

Thank you Senator Warren and members of the subcommittee for having me here today. My name is Peggy Malone, RN, and I have provided care at the Crozer-Chester Medical Center for 32 years. I am the Vice President of the Crozer-Chester Nurses Association, which is a local of the Pennsylvania Association of Staff Nurses and Allied Professionals, or PASNAP. I am also a member of the PASNAP Board of Directors.

Being a nurse for me and my colleagues is more than a job. It is a calling. We are first and foremost, fierce patient advocates. That is why I am here today. Our patients are suffering due to the greed of a major private equity firm that has enriched itself and its owners at the expense of our patients.

Prospect Medical Holdings, which owns 17 hospitals across the country including mine, was majority-owned until June 2021¹ by the major private equity firm Leonard Green & Partners. Leonard Green and Prospect's founders and current owners, Sam Lee and David Topper, extracted over \$400 million from Prospect

¹ ["Rhode Island Regulator Approves Hospital Sale."](#) Laura Cooper, *Wall Street Journal*. June 1, 2021.

since taking ownership just a few short years ago.² Simply put, we were looted.

I am here to testify in support of Senator Warren's Stop Wall Street Looting Act, because Congress needs to take action now. We cannot have a health care system in this country that allows, even enables, this to happen.

Eighteen months ago, we were called upon to face a global pandemic head on. We had no idea what we were up against. We did not have enough PPE. We did not have enough staff. We were away from our families. It was the hardest work of our careers. But we showed up at every shift and took care of our patients. We took care of them like they were our own family. We had one goal: to do no harm and help save as many lives as we could. Were we scared? Sure. But we hid it behind our masks.

Eighteen long months later, we are still wearing masks, but we can't hide what we feel now. We are sad, frustrated, overworked and disrespected, but we still show up to work to take care of our patients every day.

² ["Investors Extracted \\$400 Million From a Hospital Chain That Sometimes Couldn't Pay for Medical Supplies or Gas for Ambulances."](#) Peter Elkind with Doris Burke, Propublica. September 30, 2020.

We have done our jobs. Prospect has not done theirs. In fact, things have gotten progressively worse since our community hospital system was converted to for-profit status under Prospect's ownership in 2016. The quality of care has gone downhill, and our hospital is only kept from collapsing by the sheer will of the nurses and healthcare workers that keep the ball rolling.

We are now at a crisis point. Due to Prospect's misguided efforts to save money, we are now severely understaffed and without the supplies we need to do our job. There are many shifts when our nurses are overwhelmed with the number of patients they have to care for -- significantly higher than the safe maximum number of patients per nurse.

This decline comes as Prospect has received \$173.8 million in COVID grants from the federal government.³ Where has that money gone? We don't know. It certainly hasn't prevented conditions from getting worse at the bedside.

Senator Warren's Stop Wall Street Looting Act would have helped to prevent the worst abuses by Leonard Green, Sam Lee and David Topper. The bill would "[p]rohibit interest on excessive

³ [Covidstimuluswatch.org Query](https://www.covidstimuluswatch.org/Query). October 18, 2021.

debt obligations from being tax deductible by target companies,” as pointed out by Senator Warren’s office.⁴ The increased interest rates that Prospect was charged for issuing the debt lowered the tax payments made by Prospect.

What was most of the debt issued for? Not to provide care at the bedside. Instead, the debt was issued to pay \$400 million in dividends to Leonard Green, Sam Lee, and David Topper.

They took this money while leaving our patients at risk. At the same time they failed to fully fund our pension, leaving our families and retirement at risk as well.

This is wrong. Our tax system should not be creating incentives for bad business practices, and private equity firms should not be able to extract huge dividends while failing to fund employee pensions. Senator Warren’s Stop Wall Street Looting Act would put an end to it.

Our calls to Prospect and its owners over the years have fallen on deaf ears. We now turn to you. The 1300 nurses and healthcare professionals represented by PASNAP at Prospect are in full support of Senator Warren’s bill, and we call on you,

⁴ [“The Stop Wall Street Looting Act of 2019 Section-by-Section.”](#)

our elected officials, to support us, and support this bill.

Thank you so much.