



SCAM SHEET

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Sutter Beats Scandal-Plagued Tenet in Quest for Profits

During the past several weeks, national media attention has been riveted on FBI raids at a Tenet Healthcare hospital in Northern California and an expanding federal investigation of the company's alleged aggressive pricing tactics. The possibly illegal practices have produced astounding profits for Tenet hospitals. Tenet's Redding Medical Center, where the investigation was initiated, made profits of \$290,461 per bed in 2001.

Interestingly, Redding Medical Center was only the third most profitable hospital in California during 2001. Which was the most profitable? Sutter Tracy Medical Center, which racked up an astounding profit of \$438,099 per bed. Sutter Roseville Medical Center, which made profits of \$237,264 per bed, was the state's fifth most profitable hospital. The two Sutter hospitals had profit margins of more than 23% on their healthcare operations – 75 times higher than the California average.

How did Sutter do it? Nonprofit hospitals like Sutter are supposed to use their tax-free resources to serve the public's needs. Why are

Sutter hospitals producing profits comparable to for-profit Tenet's?

Federal Charges Filed Against Sutter For Illegal Lock Out

Last Friday, Sutter executives illegally locked out 450 caregivers who sought to return to their jobs at Sutter Roseville Medical Center after conducting a one-day strike. The illegal four-day lockout is part of an ongoing attempt by Sutter to pressure caregivers to drop their demands for improved patient care. Caregivers filed a complaint with federal officials alleging that the hospital violated federal labor laws and demanding compensation for lost wages during the illegal lockout.

Rather than suppressing efforts to improve patient care, Sutter's lockout had exactly the opposite effect. Virtually every major media outlet in the Sacramento region focused attention on the hospital as hundreds of caregivers conducted four days of rallies, pickets and candle-light vigils. Growing numbers of elected officials and community groups joined caregivers to support improving patient care at the hospital. According to Local 250 caregiver Sharon Hendryx, a Certified Nursing Assistant, "We used our four days to raise our voices even louder that our patients deserve better standards."

Red-faced Sutter officials had difficulty explaining to the public why one of the most profitable hospitals

in California refused to accept improved patient care standards already adopted by a majority of hospitals in the Sacramento area. Caregivers, who are in contract negotiations with the hospital, propose that Sutter Roseville adopt a safe staffing system to improve the quality of care for patients.

Be a Sutter Tipster!

Contact the Scam Sheet with inside news and comments at scamsheet@seiu250.org.

Show Us the Door

Last week, Sutter caregivers learned an important lesson about Sutter Health CEO Van Johnson's integrity. Like other CEOs, Johnson cultivates an image of remaining accessible to employees and their concerns. So how open is the door to Johnson's well-furnished executive suite? Sutter Roseville caregivers, who last year received Johnson's "President's Award" for their exceptional performance, attempted to meet with Johnson after Sutter illegally locked them out of their jobs. As a dozen caregivers arrived at Sutter's opulent corporate headquarters, they were joined by a television news crew who followed them into the offices with cameras rolling. Johnson sent a nervous corporate official to respond to caregivers' polite request for a meeting. As cameras rolled, the Sutter official announced what all had suspected – that Johnson had quickly slammed his "open door" on the Roseville caregivers.

Check out this link to view live coverage from KXTV:
http://www.news10-tv.net/news-story/November2002/111502/_video/sutter-strike.ram

HOSPITAL	OWNER	PROFIT PER BED
1. Sutter Tracy Community Hosp.	Sutter Health	\$438,099
2. Doctors Medical Center	Tenet Healthcare	\$304,464
3. Redding Medical Center	Tenet Healthcare	\$290,461
4. USC University Hosp.	Tenet Healthcare	\$287,704
5. Sutter Roseville Medical Center	Sutter Health	\$237,264

Source: Office of Statewide Health Development and Planning, 2001 Annual Hospital Financial Data

The Sutter Scam Sheet is published by the Health Care Workers Union, Local 250 SEIU, to update elected officials, regulators, District and Community hospitals, industry insiders, consumers, labor unions and other healthcare purchasers about our campaign to Stop the Sutter Scam.

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