

# United States Senate

WASHINGTON, DC 20510

November 25, 2024

Carlos de Solo  
Chief Executive Officer, CareMax, Inc.  
1000 NW 57<sup>th</sup> Court, Suite 400  
Miami, FL 33126

Dear Mr. De Solo,

On November 18, CareMax, Inc., an operator of 56 medical centers in Florida, Texas, Tennessee, and New York, which primarily serves seniors, filed for Chapter 11 bankruptcy protection.<sup>1</sup> Dr. Ralph de la Torre, the former CEO of Steward Health Care (“Steward”), serves on the board of directors of CareMax. Given CareMax’s bankruptcy announcement, I am concerned about Dr. de la Torre’s continued role as a CareMax board member, especially considering the role he played in Steward’s own bankruptcy earlier this year. Dr. de la Torre’s failure to uphold his obligation to provide safe, quality care to Steward patients should disqualify him from the privilege of holding a leadership position in CareMax, another healthcare provider.

In June 2022, CareMax announced an agreement to purchase Steward’s Medicare value-based care business, making CareMax a provider of Steward’s non-clinical services — such as administrative and business support services — for health providers and patients.<sup>2</sup> As part of the deal, CareMax entered into an investor rights agreement to grant Dr. de la Torre, Dr. Michael Callum— executive vice president of Steward — and Medical Properties Trust ownership interest and stock shares.<sup>3</sup> Dr. de la Torre was also placed on CareMax’s board of directors.<sup>4</sup>

Dr. de la Torre remains on the CareMax board to this day despite his central role in Steward’s bankruptcy. Steward’s financial decline is well documented: Steward purchased hospitals, worked with private equity and Medical Properties Trust to strip the hospitals’ assets, and loaded them up with debt.<sup>5</sup> The hospitals, left understaffed and unable to pay their bills, could not provide safe care to patients.<sup>6</sup> The same year that CareMax executed its agreement with Steward, Steward-owned Melbourne Regional Medical Center in Florida lost on-call general surgery coverage in its emergency department because Steward failed to pay the

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<sup>1</sup> Medical services provider CareMax files for Chapter 11 restructuring, Reuters (Nov. 18, 2024), <https://www.reuters.com/business/healthcare-pharmaceuticals/medical-services-provider-caremax-files-chapter-11-restructuring-2024-11-17/>.

<sup>2</sup> Press Release: CareMax, Inc. to Acquire Medicare Value-Based Care Business of Steward Health Care System (June 1, 2022), <https://www.businesswire.com/news/home/20220601005579/en/CareMax-Inc.-to-Acquire-Medicare-Value-Based-Care-Business-of-Steward-Health-Care-System>.

<sup>3</sup> 2022 Notice of Annual Meeting of Stockholders and Proxy Statement, CareMax, [https://s28.q4cdn.com/791221524/files/doc\\_downloads/2022/10/2022-Proxy-Statement.pdf](https://s28.q4cdn.com/791221524/files/doc_downloads/2022/10/2022-Proxy-Statement.pdf).

<sup>4</sup> Fiscal Year 2022 Annual Report, CareMax, [https://s28.q4cdn.com/791221524/files/doc\\_financials/2022/ar/455461\\_003\\_Web\\_BMK\\_AR.pdf](https://s28.q4cdn.com/791221524/files/doc_financials/2022/ar/455461_003_Web_BMK_AR.pdf).

<sup>5</sup> *The Steward Health Care Report: How Corporate Greed Hurt Patients, Health Workers, & Communities*, Office of Senator Edward J. Markey (Sept. 2024), [https://www.markey.senate.gov/imo/media/doc/the\\_steward\\_health\\_care\\_report.pdf](https://www.markey.senate.gov/imo/media/doc/the_steward_health_care_report.pdf).

<sup>6</sup> *Id.*

physicians.<sup>7</sup> In February 2022, the Center for Medicare and Medicaid Services (CMS) placed Steward’s Medical Center of Southeast Texas in immediate jeopardy for “deficient practices [that] posed an immediate jeopardy to patient health and safety and placed all patients at risk for the likelihood of harm, serious injury, impairment and/or subsequent death.”<sup>8</sup> And in September 2022, before the National Labor Relations Board, the Massachusetts Nurses Association filed a 21-count charge of unfair labor practices alleging violations that compromised their ability to provide adequate patient care.<sup>9</sup>

In May 2024, following a litany of hospital closures and service reductions, employee layoffs, and patient deaths, Steward filed for Chapter 11 bankruptcy protection.<sup>10</sup> Steward’s collapse directly impacted CareMax’s own finances. After Steward filed for bankruptcy protection, CareMax filed an objection with the bankruptcy court alleging that Steward had swept \$9.2 million of CareMax’s cash into its own accounts.<sup>11</sup> In fact, CareMax described Steward’s bankruptcy as an “existential threat” to its business.<sup>12</sup>

Meanwhile, Dr. de la Torre cashed in and attempted to avoid consequences for Steward’s financial collapse. Dr. de la Torre received millions in payouts, took luxury vacations using Steward’s private jets, and facilitated financial schemes abroad.<sup>13</sup> In September 2024, the Senate Health, Education, Labor, and Pensions Committee subpoenaed Dr. de la Torre to testify. But he defied the subpoena and the full United States Senate unanimously passed a resolution referring him to the U.S. Department of Justice for criminal contempt charges. Separately, a federal grand jury has been empaneled to investigate Steward for fraud, bribery, and corruption.<sup>14</sup> Yet, Dr. de

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<sup>7</sup> *Id.*

<sup>8</sup> Liz Kowalczyk et al., *Database: Federal deficiency reports for Steward Health Care’s hospitals*, Boston Globe (Sept. 6, 2024), <https://apps.bostonglobe.com/metro/investigations/spotlight/2024/09/steward-hospitals/hospital-lookup/>.

<sup>9</sup> *The Steward Health Care Report: How Corporate Greed Hurt Patients, Health Workers, & Communities*, Office of Senator Edward J. Markey (Sept. 2024), [https://www.markey.senate.gov/imo/media/doc/the\\_steward\\_health\\_care\\_report.pdf](https://www.markey.senate.gov/imo/media/doc/the_steward_health_care_report.pdf).

<sup>10</sup> See Mary Bugbee, *The Pillaging of Steward Health Care: How a private equity firm and hospital landlord contributed to Steward’s bankruptcy*, Private Equity Stakeholder Project (June 26, 2024), <https://pestakeholder.org/reports/the-pillaging-of-steward-health-care/>.

<sup>11</sup> Limited Objection and Reservation of Rights of Caremax, Inc. to Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Junior Lien Postpetition Financing, (B) Use Cash Collateral, and (C) Grant Liens and Provide Superpriority Administrative Expense Claims; (II) Granting Adequate Protection to Certain Prepetition Secured Parties; (III) Modifying the Automatic Stay; (IV) Scheduling a Final Hearing and (V) Granting Related Relief, *In re Steward Health Care System LLC.*, No. 24-90213, (Bankr. S.D. Tex. May 7, 2024), Doc. No. 68; Maureen Tkacik, *From the Folks Who Brought You the Death Panel Algorithm*, American Prospect (Aug. 16, 2024), <https://prospect.org/health/2024-08-16-steward-bankruptcy-physicians-private-equity/>.

<sup>12</sup> Declaration of Paul Rundell in Support of First Day Motions, *In re CareMax, Inc.*, No. 24-80093, (Bankr. S.D. Tex. Nov. 27, 2024), Doc. No. 15.

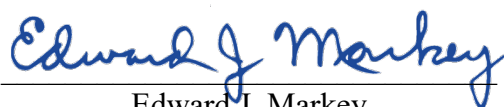
<sup>13</sup> Hanna Krueger et al., *Jet travel, yacht adventures, and more. How Steward’s CEO used corporate funds as the company crumbled*, Boston Globe (Sept. 19, 2024), <https://apps.bostonglobe.com/metro/investigations/spotlight/2024/09/steward-hospitals/flights/>.

<sup>14</sup> Mark Arsenault et al., *Former House speaker John Boehner appears in federal courthouse amid grand jury probe into Steward Health Care*, Boston Globe (Nov. 14, 2024), <https://www.bostonglobe.com/2024/11/14/metro/john-boehner-steward-health-care-grand-jury/>.

la Torre retains a board position at another health care company — one that has also gone bankrupt.

During Dr. de la Torre’s tenure as CEO of Steward Health Care, he failed to safeguard its financial health and he has demonstrated callous disregard for the consequences of its bankruptcy. According to CareMax, its mission is “to improve lives through kindness, compassion, and better health” with a vision of “transforming care to end disparity and create a sustainable healthcare system.”<sup>15</sup> Dr. de la Torre’s track record with Steward reflects behavior inconsistent with CareMax’s stated values. CareMax must consider this when considering Dr. de la Torre’s continued service on its board.

Sincerely,



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Edward J. Markey  
United States Senator

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<sup>15</sup> Third Quarter 2023 Earnings Presentation, CareMax (Nov. 9, 2023), <https://ir.caremax.com/events-and-presentations/presentations/default.aspx>.