

# UNIVERSAL HEALTH SERVICES

## BEHIND CLOSED DOORS: THE HIDDEN HARM OF MAXIMIZING PROFITS

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SEIU, the largest healthcare union in North America representing 1.1 million members, advocates for quality healthcare and patient and worker safety for all. By advocating for change at Universal Health Services, Inc. (UHS), the nation's largest provider of inpatient behavioral health services, we can raise standards and improve care for communities across the U.S.

### **WHY YOU SHOULD CARE ABOUT UHS:**

- **UHS dominates behavioral health care delivery in the U.S. and Florida.** UHS is a for-profit hospital company, whose stock is publicly traded on the New York Stock Exchange. It operates 1 in 5 inpatient mental health beds<sup>1</sup> in the U.S. and more than 200 behavioral health facilities across the country,<sup>2,3</sup> including 20 in Florida.<sup>4</sup>
- **UHS is highly profitable, especially compared to its Florida peers.** UHS reported over \$8 billion in revenue and more than \$545 million in net profit in 2014 alone.<sup>5</sup> In Florida, the median profit margin for UHS behavioral health facilities is 16.3%, compared to the state median of 0.4%.<sup>6</sup>
- **UHS is seeking to move into your community.** UHS and its subsidiary, Shores Behavioral Hospital, LLC, are seeking approval from the city of Oakland Park to operate North Ridge Medical Center as a mental health facility. UHS will combine the operations of two of its Fort Lauderdale mental health facilities into a single campus in your community.<sup>7</sup>

**WHY YOU SHOULD BE CONCERNED ABOUT UHS:** As healthcare advocates, we need to ensure that providers are held to the highest standards of health care quality, as well as protecting workers, patients, and communities. Unfortunately, UHS has consistently failed to meet these standards.

- **As the largest provider of facility-based behavioral services, UHS sets the standard for quality of care—unfortunately, that standard is unacceptably low.** Review of Florida regulator documents and lawsuits reveal an alarming number of quality of care failures at UHS facilities—including physical and sexual abuse, understaffing,<sup>8</sup> and even murder.<sup>9</sup> Breakdowns in care have been so serious at UHS facilities that regulators in six states across the country, including Florida,<sup>10</sup> have found it necessary at times to prohibit new admissions to UHS facilities.<sup>11,12,13</sup>
- **UHS has a track record of failing to provide safe environments for patients, workers, and communities—and retaliating against staff who voice concerns.** Former UHS employees in Florida have said they were retaliated against for reporting abuse, blowing the whistle or bringing safety concerns to supervisors – even when their professional and personal ethics required them to do so.<sup>14,15</sup>
- **UHS has a track record of union-busting behavior.** Reviews of National Labor Relations Board (NLRB) records show that UHS has demonstrated a pattern of “interfering with, restraining, or coercing”<sup>16</sup> employees who want to form or support workers unions.<sup>17</sup> UHS has even gone so far as to close, or threaten closure, of facilities and hospital units known to be pro-union.<sup>18</sup>
- **As the largest provider of facility-based behavioral services, UHS has the power and influence to set fair wage standards—yet the company has slashed spending on staffing, while making remarkable profits.** In 2014, UHS cut staffing costs in its behavioral division to their lowest level in the last decade, with just 48.6% of revenue going to salaries, wages, and benefits (SWB).<sup>19</sup> In Florida, UHS spends even less on staffing—UHS facilities spend a median of 40.3% of revenue on SWB, compared to the state median of 45.2%.<sup>20</sup> In fact, the bottom three (short term) psychiatric hospitals in Florida which spend the least on SWB are UHS facilities.<sup>21</sup>

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Yet, for every dollar that UHS's behavioral business generates in revenue, a quarter goes into profits rather than patient care.<sup>22</sup>

- **UHS is being investigated by federal authorities for potentially widespread illegal activities.** UHS and 21 of its facilities across the U.S., including 5 in Florida, are the focus of an ever-widening federal investigation that includes the Department of Justice Criminal Frauds Section and the U.S. Health and Human Services Office of the Inspector General. UHS's corporate office is also the subject of a related criminal fraud investigation by the U.S. Department of Justice.<sup>23</sup> This investigation into potentially widespread illegal activity suggests that UHS and its facilities may be providing substandard care to the vulnerable populations they serve.

**WHAT YOU CAN DO ABOUT UHS:** Hold UHS accountable by telling UHS to focus on quality improvement, rather than expansion.

- Tell us your story and experiences with UHS facilities.
- Attend a public hearing and tell the city of Oakland Park how UHS will impact your community.

### UHS FACILITIES IN FLORIDA:

#### Bradenton

- Suncoast Behavioral Health
- Palm Shores Behavioral Health

#### Clearwater

- Windmoor Healthcare

#### Cooper City

- Schick Shadel of Florida

#### Crestview

- Okaloosa Youth Academy (Juvenile justice)
- Okaloosa Youth Borderline Disability Program and Okaloosa Youth Development Center (Juvenile justice)

#### De Funiak Springs

- Walton Youth Development Center/Walton Youth Treatment Center (Juvenile Justice)

#### Fort Lauderdale

- Atlantic Shores Hospital
- Fort Lauderdale Hospital

#### Ft. Walton Beach

- Gulf Coast Youth Services

#### Jacksonville

- River Point Behavioral Health\*
- Wekiva Springs\*

#### Maitland

- La Amistad Behavioral Health

#### Mount Dora

- NDA Behavioral Health System (FKA National Deaf Academy)\*

#### Ocala

- Vines Hospital

#### Orlando

- Central Florida Behavioral Hospital\*
- University Behavioral Center\*

#### Panama City

- Emerald Coast Behavioral Hospital

#### Riverdale

- Behavioral Educational Services

#### Tequesta

- Sandy Pines Hospital

*\*Denotes facilities currently under federal investigation*

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<sup>1</sup> UHS at Bank of America Merrill Lynch Leveraged Finance Conference. December 2, 2014. p.3.

<sup>2</sup> UHS Form 10-Q for the period ending June 30, 2014. Filed August 8, 2014. p.29.

<sup>3</sup> UHS at Cowen Group Health Care Conference. March 5, 2012. p.3.

<sup>4</sup> UHS Form 10-K for the year ending December 31, 2014. Filed Feb. 26, 2014. p. 29-34; 18 facilities are owned or leased by UHS. UHS also provides services in 2 buildings owned by the FL Dept. of Juvenile Justice, Contract #R2079 – Contract Between State of Florida and Gulf Coast Treatment Center, Inc. Signed July 17, 2009. PDF p. 1; Contract R2089 – Contract Between State of Florida and Gulf Coast Treatment Center, Inc. Signed March 30, 2010. PDF p.14.

<sup>5</sup> UHS Form 10-K for the year ending December 31, 2014. Filed Feb. 26, 2015. p. 30-34.

<sup>6</sup> SEIU market share and profitability analysis of UHS facilities participating in the federal Medicare program by state

<sup>7</sup> Barszewski, Larry. Plans see North Ridge Medical Center as psychiatric hospital. *Sun Sentinel*. 1 May 2015.- <http://www.sun-sentinel.com/local/broward/oakland-park/fl-north-ridge-hospital-site-20150501-story.html>

<sup>8</sup> Through FOIA requests and review of inspection and investigation reports available on-line, SEIU has reviewed hundreds of documents regarding UHS facilities in Florida. The data from these documents are available upon request.

<sup>9</sup> *UHS Behind Closed Doors*. Service Employees International Union. January 1, 2015. Page 18.

<sup>10</sup> Heisig, Eric. "Admissions freeze put on Milton Girls Juvenile Residential Facility." *Pensacola News Journal*. December 15, 2012.

<http://www.pnj.com/article/20121215/NEWS11/312150021/Milton-Girls-Juvenile-Residential-Facility-under-admissions-freeze;>

AHCA declared a three-week moratorium on admissions at the Vines Hospital from Feb 22, 2013 to March 14, 2013

[http://ahca.myflorida.com/MCHQ/CON\\_FA/Batching/pdf/10224.pdf](http://ahca.myflorida.com/MCHQ/CON_FA/Batching/pdf/10224.pdf), p2

<sup>11</sup> Florida, Virginia, Massachusetts, Pennsylvania, Illinois, and North Carolina.

<sup>12</sup> *UHS Behind Closed Doors*. Service Employees International Union. January 1, 2015. Pages 22-23.

<sup>13</sup> Simpson, Elizabeth. "Portsmouth youth treatment center to regain full license." *The Virginian-Pilot*. 23 Aug 2011.-

[http://hamptonroads.com/2011/08/portsmouth-youth-treatment-center-regain-full-license;](http://hamptonroads.com/2011/08/portsmouth-youth-treatment-center-regain-full-license) Simpson, Elizabeth. "VA, NC act against home for troubled youths." 15 May 2011. *The Virginian-Pilot* <http://hamptonroads.com/2011/05/va-nc-act-against-home-troubled-youths>

<sup>14</sup> *Kyle Gilrain and Carol Savage vs. The National Deaf Academy, LLC*. Fifth Judicial Circuit Court of Florida. Case No. 2013 CA 001190 (filed September 6, 2013. Second Amended Complaint - <http://uhsbehindcloseddoors.org/wp-content/uploads/2014/07/FL-Lake-Co.-2013-Gilrain-v.-Natl-Deaf-Academy-complaint-1.pdf>

<sup>15</sup> "Two employees fired after Youth Academy melee." *Northwest Florida Daily News*. September 27, 2013 -

<http://www.nwfdailynews.com/local/two-employees-fired-after-youth-academy-melee-1.209782>

<sup>16</sup> NLRB records show that UHS facilities have violated section 8(a)(1) of the National Labor Relations Act, which makes it an unfair labor practice for an employer to "interfere with, restrain or coerce" employees in the exercising of their rights to "self-organization, to form, join, or assist labor organizations...and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection..." - <https://www.nlrb.gov/rights-we-protect/whats-law/employers/interfering-employee-rights-section-7-8a1>

<sup>17</sup> Data compiled from a review of the following records: 1) Unfair Labor Practice (ULP) records, or charges filed by a union or employee; 2) National Labor Relations Board (NLRB) Complaints issued by regional NLRB offices substantiating ULP charges; 3) and Administrative Law Judge (ALJ) decisions. Records can be provided upon request.

<sup>18</sup> These facilities include:

Rock River Academy in Illinois-<http://www.wrex.com/story/27543715/2014/12/04/rockford-workers-say-vote-for-union-got-them-fired>;

The pediatrics unit at Corona Regional Medical Center in California, consolidated NLRB complaint and notice of hearing for Corona Regional Medical Center. Case number: 21-Ca-105489;

Southwest Healthcare System Rancho Springs Campus in California, consolidated NLRB complaint and notice of hearing for Southwest Healthcare System dba Rancho Springs. Case number: 21-CA-097176; and

Midwest Center for Youth and Families in Indiana, ULP charge for Midwest Center for Youth and Families. Case number 25-CA-105473

<sup>19</sup> Data compiled from UHS SEC filings

<sup>20</sup> An analysis of short term psychiatric hospital financial data from the Agency for Healthcare Administration.

<sup>21</sup> An analysis of financial data from the Agency for Healthcare Administration showed that the bottom three short term psych hospitals in Florida which spent the smallest percentage of their revenue on salaries, wages, and benefits were the following UHS facilities: Sun Coast Behavioral Health Center (26.7% of revenue on SWB), Wekiva Springs Center (30.8% of revenue on SWB), and Riverpoint Behavioral Health (32.8% of revenue on SWB).

<sup>22</sup> UHS Form 10-K for the year ending December 31, 2014. Filed February 26, 2015. p.61.

<sup>23</sup> Universal Health Services, Inc. Form 8-K. Filed March 31, 2015. p. 2,3;

UHS SEC Form 10K for the FY ending December 31, 2014, filed February 26, 2015.p35-36