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Comments on the Proposed Sale of Weiss Memorial Hospital & West Suburban Medical Center

SEIU Healthcare is a union of 90,000 healthcare, social service, and childcare workers including thousands of hospital workers in the Chicago area. Beyond the struggle for dignity in the workplace, our mission is to win health equity and access to quality care for all communities. While we don't represent workers at Weiss Memorial Hospital or West Suburban Medical Center, we recognize the critical role that these providers play in the communities they serve where many of our members live.

SEIU Healthcare emphatically contends that healthcare is an essential human right. Unfortunately, this right is difficult to secured in our profit-driven healthcare delivery system, particularly for low-income workers, communities of color, and immigrant communities. For this reason, it is critical that the HFSRB conduct a thorough review of any proposed transaction that brings a new hospital operator into our state.

The HFSRB is responsible for balancing the community access to affordable healthcare against the profit-driven decision making of wealthy health systems. Current law, unfortunately, does not grant the board sufficient power to adequately review and/or effectively intervene against changes in hospital ownership even when there are serious community concerns. This lack of statutory authority effectively empowers the seller to vet the proposed buyer which is particularly concerning in cases such as this where the seller has troubling record of prioritizing profitability over community need. For these reasons, we have and continue to advocate for reforms to the Health Facilities Planning Act that would expand the board's power to regulate changes in ownership.

Under current law, a change in hospital ownership requires the HFSRB to issue a Certificate of Exemption (COE) "when information required by the Board by rule is submitted". In practice this means that once the applicants submit the required disclosures and paperwork, the board has no power to object and must approve the change in ownership (see 20 ILCS 3960/6(b)). The board can, however, use the COE process to ask clarifying questions related to the required disclosures and paperwork. We are encouraged that the board has made these Q&As public on the HFSRB website and urge the board to use its position to ask additional questions on behalf of the community members who depend on these facilities and have reservations about the impact of the sale.

The low level of scrutiny included in the COE process is particularly troubling when viewed in context of recent unfortunate events. This includes events at Galesburg Cottage Hospital, which was forced to close after CMS investigators discovered a litany of highly troubling safety violations following its sale by Quorum to SBJ Group. This also includes the closure of Westlake Hospital almost immediately following its acquisition by Pipeline, despite Pipeline's guarantee that it would maintain charity care levels at Westlake for at least two years. Disclosures indicated that Pipeline's main investors are major private equity firms well known for distressed investing—an investment strategy that often involves dragging struggling companies through destructive bankruptcy processes. A strong regulatory system should be able to protect communities from actors such as these and would certainly not leave the process of vetting new hospital operators solely to profit-driven private equity firms.

While the intent of this letter is not to offer a position for or against the sale of Weiss and West Suburban to Ramco Healthcare Holdings, we encourage the board to fully support the impacted communities' right to full transparency from the potential new owners. The Board and staff should do everything in their power to help community members gather the information necessary to hold the new owners accountable to community health needs.

Sincerely,

Greg Will, Research Director, SEIU Healthcare