

PRESS RELEASE

Office of Councilmember David A. Catania

1350 Pennsylvania Avenue, NW, Suite 110, Washington, D.C. 20004

For Immediate Release: September 27, 2007

Contact:

Ben Young

(202) 724-7772

byoung@dccouncil.us

<http://www.davidcatania.com>

HEALTH COMMITTEE COMPLETES MARATHON ROUNDTABLE ON GREATER SOUTHEAST HOSPITAL

HOSPITAL CEO SAYS NEW OWNERSHIP MUST COME SOON

Washington, D.C. – The Committee on Health, chaired by Councilmember David Catania (At-Large), wrapped up a lengthy public roundtable on the proposed public-private partnership for the new ownership of Greater Southeast Community Hospital (GSCH) late last night. The hearing examined the partnership between the District and Specialty Hospitals of America (SHA). Under the agreement, the District will invest up to \$79 million in grants and loans to assist with the purchase of the hospital.

“The agreement calls for a considerable investment, and rightly so,” said Catania. “I am confident that when the public examines this package of assistance, they will see that it is incredibly well structured. This is not a gift.”

Catania said the majority of the city’s investment would be used to pay local healthcare vendors who have provided services to District residents and gone without payment from the hospital’s current owner. The hospital has amassed some \$18 million in bills owed to local service providers since being purchased by Envision Hospital Corporation (formally known as Doctors Community Healthcare Corporation) in 1999. The rest will come in the form of equipment and capital purchases and a loan to SHA, which will be paid back over 10 years. The Mayor’s agreement secures the city’s investment by placing a first lien on the assets of the hospital and by requiring specific performance measures, such as improved emergency room drop times.

At yesterday’s hearing, Greater Southeast’s CEO, medical staff, and representatives from SHA all testified in support of the proposed sale. According to testimony from Dr. Cyril Allen, he had developed closure plans for the hospital on multiple occasions, before the Committee on Health intervened early last summer. The situation began to improve modestly during the summer months due largely to a weekly payment of \$500,000 from the parent company. However, those payments have stopped in recent weeks, leading to new worries about the fate of the hospital.

“Despite Dr. Allen’s Herculean effort to keep the doors open, the outlook for the hospital is dire unless a transfer of ownership takes place quickly,” noted Catania.

The Council is expected to vote on the financial package on Tuesday, October 2, 2007.

###