

Executive Summary

A Catholic network of hospitals, established in 1920 by nuns with a mission to heal the sick and needy, the St. Joseph Health system (SJH) has grown into a wealthy corporation with billions in assets, operated by lavishly compensated executives from a business park in Orange County. The registered nurses of SJH hospitals, whose collective voices are reflected in this new report, describe a very different health system today—one that puts patients and nurses at risk. Drawing on a survey of SJH RNs and publicly available data, the report outlines the following serious concerns with the SJH system:

Skimping on Charity Care, Investing Offshore: Research shows that SJH spent less on charity care in recent years than any other major California Catholic hospital system, and less on charity care than the average California hospital as a percentage of operating expenses.¹ Meanwhile, millions have gone into hedge funds and offshore accounts in the Cayman Islands,² as well as to for-profit entities to swell revenue for a system that, as a result of its “not-for-profit” status, does not pay taxes.³ A growing number of SJH executives also earn over \$1 million a year.⁴

Cutting Patient Services and Supplies: While recording over \$500 million in profits the last two years alone, SJH has closed cardiology and outpatient clinics and reduced service hours. A constant dearth of supplies reported by RNs has also led to delays in bedside care and the provision of medications. Supplies have purposely been kept under stocked due to cost-cutting “just in time” management principles.

Reducing the Number of Caregivers: Reduced patient access to registered nurses, other caregivers, and support staff, have led to unsafe staffing levels and delays in care—which not only put patients at risk, but also violate California’s mandatory nurse-to-patient ratios law (AB 394).

Violating Patients’ Rights: Surveyed nurses expressed serious concerns about patients being denied the right to top-quality care, and their concerns were backed up by California facility licensing and certification inspectors. From high infection rates (St. Joseph of Orange and Mission), to the budget-driven shortcut of using patient restraints in lieu of additional staff (St. Joseph of Orange), various SJH hospitals have been cited by the Centers for Medicare and Medicaid Services (CMS) and the State of California.

1. OFFICE OF STATEWIDE HEALTH PLANNING AND DEVELOPMENT (OSHPD), 2013 HOSPITAL ANNUAL FINANCIAL DATA.

2. ST. JOSEPH HEALTH 2012-2013 IRS FORM 990,

<http://www.guidestar.org/FinDocuments/2013/953/589/2013-953589356-0a71101d-9.pdf>

3. <http://www.informationweek.com/it-leadership/why-we-started-a-health-it-innovation-institute/d/d-id/1111468?>

4. ST. JOSEPH HEALTH 2012-2013 IRS FORM 990

Violating Nurses' Rights: SJH has been found to have committed numerous violations of federal labor law, by threatening, harassing and spying on RNs seeking to form a union to advocate for safer patient care. Cuts in employee disability, needed medical leave, and retirement security for many employees, as well as the use of new nurse graduates as unpaid labor, are other issues reflected in the report that violate the rights of nurses.

Recommendations

SJH is embarking upon a new era in its plan to merge with another hospital system. SJH nurses urge the SJH Ministry to use this as an opportunity to reaffirm a commitment to the highest standards of safe, dignified, and quality healthcare for our communities. SJH nurses believe the Ministry can do this in several ways:

- Support patients' rights and ensure the provision of the safe, therapeutic, and effective nursing care patients deserve, and fully comply with or exceed all applicable federal, state, and local health and safety laws at all times.
- Immediately cease all activity aimed at suppressing RN patient advocacy via collective bargaining, resolve all pending Unfair Labor Practice charges, and engage in good-faith bargaining over the needs and concerns of staff RNs.
- Support legislative efforts to improve reporting requirements for greater public transparency to ensure hospitals are meeting their charity care and community benefit obligation rather than just increasing revenues through marketing, cost containment, or other activities intended to generate profit.
- Invest excess revenue made by the system into patient care, not executive salaries or for-profit companies.
- Stop the unlawful campaign of fear and intimidation aimed at suppressing RNs' legal right to make a free and fair decision about union representation.
- Reverse sweeping cuts to employee disability benefits, needed medical leave, and retirement security—to help retain the most highly experienced nurses for the communities served by SJH hospitals.

The SJH system has shifted far from the morals that drove its founding Sisters. However, the registered nurses of SJH—backed with the information gathered in this report—believe that the above recommendations provide a roadmap back to truly healthy communities, perfect care, and sacred encounters.

Read the whole report at: SJHFallFromGrace.com