

New York City hospitals at the center of privatization fight

by Marianna Wertz

On Jan. 15, Queens Supreme Court Judge Herbert Posner squelched the plans of New York City Mayor Rudolph Giuliani to privatize the city's huge public hospital system. In a suit brought by the New York City Council, which challenged the legality of a proposed deal to lease Coney Island Hospital to the for-profit Primary Health Systems of New York for 99 years, Judge Posner ruled that both the city council and the state legislature have to approve of the sale, lease, or transfer of public hospitals. The ruling stops Giuliani's plan to privatize Elmhurst and Queens hospitals, as well.

At stake is medical care for the working poor, the uninsured, the indigent, and immigrants. New York's public hospital system, the largest in the nation, dates back to 1736, when Bellevue Hospital provided health care for the poor, including prisoners and the insane. In 1969, the state legislature created the Health and Hospitals Corporation (HHC), which has overseen the huge complex of hospitals and clinics since then. It is this complex—including 11 acute-care hospitals, 5 long-term care facilities, 6 diagnostic and treatment centers, 6 certified home health agencies, a network of more than 20 satellite clinics, and the Emergency Medical Services, a citywide ambulance service—which the mayor is threatening to carve up and sell to the highest bidder.

'A Healthy Balance'

Two major opponents of Giuliani's scheme are the New York Nurses Association and City Councilman Enoch Williams (D-Brooklyn). Councilman Williams, who chairs the City Council Health Committee, has offered a counterproposal to Giuliani's plan, dubbed "A Healthy Balance," which urges that the city's public hospital system not be dismantled, as Giuliani would have it, but be transformed into a new, independent corporation. That corporation would retain the original mission of New York's hospital system, defined under the New York City Health and Hospitals Corporation Act, of "providing high quality, dignified, and comprehensive care and treatment for the ill and infirm, particularly to those who can least afford such services."

In the accompanying interview, Leon Ransom, the press spokesman for Councilman Williams, discusses "A Healthy Balance," and why Williams has opposed Giuliani's privati-

zation plan. We also present a synopsis of Councilman Williams's plan, which is now awaiting action in the New York State Legislature.

Gloria Phipps, RN, MSN, and Nursing Representative for the Economic and General Welfare Program of the New York State Nurses Association, testified against the privatization at City Council hearings on Dec. 16, 1996. Her testimony also appears below. In an interview with *EIR* on Feb. 12, Phipps said that the Nurses Association is "elated" over Judge Posner's decision. "It doesn't mean that we're going to stop working," she said. "It means that we still have to keep pushing to get some changes made through the legislature. But certainly it buys us time."

Mayor Giuliani has filed an appeal, Phipps said, but he probably won't push to have it heard now because he's up for re-election in November.

The New York Nurses Association has been holding rallies against privatization at Coney Island and Elmhurst hospitals, and is also contacting the relevant political leaders. Phipps said, "We are out at the subways and streetcorners in the community groups, passing out material to inform them as to why we're opposed to privatization and what can be expected of them, and what they should expect, and the questions that they should be asking. We recognize the fact that we cannot let down our guard, because it's not a dead issue; it's just a slowed-down issue, and that makes a big difference."

Phipps noted that New York City requires a large number of public hospitals because of its large immigrant population. "These people certainly need the public hospitals," she said. California, with its large and growing immigrant population, is now facing a huge problem, Phipps said, because they don't have the kind of broad public healthcare system that New York does.

Others protest

Organized labor is also up in arms against Giuliani's plan. James Butler, president of Local 420 AFSCME District Council 37 in New York, representing thousands of city hospital workers, told *EIR* on Jan. 27 that Judge Posner's decision was very welcome. "It means that the mayor cannot continue

to be a dictator in reference to health care in the City of New York public hospitals. He can't be the last word. He's got to answer to the decision from the judge," Butler said. "I'm so happy that Judge Posner is a humanitarian. He understands what we've been marching about in the streets. Coney Island belongs to the poor people, not to the Giuliani administration to sell to the profit-making companies."

EIR also reached James Dumpson, chairman of the board of the HHC during Mayor David Dinkins's administration. Dumpson said that he's opposed to the privatization plan for two reasons. First, "I believe that government has a responsibility to establish a floor beyond which people will not fall, whether they are in need of health care or in need of food or in need of income." Second, he said, "I don't think you ought to make money on the poor, and that's what privatization is about. It looks at the bottom line of a balance sheet and then orders its health service priority in accordance with the bottom line. . . . I don't think they ought to make money on providing anything for people who are too poor to provide it for themselves."

This battle for health care will build over the coming months, as the spread of managed care chews away at New York's once-proud hospital system, and the economic depression hits harder and harder at the city's residents. The fight against privatization will need growing public support to succeed.

Interview: Leon Ransom

New York's hospitals have a public mission

This interview with Leon Ransom, press liaison for New York City Councilman and Health Committee Chairman Enoch Williams (D-Brooklyn), was conducted by Marianna Wertz on Jan. 27.

EIR: I read Councilman Williams's comments opposing privatization of the New York public hospitals in the *Daily News*. Can you tell me his view of Judge Posner's decision [against unilateral privatization of the New York public hospital system], and where he thinks it will go from here?

Ransom: First of all, the councilman was glad that Judge Posner had agreed with the City Council position that the disposition of the hospitals is an issue that should not be decided unilaterally by the mayor or by the City Council alone, or by any other single entity alone, because, in fact, the public hospital system was created to meet a specific need in our communities, a need that does still exist.

EIR: The need to serve the poor?

Ransom: Right. For that reason, it is important that all interested parties, including the elected officials, the administration, the communities, and the actual consumers of the hospitals themselves, all take part in this discussion. Judge Posner's decision favoring our position in this lawsuit underscores the importance that such an open dialogue on the future of the public hospitals must hold.

EIR: Where will you go from here to get that dialogue started?

Ransom: We have already reached out to the administration. As a matter of fact, even prior to Judge Posner's decision to seek a sit-down with the administration, with public health advocates, and with the community as a whole, to discuss what can be done in terms of making the Health and Hospitals Corporation [HHC] an independent entity, and one that will be financially, as well as politically, able to meet the mission for which HHC was created.

EIR: Last week we covered the state legislation in Massachusetts, introduced by Sen. Mark Montigny, who is also a Democrat. Are you familiar with that?

Ransom: No, I'm not, other than just in general.

EIR: The state is facing a privatization of the New England Medical Center. He introduced legislation that would mandate that with any privatization of a hospital in Massachusetts, that privatizing entity would have to meet the same level—or better—of care of the poor than the entity which it replaced in the not-for-profit hospital. Have you considered doing that in New York?

Ransom: We have. However, we are currently pursuing a slightly different angle. The Council, under the direction of the Health Committee and its chair, Councilman Williams, has put together a proposal which is currently being considered by the State Assembly, to create a new HHC, to restructure the Health and Hospitals Corporation in the manner in which it was initially envisioned, which is as a public benefit corporation that is totally independent of any political control, and is also totally independent of any city financial control.

Recent events have borne out our contention that the Health and Hospitals Corporation can, in fact, exist on its own, as an independent corporation, raising its own revenues, issuing its own bonds, and paying its own bills, with no need for a city tax levy. The past two fiscal years, FY '96, and our current fiscal year, FY '97, have shown that HHC can, in fact, turn a profit. And it has.

EIR: Is that by reducing services?

Ransom: The reduction in services did contribute a little bit, but what actually enabled HHC to become financially independent was its ability to do its own billing, its own Med-