

Julia Harvey, Health Care Advocate
Health Care Unit
RI office of the Attorney General
150 South Main Street
Providence, RI 02903
Ms Harvey:

We are writing in support of the HCA application and sale of CharterCARE to The Centurion Foundation. We are the Co-Medical Directors of the Chartercare Comprehensive Wound Care Center Located at Our Lady of Fatima Hospital. Since its inception we offered unique care to patients that they could not get anywhere else in the state. Today we are the busiest Wound Care Center in Southern New England seeing hundreds of patients weekly. Our outcomes are exceptional, patient satisfaction remains high and staff turnover has remained low. In addition to the high quality wound care patients receive we were the first medical facility to offer Hyperbaric Oxygen Therapy in R.I., and we still offer multiple indications for this unique treatment which has greatly benefited thousands of patients over the years.

Given all the issues the “for profit” company has bestowed us with, not to mention all the negative press that has plagued us the last six months, we are all anxious to return to a “not for profit” system which we all have experience with and believe is a better healthcare system.

Combined the three of us have well over 100 years experience at both the Roger Williams and Fatima campuses. It seems inconceivable the strain that would be placed on the healthcare system should the Chartercare system cease to exist. We firmly believe returning our status to “not for profit” would not only benefit the medical facilities but more so the communities these facilities have served for many years. We strongly urge you to approve the sale of the Chartercare system to the Centurion Foundation.

Sincerely

Andrew [REDACTED] DPM

Gerald M. [REDACTED] MD

Philip W. [REDACTED] PAC

From: [REDACTED], Donna
To: [HealthCare](#)
Subject: Letter of support
Date: Monday, March 18, 2024 4:28:31 PM

[External email: Use caution with links and attachments]

Dear Julia Harvey:

I am writing in support of the HCA application and sale of CharterCARE to The Centurion Foundation.

I am the COO of CCHP and have worked here for [REDACTED] years in this capacity. I have found this organization to be very community oriented and Centurion will allow us the opportunity to return to a non-profit organization. This will bring us closer to our mission and vision as we continue to serve the patients of our communities. Centurion will allow us to maintain local leadership and control through a local board. This will allow us to invest in our programs, facilities, and employees.

I have always said that I will continue to work if I still enjoy it and I can say that I love my job the commitment that the senior leadership team at CharterCARE has for the longevity of these hospitals surviving and thriving. We cannot do this with our current structure.

Our hospitals continue to be busy and our attention to quality and safe patient care is always the primary focus of everything we do. Our patients want to go to the hospitals in their community and they deserve that. This sale to Centurion will guarantee we can achieve that and be here for them.

I am extremely proud of all that we do daily and am looking forward to a bright future with Centurion.

Thank you so much for your work on this application.

Warm Regards,

Donna

Donna [REDACTED], MBA, BSN
Chief Operating Officer
CharterCARE Health Partners

[REDACTED]
[REDACTED]

Cell: [REDACTED]

From: [REDACTED], Nicole
To: fernanda.lopes@health.ri.gov; HealthCare
Subject: CharterCARE
Date: Tuesday, March 19, 2024 8:50:00 AM

[External email: Use caution with links and attachments]

Hello,

My name is Nicole [REDACTED] and I am the System Manager of Health Information Management for CharterCARE Health Partners. I have worked at CCHP for almost [REDACTED] years and I really love my job. My staff at both Roger Williams and Our Lady of Fatima are hardworking and dedicated employees, most of whom have worked over [REDACTED] years in the same department/position.

I am writing to you today to express my support for the sale of CharterCARE to The Centurion Foundation. This is the first for profit organization I have ever worked for and I look forward to the change to nonprofit. I truly believe that the transition to nonprofit will allow us to continue to support the patient population that depends on us, and allow further growth for our employees and services. We know that this sale is the best way to accomplish our goals.

Thank you

Nicole [REDACTED] i, RHIT
System Manager, HIM Operations
CharterCare Health Partners
Cell: [REDACTED]
[REDACTED]

From: [REDACTED]
To: [HealthCare; fernanda.lopes@health.ri.gov](mailto:fernanda.lopes@health.ri.gov)
Subject: roger williams aquisition
Date: Thursday, March 21, 2024 1:02:38 PM

[External email: Use caution with links and attachments]

Julia Harvey, Health Care Advocate
Health Care Unit Office of Health Systems Development
Rhode Island Department of Health
150 South Main Street
Providence, RI 02903

Fernanda Lopes, MPH, Chief
Rhode Island Office of the Attorney General
Three Capitol Hill, Room 410
Providence, RI 02908

21 March 2024

Please accept this letter of support for the acquisition of Roger Williams and Fatima by Centurion. Both facilities play a key role in Rhode Island health care delivery. This acquisition provides the opportunity for these centers to be fiscally reenergized to further deliver excellent health care. Beyond the fiscal need, the return of local control provides opportunity for certainty. The past few years personally I have witnessed the impacts uncertainty brings to health care delivery. Having competent administration hamstrung to make decisions without it first being vetted in California leads to delays, mistrust, and lost opportunity.

In my [REDACTED] plus years of association with both facilities as a Physician Assistant I have witnessed how capable these hospitals are when allowed to function at the top of their game. The effect of financial and other decisions made thousands of miles away by someone unaffected by that decision making are deleterious and the impact is felt at all levels of the institutions.

This current opportunity will allow these hospitals to again be not only a force in health care delivery in the state, however employees, practitioners, and patients will greatly benefit when decision making can be made in real time by those affected the most. Those decisions impact all aspects of health care delivery as each job is essential to this outcome irrespective of title or role. The erosion of faith based on the current situation is untenable and truly this acquisition will provide the necessary resuscitation needed to restore confidence at all levels.

Thank you for this opportunity for comment.

Respectfully

Nate [REDACTED] PA-C

From: [Julia Harvey](#)
To: [Meghan Spooner](#)
Subject: FW: Comment regarding Centurion Hospital Conversion
Date: Thursday, March 21, 2024 11:14:14 AM
Attachments: [image001.png](#)
[image003.png](#)

Please file with the public comments

From: Christine Mullins <CMullins@riag.ri.gov>
Sent: Thursday, March 21, 2024 11:11 AM
To: Julia Harvey <JHarvey@riag.ri.gov>
Subject: Comment regarding Centurion Hospital Conversion

Good morning Julia,

I received a call from Frances [REDACTED], ([REDACTED] years old, [REDACTED]). She lives in the Fatima Hospital neighborhood and wants to let Attorney General Neronha know how much the surrounding neighborhoods (North Providence & Johnston) rely on Fatima Hospital, not only for emergencies but also regular tests and procedures. She would like to see the Attorney General make sure there is a clause in Centurion's contract that stipulates they cannot close down either Fatima or Roger Williams Hospitals. She also wanted to let him know what a great job she thinks he is doing. I did let her know about the upcoming Public Hearing on March 26th at RI College.

Thank you,
Chrissy

Christine Mullins
Assistant to Deputy Attorney General Adi Goldstein
The State of Rhode Island | Office of the Attorney General
150 South Main Street | Providence, RI 02903
Office: 1-401-274-4400 | Ext. 2248
CMullins@riag.ri.gov www.riag.ri.gov

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From: [Betty Ann](#) [REDACTED]
To: [HealthCare](#)
Subject: Roger Williams Hospital and Fatima Hospital
Date: Tuesday, March 26, 2024 12:22:42 PM

[External email: Use caution with links and attachments]

I don't know much about Fatima Hospital, but I sure do know about Roger Williams Hospital. Both my daughter and I had serious operations there and we were taken care with the utmost care and concern.

It is a big mistake to sell these hospitals to a wealthy man that has absolutely no experience in running a hospital. Even the nurses and doctors think this is a big mistake. All this wealthy person cares about is his money and making more. No experience with hospitals is a grave mistake. Do something right for the people of Rhode Island. Roger Williams has wonderful doctors and nurses who are dedicated to patients and do their jobs expertly. What a slap in the face it is to the professionals who work hard and put their hearts and souls into taking care of people and their medical problems. Get rid of this wealthy person. Save the hospitals for the sake of the doctors, nurses and the patients.

Thank you,
Betty Ann [REDACTED]

Sent from [Mail](#) for Windows

27 March 2024

Julia Harvey, Health Care Advocate
Health Care Unit
Rhode Island Office of the Attorney General
150 South Main Street
Providence, RI 02903
healthcare@riag.ri.gov

Fernanda Lopes, MPH, Chief
Office of Health Systems Development
Rhode Island Department of Health
Three Capitol Hill, Room 410
Providence, RI 02908
fernanda.lopes@health.ri.gov

RE: Public Comment on the Proposed Purchase of CharterCARE by The Centurion Foundation
To Whom It May Concern:

I write today regarding the proposed acquisition of CharterCARE by The Centurion Foundation. After reviewing the public documents as well as information from local reporters and representatives, I feel as though the proposal leaves as many questions open, as it answers. I am almost certainly not alone in thinking that Prospect must exit the picture at some point - preferably sooner rather than later. On one hand, I would say how much worse could Centurion possibly be compared to what Prospect has done, but this is Rhode Island, and nothing would surprise me. I want to also note that any of my concerns may be invalidated by materials that are confidential to the public.

I would first comment on question four, sub-question c of the revised hospital conversion application. It states that "The CharterCARE Health of Rhode Island Board of Directors has no plan to include members other than local community members and Centurion representatives.¹ Now that's great, I love to hear that – truly I do, but the next immediate sentence states that "If there is a Board-level need that Centurion is unable to fill with its own representatives or local community members, Centurion may consider looking outside the local community to fulfill the specific needs of the Board. In any case, that will be carried out under full oversight and direction from the Board."² The issue I have is that the language leaves it open to more people from outside the community to acquire seats on the board, and with over one million RI residents, and more over the line in MA and CT, I find it hard to believe we should have to look to outside the community/region when the whole image of this acquisition is to return the hospitals to local control. I also find it concerning that board members will have unlimited terms "Directors will remain on the Board until their passing, resignation, or removal, or until their successor is appointed/qualified, whichever comes first."³ I understand that this is very common in non-profit entities, but in our current ever-changing healthcare world, I believe it would be prudent to set limits, at a minimum on consecutive terms served. Term limits could bolster community involvement through the periodic rotation of board members.⁴

¹ Office of the Attorney General, State of Rhode Island. "2023.11.14 The Centurion Foundation, Prospect Medical Holdings, et al. HCA Application.Pdf." State of Rhode Island, Office of the Attorney General, 29 Jan. 2024. (Page 33-34)

² Id

³ Id

⁴ Captrust. "Nonprofit Board Member Term Limits: Easier Said than Done?" CAPTRUST, 28 Oct. 2023, www.captrust.com/resources/nonprofit-board-member-term-limits-easier-said-than-done/.

Moving on to question 10, sub-question b, is asked if the current Prospect board considers this the only viable alternative, the current Prospect board states in the answer that Centurion is the only suitor and that the financial status quo is not viable. First, I would argue that these two are directly related to Prospect's **monumental** failures in managing the organizations properly in the best interest of Rhode Islanders. It is likely that Centurion is the only suitor because of the hospital's financial standings, which are a direct result of Prospect funneling money out of CharterCARE and to their ownership.⁵ It goes on to state "[t]he Proposed Transaction involving Centurion, as the only interested acquiror, is the only alternative in carrying out Prospect CharterCARE's mission," if I didn't know any better, I would assume that CharterCARE's mission was to financially ruin the institutions.⁶ Perhaps if CharterCARE was in better financial standings, there would be more than one suitor willing to take the organization back to non-profit operations, without the imminent risk of financial failure.

The background section of question 48 is comical when it states that "[d]espite challenges about by the for-profit model over the past decade," the hospitals have "[m]aintained all essential services for the community," as well as "[i]nvested more than \$100 million in improvements."⁷ They are stated as though CharterCARE achieved these basic goals through Prospect's ownership but neglect that they were requirements of the June 2021 agreement that the Attorney General put in place as a result of Leonard Green's divestiture from Prospect.⁸

Several general concerns regarding the transaction revolve around long-term funding, it appears from the application that \$80 million will be allocated for the first 80 days of cash on hand, but what is the plan for raising additional revenue beyond that point? 80 days is not even a full three months. I have read the outline within the application that describes the changes that Centurion wants to initiate when they take control, but a lot of these changes will likely take more than 80 days to implement. I think it would be appropriate to ask Centurion for more concrete funding options for the hospitals while they begin to reorganize. I am also a bit lost on who will be responsible for the remainder of CharterCARE's outstanding loans, the language in the exhibits mentioned makes it seem like it could be one party or another depending on what terms are agreed to at execution? Prospect should not be let off the hook for any loans that they saddled CharterCARE with, especially after they funneled money out of the system to pay their owners in dividends years prior.⁹ The current state that RI healthcare is in, is simply not healthy enough for a "New CharterCARE" to stand on its own financially that quickly. Look no further than Lifespan and Care New England for examples of RI hospitals that have been struggling for years as non-profit entities. The legislature needs to raise Medicaid reimbursement rates across the board, or these financial troubles will continue for all organizations, including the reformed CharterCARE. Simply changing CharterCARE to non-profit status won't be enough, if they are going to have external ownership, the owners need to commit substantial additional funds to turn the organization around. Centurion should also be barred from being allowed to charge any management fees now or in the

⁵ Elkind, Peter. "Rich Investors Stripped Millions From a Hospital Chain and Want to Leave It Behind. A Tiny State Stands in Their Way." ProPublica, 4 Feb. 2021, www.propublica.org/article/rich-investors-stripped-millions-from-a-hospital-chain-and-want-to-leave-it-behind-a-tiny-state-stands-in-their-way.

⁶ Office of the Attorney General, State of Rhode Island. "2023.11.14 The Centurion Foundation, Prospect Medical Holdings, et al. HCA Application.Pdf." State of Rhode Island, Office of the Attorney General, 29 Jan. 2024. (Page 42)

⁷ Id (Page 93)

⁸ Office of Attorney General Peter F. Neronha. "Attorney General Imposes Unprecedented Conditions on Hospital Ownership Change to Ensure Future Operations." Attorney General Imposes Unprecedented Conditions on Hospital Ownership Change to Ensure Future Operations | Rhode Island Attorney General's Office, 1 June 2021, riag.ri.gov/press-releases/attorney-general-imposes-unprecedented-conditions-hospital-ownership-change-ensure.

⁹ Elkind, Peter. "Rich Investors Stripped Millions From a Hospital Chain and Want to Leave It Behind. A Tiny State Stands in Their Way." ProPublica, 4 Feb. 2021, www.propublica.org/article/rich-investors-stripped-millions-from-a-hospital-chain-and-want-to-leave-it-behind-a-tiny-state-stands-in-their-way.

future, they are choosing to take on these hospitals, they should not ask them to pay for management.¹⁰ Centurion should also be prevented from forcing CharterCARE to take any additional loans to pay for operational costs, as this is not a helpful step towards becoming self-sustaining for an already financially struggling organization.

During the public comment meeting on March 19th, there were a lot of people (many employees and some patients or external stakeholders) who spoke highly of the local leadership that CharterCARE currently employs. I do not disagree with this. Throughout my employment in Rhode Island's healthcare sector, I have enjoyed working with the local dedicated employees of CharterCARE. However, there was far too much emphasis put on how people felt about leadership than on how Centurion would properly support the leadership and the organization. I have been very skeptical of the financials of the transaction, very much in line with Mr. Chris Callaci (counsel for UNAP) when he made comments about how the organization had tried in the past to use unrealized savings and it hasn't worked, or how saddling the new organization with bonds and debt is more of the same of what Prospect was doing. I agreed with Lynn Redding (UNAP 509) when she said that there was so much redacted information in the proposal – indeed making it tough to judge financials, and that the purchase isn't about the quality of the care provided, it is about the funding in the deal needed for CharterCARE to stand on its own. The lack of transparency surrounding the long-term financial plan is concerning, and I do not disagree with the individuals who spoke on behalf of the UNAP who shared the sentiment.

In summary, Centurion does offer experience with developing healthcare facilities structurally, which could be a long-term asset for CharterCARE as Fatima Hospital does sit on a massive plot of land that could be used to modernize or expand operations. While I agree that reverting to local control over CharterCARE is ideal and that returning to non-profit status will have many benefits for the organization, Centurion must prove to be a forceful advocate for the organization. Even if it is returned to local control, the RI healthcare industry is in financial turmoil and has been for years. They must disclose their financial plans for the future as it is not realistic that within 80 days CharterCARE will stand on its own financially and pay off any existing debts that they may be responsible for. I would love to see Prospect held responsible for any existing debts or financial obligations before the sale – it would immediately and undoubtedly position the new organization in a better way. Ultimately, while I feel favorable about many aspects of this sale, I would comment that I oppose the sale to Centurion in the agreement's current form. It could be very beneficial to all parties, but we need more transparency and financial security for our hospitals than wishful thinking and vague plans.

Sincerely,



Daniel [REDACTED]

¹⁰ Fenton, Josh. "Business: UNAP Oppose Prospect's Sale of CharterCARE, Centurion Fires Back." GoLocalProv, GoLocalProv, 5 Mar. 2024, www.golocalprov.com/business/united-nurses-and-allied-professionals-oppose-prospects-sale-of-chartercare.



March 28, 2024

Julia Harvey, Health Care Advocate
Health Care Unit
RI Office of Attorney General

Fernanda Lopes, MPH, Chief
Office of Health System Development
RI Department of Health

Dear Ms. Harvey and Lopes,

We, the physician members of CharterCARE Medical Associates (CCMA), at [REDACTED], [REDACTED], wish to express our full support of the HCA application now under your review involving the proposed sale of CharterCARE Health Partners by Prospect Medical to The Centurion Foundation

As an integrated group of primary and specialty providers, we pride ourselves on delivering high quality, patient centered care to thousands of patients annually. We are comprised of 7 physicians and mid-levels and a support staff of medical professionals. We are routinely accepting new patients from all over the state, which is critically important these days.

Prospect's decision to exit the RI marketplace threatens our ability to recruit and retain fellow providers and office staff, secure needed supplies and resources, and function.

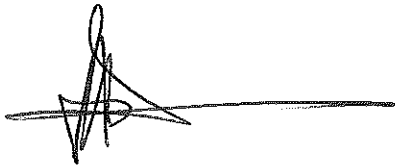
Everything we have learned about Centurion convinces us that their experience and model makes good sense for a system such as CharterCARE that is deeply rooted in the local community.

Returning to not-for-profit status will yield immediate and significant financial benefits. A new local board providing governance and oversight to local management will assure our continued focus on community-based medicine, and the further development of primary care through CCMA.

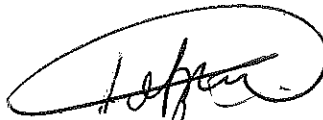
While we are confident that you will give this application the full attention it deserves, we are equally certain that any decision other than full approval will seriously jeopardize future access to primary care and specialty services for thousands of Rhode Island citizens, who will be hard pressed to find this care elsewhere.

We urge full approval of the Centurion application.

Thank you, we are the undersigned,



Abdul Rahman [REDACTED], MD



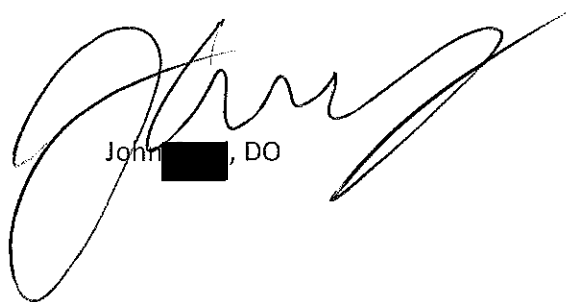
Silky [REDACTED], MD



Ashley [REDACTED] NP

Mohannad Samer [REDACTED] MD i/c


Mohammad Samer [REDACTED], MD



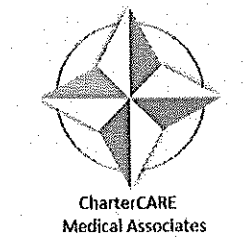
John [REDACTED], DO



Dhara [REDACTED], PA



Luis Emilio Lopez [REDACTED], MD



March 28, 2024

Julia Harvey, Health Care Advocate
Health Care Unit
RI Office of Attorney General

Fernanda Lopes, MPH, Chief
Office of Health System Development
RI Department of Health

Dear Ms. Harvey and Lopes,

We, the physician members of CharterCARE Medical Associates (CCMA), 501 Wampanoag Trail, East Providence, wish to express our full support of the HCA application now under your review involving the proposed sale of CharterCARE Health Partners by Prospect Medical to The Centurion Foundation

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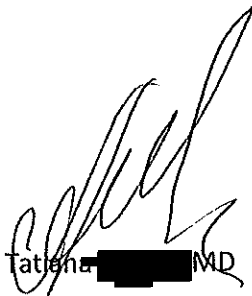
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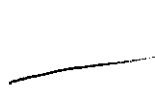
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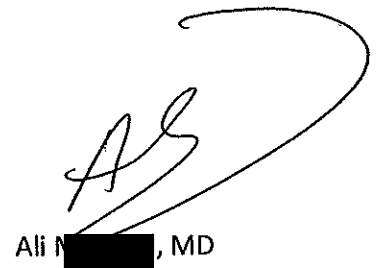
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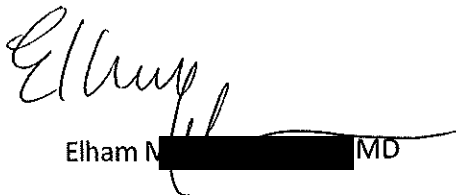
Tatiana [redacted] MD



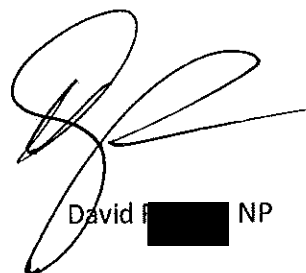
Anne [redacted], MD i/c
Anne [redacted], MD



Ali [redacted], MD



Elham [redacted] MD



David [redacted] NP



March 28, 2024

Julia Harvey, Health Care Advocate
Health Care Unit
RI Office of Attorney General

Fernanda Lopes, MPH, Chief
Office of Health System Development
RI Department of Health

Dear Ms. Harvey and Lopes,

We, the physician members of CharterCARE Medical Associates (CCMA), at 725 Reservoir Ave, Cranston, wish to express our full support of the HCA application now under your review involving the proposed sale of CharterCARE Health Partners by Prospect Medical to The Centurion Foundation

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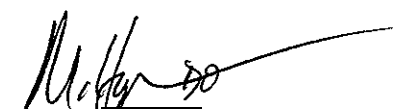
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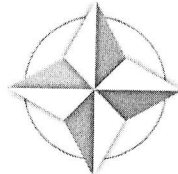
We urge full approval of the Centurion application.

Thank you, we are the undersigned,


Michael [redacted] DO


Madiha [redacted], MD


Denni [redacted] MD



CharterCARE
Medical Associates

March 28, 2024

Julia Harvey, Health Care Advocate
Health Care Unit
RI Office of Attorney General

Fernanda Lopes, MPH, Chief
Office of Health System Development
RI Department of Health

Dear Ms. Harvey and Lopes,

We, the physician members of CharterCARE Medical Associates (CCMA), at 1351 South County Trail, East Greenwich, wish to express our full support of the HCA application now under your review involving the proposed sale of CharterCARE Health Partners by Prospect Medical to The Centurion Foundation

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We urge full approval of the Centurion application.

Thank you, we are the undersigned,

Sukanya [REDACTED], MD

Todd [REDACTED], MD

Victoria [REDACTED], PA



March 29, 2024

Julia Harvey, Health Care Advocate
Health Care Unit
Rhode Island Office of the Attorney General
150 South Main Street
Providence, RI 02903
healthcare@riag.ri.gov

Fernanda Lopes, MPH, Chief
Office of Health Systems Development
Rhode Island Department of Health
Three Capitol Hill, Room 410
Providence, RI 02908
fernanda.lopes@health.ri.gov

Dear Julia Harvey and Fernanda Lopes:

This letter provides comments on the proposed Centurion-Prospect Hospital Conversions Act Application.

The Rhode Island Health Center Association (RIHCA) supports the state's eight federally qualified health centers (FQHCs). In general, we support the transition to non-profit ownership, but we do not feel sufficiently knowledgeable about this specific application to support it. Our comments reflect recommendations if the transaction is ultimately approved.

Hospital-Community Partnerships

Federal regulations require that the composition of the Boards of FQHCs include at least 51% patient representatives. This ensures that the people who live in the community and access health care at the FQHC are the ones who determine the services the FQHCs provide, the availability of those services, and how they are delivered. Patient driven Boards are a powerful tool to ensure FQHCs are meeting the needs of the communities they serve.

We recommend a similar approach to the governance of the new system, whether that is through the appointment of patients to the Board or through the development of a community advisory board. We note that page 101 of the application states, "the New CharterCARE System plans to form a community advisory board to advise leadership on issues related to the CHNA, including management of community benefits and charity care."

We recommend the Office of the Attorney General (RIAG) and the Department of Health (RIDOH) require the new system implement a community advisory board and monitor its effectiveness. We recommend the new system identify how the voice of community members is reflected beyond the CHNA, community benefits, and charity care, and in the governance of the system as a whole.

Community Benefit -Health Professional Loan Repayment Program

RIDOH's June 1, 2021 HCA Decision on Prospect CharterCARE included the following condition on Prospect Medical Holdings:

...shall contribute a minimum of \$75,000 annually, for five (5) years, ... to the Health Professional Loan Repayment Program administered by RIDOH, to defray health professional student loan debt of primary care health providers (as defined by the Federal Bureau of Health Work Force) practicing in the state of Rhode Island;

We recommend that this condition be imposed on Centurion if the HCA application currently before the RIAG and RIDOH is approved.

Primary Care Capacity

The application contains several references to expanding the new system's primary care capacity. We urge the RIAG and RIDOH to ensure that the new system expand primary care capacity through coordination and collaboration with existing community-based primary care practices, with a specific focus on FQHCs. All primary care practices are experiencing workforce challenges; adding another competitor for scarce primary care practitioners will exacerbate an already difficult environment.

The application includes a reference to increasing its partnership with FQHCs. We support this intent and would be happy to work with the new system to ensure such a partnership is mutually beneficial and meaningful to the people and communities we collectively serve.

Thank you for the opportunity to comment.

Elena [REDACTED] President & CEO
Rhode Island Health Center Association

The Rhode Island Health Center Association is proud to support:
Blackstone Valley Community Health Care Inc. ~ Comprehensive Community Action Program
East Bay Community Action Program ~ Providence Community Health Centers
Thundermist Health Center ~ Tri-County Community Action
WellOne Primary Medical and Dental Care ~ Wood RiverHealth



**United Nurses &
Allied Professionals**

Lynn [REDACTED] RN
President

March 29, 2024

Julia Harvey, Health Care Advocate
Health Care Unit
Rhode Island Office of Attorney General
150 South Main Street
Providence, RI 02903
healthcare@riag.ri.gov

Fernanda Lopes, MPH, Chief
Office of Health Systems Development
Rhode Island Department of Health
Three Capitol Hill, Room 410
Providence, RI 02908
fernanda.lopes@health.ri.gov

Re: Hospital Conversions Act Application of The Centurion Foundation, Inc.

My name is Christopher [REDACTED] am General Counsel for the United Nurses & Allied Professionals (“UNAP”). We are the largest health care union in the state of Rhode Island and represent nearly 1,200 nurses and other health care workers employed by Prospect CharterCARE, LLC at Roger Williams Medical Center, Our Lady of Fatima Hospital and Prospect RI Home Health & Hospice.

For the reasons set forth below, we strongly urge the Rhode Island Office of Attorney General (“AG”) and the Rhode Island Department of Health (“RIDOH”) to reject the above referenced application.

The Hospital Conversions Act

The express purpose of the Hospital Conversions Act is to “(a)ssure the viability of a safe, accessible and affordable healthcare system that is available to all of the citizens of the state.” R.I. Gen. Laws §23-17.14-3.

Indeed, the General Assembly declared at the time of its passage that “(t)here are concerns that hospital networks may engage in practices that affect the quality medical services in the community as a whole and for more vulnerable members of society in particular.” R.I. Gen. Laws §23-17.14-2(8).

It declared it necessary, therefore, “to establish standards and procedures for hospital conversions” “(i)n order to protect public health and welfare and public and charitable assets.” R.I. Gen. Laws §23-17.14-2(8).

Centurion’s Business Model Is Not Viable

Centurion’s business model, as set forth in its application, will not assure the viability of a safe, accessible and affordable healthcare system, nor will it protect the public health and welfare. Instead, it will put our healthcare system in immediate jeopardy.

Between FY2015-FY2020, Prospect CharterCARE accumulated net losses of \$88.1 million in the aggregate.¹ Centurion’s application does not appear to show what the operating losses have been since FY2020. It does reveal, however, that the existing hospitals continue to operate at a loss, that the current fiscal status quo is unsustainable, and that the existing hospitals must gain access to new capital.

Centurion’s answer to this dire financial situation is to insist that the new CharterCARE system be a stand-alone self-sustaining health system, to which Centurion will make no financial commitments with respect to capital projects or operational losses.²

Instead, Centurion proposes a 100% debt financed transaction — debt that must be secured by the new CharterCARE, not Centurion. In that regard, the new CharterCARE is to gain favor in the bond market, borrow over \$133 million and secure that debt with a pledge of its revenues.

This staggering amount of debt is the tip of the proverbial iceberg. The \$133 million is the principal amount. If the interest rate is 7%, which falls within the range suggested by Centurion, and the bonds mature in ten (10) years, which Centurion suggests as likely, the interest payments would exceed \$93 million. Centurion contemplates that the bonds might mature at thirty (30) years. Under that scenario, 7% interest on the principal amount of \$133 million would be \$279 million.³

As noted above, between FY2015-FY2020, Prospect CharterCARE accumulated net losses of \$88.1 million and the existing hospitals continue to operate at an unsustainable loss. It is no

¹ See page 9 of PYA’s report to RIDOH, dated April 6, 2021, titled *Report on Proposed Hospital Conversion Application Regarding Prospect CharterCARE*. The report was prepared by PYA to assist RIDOH in its regulatory review of the Chamber, Inc. Hospital Conversion application.

² Even the embattled and disgraced Prospect Medical Holdings invested nearly \$64 million in CharterCARE. See AG’s June 1, 2021 decision on the hospital conversion application of Chamber Inc. at 18.

³ Centurion’s lead argument for regulatory approval centers on its claim that \$80 million will be placed on the new CharterCARE’s balance sheet at closing. But that money is to come in the form of crushing debt — a \$133 million bond issue - which has not yet been secured.

certainty, therefore, that the bond market will be receptive to such a credit risk, which may be among the reasons why the issuer of the bonds has yet to be determined.

Equally troubling, Centurion expects regulatory approval *before* the debt financing is secured. If this financing is not secured post regulatory approval, Centurion's business model will all but collapse of its own weight.⁴

According to Centurion, the new CharterCARE is supposed to survive based on identifying untapped cost-savings and revenue-generating opportunities as well as mitigating risks inherent in the hospitals' operations. Past experience tells us that Centurion cannot deliver on such vague and unreliable representations, and the echoes from the past are undeniable in that regard.

Roger Williams Medical Center ("RWMC") and St. Joseph's Health Services of Rhode Island ("SJHSRI") made these same representations back in 2008-2009. In the executive summary of their hospital conversion application, RWMC and SJHSRI represented that their affiliation and formation of Charter Care Health Partners ("CCHP") would allow them "the opportunity to achieve significant operational savings, therefore boosting their ability to maintain financial viability." More specifically, they claimed that they would realize "efficiency savings of approximately fifteen million dollars (\$15,000,000)."

That did not come to fruition. Indeed, had that savings been achieved, CCHP would not have entered into a lopsided joint venture with Prospect Medical Holdings ("PMH") in 2014 pursuant to which Prospect gained an overwhelming 85% majority ownership interest in CharterCARE. Had those savings been achieved, Prospect and CCHP would not have told the regulators that CharterCARE's operating losses "could not be sustained" at the time of that hospital conversion.

Much like Centurion's representation that it will identify "revenue generating opportunities" and "mitigate risks inherent in the hospitals' operations," PMH represented much the same back in 2013-2014. In the executive summary of that conversion application, PMH represented that it would "provide recommendations to help ensure financial integrity, reduce expenses, capture additional revenues, and improve cash flow." PMH also spoke of "identifying and assessing risk and reward profiles associated with incremental investment activities."

That did not come to fruition. Had that been achieved, Centurion and Prospect CharterCARE would not now be representing to the AG and RIDOH that the existing hospitals are operating at a loss and that the current fiscal status quo is unsustainable.

⁴ In the alternative, Centurion insists that the new CharterCARE take out mortgages on its facilities thereby encumbering the real estate. The application is silent on how this will work, if at all, and what impact such encumbrances will have on the financial viability of the new CharterCARE.

Centurion's Glaring Lack of Competence

Centurion's glaring lack of relevant experience in hospital ownership and operations raises yet another red flag. Indeed, the notion that Centurion, which admittedly neither owns nor operates any hospitals and lacks any experience doing so is now going to succeed where CHP and Prospect CharterCARE failed for the past fifteen (15) years is not credible, and we ought not bet the future financial viability of the Prospect CharterCARE facilities on such vague and unreliable representations.

The "select engagements" Centurion highlights in its application expose quite clearly that Centurion offers no relevant experience in the operation or turn-around of hospitals or hospital systems like Prospect CharterCARE:

- The Ascension Seton "project" involved a "leasing strategy" of a 4-story, 156,000-square-foot facility in Texas.
- The MultiCare "project" involved a "four building sale-leaseback."⁵
- The Infirmiry Health System "project" involved the "financing" of a "4-story, 79,000-square-foot facility."

CharterCARE's challenges are not in any way related to leasing strategies, sale leaseback agreements or the financing of multi-story buildings.

Centurion's Gross Misrepresentations Regarding Employee Benefits

While the signatories to the application certify under penalty of perjury that the information contained in the application is complete, accurate and true, it cannot be said that their representations relative to employee benefits are complete or accurate.

According to the application:

"Centurion views the provision of health insurance and other benefits as a means of supporting employees in a way that not only meets the needs of the employees and

⁵ Recognizing the inherent dangers of sale-leaseback agreements, AG Neronha prohibited PMH from subjecting the Prospect CharterCARE hospitals to a sale-leaseback in the event PMH was unable to pay or renegotiate the terms of a \$113 million promissory note. See AG's June 1, 2021 decision on the hospital conversion application of Chamber Inc. at 5, 8. We now know that sale-leaseback agreements are at the very heart of the collapse of Steward Healthcare in Massachusetts.

their families, but also positively sets the organization apart from other employers. This thereby meets employees' needs, increases retention, and creates long-term value."⁶

Centurion claims that it will offer insurance and benefit packages that "are at or above current offerings."⁷ Centurion claims that it is "creating and offering employee medical plans that meet or exceed the existing plans," and developing "competitive healthcare benefits that will attract and retain top talent."⁸ Centurion also claims that it is "designing competitive benefit programs."⁹

The undersigned met with the three (3) top principals of Centurion (Gregory Grove, CEO, Ben Mingle, President and Steve Lovoy, VP of Operations) back in November of 2022 and informed them then that a transitional agreement had to be reached with respect to, among other things, employee health insurance benefits.

Not only has no agreement been reached to date, Centurion continues to withhold essential information from the Union that would allow for a good faith negotiation over such benefits.

- To date, Centurion has failed to provide the Union with a summary plan description ("SPD") for their proposed medical insurance coverage that would allow it to compare/contrast the proposed coverage with the current coverage.
- To date, Centurion has failed to provide the Union with adequate information that would allow it to compare/contrast their proposed Rx benefit with the current benefit.
- To date, Centurion has failed to provide the Union with any information regarding the wellness program.
- To date, Centurion has failed to provide the Union with a SPD for the dental coverage.
- To date, Centurion has failed to provide the Union with a SPD for the vision coverage.

At the same time, Centurion refuses to provide employees with paycheck security, insisting instead on being able to send employees home without pay whenever they want.

Centurion also insists on being able to subcontract work thereby denying employees adequate job security.¹⁰

Centurion's conduct in labor negotiations belies their feigned commitment to supporting and meeting the needs of employees and their families, employee retention and recruitment, and

⁶ See Application at 77.

⁷ See Application at 77.

⁸ See Application at 96.

⁹ See Application at 99.

¹⁰ The undersigned has been the chief negotiator for the UNAP in negotiations with Centurion and is prepared to provide a statement under oath with regard to all of the above.

their commitment to offering employees health insurance benefits that are “at or above” or “meet or exceed” what is currently on offer.

The Statutory Review Criteria

That Centurion’s business model is not viable, that Centurion has no relevant experience turning failing safety net community hospitals around and that Centurion has failed to reach agreement with the Union on the most fundamental of employment issues – benefits, paycheck security and job security – necessarily means that they cannot satisfy numerous statutory review criteria.

Among them, Centurion cannot satisfy RIDOH’s review criteria regarding their commitment to the community or their competence in turning the failing Prospect CharterCARE facilities around. R.I. Gen. Laws §23-17.14-8(b)(1).

They cannot satisfy RIDOH’s review criteria regarding sufficient safeguards to assure continued access to affordable care. R.I. Gen. Laws §23-17.14-8(b)(2).

They cannot satisfy RIDOH’s review criteria regarding the provision of clear and convincing evidence that the new CharterCARE will provide access to appropriate health care to traditionally underserved populations. R.I. Gen. Laws §23-17.14-8(b)(3).

They cannot satisfy RIDOH’s review criteria regarding the public’s interest in the provision of safe and adequate treatment, appropriate access and balanced healthcare delivery. R.I. Gen. Laws §23-17.14-8(b)(7).

They cannot satisfy RIDOH’s review criteria regarding workforce retention or employment needs. R.I. Gen. Laws §23-17.14-8(b)(5) and (6).

They cannot satisfy the AG’s review criteria regarding commitment and competence. R.I. Gen. Laws §23-17.14-7(c)(28).

Nor can they satisfy the AG’s review criteria regarding the responsibilities of the Prospect CharterCARE Board as set forth in, for example, R.I. Gen. Laws §23-17.14-7(c)(3), (c)(8-11), (c)(32), or (c)(37).

Conditions to Regulatory Approval

The AG and RIDOH have the statutory authority to attach conditions to approval of an application so long as the conditions are directly related to a proposed conversion. R.I. Gen. Laws §23-17.14-7(b)(4).

In the event the AG and RIDOH approve the instant application, the Union respectfully requests that the following conditions be attached to such approval to secure the future viability of the new CharterCARE:

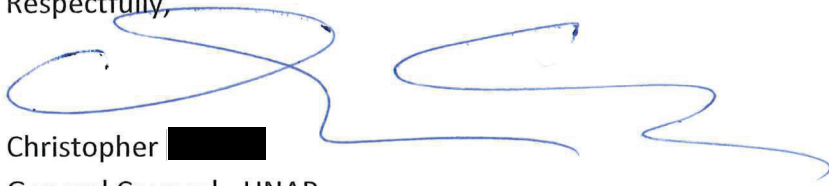
- Prohibit Centurion from saddling the new CharterCARE with any additional debt;
- Require the transacting parties to set up escrow account(s) as deemed appropriate;
- Require the transacting parties to fund the escrow account(s) with an amount of capital deemed appropriate;
- Require the transacting parties to provide irrevocable standby letters of credit to secure such escrow account(s) as deemed appropriate;
- Require Centurion to use the funds in the escrow account(s) for CAPEX as deemed appropriate;
- Require Centurion to cover the new CharterCARE's net operating losses each fiscal year;
- Prohibit Centurion from collecting or assessing any management services fees from the new CharterCARE;
- Require Centurion to guarantee the satisfaction of and pay all obligations owed by Prospect CharterCARE for any outstanding loans it deems appropriate, including all debt service payments, fines, penalties and any other related costs and expenses;
- Prohibit Centurion from suspending, reducing or eliminating any services for a period of five (5) years from the date of the closing of the transaction;
- Require Centurion to keep all of the new CharterCARE's facilities open and operational for a period of five (5) years from the date of the closing of the transaction;
- Prohibit Centurion from laying off or subcontracting employees' work for a period of five (5) years from the date of the closing of the transaction;
- Prohibit Centurion from collecting any fees and/or charges (to the exclusion of management services fees, which are addressed above) from the new CharterCARE unless and until the new CharterCARE is operating consistently in the black; and
- Prohibit Centurion from entering into any sale-leaseback agreements, mortgages or any other encumbrances on the new CharterCARE's real estate.

On a final note, while some may hope that Centurion finds hundreds of millions of dollars in yet undiscovered savings and new revenue, hope is not nearly enough. As AG Neronha put it when considering the financial challenges Prospect CharterCARE was facing at the time of the Chamber Inc. conversion in 2021, "hope is not enough when it comes to ensuring the continued viability and development of critical Rhode Island healthcare services ()."¹¹


¹¹ See AG's June 1, 2021 decision on the hospital conversion application of Chamber Inc. at 49.

It is for all of the reasons set forth above that the UNAP urges the AG and RIDOH to reject Centurion's application.

Respectfully,

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke.

Christopher [REDACTED]
General Counsel - UNAP

<u>CharterCARE</u> Health Partners	
Coverage: Roger Williams Medical Center Our Lady of Fatima	

3/8/2024

To whom it may concern,

I am writing in support of the HCA application and sale of CharterCARE to The Centurion Foundation.

I have been a manager at CharterCARE for 4 years. For a portion of that time, I did work in a regional role for Prospect Medical Holdings but have recently returned to work for CharterCARE at the local level. It is crucial that CharterCARE return to nonprofit status and maintain leadership and control at the local level. The sale to The Centurion Foundation will do this; this will make a positive impact on staff, patients, and the community. I do love my current job, and look forward to this sale, and all the positive impacts in returning to nonprofit status.

Thank you for your consideration.

Respectfully,

Amy [REDACTED] RN BSN

Amy [REDACTED], RN, BSN
Manager, Appeals & Informatics
CharterCARE Health Partners

[REDACTED]



March 8, 2024

To whom it may concern,

I'm writing in support of the HCA application and sale of CharterCARE to The Centurion Foundation.

I began my employment with CharterCARE Health Partners in March of [REDACTED] as a Regional Clinical Appeals author and transitioned into the local level in the role of Manager of Case Management at Roger Williams Medical Center in January of [REDACTED]. Over that time, my team has faced several challenges working in a for-profit environment. I feel that it is the utmost importance for our staff, community and most importantly our patients, that CharterCARE Health Partners be allowed to return to nonprofit status under The Centurion Foundation. Centurion will maintain local leadership and control through a local board, return jobs to the state of Rhode Island that were outsourced to the regional or corporate level and invest in CharterCARE Health Partners facilities and programs.

The Case Management team here at CCHP/Roger Williams Medical Center is very important to me. We strive every day to provide a positive impact on our patient population. It is crucial that we be allowed to continue to focus on quality as well as commitment to care and safety under The Centurion Foundation. Roger Williams Medical Center may be smaller than some other hospitals within the state but we provide easy access and welcome patients and the community to our facility. CharterCARE hospitals are essential to the economy and health care market in the state of Rhode Island.

I am proud of the work our team does on behalf of Roger Williams Medical Center. I look forward to the sale of CharterCARE Health Partners to The Centurion Foundation. I feel that new ownership under Centurion will lead to an exciting future for our patients, staff and the community.

I thank you very much for supporting this application.

Respectfully,

A handwritten signature in black ink, appearing to read "David [REDACTED] RN, BSN, CCM".

David [REDACTED] RN, BSN, CCM

Roger Williams Medical Center Manager of Case Management

[REDACTED]

[REDACTED]