

NEW JERSEY STATE AFL-CIO

106 West State Street
Trenton, New Jersey 08608

(609) 989-8730
FAX (609) 989-8734

www.njafclcio.org



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March 15, 2012

Dear Members of the New Jersey State Senate:

RE: Please Support S-782 (Weinberg / Cunningham): Requires For-Profit Hospital to Disclose Finances

The New Jersey State AFL-CIO respectfully ask for your support for S-782 (Weinberg/Cunningham), which requires for-profit hospitals to make the same public financial disclosures as not-for-profit hospitals. As the number of for-profit hospitals in our state continues to increase, this type of legislation that seeks to promote transparency and accountability is extremely important.

Six for-profit companies currently own or operate hospitals in New Jersey and two for-profits are currently involved in purchases or Certificate of Need applications for community hospitals. Civic leaders, elected officials, healthcare advocates, and workers have raised concerns regarding the lack of financial transparency by for-profit companies running community hospitals with public funds. Both for-profit and not-for-profit hospitals receive charity care, Medicare and Medicaid funding, as well as our insurance premiums.

Unfortunately, for-profit hospitals do not provide the same transparency or accountability to our communities as not-for-profit hospitals do. The board members of a for-profit hospital are accountable only to their owners, investors and stockholders and do not have the same accountability standards to the communities in which they serve as non-for profit hospitals. This difference in accountability standards needs to be corrected.

When the DHSS and other regulatory agencies are evaluating care at New Jersey hospitals, considering a transfer of license to a for-profit, or reviewing a for-profit's track record, they should have a complete financial picture of that hospital. This information would give our elected officials, our regulatory agencies and our communities the knowledge of where our scarce health care dollars are being spent – and whether the financing of a for-profit is adequate to maintain a hospital and its services.

S-782 would accomplish exactly this by providing parity of information for all hospitals operating in New Jersey and we respectfully ask for your support.

Sincerely,

Charles Wowkanech
President

Laurel Brennan
Secretary-Treasurer

CW:LB:jn
OPEIU:153

"The Voice for Working Families in New Jersey"