

Greater Southeast Community Hospital 1999-2007

➤ **October 4, 1999**

Doctors Community Healthcare Corporation (DCHC) Offers \$24 Million for GSCH. The September 28, 1999 Doctors Community Healthcare Corp., of Scottsdale, Arizona, \$24 million offer to purchase GSCH becomes public knowledge on October 4, 1999. GSCH officials are less than enthusiastic about the offer concerned that the group is not financially strong enough to stabilize the hospital. [Washington Post, 10/4/99]

Daiwa Bank Offers Alternative to DCHC Bid. Daiwa Bank, a subsidiary of a Japanese bank that wants to recover \$12 million in loans to GSCH, offers another scenario in which Daiwa would “bankroll an \$8 million to \$12 million turnaround plan that hospital consultants contend could put GSCH back on its feet by spring.” The plan would involve 125 employee layoffs and reorganization. [Washington Post, 10/4/99]

➤ **October 5, 1999**

Mayor Williams Refuses Additional City Funding. Mayor Anthony Williams refuses to comply with U.S. Bankruptcy Judge’s request to commit more City money to GSCH, in light of a private offering by Doctors Community Healthcare Corp. Williams “castigated Greater Southeast’s governing board for failing to cut overhead and gambling that it could refuse to negotiate with Doctors Community Healthcare, believing the city would keep the hospital afloat.” [Washington Post, 10/5/99]

➤ **October 6, 1999**

GSCH Given Time to Seek Additional Offers. U.S. Bankruptcy Court Judge agreed to permit GSCH to “hire a firm to solicit and evaluate proposals for a sale, merger, acquisition or partnership that would keep the ailing hospital alive.” Intensive Resource Group, the same firm temporarily managing the hospital under a temporary contract, is expected to search for more proposals. Proposals will be evaluated on October 13, 1999. [Washington Post, 10/6/99]

➤ **October 7, 1999**

GSCH Hires Consultants to Find Buyers. The hospital hires Intensive Resources Group, a Nashville, TN-based consulting firm and New York-based investment banker Cain Brothers to find prospective bidders. [Washington Times 10/14/99]

➤ **October 12, 1999**

Nursing Staff Declines 30 Percent in One Year. The number of nurses fell from a full-time equivalent of 303 in 1998 to 202 the first week of October 1999. “Those who remain are the longtime loyalists,” said nursing chief Mattie Lowery. [Washington Post, 10/12/99]

➤ **October 14, 1999**

Creditors Grant Two-Week Extension. Creditors agreed to give GSCH two more weeks to continue their search for an investor to save the facility from liquidation. Hospital officials say that at least one new proposal in addition to the Doctors proposal has been offered. “‘It was a good day,’ said hospital President George E. Gilbert. ‘I’m optimistic that with all the effort being put into this to keep the hospital open, that at the end of the day it will happen.’ But Peter D. Isakoff, who represents a subsidiary of Daiwa Bank that claims Greater Southeast owes it \$12 million told [the Judge] that Gilbert’s views aren’t shared by all the creditors—who could lose a total of about \$300,000 for each day GSCH continues to operate if the facility is eventually liquidated.” [Washington Post, 10/14/99]

➤ **November, 2 1999**

GSCH Proposed Sale Delayed. Bankruptcy Court judge grants GSCH officials a one-day delay for announcement of the financially ailing hospital’s proposed sale. If the hospital fails to find an investor, the judge would have to order its liquidation. [Washington Post, 11/3/99]

➤ **November 5, 1999**

GSCH Proposed Sale Delayed Again; Creditors Demand Liquidation. GSCH persuades creditors to come up with enough money to keep the hospital open over the weekend while negotiations with Doctors continued. “I wonder whether it’s responsible to put acute-care patients into the hospital at this point,” says Peter D. Isakoff, who represents a subsidiary of Daiwa Bank that says Greater Southeast owes it \$12 million. “It’s a very, very sad day, and we regret that we’re at this point.” [Washington Post, 11/6/99]

➤ **November 12, 1999**

Deal Struck for GSCH; Court Must Approve. GSCH and Doctors struck a \$22 million deal for the sale of the hospital, but the court must approve the deal. “We want to do the deal. We have a firm commitment to do the deal,” Paul Tuft said. “The liquidation scenario just doesn’t hold water. We made a compelling case to move forward and save the hospital for the community.” The hospital owes its creditors \$70 million. The agreement provides for the hospital’s top creditor, Daiwa Bank of Japan, to receive \$9.35 million. Mutual fund companies and other holders of \$45 million of municipal bonds issued to by the hospital in 1993, along with other creditors and attorneys will divide the balance of the sale price. [Washington Post, 11/12/99 and 11/14/07]

➤ **December 31, 1999**

Sale of GSCH to DCHC is Finalized. The final sale of GSCH to Doctors Community Healthcare Corp. is finalized for \$22.25 million. “Failure to reach agreement by December 31 would have left the hospital without cash to operate over the holiday weekend and would have returned the matter to bankruptcy court.” [Washington Post, 1/1/00]

➤ **January 8, 2000**

Four doctors leave GSCH for Howard, with 2000 patients’ notes. Four doctors who left GSCH with notes from 2000 patients’ files are ordered to return the notes. GSCH is ordered by judge to send letters to those patients advising them that the OB-GYN physicians had moved to Howard University Hospital. The issue began when Doctors Community Healthcare told the doctors that their contracts would not be renewed when they expired on January 31, 2000. The doctors sought employment at Howard University Hospital. 400 patients already have followed GSCH physicians to other hospitals. [Washington Post, 1/8/00]

➤ **July 3, 2000**

Power Outage Hits GSCH Critical Care Units. Some critical-care units at GSCH lost electrical power for about an hour in the afternoon, “causing some patients to convert to manual respirators and stranding some people in elevators.” Power was lost in the critical- and intensive-care units, the operating room, and the nursery after a fuse blew and the emergency backup system failed. [Washington Post, 7/4/00]

➤ **August 26, 2000**

Control Board Requests Proposal from DCHC to Provide D.C. General Services. The Control Board requests GSCH “submit a proposal for a contract to provide all the services now performed by D.C. General, including trauma service.” [Washington Post, 8/26/00]

➤ **September 22, 2000**

Discolored Water Worries GSCH Workers. “[GSCH] took emergency water safety measures after workers noticed discolored water flowing from faucets throughout the hospital...[City health] analysts found no evidence of bacteriological contamination and theorized that the discoloration was caused by accumulated rust that came loose in iron pipes. Rust may have developed in plumbing that serves unused areas of the hospital or been shaken loose by heavy equipment working on city water lines on a nearby street. Bottled water was distributed throughout the hospital. The only patients whose care was disrupted were those undergoing kidney dialysis treatment, and they had to go elsewhere for their sessions, officials said.” [Washington Post, 9/23/00]

➤ **February 10, 2001**

GSCH Awarded Contract to Provide Services at D.C. General Campus. City panel recommends the contract for D.C. General services go to GSCH, which will close D.C. General’s inpatient services and

keep open outpatient services. The contract would abolish the Public Benefit Corp. and lay off 1,250 city workers. [Washington Post, 2/10/01]

➤ **March 1, 2001**

Activists are weary of GSCH taking over D.C. General. DCHC CEO Paul Tuft concedes that the company borrows heavily and is not highly profitable. D.C. Councilmember Catania denounces Doctors' negotiating tactics and accuses it of being primarily interested in redeveloping the valuable land its hospitals occupy. [Washington Post, 3/1/01]

GSCH Experiences Difficulty Purchasing Supplies. Although its finance company, National Century Financial Enterprises, has never defaulted, had a downgrade or lost a rating in its history, GSCH still has difficulty purchasing supplies on credit because of concern among vendors who were burned in the bankruptcy. [Washington Post, 3/1/01]

➤ **March 7, 2001**

D.C. Council expresses doubt about GSCH. "Councilmembers expressed concern about the finances of the Arizona-based company that runs GSCH and about whether it would make timely payments to doctors and hospitals for treatment of the city's uninsured." [Washington Post, 3/7/01]

➤ **March 21, 2001**

Draft Contract for GSCH Completed; Leaders Express Doubt. A draft five-year contract with GSCH to "assemble a network of private doctors and hospitals to care for eligible uninsured residents and to take over functions of D.C. General" has been completed. Despite due diligence conducted by PricewaterhouseCooper, several key decision makers see trouble ahead. "In spite of all the due diligence they claim to have made about these two companies, it is really questionable whether these companies can meet the challenge," says Kevin Chavous. "If they don't, people will suffer." [Washington Post, 3/21/01]

➤ **May 1, 2001**

Tuft Promises to Make City Proud. Paul Tuft, owner of the Arizona firm that owns the prime contractor, GSCH, says in an interview, "We will make the members of the control board and the council proud. It's going to take some time and there's going to be a lot of hard work, but we're going to make the city leaders proud of what's happened here." [Washington Post, 5/1/01]

➤ **June 9, 2001**

D.C. Councilmembers Ask Judge to Overturn GSCH Contract for D.C. General. "In a courtroom filled with D.C. General loyalists who had rallied outside, attorneys for D.C. Councilmembers Kevin Chavous and David Catania and a union of medical residents at the hospital asked a judge to overturn the D.C. Financial Control Board's five-year contract with GSCH arguing that it was a bad deal...[One activist] said, 'My prediction is that after five years, the private company that is taking over will walk away and the city will be left without services for the indigent.'" [Washington Post, 6/9/01]

➤ **June 29, 2001**

GSCH Claims It Deserves 20-Year Tax Break. "The hearing on bill to grant a 20-year property tax abatement to GSCH and its sister facility, Hadley Memorial Hospital, came three days after the closing of D.C. General Hospital, the city's 195-year-old public health care facility." GSCH defends the tax break because it plans to "invest more than \$100 million in its facilities, including adding a trauma center and a magnetic resonance imaging machine, and because it is a large employer in Anacostia." [Washington Post, 6/29/01]

➤ **August 12, 2001**

Tuft Proposes New Hospital on D.C. General Campus. GSCH "wants to build a 110-bed hospital, a nursing home and doctors' offices next to the D.C. General Hospital, where city officials shut down inpatient services in June. The proposed development would be privately funded through Doctors Community Healthcare Corp... 'We're very serious about it,' Paul Tuft said. 'There's no gimmick or gamesmanship. We thought all along that health care should play a prominent role on that campus.'" [Washington Post, 8/12/01]

➤ **November 7, 2001**

Council Approves 20-Year Tax Abatement. “The Council approved a 20-year tax abatement for GSCH and Hadley Memorial Hospital, which are both owned by the Arizona-based firm that won a massive contract this spring to provide health care to the city’s uninsured residents.” [Washington Post, 11/7/01]

➤ **November 17, 2001**

Tuft Donates \$500,000 Gift to UDC. “Hospital executive Paul Tuft and his wife, Lori, pledged \$500,000 to the UDC Foundation for health-related programs at the school, believed to be the largest gift ever to the school.” [Washington Post, 11/17/01]

➤ **December 6, 2001**

After 5 months, Health Systems Reform Commission Produces Nothing. Williams created the 38-member commission in June to monitor the newly privatized indigent health care system and charged them with monitoring the private contractors of the D.C. Healthcare Alliance. “But, five months after D.C. General closed, the commission has yet to produce anything. It has not met since its second session last July...The Commission never completed hiring its professional staff and was swamped with complaints from private hospitals claiming to have been inundated with former D.C. General patients.” [Washington Post, 12/6/01]

➤ **February 2002**

GSCH Accreditation Downgraded to “Conditional.” An inspection by JCAHO (Joint Commission on Accreditation of Healthcare Organizations) finds violations in 11 areas of patient care and management standards. As a result, GSCH’s status is reduced from full accreditation to conditional accreditation, a label that can be applied to a hospital that is persistently unable or unwilling to comply with JCAHO standards. [Washington Post, 6/20/02]

➤ **November 19, 2002**

GSCH Cuts Services After Lender Files Bankruptcy. GSCH goes on emergency room diversion, temporarily closes its pediatric unit and downsizes nursing units due to a scarcity of funds. [Washington Post, 11/19/02]

➤ **November 20, 2002**

Doctor’s Community Healthcare Files for Bankruptcy. Following the collapse of their financial lender, Doctor’s Community Healthcare files for bankruptcy. The resulting financial constraints on GSCH reduces the number of patients the hospital can care for, especially in intensive and critical care units. [New York Times, 11/21/02]

➤ **November 20, 2002**

Bankruptcy Threatens Health Care System for the Poor. The bankruptcy of Doctor’s Community Healthcare and its financial partner, National Century, threatens to destabilize the health system for the poor in D.C. In order to ensure continued provision of services, the District moves to expedite payment of \$1.4 million in fees to help the hospital meet payroll. [Washington Post, 11/21/02]

GSCH Terminates ER Doctors, Diverts Patients. The bankruptcy of Doctor’s Community Healthcare has set in motion a series of cost-cutting endeavors, including the termination of dozens of GSCH and DC General emergency room doctors and diverting emergency patients to other hospitals. [Washington Times, 11/21/02]

➤ **November 21, 2002**

Council Hearing Raises Contingency Questions. D.C. Councilmembers examine various methods of keeping the DC Alliance afloat with its largest provider declaring bankruptcy. GSCH is unable to provide a contingency plan should their current funding expire. [Washington Times, 11/22/02]

➤ **November 22, 2002**

Mayor Says GSCH Woes Won't Affect Alliance Members. Despite its status as the flagship provider of the DC Alliance, Mayor Anthony Williams declares that even if GSCH closes, the Alliance program will remain viable. [Washington Post, 11/23/02]

➤ **November 22, 2002**

Mayor Says City to Provide Health Care East of the River. Mayor Anthony Williams states that the Alliance program would absorb any patients displaced by a possible closure of GSCH, and that health care for the poor would continue to be provided. GSCH CEO Karen Dale estimates that it would cost approximately \$5 million per month to keep the hospital afloat. [Washington Times, 11/23/02]

➤ **November 23, 2002**

Hospital CEO Under Extreme Pressure. GSCH CEO Karen Dale is forced to implement strategies to save dollars, from emergency room diversion to restricting the entrees served in the cafeteria, due to the ongoing bankruptcy proceedings and trickle of funding. [Washington Post, 11/24/02]

➤ **November 24, 2002**

D.C. Councilmember Declares Code Blue for D.C. Health Care. An editorial by D.C. Councilmember David Catania comes out against the privatized health care system and reminds residents that the Council unanimously opposed contracting with Doctor's Community Healthcare Corporation. [Washington Post, 11/24/02]

➤ **November 27, 2002**

GSCH Hires Another Firm to Provide Doctors. A three-year contract between GSCH and National Emergency Services to provide emergency room physicians is signed, allowing the hospital's ER to stay open past midnight on weekends. Physician pay scales are determined by number of patients seen as opposed to set numbers of physician hours. [Washington Post, 11/28/02]

➤ **November 28, 2002**

Area Hospitals Forced to Shoulder Burden Created by GSCH's Cutbacks. The curtailing of services by GSCH increases patient loads at area hospitals, leading to a 45-3,000% jump in ER diversions and closures at WHC, Providence, and Howard University Hospital, which find themselves operating far above capacity. [Washington Times, 11/28/02]

➤ **November 30, 2002**

Washington Post Questions Alliance Money Trail. The Washington Post questions the trail of \$37.2 million that went to GSCH through the Alliance, citing an ongoing investigation by Department of Health auditors to try and account for the funds. A major discrepancy: GSCH received \$22 million for health services, but only \$16 million could be accounted for. [Washington Post, 11/30/02]

➤ **December 2, 2002**

Community Briefing on GSCH Turns Into Grievance Airing. A community briefing on the status on GSCH turns into a gripe session, with residents condemning the privatized health care system and demanding answers regarding the pending closure of GSCH. [Washington Post, 12/3/02]

➤ **December 13, 2002**

Washington Times Calls Alliance "Health Care Fiasco." An editorial by the Washington Times calls for the privatized Alliance program to end, citing the irreversible damage done by extensive bankruptcy proceedings of GSCH. [Washington Times, 12/13/02]

➤ **December 16, 2002**

GSCH Lays Off 78 Staffers; Generator Fails During Power Outage. In a move to cut costs during its parent company reorganization, GSCH lays off 78 staffers from the main facility and D.C. General campus. The hospital's generator failed to provide backup electricity during a power outage, trapping people in

elevators for 75 minutes and forcing health care workers to stand in for electric life-maintenance equipment for six patients on ventilators and dialysis. [Washington Post 12/17/02]

➤ **December 24, 2002**

JCAHO Refuses to Upgrade GSCH Accreditation. A follow-up inspection by JCAHO finds that GSCH had made no efforts to correct problems identified ten months previously. The agency declines to upgrade the hospital's status from conditional to full accreditation, and sources say the conditional accreditation was granted only due to a special set of circumstances related to bankruptcy protection. [Washington Times, 12/24/02]

➤ **January 15, 2003**

GSCH Still Seeking Funds. Two months after filing for bankruptcy, GSCH is still trying to secure funding from various financiers to keep the hospital afloat. The institution's checkered financial history is resulting in offers with prohibitive interest rates, conditions that the parent company says it cannot abide by. [Washington Times, 1/15/03]

➤ **February 14, 2003**

Hospitals Seek to Block Plan for GSCH. Four DC Hospitals oppose a plan that converts the DC General emergency room to an urgent care center, saying the changes would be devastating to the health care system. The changes were billed as the only way to save the GSCH from going under during bankruptcy proceedings. [Washington Post, 2/14/03]

➤ **February 26, 2003**

DCHC Executives Received Loans, Perks While Hospital Declined. The top executives of Doctor's Community Healthcare had corporate expenses in excess of \$21 million a year during the same period that GSCH could not keep an adequate supply of staff, pharmaceuticals, or even paper clips on hand. The monies ranged from personal loans and travel expenses to contributions to area politicians. [Washington Post, 2/26/03]

➤ **February 27, 2003**

GSCH Faces Potential Loss of Accreditation. Financial strains and problems in care have led JCAHO to threaten GSCH with a loss of accreditation status. The agency feels that the hospital had not made adequate progress in the past year and that new problems had arisen. [Washington Post, 2/27/03]

➤ **February 28, 2003**

Washington Post Condemns Executive Perks. An editorial in the Washington Post shames the executives of Doctor's Community Healthcare for padding their own salaries and promoting a nepotistic environment while GSCH floundered. [Washington Post, 2/28/03]

➤ **March 3, 2003**

D.C. General ER Downsized to Urgent Care Center. The emergency room at DC General is converted to an urgent care center in a move that was constructed to save GSCH from closing its doors entirely. The move had faced considerable opposition from area hospitals, but they eventually dropped their objections. [Washington Post, 3/4/03]

➤ **March 18, 2003**

GSCH Loses Accreditation Pending Appeal. JCAHO issued a preliminary denial of accreditation for GSCH pending the outcome of formal appeals. The DC Department of Health withholds renewal of the hospital's license while JCAHO and CMS deliberate. [Washington Post, 3/20/03]

District Gives GSCH 30 Days to Correct Deficiencies. In a letter from District inspectors, CEO Karen Dale is given 30 days to correct the hospital's deficiencies or face license revocation. [Washington Post, 8/1/03]

Proposal Offers to Buy GSCH, Improve Site. A proposal by the Frederick Douglass Regional Group offers to buy GSCH for \$20 million, with \$5 million thrown in for site improvements. The group claims to have city support in the form of city-issued industrial revenue bonds, but councilmembers said they were not familiar with the deal. [Washington Times, 3/19/03]

➤ **March 19, 2003**

GSCH Promises Improvements. CEO Karen Dale responds to District inspectors acknowledging their findings and promising to correct deficiencies. [Washington Post, 8/1/03]

➤ **March 22, 2003**

Woman Dies After GSCH Fails to Reassess Her Status. “On March 22, a 42-year-old woman with abdominal pain, nausea and vomiting was given X-rays, lab tests and pain medication and then sent home without being admitted for observation, city records showed. Three days later, she returned to the emergency room complaining of abdominal distress and severe pain. No one called for surgery to evaluate the possibility of a bowel obstruction, and the emergency room staff failed to reassess the patient’s status and vital signs, records said. The patient suffered cardiac arrest in the hospital and died.” [Washington Post, 8/1/03]

➤ **April 5, 2003**

Man Sent Home After Insufficient Diagnosis Dies. “On April 5, a 50-year-old man went to the hospital with heart and lung problems that a doctor was uncertain about. But tests of cardiac enzymes and an ultrasound heart exam, which provided potential evidence for a precise diagnosis, were not reviewed by a doctor before the patient was sent home the next day, city regulators wrote. Sixteen hours later, on April 7, the patient returned to Greater Southeast in cardiac arrest and died while receiving cardiopulmonary resuscitation, according to the documents.” [Washington Post, 8/1/03]

➤ **April 11, 2003**

GSCH Doctors Want New Management. Physicians at GSCH say that a new management company is critical to the success of the hospital. They believe that the executives from Doctor’s Community Healthcare have operated amid deception and scandal that makes it impossible for the hospital to be run effectively. [Washington Times, 4/11/03]

➤ **May 2, 2003**

D.C. General Emergency Room Shift to Urgent Care Center. The emergency room at DC General begins to see only non-life-threatening patients in a move that will save taxpayers approximately \$2 million and GSCH approximately \$5 million per year. The city spends \$250,000 on an advertising campaign about the new urgent care center. [Washington Post, 5/2/03]

➤ **May 7, 2003**

Doctor’s Community Allowed to Borrow Up To \$30 Million. The parent company of GSCH is granted the go-ahead to borrow millions in funding from Merrill Lynch Capital. The funds will go towards improvements that will help the hospital regain JCAHO accreditation and improve capital needs. [Washington Post, 5/8/03]

➤ **May 12, 2003**

GSCH Seeks Help From Mayor Williams. A senior member of the Williams Administration travels with GSCH reps to a meeting in Chicago aimed at regaining JCAHO accreditation for GSCH. The meeting will be considered at a June committee meeting that will decide the final accreditation status of the hospital. [Washington Times, 5/12/03]

➤ **July 2, 2003**

78-Year-Old Ignored for Four Hours; Dies. “The latest among the least cited by inspectors occurred July 2, when a 78-year-old man arrived at the emergency room by ambulance at 4:25 a.m. complaining that he had abdominal pain and had been vomiting blood. He was not seen by a physician until 8:55 a.m. There was no documentation of any lab work beyond an initial blood test at 5:42 a.m. and no surgical consultations or X-rays, the document said. No doctor or nurse made any notes after 9:35 a.m. At 12:07

p.m., a cardiac monitor alerted emergency room nurses that the patient's heart had stopped. The medical examiners office is investigating." [Washington Post, 7/31/03]

➤ **July 18, 2003**

Inspectors Recommend Revoking GSCH's License. District health inspectors recommend revoking GSCH's license within a week. In a confidential memo, Theodore J. Gordon, Senior Deputy Director for Environmental Health, Science, and Regulation, and Denise Pope, Chief Hospital Regulator, wrote that GSCH continues to "jeopardize patient welfare." The investigators also noted that the hospital repeatedly submitted incomplete or unresponsive plans of correction and that "schedules of compliance were rarely, if ever, met." According to inspectors, the District had given GSCH more than a year to comply with standard, but compliance never occurred. [Washington Post, 3/25/03]

Karen Dale Removed as CEO. Dale had previously complained that DCHC did not provide the cash needed for hospital improvements. Vice President of Cambio Health Solutions Joan Phillips replaced her. [Washington Post, 3/25/03]

New CEO Promises Improvements. According to new CEO Joan Phillips, "Doctors Community has brought on new people who are experienced in the healthcare field. They're willing to say their efforts in the past have not worked, so let's bring in people who do this for a living." [Washington Post, 3/25/03]

➤ **August 12, 2003**

GSCH and District Agree to Consent Decree to Save GSCH's License. After weeks of discussion, GSCH agrees to a consent decree that outlines goals to be met within 60 days. The decree requires that at least two physicians and a core nursing staff be assigned to the emergency room and that the hospital provide triage to all patients within 30 minutes of a patient's arrival in the ER. The decree also requires improvements in equipment and building maintenance. [Washington Post, 8/14/03]

DCHC Promises "Infusion of Dollars" for Equipment Upgrades. "We have been given an infusion of dollars to be able to address any of the equipment and the fire safety needs," says Joan G. Phillips, administrator of Greater Southeast. She added that the money come from the owners of the company under an agreement reviewed by a U.S. bankruptcy Court magistrate-judge." [Associated Press, 8/13/03]

GSCH CEO Calls Improvements "Doable." "This is a challenge," says Joan G. Phillips, administrator of Greater Southeast. "But this is very doable." [Associated Press, 8/14/03]

➤ **August 18, 2003**

GSCH Loses Accreditation. The Joint Commission on Accreditation of Healthcare Organizations turns down GSCH's appeal of an earlier decision to deny accreditation. The commission cites problems with infection control, blood transfusions, and screening of workers and physicians. [Associated Press, 8/19/03]

➤ **August 22, 2003**

Health Insurer Aetna Withdraws From GSCH. Health insurer Aetna informs GSCH that it would no longer do business with the hospital. [Washington Business Journal, 9/5/03]

➤ **August 27, 2003**

GSCH Fined \$20,000 for "Serious Lapses." The D.C. Department of Health fined GSCH \$20,000 for "failure to provide care in accordance with good medical practices in a safe setting," and for "failure by nurses and the attending emergency-room physician to attend to a patient in a timely manner." [Washington Times, 8/29/03]

➤ **August 27, 2003**

First Reports After Consent Decree Give Hospital Mixed Review. Internal D.C. Department of Health memo notes progress in staffing and record keeping after the announcement of the consent decree, but notes continuing deficiencies in emergency room waiting times. [Washington Times, 9/6/03]

➤ **August 30, 2003**

CareFirst BlueCross BlueShield Terminates Contract with GSCH. The region's largest health insurer announces that it would stop paying for services provided at GSCH citing health risks for its members. [Washington Times, 8/30/03]

Physician Decries Lack of Payments. "The hospital says, 'Don't worry, don't worry; the check's coming,' and when it finally does, it bounces," said hematology specialist Dr. Margaret Akpan. She said Greater Southeast's mounting regulatory troubles and doctors' difficulty getting paid make her colleagues less likely to direct patients to the hospital." [Washington Times, 8/30/03]

➤ **November 4, 2003**

District Allows GSCH to Stay Open. The District announces that GSCH would be permitted to stay open following improvements made under a 60-day consent decree. The District gave the hospital passing grades in five areas – fire safety, the emergency room, staffing, quality-improvement, and record keeping. [Washington Times, 11/5/03]

➤ **November 25, 2003**

GSCH Claims District Owes Hospital \$13 million. Despite receiving "tens of millions of dollars" to provide healthcare to District residents, in court documents GSCH claims that the District owed the hospital \$13 million in Medicaid payments. [Washington Times, 11/26/03]

➤ **December 17, 2003**

Tuft Buys Greater Southeast Out of Bankruptcy. After a week-long auction, Paul Tuft successfully purchases Greater Southeast and three other hospitals out of bankruptcy. [Washington Post, 12/18/03]

➤ **December 19, 2003**

GSCH Gains Back Accreditation. After four months without accreditation, including the loss of at least two major health insurers, GSCH gains preliminary accreditation by the Joint Commission on Accreditation of Healthcare Organizations. [Washington Post, 12/19/03]

As 2003 Ends, GSCH Claims Mistakes Won't Be Repeated. "[GSCH CEO Joan] Phillips said plans entail a new local board of directors. She said employees are betting that Tuft's firm will not repeat the many mistakes that led to the bankruptcy and the quality problems. 'Everybody learns lessons, and this was a hard lesson for everyone up to and including Paul Tuft,' she said. 'But it's time to put everything aside. The past is over.'" [Washington Post, 12/19/03]

➤ **February 2004**

GSCH Lays Off 62 Employees. Just three months after fulfilling the terms of consent decree which required increased staffing, GSCH lays off 62 employees, including 30 contract nurses. [Washington Times, 3/11/04]

Court Records Show GSCH Consultants Earned Over \$1.1 Million in Weeks Before Layoffs.

"Lawyers and consultants involved in the Greater Southeast Community Hospital bankruptcy case earned more than \$1.1 million in January, just weeks before the facility's administrators announced a round of layoffs to improve profit margins, according to court records. [Washington Times, 3/11/04]

➤ **February 18, 2004**

Bankruptcy Bidders File Challenges to Tuft's Auction Victory. In separate claims, firms competing to purchase DCHC hospitals in December's bankruptcy auction claimed that process was an "orchestrated charade." [Washington Times, 3/11/04]

➤ **March 19, 2004**

ACC Doctors Threaten Walkout Over Missed Payments. 27 doctors at the Ambulatory Care Clinics operated by DCHC vote to stage a walkout claiming they hadn't been paid in nearly a month. Dr. William Hall, who represented the physician's group says the doctors were upset that bankruptcy lawyers and consultants continued to receive high salaries while physicians weren't paid. According to Dr. Hall, "They keep telling us that they'll get back to us but they don't." [Washington Times, 3/19/06]

GSCH CEO Phillips Blamed Doctors For Threatening to Walkout Over Missed Payments. “There is going to have to be more ongoing communication,” [Phillips] said. “They need to be part of the team. We want to see more teamwork.” [Washington Times, 3/19/06]

➤ **April 8, 2004**

Tuft Announces He’s “Deeply and Personally” Committed to Assuring GSCH’s Success. In a prepared statement, Paul Tuft, CEO of DCHC, says, “Greater Southeast is the gem of our holdings. I am deeply and personally committed to assuring its success and growth over the long-term future. Greater Southeast has made a remarkable recovery from the past year’s difficulties. It is now fully licensed, fully accredited and fully prepared to deliver more and better services to the community.” [Washington Times, 4/8/04]

➤ **April 9, 2004**

Tuft Promises to Invest Millions in Equipment and Facilities at GSCH. Paul Tuft, CEO of DCHC, says that he expects GSCH to stop losing money by May. He goes on to say, “Over the next 12 months, \$5 million to \$6 million is included in Greater Southeast’s budget to renovate facilities, buy new equipment, introduce new programs to attract doctors and help reduce patients’ length of stay. [Washington Business Journal, 4/9/04]

➤ **September 20, 2004**

GSCH Discharged Quadriplegic Jail Without Addressing Ventilator Needs. According to published reports, GSCH failed to address the ventilator needs of quadriplegic D.C. Jail inmate Jonathon Magbie. Magbie was taken to GSCH on September 20, 2004 with difficulty breathing. Magbie had informed a jail nurse that he used a ventilator to breath at night. GSCH doctors discharged Magbie without addressing his need for a ventilator. Magbie was returned to GSCH in respiratory distress on September 24, 2004 where he died. [Washington Post, 12/4/2004]

➤ **November 4, 2004**

ER Doctor Fired for Speaking Out Against GSCH Conditions. Dr. Annette Patterson files a lawsuit claiming she was fired for raising concerns over emergency room waits to GSCH officials. According to the Washington Times, in September Dr. Patterson informed hospital officials that she had witnessed patients waiting up to 14 hours before receiving treatment. The lawsuit claimed that she was fired a week after raising these concerns. The Times reported that Dr. Patterson had a valid license to practice in both the District and Maryland and had not been the subject of any disciplinary action. [Washington Times, 11/4/04]

DCHC Misses Court Ordered Payment Date. A November 4, 2004 court filing showed that DCHC missed a court ordered deadline for a \$15 million debt payment under the terms of its bankruptcy reorganization plan. According to David Skeel, visiting professor at the Georgetown University Law Center, “It’s pretty serious when you miss a payment that soon. That’s not when you expect to run into trouble, so soon after bankruptcy.” [Washington Times, 11/10/04]

➤ **December 4, 2004**

Health Department Investigation Finds GSCH Erred in Releasing Magbie. “The D.C. Department of Health has found that Greater Southeast Community Hospital failed to provide adequate care to a quadriplegic jail inmate who died in September after he was taken to the emergency room for severe breath problems.” [Washington Post, 12/4/04]

➤ **June 6, 2005**

District Settles with GSCH Over Disputed Charges. According to the terms of settlement agreement, the District agrees to pay GSCH \$474,260 of a disputed total of \$959,996 for blood tests performed for the city’s Addiction Recovery and Prevention Administration (APRA). APRA initially refused GSCH invoices for tests performed between July 2001 and July 2002 because they showed “sudden and unexplained increases” compared to what the city formerly paid for blood tests at D.C. General Hospital. [Washington Times, 6/6/05]

➤ **July 2005**

GSCH Vendor Sues Over Non-Payment. Critical Management Solutions Inc. (CMS Inc.) files suit alleging that GSCH owed it more than \$100,000. CMS Inc. was hired to help keep the hospital open during the second half of 2003 when it had lost its accreditation and was under a consent decree with the city's health department. [Washington Times, 8/26/05]

➤ **July 1, 2005**

GSCH Eliminates 200 Employees. GSCH cuts 136 full-time positions and 44 part-time positions. According to the Washington Times, the magnitude of the layoffs caught many employees off guard. According to 1199 SEIU spokesman Jamie Kendrick, union members felt "snookered" as many had rallied on behalf of the hospital to convince city officials to remove a cap on the number of beds GSCH could operate. [Washington Times 7/25/05]

Records Show GSCH Paid Lobbyist \$140,000 in 6 Months Prior to Layoffs. D.C. Office of Campaign Finance disclosures show that GSCH paid lobbyist Kerry Pearson \$140,000 in consulting fees from January 2005 through June 2005. [D.C. Office of Campaign Finance, Form 26, July 10, 1005]

➤ **September 21, 2005**

Mother of Jonathon Magbie Sues the GSCH and the District. Almost one-year to the date that her son died at GSCH, Mary Scott files suit for \$50 million in damages for repeated failures and "brutal insensitivity" that led to the death of her son, Jonathon Magbie. Magbie died on September, 24, 2004 at GSCH. He was first admitted three days earlier after notifying D.C. Jail officials that he used a ventilator at night. A GSCH doctor, however, failed to address his ventilator needs and returned him to the hospital. [Washington Post, 9/21/05]

➤ **February 21, 2006**

Hospital Defends Relationship with Bankrupt Financier. Officials at Doctors Community Healthcare Corp. are defending financing deals with a firm, National Century Financial Enterprises (NCFE), whose top officials have been charged by the Securities and Exchange Commission with misleading investors by hiding "massive cash and collateral shortfalls." The SEC also noted "fraudulent, uncollateralized" advances from NCFE to companies including Doctors Community. A liquidating trust has been formed to funds for Doctors Community creditors and is "questioning millions of dollars it says Doctors Community spent to give executives lucrative salaries and the use of a corporate jet." [Washington Times, 2/21/06]

➤ **May 2006**

Doctors Community Sells Hadley. Doctors Community agrees to sell Hadley Memorial Hospital to Specialty Hospital of America. [Washington Business Journal, 7/11/06]

➤ **June 19, 2006**

Doctors Community Former COO Squandered Millions. "A group representing creditors of the parent company of GSCH has struck a \$25 million settlement with the company's former chief operating officer. The agreement settles claims that Doctors Community Healthcare's former COO Melvin Redman squandered millions on excessive salary and the use of a corporate jet." "Still, several former and current company executives are facing hundreds of millions of dollars in claims filed by the liquidating trust charged with recouping money for creditors. The trust says executives received excessive salaries, forgave loans to themselves and spent millions on a corporate jet while the company plunged into debt and its hospitals struggled to make ends meet." [Washington Times, 6/19/06]

➤ **July 11, 2006**

GSCH Owners Willing to Sell Hospital. "In a letter to District leaders in support of a \$188 million makeover of the 40-year old hospital, Doctors Community Healthcare Chairman and CEO Paul Tuft says the company is willing to sell the hospital if the city declares that to be the most preferable route." Doctors' plan for GSCH includes "upgrading its trauma center to Level II, extending its outpatient center, launching a walk-in ambulatory clinic, adding 40 pediatric beds and transferring to its campus the District's St. Elizabeth's Hospital." A prospective sale does not affect the expansion proposal. "The onus would be

on Doctors Community Healthcare to find a buyer willing to take on a share of expansion costs.” [Washington Business Journal, 7/11/06]

City Officials Criticize GSCH Financial Management. “City officials have criticized the financial management of [GSCH], which had filed for its second Chapter 11 bankruptcy reorganization after one of Doctors Community Health Care’s primary lenders collapsed, causing the hospital to lose its prime contract to run the D.C. Healthcare Alliance.” [Washington Business Journal, 7/11/06]

➤ **August 30, 2006**

GSCH Requests New Owner. “GSCH is giving potential bidders until September 7, 2006 to submit proposals to take over its operations...Doctors Community hopes to decide on a new owner or operator by the end of September, merely three months after it first agreed in writing to consider selling the hospital in a letter to Mayor [Anthony] Williams and members of his health care task force.” [Washington Business Journal, 8/30/06]

➤ **October 12, 2006**

DCHC Closes Urgent Care Center. At 11:00 p.m. on Friday, October 13, 2006, DCHC closes the Urgent Care Center on the campus of the former D.C. General Hospital. DCHC received over \$46 million in District funds to operate the center. [Letter to Dr. Gregg Pane 10/12/06; Internal Documents]

➤ **December 8, 2006**

GSCH Downsizes to 120 beds. GSCH notifies city leaders that it planned to downsize the number of operational beds to 120 and shift it’s other beds into a “holding pattern.” [Letter to Councilmember David Catania 12/8/06]

➤ **January 12, 2007**

GSCH Threatens Closure of OBGYN Unit. GSCH notifies the District’s Department of Health that it planned to discontinue Obstetrics services on February 16, 2007. [Letter to Dr. Gregg Pane, 2/1/07]

➤ **January 17, 2007**

GSCH Physicians Decry “Unsafe Environment.” In an unprecedented step, the Medical Executive Committee at GSCH wrote city officials about deteriorating conditions at the hospital. According the Committee, “the declining level of hospital services has resulted in an unsafe environment in which to care for our patients.” The warning went on to say, “Inoperable equipment, shortage of supplies, combined with a lack of staffing in various departments i.e., radiology, pharmacy, laboratory, rehabilitative medicine, and the operating room have crippled our ability to optimize outcomes for patients in a timely manner.” [Letter to Dr. Walter Faggett, 1/17/07]

➤ **February 1, 2007**

GSCH Rescinds Threat to Close OBGYN Unit. GSCH notifies the District’s Department of Health that it was rescinding its January 12, 2007 letter explaining that it planned to cease providing Obstetrics services in February. According to GSCH the hospital would continue these services indefinitely. [Letter to Dr. Gregg Pane, 2/1/07]

➤ **March 8, 2007**

GSCH Asks District for Over \$20 Million for Equipment and Staffing. In a March 8, 2007 letter to Councilmember David Catania, Chairman of the Committee on Health, GSCH asks the city to fund \$3.4 million in staffing needs and over \$17 million in equipment needs. [Letter to Councilmember David Catania, 3/8/07]