

NEWS

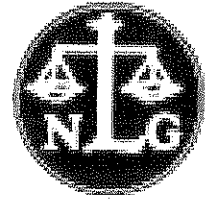


Region 4a



CALIFORNIA
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A Voice For Nurses ~ A Vision For Healthcare



**Consumers
Union**

Publisher of Consumer Reports

SAVE Our San Jose Medical Center Coalition

FOR IMMEDIATE RELEASE:

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COMMUNITY GROUPS URGE ELECTED OFFICIALS TO SUPPORT EFFORTS TO STOP HCA'S CLOSURE OF SAN JOSE MEDICAL CENTER

Public Hearing Set for December 4th To Highlight Community Concerns

SAN JOSE, CA – Labor, religious, neighborhood and community groups are issuing a unified call to local and state legislators to halt efforts by HCA Inc. ("HCA") to shut the doors on San Jose Medical Center. In June, HCA announced that it would close the facility by 2006.

Assemblyman Manny Diaz and the South Bay Labor Council are sponsoring a hearing to address the community's health care concerns on Wednesday, December 4, 2002 at 6:00 pm at San Jose City Hall.

Advocates will question why HCA is going to close San Jose Medical Center when it is the one hospital in the downtown area most rapidly accessible by medical emergency units. The California Emergency Physicians named it the 2001 California Emergency Department of the Year. This was in addition to being the busiest county trauma center two of the last three years.

"If San Jose Medical Center closes there will be only one hospital on the Eastside of San Jose where one-third of the county's population lives while there are eight hospitals west of Bascom," said Roz Dean of the Save Our San Jose Medical Center Coalition. "Our research shows that the population around the hospital is growing rapidly so there is a great need to keep this facility open and for a significant number of people who are low-income or who live on a fixed income, this is the only hospital that is accessible by public transportation 24 hours a day."

HCA is the nation's largest for-profit hospital chain with more than 180 hospitals around the country. "We are in a health care crisis," said Dr. Bob Noller, a physician at San Jose Medical Center since 1979. Noller questioned whether this decision had more to do with HCA's bottom line than what is in the best interest of the community. HCA estimates that it would cost \$50 to \$100 million to retrofit San Jose Medical Center to meet seismic requirements and that is an impractical expense. But at the same time HCA has announced that it will spend more than \$200 million to renovate Good Samaritan Hospital, which is located in one of San Jose's wealthier suburbs.

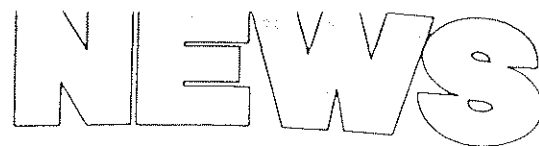
To address the closure of San Jose Medical Center, HCA is proposing to expand San Jose Regional Medical Center, one of its other facilities approximately two and a half miles away. "With the expansion that HCA is planning, there will be a loss of available beds to the downtown/East San Jose area, as much as a 50% reduction," continued Roz Dean. "With an expected increase in population, a decrease in the number of hospital beds makes no sense. We are already below the national average in beds per capita when compared to other major cities."

"The closure of San Jose Medical Center is indicative of a pattern by HCA where it buys multiple facilities in an area and then cuts services and consolidates," said Registered Nurse Greg Miller from the California Nurses Association. "Unfortunately, these business decisions affect thousands of people in the process as access to health care diminishes. This hearing will serve as an opportunity for the community to voice its concerns about HCA's misguided plans to close the hospital and hopefully our elected officials will heed their call."

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Consumers Union and FamiliesUSA Applaud Resolution on Blue Cross Conversion

Resolution calls for Regulators to Reject Ohio Blue Cross/Columbia Deal - Hundreds Of Millions In Charitable Health Care Dollars May Be Lost

San Francisco, CA -- Consumers Union, nonprofit publisher of *Consumer Reports*, and FamiliesUSA Foundation announce their support for a Resolution authored by Ohio State Senator Dennis J. Kucinich. The resolution calls for the Ohio Department of Insurance and the Attorney General to reject the proposal by Blue Cross and Blue Shield of Ohio (BCBSO) to sell essentially all of its assets to Columbia/HCA, the nation's largest for-profit hospital chain.

The proposed transaction would require BCBSO, a company with an annual revenue stream of \$2 billion, to transfer 85% of its assets to Columbia/HCA for only \$299.5 million. BCBSO will continue to exist as a mere "shell" nonprofit. Under the terms of the proposal, Columbia/HCA will be allowed to purchase nearly all of the remaining assets for \$1. Despite provisions requiring the sale of nearly all of BCBSO's assets to Columbia/HCA, BCBSO maintains that that deal is not a conversion to a for-profit health care enterprise.

"Blue Cross is trying to tell regulators that a sale of nearly all of its assets isn't really a sale," said Ele Hamburger, Fellow for Economic Justice at Consumers Union's West Coast Regional Office. "Regulators should apply the "duck" test -- if it looks like a duck and quacks like a duck, it is one. This deal quacks like a conversion to me."

State Senator Kucinich's Resolution calls upon the Department of Insurance and the Attorney General to reject the proposal because the deal fails to protect the potentially hundreds of millions of dollars owed to the public by BCBSO when it converts to for-profit status. It also describes the multi-million dollar "platinum parachutes" given to directors and officers of BCBSO if the deal goes through.

"The executives getting millions in compensation are putting themselves in a very difficult position," said Natalie Seto, project Coordinator for FamiliesUSA Foundation. "How can they look out for BCBSO policyholders and the public interest when they stand to gain so much? This is the fox guarding the hen house. That's why they call it a conflict of interest."

Consumers Union and FamiliesUSA jointly manage a fifty state project monitoring nonprofit health conversions. Both groups have been advising consumer groups, labor, legal services organizations, legislators and state regulators in Ohio and across the country on monitoring conversions to ensure that community health care services and public charitable assets are protected when conversions occur.

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COMMUNITY DEMANDS ANALYSIS OF CONVERSION'S IMPACT

Advocates Ask for Details on How the Proposed Conversion Will Affect Access to Health Care in San Luis Obispo

San Luis Obispo, CA - Community members and healthcare advocates are calling on the Attorney General to investigate the effects the sale of nonprofit Arroyo Grande Community Hospital ("Arroyo Grande") and French Hospital Medical Center ("French Hospital") to for-profit Universal Health Services, Inc. ("UHS") will have on their county's access to medical services.

At the September 15, 2003 public hearing, UHS asked the Attorney General to allow them the option of either consolidating French Hospital with Arroyo Grande, or closing French Hospital if the facility proved to be too "burdensome." Throughout the hearing, many San Luis Obispo residents expressed opposition to the closing of French Hospital. Local officials, medical staff, healthcare advocates and citizens lined up to speak out about why French Hospital is badly needed in San Luis Obispo.

The community argued that the June 2003 closure of San Luis Obispo General Hospital is not adequately addressed in UHS' filing with the Attorney General, nor does it provide details on the consolidation or closure of French Hospital. In a letter dated September 26, 2003, the San Luis Obispo County General Hospital and Family Care Clinics Charitable Foundation, Inc. and

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French provides important health services to the community and is the only provider for certain services such as inpatient psychiatric care and dental surgeries for the developmentally disabled. It also maintains the county's only helipad. Supervisor Shirley Bianchi, also a member of the San Luis Obispo Mental Health Board questioned the fate of the county's inpatient psychiatric services. She said, "If French closes, the closest inpatient psychiatric unit would be in Santa Barbara, which is over 30 miles away."

Community leaders, healthcare advocates, medical staff and elected representatives testified at the hearing and called on the Attorney General to impose conditions on the sale to protect the delivery of health care to the community. County Public Health Officer, Dr. Greg Thomas spoke about French's critical role as a health care provider. Dr. Thomas continued, "French provides 24% of the nonpsychiatric beds, 36% staffed beds and nearly 40% of ER visits from San Luis Obispo city of which 53% of these patients are admitted to the hospital."

Medical staff at competing Sierra Vista and Twin Cities hospitals also spoke out against the closure of French Hospital. "If French closes, the county will be left with only one Obstetrics unit," Dana Justesen, a Sierra Vista Obstetrics nurse said. "In the ten days before the hearing, Sierra Vista Hospital closed its Obstetrics unit twice because it could not admit any more new patients due to the lack of beds." A similar situation would possibly occur in emergency units if French closes. Dr. Brian Roberts, Director of Emergency Rooms at Sierra Vista and Twin Cities said, "I will need 8 more beds the day French closes to handle the increase in patients and we need years to gear up for that change."

Other issues, such as the delivery of care to the indigent population were raised by the public. UHS stated that it will use its "best efforts" to provide the same charity care policies that were in place at Arroyo Grande and French. "That's not enough of a guarantee," said Michelle Jun, Staff Attorney at Consumers Union. "UHS should be required to continue the same charity care policies at these hospitals and be penalized if it doesn't." Ms. Jun asked UHS what policies it would implement regarding care for the uninsured.

"Universal should be required to maintain the current level of emergency room capacity and services delivered by these hospitals," said Leslie Bennett, Staff Attorney at Consumers Union, "It should provide a certain number of patient days for Medi-Cal patients at French even if that facility is closed or sold and provide alternatives if French ceases to operate as an acute care hospital with 24-hour emergency room services."

A health impact statement on the transaction is expected to be released by the beginning of November, in which the Attorney General will hold another public hearing to obtain comments on the report. The Attorney General expects to issue a final decision by the end of November.

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