

United States Senate

WASHINGTON, DC 20510

July 25, 2024

Mr. Tim L. Hingtgen
Chief Executive Officer
Community Health Systems
4000 Meridian Boulevard
Franklin, Tennessee, 37067

Dear Mr. Hingtgen:

I write to express my ongoing concerns regarding Community Health Systems' (CHS) business practices and their impact on hospitals and patients in Pennsylvania. As you know, CHS currently owns three hospitals in Pennsylvania, Moses Taylor Hospital and Regional Hospital in Scranton, PA, and Wilkes-Barre General Hospital in Wilkes-Barre, PA. The Northeastern Pennsylvania community has become increasingly concerned about CHS practices that undermine quality care and limit health care access, particularly given recent efforts for CHS to sell its two Scranton hospitals. CHS has repeatedly forgone efforts to invest in their Pennsylvania facilities and risked the quality and accessibility of care for Pennsylvanians in the pursuit of profit for their shareholders and executives. I therefore ask for assurances that CHS will prioritize quality, affordable care for Pennsylvanians and ensure a smooth transition for patients and the hospitals' workforce to any future hospital leadership.

CHS has a history of buying hospitals and health systems and then selling them shortly thereafter. In 2014, CHS was the country's largest for-profit hospital company, owning more than 200 hospitals across the Nation.¹ Ten years later, CHS owns just 71 hospitals. Stakeholders in Pennsylvania have noted that CHS bought more than a dozen hospitals in Pennsylvania with the promise to invest in them.² Unfortunately, CHS has not fulfilled its promises, failing to invest in needed infrastructure and equipment and closing critical services, like emergency department and labor and delivery units, leaving communities in a vulnerable position.

CHS regularly makes business and care decisions that undermine patient and provider safety and security. The company has repeatedly been penalized for improperly billing government health programs like Medicare, Medicaid, and TRICARE. In August 2014, CHS paid \$98.15 million to the Department of Justice (DOJ) to resolve multiple lawsuits regarding these claims.³ In 2015, CHS paid over \$85 million to the DOJ to resolve various allegations related to the False Claims Act.^{4,5}

¹ <https://www.axios.com/2017/12/15/the-collapse-of-community-health-systems-1513304786>

² <https://www.healthleadersmedia.com/strategy/scranton-scrabble-chs-acquire-moses-taylor-geisinger-buy-cmc?page=0%2C3>;
https://www.pennlive.com/news/2017/02/pa_hospitals_could_be_part_of.html

³ <https://www.justice.gov/opa/pr/community-health-systems-inc-pay-9815-million-resolve-false-claims-act-allegations>

⁴ <https://www.prnewswire.com/news-releases/whistleblower-played-key-role-in-case-that-community-health-systems-hospitals-settle-for-75-million-300029225.html>

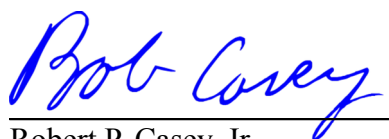
⁵ <https://www.fiercehealthcare.com/healthcare/doj-settles-450-hospitals-for-250m-over-false-claims-act-allegations>

CHS claims that they “help people get well and live healthier by providing safe, quality healthcare, building enduring relationships with our patients, and providing value for the people and communities we serve.” However, during the COVID-19 pandemic, CHS sued approximately 19,000 patients for unpaid medical bills.⁶ In 2020, while CHS was suing patients during a global pandemic that had dire economic effects, they made \$511 million in net income and provided their then-CEO \$7.8 million in compensation.^{7,8} These earnings and compensation packages were buoyed by taxpayer dollars. CHS received nearly \$250 million in grants through the Coronavirus Aid, Relief, and Economic Security (CARES) Act and received over \$1 billion in Medicare accelerated payments.⁹

Over the course of its ownership of hospitals in Pennsylvania, CHS has been described as “the troubled hospital operator”¹⁰ and “trying to get its head above water,”¹¹ with a 2017 article stating “CHS is struggling, having lost \$1.7 billion in 2016.”¹² CHS’s operation of hospitals has resulted in specialists leaving Scranton hospitals and left Moses Taylor Hospital without an emergency department.¹³ Amidst rumors about planned sales of the hospitals, my staff attended a meeting last month between CHS leadership, community stakeholders, and elected officials regarding CHS’ plans for Regional Hospital and Moses Taylor Hospital. At this meeting, CHS leadership expressed that both facilities had been experiencing negative cash flow and that CHS was looking to sell both hospitals. The company executives shared plans to close one or both hospitals if they are unable to find a buyer in the next few months.

I worry that CHS’ focus on turning profits has and will continue to result in limited access to health care for my constituents in Pennsylvania. It is CHS’ responsibility to find a trustworthy buyer who has a strong record and experience in running hospitals in order to provide a pathway to safe, affordable, and accessible care for their patients and to the Northeastern Pennsylvania community. To that end, I ask that CHS provide regular updates to me and my staff on any anticipated changes in care at or ownership of its Pennsylvania hospitals. Thank you for your attention to this request.

Sincerely,



Robert P. Casey, Jr.
United States Senator

⁶ <https://www.cnn.com/2021/05/17/us/hospital-lawsuits-pandemic-invs/index.html>

⁷ https://www.sec.gov/Archives/edgar/data/1108109/000119312521104036/d144647ddef14a.htm#toc144647_11

⁸ <https://www.cnn.com/2021/05/17/us/hospital-lawsuits-pandemic-invs/index.html>

⁹ <https://www.fiercehealthcare.com/hospitals-health-systems/community-health-systems-reports-drops-due-to-covid>

¹⁰ <https://www.timesleader.com/news/588960/parent-of-commonwealth-health-owner-of-wilkes-barre-general-hospital-mulls-sale-of-properties>

¹¹ <https://www.healthcarediver.com/news/chs-continues-divestitures-with-sale-of-5-pa-hospitals/444119/>

¹² https://www.pennlive.com/news/2017/02/pa_hospitals_could_be_part_of.html

¹³ <https://www.wnep.com/article/news/local/lackawanna-county/emergency-room-at-moses-taylor-hospital-to-close-regional-hospital-of-scranton-commonwealth-health/523-0130444a-a909-4453-ae5f-dbc4aca07829>