

Doctors move on as the Heights Hospital in Houston, Texas remains shuttered indefinitely

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The Heights Hospital in Houston, Texas, remains closed and is expected to stay that way after a dispute between the owner of the hospital, AMD Global LLC, and its creditor, Arbitra Capital Partners LLC, over the non-payment of loans of more than \$3 million including interest and maintenance, repair and insurance costs.

Patients and staff only found out about the situation on Monday, January 18, when they found they were locked out of the building, with all the locks having been changed over the weekend. The hospital filed for bankruptcy on the same day. Patient records remain locked in the building, while staff were only allowed into the building briefly to secure their personal belongings.

The abrupt closure of the hospital was a violation of state law, which states that ceasing the care of a patient with less than a 30-day notice is illegal. In this case, there was no notice.

North Central Houston, where the Heights Hospital is located, was already listed as a Health Professional Shortage Area (HPSA) according to the US Health Resources and Services Administration. This means that the closure of the Heights Hospital, following on the heels of the 2019 closure of the St. Joseph Medical Center in The Heights, will only exacerbate the existing crisis of low health care access for residents.

Dr. John Thomas, a doctor who worked at the hospital before it was closed, told the WSWs that since the Heights Hospital is now closed, “I had to find a new location, and so I’ve moved on and so have the other doctors.”

He explained that there has been “no explanation as to why, we never got a notice, it was just wrong.” There was “no communication with me whatsoever, they had security at the door and that was it. The

security guards will not even tell who is paying for it or why. It is all secretive. When you call the people who own it, they say they do not know, same with the management group.”

“Now no one will admit to anyone responsibility for closing it.”

Asked what happened to patient records, he stated that “patient records are still locked up. I’ve moved on, we have to treat patients as if they are new [at his new practice], all new records.”

A representative from the hospital would not confirm whether the hospital was closed or not. It is possible that one clinic with one doctor is attempting to continue operations at the hospital, though that would not change its fate.

The hospital has now closed at least 3 times in part or fully in recent years. In 2015 Select Specialty Hospital laid off 222 employees and closed its section of the Heights Hospital, which, at the time, shared space with St. Joseph Medical Center’s satellite location. Select Specialty cited “business reasons” for the closure after having operated at the location since 1998.

St. Joseph Medical Center in the Heights, an acute care hospital, closed permanently in September 2019. St. Joseph Medical said in a statement that “patient demand has not improved” and that “the Heights’ occupancy rate—the rate of how many beds are occupied—has remained below 30 percent. Keeping the Heights campus open is simply not sustainable.” Now the Heights Hospital has closed, leaving no acute care in the immediate area and spreading its doctors to other parts of the city.

The statements by both St. Joseph Medical Center and Select Specialty Hospital illuminate a basic truth of private and “non-profit” hospitals: hospitals only stay profitable through shoving as many patients into a

hospital at a time. This is accompanied with employing the least amount of staff that they can, often overworking nurses to the point that they have to sleep in their cars in order to avoid crashing on the way home from long shifts.

Hospitals also rely on patients having insurance and otherwise become unprofitable. It is likely that the high proportion of poor patients in the area contributed to the continued unprofitability, with 20 percent of Houstonians living below the poverty line according to the US Census Bureau, and a quarter of those under 65 lacking health insurance.

As Dr. Thomas has stated, what actually happened at the hospital is opaque, there is little clarity so far as to who was responsible for the decision to shutter the hospital in the middle of the deadly COVID-19 pandemic.

In 2017 AMD Global bought the Heights Hospital and Dr. Dharmesh Patel and James Robert Day, a former Heights Hospital CEO, created two companies to own and manage the medical center: 1917 Ashland Venture, whose CEO is Robert Day; and 1917 Heights Hospital, whose CEO is Dr. Patel.

According to Silver Flume, the State of Nevada's Official Business Portal, Arbitra Capital Partners LLC was only incorporated on August 26, 2020, and its officer is listed as CCS Management Services, LLC, which was formed on September 11, 2008, and is headquartered in Incline Village, Nevada, with its officers listed as Natalie H. Tiras and E. Alan Tiras. CCS Management is itself a branch of Centerpoint Corporate Services, Inc., which is located in the same town with the same officers. Centerpoint's yearly revenue is estimated at around \$500,000 on Dun & Bradstreet. Beyond the role in filing the lawsuit, it is not known whether Centerpoint or its officers are responsible for the lockout.

Dr. Patel is a former Chief Operations Officer of the now defunct Neighbors Health LLC. He is the founder and CEO of AMD Global, a commercial real estate company which owns many medical-related properties including medical office buildings, ambulatory surgical centers and micro-hospitals. He is also the founder and CEO of Avail Health, which was developing hospitals in three states, and a medical billing company.

In 2015 Neighbors Health LLC made more than \$250 million in revenue, and at its peak operated over 33

health care locations. In 2018 Neighbors and 48 related entities filed for Chapter 11 bankruptcy, according to Bizjournals.com, and sold off its assets. Each of the individual entities listed debts over \$1 million with a dozen having between \$10 and \$50 million in debt. Dr. Patel was previously COO of Neighbors Health but left more than a year before the time of the bankruptcy filing.

The Heights Hospital was bought as an investment property, that is a property that was to be "flipped" and sold for a higher price, that was then saddled with debt and allowed to go under. Dr. Patel, given his large list of properties, probably has the funds to pay for upkeep on the hospital, it just was not profitable for him. Even if this were not the case, the debtors, as well as the government which has given trillions of dollars to the financial oligarchy, had more than enough money to step in and ensure the hospital continued operating, yet they did not. Texas Democratic Representative Sheila Jackson used the hospital's demise as a PR event, appealing for an executive order to prohibit the closure of hospitals by Republican Governor Greg Abbott, despite the Heights Hospital already being closed.

In a rational society health care services would operate with as much support as they needed and on the basis of human need, not profit. The objective need for socialism arises out of the crisis of the capitalist system, and this is on display at the Heights Hospital.



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