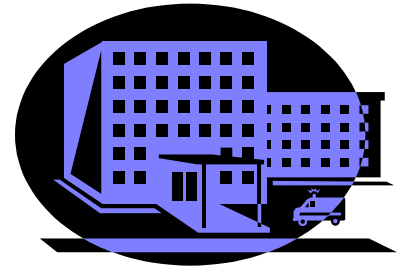


# **Resurrection plans to sell West Suburban and Westlake Hospitals**



## **We need to make sure patients and employees are protected**

Resurrection Health Care recently announced plans to sell West Suburban and Westlake Hospitals to Vanguard Health Systems, a for-profit corporation. Now employees and community residents who rely on these hospitals are concerned about their future.

The Illinois Attorney General will review this proposed sale because it involves a for-profit corporation taking over nonprofit hospitals. The Health Facilities and Services Review Board also reviews this change of ownership. And political leaders can weigh in to urge both RHC and Vanguard to address community and employee concerns.

### **Resurrection promised to improve our community hospitals.**

Despite promises and high hopes, both West Suburban Medical Center in Oak Park and Westlake Hospital in Melrose Park have struggled financially in recent years, and misplaced management priorities have compromised quality.

When Resurrection acquired West Suburban Medical Center in 2004, many residents were hopeful that their community hospital would benefit from promised investments and new management.

RHC built a new emergency room, but most of the changes at West Sub were for the worse – cuts in staffing, reduction in services to the community and problems with quality.

In five years under Resurrection management, West Sub lost four times as much money as in the prior five years!

Westlake Hospital has been under Resurrection management for 10 years. In that time, RHC has significantly reduced the number of beds and the hospital has been cited numerous times for quality-related deficiencies.

Now Resurrection wants to walk away from both hospitals.

### **This time we need real commitments - not promises.**

### **Ten year commitment to our communities or no deal!**

Before the sale of these hospitals is approved, community residents, patients and employees must secure commitments. The top priority is to ensure that Vanguard will not close the hospitals or any current services for a minimum of 10 years. We also will work for commitments that improve the quality of care, retain employees and provide a reasonable level of charity care

## **BACKGROUND**

### **PROFITS, HEALTH CARE AND ACCOUNTABILITY**

Formed in 1997, Vanguard Health Systems acquires nonprofit hospitals and converts them to investor-status. Based in Nashville, Vanguard currently operates 15 hospitals: MacNeal Hospital in Berwyn and Weiss Memorial Hospital in Chicago, and hospitals in Texas, Arizona and Massachusetts.

**Who pays for the profits?** Vanguard is purchasing West Sub and Westlake hospitals in order to make a profit. But these hospitals are currently losing money and Vanguard will have to pay taxes on these hospitals, which means their expenses will be higher.

So what would new management do in order to turn a profit at these hospitals? In Phoenix, Vanguard closed a community hospital that was struggling financially and here in Chicago Vanguard cut the OB/GYN department at Weiss.

**Respect for employees?** Dedicated employees, who work hard to provide quality care under difficult circumstances, should not pay the price of Resurrection's mismanagement. Vanguard should retain all current employees at equivalent positions.

For more than 6 years, employees at Resurrection hospitals have worked to form a union to have a voice at work and improve patient care. RHC management has waged an expensive and aggressive antiunion campaign in response. Vanguard should be held to a higher standard.

**What about access and accountability?** Non profit hospitals are accountable to state laws related to "charitable trust." This means they are legally required to operate the hospital in accordance with its charitable mission. In addition, there are also specific requirements for providing and reporting on community benefits.

For profits may have a "mission," but they have no legal obligation to conform to it. And it is easier for a for-profit corporation to close one of their hospitals.

**How do we make sure patients and employees are protected?** Working together we can communicate our concerns to elected leaders who can help protect our interests.

- Attorneys General across the country have set conditions on the sale of nonprofit hospitals to for-profit corporations, including creating a community foundation with the profits from the sale and requiring a specific level of charity care.
- The Health Facilities and Services Review Board reviews the proposed change of ownership and provides an opportunity for a public hearing.
- In some cases, for-profit companies have agreed upfront to address concerns as part of the purchase agreement. In Washington, for example, a corporation made a commitment to maintain specific inpatient services for 10 years and to guarantee job security for current employees. Our local political leaders can help us send a message to Vanguard and RHC to ensure that the sale agreement includes such commitments.

***Oak Park/Austin Health Alliance (OPAHA)***

*A coalition of South Austin Coalition (773/287-4570)*

*the Oak Park Coalition for Truth and Justice ([www.opctj.org](http://www.opctj.org))*

*and HEART/AFSCME ([www.reformresurrection.org](http://www.reformresurrection.org))*