

# The Passing of New England Memorial Hospital — Boston Regional Medical Center Closes

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***In the late 1980s, we were the first to report on a bankruptcy by one of our denominationally owned institutions. Now they are becoming more commonplace.***

***Boston Regional Medical Center has now closed its doors. Here is the story.***

— PART ONE —

## HISTORICAL BACKGROUND

On April 28, 1899, on behalf of the Adventist Church, eight men obtained a charter to set up an organization for the express purpose of establishing a sanitarium in Massachusetts, near Boston.

The original name of the new institution was the *New England Sanitarium and Benevolent Association*. Located near the present campus of Atlantic Union College, in South Lancaster, the sanitarium was the eastern branch of the Battle Creek Sanitarium.

It administered the same wholesome natural remedies which had made Battle Creek famous. People flocked to these Adventist sanitariums because the sanitariums used water treatments, herbs, and the eight laws of health to produce outstanding recoveries instead of poisonous drugs dispensed in regular hospitals.

By 1901, over 600 patients from 26 states, Canada, and overseas had come to the New England Sanitarium. It was becoming clear that the hospital needed to expand, yet there was no land on which to do it.

So, in August 1902, the sanitarium superintendent (C.C. Nicola, M.D.) wrote Ellen White for counsel as to where they should relocate. She wrote back that our sanitariums should not be situated near the homes of the wealthy (*7 Testimonies, 88-89*). On other occasions she had written that none of our institutions should be in the cities.

In response to a vision she received, a search was made for a new site (*Review, September 29, 1904*), which resulted in the purchase of the Langwood Hotel property in Stoneham, Massachusetts. Several buildings were on the property, which had its own electric lighting and steam-heating system. Assessed at \$98,000, it was purchased for \$40,000. Ellen White had said we would be able to find valuable properties at very low prices.

In October 1902, the new hospital was fully in operation and all the patients had been transferred to it. Shortly thereafter, Ellen White visited it and wrote that removal of the sanitarium to a quiet country location is

in accordance with the divine blueprint. It was, she said, “far enough removed from the busy city [of Boston] so that the patients may have the most favorable conditions for the recovery of health.”

In 1906, a new main building was completed, and the original structure was used as a dormitory for student nurses.

In 1907, the denomination was able to retain the sanitarium—at a time of great crisis. That year, the Battle Creek Sanitarium was taken over by John Harvey Kellogg and his associates. But, the same year, the New England Sanitarium was placed directly under the control of the New England Conference (now called Atlantic Union Conference).

An additional stucco wing was added to the sanitarium in 1924, and growth continued.

But with the passing of the years, as with all our other medical institutions, the brethren decided that they would rather be the tail instead of the head. Gradually, the drug medication used by worldly physicians was copied, and their other methods aped.

We were losing our distinctive place, the high place God intended us to hold in the world. Our methods of natural remedies were supposed to “reform the medical practices of the physicians”; but, instead, we chose to become followers instead of leaders.

In March 1967, the name of the hospital was changed from *New England Sanitarium* to *New England Memorial Hospital* (NEMH)—in order to better demonstrate that we were just like all the other hospitals. (What the “*Memorial*” was supposed to mean is unclear. Perhaps it meant “tombstone.” “Here lies buried the remains of our beloved sanitarium.”)

Five months later, in August, all the buildings were demolished,—and on the rubble was erected the foundations of a new 300-bed hospital. Why keep buildings which had complete facilities for giving hydrotherapy? They were torn down, for they were no longer considered useful.

NEMH was becoming like all the other hospitals, just an “acute-care facility”—take them in, drug them, and out they go.

The ongoing tragedy bears close resemblance to Israel in the time of the Judges. But, today, there are no oppressors to cause us to plead with God for help. We are too much in agreement with the Canaanites to give thought to what we have lost. As in that ancient time, we are still going to the Philistines for our tools and

their sharpening (1 Samuel 13:20).

More construction occurred over a five-year period; and, in 1974 the newly transformed acute-care hospital was quite satisfied with its status as a copycat medical facility. By this time, it was affiliated with medical schools, colleges, and universities in nearly ten programs; and it was accredited by the Joint Commission on Accreditation of Hospitals. It held membership in the American Hospital Association, the American Protestant Hospital Association, and the Massachusetts Hospital Association. We had fully gained the acceptance by the world which we wanted.

By the early 1990s, NEMH had been reduced from a 300-bed hospital to a 195-bed hospital. The tail was not doing too well.

In 1995, the name was changed from the *New England Memorial Hospital* to the *Boston Regional Medical Center*. This would help everyone recognize that it was just another city hospital.

### — PART TWO — FINAL COLLAPSE

As I write, I have before me eight Massachusetts' newspaper articles. Working with these, and with the testimony of others close to the scene, I will try to reconstruct the end of, what was once, a wonderful Seventh-day Adventist sanitarium.

The light set on a hill had dimmed and gone out. Ultimately, the financial structure collapsed as well. While the other area hospitals were packed, the diagnosis applied to BRMC was that it was no longer needed, for it had nothing better to offer.

The hospital had lost \$3 million, in fiscal 1996, and \$4.8 million in fiscal 1997. As of September 30, 1997, liabilities exceeded assets by \$5.3 million.

"After weeks on the financial equivalent of life support, the Boston Regional Medical Center was pronounced dead last Thursday in Federal bankruptcy court."—*"BRMC Gasps Its Last," Boston Free Press, date not known.*

On Thursday, February 4, 1999, attorneys for the Boston Regional Medical Center filed for Chapter 11 bankruptcy at the federal courthouse in Boston. "Chapter 11" meant that they believed it possible to reorganize and only wanted protection from their creditors during the time that they worked out restructuring. Under Chapter 11, the hospital had seven days to see if it could improve its situation. But, without waiting till the following Wednesday, BRMC closed down on the Bible Sabbath.

You may recall that the General Conference sent its attorneys to file bankruptcy papers for Harris Pine Mills on late Friday afternoon in December in Portland, Oregon. The Sabbath was probably violated. (Yet later disclosures by the bankruptcy referee revealed that bankruptcy proceedings had never been necessary.)

After filing for bankruptcy on Thursday, BRMC closed its doors on Sabbath,—when a lot of work was

done to move out patients which could have been transferred on some other day. Sixteen days before that Sabbath, BRMC had stopped accepting patients. So it surely had time to close things down before treading on the holy Sabbath hours to do it.

"The last of the hospital's patients were transferred to other facilities on Saturday, February 6. The hospital stopped accepting patients on January 22."—*Ibid.*

The employees were shocked at what had happened.

"The lightning-quick end of the Boston Regional Medical Center left most of its employees in shock. Many believed that the administrators of the hospital clearly knew how bad the financial situation was, and should have told employees sooner.

"One anesthesiologist, who asked to remain anonymous, said he felt 'deceived by the administration of the hospital.'

"That's the general consensus around here," he said."—*Ibid.*

The following Tuesday (February 9), the Stoneham city council met to discuss the crisis. One of the council members, Pat Jordan, was extremely angry.

"Jordan blasted hospital administration for not disclosing the status of its search for a financial partner causing its subsequent bankruptcy filing.

"I believe the administration knew what was happening. They didn't tell the town, the employees, the doctors," said Jordan."—*"Dr. Ricks is Target of Board's Anger," Free Press, date not given.*

It is clear that Boston Regional Medical Center was trying to do what a number of our other denominational hospitals are doing: in desperation at the financial weakness, search for non-Adventist hospitals to link up with.

Yet why should this be needed?

1 - Our look-alike hospitals no longer have anything special to offer their local communities.

2 - For over 20 years, Adventist Health Systems officers have siphoned money out of our hospitals for high-salaried executives. By AHS mandate, approved by the General Conference in the late 1980s, top-level officials in AHS and its hospitals are being paid fabulous salaries. At the current time, it runs \$150,000 to \$200,000 a year!

Those officers obviously did not care about the best welfare of the institutions they managed, or they would not have accepted such inflated wages.

In a separate *Free Press* article, mention was made of a meeting on the weekend of February 13-14, at which discussion was made of a way to keep open a non-Adventist school which was operating in one of the BRMC buildings. In that article, it was disclosed that BRMC had found a buyer for the hospital,—but that he had backed out. *Boston Regional Medical Center was just not worth buying.*

"But it shall come to pass, if thou wilt not hearken unto the voice of the Lord thy God, to observe to do all His commandments and His statutes . . .

# Boston Regional Medical Center Closes

that all these curses shall come upon thee, and overtake thee:

“Cursed shalt thou be in the city, and cursed shalt thou be in the field . . .

“The Lord shall cause thee to be smitten before thine enemies; thou shalt go out one way against them, and flee seven ways before them . . .

“The stranger that is within thee shall get up above thee very high; and thou shalt come down very low . . .

“And the Lord shall bring thee into Egypt . . . and there ye shall be sold unto your enemies for bondmen and bondwomen, and no man shall buy you.”—*Deuteronomy 28:15-16, 25, 43, 68.*

Little did we realize the high destiny held out before us. We had the Heaven-given opportunity to minister with natural remedies to a ravaged and sick world. But the splendid duty was abandoned.

“The apparent cause of the hospital’s financial straight [and final collapse] is the hospital’s prospective buyer’s decision to pull out of the deal, which would have solved BRMC’s grave financial condition.”—“*Parents and Legislators Try to Save Strawberry Mill,*” *Free Press, probably January 15, 1999.*

Bankruptcy court proceedings were scheduled for Tuesday, January 16. But the Stoneham city officials were deeply worried about how they were going to get the \$450,000 the hospital owed the city for water and sewage bills.

“Town Administrator Jeff Nutting said the town will retain a bankruptcy attorney to handle its interests. [city treasurer] Cicatelli has said the Chapter 11 bankruptcy protection does not erase the debt liened by the town.”—“*Town Liens on Hospital for Big Tax Bill,*” *Stoneham Sun, February 17, 1999.*

By the next day, the situation had only gotten worse.

“Federal investigators have launched a formal probe to determine whether bankrupt Boston Regional Medical Center in Stoneham made required payments to its pension plans as financial hard times hit last year.”—“*Boston Regional Probed,*” *Boston Herald, February 18, 1999.*

Apparently, in late 1998 the hospital had not paid retirement payments, as required by law.

“Boston Regional had 600 full-time and 300 part-time workers before dismissing most when it entered bankruptcy proceedings.”—*Ibid.*

Near the end of this same newspaper article, mention was made of the amount owed to creditors which hold BRMC bonds.

“Creditors who hold—or issued—about \$32 million in outstanding bonds to Boston Regional have made several appearances in U.S. bankruptcy court in Boston in recent weeks . . . Members of the Seventh-day Adventist Church founded the hospital on a site overlooking Spot Pond 110 years

ago.”—*Ibid.*

Meanwhile, hoping that a sale might help repay them, the creditors have let the hospital reopen its doors for a few more weeks.

“They’ve let the hospital spend money to remain operating with a skeleton staff of 120 workers while it tries to find a buyer.”—*Ibid.*

But still more bad news surfaced the next day. On Friday, February 19, it was disclosed that those employees who had remained faithful to the hospital in its closing months—were left without medical insurance.

“In a cruel twist to an already tough situation, many Boston Regional Medical Center employees who stood by the hospital as it descended into bankruptcy have been left without health insurance.

“The hospital fell behind on payments to at least some of its insurers in recent months, sources familiar with the Stoneham institution’s bankruptcy said.”—“*Hospital Workers Left Without Coverage,*” *Boston Herald, February 19, 1999.*

However, when investigators checked into this matter, facts gradually surfaced that the medical insurance payments had, indeed, been deducted from the worker’s wages,—but had not been sent on to the medical insurance companies.

“Making matters worse, some workers claim their share of health insurance premiums was deducted from paychecks but never passed on to the insurers.”—*Ibid.*

The article concludes with this information:

“Boston Regional has \$42 million in long-term debt. It was founded 110 years ago by people associated with the Seventh-day Adventist Church.”—*Ibid.*

Five days later, on the 24th, two additional newspaper articles were published in a Boston-area newspaper. (*The second of the two articles is reprinted on the bottom of the next page.*) Oh, how our people in Massachusetts must feel humiliated as these revelations surfaced!

“As if having to close its doors were not enough, Boston Regional Medical Center is at the heart of a federal probe into non-payment of pension plans of its employees.

“According to the U.S. Department of Labor in Boston, there is some question as to whether the hospital made required payments to pension plans during its financial breakdown . . .

“In another blow to the defunct hospital, there is now doubt about whether employees have medical coverage.”—*Stoneham Sun, February 24, 1999.*

Upon inquiry, it was learned that two of the medical insurance companies had terminated coverage with BRMC because of non-payment. This is astounding, since BRMC was still collecting payments for this from the workers.

“The Tufts Medical Plan ceased coverage for members from the hospital on February 3. According to Tufts’ spokesman Michelle Davis, the reason was non-payment of premiums. She says the Boston Regional Medical Center’s contract was terminated because it had been in arrears for three months.

“The story was the same for Fallon, which ended coverage for the hospital January 25. Fallon officials said the hospital hadn’t paid premiums since November 1.

“ ‘The Boston Regional Medical Center had not paid the premiums on medical benefits for about three months,’ says Candy Race, director of public relations for Fallon. ‘Obviously, that violated our contract with the hospital.’

“Representatives of the Harvard Health Plan would not comment about the hospital’s non-payment status.”—*Ibid.*

By late February, there was talk that two local medical institutions (Winchester Hospital and the Lahey Clinic) might team up and buy the Adventist hospital for a fire-sale price.

Ironically, a few miles away, at South Lancaster, is a sister denominational institution—*Atlantic Union College*—which, this school year, is once again deeply in the red. This current school year, its expenses exceeded

its income by more than a million dollars.

So another ritual of closing doors will occur before long.

What did Ellen White mean by these words?

“Boston has been pointed out to me repeatedly as a place that must be faithfully worked. The light must shine in the outskirts and in the inmost parts. The Melrose Sanitarium is one of the greatest agencies that can be employed to reach Boston with the truth.”—*Special Testimonies, Series B, No. 13, p. 12. [Ellen White referred to the hospital as the “Melrose Sanitarium,” because that was the name commonly given to it in its early days. This was due to its proximity to the nearby town of Melrose.]*

Those words did not mean that the New England Sanitarium was supposed to be just like the other hospitals. No, it was to dispense only natural remedies,—plus instruction on how to live healthy lives in careful obedience to the Ten Commandments.

For, you see, natural remedies and obedience to the law of God go hand in hand!

But we chose a different path, the broad one. It is a downward path. The only way we can get off of it is to dramatically reverse direction—and go back to what we were once given, and once again obey the clear instruction given in the Spirit of Prophecy.