



CHCA

CONNECTICUT HEALTH CARE ASSOCIATES

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September 26, 2014

SEP 29 2014

Kimberly Martone
Office of Health Care Access
CT Department of Public Health
410 Capitol Avenue
Hartford, CT 06134

Gary W. Hawes
Assistant Attorney General
55 Elm Street P.O. Box 120
Hartford, CT 06141

Re: OCHA Docket 13-31838-CON Proposal for a Joint Venture by The Greater Waterbury Health System and Vanguard Health Systems/Tenet

Dear Ms. Martone & Mr. Hawes:

I am writing to reiterate the need for CHCA to be granted intervener status in the case of the for-profit company that buys and sells hospitals in order to enrich its investors (aka Tenet) to purchase Waterbury Hospital and also establish market dominance over the state's health care for the following reasons:

- 1) CHCA should be granted standing because the takeover of Waterbury Hospital by an out of state for profit entity will impact our ability to bargain wages and benefits for our members in the future. Indeed the prospect of Tenet taking over has already impacted our nurses bargaining unit benefits. We were told at the recently concluded round of negotiations that Tenet would walk away from its offer to purchase the hospital unless the Union abandoned its defined benefit pension plan and adopted a defined contribution retirement plan. The introduction of Tenet's need for return on investment to meet Wall Street's expectation can be expected to have a profound impact (and likely negative) on the lives of the workers who have dedicated their work lives to serving Waterbury's health needs. I believe that there is case law that establishes a union's right to intervene in similar cases. I would refer you to CEUI et al v. State of Connecticut Department of Insurance (No. CV970573468, Oct 1 1998).
- 2) We intend to discuss the fact that the introduction of profit seeking entities in a market cause health care costs to rise. Since one of the areas of collective bargaining is health care, the introduction of Tenet into the Waterbury will make our healthcare more expensive leading to further increased pressure for givebacks in subsequent rounds of negotiations.
- 3) Since Tenet is simultaneously attempting to purchase a non-union hospital in the same town, one could easily foresee a circumstance in which Tenet slowly transfers personnel and services away from Waterbury to the non-union facility, shrinking the size of CHCA bargaining

unit while expanding the non-union workforce. Once the non-union work force exceeds the unionized one it would be relatively simple to call for a decertification of our union. To suggest that is far-fetched or that it would never happen, I would refer you to the labor relations history of its partner Yale New Haven. YNH was hit with a multi-million dollar fine for violating rules it agreed to that would have allowed a fair union representation election. Obviously our Union and its members would be adversely impacted by a threat of decertification.

- 4) As for the claim that CHCA lacks any "legitimate interest" I would point your office to a story in the CT Mirror in the aftermath of the bill passed in 2014. To recap, Tenet and its partner, Yale New Haven, agreed to a bill after it won many concessions limiting transparency and accountability. Tenet and YNH then - perhaps in an effort to extract further concessions in the takeover process - proceeded to express concerns about the bill. This infuriated Senator Fasano, who was a lead negotiator on this bill, who denounced Tenet and YNH in the harshest of terms (calling them dishonest and disingenuous - not exactly the qualities one would seek in an entity looking to establish dominance in the state's health care system) and praised the role CHCA and its partners played in the passage of the bill: "Fasano praised the unions for helping to make sure a deal got done. 'They recognized that patient care is paramount, and they were willing to take a backseat on some of these issues,' he said. 'I give them a lot of credit. For labor to do what they did, they really helped us out.'" It bears noting that Senator Fasano is a Republican, not some liberal trade unionist. Throughout this prolonged process CHCA and its partners have been lonely voices calling out for increased safeguard for patient safety, transparency, and protecting patients, taxpayers, and workers from the types of excesses that Tenet has brought to other markets. We are advocates for our patients, not investors. That is the legitimate interest we represent. That evidently is enough to disqualify us in Tenet's eyes, but if one wishes to protect the public interest, should qualify us as interveners.

To stifle our ability to fully participate in the proceeding as interveners will eliminate a needed counterweight to the company's slick sales presentation. It is outrageous to suggest that presenting unpleasant truths that are part and parcel of Tenet's history are somehow inappropriate, or that the Union will behave in a disruptive way. We respectfully request that your office dismiss this blatant attempt to limit the public's right to know the full story about the Tenet buyout of Waterbury Hospital.

Thank you again for your consideration of our position.

Sincerely,



Barbara Simonetta
President, CHCA