

Hospital 'Raider' Is Rejected in Penna.; D.C. Fight Wins Victory

by Philip Valenti

In a dramatic turn of events with major implications for the international fight to save D.C. General Hospital, the local board of the Aliquippa Community Hospital in Beaver County, Pennsylvania, voted unanimously on April 6, to cancel its agreement with Doctors Community Healthcare Corp. (DCHC). Instead, the western Pennsylvania hospital will be restored on April 17 as an independent, full-service hospital, owned and managed by the local community itself.

"We welcome this decision," said Dr. Simmon Wilcox, a board certified family physician and past medical staff president of Aliquippa Hospital, "and believe that the community can now move forward, united in the commitment to provide quality health care to all of our citizens, free of the pressure to generate inordinate profits for outside corporations."

The board's sudden reversal came just one week after a March 29 press conference in Aliquippa by FDR-PAC, a multicandidate political action committee founded by associates of Lyndon LaRouche, exposing the fact that DCHC, and its financial arm, National Century Financial Enterprises (NCFE), are the targets of multiple lawsuits and well-documented charges of fraud and racketeering in the looting of hospitals in several states.

The Aliquippa decision creates a dilemma for the Washington, D.C. Financial Control Board and other officials, who want to bring in DCHC to manage the shutdown of D.C. General. If they proceed with their plan, despite the rejection of DCHC in Aliquippa, they open themselves up to charges of corruption, and violation of their responsibility for due diligence in the protection of the health and general welfare of District residents. One Aliquippa doctor who conducted an investigation into DCHC, had written to the Save D.C. General Coalition in Washington, "Our common fight to stop the looting and destruction of public hospitals, is a fight to restore the principle of the General Welfare."

Community Mobilizes

Aliquippa Hospital was founded in 1957, as a result of a fundraising drive organized by steel workers at the massive Jones & Laughlin plant, which employed as many as 12,000 workers at the time. The hospital barely survived the 1980s devastation of the steel industry in and around Pittsburgh, which resulted from the "post-industrial" policy launched by

the Wall Street- and London-controlled New York Council on Foreign Relations. The Pittsburgh-based Mellon financial interests were instrumental in the dismantling of the steel industry, in favor of a cheap-labor service economy based on financial speculation and looting.

With recent years' explosion of corporate control and looting of health care, the University of Pittsburgh Medical Center (UPMC), also dominated by Mellon financial interests, has dramatically expanded its control of hospitals in western Pennsylvania, including the creation of a UPMC medical insurance business.

UPMC bought Aliquippa Hospital in 1996, and changed its name to UPMC Beaver Valley. After initially investing in renovating the hospital, UPMC began funneling the most profitable cases to its central facilities in Pittsburgh. UPMC's announcement in October 2000 that it would shut the highly rated hospital down, led to a massive mobilization by the community. Local sources say the decision was part of UPMC corporate strategy, designed to promote its insurance business, and to force local residents to travel longer distances to larger hospitals in the region, or directly to UPMC in Pittsburgh.

After months of mass marches and town meetings, involving local, state, and Federal officials, and a threat by the AFL-CIO to boycott UPMC health plans, UPMC finally agreed on March 16 to transfer ownership back to the local hospital board, effective April 17, 2001. "They planned to deliver a dead hospital back to the community," said a source close to the board, referring to drastic downsizing and layoffs by UPMC since last October.

Informed sources described how DCHC insinuated itself into the Aliquippa crisis. Starting in December 2000, board members were contacted by representatives of DCHC, who presented a dazzling sales pitch, exuding optimism about the hospital's prospects under DCHC management. The board ultimately voted, by a majority of one vote, to retain DCHC, with DCHC pressing for a five-year contract to be signed before the April 17 deadline.

Meanwhile, a group of local doctors who had led the campaign to save the hospital, including Dr. Wilcox, and the distinguished surgeon, Dr. Olu Sangodeyi, performed their own "due diligence," by contacting doctors at other facilities owned by DCHC. They decided to oppose DCHC, after receiving reliable reports of poor performance, including financial irregularities, such as chronic late payments and bounced checks!

"We became alarmed," said Dr. Wilcox, "after reports concerning DCHC's alleged misbehavior at other facilities came to our attention. Materials provided by Mr. LaRouche's organization tended to confirm our worst fears, and we made these concerns known to the local board."

The intervention by FDR-PAC resulted in two articles in the *Beaver County Times*, reporting on DCHC's role in the D.C. General battle, and on the lawsuits alleging fraud and

racketeering against DCHC. Documentation distributed by FDR-PAC included an affidavit by an experienced forensic accountant, concluding that DCHC “short-changed” a Boston hospital by more than \$12 million.

“The allegations made against Doctors Community Healthcare Corporation are unfounded and false,” the March 29 *Times* quoted Sharon Kirsch, DCHC’s vice-president of corporate communication. “We continue to be excited about the opportunity to work with the . . . board to maintain the Aliquippa Hospital as a viable part of this community.”

DCHC Lies Exposed

The article in the March 30-31 *Times*, ostensibly a vigorous defense of DCHC, sealed its doom. Besides ignoring the bankruptcy and massive cut backs in hospitals under its control, DCHC’s Kirsch and NCFE both falsely claimed that both the Boston lawsuit against them, and the affidavit charging them with a \$12 million embezzlement, had been “withdrawn.” In fact, the only item withdrawn was a request to the court for an injunction freezing DCHC/NCFE bank accounts. The suit, and the affidavit, are both still before the court.

On April 3, Dr. Sangodeyi issued a statement of solidarity with the movement to save D.C. General, which was read at a mass meeting in Washington that night. Referring to the Aliquippa board’s narrow vote to retain Doctors Community, he said, “We are now fighting to reverse this decision, and welcome your support. Our common fight to stop the looting and destruction of public hospitals, is a fight to restore the principle of the General Welfare to government. With so many lives at stake, failure is not an option.”

Also that evening, several doctors met with the Aliquippa board, to express their opposition to DCHC. The board reportedly assured them that the contract with DCHC would last for *one month* only, and tried to downplay any influence DCHC would have over the hospital. Sources close to the board confirm that the attitude of Doctors Community personnel themselves, combined with the FDR-PAC exposé, had set off alarm bells among board members.

“They were really incompetent and disorganized,” said one informed source. “They were so enthusiastic about the hospital at the beginning, but once they thought they had the contract, they became “Doubting Thomases.” The board had a bad experience with a management company before, that was out to drain money from the hospital. This started looking similar.”

After the April 6 unanimous vote to cancel the agreement with DCHC, the Aliquippa board sent a very diplomatic note to DCHC, offering thanks and appreciation.

“The board wanted to part with them on a friendly basis,” *EIR* was told. “They don’t want to risk any lawsuits.”

“We hope that officials of Washington, D.C. will decide to implement a similar happy solution to the D.C. General situation,” concluded Dr. Wilcox.

Michigan Leaders Fight for a National Principle

by Marianna Wertz

An extraordinary mobilization is being conducted in the state of Michigan, to save a public hospital 2,000 miles away, in Washington, D.C. The extent and passion of this mobilization—including leading political figures in the state—sets an example as a fight for what Lyndon LaRouche has raised again as “the principle of the General Welfare.” Michigan leaders have intervened in Washington, and know they are opposing the fascist policies of a financial oligarchy, best epitomized by *Washington Post* publisher Katharine Graham’s Federal City Council’s plot to shut down D.C. General Hospital.

Michiganders are especially motivated in this fight by the fact that it is two Michigan Congressmen who represent the opposite poles on the D.C. General issue. It was Rep. John Conyers, Jr. (D-14th), who convened the extraordinary March 22 Congressional briefing on “National Public Hospital Safety Net in Crisis; D.C. General In Focus”(see *EIR*, April 6, 2001), which exposed, on Capitol Hill, the genocidal implications of shutting down D.C. General. And it is Michigan Rep. Joseph Knollenberg (R-11th), who chairs the House Appropriations Subcommittee on the District of Columbia, which controls the purse strings for the hospital, and whose committee last year ordered that it be shut down.

State Democrats Act

Just prior to the Conyers briefing, LaRouche activists launched an intensive lobbying effort in Michigan, as well as in Wisconsin, contacting key political and trade-union leaders to urge them to join the fight. A 15-person team met with 45 legislators or their aides. Since that time, there has been an unprecedented level of activity, including the following recent developments:

- On March 28, the Michigan Legislative Black Caucus (19 state representatives and four state senators) sent a letter to Representative Knollenberg, with copies to Representative Conyers, Congressional Black Caucus Chair Eddie Bernice-Johnson, and D.C. Delegate Eleanor Holmes Norton. The Wisconsin Legislative Black Caucus sent a similar letter to Wisconsin Sen. Herb Kohl, who is on the D.C. Appropriations Committee. Both letters called the threatened closing of D.C. General “an egregious act with dire medical consequences,” and demanded that the hospital be kept open and restored to its full operational capability.

- On April 4, Michigan State Rep. LaMar Lemmons III