

world around you to be a better place, so that you came, newborn, as a stranger, and you left as a mourned friend, but you left something behind; you left behind the impression that your life was needed.

“People who understand that, and value that, value their sense of identity. ‘I am a person of Providence. I am here to do something good for all humanity.’ You have *infinite courage*. Martin *had* that kind of courage. Martin took people of dedication and talent around him, and he became a rallying point for them to find the same courage, by marching together, saying, ‘We are going to change this planet. We are going to make things better.’

“And, as Amelia has said many times, in characterizing the movement, who were some of the people who were the gut of the civil rights movement, as Amelia has said. The have-nots! People on the street, people who had nothing, people who had no lives, no education, nothing. Their lives would seem to be totally wasted. But, they rose up, like Lazarus, and they marched. Because they knew that in marching, they had cheated the devil, they had found a meaning for their lives. And, it was they—the have-nots—who rose, in a sense, to the highest position in a moment of our history, to give our nation its soul and dignity.

“What we need today, is to understand Martin in that way. Martin was a man of God, a man of Providence, who understood that the meaning of his life, his last great speech: The meaning of his life, was to go to the mountaintop, and to see what was there, and to bring others to the understanding of that, so that when he passed, he would leave behind a legacy, so we’d say, ‘This stranger came amongst us, and when he left, a great thing had happened to us. This man was sent by God.’

“If we can find that in ourselves, if we can assemble together and discover that mutually in ourselves, then we can recreate the kind of movement which will address the problems which threaten our children’s future today. And the time is now to do it.

“I could tell you many things about what the problems are. They’re numerous. This world is suffering. The greatest genocide in the 20th century is right now occurring in the Great Lakes district of Africa. I could tell you about many other parts of the world that are suffering. I could tell you about the suffering in the United States. It’s all there.

“But, those are the negative things. The positive thing is: How do we change it? How do we look at the children’s faces and say, ‘Yes, grandson, great-grandson, great-granddaughter, you will have a future, and we are going to see to it you have it’?

“And, if we find the courage and dedication that Martin represented, or found in himself, we can do it. We have the movement. It just isn’t together. We need to find that unified principle of courage that brings us together, and enables us, once again, to do what has to be done.”

## Columbia/HCA targets hospitals for takeover

by Marcia Merry Baker

A pitched battle has been provoked in Massachusetts over the attempt by hospital owner-operator Columbia/HCA to acquire Boston’s non-profit New England Medical Center (NEMC). Columbia/HCA is the nation’s largest, and most notorious, for-profit health care provider, currently running more than 345 hospitals with 43,000 beds. In mid-January, the long-awaited sale of NEMC was announced, to a different bidder, the non-profit Lifespan group, based in Rhode Island. But the focus on Columbia/HCA, and the menace of for-profit companies acquiring non-profit hospitals, remains.

In December 1996, a bill was introduced into the state legislature, specifying that such a takeover cannot proceed without state oversight to set the terms and conditions for conversion of a non-profit entity to for-profit status. The law is designed as an emergency measure, and will go into effect, retroactive to Dec. 4, 1996, in order to deal with (although it does not specify this by name) the Columbia/HCA threat in the state.

The state of Nebraska enacted a similar law, “The Non-Profit Hospital Sale Act,” effective April 1996. In the summer of 1996, representatives of 30 states met in Boston to confer on how to stop investor-owned hospital chains from preying on non-profit community asset hospitals—whether run by county governments, or religious or private endowment, or under other charitable auspices—which is the traditional base of the U.S. hospital system. It was estimated by states’ attorneys general that, by the end of 1996, fully 100 such non-profit hospitals would have been taken over by for-profit companies during 1996 alone.

Because of the importance of the public interest involved, we print below the summary of the Massachusetts bill’s points as provided by the offices of the sponsoring legislators. In a future *EIR*, we will provide a national survey of Columbia/HCA’s takeovers and track record in downgrading medical care.

### Protecting the public interest

The issue at stake is the public interest in the provision of facilities and services adequate to meet local and state needs. Over the past 25 years, hundreds of the 3,090 counties in the United States have undergone a sharp decline in the ratios of medical personnel, beds, and facilities available to communities on a per-capita basis.

With the onset of the “managed-care” era, coincidental with the deindustrialization of the economy, hospitals became more and more financially strapped. Scavenger companies moved in to buy up smaller private hospitals, cut staff and services, and showed fat profits. The public and lawmakers alike went along. Now, the backlash has begun. We are at a potential turning point of opportunity to restore health policy, and roll back the managed-care destruction.

Columbia/HCA has been a leader in the takedown of the U.S. hospital system; and, to date, it has been “easy pickings.” Over recent years, Columbia/HCA and other for-profit entities bought up, selectively shut down, and consolidated dozens of the more than 700 for-profit hospitals in the nation. Currently, for-profit hospital chains operate about 15% of the U.S. hospital base.

Now, the new phase has begun, of attempted acquisitions and gouging of non-profit hospitals, in order to push up profit rates of Columbia/HCA and other scavengers. There are about 4,500 non-profit hospitals, with billions of dollars worth of assets, that Columbia/HCA and other companies are picking over.

Columbia/HCA, formed in February 1994, was the result of a merger of two companies that began hospital buy-outs in Texas (beginning in 1987) and Tennessee (1968). Now, it is not only the largest hospital chain, but is among the largest home-care chains, too, with operations in 27 states. Columbia/HCA owns 200 home health agencies, with 380 branches. In 1995, the company also ranked among the top 10 largest psychiatric care chains.

The *modus operandi* of the chain is to limit service, employ lower-skilled staff, and skim off the cheap-to-treat, well-paying patients. Columbia/HCA’s high executive salaries and profits are scandalous. For example, in 1995, outgoing Chairman of the Board R. Clayton McWhorter made \$453,000, along with almost \$2.7 million in other cash compensation. He later cashed in his stock options for \$11 million, and continues to hold options valued at \$9 million.

### **The Massachusetts bill**

On Dec. 4, 1996, an 11-page act, entitled “An Act Protecting the Public Interest in the Conversion of Non-Profit Hospitals and Health Maintenance Organizations in the Commonwealth,” was filed in the Senate of the Commonwealth of Massachusetts. Its sponsors included State Sen. Mark Montigny (D-Second Bristol District), whose office provided the following summary of the bill:

“Non-profit acute-care hospitals and non-profit HMOs would be required to give at least 90 days’ notice to the Attorney General (AG) before disposing of a substantial amount of their assets to a for-profit entity. . . .

“Factors to be considered in the Attorney General’s review of the transaction shall include: fair valuation, due care, avoidance of conflict of interest, and the public interest.

“The Attorney General is required to hold a public hearing during his review process and the non-profit seller is required to provide public notice regarding the application to the AG and the public hearing.

“All transaction-related documents will be available to the public, with certain limited exceptions.

“If a charitable fund results from the transaction, its governance shall be broad-based in the community and shall be subject to review by the Attorney General.

“The for-profit purchaser of a formerly non-profit hospital or HMO shall pay for an independent health care access monitor, to be hired by the Department of Public Health (DPH), to monitor and report publicly for three years on the community health care access, including the level of free care provided, by the new acute-care hospital or HMO.

“Conflict of interest provision states that no officer, director, incorporator, member, staff physician, employee, expert, or adviser of the non-profit may improperly benefit from the transaction; officers, directors, incorporators, members, senior managers, staff physicians, experts, and advisers of the non-profit would be prohibited from investing in the for-profit for a period of three years following the transaction.

“Applicants (and subsequent successors or acquirers) for a license to operate a for-profit acute-care hospital that was formerly non-profit and who do not currently hold a license to operate a hospital in the Commonwealth will be required to undergo a determination by the DPH of their suitability and responsibility to operate an acute-care hospital within the Commonwealth.

“Applicants (and subsequent successors or acquirers) for a license to operate a for-profit acute-care hospital must agree to maintain or increase the level of free care provided by the predecessor non-profit hospital.

“For-profit hospitals must give the DPH 90 days’ notice before closing an essential health service, or closing entirely. The hospital must submit a plan assuring continuing access to services by the community which it serves in the case of such a closure or discontinuance of services.

“An applicant (and subsequent successors or acquirers) to operate a for-profit hospital must get approval by the Department of Public Health of a plan for providing community benefits.

“Civil fines would be imposed by DPH for non-compliance with the free care, community benefits, and maintenance of essential health services requirements for licensure.

“The Board of Registration in Medicine would be directed to promulgate regulations that address physician investment in and ownership of for-profit acute-care hospitals and health maintenance organizations.

“The act shall apply retroactively to transactions for which notice is given to the Attorney General on or after Dec. 4, 1996.”