

Rural hospitals have most at stake if Mission goes for-profit



Your Turn

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Guest columnist

Dear Mr. Attorney General,

Few decisions that cross your desk will affect the lives of the people you serve more than whether to approve the proposed sale of Mission Health System to the nation's largest for-profit hospital chain, HCA Healthcare. Please allow us – some of the people who depend on the six hospitals in the Mission system – to share some urgent worries about this deal.

First, a short introduction: We are members of SEARCH, Sustaining Essential and Rural Community Healthcare. Our name describes our mission. SEARCH is based in Yancey and Mitchell counties, but outreach to leaders in other counties in our region tells us that we share the same goals and concerns.

Our biggest question is whether HCA, a national, for-profit company whose 177 hospitals are clustered in big cities and their suburbs, is a good fit for a largely rural system. That question was recently answered with brutal honesty by Mission's president and CEO, Ron Paulus.

"HCA doesn't care" about the hospitals in Franklin or Highlands-Cashiers (or, presumably, Spruce Pine, Brevard or Marion), Dr. Paulus said during a visit to Franklin to promote the deal. (His com-

ment, reported in the Macon County News, was in response to a question about whether the rural hospitals could opt out of the proposed sale and seek affiliation with other hospital systems.)

Let that sink in: "HCA doesn't care."

Mr. Attorney General, we believe you care. And we're asking you to thoroughly probe what this deal will mean for the communities whose people built these hospitals and for generations have entrusted their health and even their lives to the people who work in them.

After all, the reason you get to decide whether the deal goes through is that the taxpayers of North Carolina have foregone many millions of dollars in taxes over the years by allowing Mission to operate as a not-for-profit entity. It's your job to make sure that the agreement between Mission and HCA protects that very large public investment.

By law, the money generated by the sale – numbers in excess of \$1 billion are being projected – would go into another nonprofit. It would be a foundation with two major roles: to help Western North Carolinians get healthier, and to make sure HCA lives up to the promises it makes.

The creation of the foundation is probably the most attractive feature of the proposed sale. But, as they say, the devil is in the details, and it's vitally important that the foundation be structured in the right way and governed by the right people. That includes people

from the rural communities that, according to Dr. Paulus, HCA regards as an afterthought.

In a recent Facebook forum, Dr. John R. Ball, chairman of Mission's board of directors, indicated that the board is already determining who will make up the foundation's board. He also said that some members will be holdovers from Mission's board, and he argued that they are best suited to make sure HCA abides by its agreements.

We disagree. We think you, as guardian of the public interest, are best able to structure a board that will protect that interest. In some states, the attorney general is explicitly responsible for such decisions. Massachusetts even prohibits its board members of a nonprofit hospital that is sold from serving on the board of a charity that receives assets from the sale.

If you allow Mission to create the foundation in its likeness, it will almost certainly have the same glaring flaw as the current Mission board: dramatic under-representation from the rural counties. Only two of Mission's 19 board members are drawn from outside Buncombe County. Yet 70 percent of the people served by Mission live in the surrounding 17 counties.

We don't doubt that Mission's board are good and caring people. But they don't have the stake that rural residents do in the survival of the smaller hospitals and the way those hospitals are run. Sadly, many of those people already distrust Mission, whose actions have too often confirmed the suspicion that it is remote and callous to local needs.

Dr. Ball got one thing right: The foundation's watchdog role is absolutely

critical. Sadly, HCA does not have a history of always living up to the agreements it makes when acquiring other hospital systems.

In Kansas City, a foundation similar to the one proposed here had to sue HCA twice over broken promises: once over investments in its hospitals and once over charitable care. It's worth noting that members of that foundation's board are chosen from among candidates nominated by a committee whose job is to represent the voices of all segments of the community. That governance structure is thanks to the Missouri attorney general.

Let's not forget that, like any for-profit corporation, HCA has a duty to its shareholders. That duty is to make money, which is not easy, given the way healthcare is delivered and paid for in our country today. HCA will have almost limitless incentives to try to get its hands on the foundation's money to offset its own costs and maximize its profits.

We believe, and we hope you believe, Mr. Attorney General, that your obligation as the guardian of the public's investment is to make sure this foundation is truly independent and community-focused. We have other serious concerns about the proposed sale, which we'll share with you and the public as the process moves forward. But this one is so important that, in our opinion, any deal that ignores it should be a non-starter.

Thank you for listening.

Victoria Loe Hicks lives in Mitchell County. To learn more about SEARCH, visit searchwnc.org or look for SEARCHwnc on Facebook.