

Atlanta Medical Center closes, laying off hundreds and abandoning patients

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As of Tuesday, November 1, Wellstar Health System officially closed the Atlanta Medical Center (AMC), in Atlanta, Georgia, leaving tens of thousands without necessary health care and laying off hundreds of employees. This will be the first time in over a century that patients will not be able to seek treatment at the location.

Wellstar's decision to close AMC has left the city of Atlanta's half million residents with only one Level 1 trauma center, at Grady Memorial Hospital. Level 1 trauma centers often deal with victims of vehicular accidents and other serious injuries and conditions. The decision to close the hospital is indicative of the crumbling infrastructure of the health care system in the US under conditions of growing public need.

The company made the decision to close the medical center in August, citing declining revenue and the costs of staff and necessary medical supplies. Wellstar is choosing to prioritize profit over public health at a time when hospitals are facing a spike in pediatric patients suffering from respiratory syncytial virus (RSV), as well as an expected surge of COVID-19 and influenza in the coming months.

The closure also reflects a nationwide labor shortage amid inflationary pressures brought on by the coronavirus pandemic and the sapping of necessary funding for infrastructure as billions are poured into the US-NATO proxy war in Ukraine against Russia.

Myriad industries are being affected as a result, including logistics, auto, mining, education and the railroads. However, the health care system is constantly under strain due to the criminal response of the government and corporations to the COVID-19 pandemic.

Atlanta Mayor Andre Dickens, a Democrat, issued a perfunctory executive order temporarily halting any

development of the AMC location. Dickens first issued the moratorium on September 26 and renewed it at the beginning of October. Dickens' gesture fails to address the loss of 300 workers' jobs at AMC.

For his part, Republican Governor Brian Kemp announced that the Grady Health System will receive a one-time \$130 million federal aid package with the intention of adding nearly 200 beds to make up for the 460 beds lost with AMC's closure.

Wellstar employed 1,742 full- and part-time employees at AMC. Approximately 1,450 of these employees have accepted jobs at other facilities operated by Wellstar, according to an AMC spokesperson's email. Nearby Emory and Grady hospitals also hired staff from AMC.

AMC workers are not the only ones affected by the closure. Contracted employees of food service company Morrison Healthcare and housekeeping company Hospital Housekeeping Systems (HHS) are also facing layoffs.

The closure of the medical facility is being seized upon by Republicans and Democrats as political ammunition in the upcoming midterm elections. Democratic gubernatorial challenger Stacey Abrams has cited the stagnation of Medicaid expansion in Georgia as the primary reason for the closure, seeking to obscure the fact that the for-profit health care system is to blame.

A number of mainly Southern states have chosen not to expand Medicaid as part of the Affordable Care Act. In Georgia, partial expansion took effect in 2021 but with a work requirement, no enhanced federal funding and covering far fewer people than full expansion. However, Wellstar officials have claimed that full Medicaid expansion would not prevent AMC's closure.

The \$130 million in federal funding allocated to

Grady Hospital will be woefully insufficient to accommodate the large influx of patients as a result of the AMC closure. Emory Hillandale Hospital, a 100-bed facility in Stonecrest 16 miles east of Atlanta, will receive a miserly \$12 million in federal funds to expand following the AMC closure. This expansion will include 15 new emergency bays, a renovation of its intensive care unit and improvements to emergency imaging services, among other upgrades.

According to Wellstar's financial statements, AMC lost \$40.8 million in fiscal year 2021 and \$75.5 million in fiscal year 2020. During both periods, Wellstar's flagship Kennestone Hospital, located 20 miles northwest of Atlanta in Marietta, where the company's headquarters is based, had \$190.7 million in operating income during fiscal year 2021 and \$124.7 million during fiscal 2020. Total revenue generated was more than \$1.58 billion in fiscal 2020, with \$40 million less in earnings in fiscal 2019.

Wellstar also generated \$2.7 billion in net assets, including \$128 million in cash on hand in June 2021, according to its financial statements, with operating income at \$377 million. Wellstar Health System CEO and President Candice Saunders earns an annual salary of nearly \$2.5 million, \$1.2 million higher than when she became CEO in 2015. Wellstar is one of the country's nominally "non-profit" health care systems, claiming on its website: "As a not-for-profit health system, our passion for people extends beyond our system and into the communities we serve. Each year, we reinvest in you."

In December 2015, Dallas, Texas-based Tenet Healthcare Corporation and Wellstar announced a deal to purchase AMC and its South Campus, North Fulton Hospital, Spalding Regional Hospital, Sylvan Grove Hospital and 26 physician clinics to the tune of \$575 million.

Despite Wellstar reportedly investing more than \$350 million into AMC since the purchase was completed in March 2016, it is shuttering the hospital. The AMC closure comes only a few months after Wellstar shut down hospital services at AMC South in East Point, seven miles south of Atlanta. Wellstar replaced the East Point hospital with an urgent care clinic, which is also slated to close, according to the *Atlanta Journal-Constitution*.



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