Congress of the United States Washington, DC 20515

May 14, 2025

The Honorable Pamela J. Bondi Attorney General U.S. Department of Justice 950 Pennsylvania Avenue, NW Washington, D.C. 20530

Dear Attorney General Bondi:

We write to you with great concern regarding the recent closure of two critical hospitals in Warren and Howland, Ohio—Trumbull Regional Medical Center and Hillside Rehabilitation Hospital—and respectfully request that your office or an appropriate investigative body consider whether to examine the circumstances that led to their closures.

The closures resulted in the loss of Trumbull County's sole behavioral health provider, which has hindered thousands of Mahoning Valley residents—particularly those living in underserved and rural areas—from accessing this necessary health care. Thankfully, Mercy Health, another healthcare provider in the Valley, has stated they have plans to help fill some of the service gaps caused by the closures. ¹ In addition to the loss of access to care, nearly 700 Trumbull County staff were abruptly placed on furlough. ² The lack of transparency in the decision-making process, and the apparent disregard for community impact, have raised serious concerns that warrant independent scrutiny.

We are deeply troubled by reports indicating that the closures are due to the bankruptcy of the hospitals' parent company, Steward Health Care, and a subsequent disagreement over a Transition Services Agreement (TSA) with Insight Health Systems, the hospitals' new owner.³

It is our understanding that Steward, which had leased the facilities from Medical Properties Trust, filed for Chapter 11 bankruptcy in May last year, citing billions in debt. ⁴ In August, Steward announced the closure of both Trumbull Regional Medical Center and Hillside Rehabilitation Hospital, but the shutdown was paused when Insight Health Systems submitted its intention to purchase the hospitals and become the interim operator in September. ⁵

According to Insight, the company would require roughly six months to secure their Medicaid and Medicare licenses from the state to be able to begin independently managing these internal

¹ https://www.tribtoday.com/news/local-news/2025/03/insight-withholds-paychecks-amid-halt/

² https://www.ideastream.org/health/2025-04-14/why-warrens-closed-hospitals-could-be-a-harbinger-for-other-ohio-towns

³ https://www.tribtoday.com/news/local-news/2025/03/insight-trumbull-stops-admissions/

⁴ https://businessjournaldaily.com/journal-opinion-steward-health-plague-returns/

⁵ https://www.tribtoday.com/news/local-news/2025/03/insight-trumbull-stops-admissions/

operating systems, so in their sale agreement from October 2024, Insight paid Steward to manage the internal operating system, which includes IT, billing, and payroll, in the interim. ⁶

However, Steward reportedly broke this sale agreement by imposing millions of dollars in administrative charges on the hospitals and preventing millions of dollars in income from reaching the facilities, according to a memo that was distributed to staff in March 2025 notifying them of the hospitals' closures. It was also claimed that there may have been instances of Medicare and Medicaid fraud or abuse in connection with the operations of these hospitals, all leading to the closure of the Trumbull facilities.

Given your experience and ongoing advocacy for public accountability, we respectfully ask that your office or an appropriate investigative body consider evaluating the legality of the events that led to the subsequent closures. Specifically, you may wish to review:

- 1. The integrity and accuracy of Medicare and Medicaid billing practices during that period;
- 2. Whether federal funds intended to support patient care were misused, diverted, or fraudulently reported;
- 3. The transparency and legality of communications provided to local officials, hospital staff, and the general public; and
- 4. The financial and operational decisions made by the parent company or management entities during the hospital ownership transition process and months leading up to the closure.

The closure of rural hospitals is not merely a local issue—it is a national crisis that disproportionately affects low-income and medically vulnerable populations. These institutions are not just centers of care, they are pillars of their communities, providing essential services, stable employment, and public health infrastructure.

If fraud or abuse played any part in this outcome, it is essential that those responsible be held accountable. The citizens of Mahoning Valley deserve answers, and we must work collectively to ensure that such closures are not allowed to proceed without rigorous scrutiny.

Thank you for your attention to this urgent matter. We look forward to your response and any steps you may take to protect access to healthcare in our rural communities.

⁶ https://businessjournaldaily.com/trumbull-leaders-call-for-assistance-with-closed-hospitals/#:~:text=WARREN%2C%20Ohio%20%E2%80%93%20Mayor%20Doug%20Franklin%20is,options%20and%20employees%20without%20pay%20and%20benefits.&text=In%20October%202024%2C%20Insight%20acquired%20the%20former,filed%20for%20Chapter%2011%20bankruptcy%20in%20May.

¹ <u>https://www.wfmj.com/story/52539011/insight-hospital-trumbull-stops-patient-admissions-due-to-stewards-bankruptcy</u>

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Cc: The Honorable David Yost