

Congress of the United States
Washington, DC 20515

August 22, 2024

Dr. Ralph de la Torre
Chief Executive Officer
Steward Health Care
1900 N. Pearl Street, Suite 2400
Dallas, TX 75201

John R. Castello
Chief Restructuring Officer
Steward Health Care
1900 N. Pearl Street, Suite 2400
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Dear Dr. Ralph de la Torre and Mr. Castello:

Steward’s corporate mismanagement, greed, and abuse, enabled and exacerbated by private equity and real estate investment trusts, drove their hospitals across Massachusetts to bankruptcy. Now, a federal bankruptcy court has approved the closure of two hospitals that are—as Massachusetts public health regulators recently concluded¹—essential health care providers and employers for the regions they serve, particularly for working class people and communities of color. The best outcome for the workers, patients, and communities would be for these hospitals to stay open. In the event of closures, however, with more than 1,200 workers facing impending layoffs,² Steward must finally act responsibly toward its workers and pay them the severance and accumulated paid time off they are owed. It must not seek to avoid its financial obligations to them through bankruptcy.

On July 31, 2024, the U.S. Bankruptcy Court for the Southern District of Texas approved the closure of Carney Hospital (“Carney”) in Dorchester and Nashoba Valley Medical Center (“Nashoba Valley”) in Ayer.³ On July 29, 2024, Steward filed Worker Adjustment and Retraining Notification (WARN) Act notifications of its intent to lay off 1,243 workers when Carney and Nashoba Valley close.⁴ The Carney and Nashoba hospital closures will have a devastating impact on the hospitals’ employees. These layoffs threaten them with serious

¹ Shaun Chaiyabhat, *Massachusetts DPH: Nashoba Valley, Carney hospitals provide 'essential services' amid closure plans*, WCVB (Aug. 21, 2024), <https://www.wcvb.com/article/massachusetts-nashoba-valley-carney-hospitals-essential-services-closure-plans/61930134#:~:text=Carney%20Hospital%20and%20Nashoba%20Valley,Health%20found%20after%20an%20abbreviated>.

² *Worker Adjustment and Retraining Act (WARN)*, Commonwealth of Massachusetts (2024), <https://www.mass.gov/info-details/worker-adjustment-and-retraining-act-warn>.

³ Robert Weisman, *Steward Bankruptcy judge approves closing of Carney and Nashoba Valley hospitals*, Boston Globe (July 31, 2024), <https://www.bostonglobe.com/2024/07/31/business/steward-bankruptcy/>.

⁴ *Worker Adjustment and Retraining Act (WARN)*, Commonwealth of Massachusetts (2024), <https://www.mass.gov/info-details/worker-adjustment-and-retraining-act-warn>.

financial disruption. Workers who are contractually owed severance pay—in one recently reported case, nearly five months of severance pay after 20 years of service to Carney—are unsure whether they can count on the income or if they will be left to “fend for [them]selves.”⁵ Some workers are navigating whether they can afford to retire early or whether they will have to search for new jobs after working in the same hospital for decades.⁶ And many workers have accrued hours of paid time off—some totaling hundreds of hours—that they expected to be paid out upon leaving their jobs and have relied on in their financial planning.⁷ On May 7, 2024, the bankruptcy court authorized Steward to pay workforce obligations such as paid time off and severance.⁸

Steward workers will also lose access to care. They will lose their health insurance when they are laid off.⁹ Many workers are not only employees, but patients as well; they will lose both their job and their primary source of health care due to Steward’s recklessness.¹⁰

This saga has also taken an emotional toll on these workers. At every turn, these workers have watched while Steward, private equity, and other corporate enablers have sought to make millions off of Steward’s greed and subsequent bankruptcy. Yet, these workers continued to deliver care as essential medical supplies disappeared, paychecks went missing, and emergency room lines grew longer because Steward couldn’t pay its bills. Now, these workers must watch as their communities are forced to fight to keep Carney and Nashoba Valley open, while simultaneously navigating the potential of losing a community hospital. As the Nashoba Valley Fire Chiefs observed, the closure of these hospitals will result in increased response time, reduced emergency preparedness, and profound public health impacts.¹¹ As one nurse aide at Carney, aptly put it: “We don’t know what to do. Steward has people’s lives in their hands and they don’t care. They don’t care at all.”¹²

We urge Steward not to hide behind the bankruptcy process and to instead recognize and fulfill its obligations to its workers. Steward must pay out their accumulated paid time off to all

⁵ Editorial, *Steward should pay severance to laid-off workers*, Boston Globe (Aug. 19, 2024), <https://www.bostonglobe.com/2024/08/19/opinion/steward-carney-nashoba-valley-severance-workers/>.

⁶ Mike Sullivan, *Workers call on Massachusetts to step in and keep hospital from closing or get them severance*, CBS News (Aug. 15, 2024), <https://www.cbsnews.com/boston/news/nashoba-valley-medical-center-steward-health-care-hospital-closure/>; Tori Bedford, *Labor fight brews over Carney Hospital employees’ severance pay*, WGBH (Aug. 14, 2024), <https://www.wgbh.org/news/local/2024-08-14/labor-fight-brews-over-carney-hospital-employees-severance-pay>.

⁷ Tori Bedford, *Labor fight brews over Carney Hospital employees’ severance pay*, WGBH (Aug. 14, 2024), <https://www.wgbh.org/news/local/2024-08-14/labor-fight-brews-over-carney-hospital-employees-severance-pay>.

⁸ In re Steward Health Care System LLC, Case No. 24-90213, Docket #86, May 7, 2024; see also In re Steward Health Care System LLC, Case No. 24-90213, Docket #15, May 6, 2024 (defining the relevant terms).

⁹ Jamyra Perry, *Lawmakers and Carney employees rally in opposition to hospital’s closing*, Bay State Banner (Aug. 1, 2024), <https://baystatebanner.com/2024/08/01/lawmakers-and-carney-employees-rally-in-opposition-to-hospitals-closing/>.

¹⁰ John Atwater, *Carney staff and patient voice concerns at first public meeting*, WCVB (Aug. 14, 2024), <https://www.wcvb.com/article/carney-staff-and-patients-voice-concerns-at-first-public-meeting/61870548>.

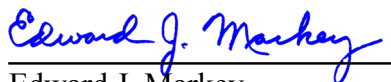
¹¹ Letter from Nashoba Valley Fire Chiefs to Dr. Robert Goldstein, Commissioner of Department of Public Health (Aug. 12, 2024) (on file with Office of Senator Edward J. Markey).

¹² Tori Bedford, *Labor fight brews over Carney Hospital employees’ severance pay*, WGBH (Aug. 14, 2024), <https://www.wgbh.org/news/local/2024-08-14/labor-fight-brews-over-carney-hospital-employees-severance-pay>.

its workers. Some Steward workers also have negotiated severance payments in their collective bargaining agreements that Steward also must honor.¹³ For all its workers, Steward should provide as much severance in wages and benefits as practicable.

Steward and its corporate enablers have ripped financial stability, job security, and health care access from workers who have made it their life's work to save lives. They are allowing these hospitals to close at the expense of the workers they employ and the communities they promised to serve. Meanwhile, Steward's CEO, Dr. Ralph de la Torre, continues to flaunt his wealth at Versailles. This is shameful. Workers and communities should not suffer for the mistakes of corporate executives. We urge you and your corporate enablers to rightfully compensate the more than 1,200 workers at Carney and Nashoba Valley whom your wrongdoing has harmed and to do everything in your power to prevent the risk of hospital closures in Massachusetts and across the country.

Sincerely,



Edward J. Markey
United States Senator



Elizabeth Warren
United States Senator



Richard E. Neal
Member of Congress



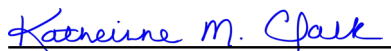
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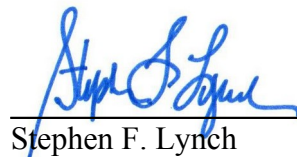


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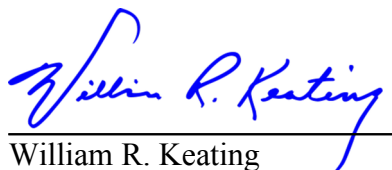
¹³ Editorial, *Steward should pay severance to laid-off workers*, Boston Globe (Aug. 19, 2024), <https://www.bostonglobe.com/2024/08/19/opinion/steward-carney-nashoba-valley-severance-workers/>.



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