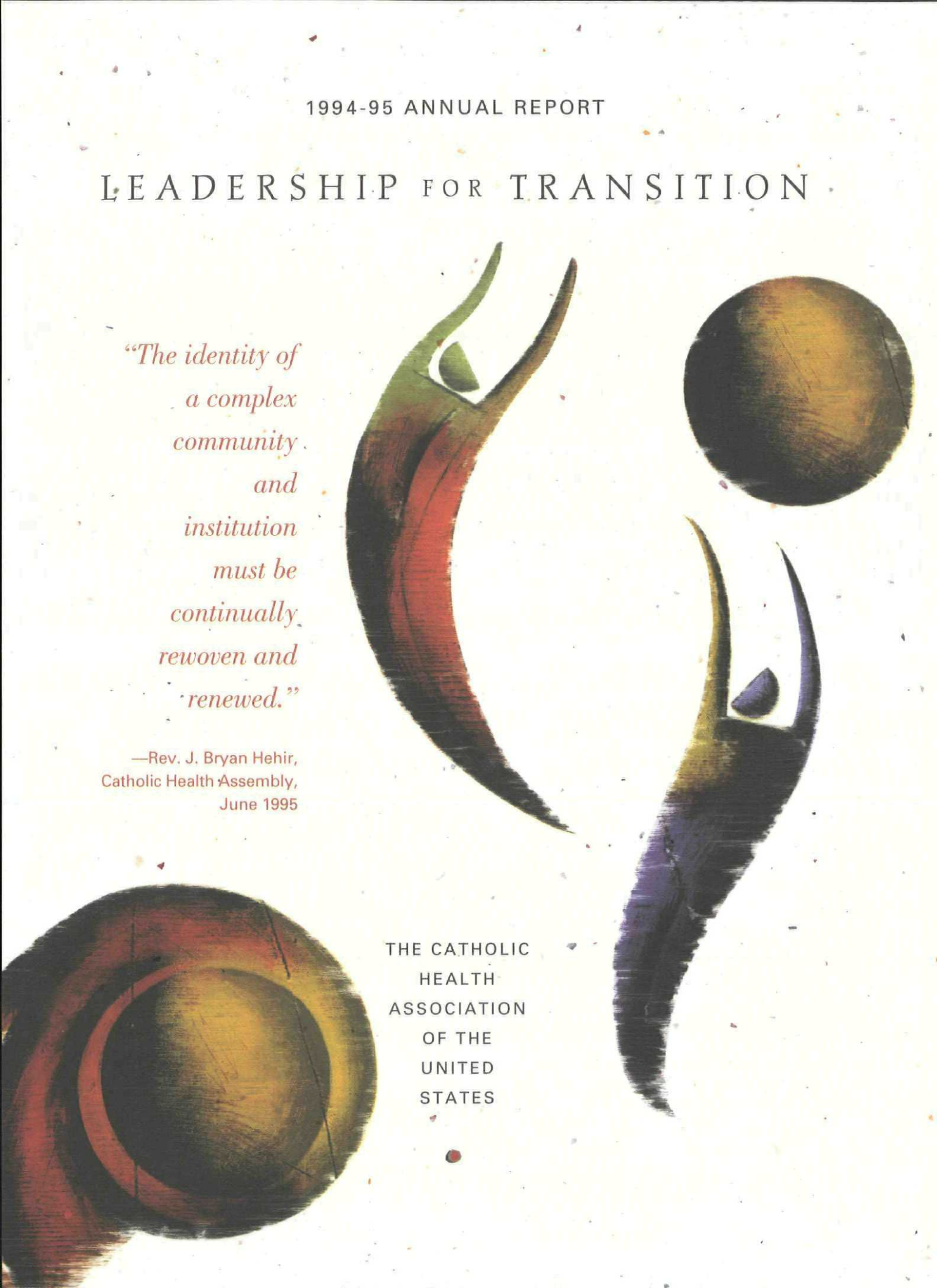


1994-95 ANNUAL REPORT

LEADERSHIP FOR TRANSITION

*“The identity of
a complex
community
and
institution
must be
continually
rewoven and
renewed.”*

—Rev. J. Bryan Hehir,
Catholic Health Assembly,
June 1995

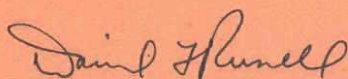


THE CATHOLIC
HEALTH
ASSOCIATION
OF THE
UNITED
STATES

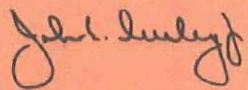
Perhaps you will agree that it would be a great challenge to convey in this annual report all the excitement of CHA's 1994-95 fiscal year. It was a year of transition and renewal for the Catholic health ministry. During the year, we saw the future of our ministry being forged in a variety of public and private settings, and the Catholic Health Association was present, engaged, and effective.

For example, do you recall: ● the promise, then disappointment, of the healthcare reform debate ● making the case of not-for-profit healthcare and confronting the threat of investor-owned chains ● opposition to physician-assisted suicide and abortion ● consultations revising the *Ethical and Religious Directives* ● seemingly endless public policy negotiations, including a private meeting with the President and First Lady ● challenging the constitutionality of California's Proposition 187, which would deny healthcare to undocumented persons ● elevating services for sponsors and sponsoring organizations ● advocating a rational approach to reducing the deficit and balancing the federal budget ● promoting integrated delivery networks and a continuum of care ● emphasizing the systematic development of future leadership ● the Christopher Kauffman history of the ministry ● and on and on?

You will enjoy reading this annual report. It captures our efforts, with you, to assure a future in which our ministry grows in the service of people. Together, we are joined in the renewal—indeed refounding—of the Catholic healthcare ministry in the United States.



Daniel F. Russell
Chairperson



John E. Curley, Jr.
President/CEO





S

ERVING AS A RESOURCE TO THE WHOLE CHURCH, CHA introduced "Mission and Ministry: The Need for Catholic Health Care" at the 80th annual assembly in June. This case statement reinforces how Jesus' healing mission—the Catholic health ministry's foundation—is an essential part of the Church.

- CHA fostered dialogue among CHA members, the U.S. bishops, and other Church leaders on the critical issues affecting the ministry. This effort included CHA contributions to the bishops' revision of the *Ethical and Religious Directives for Catholic Health Care Services* and a *Health Progress* series of articles on applying the new directives.
- As one of seven member organizations of the National Coalition on Catholic Health Care Ministry, CHA helped produce *Catholic Health Ministry in Transition: A Handbook for Responsible Leadership*. The book's self-tests assist sponsors and other healthcare leaders in assessing marketplace challenges, needs, and resources so they can make well-informed decisions.
- With the College of Chaplains and the National Association of Catholic Chaplains, CHA cosponsored a convention for 1,200 chaplains from more than 20 religious denominations. This historic gathering marked the beginning of future collaboration between CHA and NACC.
- Catholic Charities USA and CHA actively collaborated. The directors of aging services of Catholic healthcare systems met with their Catholic Charities counterparts to explore ways the organizations could work together locally and nationally. For the first time, the Catholic Charities board met in conjunction with the CHA assembly, and CHA shared managed care expertise with Catholic Charities.
- CHA distributed *Ministry and Meaning: A Religious History of Catholic Health Care in the United States* by historian Christopher J. Kauffman. This book, commissioned by CHA, explores the religious self-understanding of care givers and provides a perspective for assessing the current transitions in the Catholic health ministry.

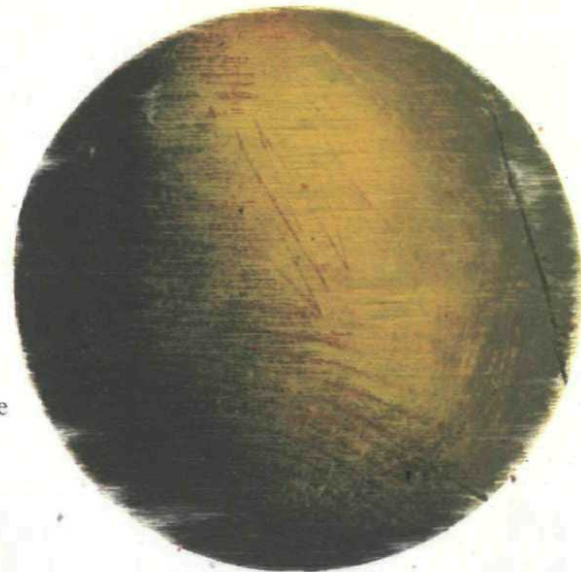
DEMONSTRATING HOW CATHOLIC HEALTH ORGANIZATIONS CAN MAINTAIN CARING, MISSION-DRIVEN COMMUNITIES, CHA held 13 regional meetings on the integration of health services, the revised *Ethical and Religious Directives for Catholic Health Care Services*, and the case statement "Mission and Ministry: The Need for Catholic Health Care." More than 1,200 mission coordinators, pastoral care staff, and ethics committee members attended.

- To help Catholic health organizations promote cultural diversity, CHA published *Diversity in the Workplace: A Resource Manual*.
- Many of CHA's projects guided members in transforming organizational cultures into environments that encourage creativity, productivity, and spiritual growth. Seminars focused on this topic, as well as on ethical dilemmas raised by network development, managed care, and employee relations. In the March and May 1995 issues, *Health Progress* communicated a wealth of information on organizational culture, including case studies showing how member organizations were striving to adapt to mergers and acquisitions.

- CHA published a draft of *Standards for the Next Generation of Spiritual Services* to facilitate discussion of pastoral care's role in an integrated, community-based health system.
- CHA surveyed its members to determine the extent to which acute and long-term care facilities are integrating into coordinated networks. Members heard the results at several meetings, including two sponsored by CHA at which CEOs from across the nation shared how their organizations were addressing the issues of integration within their service area. CHA also facilitated strategic dialogue sessions with leadership teams to help members move forward with local collaborative efforts.
- Continuing its strategic workbook series on integrated delivery, CHA published three new workbooks during the year: *Redesigning Care: Becoming the Values-driven Low-Cost Provider*, *Community Accountability*, and *Long Term Care in Integrated Delivery*.

HELPING SPONSORS CARRY OUT THEIR MULTIFACETED ROLE IN THEIR COMMUNITIES, CHA made Sponsor Services a distinct service area of the association.

- The Sponsor Services team provided more than 100 on-site consultations and 200 phone consultations to CHA members.
- At a program at the annual meeting of the Leadership Conference of Women Religious, CHA brought more than 250 attendees together to examine the mission mandate to maintain Catholic-sponsored healthcare.



DEVELOPING LEADERS FOR THE CURRENT TRANSITIONS IN HEALTHCARE AND BEYOND, CHA's Center for Leadership Excellence produced "A New Vision of Leadership," a videotape and discussion guide for teams at all levels in Catholic health organizations.

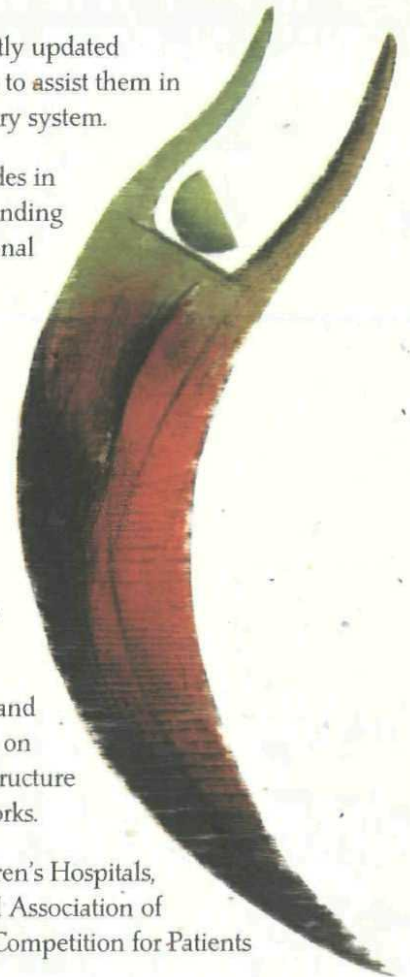
- Three times during the year, the center, together with five Sisters of Mercy systems, engaged persons new to leadership in Catholic healthcare through a three-day program titled "Foundations of Mission."
- Building on its work of the previous year, the Center for Leadership Excellence helped organizations implement Dossier, a competency assessment tool based on the core competencies necessary for success in Catholic healthcare leadership, as identified in the center's research.
- The center's Advanced Institute grew as seasoned healthcare leaders participated in two five-day programs that introduced them to the institute.
- In May the center convened a think tank of senior executives, mission effectiveness staff, and human resource executives. The group constructed a new model of relationships between organizations and employees—a "social contract" in which individuals assume greater personal responsibility than in the past.
- Over six months, a CHA task force developed a five-year business plan for the Center for Leadership Excellence. Projected to be self-supporting within five years, the center will be funded initially by CHA and a number of partnering Catholic healthcare organizations. In collaboration with these partners, the center will design ministry-wide leadership development initiatives.

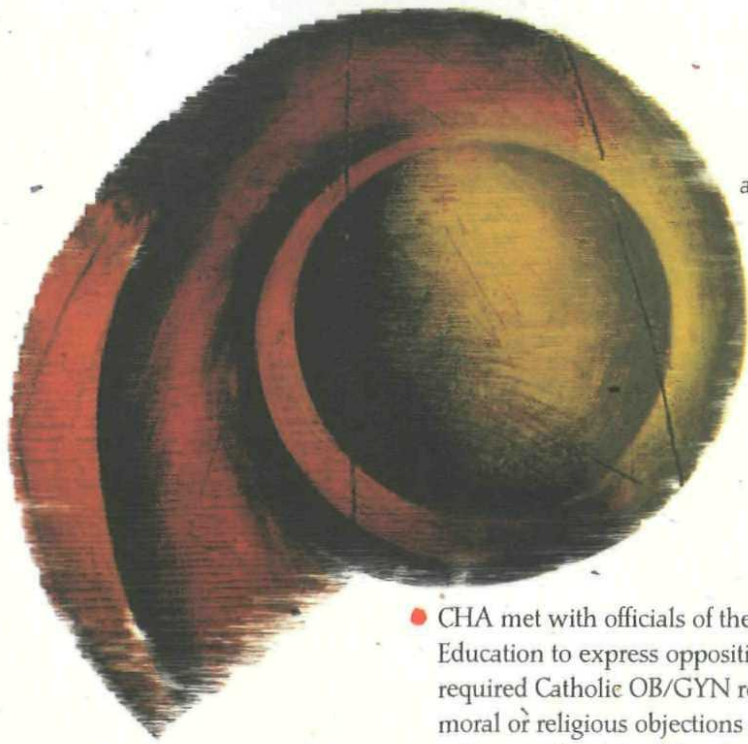
HELPING MEMBERS CREATE SERVICES THAT IMPROVE THE HEALTH AND WELL-BEING OF THEIR COMMUNITIES, CHA brought together two think tanks. The resulting resource booklet, *Health and Well-being: Lessons from the Experts*, prepares providers for a future in which the concept of health encompasses the mind and spirit as well as the body.

- CHA developed a consortium of 11 experts to increase dialogue on health and well-being. This consortium serves as a resource group, and the members interact, among other ways, on the CHA "floor" in the HealthOnline electronic network.
- CHA participated as a partner in a national initiative supported by a \$6 million grant from the W. K. Kellogg Foundation to the American Hospital Association's Hospital Research and Educational Trust. The program is helping fund 25 community-based coalitions that are integrating delivery of services to improve the health of communities.
- Seeking to protect persons' and communities' health and well-being, CHA argued strongly against efforts to legalize physician-assisted suicide and fought California's Proposition 187, which would limit healthcare for undocumented immigrants.

ADVOCATING REFORM ON A BROAD RANGE OF HEALTH ISSUES, CHA worked with its members to articulate the Catholic health ministry's vision of a delivery system centered around community-based integrated delivery networks.

- During the debate on reform of the nation's healthcare system, CHA frequently updated members' boards and staffs, sponsors, and communities and suggested action to assist them in their advocacy of universal insurance coverage and a person-centered delivery system.
- With its members, CHA educated congressional representatives and their aides in news conferences, educational forums, and private meetings. CHA was a founding member of the Health Care Reform Project, which was a prime force in national advocacy of affordable, comprehensive healthcare for all.
- CHA's Executive Committee met privately with President Bill Clinton and Hillary Rodham Clinton to reaffirm the health ministry's support for a reformed system that provides universal coverage and the ministry's opposition to including abortion services in a standard package of health insurance benefits.
- A network of system advocacy coordinators organized by CHA spearheaded local advocacy efforts and provided CHA with critical information from the field. CHA faxed a regular newsletter again this year to keep members informed about the congressional reform debate.
- Since the midterm elections, the association has actively educated members and congressional representatives about the potential impact of budget proposals on the Medicare and Medicaid programs. CHA has also formulated ways to restructure Medicare from a fee-for-service system to a plan of integrated delivery networks.
- With major not-for-profit hospital groups (the National Association of Children's Hospitals, InterHealth, the Association of American Medical Colleges, and the National Association of Public Hospitals), CHA developed a statement of principles on "Harnessing Competition for Patients





and Communities.” These principles assert that cost-containment policies should be assessed against criteria aimed at improving people’s health.

- As part of CHA’s efforts to articulate the importance of the not-for-profit presence in healthcare, the association worked with Cardinal Joseph Bernardin in developing his nationally recognized speech, “Making the Case for Not-for-Profit Healthcare,” and distributed more than 24,000 copies nationwide.
- CHA met with officials of the Accreditation Council on Graduate Medical Education to express opposition to ACGME’s new standard that would have required Catholic OB/GYN residency programs to ensure that residents without moral or religious objections receive training in providing abortions. ACGME subsequently revised the standard and deleted the mandate. CHA believes this revision removes the burden of direct cooperation from Catholic OB/GYN programs; however, CHA still opposes the standard as an inappropriate use of the accreditation process to expand access to elective abortion.

LOOKING TO THE FUTURE, CHA formulated five strategic directions for CHA:

- CHA is compelled to assist the Church in meeting its responsibility to give contemporary expression to the health ministry.
- CHA promotes governance responsibilities which include a special duty to care for, nurture, and develop the health ministry of the Church.
- CHA supports Catholic health organizations in their efforts to develop leaders who have core competencies and a deep commitment to the ministry.
- CHA enables the ministry to shape its environments in a manner rooted in the values of the Church’s healing mission.
- CHA enables the ministry to continue to be a leader in the movement toward a redesigned healthcare delivery system that is values driven, patient and community oriented, economically disciplined, and accessible to all.

With the adoption of these guidelines in February 1995, CHA’s board specified a challenging role for CHA in collaborating with members to lead the ministry in a time of transition.

MISSION OF THE CATHOLIC HEALTH ASSOCIATION

As a ministry of the Catholic Church, our mission is to:

- **SERVE** our members as they continue Jesus’ healing ministry
- **SECURE** healthcare as a right for all persons
- **INFLUENCE** the social debate on health issues
- **WORK** with others for the common good



CHA BOARD OF TRUSTEES, 1994-95*

Chairperson

Daniel F. Russell
President/CEO
Eastern Mercy Health System
Radnor, PA

Vice Chairperson

Sr. Ruth Marie Nickerson, CSC
President/CEO
Saint Agnes Medical Center
Fresno, CA

Secretary-Treasurer

Judith C. Pelham
President/CEO
Mercy Health Services
Farmington Hills, MI

Speaker, Membership Assembly

Sr. Maryanna Coyle, SC
President
Sisters of Charity of Cincinnati
Mount St. Joseph, OH

President

John E. Curley, Jr.
President/CEO
Catholic Health Association
St. Louis

Sr. Helen Amos, RSM
President/CEO
Mercy Medical Center
Baltimore

Sr. Mary Luann Bender, SND
Administrator
St. Charles Care Center and Village
Covington, KY

Card. Joseph Bernardin
Archbishop
Archdiocese of Chicago

Ronald G. Blankenbaker, MD
Senior Vice President—Medical Affairs and
Academics
Erlanger Medical Center
Chattanooga, TN

Michael F. Collins, MD
President/CEO
Caritas Christi
Waltham, MA

Sr. Maureen Comer, OP
Administrator
Providence Hospital
Centralia, WA

Sr. Nannette Gentile, DC
Visitatrix
Daughters of Charity of St. Vincent dePaul—
West Central Province
St. Louis

Sr. Jane Marie Klein, OSF
President/CEO
Sisters of St. Francis Health Services, Inc.
Mishawaka, IN

Bp. James W. Malone, DD
Bishop
Diocese of Youngstown, OH

Sr. Kathleen Mulchay, SSCM
Provincial Superior
Servants of the Holy Heart of Mary
Kankakee, IL

John T. Porter
President
Presentation Health System
Yankton, SD

Thomas H. Rockers
President/CEO
Provenant Health Partners
Denver

Johnson L. Smith, Jr.
Administrator
Conway County Hospital
Morrilton, AR

Eugene J. Sullivan
Chairman Emeritus
Borden, Inc.
New York City

Charles E. Thoele
Consultant
Sisters of Mercy Health System
St. Louis

Sr. Patricia A. Underhill, SC
Cincinnati

Sr. Maria Luisa Vera, RSM
President
Sisters of Mercy, Regional Community
of St. Louis

David J. Ward
President/CEO
Daughters of Charity Services of New Orleans

Charles E. Windsor
Consultant
East St. Louis, IL

Daniel J. Wolterman
Senior Vice President, Operations
Sisters of Charity of the Incarnate Word Health
Care System
Houston

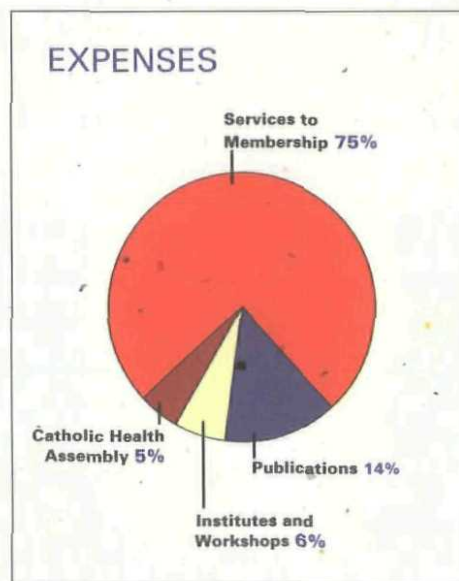
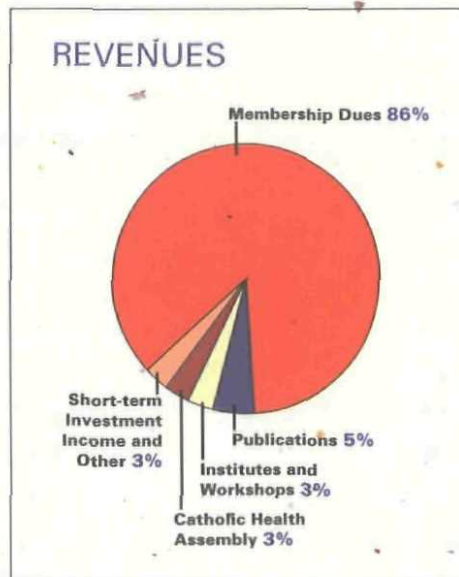
*Titles reflect individuals' role during CHA's 1994-95 fiscal year.

FINANCIAL HIGHLIGHTS

CHA had positive financial performance in the fiscal year ended June 30, 1995. On total operating revenues of \$13.5 million, CHA realized net operating revenues of \$297,000. Because of a change of investment managers, the bulk of CHA's board-designated, long-term investments were liquidated and reinvested, resulting in approximately \$1.5 million in realized gains on the sale of investment securities. This event contributed to the majority of CHA's \$2.3 million excess of revenues over expenses for the year. The board-designated operating reserve was \$10.5 million as of June 30, 1995, thus meeting the requirement that the association maintain at least one-half of one year's operating expenses in reserve for unforeseen needs.

CHA develops detailed operating and capital budgets each fiscal year. The budgets for the fiscal year ending June 30, 1996, were reviewed and approved by the Finance Committee and forwarded to the Board of Trustees for final review and approval. A copy of the approved budgets was sent to all constituent members in early June of 1995; and a financial report was presented by Judith C. Pelham, CHA's secretary-treasurer, as a part of the business meeting at the 80th Catholic Health Assembly in Minneapolis. The association's financial statements for the fiscal year ended June 30, 1995, were audited by Arthur Andersen LLP, independent public accountants.

For a copy of the operating and capital budgets or audited financial statements, contact Brian Camey, CHA's director of finance, at 314-253-3475, or write to the Catholic Health Association, 4455 Woodson Road, St. Louis, MO 63134-3797.



THE CATHOLIC HEALTH ASSOCIATION
OF THE UNITED STATES

NATIONAL HEADQUARTERS

4455 Woodson Road
St. Louis, MO 63134-3797

Phone 314-427-2500

Fax 314-427-0029

e-mail cha@healthonline.com

WASHINGTON OFFICE

1776 K Street, NW
Suite 204
Washington, DC 20006-2304

Phone 202-296-3993

Fax 202-296-3997

e-mail bill.cox@healthonline.com

