

September 26, 2014

VIA EMAIL

The Honorable George C. Jepsen
Attorney General
Office of the Attorney General
55 Elm Street
Hartford 06106
Attn: Gary W. Hawes, AAG

The Honorable Jewel Mullen
Commissioner
Department of Public Health/Office of Health Care Access
410 Capitol Avenue
Hartford, CT 06134
Attn: Steve Lazarus, Associate Health Care Analyst, OHCA

Re: OBJECTION TO REQUEST OF MASSACHUSETTS NURSES ASSOCIATION FOR INTERVENOR STATUS

Dear Messrs. Hawes and Lazarus:

On September 23rd, your offices received a letter from several attorneys working on behalf of Tenet/Vanguard and Greater Waterbury Health Network (GWHN), objecting to the Massachusetts Nurses Association's (MNA) intervenor status request for the impending hearing on the Tenet/Vanguard acquisition of GWHN. In their letter, the attorneys make several inaccurate claims about the MNA's proposed participation. These claims are without merit and suggest that the petitioning parties are not interested in an open discussion of their plans to convert a non-profit healthcare system serving many thousands of Connecticut residents into an arm of Tenet Healthcare, a for-profit organization operating 80 hospitals and 198 outpatient centers in the United States.

The MNA rejects all of the contentions made in the September 23rd letter, but in the interest of timeliness, we respond below to just a few:

The petitioners argue that the MNA should not have standing in this proceeding, as "the nurses MNA claims to represent . . . apparently neither live nor work in Connecticut."¹

The MNA has many members who live in Connecticut. These nurses and their families receive healthcare services in Connecticut hospitals, including Waterbury Hospital, and they have deep concerns about how Tenet's plans for GWHN may impact healthcare in their communities. Moreover, Tenet and Vanguard have a history in this state of operating hospitals with unsafe staffing levels, which have put

¹ All quoted sections are from the *Objection to Request of Massachusetts Nurses Association for Intervenor Status*. Filed September 23, 2014

Massachusetts patients at risk. As registered nurses, all MNA members prioritize patient safety, whether in Massachusetts or Connecticut, and the prospective patients of Tenet/Vanguard-operated hospitals in Connecticut are entitled to a complete picture of the operating standards the system employs.

Petitioners argue that we do not understand, and have not responded to, the financial elements of this agreement

The petitioners declare that “Vanguard [will] take on none of the hospital debt . . . the transaction is structured so that all of GWHN's existing debt will be paid off from the sale proceeds.” But Tenet/Vanguard and GWHH have promised the following with regard to its near-term financial commitments to GWHN:

GWHN will transfer substantially all of its assets to a Vanguard affiliate in consideration of, among other things, \$45 Million and the commitment to spend no less than \$55 Million on capital items and improvement of services in the Greater Waterbury, Connecticut market”

Tenet/Vanguard cannot reasonably expect the Office of the Attorney General or the Office of Health Care Access to believe that the acquisition of another hospital, and the tens of millions of dollars it has pledged in capital commitments are cost-neutral, have no bearing on the healthcare organization’s bottom line, and will not impact Tenet’s capital decisions in other states. Tenet’s acquisition of GWHN may, in fact, impair its ability to invest in the Massachusetts hospitals it already owns. And Tenet’s aggressive acquisition plans do not stop with GWHN; those acquisitions put financial promises on an even more unsteady ground.

The petitioners claim that the MNA’s focus on its Detroit holdings is inaccurate and “outdated” because Vanguard is “on track” and “up to date” in meeting its capital obligations in connection with its Detroit acquisitions

Since 2011, Vanguard in Michigan has regularly refused to comply with requests for information from its oversight body and has repeatedly fallen short by tens of millions in capital expenditures, all while making one excuse after another. If Tenet/Vanguard is finally, as it suggests, closing in on financial commitments years after they were expected to be complete, the organization should realize that this is not a victory and the Greater Waterbury area and the state of Connecticut should be concerned that financial pledges made now may not be realized for years, if ever.

The petitioners argue repeatedly that the MNA will “impair the orderly conduct of the proceedings,” and reduces the testimony of highly-skilled registered nurses to “mudslinging” and a “sideshow.”

The nurses’ interest in participating in this hearing is entirely related to our role as patient advocates. We are concerned that Tenet/Vanguard’s acquisition of GWHN could result in it delaying or defaulting on commitments to Waterbury Hospital and its patients and that acquiring the costs of operating another hospital could impact its operations in Massachusetts. Our underlying concern is to ensure that all hospitals, whether owned by Tenet/Vanguard or not, provide quality healthcare to their patients.

I urge your offices to grant the Massachusetts Nurses Association Intervenor Status in this proceeding. The people – and patients – of Connecticut deserve to be fully aware of the history and activities of Tenet Healthcare and Vanguard Health Systems, which are poised to acquire several hospitals in the state.

Sincerely,

A handwritten signature in cursive script that reads "Donna Kelly-Williams, RN". The signature is fluid and elegant, with a large, sweeping flourish at the end of the "N".

Donna Kelly-Williams, RN
President

A handwritten signature in cursive script that reads "Julie Pinkham, RN". The signature is fluid and elegant, with a large, sweeping flourish at the end of the "N".

Julie Pinkham, RN
Executive Director