

Nashville mayor tight-lipped on plans to gut services at General Hospital

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When Nashville Mayor Megan Barry first announced plans to reevaluate the city's relationship with General Hospital, she said it was necessary for "taxpayers" to know how the city's subsidy to the public "charity" hospital was being spent.

In November, Barry proposed turning the hospital into an outpatient clinic, leaving the poor and working class families without an inpatient facility, hospital beds, major surgical facilities, etc., essentially farming out the poor to other area hospitals.

The mayor made this proposal based in part on the input of a financial consultant who has no real background in health care and has provided his services primarily to telecommunication companies.

The *Nashville Business Journal* profile of the consultant, Kevin Crumbo with Nashville-based KraftCPAs, describes his "corporate recovery services":

"He assists clients in a variety of industries with turn-around management, corporate governance reviews and litigation support. Telecommunications companies comprise a large portion of his consulting clients."

The publication last year selected Crumbo as one of the "finance industry's Power Leaders."

Crumbo provided his "turn-around" services for the Nashville Symphony Orchestra when the symphony was facing problems of financial mismanagement and major damages from flooding in 2010, a major disaster for the city.

The musicians of the symphony—where Crumbo was a board member—were forced to take a 15 percent pay cut. KraftCPAs, where Crumbo was a partner, was paid almost \$216,000 for their services.

The symphony also paid \$961,038 to Pinnacle Insurance Group. Symphony board member Johnna Watson is the president of Pinnacle.

One of Crumbo's first "turn-around" proposals for the hospital made public was to increase the size of the hospital's board of directors from seven to eleven. Such maneuvers are seldom designed to increase democratic representation, but only to stack the board with members who will vote for the proposals of elected officials.

City officials have now refused to share any of Crumbo's other recommendations or release any correspondence between the consultant and city officials.

When announcing the financial audit of General Hospital and the use of a consultant—who had, according to Barry, agreed to work for free—the mayor certainly left the impression that Nashville's citizens would get a "clearer picture" of what needed to be done.

"I think that taxpayers deserve a clearer picture, an understanding of how their hard-earned dollars are being used to subsidize General Hospital," Barry told WKRN television news. "And I hope that this study is going to help us better articulate both a critical need for a facility that serves the indigent as well as a plan for ensuring a higher quality of service and results."

But the public would hear little news on plans for the hospital.

Nashville's daily newspaper reported: "Despite requests from The Tennessean, Metro won't release any correspondence Crumbo had with the city. He reports directly to the Metro law director, and city officials cite attorney-client privilege as the reason for secrecy."

In another story, the newspaper reported: "Metro Law Director Jon Cooper, who said all communications between he and Crumbo are privileged and thus not subject to a public records request. That includes

advisory letters Crumbo sent to Cooper.”

This undemocratic lack of transparency suggests an administration both secretive and dishonest, with little interest in the real needs of indigent patients. While Megan Barry has been described as a progressive Democrat, her background makes clear her corporate ties.

She worked in “business ethics and corporate responsibility” for Nortel Networks, a multinational telecommunications company, for nine years and then served as vice president of ethics and compliance at Premier, Inc., a health care group purchasing organization.

The mayor is a principal at Barry & Associates, which is described as “an independent consulting organization to multinational corporations on issues dealing with business ethics and corporate social responsibility.”

Barry was elected in 2015, defeating hedge fund analyst and former business journalist David Fox. She was billed as the liberal heroine to save the city from the monied interests.

During the campaign, she raised \$1.1 million in political donations. She received \$1,500 from Wayne T. Smith, CEO for Community Health Systems; \$1,500 from R. Milton Johnson, CEO of Hospital Corporation of America (HCA); plus an additional \$5,000 directly from HCA. She also received \$1,500 from Damon T. Hiningger, CEO of Corrections Corporation of America and another \$1,500 from its chairman, John D Ferguson. The Nashville Business Coalition also gave her \$7,600.

Barry’s investors knew Nashville business would be in safe hands with her as mayor.

Two names that jump out on the list of Barry’s financial supporters are Hospital Corporation of America (HCA) and Corrections Corporation of America, now rebranded after years of controversy and bad press to CoreCivic.

HCA is best known for committing the biggest case of Medicare fraud in history, while CoreCivic makes its money off the misery of the working class by building private prisons.

The decision to consider reducing services at General Hospital comes after decades of the city and state providing hundreds of millions of dollars in tax breaks and grants to corporations.

Barry’s administration recently helped secure, with Metro Council Approval, almost \$14 million in “tax incentives” for the construction of a private hotel water park which will only be available for hotel guests.

The city will spend more than \$400 million toward renovations and upgrades at Nissan Stadium, home to the Tennessee Titans football team, and for Bridgestone Arena, a multi-purpose facility that is also the home for the Predators of the National Hockey League.

Just recently, Barry agreed to spend \$200 million for a soccer stadium. “We want to build soccer stadiums and give tax breaks to billionaires,” Metro Councilwoman Tanaka Vercher said recently. “We just need to decide if we’re going to have that same commitment to our ... neediest in the city.”

The heavy-handed effort to block the public from getting basic information on turn-around plans for the hospital is characteristic of capitalist politicians at all levels. Those used to running top-down corporations find political democracy inefficient, annoying and dangerous.

Tennessee’s state legislature has repeatedly attempted to gut the state’s open records and opening meetings laws. A recent example was the refusal of some state offices to allow citizens to use their cell phones to photograph public records.

The actions of the Nashville mayor and Tennessee legislature do not occur in a vacuum, but under conditions in which the largest social media companies are attempting to censor and silence dissenting voices and information from their Internet platforms.



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