

proposed in his biannual budget that the State of Texas ought to privatize the state's mental hospitals, just as Rainwater was in the midst of building his Charter Behavioral network.

As *EIR* has documented, Rainwater's handling of the for-profit Columbia/HCA and Charter Behavioral was based on boosting "shareholder value," rather than fulfilling the intent of the Hill-Burton Act for medical care that had been passed in 1946 to protect the General Welfare.

Rainwater looted Charter Behavioral, which at its height had 90 psychiatric hospitals, out of 590 in the United States. After firing staff, slashing care, and otherwise asset-stripping Charter Behavioral, through Crescent Real Estate, in which Rainwater had a majority investment, Rainwater began to shut down the facilities. Some 4-5,000 seriously ill mental patients were dumped on the streets, and when their families could not cope with their problems, many of these patients joined the ranks of the homeless. According to one report from reliable sources, Bush watched his \$100,000 investment in Crescent Real Estate grow to \$1 million.

Rainwater took the same asset-stripping approach with his Columbia/HCA. Rainwater's guiding principle for looting Columbia/HCA was "earnings before depreciation, interest, taxes, and amortization," known as EBDITA.

What this meant in practice, was that Rainwater, his partner Rick Scott, and his wife Darla Moore (a former Citibank employee whom Rainwater put on the board of Columbia/HCA) took such measures as: firing the best doctors in exchange for inexperienced, new graduates; firing registered nurses, replacing them with less-skilled less costly practical nurses; buying shoddy supplies at a 20-30% discount; refusing (against the law) to give medical treatment to those without health insurance; and giving kickbacks to doctors to refer well-heeled clients.

And, as in Washington, D.C., where the only public hospital, D.C. General, is being shut down, leaving hundreds of thousands of residents and visitors to Washington without adequate health care, Rainwater's gang would buy hospitals and close them, so that his asset-stripped facilities were all that was available in an area.

Rainwater et al. demanded that the EBDITA must increase by 5-20% each year, which led to a process called "up-coding" patients, where Medicare was bilked for more costly procedures than were actually performed—e.g., a patient suffering from pneumonia would be billed to Medicare as suffering from a "complex respiratory infection." Because of these practices, one health-care worker likened Columbia/HCA to Attila the Hun.

This is what President Bush has in store for American citizens, through his threat to veto the McCain-Edwards-Kennedy Bipartisan Patients Protection Act, in favor of the "HMO Protection Act." Until he accepts the General Welfare principle in the U.S. Constitution, he will be responsible for genocide against American citizens in the health-care industry, letting his crony contributors loot it in the same way that other cronies have been looting in the energy sector.

Interview: Catherine L. Barrett

Ohio Budget Crisis: Services Cut, While Protest Grows

Ohio State Rep. Catherine L. Barrett (D-District 31), whose district includes Cincinnati, is on the Education, Finance, and Appropriations and Retirement and Aging committees in the Ohio Legislature. In May, she spoke at a rally in Washington, D.C., in support of keeping D.C. General Hospital open as a full-service, fully funded public hospital. In this June 11 interview with Marianna Wertz, Representative Barrett reflects on that fight, and on the battle brewing in Ohio over the large social service cuts in the biennial budget signed on May 6 by Gov. Bob Taft (R).

EIR: First, do you have anything you'd like to say about why you went to Washington, D.C. last month, to speak out about the fight to save D.C. General Hospital?

Barrett: I really can sympathize with D.C. General. That fight is one that we've fought here, in Cincinnati, Ohio, with the closing of our University Hospital a couple of years ago. What happens is, when you privatize public hospitals, there is less care for the indigent. We had just had a county tax levy, to increase the amount for the indigent, to be able to go to public hospitals. Just as we passed that in November, come January, the hospital was privatized. The money still went to the facility, but fewer of the indigent people were being serviced.

What's happening at D.C. General, which I explained when I got there, is diversion. It's my understanding that, when they go to D.C. General, they don't have emergency care. They have to divert them to hospitals as far away as Maryland, which is a long way away. If you've got a serious patient in the ambulance, that patient could die, or get worse.

EIR: There have been nine deaths already attributed to the absence of emergency care.

Barrett: That went up since I was there. That is a horrible crisis there. What they did, is downsize D.C. General. It started with lab work and other work, instead of doing the emergency care that is needed in that district. There are too many people concentrated in that area not to have a public hospital.

EIR: Let's go on to Ohio. I want to discuss the budget crisis, which I understand is caused basically by two things: the



Ohio State Representative Catherine Barrett, a Democrat who represents a district including Cincinnati, directly intervened to try to save D.C. General Hospital in the nation's capital. She tells EIR why the fight against economic collapse effects is common to both.

reduction in the amount of income coming from the sales tax, because of the stagnant economy; and, the Ohio Supreme Court's decision, earlier this year, based on a lawsuit, that the state had to revamp its funding system for schools, because it's unfair to the poor. Governor Taft signed a budget on June 6, but as I understand it, no Democrats voted for that budget. Can you tell me why?

Barrett: We did not support it, because of the cuts in basic services to our constituents. I represent one of the urban districts, the third-largest in the state, Cincinnati. It cut basic service in Medicaid constituents, it cut services to nursing home constituents, it cut the services for passports, it cut the libraries, it cut university money, and it cut the money for housing.

Cincinnati housing is less than 35% home-ownership, and we have a big problem here with housing for our lower-income residents—affordable housing. We had money in the housing trust fund, to assist in loans, in downpayment assistance, for the low-income people. In Cincinnati, we've had the HUD [U.S. Department of Housing and Urban Development] Hope Six program, Hope Six-1 and Hope Six-2. What Hope Six did, was come in and tear down more than 1,100 units of housing for the poor. They tore it down, and they've been building new housing. These are housing units that you can purchase, or you can lease to own, or you can just rent. They're going to build approximately 800 units. Out of that, 120 of them will be for low income. Our low-income people could not afford to even get those 120 units without some assistance from the state. But the housing trust fund is not able to sustain the contracts that they've

already gotten in Ohio. The people that may want these 120 units in Cincinnati are working poor. Now, they will not have assistance from the state, in trying to get back in the community that was torn down by HUD.

EIR: The funding for that was cut by Governor Taft?

Barrett: Right. I travel all over the state and to various seminars in other states. In Minnesota, Wisconsin, and elsewhere, they're using Federal TANF [Temporary Assistance for Needy Families] dollars to assist the low-income people to buy—down—payment assistance. Those dollars did not come from the general revenue fund, out of the state; they were TANF dollars.

Governor Taft cut those dollars. In the state of Ohio, we're eligible for \$722 million TANF funds each year. We have to "buy" those dollars now. The state puts up \$400 million and gets \$700 million from the Federal government, so you'll have \$1.1 billion that can be distributed throughout the state of Ohio. The governor is saying that he didn't want to put up the \$400 million, to get the \$700 million.

EIR: So you lose all of it.

Barrett: So we lose. What it does, is supposedly it stays in Washington. But next year is the last round of TANF funding, which is within the biennium of the Ohio budget. If those monies are left on the table, the Federal government is saying that they are not going to let the states use it, because they gave it to us to buy down; and if we don't buy down now, we're going to lose those dollars. That's what I'm afraid of.

EIR: I understand, also, that there are severe cuts in mental health programs.

Barrett: Mental health, mental retardation, drug and substance abuse programs, and the prisons were cut drastically. As you know, the crime rate is up in Cincinnati, very high.

EIR: You had some serious riots there recently.

Barrett: We've got serious riots, and we've got gangs that have come in, but we don't have money to hire new, sworn policemen; we don't have money to build jails; we don't have money to just process these cases through.

EIR: There have recently been large demonstrations in Cincinnati: Was that about the budget?

Barrett: The demonstrations that they're having here are really about the services. Cincinnati is just like all over the country. We're experiencing a downsizing in revenue income because of economics. P&G [Procter & Gamble] is one of our big corporations here, and they're laying off 1,900 people in the Cincinnati area. The ComAir strike and the Delta strike—all of them affect Cincinnati. And the support of P&G, all of the business that supported P&G, these people have been downsized as well. So, we're seeing the downsizing of services, but we're seeing the uprising of unrest, because of lack of services.

EIR: I'd like to move on to the school crisis: The Ohio Supreme Court ruled four to three in May that the state has to find a funding system, beyond property taxes, that will even out funding for the schools. What happened in the budget with respect to this?

Barrett: The budget was passed by the Republican votes only, to put in \$1.4 billion over the biennium, to increase the school budget. They decreased every department in the budget to come up with this \$1.4 billion. This is a one-time biennium increase. We cannot sustain every biennium with \$1.4 billion. This is what they're going to present to the Supreme Court [which has given the state a June 15 deadline to come up with a plan]. Their sentiment is, well, if it doesn't work, then we'll let the Supreme Court come back and tell us what to do. Their attitude is, they don't feel that they have to do anything about the property tax. We're still relying on the property tax.

Of this \$1.4 billion over the biennium increase, my school district in Cincinnati will only get 2%.

EIR: Why is that?

Barrett: Because they're saying we're a rich community. They're saying we've got P&G here, which is downsizing, and we've got other big corporations, but our schools are not benefitting from some of the things that they feel we are rich with. We might be rich in property valuations, but, as you know, these businesses are not paying that much in taxes to the schools.

What's happening is, Cincinnati is having to downsize the schools and do a re-engineering of the schools. We've turned around, in our school district, a lot of schools that were not performing. Our state testing is up. Our grading is getting better. But, we have to put in new facilities. We have some of the oldest school facilities in the state of Ohio in Cincinnati. We've got schools built in the 1800s that kids are attending. No air conditioning, the old windows. But we have to come up with the funding. We passed a levy in November 2000, thinking that in the school budget they would get more than 2%, because of the lawsuit. But we only come out with 2%, so we have a shortfall. Some of the things that they have budgeted for, with the new tax dollars that we passed in November, cannot be done, because we have to pick up the shortfall that the state budget has given us.

EIR: So this budget proposal is going to go to the Supreme Court on June 15, and they can accept it or reject it?

Barrett: Yes. I can't see how they can accept this, since it's a one-time item. They've had ten years to settle this lawsuit, and they wait to the last biennium budget.

EIR: Today's press is reporting that Republican legislators are going to try to mount a veto against their own Republican governor's line-item cuts to their budget.

Barrett: Right. We all want new dollars, and that's what this state needs. We can't use the same dollars. Our budget funds—that they've projected, based on the current income tax and sales tax—are in shortfall, while our Medicaid expenses continue to rise. Last year, we had to put in \$268 million in general revenue funds to cover our Medicaid shortfalls. This year, we had to cover a \$158 million shortfall in Medicaid. That's general revenue fund money. I did hear that the Republicans are upset, because of the governor not saying we need new dollars. They want the VLTs [video lottery terminals] and they wanted also to use some of the budget stabilization funds. That would bring in enough money to fund the schools every year, not just this one biennium.

EIR: And the governor vetoed that?

Barrett: And the governor vetoed that.

EIR: As you know, Lyndon LaRouche has said that the crisis facing states is part of the international financial collapse. Has there been any discussion of that collapse in the legislature?

Barrett: No. The legislature has been so bogged down with this school-funding issue, that they have not seen the big picture. They're only seeing the little bytes.

EIR: They're seeing the trees coming down, but not the forest.

Barrett: Not the forest. And that's what's happening. But

Mass Support Against 'Bush League' in South Carolina

On June 9, close to 10,000 union and community activists demonstrated in support of the "Charleston 5" at the South Carolina capitol in Columbia. The "Charleston 5" (pictured here with Ken Riley, President of Local 1422 of the International Longshoremen's Association) are members of Charleston ILA Locals 1422 and 1771, who are charged with felony rioting, stemming from what witnesses say was a police-initiated "riot," as union members gathered on the city's docks to peacefully protest the use of non-union stevedores in January 1999. The five—(left to right: Elijah Ford, Rick Simmons, Peter Washington, Jason Edgerton, Kenneth Jefferson, and Riley)—are currently under house arrest, with a 7 p.m. to 7 a.m. curfew. No trial date has been set.



These ILA locals represent hundreds of dockworkers, mostly African-Americans, who earn an average of \$25 an hour—one of the few "living wage" jobs still available to minorities in South Carolina. Breaking the union would have been a real feather in the cap of Attorney General Charles Condon, an ally of George W. Bush, and state chairman of Bush's 2000 Presidential election campaign, who organized the police action.

On Jan. 20, 2000, some 600 South Carolina police, in riot gear, some on horseback, some in armored vehicles, and some stationed as snipers on rooftops, used concussion grenades and rubber bullets at the Charleston port to break up a picket line by ILA members protesting the use of non-

union labor by the Nordana Lines.

Bush himself praised Condon's handling of the situation when he campaigned in Columbia prior to the South Carolina primary. Condon further intervened in the case, after the first charges against the union members—charges of simple trespass—were dismissed in a city court. Condon saw to it that the Charleston 5 were indicted on the felony riot charges, punishable by up to five years in prison.

The large turnout at the demonstration was a show of strength for those who oppose Bush's "Southern Strategy"—the takeover of American politics by advocates of Confederate "Southern justice," low-wage, union-busting policies.

the Senate Republicans are counting on the Democrats' vote, so they can override the governor's vetoes.

EIR: What do you think the Democrats will do?

Barrett: I think the Democrats will do it. Because everyone is against this Governor. This Governor is not going to have a good time trying to get re-elected next year.

EIR: Is he a friend of George W. Bush's?

Barrett: Oh, yes.

EIR: It sounds like the Republicans are in the same disarray in Ohio that they are in California, with the energy crisis hitting, and Bush's insanity on that.

Barrett: Right. There is a big split in the Republican Party here. We've got the liberal Republicans and the conserva-

tive ones.

EIR: So, it's a reflection of the national pattern.

Barrett: That's right.

EIR: Anything else you'd like to say?

Barrett: I'd just like to say that Ohio is in a crisis right now, not only from the budget, but also we're in a health-care crisis, and that's going to be my next issue, once we get this budget behind us. We have the diversion in the hospitals and the nurses leaving the profession, and even doctors are leaving the profession, because they cannot get reimbursement from managed care.

EIR: We have to do away with managed care.

Barrett: Right. That's what we need to do.