

# TELEGRAM & GAZETTE

## Looking back at Steward's collapse: Are more hospital failures still to come?

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BOSTON — State health care leaders and experts agreed at a symposium Wednesday that the [Steward Health Care crisis](#) was a symptom of inherent infrastructure failures in the whole Massachusetts health care system, and that without fixes, more failures and closures are on the horizon.

The symposium, organized by the State House News Service, explored the issues that led to Steward's bankruptcy and sale of six of the for-profit company's eight hospitals in the state. Two other hospitals, Carney Hospital in Boston and [Nashoba Valley Medical Center in Ayer](#), were permanently closed.

## **'They don't pay for poor people'**

Topping the list of problems: a two-tier reimbursement system that lower payments to hospitals that treat patients covered by Medicaid and Medicare.

Most of the Steward hospitals were formerly part of Caritas Christi Health Care, a nonprofit Catholic health care system, and were established by the religious community to treat the indigent. These hospitals typically saw a large number of low-income patients, traditionally insured through MassHealth, leading to lower reimbursements and, as a result, years of disinvestment.

The difference in reimbursements, the panelists agreed, taints the whole system. They said the discrepancy leads to inequity in health care, and that the issue must be addressed in order for the state to “fix” its health care problems.

“They don’t pay for poor people,” said John Fernandez, president and CEO of Brown University Health, the Rhode Island-based group that purchased two of the Steward properties, Saint Anne’s Hospital in Fall River and Morton Hospital in Taunton.

## **Many Mass. hospitals are losing money**

David Seltz, executive director of the Massachusetts Health Policy Commission, was keynote speaker. He was joined by panelists Fernandez; Dr. Abha Agrawal, president and CEO of Lawrence General Hospital; Steve Walsh, president and CEO of the Massachusetts Health and Hospital Association; Greg Wilnot of NeighborHealth, a community health center with locations in Greater Boston; and Lora Pellegrini, president and CEO of the Massachusetts Association of Health Plans.

In his opening remarks, Seltz reported that of 58 hospitals in Massachusetts, only 25 operated in the black over the past year. The state has the second-highest family health insurance premiums in the country. And while most of Massachusetts residents are insured, the high cost of care (Massachusetts families spend on average \$29,000 a year on health care) is widening the disparities and health outcomes.

Panelists discussed the lack of primary care doctors, long wait times to be seen for chronic and even acute conditions, as well as a lack of nursing and other professional staff, EMTs and the ancillary staff servicing facilities.

The state, Seltz said, also lacks step-down facilities — skilled nursing facilities where nonacute patients can be cared for in a less intensive and less expensive setting.

“We have the second-highest wait times for primary care visits in the U.S.,” Seltz said.

## **Not enough services for mental illness**

Compounding the problems is the lack of beds and services for patients suffering from mental illness. Those seeking treatment for mental health issues often turn up in emergency rooms, and more than 50% of those patients end up being boarded or held over in the ERs because there is nowhere else for them to go.

Walsh estimated that there are 11,000 hospital job vacancies across the state, down from 19,000 reported in 2023.

“We don’t have a mattress problem, we have a staffing problem,” said Walsh. “The Steward Health Care challenge was the tip of the iceberg in Massachusetts. We have capacity challenges, and it wasn’t created by Steward, and it was not solved by the state.”

The state's community health care systems pick up the slack; one in six residents receive their care at community health centers, said Wilmot. He said the Steward crisis exacerbated the burden borne by these organizations.

### **What can be done to fix problems?**

Seltz suggested the state increase its oversight into health care and health insurance providers, and demand more transparency when it comes to their financial operations.

Legislators are grappling with a sweeping reform bill that would provide more oversight of health care services and insurance providers in Massachusetts, allowing the state to review finances and oversee proposed changes in provided services. At over 100 pages, the bill has been passed by both branches and has been sent to conference committee, where legislators have yet to reconcile the different amendments.

While the bill opens the door to greater state scrutiny of the health care industry, it also allows the state to survey existing providers to determine what services exist in Massachusetts and where, and identify existing gaps.

"We need more health care planning to better understand where to locate needed services, not just to invest in the most profitable services," Seltz said.



A question posed by Dr. Amie Shei, president and CEO of The Health Foundation of Central Massachusetts, led to a discussion of the need for increased investment in public health and solutions to upstream problems such as homelessness, joblessness, food insecurity, lack of educational opportunities and other problems that affect health outcomes.

"We have to tell the truth: The health care system we built 60 years ago contributes to the structural racism within the system," Walsh said. "We have to build a better system."

Returning to the collapse of Steward, Seltz said it was a more complicated story than the questionable spending.

As he reviewed the Steward fiasco, Seltz said the collapse of the organization could not entirely be laid at the feet of its embattled former CEO, [Dr. Ralph de la Torre](#).

"It was not just the greed of one man," Seltz said.

He said signs were apparent in the years preceding the collapse, and pointed to one indicator: the lawsuits filed by the health care group against the state to prevent regulators from examining the entity's financial records.