



SEIU HEALTHCARE FLORIDA LOCAL 1991

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September 10, 2010

VIA HAND DELIVERY
& FACSIMILE

To: The Honorable Board of County Commissioners
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Commissioner Jose "Pepe" Diaz
Commissioner Natacha Seijas

From: Martha Baker, RN, President, SEIU Local 1991

**Re: Jackson Doctors, Nurses and Healthcare Professionals Respond to
PHT Grand Jury Report (BCC Agenda Item 6B2)**

Our healthcare union, which represents over 5,000 doctors, nurses and other healthcare professionals working at PHT/Jackson Health System, made the original request to have the Grand Jury investigate the operations of PHT/JHS. We did so because as we labor each day to save lives, we also are professionals dedicated to saving the public's health system.

We very much appreciate the efforts of the citizens who served on the Grand Jury. They recognized the importance of JHS to our community.

There are many important factual findings brought out by the report. These issues demand further investigation. However, there were multiple political conclusions and opinions offered by the report. If we are to have an honest discussion of the report it is critical that the community know the difference between political conclusions and factual findings.

Grand Jury Finds Evidence of Gross Operational Mismanagement Perpetrated by the PHT Administration and/or PHT Board.

The Grand Jury did an excellent job of framing the issues or as the report said, “incompetencies.” Highlights of some of these findings include:

- Accounts receivables were overestimated by management and the PHT Board did not detect such errors, leading to a \$50MM deficit instead of a \$50MM gain in the 2009 budget.
- Management instituted a Net Patient Revenue Adjustment, and the PHT Board did not detect the error which lead to a falsely inflated revenue/AR. (pg 22)
- JHS management miscalculated contractual adjustments. As pointed out by the auditor, a huge error was created by JHS administration when it used an inaccurate reimbursement rate in calculating its projected revenue. (pg 23) The PHT Board never caught this error.
- Management thought there was a \$46MM budget deficit in 2009. PHT Board thought the same. However, it took external auditors to disclose the real deficit of \$244MM.
- The Revenue Cycle is broken and JHS was unable for years to properly collect on its billings. JHS paid millions to have Deloitte work at JHS with their primary assignment to fix the revenue cycle. Deloitte proceeded to rescue the broken department by staffing with their own employees and moving the entire billing world off campus. Then, when Deloitte left JHS 5 years later, the billing world collapsed again. JHS internal employees had never fully learned to properly collect all monies owed. JHS paid Deloitte greater than \$80MM over five years.
- The words of the report sum up certain managerial incompetence. "We were stunned by the lack of competence certain witnesses demonstrated during the course of their testimony about the finances of JHS...It appears to us that persons at JHS are working in positions for which they are not qualified...We have no confidence in the numbers presented in the internal financial reports...." (pg 20-21).

- As the report stated, “management should have known there was a problem because JHS issues monthly financial statements to management and members of the PHT. For fiscal year 08-09 the monthly CFO reports reflected the following warning signs:
- increase in money owed
 - decrease in cash on hand
 - decrease in cash and investments
 - decrease in money coming in

The failure of the PHT [Board] to note this trend and address it in a timely manner may speak to the need to change the eligibility requirement for those serving on the PHT...”(Pg 26)

- “In the 2009 Audit Reports, the auditors found a certain deficiency that they considered a 'material weakness' in internal control, which affected the JHS financial statements.” The auditors also reported “the checks and balances ...were insufficient.”(pg 29)

The Grand Jury Offered a Political Conclusion, not Based on the Facts in the Report, but Rather Based on Their Personal Desire to Blame the County Commission for the Crisis at Jackson.

One would hope that personal opinions would not be intertwined into a factual report. Unfortunately, regardless of the facts the Grand Jury found, its ultimate conclusion in every case was to blame the woes on the governing structure of the PHT. In the end the report essentially blames the County Commission for the managerial incompetencies of certain Jackson administrators and the lack of proper oversight by the PHT Board members themselves.

The Grand Jury makes a flawed recommendation to change the governance structure and actually give *more* autonomy to the very PHT Board that was unable (or perhaps unwilling) to catch management’s mistakes and "incompetencies." The auditors talk about insufficient “checks and balances,” yet the Grand Jury recommends removing a critical check and balance, the BCC.

Further, this report is being used by certain lobbyists to remove the ultimate check and balance, the voters of Dade County. They are disingenuously advocating to take away the right of the electorate to remove from office those who are accountable for Jackson by creating an insulated private organization.

There are many matters that may have lead to such gross incompetence at JHS. However, the Grand Jury only mainly focuses upon structure as the alleged culprit. With

millions of dollars mishandled not a single administrator was held accountable. No vendors or lobbyists were called into question. No indictments were issued. The report purposely avoided “naming names” – allowing public officials to evade responsibility.

The PHT Board only received one central admonishment. On pg 30 of the report it is written that, “The PHT’s specific job is to make sure something like this does not happen.” The PHT Board clearly failed to do their job. Yet the Grand Jury report suggests they get more autonomy in several arenas.

The County Commission and County Structure has Created an Outstanding Police Department, Nationally Recognized Fire Rescue Service, and World Class Healthcare at Jackson. Yet, now BCC is to be Blamed for the JHS Crisis.

How can the same BCC and County structure that manages our incredibly successful Police Department and Fire Rescue Department, become bumbling idiots with regard to PHT? The Police Department has the right to use lethal force. Fire Rescue becomes our front line during our most challenging crises. Why is it that only PHT business operation are running afoul of the public trust?

It is odd that the so called broken structure at PHT/JHS seems to also produce superb medical results. While some managers and the PHT Board commit operational malpractice, the healthcare professionals at Jackson perform medical miracles every day. The employees should be commended for their continued deliverance of excellent healthcare when the systems around them are crumbling with incompetence. The employees not only gave 5 percent of their wages, but took voluntary demotions and froze wages and bonuses for 12 months adding up to a 7-12 percent contribution in reality. The employees at Jackson donated over 100 million in concessions this year alone. The union employees also have created an Efficiency Task Force that is saving JHS multiple millions.

To make Jackson Stronger We must have an Honest Community Dialogue and not Engage in Political Games. It is perverse that a Report that Allegedly Seeks to take the Politics out of Jackson, has done just the Opposite. Instead of Sticking to the Facts and Looking for Solutions, the Report Bootstraps a Preordained Conclusion and Blames Everthing on the Commission and the Employees. Simply put the Facts do not Support the Conclusion.

Critical stakeholders never appeared before the Grand Jury. Did any charity care patients testify? Did independent experts on hospital administration testify? Did renowned scholars on government and governance appear? Were any independent studies commissioned? We think not.

It is disconcerting also to note that many of the allegations and certain testimony presented was not verified or checked for accuracy. For example, the report is completely false when it reports that the BCC overruled the PHT and unilaterally gave employee raises. That never happened and the evidence proving otherwise is easily discoverable. We would like the Grand Jury to follow up to see if that witness committed perjury or was just mistaken.

It Is Time for the Stakeholders to come Together to Save Jackson

Instead of political gainsmanship, self-serving task forces and anointed committees of 41 throwing political rocks, it would be best for the community and the stakeholders to have an honest dialogue. Can one imagine what healthcare would be like if our doctors and nurses approached a heart attack patient in the same manner that the Grand Jury approached its political conclusion? We, as medical professionals, must every day labor to save our patients lives. We now call upon the BCC to approach the Jackson crisis with the same professionalism and honesty.

Sincerely,

A handwritten signature in cursive script that reads "Martha Baker RN".

Martha Baker, RN, President

CC: The Honorable Katherine Fernandez Rundle
The Honorable Mayor Carlos Alvarez
County Manager George Burgess
PHT President Dr. Eneida Roldan