



CHAIR
STATE SENATOR
CHRISTINE M. TARTAGLIONE

Philadelphia Delegation



CHAIR
STATE REPRESENTATIVE
JASON DAWKINS

June 25, 2019

The Honorable Thomas W. Wolf
Governor of Pennsylvania
508 Main Capitol Building
Harrisburg, PA 17120

Re: Hahnemann University Hospital

Dear Governor Wolf:

This letter is to respectfully request that you utilize all available powers to ensure that Hahnemann University Hospital remains open and continues to provide vital patient care services.

The closure of Hahnemann would result in a bona fide public health emergency. Every Philadelphia hospital currently has emergency room wait times well in excess of the state and national averages. Other area hospitals simply cannot absorb the patients Hahnemann currently serves without compromising the quality of care they are able to provide. These are matters of life and death.

As you know, Hahnemann is a historic Philadelphia institution that for more than 150 years has served a low-income patient population. Almost two-thirds of the hospital's volume is composed of public payers, people for whom such a disruption of care would be nothing short of catastrophic.

Moreover, many of the 3,000 Hahnemann employees who provide that care are themselves members of the North Philadelphia community. It is also an important teaching hospital that trains physicians and registered nurses who go on to serve communities all over Pennsylvania. A loss of this order would not just affect the city; its economic reverberations would be felt throughout the region and indeed across the entire state.

Unfortunately, mismanagement of the hospital in recent years has left Hahnemann on the brink of financial collapse. To guarantee its survival, we ask that you commit state resources to the hospital on the condition that the current ownership group submit to an audit and accept an independent monitor to oversee its operational and financial performance for a specified period. The attachment to this letter includes language, drawn from a relevant New Jersey statute, that could serve as a template for such a contract.¹

We thank you for your attention to this urgent situation and look forward to working with you and other stakeholders to arrive at a long-term solution.

Sincerely,

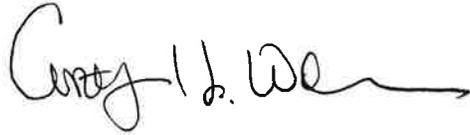
¹ NJSA 26:2H-5.1a.



Senator Christine Tartaglione



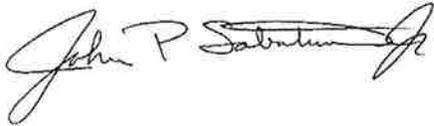
Senator Vincent Hughes



Senator Anthony Williams



Senator Sharif Street



Senator John Sabatina



Senator Art Haywood



Senator Lawrence Farnese



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Morgan Cephas

Jordan A. Harris

Isabella Fitzgerald
Isabella Fitzgerald

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Appendix

The Secretary of Health may appoint an independent monitor to prevent further financial deterioration of Hahnemann University Hospital (hereafter "HUH"). The Secretary may require HUH to produce financial information that would allow the Secretary to evaluate the financial condition of the hospital. Such financial information may include but is not limited to:

- (1) days cash-on-hand;
- (2) cushion ratio;
- (3) days in accounts receivable;
- (4) average payment period;
- (5) total margin;
- (6) earnings before depreciation; and
- (7) any other factor which the Secretary deems appropriate, including failure to provide required or requested financial information.

Payment for the monitor shall be determined through a contingency contract established between HUH and the monitor. The contract shall be subject to approval by the Department of Health with regard to the monitor's responsibilities. The Secretary may order HUH to agree to a contract with the financial monitor within a specified time period of no more than 10 days.

The appointed monitor shall have demonstrated expertise in hospital administration, management, or operations. A monitor: (1) shall be authorized to attend all HUH board meetings, executive committee meetings, finance committee meetings, steering committee meetings, turnaround committee meetings, or any other meetings concerning the HUH's fiscal matters; (2) may be authorized to have voting and veto powers over actions taken in the above mentioned meetings; (3) shall report to the Secretary and the full HUH board in a manner prescribed by the Secretary; and (4) shall serve for such period of time as may be determined by the Secretary.

The Secretary shall maintain continuing oversight of the actions and recommendations of the monitor to ensure that the public interest is protected by holding HUH accountable for how patient care dollars are spent and managed.