As a hospital system crashes, Steward's CEO rises above it all

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Let's begin by paying homage to the Bombardier Global 6000, among the most perfect forms of transportation ever created. How perfect? This private aircraft is nearly 100 feet long. It costs \$62 million new. It has a range of 6,000 nautical miles, meaning it can fly nonstop from Aspen to London or New York to Moscow. It holds as many as 17 passengers in luscious club seats, never loses internet connectivity, and can be configured with a bedroom and full shower. It's basically Air Force One without the president.

The Bombardier website, in fact, makes repeated references to an aircraft that befits "a head of state." It's the jet that whisked Taylor Swift from Tokyo back to the United States to watch her boyfriend win the Super Bowl.

But perhaps the ultimate seal of approval for the Bombardier Global 6000 comes not from any global leader or the most popular musical performer alive, but from someone slightly less known but no less discerning. It is the private jet that <u>Steward Health Care</u> Chief Executive Officer <u>Ralph de la Torre</u> has chosen to fly around the world.

Yes, that's right. De la Torre, the proud owner of a \$40 million, <u>190-foot</u> <u>superyacht</u> and the most sophisticated sportfish boat ever built (cost: more than \$15 million), is cruising the skies in one of the biggest and most luxurious private jets that money can buy — in this case, Steward's money.

And lest anyone think that I'm going to make the same mistake twice and miss a jet, I can definitively report that Ralph de la Torre likes things in pairs. Steward also operates a second private plane, a Dassault Falcon 2000LX that can easily soar nonstop from Boston to Europe with as many as a dozen passengers in ultra-luxury. Not to put too fine a point on it, but having a Falcon 2000LX as a spare jet is like having a Bentley as the beater you take to the town dump.

You, like me, might be wondering why a for-profit health care system with particularly fragile hospitals often located in low income communities might choose to spend tens of millions of dollars to own and operate two fabulously luxurious private jets, especially when the company is headquartered in a major airline hub like Dallas that has nonstop flights to virtually any destination that any normal person would want or need to go.

First, though, it's worth noting that Steward didn't seem particularly eager to have the public know about these jets. They were registered with the Federal Aviation Administration under the name of an aviation holding company called TVPX. That company, with offices in Concord, Mass., and North Salt Lake City, declares on its website that it creates trusts for airplane owners who "want to avoid unwanted public or media attention." How did that one work out?

Fortunately, a kind person sent me the tail number to the Bombardier. That tail number opened all sorts of doors in the vast and fanatical private aviation community on the World Wide Web. One door showed that there was a second plane, another revealed a second ownership entity, yet another showed that a Steward executive and board member was affiliated with that other company, Management Health Services. Bottom line: Even Steward representatives didn't push back on the notion that they fund both planes.

The thought did strike me that maybe de la Torre and his executive team were using these planes to embark on critical missions to deliver desperately needed supplies to his chain of woefully under-resourced hospitals. These jets are so sophisticated you can picture an airdrop of medicines and equipment at St. Elizabeth's Medical Center before they whooshed away to another city and another hospital in need.

So I sought the flight records for these planes to confirm that this was the case. Steward didn't seem to make this easy, either, but a very accommodating gentleman affiliated with a strikingly informative aviation site, FlightRadar24, was there to help. Within a day or two, I had a file in my email with every takeoff and landing for each plane in the past two-plus years.

Hmmm. Does Steward have hospitals in Santorini, Corfu, Athens, Naples (Italy, not Florida, but Florida, too), Madrid, Rome, Croatia, and the French Riviera? Or did an eager mariner simply need a ride to his yacht? What about the Bahamas, St. Kitts, Cabo San Lucas, Providenciales, Montego Bay, St. Maarten, and Antigua? And then there were all these flights to Panama and

Ecuador, where I recently reported that his superyacht, the Amaral, had been moored. Coincidence?

There is no evidence that de la Torre was on all of these flights, because the planes are apparently available to other executives as well. But seriously, the staffs of Travel & Leisure and the Robb Report don't spend this much time hurtling toward exotic destinations.

Here, I repeat a sincere and necessary caveat. This is not a screed against wealthy people with mansions and planes and very large boats. But that kind of wealth is supposed to go to those who create something that other people want, not a bunch of scheming private equity partners and executives who dismantle something that so many people need. Hospitals are public trusts.

It's an interesting question, and not an esoteric one, about when immoral actions spill into illegal ones. Governor <u>Maura Healey</u> used the word "criminal" earlier this week when she excoriated Steward for its management of its nine Massachusetts hospitals, and said she basically wanted them out of the state. There are people who can look at how federal money has been spent and where it's gone, and hospitals, Steward especially, have federal money coming in every day. Are they?

But back to the unanswered question of why a hospital company like Steward needs a pair of ultra-luxury jets capable of zipping around the world. The painfully obvious answer is, it absolutely doesn't.

It especially doesn't need it when hospital staffs are getting cut, when <u>medical</u> <u>equipment is getting repossessed</u>, when so many vendors aren't getting paid, and when the quality of health care that it delivers is unquestionably diminished because the many great doctors and nurses and technicians in these hospitals lack the staff support they need and sufficient supplies.

And all the while, de la Torre and his private equity friends at <u>Cerberus</u> <u>Capital Management</u> have been living high, sky high in de la Torre's case, off the money they made when they wrung hundreds of millions of dollars from a hospital system in dire need of resources and care.

Two other quick points. The Global 6000 was acquired by the Steward-related holding companies in 2020. The company that had it before that, which apparently purchased it brand new: Medical Properties Trust, the Alabamabased REIT that bought the land and hospital buildings from Steward, in a series of transactions that allowed a few people to get very rich while leaving

Steward with hundreds of millions of dollars in annual rent. It's hard to know what to make of that.

And Thursday, after I'd been asking about the jets this week, a Steward spokeswoman, Josephine Martin, called to say that the two planes were now for sale. The Falcon, she said, had recently been put on the market. The Global 6000 was listed as of Thursday.

"It's part of a reset for Steward, selling down assets and working to be a different kind of company," Martin said.

Maybe that should provide some satisfaction. Still, certain images remain: <u>Chaos on the ground</u> at so many Steward hospitals, state officials trying to prevent a crisis if any of them close, while Ralph de la Torre soars above it all in a plane built for a king. When bills went unpaid and cuts were made on personnel and supplies, there was always plenty of money for the jets.