

New York's St. Vincent's Hospital threatened with closure

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New York City's St. Vincent's Hospital may be forced to shut its doors for good, following the withdrawal of an offer made by a large hospital network that would have kept the hospital open by eliminating inpatient beds and surgical services, while drastically reducing emergency room services. The plan was to eventually transform the hospital into a community health center.

St. Vincent's Hospital is located in Manhattan's Greenwich Village and is currently \$700 million in debt. The hospital has recently been relying on state loans to pay its bills as well as its staff.

Hospital management has begun carrying out layoffs and demanding wage cuts from doctors and staff.

On February 5, the *New York Times* reported that Stan Brezenoff of Continuum Health Partners, a conglomerate of five hospitals in Manhattan and Brooklyn, had sent a letter to Henry J. Amoroso, president and CEO of St Vincent's Hospital, informing him that he had withdrawn the offer due to the overwhelmingly negative response it received from the State Health Department as well as St Vincent's employees and board. Local politicians, such as New York City Council Speaker Christine C. Quinn, also voiced opposition to the proposal made by Continuum.

According to the *Times* report, "In its offer submitted to St. Vincent's on Jan. 22, Continuum proposed to continue running outpatient facilities for the hospital, on 12th Street and Seventh Avenue, while funneling those who need inpatient care to its own hospitals, St Luke's Roosevelt on West 58th and Beth Israel, across town on the East Side. Most emergency room and inpatient services would have been eliminated."

Both St Luke's Roosevelt and Beth Israel are a considerable distance away from St. Vincent's and had the offer been accepted, those in need of emergency care would have had to travel further distances to receive urgently needed treatment. St. Vincent's is the only hospital for a nearly six-mile stretch on the west side of Manhattan. It is the closest emergency room and trauma center for the Greenwich Village, Chelsea and Tribeca neighborhoods, as

well as Wall Street, Times Square, Madison Square Garden and Pennsylvania Station.

According to the *Times*, "The Continuum plan created an immediate uproar at St. Vincent's and among local politicians, who said the neighborhood could not be without an emergency room or inpatient services and who accused Continuum of being more interested in shutting down competition and improving its own finances than in saving neighborhood health care."

St. Vincent's Hospital, the main anchor of Saint Vincent Catholic Medical Centers healthcare system, is a tertiary care teaching hospital and has more than a thousand affiliated physicians. It also trains hundreds of residents and fellows from campuses across the city as well as Westchester County. The hospital consists of several buildings and includes a Level 1 Trauma Center and Critical Care Center, as well as a Comprehensive HIV Center. The hospital also provides a comprehensive home care service that operates in all five boroughs of the city.

The hospital was founded in 1849, making it the third-oldest hospital in New York City after The New York Hospital and Bellevue Hospital. The only remaining Catholic general hospital in the city, it was initially set up as a charity hospital by Catholic nuns affiliated with Sisters of Charity.

Since its founding in Greenwich Village 150 years ago, the hospital has provided service to many thousands of poor and working class patients from the surrounding neighborhood.

According to the *Times*, "It has treated victims of calamities: the cholera epidemic of 1849, the sinking of the Titanic in 1912, the 9/11 attack and, just last year, the Hudson River landing of US Airways Flight 1549."

The closure of the hospital would be a heavy blow to its HIV-positive patients and to HIV-positive residents across the city. In the 1980's, St. Vincent's became one of the first institutions to offer treatment for patients afflicted with HIV and AIDS and at the height of the epidemic was deluged with patients. Its HIV Center is one of the oldest and most reputable HIV treatment programs in the United States.

The hospital has also had close ties to the city's historically underserved Chinese community throughout its history. Many of the city's Chinese residents live in nearby Chinatown, and the hospital has accommodated the community by employing Cantonese and Mandarin speaking physicians and nurses as well as certified medical interpreters.

St Vincent's is also a significant city contractor for homeless services, and according to hospital administrators, homeless individuals from all parts of the city end up at the hospital for treatment.

By the 1990's, the hospital began to suffer from a decline in the numbers of patients it treated and financial difficulties ensued. Between 1996 and 2007, the number of patients treated by the hospital decreased by 10 percent.

"Despite 62,000 emergency visits, nearly 1,800 births, almost 22,000 hospital admissions and 263,000 outpatient visits a year, according to St. Vincent's officials, the hospital is bleeding red ink, and has been for years," the *Times* reported. The hospital has also suffered from the gentrification of the surrounding area, with wealthier residents opting for different hospitals.

However, the most significant factor leading to the demise of the hospital are the high number of poor and uninsured patients, as well as large cuts in Medicare and Medicaid, according to St Vincent's officials. The officials also cite difficulties in securing favorable contracts with health insurance companies and claimed that their fees were well below the market rate. The economic crisis ensures that even more cuts will be made to Medicare and Medicaid as part of the attempt to make working people pay for the bailout of Wall Street.

In 2000, St Vincent's merged with several other hospitals in a vain attempt to remain competitive. However, all of the other hospitals closed down one by one, and St. Vincent ended up taking on still more debt.

In 2005, citing rising administration and health care costs, St Vincent Catholic Medical Centers (SVCMC) filed for bankruptcy. In order to reemerge from bankruptcy the SVCMC system began selling off its money-losing facilities. However, last month the hospital system announced it was in serious financial trouble and may be closed.

Since then the hospital has needed state loans to remain open. On February 7, Governor David Paterson put up an additional \$3 million on top of the \$8 million SVCMC had secured days earlier from the state and from creditors. According to Paterson, the state has agreed to help keep the hospital open for one more month while it looks for another deal.

Some doctors, mainly "star doctors," have privately approached Continuum in order to secure admitting

privileges at the network's other hospitals.

Last Friday, the hospital handed out layoff notices to 300 employees, including 32 doctors, managers and hospital workers, members of 1199 SEIU United Healthcare Workers East. It has also demanded pay cuts of 25 percent from managers and senior doctors and 20 percent for other workers. While carrying out layoffs and cutting workers' wages, the hospital has hired a new CRO from the consulting firm Grant Thornton who it is paying \$125,000 per month for advice on restructuring.

According to *Crain's New York Business*, "The CRO is negotiating with the hospital's lenders and state officials to line up enough funding to keep the hospital afloat while it explores options, including closure and bankruptcy. The hospital is drawing up a closure plan in case all other options fail."

Continuum signaled that its offer is still on the table as long as no changes are made to the initial proposal.

Hospital officials have complained that State Health Commissioner Richard Daines may have a conflict of interest due to the fact that he was once a Continuum executive.

Nurses and hospital workers were outraged by the terms of the Continuum proposal and staged a protest outside of the hospital on January 28. Patients have also spoken out against the proposal and the possible closure of the hospital.

"They saved my husband's life two years ago, if they weren't here that wouldn't have happened," one woman told *NY1*. "I doubt if a community center would have been able to have the same emergency room facility that made the difference."

"I think it's absurd to replace a key hospital in the heart of the city," another patient said. "I mean St. Vincent's was crucial to the rescue, as a lot of people know, during the tragedy of 9/11."

If the hospital shuts down, it will be one of many to do so in recent years. In 2009, two former CMC hospitals closed in Queens. As is often the case, the hospitals were located in working class neighborhoods with substantial immigrant populations.



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