

# Abrupt closures of two hospitals in West Virginia and Ohio leave region reeling

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16 September 2019

Two hospitals in Wheeling, West Virginia and Martins Ferry, Ohio are being closed, throwing 1,200 people out of work. Thousands of people across the region will be left without their medical care providers.

The Ohio Valley Medical Center (OVMC) in Wheeling was abruptly shut down September 3, ending acute and emergency medical services at midnight. OVMC's sister facility, East Ohio Regional Hospital (EORH) across the Ohio River in Martins Ferry, is slated to close October 7. OVMC had been in continuous operation since 1914—more than a century. Both hospitals were bought two years ago by California-based Alecto Healthcare Services.

Alecto claimed the two facilities had created a \$37 million loss for the firm over the two years. It announced August 7 that the hospitals were being shut down.

Employees were informed after the fact, given only minimal information. According to the *Wheeling Intelligencer*, OVMC and EORH employees were called to a 5:30 p.m. meeting on August 7, from which the public and media were excluded.

“Within 10 minutes,” the paper reported, employees “exited both rooms with long faces” and notices of the closures. “Some sobbed while others were seen embracing,” while others expressed anger and outrage. Workers told the paper that they had not been permitted to ask any questions in the meeting.

On August 9, employees attended three forums at OVMC's amphitheater that were likewise closed to the public and the media, but that “outside the amphitheater, some employees could be heard blaming Alecto Healthcare Services ... for the current situation.” Employees “questioned the fate of a defined pension plan.”

Employees have been told they will be paid accrued

time off and unemployment compensation will be available, but that the hospitals do “not have the funds to afford a severance program” and insurance coverage would end at the end of the month that the workers were let go.

“This is our family,” a 10-year employee told the *Intelligencer*. “We know each other's kids, the goings-on, the good, the bad. ... They threw us out like dirty diapers.”

The economy of the Upper Ohio Valley and Northern Panhandle region of West Virginia is tied to the steel industry, and by extension the Appalachian coal industry. Wheeling, the end point of the old National Road built in the early 19th century, was long a manufacturing hub due to the nexus of railroads and river transport passing through the city.

The region's population swelled after the Civil War and Wheeling earned the nickname “Nail City” for its booming iron production. Steel mills and other metal manufacturing followed. The city's population peaked in 1930 at the start of the Great Depression, which was followed by World War II, shaping explosive changes in the American manufacturing landscape.

Today, Wheeling and the surrounding metropolitan area are home to deep poverty, unemployment, and shuttered workplaces, like much of the Midwestern Rustbelt and Central Appalachian region. The city's population, 26,771 in 2018, has declined 6 percent since 2010. The official poverty rate is 15.5 percent, and per capita income stands at \$28,745. Less than 57 percent of those of working age are in the labor force.

The termination of critical healthcare services will have a deeply damaging impact on the communities and potentially deadly consequences for individuals who rely on them.

According to West Virginia state Senator Bill

Ihlenfeld, who represents Ohio County (Wheeling), other hospitals in the area will have to absorb “30,000 additional visits to the ER.” In a statement to WV MetroNews, Ihlenfeld added, “The waits at some ERs around the area are already very lengthy.”

With the closure of EORH, Ohio residents will have to travel half an hour north to Steubenville for hospital services.

Wheeling Hospital and Reynolds Memorial Hospital, both run by Morgantown-based West Virginia University, do not have the capacity to absorb patients from the centrally located OVMC. WVU Medicine CEO Albert Wright told MetroNews that Reynolds has already seen ER visits skyrocket to record numbers in the past week.

Hillcrest, an in-patient psychiatric unit run by OVMC, is the only “crisis stabilization unit” in a 75-mile radius, according to the *Intelligencer*. It serves some 1,600 patients on an outpatient basis and offers 30 beds for inpatient stays. It is the area’s only facility for child and adolescent psychiatric services, leaving public schools and families without help for children with suicidal tendencies or severe behavioral disorders. Patients were turned out of the facilities September 6.

According to MetroNews, WVU Medicine offered Medical Properties Trust, Inc.—the Alabama-based owner of the physical property of the Hillcrest facility—a one-year lease to take over the property and keep it running on an emergency basis, but the company did not respond. “We were waiting to hear back and we kept ping-ponging them and ping-ponging them,” Wright said. “They didn’t get back to us until after the announcement that they were closing on Tuesday [September 3].”

When Alecto Healthcare Services bought the two hospitals in 2017, it was part of a deliberate strategy to acquire facilities that were serving urgent needs to vulnerable populations.

In a 2018 interview with *Inside Healthcare* magazine, Alecto founder Lex Reddy described the company’s modus operandi: “We often seek out communities that are underserved.” Alecto found “50 community-based hospitals that are critical to those communities and sustain them,” Reddy said. The hospitals serve “a lot of Medicaid and uninsured patients in its communities.”

While Alecto took the financial “risks,” the public was largely left to foot the bills. With Alecto’s

purchase of OVMC, the city of Wheeling agreed to pay \$1.5 million for capital repairs and provide another \$1.5 million to demolish old buildings on the properties.

Before the closing came down, OVMC officials implored West Virginia Governor Jim Justice to intervene and have the state buy the hospital in order to prevent closure. The hospital administration pointed to slow Medicaid reimbursements and payments from the state for creating the financial crisis.

Blaming out-of-state interests for the closure, Justice issued a statement in the language of the capitalist billionaire that he is. “We are having some short-term pain in Wheeling right now,” he declared. “Long-term we will right-size healthcare in that market and improve things. I feel confident about that.”

The closure is entirely the result of the capitalist market, which treats healthcare provision as a for-profit business rather than a social right. Since 2010, more than 100 hospitals have been closed across the United States. Many other facilities, in both rural and non-rural areas, have been bought, merged or had cuts to services deemed not lucrative enough.

Fueling the profit drive has been the deterioration of Medicaid reimbursement rates with the imposition of the Obama-era “Affordable Care Act,” which shifted millions of poor Medicaid recipients into the private health insurance industry. At the same time, for-profit healthcare corporations have been unwilling to invest in upgrades to facilities, leaving many older hospitals with antiquated technologies and recordkeeping.

As of February 2019, one study placed one in five rural hospitals nationwide on the verge of insolvency, with 430 at “high risk of closing unless their financial situations improve.”



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