Navigating a Merger: Lessons We Learned

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Editor's Note: *The March 2012 CHA Theology and Ethics Colloquium took up as its focus the principle of cooperation. As an illustration of the application of the principle as well as the close working relationship between Catholic Health Initiatives and the Archdiocese of Louisville, a panel of three persons discussed various aspects of the KentuckyOne Health merger. Dr. Brian Reynolds, Chancellor of the Archdiocese of Louisville, described "lessons learned" from the perspective of the archdiocese. Given the number of mergers occurring in Catholic health care, the perspective of the Archdiocese of Louisville on its involvement in the KentuckyOne Health merger might be of considerable value to others in the ministry.*

In March of this year, I had the pleasure of participating in a panel presentation at the Catholic Health Association's 26th Annual Theology and Ethics Colloquium. I joined two representatives from Catholic Health Initiatives to discuss what we learned during the proposed merger of numerous health care institutions in Kentucky. This unique process attempted to combine the work of two Catholic health care systems, along with the state-owned University of Louisville Hospital. I was asked to address the perspective of the role of the Archdiocese of Louisville which, while not a participant in the merger process, became enmeshed in the public debate on the proposed plan. While others can better discuss the important issues involved in ownership, governance, finances, and networks, in this article I will name lessons learned from the particular dynamics we had to address as the local church.

It was clear to all involved in the merger that it was the responsibility of Catholic Health Initiatives to preserve and ensure the Catholic identity of the Catholic institutions involved in this proposed merger. The role of the Archbishop was important though limited. He was asked to grant a formal *Nihil Obstat* stating that the planned merger was free of any moral roadblocks to receiving appropriate recognition from the Church.

Our first lesson was that in the eyes of Catholic parishioners and the wider community, *everything Catholic is connected*. This perception was so widespread that the media and the anti-merger organizations often addressed the criticism and concerns to Archbishop Kurtz. This occurred even though the Archdiocese took no public stance for or against the plan. On one occasion, it was suggested the merger was somehow created and controlled by the Holy See. Editorial cartoons, newspaper columns, and the general public could not separate the Archbishop from CHI since all that was seen

was the title Catholic. As an archdiocesan official, I was often asked how our merger was progressing. This reality, based on public perceptions, required careful attention to the relationship between CHI and the Archdiocese.

The merger partners publicly stated their commitment to respecting one another's traditions, missions, and values, including the *Ethical and Religious Directives for Catholic Health Care Services.* Adherence to the ERDs is of course at the center of any effort to measure Catholic identity. Each partner agreed that no action would be taken that would result in CHI's being out of compliance with the ERDs. However it was the phrase "compliance with the ERDs" that led us to our second lesson as we discovered how *few people have read or studied the ERDs.* Other than bishops, moral theologians, and leaders in the Catholic health care community, the directives are almost unknown. Many of those who feared the merger based their concerns on a document they admitted they had never read. Even some merger supporters, leaders in the Catholic community, and sometimes representatives of the merging partners, had limited knowledge of the ERDs.

The third lesson we learned was the significance of *effective communication*. It is a difficult challenge to communicate through the public media. Media outlets have goals and perspectives, and these often are at odds with the goals and perspectives of church-related organizations. In order to meet this challenge, careful attention had to be given to developing a clear and consistent message. The Archdiocese worked hard not to be the source of information, other than answering questions about the role of the Archbishop in the approval process. Some of the most confusing points during merger negations occurred when representatives of one or another partner, in attempting to appease critics, ended up giving incorrect information about unacceptable procedures and changes that might occur. Everyone involved discovered how essential it is to manage multiple spokespersons.

Catholic Health Initiatives met with the Archbishop when the merger was first being considered. This fourth lesson, *early consultation,* allowed the Archdiocese to prepare diocesan leaders and eventually pastors with information they would need to answer questions they might receive. In addition, this consultation built trust between CHI and the Archdiocese. While preserving the proper independence of CHI, regular consultation with the Archdiocese throughout the merger prevented the confusion or even division that might have occurred. We, in turn, were able to assure our pastors and parishioners that we were aware of what was occurring and that we were comfortable that issues of Catholic identity were being addressed.

The fifth lesson involves the expertise of outside counsel and consultants. Because we often engage outside consultants for other areas of ministry, from the beginning of the merger process Archbishop Kurtz asked CHI to engage the services of the National Catholic Bioethics Center to serve as *an outside consultant to review the structure and plans* of the merger. CHI's willingness to engage John Haas of NCBC ensured the Archbishop of an

evaluation from an independent ethicist. In the end, Dr. Haas' work proved invaluable, not just for the Archdiocese, but for CHI as well.

Ultimately, the merger did not turn out as most expected, but the Archdiocese remains hopeful that the ultimate decision to create KentuckyOne Health will benefit patients through improved care, better access, lower costs and a commitment to care for the poor and marginalized. We appreciate CHI's willingness to follow through on its commitment to serve a state in desperate need of all CHI has to offer.

Editor's Note: *As a result of drug shortages across North America, many health care providers are faced with difficult decisions with regard to how to manage through these shortages. The Government of Ontario recently published an "Ethical Framework for Resource Allocation During the Drug Supply Shortage" to help address such shortages. This framework may be beneficial to individuals in Catholic health care charged with developing an approach to the issue. This document is being reprinted with permission of the Government of Ontario. The copyright is held by the Queen's Printer for Ontario. A brief bibliography follows in Resources.*

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