

**Care Ethics Analysis of the Hahnemann University Hospital Termination in Philadelphia,
Pennsylvania**

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Harshal Patel

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On my honor as a University Student, I have neither given nor received unauthorized aid on this assignment as defined by the Honor Guidelines for Thesis-Related Assignments

Advisor

Benjamin Laugelli, Department of Engineering and Society

Introduction:

Hahnemann University Hospital (HUH), a major hospital in Philadelphia, Pennsylvania, permanently closed its doors in September 2019 (Feldman, 2019). Further research revealed that HUH's owner at the time, American Academic Health System (AAHS), was unable to keep up with the financial burdens of running the hospital (George, 2020). HUH's closing negatively impacted the community as they served "some of the city's sickest, poorest patients" (Burns, 2019). However, the interpretation of HUH's closing does not take into consideration the ethical implications when hospitals close in low-income areas. If we continue to see HUH's closing as a financial situation rather than an ethical one, then we could miss how HUH's closing violated ethics from a care perspective.

Examining the HUH case through the lens of care ethics will provide a greater perspective to scrutinize the morality of the owner's executive decision to close HUH. Specifically, I will demonstrate that the owner's actions were morally unacceptable to a significant extent due to the failure of upholding social responsibility to patients, employees, and a neighboring hospital in the area. To achieve this goal, I will analyze the following academic publications: *The Hahnemann University Hospital Closure and What Matters: A Department Chair's Perspective* (Hamilton, 2020), and *The Closure of Hahnemann University Hospital and the Experience of Moral Injury in Academic Medicine* (Roberts, 2020).

Background:

Philadelphia experiences significant challenges as it is the "poorest of the largest U.S. cities with 23.3% of residents living in poverty," straining the Philadelphia health system (Shields, 2020). Most of the fifty thousand patients treated per year at HUH had "publicly funded medical insurance or none at all" (Pomorski, 2021). HUH was also the primary teaching hospital

used by Drexel University's College of Medicine, offering diverse medical specialties (Pomorski, 2021). However, the hospital was in extreme debt, experiencing losses of up to \$5 million per month (Burns, 2019). HUH was originally bought out of bankruptcy in 1998 by Tenet Healthcare, a for-profit organization (Pomorski, 2021). Tenet Healthcare's C.O.O. at the time, Michael Focht, ensured the community that Tenet Healthcare would be there long-term while providing quality patient care (Pomorski, 2021). However, California-based American Academic Health System bought HUH in 2018 (George, 2020). Nineteen months later, HUH closed its doors.

Literature Review:

Extensive research exists regarding the HUH closing. Scholars have addressed how financial instability was the main contributor to HUH's closing as they served patients from low-income backgrounds. However, there were other factors that led to this financial turmoil. HUH was comprised of a network of actors as multiple components are needed to maintain a hospital, ranging from medical personnel to MRI machines. According to a 2014 report by the Commonwealth Fund, hospitals spend at least \$200 billion in administrative costs, including wages, supply, and marketing (*The Top Costs Associated with Running a Hospital*, 2019). Typically, for-profit hospitals "spend more on administrative costs than nonprofit, public, teaching, and rural hospitals" (*The Top Costs Associated with Running a Hospital*, 2019). While several scholars have examined the financial causes of HUH's closing, scholars have not yet adequately considered how the action taken by executives to close HUH permanently was morally irresponsible from a care ethics perspective.

In Hamilton's publication, he argues from a HUH department chair's point of view, that being a for-profit hospital "serving the underserved without city or state sponsorship" was how

HUH lost capital at an extreme rate (Hamilton, 2020). Hamilton witnessed a different hospital bankruptcy and learned from that experience that needs to be emphasized on “patient care, teaching, and prudent fiscal stewardship” (Hamilton, 2020). When Hamilton became the Emergency Department (ED) chair at HUH, he strived to strengthen the teaching program, expand research funding, and develop new programs supporting the underserved (Hamilton, 2020). Hamilton was hopeful as “everyone-especially patients- needed HUH to remain a full-service hospital” (Hamilton, 2020). Unfortunately, in June 2019, HUH’s owner announced that the hospital would be closing its doors in 90 days (Hamilton, 2020).

In Roberts’ publication, she argues that HUH’s closing not only negatively impacted patients but also the employees that worked there. She examined HUH’s entire journey as HUH was acquired and merged in 1993, experienced more “unsustainable losses” followed by bankruptcy in 1998, a sale in 2018, and finally the executive decision to close permanently in 2019 due to deficits (Roberts, 2020). Roberts concludes that even if the hospital closure was inevitable, it “should not have happened the way it did” (Roberts, 2020).

Hamilton’s and Roberts’ arguments relate to each other by how they both emphasize the negative effects of HUH’s closing. They include how patients had to search for other providers to receive care while residents had to search for other programs. Hamilton’s argument is unique as he mentions how the corporate structure led to HUH’s financial turmoil. Roberts’ argument touches on how HUH’s closing was a “moral injury,” but failed to include a justification as to why in regard to care ethics. Although both publications are valuable in understanding HUH’s closing at a more analytical level, this paper will use a care ethics framework to develop an argument of why the executive decision taken by the AAHS was morally irresponsible.

Conceptual Framework:

My analysis of the HUH termination draws on the care ethics framework, which allows me to demonstrate how the case resulted in failure of social responsibility to its patients, employees, and a neighboring hospital. Developed by Carol Gilligan, care ethics “emphasizes the importance of relationships...and that the development of morals does not come about by learning general moral principles” (van de Poel & Royakkers, 2011). Care ethics is used within engineering to “look for norms that social arrangements...should meet to express care to all relevant stakeholders” (van de Poel & Royakkers, 2011).

Care ethics is intertwined and incorporates the following: social responsibility, action, attitude, practice, and power (van de Poel and Royakkers, 2011). Care as social responsibility refers to how as people living in this society, we must exhibit care for all people (Tronto, 1998). Care as action refers to how we must strive to “repair” and maintain our society, so we can “live in it as well as possible (Fisher and Tronto, 1990). Care as attitude refers to different virtues when exhibiting care, such as concern, empathy, and investment (Tronto, 1998). Care in practice emphasizes attentiveness, responsibility, competence, and responsiveness (Tronto, 1998). Violating these elements is not a “technical problem, but a moral one” (Tronto, 1998). Lastly, care and power focus on how we can care for people in asymmetrical relationships of power, ensuring fair treatment (Tronto, 1998). Overall, “connectedness of people” is significant (van de Poel and Royakkers, 2011). Drawing on the framework, in the analysis that follows I illustrate how the hospital owner acted immorally to patients, employees, and the neighboring hospital when making the executive decision to close HUH.

Analysis:

The owner’s decision to close HUH was a failure of social responsibility to patients, employees, and a neighboring hospital. As the executives were in a position of power, they must perform what is expected of them and lead in a professional manner that serves all members of the designated network.

Failure of Social Responsibility to Patients

The owner’s decision to close HUH exhibits a failure of social responsibility to all patients. HUH served most of the vulnerable patients in the Philadelphia area- caring after people no one's else wanted to look after, according to Lia Logio, a provider at HUH (Pomorski, 2021).

The impact on patients due to HUH’s closing is seen below:

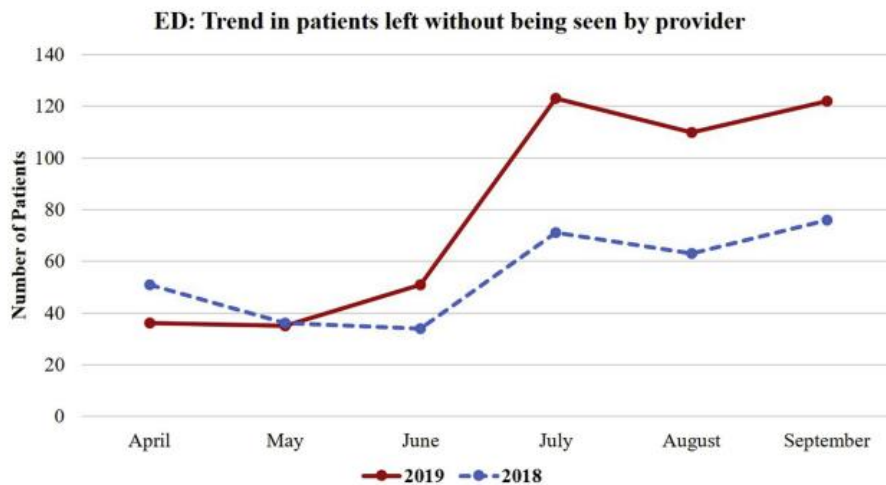


Figure 1: Patients Left Without Seeing a Provider (Desai et al., 2020)

First, note how the number of patients who leave the emergency department before seeing a provider at a neighboring hospital, increased significantly from 2018 to 2019. According to the study, “this is a much more substantial increase in the number of patients when comparing the

metric to the same time period in 2018,” as there was a 188% increase (Desai et al., 2020). This indicates that wait times increased as a result of HUH’s closing.

Additionally, patients felt the impact of HUH’s closure during the COVID-19 Pandemic. City officials asked Freedman if he would allow COVID patients to be housed at HUH; however, he would only agree to it for a cost of more than four hundred thousand dollars a month, a rate which he found “very reasonable” (Pomorski, 2021). Logio stated, “Health care is supposed to be about taking care of the patients. Helping people to have long, flourishing lives, with limited illness and limited pain. Somehow, it isn’t a priority” (Pomorski, 2021). Note how during a time of sorrow, Freedman asked for monthly payments to house sick patients. With infections skyrocketing, it was essential to prevent further spread, but Freedman did not share that same vision unless it came with a profit. Also note how Logio emphasizes care from a provider perspective, including how patient care is no longer a priority to others anymore.

These pieces of evidence illustrate how Freedman did not exhibit attentive, responsible, and competent care to patients. He did not commit care as action and attitude as many patients would be left untreated as a result of the hospital closure. His reference to having a reasonable rate reveals how he did not show empathy as he cared more about profits rather than patient welfare. Not in line with care ethics, his decision to not support patients during a public health crisis highlights his eagerness to only be supportive if profit is involved. The fact that he offered the facility only if there was payment emphasizes how he does not share the same concern as Logio for taking care of patients. Relating to care and power, Logio mentioned how these patients were vulnerable, portraying an imbalance of power between the hierarchal structure of owners to patients. Freedman’s decision to not offer housing exhibits a position of power as the choice was ultimately up to him. Although he is responsible for making this decision, he also has

a responsibility to respect city officials during a time of crisis to focus on the greater good. Hence, AAHS's decision to close HUH reflects how care was not a key factor in that decision, negatively impacting patients in the area.

Failure of Social Responsibility to Employees

The owners' decision to close HUH exhibits a social responsibility failure to all of its employees, especially resident physicians. Although all types of employees were negatively impacted, including nurses, technicians, administrative assistants, and maintenance staff, residents were put in a difficult situation as they had to search for different specialty programs that would accept them in the middle of their tenure. To understand how these employees were impacted, it is necessary to provide textual evidence directly from them to hear their perspectives.

Daniel Edwards, a urologist resident at HUH, mentioned in an email: "Aside from procuring training positions, there are obvious concerns regarding benefits and salary as residents transition from one program to another, in addition to potential complications such as family relocation/separation and mortgages, etc." (Feldman, 2019). Note how Edwards expresses a valid concern as being laid off affects employees financially and mentally, especially as there was a period of uncertainty where residents were unaware of what their next steps were. Having to relocate involves restarting all over again- finding a new home, forming new relationships, leaving existing relationships, etc. This suggests that executives neglected to consider what residents would have to suffer through when closing HUH, illustrating how they failed to care about what obstacles they caused residents to struggle with.

Lynsey Daniels, a third-year surgical resident at HUH, wrote a eulogy expressing her frustration and sadness. From her eulogy, I included the following excerpt below:

“Unlike many hospitals, almost all of the direct patient care at Hahnemann was provided by residents. That means we answered every page for traumas and responded first for patient emergencies. We are a diverse group that cared for the most vulnerable individuals in Philadelphia. Although we always had the mentorship of our attending physicians, we were the first ones to the bedside when there was a problem. We ate, slept, worked together as team for 24-hour stretches, and by the end of our shifts, we were family...Now, as I walk through the halls of an empty hospital with no patients left, the loss is physically tangible. Formative moments in my training took place in rooms that are now occupied by piles of hospital telephones, computers, IV poles, and code carts. Memories of both tragic human suffering and miraculous recoveries are being replaced by visions of empty supply closets and deserted patient rooms...I mourn the loss of this hospital as I would a lifelong friend. Rest in power, Hahnemann University Hospital” (Daniels 2019).

First, note how important residents were within the network. They were pivotal in patient care as they spent the most time with patients. HUH owners violate caring as they show no concern for these residents’ futures due to how they ended their medical training program. This illustrates how the owners do not commit to care as action and attitude by how not providing education to our future providers does not repair our “world.” As an employer, it was HUH’s duty to provide these residents with the resources needed to successfully complete their program, so they would be able to become attendings within their desired specialties. However, the owners failed in their social responsibility to do so, illustrating how they were not in line with care ethics. Second, note

how emotionally involved Daniels was as she mourned the termination as a loss of a lifelong friend. Being given ninety days to find a new program and relocate exhibits the asymmetrical power between the owners and residents. Although technically owners would have more power than residents, the owners should not abuse their power. If the owners knew they were losing capital fast, they should have communicated these challenges beforehand to allow for transparency between the owners and residents. This would have allowed residents to make future plans on the earlier side rather than the last minute, especially as the hiring process for a residency program is timely. Firing these valuable workers despite their commitments shows how the owners did not exhibit attentive, responsible, and competent care but rather selfishness and greed.

As I demonstrated through a care ethics analysis, the employees of HUH were negatively impacted by HUH's closing due to a lack of social responsibility shown by AAHS. Some may argue that the owner contributed a significant amount of effort to save HUH. Joel Freedman, the chairman of AAHS, mentioned the statement below after filing for bankruptcy:

“We were dead in the water the day we got there. If I could go back and do it again, frankly, I would either not do the deal, get a significant adjustment from Tenet to do the deal, or I would have sold Hahnemann on day one and take the heat then. I can't imagine it would have been any worse the heat I've taken since. I would have walked away with a massive profit [selling Hahnemann property immediately] instead of incurring material loss and lot of heartache. But it is what it is. I was there for the right reason. I fought until the last breath trying to save Hahnemann” (George, 2020).

He claims that they did everything in their power to save HUH. Yet his view fails to consider employees' perspectives. The Pennsylvania Association of Staff Nurses and Allied Professionals (PASNAP), with whom 800 of HUH's registered nurses are a part of, had a different view of how this situation was handled. Samir Sonit, a spokesperson for the union, mentioned the statement below to the media that Freedman did not do his best to save the hospital:

“Over the last eighteen months, he has basically plundered it and driven it into the ground...he has been unwilling to work with stakeholders, elected officials, prospective buyers in a productive way to find a long-term solution to this...he's always considered this a real estate investment and not a hospital that provides care to [the] low-income population and employs three-thousand workers” (Feldman, 2019).

After examining both of these pieces of evidence, it is apparent that Freedman failed to practice attentive, responsible, and competent care. Initially, he expresses his regret about purchasing HUH. He stated that he was there for the right reason yet still wanted to sell HUH. This indicates he rather leave HUH in shambles in return for a larger profit rather than try to resolve the challenges that faced them. This supports the union's statement of how Freedman valued the hospital's financial value over its community of patients and employees. As a result, prioritizing capital over what is right for its members does not exhibit care. It is the owners' responsibility to take accountability for what is right and guide people on the right path forward. Despite being in a leadership position, the owners disregarded the network and only looked for ways to get out of the situation in a manner that would least harm them rather than their constituents.

Failure of Social Responsibility to a Neighboring Hospital

The owner’s decision to close HUH exhibits a failure of social responsibility to Thomas Jefferson University Hospital (TJUH), a hospital located less than two miles away from HUH. The difference between the number of patients at TJUH in 2018 and 2019 is seen in the figure below.

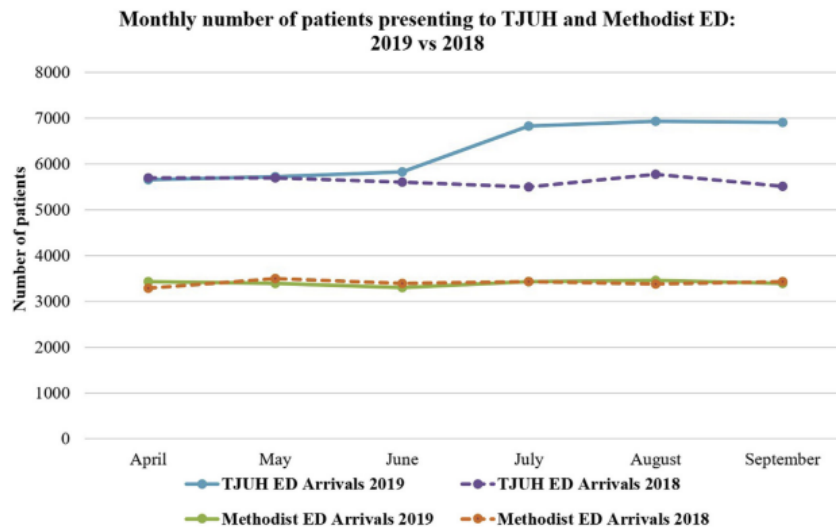


Figure 2: Number of Patients at TJUH in 2018 vs. 2019 (Desai et al., 2020)

The figure shows that the number of patients at TJUH emergency department increased from 2018 to 2019 due to HUH’s closure. There was a “20.2% increase in patient arrivals for the three months” after HUH’s closure (Desai et al, 2020). Multiple TJUH employees shared what the HUH closure meant to them and the community overall. Robin Naples, the residency program director, stated “Jefferson’s emergency department has seen a significant increase in EMS volume and walk-in patients. We have had to reconsider our ED staffing to safely care for the influx of patients...” (Henderson, 2019). Stephanie Connors, the COO of Jefferson Health, states

how “Jefferson officially had a week’s notice to react and respond to this health crisis, and I think we did the right thing. We formed committees, reached out to contacts at Hahnemann, and worked with our leadership to develop strategies and ways to improve our efficiencies in our very busy hospitals...” (Henderson, 2019). First, note how the residency director’s comment aligns with what is shown in figure 2. Second, the fact that TJUH was only given a week to prepare for such a drastic change does not exhibit care as action or attitude. If care was exhibited, TJUH would have been notified earlier, allowing for ample preparation. Overall, the closure strained other hospitals, causing negative impacts on their supply and employee workload.

Conclusion:

Although running a hospital is not simple, it is essential to persevere through challenges to be there for the community. These impacts reveal how HUH’s owner failed to exhibit attentive, responsible, and competent care to its patients, employees, and neighboring hospitals. Using a care ethics framework, the actions of HUH’s owner are in fact immoral as turning away patients and employees during a time of need fails to demonstrate a commitment to service. As the hospital’s owner, it is their duty to serve all patients, create a healthy environment for all employees, and collaborate with community hospitals.

Overall, HUH’s closure is an awakening as this will certainly not be the last major hospital to close due to financial difficulties. HUH was composed of a network; therefore, it is essential to understand how the components are intertwined and important it is for our society to function successfully. Thus, this paper provides a greater understanding of the extent of how fragmented our healthcare system is today.

Word Count: 3295

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