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February 20, 2024

Dr. Ralph de la Torre
CEO, Steward Health Care Systems
900 N Pearl Street, #2400
Dallas TX, 75201

RE: Immediate actions required to protect quality and access to care

Dr. de la Torre,

As you are aware, my administration has been actively engaged with you and your team at Steward to ensure that access to safe and quality care is maintained in Massachusetts while Steward addresses its current financial situation.

Our administration is relentlessly focused on ensuring the health and safety of all people in Massachusetts, including those who rely on Steward hospitals for care. We are also invested in protecting the health care workforce and the thousands of dedicated doctors, nurses, and other workers who serve patients in Steward facilities and in hospitals and health care facilities across our state.

You have said you are committed to the same thing. If you are truly committed to partnering with us to protect access to care, there are immediate steps you must take:

1. **Ensure safe staffing and appropriate supply levels at each one of your facilities in Massachusetts.** As you know our state's Department of Public Health (DPH) and the Centers for Medicare & Medicaid Services (CMS) have been onsite in all of your hospitals in response to patient safety events. If appropriate staffing and supply levels cannot be met, we will take all actions necessary – in consultation with hospital leadership – to protect patients, including freezing admissions, closing beds, canceling procedures, and transferring patients to other hospitals.
2. **Allow for increased monitoring.** DPH will be expanding monitoring activities across all Steward hospitals in Massachusetts. We expect full collaboration and compliance from you and management, as well as protection and support for employees who have come forward to protect patients.
3. **Immediately disclose financial documents.** You have represented to us that you are committed to Steward's patients and the staff who have cared for them over the past 14 years, including throughout the pandemic. But you and your team have not been forthcoming, truthful or responsive about what's happening with your financial status, operating plans, and contingency strategies. Navigating this acute crisis, which is of your

making, without complete transparency and real-time information, harms our ability to protect patients, our workforce and our state.

This is not a new issue. For years, you have refused to engage in the same level of basic transparency that every other system in Massachusetts offers by not releasing your audited financial statements. This information is essential to understand Steward's current financial status here and at Steward's hospitals across the country; how Steward has and is prioritizing its resources and protecting assets; and whether, as it seems, you and Steward chose to maximize profits and personnel and corporate gains at the expense of patients, workers, and the state and federal health care system. By repeatedly refusing to disclose this information, you have deprived government officials and the communities you serve a clear window into Steward's financial stability and an opportunity to take steps to protect access to care.

As Attorney General, I successfully defended the authority of the state to require you to provide this information, and the court has ordered you to do so. Yet you have refused to comply with the court order and continued to delay and obfuscate. During that time, there have been reports of mismanagement, unpaid vendors, legally questionable practices and exorbitant profits for your equity partners and yourself, all while your hospitals continued to struggle financially.

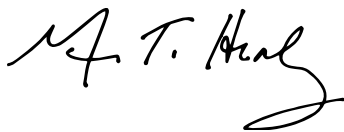
Massachusetts law requires disclosure of hospitals' system-level audited financial statements to help us avoid precisely the situation you have created: we have no insight into your allocation of resources across operating units or states, and therefore no clear sense of the financial viability of the hospitals serving Massachusetts residents. You have kept your hospitals' financial condition in a black box, and you have kept us in the dark as well, defying state law and a court order in the process.

The time has come to move past our many months of discussions and begin executing a safe, orderly transition of your seven licensed facilities in Massachusetts to new operators as soon as possible. This begins with your commitment to fully disclose the financial information we have requested by close of business on February 23, 2024. Your continued refusal to do so, particularly at this moment, is irresponsible and an affront to the patients, workers, and communities that the Steward hospitals serve. It also leads to a further breakdown in trust and creates a major roadblock to our ability to work together to resolve this effectively.

These are by no means the only steps required to solve this situation. Far from it. But to build a path forward, we need an accurate and complete view and understanding into how this happened and where things stand. Now is the time to put your patients, staff, and communities first. Turn this information over so that we can come together to protect health care and jobs in our communities. There is no time to wait.

We look forward to your prompt response and our continued work together toward a resolution.

Thank you.



Maura T. Healey
Governor

cc: U.S. Attorney Joshua S. Levy

Attorney General Andrea Joy Campbell