Total private equity investments in health care grew from less than \$5 billion in 2000 to more than \$100 billion in 2018. In 2019, annual private equity investment grew to more than \$120 billion, and is only expected to grow.<sup>15</sup> Private equity-owned hospitals now account for approximately one in five for-profit hospitals in the United States.<sup>16</sup>

Part of the appeal of hospitals is that private equity firms see the potential for lucrative real estate opportunities. A majority of hospitals own their own property.<sup>17</sup> Some private equity firms sell hospital real estate to real estate investment trusts (REITs). The hospital is then responsible for paying rent and “all additional costs, including maintenance and repairs, utilities and taxes.”<sup>18</sup> This is referred to as the “sale leaseback model.”<sup>19</sup> Private equity firms can then use the sale of the property to pay for additional hospital acquisitions and to “pay themselves large dividends.”<sup>20</sup> Simultaneously, a hospital often receives little to no proceeds from the real estate sales and must pay rent on property it previously owned.<sup>21</sup>

But using hospitals as a get-rich-quick scheme creates major disruptions for the actual provision of care. In viewing hospital care as an opportunity to extract value on behalf of investors, private equity firms implement measures that result in higher prices and lower quality

<sup>9</sup> La France, *supra* note 7.

<sup>10</sup> Seifert, *supra* note 7.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> Nirad Jain et al., *Healthcare Private Equity Market 2023: Year in Review and Outlook*, Bain & Company (Jan. 3, 2024), <https://www.bain.com/insights/year-in-review-global-healthcare-private-equity-report-2024/>; Bob Lavoie et al., *The 2024 Outlook for Private Equity in US Health Care*, BCG (Jan. 8, 2024), <https://www.bcg.com/publications/2024/private-equity-in-health-care-2024>.

<sup>15</sup> Richard M. Scheffler et al., *Soaring Private Equity Investment in the Healthcare Sector: Consolidation, Accelerated, Competition Undermined, and Patients at Risk*, American Antitrust Institute and Petris Center (May 18, 2021), <https://www.antitrustinstitute.org/wp-content/uploads/2021/05/Private-Equity-I-Healthcare-Report-FINAL-1.pdf>.

<sup>16</sup> *PESP Private Equity Hospital Tracker*, Private Equity Stakeholder Project, [https://pestakeholder.org/private-equity-hospital-tracker/#hospital\\_tracker](https://pestakeholder.org/private-equity-hospital-tracker/#hospital_tracker).

<sup>17</sup> Batt & Applebaum, *supra* note 4.

<sup>18</sup> *Id.*

<sup>19</sup> *Id.*

<sup>20</sup> *Id.*

<sup>21</sup> *Id.*

of care for patients. A literature review of more than 55 studies found that private equity investments were associated with up to 32% higher costs to patients and insurers.<sup>22</sup> One study found that private equity buyouts were associated with an 11% increase in health care costs, the result of not only higher prices set by private equity-owned hospitals, but by local competitors' raising their prices to compete.<sup>23</sup> In particular, hospitals acquired by private equity increased their "hospital charges" or "asking price"<sup>24</sup> — the amount a hospital bills for care, even if patients or insurers pay a lower, negotiated price.<sup>25</sup> Consequently, patients at private equity-owned hospitals pay more due to the higher pre-insurance starting prices.

As these firms act to increase charges to patients, they also make cuts to essential components of high-quality, safe care — including reducing staff, services, or both.<sup>26</sup> Private equity-acquired hospitals are also less likely to continue or add services that are unprofitable or could be less profitable due to competition from other local hospitals.<sup>27</sup> Private equity hospitals focus on fewer, but more complex, surgical cases with higher financial capital requirements, which have less market competition.<sup>28</sup> In a study of more than 200 private equity-acquired hospitals, the acquisition was associated with an increase in the provision of profitable services such as robotic surgery and adult cardiac surgery.<sup>29</sup> And not only are private equity-acquired hospitals more likely to offer higher-profit-margin services, they add them soon after acquisition.<sup>30</sup> These hospitals are also less likely to offer unprofitable services after acquisition, such as outpatient psychiatric care.<sup>31</sup>

Private equity firms also cut staff to reduce costs, which also could be tied to poorer health quality outcomes. Private equity-acquired hospitals have lower staff-to-patient ratios and less experienced or licensed staff than other hospitals. In a study of almost 1,000 hospitals, private equity-owned hospitals had fewer staff per bed than non-private equity owned hospitals.<sup>32</sup> Additionally, private equity-acquired hospitals protect their profit margins by limiting staff growth compared to their non-acquired peers.<sup>33</sup> Private equity acquisition was associated with a

<sup>22</sup> Alexandra Borsa et al., *Evaluating trends in private equity ownership and impacts on health outcomes, costs, and quality: systematic review*, *BMJ* (July 19, 2023), <https://www.bmj.com/content/382/bmj-2023-075244>.

<sup>23</sup> Tong Liu, *Bargaining with Private Equity: Implications for Hospital Prices and Patient Welfare* (Nov. 1, 2022), <http://dx.doi.org/10.2139/ssrn.3896410>.

<sup>24</sup> Joseph D. Bruch et al., *Changes in Hospital Income, Use, and Quality Associated with Private Equity Acquisition*, *180 JAMA Intern Med* 1428 (Nov. 2020), <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7445629/>.

<sup>25</sup> *Id.*

<sup>26</sup> Marcello Cerullo et al., *Research: What Happens When Private Equity Firms Buy Hospitals?*, *Harvard Business Review* (Mar. 30, 2023), <https://hbr.org/2023/03/research-what-happens-when-private-equity-firms-buy-hospitals>.

<sup>27</sup> Marcello Cerullo et al., *Private Equity Acquisition And Responsiveness To Service-Line Profitability At Short-Term Acute Care Hospitals*, *40 HealthAffairs* (Nov. 2021), <https://doi.org/10.1377/hlthaff.2021.00541>.

<sup>28</sup> Michael R. Richards & Christopher M. Whaley, *Hospital Behavior Over the Private Equity Life Cycle*, *RAND* (Feb. 5, 2024), [https://www.rand.org/pubs/working\\_papers/WRA2844-1-v2.html](https://www.rand.org/pubs/working_papers/WRA2844-1-v2.html).

<sup>29</sup> Marcello Cerullo et al., *supra* note 27.

<sup>30</sup> *Id.*

<sup>31</sup> *Id.*

<sup>32</sup> Joseph Bruch et al., *Characteristics of Private Equity-Owned Hospitals in 2018*, *Annals of Internal Medicine* (Sept. 29, 2020), <https://doi.org/10.7326/M20-1361>.

<sup>33</sup> Anaeze C. Offodile et al., *Private Equity Investments in Health Care: An Overview Of Hospital And Health System Leveraged Buyouts, 2003–17*, *40 HealthAffairs* (May 2021), <https://doi.org/10.1377/hlthaff.2020.01535>.

5% decrease in total full-time personnel, and a 4.4% decrease in full-time nurses.<sup>34</sup> This directly impacts the ability of hospitals to recruit and retain their workforce, as workers attest to safety threats in private equity hospitals related to understaffing. For example, workers may be forced to move a patient alone instead of with a partner, an ergonomic hazard.<sup>35</sup>

Because private equity focuses on increasing profit margins, hospitals often lose essential health care assets, which undercuts the hospital's financial security and reduces quality of care. Recent research has demonstrated that hospital assets and resources are reduced after private equity acquisition.<sup>36</sup> More specifically, "during the two years after a private equity acquisition, total capital assets at private equity-acquired hospitals declined by 15% on average while assets rose by an average of 9% at other hospitals."<sup>37</sup> Capital assets include equipment, buildings, and technology that are essential to patient care.<sup>38</sup> Unsurprisingly, private equity acquisition is also associated with greater risk to patients. A 2023 Harvard Medical School study of Medicare patients at hospitals before and after private equity acquisition found that, post-acquisition, patients suffered 25% more hospital-acquired complications, including 27% more falls and 38% more bloodstream infections.<sup>39</sup>

Health care workers are well aware of these consequences. In a study of 525 practicing physicians, a majority had negative opinions of private equity's effects on quality of care, physician wellbeing, health care prices, and health equity. Likewise, nearly half of physicians viewed private equity ownership as much worse or somewhat worse than independent or non-profit ownership.<sup>40</sup> As Dr. Jonathan Jones, President of the American Academy of Emergency Medicine, wrote in testimony submitted to the HELP Subcommittee on Primary Health and Retirement Security, private equity's cost cutting meant it "cut the number of doctors on the floor, raised the number of transfer patients they accepted, even if they did not have the proper specialists on call to treat them properly, and doubled the case load for doctors. Patients were denied the proper level of care, forced to sleep in hallways, and doctors who spoke out were threatened with termination."<sup>41</sup>

<sup>34</sup> Marcello Cerullo et al., *Financial Impacts And Operational Implications Of Private Equity Acquisition Of US Hospitals*, 41 *Health Affairs* (Apr. 2022), <https://doi.org/10.1377/hlthaff.2021.01284>.

<sup>35</sup> United Steelworkers comments on Joint Request for Information on Consolidation in Health Care Markets, FTC-2024-0022 (May 6, 2024).

<sup>36</sup> Elizabeth Schrier, MD, et al., *Hospital Assets Before and After Private Equity Acquisition*, *JAMA* (July 30, 2024), [https://jamanetwork.com/journals/jama/fullarticle/2821826?guestAccessKey=00d9206e-c4e5-468b-be37-9ba2a2b551fd&utm\\_source=For The Media&utm\\_medium=referral&utm\\_campaign=ftm\\_links&utm\\_content=tfl&utm\\_term=073024](https://jamanetwork.com/journals/jama/fullarticle/2821826?guestAccessKey=00d9206e-c4e5-468b-be37-9ba2a2b551fd&utm_source=For%20The%20Media&utm_medium=referral&utm_campaign=ftm_links&utm_content=tfl&utm_term=073024).

<sup>37</sup> *Id.*; Gretchen Morgenson, *After private equity takes over hospitals, they are less able to care for patients, top medical researchers say*, *NBC News* (July 31, 2024), <https://www.nbcnews.com/investigations/private-equity-takes-over-hospitals-less-able-care-patients-jama-rcna164497>.

<sup>38</sup> Schrier et al., *supra* note 36.

<sup>39</sup> Sneha Kannan et al., *Changes in Hospital Adverse Events and Patient Outcomes Associated with Private Equity Acquisition*, 330 *JAMA* 2365 (Dec. 26, 2023), <https://jamanetwork.com/journals/jama/fullarticle/2813379>.

<sup>40</sup> Jane M. Zhu et al., *Physician Perspectives on Private Equity Investment in Health Care*, 184 *JAMA Intern Med.* (Mar. 11, 2024), <https://jamanetwork.com/journals/jamainternalmedicine/article-abstract/2816070>.

<sup>41</sup> Testimony for the Record: Dr. Jonathan Jones, President, the American Academy of Emergency Medicine for HELP Subcommittee on Primary Health and Retirement Security Hearing, "When Health Care Becomes Wealth Care: How Corporate Greed Puts Patient Care and Health Workers at Risk" (Apr. 3, 2024).



Hospital financial instability can also result in bankruptcy and closures. Private equity-owned health care companies are increasingly declaring bankruptcy and represent a growing proportion of health care bankruptcies. Private equity firms' typical behavior of loading their acquisitions with excessive debt, coupled with other aggressive strategies to turn short-term profits, makes them more vulnerable to bankruptcy; they lack the stability of other companies to withstand changes to interest rates, labor costs, or reimbursement levels.<sup>42</sup> Although private equity firms may blame these latter factors for their bankruptcies or other financial restructuring, multiple companies at risk for default or bankruptcy this year took on *new* debt to pay their shareholders dividends.<sup>43</sup>

Since 2019, 47 private equity-backed health care companies declared bankruptcy.<sup>44</sup> In 2019, eight private equity-owned health care companies declared bankruptcy.<sup>45</sup> In 2023, 17 did, accounting for more than one in five health care bankruptcies.<sup>46</sup> These trends were predicted to continue and escalate in 2024. Of the 45 health care companies at risk for defaulting and declaring bankruptcy, 93% were private equity-owned.<sup>47</sup> In the first six months of 2024, 23% of large health care bankruptcies were private equity owned.<sup>48</sup> This accounts for nearly one in four bankruptcies in the first half of the year alone.

These bankruptcies can mean that health care facilities close or reduce services, which can have grave consequences for patients and health care workers alike.<sup>49</sup> The impact is not limited to patients and workers at the affected facility. It can bring longer wait times for care at neighboring facilities taking on these patients, as well as lower staff-to-patient ratios for providers taking on the burden.<sup>50</sup>

#### **IV. STEWARD-OWNED HOSPITALS ILLUSTRATE THE NEGATIVE IMPACTS OF PRIVATE EQUITY PRACTICES IN HOSPITAL SETTINGS**

Steward fits the pattern described above. Steward rapidly expanded nationwide by selling hospital real estate to Medical Properties Trust and using the revenue to acquire additional hospitals and pay out millions to Steward executives and Cerberus.<sup>51</sup> As it did so, Steward piled unsustainable debt and rent obligations onto its hospitals. Based on patient and worker

<sup>42</sup> Eileen O'Grady, *Private equity healthcare bankruptcies show no signs of slowing*, Private Equity Stakeholder Project (Aug. 1, 2024), <https://pestakeholder.org/news/private-equity-healthcare-bankruptcies-show-no-signs-of-slowing/>.

<sup>43</sup> *Id.*

<sup>44</sup> Eileen O'Grady, *Private Equity Healthcare Bankruptcies are on the Rise*, Private Equity Stakeholder Project (Apr. 17, 2024), <https://pestakeholder.org/reports/private-equity-healthcare-bankruptcies-are-on-the-rise/>.

<sup>45</sup> *Id.*

<sup>46</sup> *Id.*

<sup>47</sup> *Id.*

<sup>48</sup> O'Grady, *supra* note 42.

<sup>49</sup> O'Grady, *supra* note 44.

<sup>50</sup> *Id.*

<sup>51</sup> John Hechinger & Sabrina Willmer, *Life and Debt at a Private Equity Hospital*, Bloomberg (Aug. 6, 2020), <https://www.bloomberg.com/news/features/2020-08-06/cerberus-backed-hospitals-face-life-and-debt-as-virus-rages?embedded-checkout=true>.

testimony, publicly available records and data, and descriptions of hospital closures, Steward left behind a clear record of how its financial decisions created dangerous conditions for patients and workers.

## A. PATIENT AND WORKER EXPERIENCES

As part of the Chapter 11 bankruptcy proceeding, patient ombudsmen have been assigned to Steward-owned hospitals to monitor quality of care. They observed chronic open positions, challenges with equipment repair, elimination of incentive pay, high turnover, cancelled procedures, and missing supplies.<sup>52</sup> This is consistent with how Steward has operated for years.

In early 2019, *Bloomberg* reported that Steward repeatedly failed to pay invoices as “current and former employers complain[ed] about chronic maintenance problems and supply shortages.”<sup>53</sup> The unpaid bills were for hospital linens, utility bills, food, and boiler and floor repair.<sup>54</sup> That same year, CMS cited Steward’s St. Joseph Medical Center in Houston, Texas for placing nine patients on suicide precaution in rooms in the Psychiatric Intensive Care Unit and the Intermediate Care Unit with doors that “had risks for hanging or strangulation” or rooms where staff could not “observe a patient positioned on the floor between the bed and the wall.”<sup>55</sup>

In March 2020, the Steward-owned Easton Hospital in Pennsylvania announced that it would close its obstetrics and gynecology unit.<sup>56</sup> In April 2020 — amid the COVID-19 pandemic — Steward demanded \$40 million in state funding or else the hospital would shut down.<sup>57</sup> At the time, a local official noted that the closure could result in many patients “not hav[ing] a place to go” for care.<sup>58</sup> The year before, Easton Hospital had also stopped providing neonatal intensive care and cardiothoracic surgery.<sup>59</sup> The hospital remained open after receiving an \$8 million infusion from Pennsylvania, and the hospital was sold to a new owner in July 2020.<sup>60</sup>

<sup>52</sup> Patient Ombudsman’s First Interim Report: Arizona, Doc. No. 1652, Case No. 24-90213, Doc. No. 1652 (Bankr. S.D. Tex. July 22, 2024); Patient Ombudsman’s First Interim Report: Central/North Florida, Case No. 24-90213, Doc. No. 1653, (Bankr. S.D. Tex. July 22, 2024).

<sup>53</sup> *Id.*

<sup>54</sup> *Id.*

<sup>55</sup> Liz Kowalczyk et al., *Database: Federal deficiency reports for Steward Health Care’s hospitals*, *Boston Globe* (Sept. 6, 2024), <https://apps.bostonglobe.com/metro/investigations/spotlight/2024/09/steward-hospitals/hospital-lookup/>.

<sup>56</sup> Pamela Sroka-Holzmann, *Low patient demand shuts down Easton Hospital’s maternity ward*, *lehighvalleylive.com* (Mar. 27, 2020), <https://www.lehighvalleylive.com/bethlehem/2020/02/low-patient-demand-shuts-down-easton-hospitals-maternity-ward-spokeswoman-says.html>.

<sup>57</sup> Staci Inez, *Easton Hospital at Risk of Closing, Needs \$40 Million*, *PBS39* (Mar. 24, 2020), <https://www.wlvt.org/blogs/northampton/easton-hospital-at-risk-of-closing-needs-40-million/>.

<sup>58</sup> *Id.*

<sup>59</sup> Kurt Bresswein, *Easton Hospital is sending more patients to St. Luke’s, and maternity care could be next*, *lehighvalleylive.com* (Nov. 30, 2019), <https://www.lehighvalleylive.com/easton/2019/11/easton-hospital-is-sending-more-patients-to-st-lukes-and-maternity-care-could-be-next.html>.

<sup>60</sup> Kurt Bresswein, *‘We are out’: Some Easton Hospital employees are being replaced by St. Luke’s staff*, *lehighvalleylive.com* (June 17, 2020), <https://www.lehighvalleylive.com/easton/2020/06/we-are-out-most-easton-hospital-employees-are-being-replaced-by-st-lukes-staff.html>.

In 2022, Melbourne Regional Medical Center’s Emergency Department in Florida “lost on-call general surgery coverage . . . reportedly due to delinquent on-call physician payments for services.”<sup>61</sup> Steward’s Rockledge Hospital in Florida faced a bat infestation and sewage seeping from broken pipes.<sup>62</sup> At the same hospital, cardiothoracic equipment was missing until Steward completed payments to a vendor.<sup>63</sup> One nurse who worked at the hospital for 15 years described Steward’s financial insecurity resulting in injuries to staff from lifting patients without appropriate supplies and being forced to discharge a homeless patient who did not have insulin or shoes.<sup>64</sup> Another clinician “watched a bed collapse underneath a [patient] who had just undergone hip surgery.”<sup>65</sup>

*“[Private equity] often utilizes cost-cutting measures such as layoffs, wage freezes, replacing higher paid and higher skilled workers with less skilled workers, and benefit reductions for health care workers. These measures exacerbate workforce challenges in an already strained health care system and have a direct impact on quality of patient care.”*

**— American Federation of State, County and Municipal Employees Council ( AFSCME ) 93<sup>66</sup>**

Health care workers at Steward-owned hospitals in Massachusetts report a similar pattern of negligence. At Carney Hospital in Dorchester, quality of care fell so steeply that some workers began referring to the hospital as “Carnage” Hospital.<sup>67</sup> When Steward-owned hospitals in Massachusetts began facing financial distress, health care workers reported that crucial supplies such as IV tubing, clean lines, and linens became scarce.<sup>68</sup> On September 13, 2022, the Massachusetts Nurses Association filed with the National Labor Relations Board a 21-count charge of unfair labor practices against Steward’s St. Elizabeth’s Medical Center on behalf of the 777 registered nurses it represented, alleging “violations that can compromise nurses’ ability to

<sup>61</sup> Patient Ombudsman’s First Interim Report: Central/North Florida, Case No. 24-90213, Doc. No. 1653, (Bankr. S.D. Tex. July 22, 2024).

<sup>62</sup> Maureen Tkacik, *Scenes From the Bat Cave*, American Prospect (Feb. 27, 2024), <https://prospect.org/health/2024-02-27-scenes-from-bat-cave-steward-health-florida/>.

<sup>63</sup> *Id.*

<sup>64</sup> *Id.*

<sup>65</sup> *Id.*

<sup>66</sup> Testimony for the Record: James Durkin, Legislative Director for AFSCME Council 93 for HELP Subcommittee on Primary Health and Retirement Security Hearing, “When Health Care Becomes Wealth Care: How Corporate Greed Puts Patient Care and Health Workers at Risk” (Apr. 1, 2024).

<sup>67</sup> Liz Kowalczyk et al., *Death, indignity, despair: The human cost of Steward’s neglect*, the Boston Globe (Sept. 6, 2024), <https://apps.bostonglobe.com/metro/investigations/spotlight/2024/09/steward-hospitals/steward-for-profit-hospitals-investigation/>.

<sup>68</sup> Kristina Rex, *Steward Health Care is millions in debt and their Massachusetts hospitals and patients are worried*, WBZ News (Jan. 26, 2024), <https://www.cbsnews.com/boston/news/steward-health-care-lawsuits-millions-hospital-closure-rumors/>.

deliver appropriate patient care and the ability to recruit and retain needed nursing staff.”<sup>69</sup> As one of the co-chairs of the union’s local bargaining unit explained, “our executives have given our hospital a terrible reputation that Steward doesn’t honor agreements on staffing.” She also noted that wages were not paid on time or accurately.<sup>70</sup>

In January 2023, orthopedic and gastrointestinal procedures scheduled at Steward’s Holy Family Hospital sites were cancelled due to concerns over a lack of available surgical equipment.<sup>71</sup> In Haverhill, Massachusetts, the site of one Holy Family Hospital, Mayor Melinda E. Barrett observed that, because of Steward’s financial mismanagement, “nurses [are] making some of the toughest decisions of their careers when it comes to who gets care first.”<sup>72</sup> January 2023 also saw the discontinuation of services and even repossession of medical devices at hospitals after Steward failed to pay its bills.<sup>73</sup>

*“Being able to serve a very diverse population in the Dorchester neighborhood of Boston was essentially how I always imagined my career trajectory, serving the most vulnerable populations. But when I could no longer care for my patients the way I would want a loved one treated, I had to make decisions to stay or go. Having spent time at several other Steward facilities briefly, I began to realize how resources were being dwindled down and pulled from each facility. Most of the facilities no longer had certain specialty services and Quincy Hospital eventually was taken down to bare bones before its ultimate closure. Not having blood products, respiratory therapy at times or certain specialty services no longer felt like I was able to provide safe or quality care.”*

— **Dr. Ellana Stinson, Emergency Medicine Physician and President of New England Medical Association**<sup>74</sup>

On April 1, 2024, the Centers for Medicare & Medicaid Services cited Mountain Vista Medical Center in Mesa, Arizona for failing to maintain the facility — “making sure the licensed surgical area was operational” and “that water-damaged areas in the hospital were repaired.”<sup>75</sup>

<sup>69</sup> Press Release. *Massachusetts Nurses Association Files Sweeping 21-Count Charge of Unfair Labor Practices Against Steward St. Elizabeth’s Medical Center*, Mass. Nurses Ass’n. (Sept. 13, 2022),

<https://www.massnurses.org/2022/09/13/massachusetts-nurses-association-files-sweeping-21-count-charge-of-unfair-labor-practices-against-steward-st-elizabeths-medical-center/>.

<sup>70</sup> *Id.*

<sup>71</sup> Testimony for the Record: Massachusetts State Senator Pavel M. Payano for HELP Subcommittee on Primary Health and Retirement Security Hearing, “When Health Care Becomes Wealth Care: How Corporate Greed Puts Patient Care and Health Workers at Risk” (Apr. 3, 2024).

<sup>72</sup> Testimony for the Record: Haverhill Mayor Melinda E. Barrett for HELP Subcommittee on Primary Health and Retirement Security Hearing, “When Health Care Becomes Wealth Care: How Corporate Greed Puts Patient Care and Health Workers at Risk” (Apr. 3, 2024).

<sup>73</sup> Jessica Bartlett, *Steward’s medical devices were repossessed. Weeks later, a new mother died*, Boston Globe (Jan. 25, 2024), <https://www.bostonglobe.com/2024/01/25/business/steward-health-care-mother-death/>.

<sup>74</sup> Testimony: Dr. Ellana Stinson for HELP Subcommittee on Primary Health and Retirement Security Hearing, “When Health Care Becomes Wealth Care: How Corporate Greed Puts Patient Care and Health Workers at Risk” (Apr. 3, 2024), <https://www.help.senate.gov/hearings/when-health-care-becomes-wealth-care-how-corporate-greed-puts-patient-care-and-health-workers-at-risk>.

<sup>75</sup> Kowalczyk et al., *supra* note 55.

The MRI scanner was not draining runoff water properly, biohazard signs were not posted, the eyewash station in the nurse’s station at the emergency department was not working, “and oxygen tanks were not secured with proper signage.”<sup>76</sup>

Hillside Rehabilitation Hospital in Warren, Ohio faced similar challenges. As one staff person warned: “It seems like Steward has been sabotaging the Hospital since it was purchased. They have not maintained the facilities, and the most essential systems are rented, including the generator, air conditioning, and food storage.”<sup>77</sup> On August 21, 2024, Steward announced its intent to close Trumbull Regional Medical Center and Hillside Rehabilitation Hospital, including the hospitals’ six satellite locations throughout Ohio. On August 30, Steward announced that it had come to an agreement with Medical Properties Trust to keep the hospitals open until a buyer for the facilities is found.<sup>78</sup> This will help avoid, for the immediate term, the potential loss of 30,000 jobs,<sup>79</sup> but this lifeline is only temporary.

*“In 2004, when I was hired, Hillside was the best place to be. We had a great reputation, we were respected by the community . . . Then, along came Steward in 2017. Immediate cuts were made, and the management team was picked apart. . . . Steward never had the patients or staffs’ best interest in mind, they were all about profit.”*

**— Employee at Hillside Rehabilitation Hospital, Ohio Nurses Association and American Federation of Teachers member<sup>80</sup>**

CMS placed Steward’s Glenwood Regional Medical Center in Louisiana in immediate jeopardy status three times over a four-month period in 2024.<sup>81</sup> This status is reserved for situations in which an entity’s failure to comply with CMS regulations “place[s] the safety of [patients] in its care at risk for serious injury, serious harm, serious impairment or death.”<sup>82</sup> Since 2019, the hospital has been placed in immediate jeopardy nine times.<sup>83</sup> Steward’s financial insecurity plagued the hospital, with missing supplies and closures of labor and delivery units, skilled nursing facilities, long term acute care, a medical surge unit, a critical care unit, the rehab

<sup>76</sup> *Id.*

<sup>77</sup> Letter on file with the Office of Senator Edward J. Markey.

<sup>78</sup> Katelyn Amato et al., *Trumbull Regional and Hillside Hospital to stay open, progress made to keep Sharon Regional open*, WKBN27 (Aug. 30, 2024), <https://www.wkbn.com/news/local-news/steward-health-bankruptcy/settlement-agreement-could-keep-steward-hospitals-open-and-save-jobs/>.

<sup>79</sup> *Id.*

<sup>80</sup> Letter on file with the Office of Senator Edward J. Markey.

<sup>81</sup> Rylee Kramer, *Steward Health Care under fire by Louisiana legislators for causing the downfall of Glenwood Regional Medical Center*, KNOE 8 (Apr. 11, 2024), <https://www.knoe.com/2024/04/11/steward-healthcare-under-fire-by-louisiana-legislators-causing-downfall-glenwood-regional-medical-center/>.

<sup>82</sup> State Operations Manual, Appendix Q – Core Guidelines for Determining Immediate Jeopardy, Centers for Medicare and Medicaid Services (Mar. 6, 2019), [https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/som107ap\\_q\\_immedjeopardy.pdf](https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/som107ap_q_immedjeopardy.pdf).

<sup>83</sup> Kowalczyk et al., *supra* note 67.

center, and the imaging center.<sup>84</sup> Unpaid vendors repossessed pots and urns; cardiologists stopped providing services to the hospital after being unpaid for months.<sup>85</sup> Hospital administrators were left feeling “personally responsible for deaths or declining care.”<sup>86</sup> As one former employee commented, “there’s nothing full force about this hospital anymore, it’s the saddest thing I’ve ever been around.”<sup>87</sup>

Across the country, patients suffered significantly as a result of Steward’s financial mismanagement. A recent *Boston Globe* report exposed that at least 15 patients have died and “at least 2,000 [patients] were found by federal regulators to have been put in immediate peril.”<sup>88</sup> CMS placed approximately one-third of Steward-owned hospitals in immediate jeopardy, three times the national rate of hospitals.<sup>89</sup> Surgeries have been cancelled, medical tests delayed, and health providers were forced to bring in equipment and supplies from home or do without.<sup>90</sup>

As quality of care sagged, Steward also aggressively pursued payments from patients, including incorrectly billing patients for care. In Massachusetts, health providers are obligated to bill MassHealth, the state’s Medicaid program, rather than directly billing patients for all covered services.<sup>91</sup> However, several patients were billed directly for hundreds to thousands of dollars for care received at Steward facilities.<sup>92</sup> Susanna, a Massachusetts resident, incurred almost \$3,500 in medical debt for emergency medical services, which were covered under her MassHealth plan.<sup>93</sup> Steward not only illegally billed Susanna directly, it incorrectly input her personal information, including her name and date of birth.<sup>94</sup>

Tiffany, another MassHealth recipient, experienced even greater financial hardship because of Steward’s billing practices. Steward did not verify her insurance coverage and continuously billed her directly hundreds of dollars for care she received at one of its hospitals. Not only did Steward bill Tiffany directly against MassHealth regulations, it sent some of her bills to a collection agency. Tiffany applied to MassHealth following a job loss, but she felt forced to pay her high medical bills or see her credit worsen as a result of the referral to collections. According to health law advocates who took on her case, “she had paid more money out-of-pocket than Steward originally billed.”<sup>95</sup> Although the collections agency returned her money, “Tiffany still has not received her check in the mail” for reimbursements that the Steward hospital promised.<sup>96</sup>

<sup>84</sup> Kramer, *supra* note 81.

<sup>85</sup> Maureen Tkacik, *Let Them Eat Invoices*, American Prospect (Aug. 13, 2024), <https://prospect.org/health/2024-08-13-let-them-eat-invoices/>.

<sup>86</sup> *Id.*

<sup>87</sup> Kramer, *supra* note 81.

<sup>88</sup> Kowalczyk et al., *supra* note 67.

<sup>89</sup> *Id.*

<sup>90</sup> *Id.*

<sup>91</sup> *Reminder of Billing Responsibilities and Billing for Retroactively Reinstated Members*, Memo from Mike Levine, Assistant Secretary for MassHealth to All Providers Participating in MassHealth (July 2023), <https://www.mass.gov/doc/all-provider-bulletin-372-reminder-of-billing-responsibilities-and-billing-for-retroactively-reinstated-members-0/download>.

<sup>92</sup> Anonymized client stories from Health Law Advocates (Sept. 9, 2024), on file with the Office of Senator Edward J. Markey.

<sup>93</sup> *Id.*

<sup>94</sup> *Id.*

<sup>95</sup> *Id.*

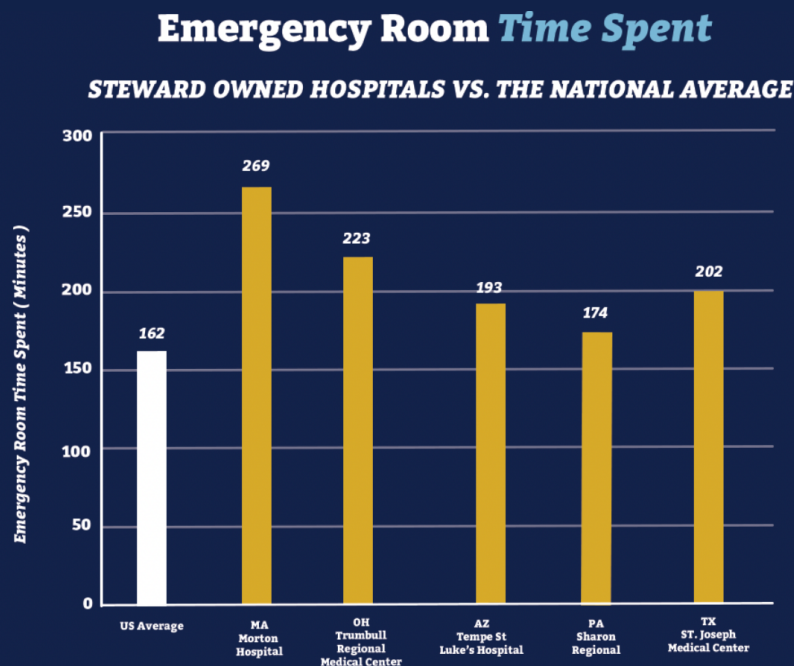
<sup>96</sup> *Id.*

As Steward slashed hospital assets and quality of care in pursuit of profits, it was also undermining the financial security of its patients.

## B. HOSPITAL QUALITY DATA

Available data on the degradation of quality of care at Steward-owned hospitals further illustrates what patients and workers experienced. CMS collects hospital performance data from Medicare-certified acute care hospitals in the United States and publicly reports it through its Care Compare and provider data catalog.<sup>97</sup> This data, which was compiled and analyzed for this report in May 2024, covers more than 150 quality of care metrics, including lengths of hospital visits, rates of timely and effective care, and death rates for various conditions, including heart attack and heart failure.<sup>98</sup> According to data released by CMS, across various metrics, the quality of care at Steward-owned hospitals shows systemic declines and generally sub-standard care compared to national and state averages.

Figure 1.



Compared to the national average, patients in Steward-owned hospitals spend significantly more time in emergency rooms and are more likely to leave the emergency room before ever having received medical. As CMS reports, the average time spent in a U.S. emergency room in 2024 is approximately 2 hours and 40 minutes.<sup>99</sup> As the graph above (Figure 1) illustrates, several Steward facilities report that patients spend much longer in the emergency room, leaving patients for hours as they await medical care: 2 hours and 54 minutes at Sharon Regional Medical Center in Pennsylvania; more than 3 hours and 20 minutes at Tempe St. Luke's Hospital in Arizona, St. Joseph Medical Center in Texas, Wadley Regional Medical Center in Texas,

<sup>97</sup> Medicare, Find healthcare providers: Compare care near you, (last visited May 2024) <https://www.medicare.gov/care-compare/?providerType=Hospital>.

<sup>98</sup> Centers for Medicare & Medicaid Services, Data.CMS.gov (last visited May 2024) <https://data.cms.gov/provider-data/archived-data/hospitals#2022-annual-files>.

<sup>99</sup> *Id.*

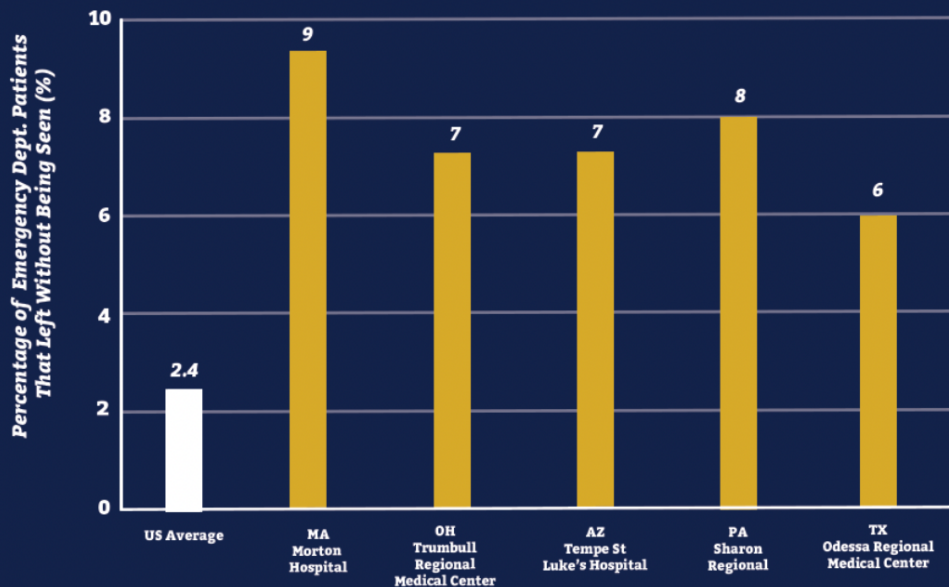
Trumbull Regional Medical Center in Ohio; and 4 hours and 29 minutes at Morton Hospital in Massachusetts.<sup>100</sup>

The time patients spent at many Steward-owned hospital emergency departments has also increased since 2017.<sup>101</sup> Trumbull Regional Medical Center in Ohio reports the average time spent in the emergency room is more than 3.5 hours at 223 minutes, up from an average visit of 157 minutes in 2017.<sup>102</sup> This is an increase of more than an hour over seven years. Another Steward hospital, Good Samaritan Medical Center in Massachusetts, reports a 2024 average emergency room visit time of 269 minutes, in the bottom 3% of all hospitals nationwide.<sup>103</sup> Patients at this hospital’s emergency room wait an average of 90 minutes, longer than they did in 2017.

Figure 2

## Percentage of Patients Leaving Emergency Department Care *Before Being Seen*

### STEWARD OWNED HOSPITALS VS. THE NATIONAL AVERAGE



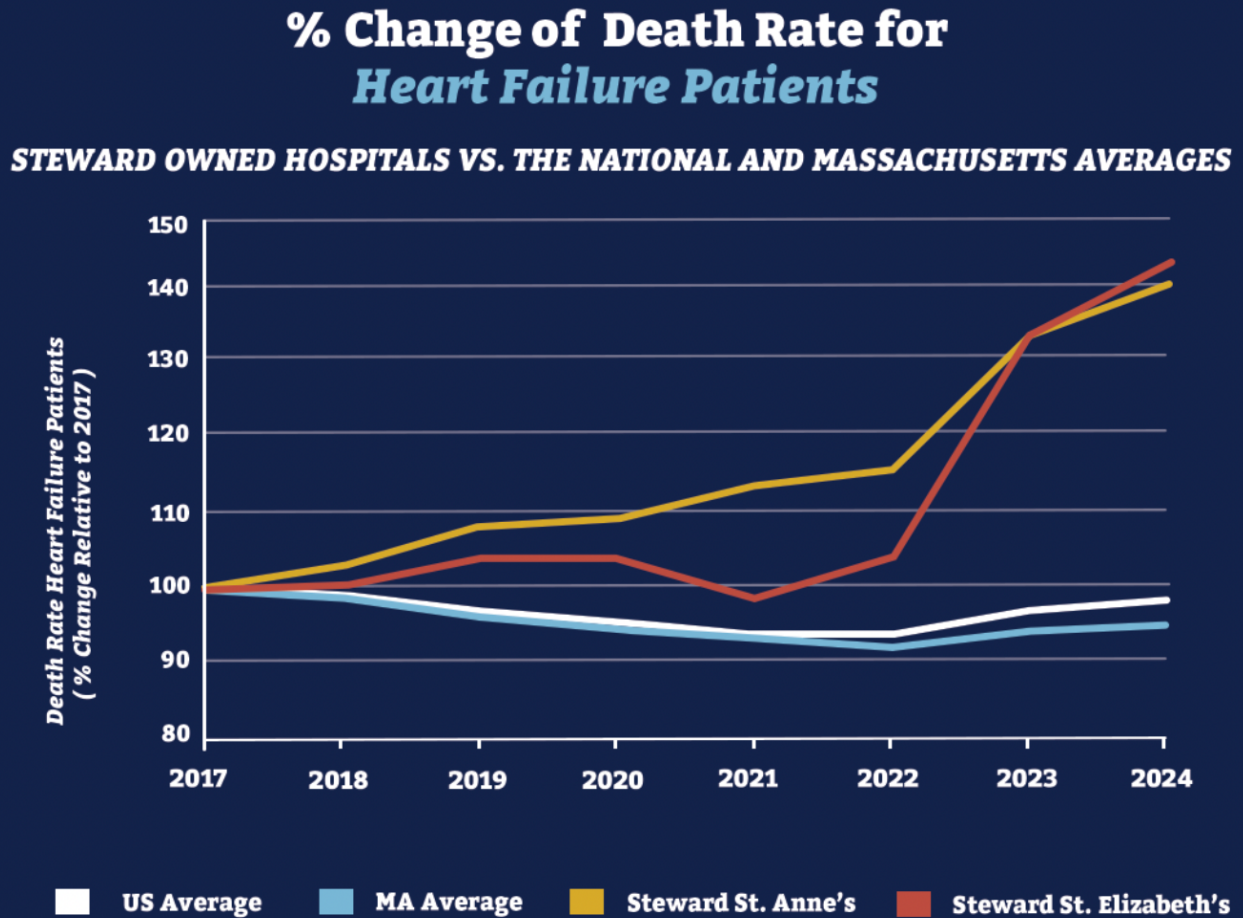
Patients are also leaving the emergency room without receiving care. Nationally, 2% of all patients leave the emergency room without receiving care.<sup>104</sup> The rate is staggeringly higher at many Steward-owned hospitals across the country, as illustrated in the graph above (Figure 2). At Good Samaritan Medical Center, 9% of patients leave the emergency department before being seen, placing it in the bottom 0.5% of all hospitals.<sup>105</sup> This is an alarming increase from 2017, when the rate was just 2%. Several other Steward-owned hospitals, including Trumbull Regional Medical Center in Ohio, Tempe St. Luke’s Hospital in Arizona, Sharon Regional Medical Center

<sup>100</sup> *Id.*  
<sup>101</sup> *Id.*  
<sup>102</sup> *Id.*  
<sup>103</sup> *Id.*  
<sup>104</sup> *Id.*  
<sup>105</sup> *Id.*



in Pennsylvania, and Odessa Regional Medical Center in Texas all score in the bottom 6% of hospitals across the country for this metric. At many of these hospitals, the rate of patients leaving the emergency room without having received care rose by more than 5 to 9% in just a matter of years, reflecting the rapid downward spiral in the quality of service at Steward-owned hospitals.

Figure 3.



The poor quality of care at Steward-owned hospitals not only translates into longer wait times, it also means that patients are more likely to die. Our analysis finds that patient death rates are increasing in many Steward-owned hospitals even though they are holding steady or decreasing across the country. For example, as demonstrated in the chart above (Figure 3), heart failure patients at two Massachusetts Steward-owned hospitals are 40% more likely to die in 2024 than they were in 2017.<sup>106</sup> Meanwhile, survival rates for heart failure patients over the same time frame have improved approximately 5% nationally.<sup>107</sup>

<sup>106</sup> *Id.*

<sup>107</sup> *Id.*

The data here presents a clear picture of hospitals providing substandard care. This has been emphasized by Lown Institute data on Steward-owned hospital performance metrics for its 25 acute care hospitals.<sup>108</sup> The Lown Institute analyzes hospital performance and assigns grades for patient outcomes.<sup>109</sup> Patient outcomes include an analysis of data from Medicare Fee-for-Service claims from 2020 to 2022, Medicare Advantage files from 2019 to 2021, CMS data on Patient Safety Indicators and Healthcare Associated Infections, and CMS Hospital Consumer Assessment of Healthcare Providers and Systems survey on clinical outcomes (mortality and readmission measures), patient satisfaction, and patient safety.<sup>110</sup> The Lown Institute also ranks individual hospitals compared to other hospitals across the country and in their respective state.<sup>111</sup>

Figure 3.

### **Steward-Owned Acute Care Hospitals with “C” Grade for Patient Outcomes**

<b>Hospital</b>	<b>National Ranking (out of 2784)</b>	<b>State Ranking</b>
<i>Mountain Vista Medical Center (AZ)</i>	2230	42 (of 47)
<i>Tempe St. Luke’s Hospital (AZ)</i>	2210	40 (of 47)
<i>Coral Gables Hospital (FL)</i>	2111	135 (of 160)
<i>Palmetto General Hospital (FL)</i>	2347	144 (of 160)
<i>Glenwood Regional Medical Center (LA)</i>	2151	29 (of 64)
<i>Holy Family Hospital (MA)</i>	2198	44 (of 51)
<i>Scenic Mountain Medical Center (TX)</i>	2112	191 (of 220)

The overall Steward system received a “C” grade for patient outcomes, and — as demonstrated in the table above — seven individual Steward-owned hospitals of the 25 graded also received a “C” grade.<sup>112</sup> Compared to other hospitals, a majority of Steward-owned hospitals scored by the Lown Institute rank in the bottom half of acute care hospitals in the United States for patient outcomes, and many of those rank in the bottom quartile of acute care hospitals nationwide or in their respective states.<sup>113</sup> For example, Palmetto General Hospital in

<sup>108</sup> 2024-25 Rankings, Lown Institute Hospitals Index, [https://lownhospitalsindex.org/rankings/?system\\_id=LHS0000239&type=HospTyp\\_ACH](https://lownhospitalsindex.org/rankings/?system_id=LHS0000239&type=HospTyp_ACH).

<sup>109</sup> Vikas Saini et al., *Lown Institute Hospitals Index for Social Responsibility 2024 Methodology*, Lown Institute, <https://lownhospitalsindex.org/rankings/our-methodology/>.

<sup>110</sup> *Id.*

<sup>111</sup> *Id.*

<sup>112</sup> Judith Garber, *How do private equity affiliated hospitals perform on the Lown Index?* Lown Institute (July 30, 2024), <https://lowninstitute.org/how-do-private-equity-affiliated-hospitals-perform-on-the-lown-index/>.

<sup>113</sup> 2024-25 Rankings, Lown Institute Hospitals Index, [https://lownhospitalsindex.org/rankings/?system\\_id=LHS0000239&type=HospTyp\\_ACH](https://lownhospitalsindex.org/rankings/?system_id=LHS0000239&type=HospTyp_ACH).

Florida ranks in the bottom 10% of Florida hospitals for patient outcomes.<sup>114</sup> In short, Steward’s financial decisions resulted in a majority of its hospitals providing lower-than-average care, and some of these hospitals were among the worst performing in the country or in their respective state.

## C. HOSPITAL CLOSURES

Beyond reduced health care quality and safety at Steward-owned hospitals, Steward has left a litany of hospital closures in its wake. These closures mean dramatic reductions in access to care. From 2014 to 2024, Steward Health Care has closed eight hospitals. Not including The Medical Center of Southeast Texas in Beaumont, for which data was not available, these closures translate to approximately 1,533 patient beds and 4,431 jobs across Arizona, Ohio, Massachusetts, and Texas.

Table 2

### Hospital Bed and Job Loss Due to Steward Closures

<b>Hospital</b>	<b>Hospital Beds</b>	<b>Jobs</b>
<i>Quincy Medical Center (MA)</i>	196	545
<i>St. Luke’s Medical Center (AZ)</i>	219	655
<i>Northside Regional Medical Center (OH)</i>	398	388
<i>Texas Vista Medical Center (TX)</i>	356	800
<i>Medical Center of Southeast Texas (TX)</i>	-	-
<i>New England Sinai Hospital (MA)</i>	158	800
<i>Carney Hospital (MA)</i>	159	753
<i>Nashoba Valley Medical Center (MA)</i>	47	490
<b>TOTAL</b>	<b>1,533</b>	<b>4,431</b>

#### 1. Quincy Medical Center – Quincy, Massachusetts

In December 2014, Steward closed Quincy Medical Center in Quincy, Massachusetts.<sup>115</sup> At the time, the hospital had 196 beds and employed 545 people.<sup>116</sup> The closure of this hospital

<sup>114</sup> *Id.*

<sup>115</sup> Wheeler Cowperthwaite, *Quincy emergency room to close in November*, Patriot Ledger (July 3, 2020), <https://www.patriotledger.com/story/news/local/2020/07/03/quincy-er-to-close-in-november-after-developer-terminates-lease/113930454/>.

<sup>116</sup> *Id.*

violated prior agreements that Steward had made with the Commonwealth to keep the hospital open.<sup>117</sup>

Steward did maintain a satellite emergency department.<sup>118</sup> Steward sold the hospital's property to FoxRock Properties in 2016.<sup>119</sup> The lease provided for the emergency department to stay open until 2021, but four years later, FoxRock exercised an early termination clause to end the lease, resulting in the closure of the emergency department in November 2020.<sup>120</sup> In 2019, the emergency room treated 15,000 patients,<sup>121</sup> and at the time of its closure, Quincy, with a "substantial immigrant and low income communities,"<sup>122</sup> became the largest city in Massachusetts without an emergency room. The hospital was replaced by apartment units.<sup>123</sup>

## 2. *St. Luke's Medical Center – Phoenix, Arizona*

In October 2019, Steward announced the closure of St. Luke's Medical Center in Phoenix, Arizona. The hospital had 219 beds and employed 655 workers.<sup>124</sup> Steward kept open St. Luke's Behavioral Health Center, a freestanding unit on the St. Luke's campus, given the importance of psychiatric services "to the community and Steward's recognized excellence in this field."<sup>125</sup> In August 2024, the Arizona Department of Health Services ordered St. Luke's Behavioral Health Center to cease operation due to health and safety hazards, including non-functioning cooling systems that allowed temperatures within the hospital to rise to 99 degrees Fahrenheit.<sup>126</sup> On August 26, 2024, more than 200 St. Luke's Behavioral Health Center employees were furloughed and families of St. Luke's patients voiced concern over loss of access to psychiatric services.<sup>127</sup> According to one local advocate for mental health care: "It

<sup>117</sup> Interim Reports on Steward Health Care System Pursuant to 2010 and 2011 Assessment & Monitoring Agreement, Office of the Mass. Attorney General (Jan. 30, 2013), <https://www.mass.gov/doc/interim-reports-on-steward-health-care-system-pursuant-to-2010-and-2011-assessment-monitoring/download>.

<sup>118</sup> Cowperthwaite, *supra* note 115.

<sup>119</sup> Eileen Appelbaum et al., *Hospital Ownership and Financial Stability: A Matched Case Comparison of a Non-Profit and Private Equity Owned Health System*, CEPR (Mar. 22, 2021), <https://cepr.net/report/hospital-ownership-and-financial-stability-a-matched-case-comparison-of-a-non-profit-and-private-equity-owned-health-system/>.

<sup>120</sup> *Id.*

<sup>121</sup> Cowperthwaite, *supra* note 115.

<sup>122</sup> Department of Public Health Hearing on the Proposed Closure of the Steward Satellite Emergency Facility – Quincy, Mass. Nurses Assoc. (Sept. 1, 2020), <https://www.massnurses.org/2020/09/01/dph-public-hearing-on-proposed-closure-of-quincy-emergency-department/>.

<sup>123</sup> Appelbaum et al., *supra* note 119.

<sup>124</sup> Ayla Ellison, *Arizona hospital closure will result in 655 layoffs*, Becker's Hospital Review (Nov. 21, 2019), <https://www.beckershospitalreview.com/finance/arizona-hospital-closure-will-result-in-655-layoffs.html#:~:text=Dallas-based%20Steward%20Health%20Care%20will%20close%20St.%20Luke%27s,a%20Worker%20Adjustment%20and%20Retraining%20Notification%20Act%20notice>.

<sup>125</sup> *Id.*

<sup>126</sup> Kasey Brammell, *AZDHS orders St. Luke's Behavioral Hospital to cease operations*. ABC15 Arizona in Phoenix (KNXV) (Aug. 14, 2024), <https://www.abc15.com/news/local-news/azdhs-orders-st-lukes-behavioral-hospital-to-cease-operations>.

<sup>127</sup> John Tanet, *St. Luke's employees furloughed following license suspension* | 12news.com. 12 News. (Aug. 25, 2024), <https://www.12news.com/article/news/local/arizona/st-lukes-furloughs-employees-after-hospital-license-suspension-equipment-malfunction/75-7509cf21-2f98-4503-b3a9-fe5302766edb>.

wasn't the world's best hospital but losing beds is losing beds. We've got caregivers who are in harm's way whenever there is a shortage of beds. It is a public health hazard."<sup>128</sup>

### **3. Northside Regional Medical Center – Youngstown, Ohio**

In August 2018, Steward announced the closure of Northside Regional Medical Center in Youngstown, Ohio. The hospital, which had 398 beds and employed 388 people,<sup>129</sup> operated the only labor and delivery unit within Youngstown city limits.<sup>130</sup> The hospital's closure had a serious impact on access to maternal health, where more than 43% of the population is Black.<sup>131</sup> Tragically, infant mortality in Mahoning County (which includes Youngstown) worsened in subsequent years. Since 2019, the proportion of births in which the mother had a prenatal care visit has decreased in Mahoning County, and the infant mortality rate has increased – most dramatically for Black babies.<sup>132</sup>

The closure also significantly impacted the region's workforce, as the health care sector made up a third of Mahoning Valley's jobs.<sup>133</sup> Anthony Caldwell of the Service Employees International Union (SEIU) said the closure was “a huge blow to the local economy and to the local health care community.”<sup>134</sup> At the time of closure, Northside “was the only hospital in the area that provided dental services to patients with Down syndrome, it was the only labor and delivery department in Youngstown, and its closure meant possibly overburdening the emergency room of the next closes hospital.”<sup>135</sup>

### **4. Texas Vista Medical Center – San Antonio, Texas**

In April 2023, Steward announced the closure of Texas Vista Medical Center in San Antonio, Texas after promising to take “a leadership role in reducing health care disparities for the communities the hospital serves.”<sup>136</sup> The hospital had 356 beds, was one of just two hospitals available to serve about half a million people, and employed more than 800 people.<sup>137</sup> The closure followed reports that the hospital had more than \$650,000 in unpaid vendor payments to “a breast milk bank in Austin, a Mississippi medical supplier, and a Houston-based company that

<sup>128</sup> Stephanie Innes, *St. Luke's Hospital in Phoenix furloughs employees after Arizona License Suspension*. Arizona Republic (Aug. 27, 2024), <https://www.azcentral.com/story/money/business/health/2024/08/27/officials-with-dallas-based-steward-health-say-theyve-furloughed-more-than-200-arizona-employees-duc/74966017007/>.

<sup>129</sup> George Nelson, *Northside closing was “Decade in the making,”* Business Journal Daily (Aug. 22, 2018), <https://businessjournaldaily.com/northside-closing-was-decade-in-the-making/>.

<sup>130</sup> WKBN Staff, *Northside Regional Medical Center in Youngstown Closing*. WKBN.com, (Aug. 15, 2018), <https://www.wkbn.com/news/local-news/northside-regional-medical-center-in-youngstown-closing/>.

<sup>131</sup> U.S. Census, *Profile of Youngstown, Ohio*, <https://data.census.gov/table/DECENNIALPL2020.P1?g=160XX00US3988000>.

<sup>132</sup> Mahoning County Maternal and Infant Health Dashboard, Q3 2022, <https://dam.assets.ohio.gov/image/upload/medicaid.ohio.gov/Stakeholders,%20Partners/ReportsandResearch/Medic%20Quarterly%20Dashboards/2022/Q3/Mahoning.pdf>.

<sup>133</sup> WKBN Staff, *supra* note 130.

<sup>134</sup> *Id.*

<sup>135</sup> Docket No. ATR 102, American Federation of Teachers, (June 3, 2024), on file with the Office of Senator Edward J. Markey.

<sup>136</sup> Jon LaPook et al., “*Less about people and more about profits*”: Investors' role in closure of San Antonio hospital under scrutiny, CBS News (Apr. 25, 2023), <https://www.cbsnews.com/news/texas-vista-medical-center-closure-investors-role-san-antonio-hospital-under-scrutiny/>.

<sup>137</sup> *Id.*

rented respiratory equipment to the hospital.”<sup>138</sup> Following the announcement of Texas Vista’s closure, one 23-year veteran nurse lamented: “That’s a high risk area. It’s an underserved population. Clinics, while they can do general daily wellness care, they can’t do trauma and emergencies. Not gunshot wounds, not delivering a baby.”<sup>139</sup>

### **5. *The Medical Center of Southeast Texas – Beaumont, Texas***

In February 2024, Steward closed The Medical Center of Southeast Texas’ Beaumont campus.<sup>140</sup> The Medical Center of Southeast Texas offered services including emergency care and surgical services.<sup>141</sup> Beaumont has a total population of more than 115,000 residents, 47% of whom are Black or African American and 17% of whom are Hispanic or Latino.<sup>142</sup> During the first three quarters of 2023, The Medical Center of Southeast Texas Beaumont campus offered about 3,500 outpatient surgical and radiological events per quarter.<sup>143</sup> Beaumont’s public health director Kenneth Coleman opined that The Medical Center of Southeast Texas closure “would definitely have an impact on the community,” and “that’s one less facility that citizens have access to.”<sup>144</sup> Steward never notified Coleman of the closure; he found out about it three days beforehand, when the *Boston Globe* asked to interview him.<sup>145</sup>

### **6. *New England Sinai Hospital – Stoughton, Massachusetts***

In April 2024, Steward ended operations at New England Sinai Hospital. In its January 2024 notice to the Department of Public Health — in compliance with state notification for closures for essential health services — Steward disclosed that the closure would remove “39 rehabilitation service beds, 119 chronic care service beds, and all ambulatory care services” at the hospital.<sup>146</sup> When Steward acquired New England Sinai Hospital in 2012, the hospital had 800 full and part time employees,<sup>147</sup> including 291 doctors.<sup>148</sup> New England Sinai Hospital was a

<sup>138</sup> *Id.*

<sup>139</sup> Raquel Torres, *Former Texas Vista employees ousted by hospital’s closure take roles across San Antonio, elsewhere*, San Antonio Report (June 2, 2023), <https://sanantonioreport.org/former-texas-vista-employees-ousted-by-hospitals-closure-take-roles-across-san-antonio-elsewhere/>.

<sup>140</sup> Scott Lawrence, *Medical Center of SETX closing Beaumont Campus*, Fox4Beaumont (Jan. 25, 2024), <https://fox4beaumont.com/news/medical-center-of-setx-closing-beaumont-campus>.

<sup>141</sup> *Id.*; Surgical Services, The Medical Center of Southeast Texas: A Steward Family Hospital, <https://www.medicalcenterstexas.org/services-directory/surgical-services-0>.

<sup>142</sup> *Demographics*, Beaumont Economic Development Foundation, <https://www.bmtecon.org/copy-of-invest-here-rtu>.

<sup>143</sup> *Statistics on outpatient events (Excel format) 2023*, Texas Department of Health and Human Services, <https://www.dshs.texas.gov/center-health-statistics/texas-health-care-information-collection/general-public-information/health-data-researcher-information/texas-outpatient-public-use-data-file-pudf>.

<sup>144</sup> Emma Platoff & Dana Gerber, *‘They were more interested in profiting.’ For struggling Steward Health Care, challenges reach far beyond Massachusetts.*, Boston Globe (Feb. 3, 2024), <https://www.bostonglobe.com/2024/02/03/business/steward-health-care-texas/>.

<sup>145</sup> *Id.*

<sup>146</sup> Grace Zokovitch, *‘A loss for the community:’ New England Sinai Hospital set to close*, Boston Herald (Apr. 1, 2024), <https://www.bostonherald.com/2024/04/01/a-loss-for-the-community-new-england-sinai-hospital-set-to-close/>.

<sup>147</sup> Staff Writer, *Steward to buy New England Sinai Hospital in Stoughton*, Patriot Ledger (Apr. 5, 2012), <https://www.patriotledger.com/story/business/2012/04/05/steward-to-buy-new-england/37939525007/>.

<sup>148</sup> Robert Weisman, *Steward to acquire Stoughton’s New England Sinai*, Boston Globe (Apr. 4, 2012), <https://www.bostonglobe.com/business/2012/04/03/steward-health-care-buy-new-england-sinai-hospital-stoughton/GONicQcfE7YLNhZHVSYmqK/story.html>.

rehabilitation and acute long-term care facility, which provided essential services for Stoughton, where 20% of the population is over 65 years of age,<sup>149</sup> a figure higher than the state average.<sup>150</sup>

Local industry leaders noted the effect of the New England Sinai Hospital closure on patient access to care. Ahead of the closure, Patricia Noga, Vice President of Clinical Affairs of the Massachusetts Hospital Association, observed that “the planned closure of New England Sinai adds yet another layer of fragility to our state’s health care system. We know it is already a massive challenge for patients to find post-acute services.”<sup>151</sup> Tara Gregorio of the Massachusetts Senior Care Association echoed these concerns surrounding the hospital’s closure, noting it was “consistent with an alarming trend that will only continue to threaten patient care and access to post-acute and long term care in our communities.”<sup>152</sup> At the state-mandated hearing on Wednesday, January 31 regarding the hospital’s closure, a local resident shared these concerns: “The thing that I fear the most is our health care choices are becoming more and more limited in this area.”<sup>153</sup> She added that she doesn’t “think it’s possible to replicate what we have here elsewhere.”<sup>154</sup>

### **7. Carney Hospital – Dorchester, Massachusetts**

On July 31, 2024, the U.S. bankruptcy court overseeing Steward approved the closure of Carney Hospital.<sup>155</sup> The hospital officially closed on August 31, 2024.<sup>156</sup> Carney primarily served patients from Dorchester, Quincy, and Mattapan, many of which are communities of color or working class.<sup>157</sup> Per Steward, the hospital had 83 medical/surgical beds, 19 intensive care unit beds, 7 pediatric service beds, and 50 psychiatric service beds.<sup>158</sup> This fiscal year, Steward served more than 15,000 emergency department patients and nearly 102,000 outpatient

<sup>149</sup> Chris Helms, *Even if Stoughton rehab hospital deemed essential Steward can close it*, The Enterprise (Feb. 4, 2024), <https://www.enterpriseneews.com/story/news/healthcare/2024/02/04/stoughton-new-england-sinai-hospital-steward-closing-rehab-longterm-care/72401375007/>.

<sup>150</sup> *Id.*

<sup>151</sup> *Id.*

<sup>152</sup> *Id.*

<sup>153</sup> Helms, *supra* note 149.

<sup>154</sup> Russ Reed & John Atwater, *Massachusetts health officials discuss planned Stoughton hospital closure with residents*, WCVB (Jan. 31, 2024), <https://www.wcvb.com/article/massachusetts-dph-meeting-stoughton-hospital-closure-new-england-sinai/46602403>.

<sup>155</sup> Priyanka Dayal McCluskey & Martha Bebinger, *Judge approves Carney, Nashoba Valley closures as Steward crisis deepens*, WBUR (Aug. 1, 2024), <https://www.wbur.org/news/2024/07/31/massachusetts-steward-hospitals-closing-hearing>.

<sup>156</sup> Press Release, *Carney Hospital in Dorchester, Massachusetts has permanently closed and is no longer providing patient care*. Steward Health Care (Aug. 31, 2024), <https://www.steward.org/newsroom/2024-08-31/carney-hospital-dorchester-massachusetts-has-permanently>.

<sup>157</sup> Steward Carney Hospital, 2022 Hospital Profile, Center for Health Information and Analysis, <https://www.chiamass.gov/assets/docs/r/hospital-profiles/2022/carney.pdf>; *Dorchester: A Boston neighborhood guide*, WBUR (July 22, 2024), <https://www.wbur.org/news/2023/09/01/dorchester-boston-massachusetts-locals-field-guide>; *Mattapan: A Boston neighborhood guide*, WBUR (July 22, 2024), <https://www.wbur.org/news/2023/09/01/mattapan-boston-massachusetts-locals-field-guide>; Quincy city, Massachusetts, United States Census Bureau, [https://data.census.gov/profile/Quincy\\_city\\_Massachusetts?g=160XX00US2555745#race-and-ethnicity](https://data.census.gov/profile/Quincy_city_Massachusetts?g=160XX00US2555745#race-and-ethnicity).

<sup>158</sup> Letter from Rebecca Rodman, Husch Blackwell LLP to Stephen Davis, Director, Mass. Div. of Health Care Facility Licensure and Certification (July 26, 2024), <https://www.mass.gov/doc/120-day-notice-of-intent-to-discontinue-services-pdf-carney-hospital/download>.

procedure patients.<sup>159</sup> Steward also employed 753 workers at Carney.<sup>160</sup> The announced closures created a wave of concern about longer wait times and distances for patients to travel for care and about overcrowding at surrounding hospital emergency departments.<sup>161</sup> As one employee put it: “People are going to get hurt. People are going to die because somebody didn’t get to them.”<sup>162</sup>

#### **8. Nashoba Valley Medical Center – Ayer, Massachusetts**

On July 31, 2024, the bankruptcy court also approved the closure of Nashoba Valley Medical Center.<sup>163</sup> The hospital, a 47-bed facility, officially closed on August 31, 2024.<sup>164</sup> In the year prior to closing, Nashoba Valley had 1,400 discharges from medical and surgical departments and 188 inpatient discharges from its Intensive Care Unit.<sup>165</sup> Ahead of its closure, Steward informed state regulators it would be laying off 490 Nashoba Valley employees. Nashoba Valley served 17 communities in Northern Worcester County and Northwestern Middlesex County. On the day of its closing, Nashoba Valley did not accept new patients and spent the day transferring its patients to other hospitals.

Its loss is felt by health care providers and patients alike. Paul Harasimowicz, Nashoba Valley’s chief of surgery described it as “a family place.”<sup>166</sup> He explained: “We work to take care of the 17 communities that we live with. We see them on the ballfields, at the grocery store, at church. I’ve always thought that in the communities we serve, we are the medical center of 17 communities that has just been ripped out from under them.”<sup>167</sup> One patient shared that she has “been coming here for 50 years” and that “it’s devastating that it is closing. This hospital has been our lifeline.”<sup>168</sup>

As the health care ombudsman wrote in her report to the bankruptcy court: “Nashoba is a community fixture that has provided health care to residents for over fifty years. It is the sole emergency department (“ED”) within a thirty-minute radius in a community with limited paramedics and emergency medical services (“EMS”) personnel and no public transportation.” She continued: “In addition to limiting the availability of EMS personnel, the EDs in other communities are not staffed or equipped to absorb the former Nashoba patients. This toxic

<sup>159</sup> Letter from Octavia Diaz, President, North Regional & System Chief Medical Officer, Steward Health Care to Stephen Davis, Director, Mass. Div. of Health Care Facility Licensure and Certification (Aug. 5, 2024).

<sup>160</sup> Steward Carney Hospital, Inc. Transition and Closure Plan, at 19 (Aug. 12, 2024), <https://www.mass.gov/doc/carney-notice-of-intent-to-close-2-pdf-carney-hospital/download>.

<sup>161</sup> Priyanka Dayal McCluskey, *‘Our patients need us’: Employees, residents plead for Carney Hospital to be saved*, WBUR (Aug. 14, 2023), <https://www.wbur.org/news/2024/08/14/carney-hospital-dorchester-steward-closure-hearing>.

<sup>162</sup> *Id.*

<sup>163</sup> *Id.*

<sup>164</sup> Jesse Collings, *Nashoba Valley Medical Center officially closes to patients*, Telegram & Gazette (Aug. 31, 2024; updated Sept. 2, 2024), <https://www.telegram.com/story/news/healthcare/2024/08/31/nashoba-valley-medical-center-officially-closes/75029746007/>.

<sup>165</sup> *Id.*

<sup>166</sup> *Id.*

<sup>167</sup> *Id.*

<sup>168</sup> *Id.*



combination of delayed EMS response times and overtaxed EDs will lead to dire results for patients needing emergency care.”<sup>169</sup>

## D. LIMITATIONS

Despite disclosures in the bankruptcy process and public reporting on Steward’s financial crisis, additional information on quality of care remains missing. Compliance with existing state law and broader transparency requirements could provide it. Steward failed to comply with Massachusetts transparency requirements, limiting information that the Commonwealth could gather on how Steward allocated its assets.<sup>170</sup> Additional federal transparency requirements also could have provided a clearer picture on the association between Steward’s financial dealings and the impact on patients and health workers nationwide. For instance, it is difficult to obtain a clear understanding of the full scope of health workforce impacts at Steward-owned hospitals because the Department of Labor does not release statistics — such as frequency of workplace violence or other injuries — disaggregated by workplace.

Moving forward, additional reporting requirements — as outlined in S.4804, the *Health Over Wealth Act* — would allow for improved insight into how private equity, real estate investment trusts, and corporate executives siphon assets to corporate executives to the detriment of patient care and the impact of financial decisions on quality and safety of care, health worker safety and understaffing, and service reductions and closures. This would also allow for better detection of health system financial insecurity prior to acute crisis.

## V. CLOSING

Steward Health Care — enabled by Cerberus Capital Management and Medical Properties Trust — has preyed on the hospitals on which communities rely. Its malpractice shows in the stunning cost that communities, workers, and patients are now paying for Steward’s greed. Communities are paying with closures of essential health care institutions. Workers are paying with their livelihoods. Patients are paying with their lives. Gilberto Melendez-Brancaccio, 31, died alone when a Steward emergency department was understaffed and undertrained.<sup>171</sup> Michael Edward Shea, 66, died in a hallway when a Steward emergency department was understaffed. Sungida Rashid, 39, bled to death after an essential medical device had been repossessed by vendors that Steward failed to pay.<sup>172</sup> Richard Fingleton, 81, died at a Steward hospital after not being checked for vital signs for several hours.<sup>173</sup> Sherlynn Brownlee, 80, died after failing to be

<sup>169</sup> Colin A. Young, *Ombudsman sees 'toxic combination' for patients when Nashoba Valley Medical Center closes*, WBUR (Aug. 27, 2024), <https://www.wbur.org/news/2024/08/27/massachusetts-steward-hospital-closure-nashoba-valley>.

<sup>170</sup> Letter from Governor Maura T. Healey to Dr. Ralph de la Torre RE: Immediate actions required to protect quality and access to care (Feb. 20, 2024), <https://www.mass.gov/doc/steward-0220/download>.

<sup>171</sup> Koh et al., *supra* note 1.

<sup>172</sup> *Id.*

<sup>173</sup> *Id.*

transferred to a higher-level intensive care unit when no Steward-hospital staff were available to discharge her.<sup>174</sup>

Meanwhile, the corporate entities involved in this crisis are scrambling to insulate themselves from accountability as they reap the rewards of their greed. On its website, Cerberus highlights its “substantial expertise” in health care<sup>175</sup> and claims that its investments saved the Steward health care system, all while profiting \$800 million from Steward-owned hospitals.<sup>176</sup> Medical Properties Trust CEO Edward Aldag argues that his company is essential for “access to care and employment opportunities for health care workers over the long term.”<sup>177</sup> Yet, Aldag was paid almost \$18 million in 2023.<sup>178</sup> And Medical Properties Trust will continue to collect rent from hospitals across the county.

Steward’s CEO Dr. Ralph de la Torre’s spokesperson recently claimed Dr. de la Torre is focused on making sure “patients [are] fully cared for.”<sup>179</sup> Meanwhile, as patients died and hospitals closed, Dr. de la Torre made millions and bought a \$15 million fishing boat, a \$40 million yacht,<sup>180</sup> a \$4.7 million home,<sup>181</sup> and a \$7.2 million ranch in Texas.<sup>182</sup> He renovated his apartment in Madrid, flew via private jet to Costa Rica at least nine times, vacationed at a \$13,000-per-night hotel,<sup>183</sup> and travelled to Versailles to watch the Paris Olympics.<sup>184</sup> On September 4, 2024, Dr. de la Torre, through his attorneys, announced his intent to ignore a subpoena to testify before the United States Senate Health, Education, Labor, and Pensions Committee.<sup>185</sup>

Steward Health Care is under intense scrutiny that may result in civil and criminal charges against the corporate executives who sowed the seeds of Steward’s financial destruction. But judicial accountability won’t reverse time and reopen closed hospitals, support workers struggling to provide quality care for their patients, or prevent those patients from bleeding out or dying alone in hallways. Nor will it protect communities from the long-term cost of loss of

<sup>174</sup> *Id.*

<sup>175</sup> Operational Private Equity, Cerberus, <https://www.cerberus.com/investment-platforms/private-equity/>.

<sup>176</sup> Mary Bugbee, *The Pillaging of Steward Health Care: How a private equity firm and hospital landlord contributed to Steward’s bankruptcy*, Private Equity Stakeholder Project (June 26, 2024), <https://pestakeholder.org/reports/the-pillaging-of-steward-health-care/>.

<sup>177</sup> Caitlin Owens, *Steward Health’s sale puts scrutiny on real estate deals*, Axios (Sept. 6, 2024), <https://www.axios.com/2024/09/06/steward-massachusetts-hospitals-deal>.

<sup>178</sup> Highest-Paid CEOs - 2024, AFL-CIO, [https://aflcio.org/paywatch/highest-paid-ceos#:~:text=CEO%20pay%20continues%20to%20outpace,average%20just%20\\$65%2C470%20in%202023.](https://aflcio.org/paywatch/highest-paid-ceos#:~:text=CEO%20pay%20continues%20to%20outpace,average%20just%20$65%2C470%20in%202023.)

<sup>179</sup> Colin A. Young, *CEO of bankrupt Steward Health Care was at Paris Olympics while hospital closings were announced*, NBC10 Boston (Aug. 8, 2024), <https://www.nbcboston.com/news/local/ceo-of-bankrupt-steward-health-care-was-at-paris-olympics-while-hospital-closings-were-announced/3454645/>.

<sup>180</sup> Bugbee, *supra* note 176.

<sup>181</sup> Mark Arsenault et al., *Inside the rise and fall of Steward Health Care’s Ralph de la Torre*, Boston Globe (Mar. 29, 2024), <https://www.bostonglobe.com/2024/03/29/metro/steward-health-care-ceo-ralph-de-la-torre/>.

<sup>182</sup> Jonathan Weil, *The CEO Who Made a Fortune While His Hospital Chain Collapsed*, Wall Street J. (Aug. 18, 2024), <https://www.wsj.com/business/steward-health-ceo-ralph-de-la-torre-deabfe4b>.

<sup>183</sup> Hanna Krueger et al., *Inside the secret financial dealings of Steward CEO Ralph de la Torre*, Boston Globe (Sept. 3, 2024), <https://www.bostonglobe.com/2024/09/03/metro/steward-health-ralph-de-la-torre-secret-financial-dealings/>.

<sup>184</sup> Amelia Stern, *Ralph de la Torre attends Olympics at Versailles as Steward announces hospital closures*, The Enterprise (Aug. 9, 2024), <https://www.enterpriseneews.com/story/news/state/2024/08/09/brockton-steward-health-care-ceo-ralph-de-la-torre-versailles-paris-olympics-hospitals-closing/74734394007/>.

<sup>185</sup> Press Release, *Senator Markey Slams Steward CEO, Demands De La Torre Take Accountability for Steward’s Failures*, Office of Senator Edward J. Markey (Sept. 5, 2024), <https://www.markey.senate.gov/news/press-releases/senator-markey-slams-steward-ceo-demands-de-la-torre-take-accountability-for-stewards-failures>.

health care access, quality, and safety that Steward callously caused through hospital closures or service reductions.

We must prevent a crisis like this from ever happening again. But currently, that cannot be promised. Private equity firms still have stakes in hospitals and continue to infiltrate deeper into the American health care system by investing in dental care, fertility care, behavioral health, nursing homes, physician practices, and more.<sup>186</sup> For private equity, profits come first, and when profits come first, patients and workers come last. The only way to prevent a Steward-like disaster from happening again is to strengthen the health care system<sup>187</sup> and create permanent guardrails like those included in the *Health Over Wealth Act*, which will ensure transparency, protect patients and health workers, and create accountability for those who undermine health care quality, access, and safety.<sup>188</sup>

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<sup>186</sup>Eileen O’Grady, *Private Equity Healthcare Acquisitions – July 2024*, Private Equity Stakeholder Project (Aug. 22, 2024), <https://pestakeholder.org/news/private-equity-health-care-acquisitions-july-2024/>; Anita Raghavan, ‘They Were Traumatized’: How a Private Equity-Associated Lender Helped Precipitate a Nursing Home Implosion, *Politico* (Dec. 24, 2023), <https://www.politico.com/news/magazine/2023/12/24/nursing-homes-private-equity-fraud-00132001>; Jon Webber et al., *Providers: Healthcare Private Equity Narrows Its Deal Focus*, Bain & Company (Apr. 10, 2023), <https://www.bain.com/insights/providers-global-healthcare-private-equity-and-ma-report-2023/>.

<sup>187</sup>Press Release, *Senator Markey Introduces State-Based Universal Health Care Act, Laying the Groundwork to Achieve Medicare for All*, Office of Senator Edward J. Markey (July 26, 2024), <https://www.markey.senate.gov/news/press-releases/senator-markey-introduces-state-based-universal-health-care-act-laying-the-groundwork-to-achieve-medicare-for-all>.

<sup>188</sup>The Health Over Wealth Act, Office of Senator Edward J. Markey, <https://www.markey.senate.gov/healthoverwealth>.

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