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# Whistleblower Wants Tenet to Come Clean

*A former surgery chief claims the hospital chain sought to cover up operating room sanitary shortfalls.*

By [Melissa Davis](#)

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More than three years ago, surgeon Charles Rosen blew the whistle on the **Tenet** (**THC**)-owned hospital where he worked.

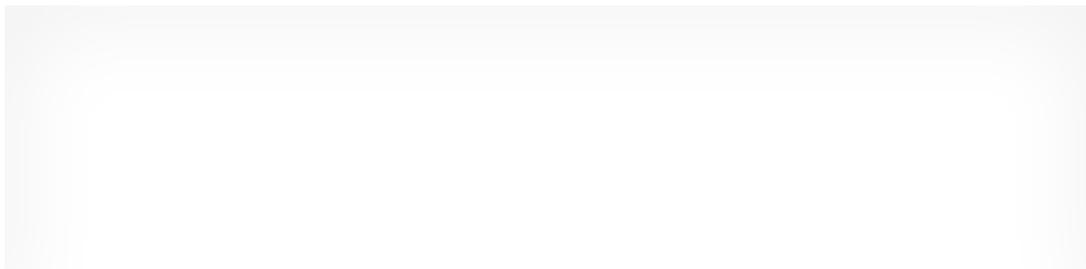
Rosen, who at the time served as chief of surgery at Tenet's Garden Grove Hospital in suburban Southern California, had just learned that he'd spent months operating with instruments cleaned by what appeared to be broken sterilizers. The "flash" sterilizers, often used to clean surgical instruments soiled during operations, had repeatedly failed to kill resilient spores during routine test runs. And now hospital administrators, aware of the positive spore tests all along, were telling Rosen how to explain the situation when federal inspectors showed up for a big evaluation the following day.

Instead, a nauseated Rosen resigned and went straight to federal authorities.

"This information was being withheld from the very surgeons entrusted with care of the surgical patients," Rosen complained in a 2000 resignation letter to then-hospital-CEO Mark Meyers. "Such behavior is beyond belief. I feel it is a deliberate attempt at cover-up for financial reasons."

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Meyers responded by saying that the hospital had reacted appropriately, that positive spore tests didn't necessarily indicate a malfunction, that wound infections had not increased and that hospital patients were placed in no danger. A hospital industry watchdog group later largely concurred.

But Rosen dismissed Meyers' reassurances, saying the CEO was relying on "non-physicians making medical judgments," and expressed fresh outrage that he'd been kept in the dark.

Although Meyers claimed that all doctors were properly informed, the hospital's own infection control supervisor indicated otherwise. In a letter to Meyers just after the controversy erupted, Douglas Clark -- a medical doctor who chaired the infection control committee -- said the operating room supervisor had "received instruction from her superior not to share the positive spore-test results with the surgeons."

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Looking for a "crystal-clear environment where none of this funny business goes on," Rosen has since left the for-profit hospital to practice and teach in a university setting. But his stomach never really settled after his experience with Tenet. He believes that patients have needlessly suffered -- and even died -- because of a corporate business model that's "incompatible with good health care."

Tenet focuses on "the bottom line, regardless of what is good for the patients," he said.

Tenet -- which vowed this week to adopt a "relentless emphasis on quality" going forward -- did not return messages seeking comment for this story. The company's shares, which have lost more than three-quarters of their value over the last year as the company's practices have come under government investigation, dropped 23 cents Thursday, to \$11.98.

## Red Flags

Peter Young, a business consultant for HealthCare Strategic Issues, stumbled across Tenet's unusual business model about a year after Rosen severed ties with the giant hospital chain.

Young, who counts hospitals among his diverse base of clients, was struck by the company's boasts about its hospital in the relatively small community of Redding, Calif. In a conference call with analysts, Young recalls, Tenet pointed to the Redding facility as a booming heart center that could serve as a model for the rest of the Tenet system. Immediately intrigued, Young began digging for reasons behind Redding's extraordinary success.

"Good grief is there pork fat in the water of Redding!" Young declared, explaining that the colorful phrase "is a hospital industry joke when one hospital notes a significant jump in heart business of a competitor that goes beyond a statistical mean."

Since then, Redding has come under fire for allegedly performing unnecessary heart surgeries and billing Medicare for some of the especially lucrative procedures. Plaintiffs' attorneys, representing sick patients and grieving survivors, say Redding was the most profitable hospital in Tenet's entire 114-facility chain before federal investigators began sniffing around last fall. But the hospital's most productive heart surgeons -- stung by a federal raid -- have since stopped practicing. And the once-bustling heart center has shut down because of a sharp drop-off in business.

Earlier, Tenet had rushed to reassure investors by hiring the prestigious Mercer Consulting Group to independently evaluate Redding's past activities. But the company has since refused to share results of that study even as it volunteered another Mercer report -- showing a smattering of unnecessary surgeries -- at a different California hospital.

All along, Tenet has sought to distance itself from Redding's former star surgeons while portraying the hospital as a single Tenet facility whose problems are isolated rather than

systemic in nature. But Tenet itself eagerly pointed to Redding as its "flagship" hospital before the taint of scandal set in.

Young, for one, isn't buying Tenet's arguments.

"Roughly two years ago, Tenet bragged about Redding, indicating it was a cutting-edge facility and how pleased they were with the shop, volumes and types of procedures," Young said. "They knew then Redding's profile was abnormal. ... They were looking to replicate that model."

## **Nasty Bugs**

By this time, Tenet's profit-rich strategy was starting to come under fire more than half a continent away.

The first of more than 100 patients and survivors began suing Tenet's Palm Beach Gardens Medical Center in Florida, complaining of lax infection control and poor quality care. Ultimately, the federal government issued a rare "death threat," warning that it would halt Medicare and Medicaid payments if the hospital didn't clean up its act. Although the hospital escaped this sentence, frightening reminders of past conditions -- blamed for chest-rotting infections -- continue to surface as the pending litigation moves forward.

In mid-June, Tenet attempted to secure a gag order to bar plaintiff attorneys from discussing details about their clients' cases against Palm Beach Gardens. But Tenet's motion failed, and attorney Cal Warriner -- who'd collected exterminator reports -- went on to proclaim that the hospital had bug zappers in the operating rooms, ant problems in the intensive care unit and flies breeding in the mop closets.

Even Rosen, already jaded by his own experience with the broken sterilizers, expressed fresh outrage at the alleged conditions in Palm Beach.

"That's a disaster when you have a fly in the operating room," Rosen said. "If it lands on the wound, that's an instant infection."

Still, Rosen says the horror stories no longer surprise him.

"Based on what I know about Tenet," he said, "I wouldn't put anything past them."

Even so, Rosen blames federal authorities, who control the purse strings on so many big health care payouts, and not just Tenet for any resulting patient tragedies.

## **Dream Police**

Reeling at the thought that patients had risked serious infections from contaminated equipment, Rosen promptly alerted the Joint Commission on Accreditation of Healthcare Organizations in May of 2000. He told federal inspectors that flash sterilizers in the operating room had repeatedly failed daily performance tests, that hospital administrators had intentionally

concealed the malfunction from surgeons and that department staffers were now "sanitizing" records that would expose the equipment breakdown.

But Rosen, who cited employees who could corroborate his story, was in for a major shock. JCAHO, the industry watchdog known to growl about the smallest misplaced exit sign, ignored the chief of surgery and accepted the hospital's explanation instead.

"Here I am telling them about a major threat to patients -- and the blatant destruction of documents -- and they just basically blow me off," Rosen marveled this week. "They gave the hospital a rating of 93."

Rosen would later voice his discomfort in a letter to the JCAHO.

"It was a surprise that, given the independent confirmation of the deliberate withholding of medical information, that any explanation would be accepted by you without penalty to the hospital," he wrote. "I would hope that this is not becoming an issue of your organization's accountability and credibility."

Contacted this week by *TheStreet.com*, the JCAHO confirmed that it received Rosen's complaint, requested and accepted an explanation from the hospital and then closed the case.

The hospital later pointed to its high accreditation score as evidence of quality health care. But Tenet critics take little comfort in such endorsements and outright ridicule the company's own "Circle of Excellence" awards for hospital administrators. They claim that Tenet has showered the prizes on hospital executives who've placed profits ahead of patient care. And they point to allegations looming over two recent recipients of "Circle of Excellence" prizes -- one hospital is suspected of performing unnecessary surgeries and another has been accused of paying illegal doctor kickbacks -- as evidence of their theory.

One former hospital executive, who collected a string of the awards himself, insisted that his own facility committed no wrongdoing under his leadership. But he also admitted that he has watched Tenet's recent collapse with more dismay than shock.

"I know how Tenet operates," he said simply. "Some people are really too aggressive."

By alerting authorities, Rosen feels he did his best to protect future Tenet patients. He also raised concerns with fellow Garden Grove doctors, including a popular physician who led the medical staff and served on the hospital's governing board. But that doctor -- a man named David Litke who reminded some people of a young Marcus Welby -- has since passed away. He died suddenly at the age of 43 just days after Tenet's world blew up with the federal raid of Redding.

"He was found dead at his desk last October," said Rosen, who considered Litke a close friend. "That's about all I know."

By now, Rosen has lost all faith in Tenet. And he can't imagine any cure for the company's current woes.

"In my naive view, I thought telling the feds would take care of it," he said. "They did nothing. ... I just walked away flabbergasted."

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