

United States Senate

WASHINGTON, DC 20510

November 25, 2024

Benson Sloan
Chief Executive Officer
Rural Healthcare Group
40 Burton Hills Blvd #370
Nashville, TN, 37215

Dear Mr. Sloan,

On October 31, 2024, your private-equity-owned company Rural Healthcare Group (RHG) announced that it had closed on its acquisition of Steward Medical Group and Steward Health Care Network (together, “Stewardship”). As part of its transaction review, the Massachusetts Health Policy Commission revealed that Stewardship executive team will remain on board with the new consolidated company — Revere Medical.¹ I am concerned that the same Stewardship executives who drove that healthcare provider into the ground will now take the reins at Revere Medical. These executives should not be permitted to fail up and place in jeopardy another healthcare provider on which Massachusetts residents will come to rely.

Stewardship’s demise, culminating in bankruptcy, was not a mere series of unfortunate events but rather the result of mismanagement, poor decision-making, and a failure to adapt to both market realities and the evolving needs of the communities it served. Yet, you have been quoted as saying that “the next step” in RHG’s acquisition of Stewardship “is to integrate the two organizations,” and Stewardship President Dr. Joseph Weinstein has opined that “[t]he Stewardship team is excited for this next chapter with Revere Medical.”² The retention of the Stewardship leadership team at Revere Medical, particularly senior executives who were at the helm during Stewardship’s disastrous financial and operational decline, is unacceptable.

The company’s leadership failed to execute a strategy to safeguard Stewardship’s financial health, despite the company’s significant resources and potential. The inability to stem financial losses, address operational inefficiencies, and build a sustainable long-term strategy resulted in the bankruptcy proceedings that ultimately led to the RHG transaction. The question now is why, despite these failures, the same leadership team is being entrusted with leading Revere Medical, a successor organization that will, presumably, be tasked with rebuilding and stabilizing an even more complex healthcare network.

The leadership of Revere Medical must demonstrate the capacity for success and stability, particularly given the history of financial and operational distress at Stewardship. The retention of executives who were directly responsible for Stewardship’s downfall raises significant questions about their ability to drive Revere Medical toward success. Failed executive leadership

¹ HPC Board Meeting, Massachusetts Health Policy Commission (Oct. 10, 2024), https://masshpc.gov/sites/default/files/2024-10/20241010_Board%20Meeting%20Presentation_vfinal_0.pdf.

² Steward Medical Group and Steward Health Care Network is Now Revere Medical, Revere Medical (Oct. 31, 2024), <https://www.reveremedical.com/blog/a-new-name>.

at one company should not be rewarded with leadership positions at a successor company, especially positions of significant public trust involving management of scarce healthcare resources.

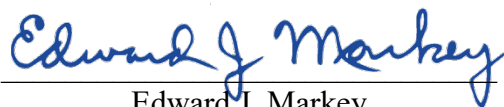
To help me better understand how Revere Medical's leadership will differ from Stewardship's, please respond to the following questions in writing by January 10, 2024:

1. Will the executive team at Revere Medical differ from the leadership team at Stewardship? If so, in what ways will it be structured to address past failures and ensure Revere Medical's future success?
2. What specific steps have been taken to address the leadership failures that led to Stewardship's financial decline? Will any members of the previous leadership team be held accountable for their roles in the bankruptcy process?
3. Given the history of financial mismanagement under the leadership of the previous team, what measures are being taken to ensure that executive compensation and incentives are aligned with the long-term financial health and sustainability of Revere Medical, rather than short-term profit maximization or maintaining the status quo?
4. How does the leadership at Revere Medical plan to differentiate itself from the past? What specific changes in leadership, strategy, and operations will be implemented to avoid repeating the mistakes that led to Stewardship's collapse?
5. Given the difficulties faced by Stewardship and the communities it served, what will Revere Medical do to ensure that it restores and builds trust with its patients, employees, and the communities in which it operates?

These are critical questions that demand thoughtful and transparent responses. The success of Revere Medical will depend on a robust and visionary leadership team capable of navigating the complexities of the healthcare landscape, with a clear focus on operational excellence, financial sustainability, and, most importantly, the well-being of the patients and communities it serves.

I look forward to your response and to engaging in further dialogue to ensure that Revere Medical is positioned for long-term success, free from the systemic failures that plagued Stewardship.

Sincerely,



Edward J. Markey
United States Senator