

# “A MOMENT OF GRACE”

## *St. Joseph Health System Looks Forward to New Life as a Public Juridic Person*

BY JUDY CASSIDY



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More than 20 years ago, the Sisters of St. Joseph of Orange established St. Joseph Health System (SJHS), Orange, CA, to direct and influence their health ministry, since there were fewer members of the congregation willing and able to lead it. Together with lay colleagues, the sisters have developed a mission-based culture and established innovative programs for mission leadership formation. In “Words, Actions, Beliefs: The Mission at Work” (p. 10), Richard Statuto, the system’s former president and CEO, describes the concrete ways in which the system carries out its commitment to cultural change and mission.

Last winter, SJHS leaders and others met in a wide-ranging, six-hour session to discuss the ministry development of laypersons for leadership, governance, and sponsorship roles. SJHS participants included Richard J. Statuto, who recently retired as the system’s president and CEO (see “Words, Actions, Beliefs: The Mission at Work,” p. 10); the late Sr. Nancy O’Connor, CSJ, who was then vice president, health care reform (see **Box**, p. 8); Sr. Suzanne Sassus, CSJ, vice president, sponsorship; Barbara Cox, vice president, ministry leadership; and John W. (“Jack”) Glaser, STD, senior vice president, theology and ethics. Also attending were Sr. Katherine (“Kit”) Gray, CSJ, general superior, Sisters of St. Joseph of Orange; Sr. Teresa Stanley, CCVI, senior director, sponsor services, Catholic Health Association (CHA), St. Louis; and Monica Bayer Heaton, CHA’s director, mission strategies.

Highlights of that long conversation appear below.

**Sr. Teresa:** In many ways, the system has been working toward this moment of sponsorship change for 20 years. Such a momentous change

In 2004, the Sisters of St. Joseph of Orange, after a year of exploration and discernment, applied to the Congregation for Institutes of Consecrated Life in Rome to establish a new public juridic person with which the sisters could formally share responsibilities with the laity. In the following article, SJHS leaders explain the philosophy and actions that have favorably poised the sisters and SJHS to undertake this inclusive model of sponsorship.

This article is the first in a series that, continuing through 2005, will explore the various ways systems are facing contemporary sponsorship issues.



Sr. Teresa

involves more than just altering structures. Tell us about the other factors—relationships and interconnections—that have created the climate for successfully adopting an alternative type of sponsorship.



Sr. Suzanne

**Sr. Suzanne:** The sisters’ challenge—and that of lay colleagues already in leadership roles—was to create a mission-based culture and opportunities for ministry leadership formation.

The first task was to clearly state the mission, values, and vision of SJHS and to communicate these throughout the organization. The second task was to select, orient, and educate employees around these statements. The third task was to develop systems to ensure consistency and continuity. The fourth task was to evaluate, recognize, and reward employees for living the mission, values, and vision.

The tasks were relatively simple to develop but

are difficult to implement. Four foundational documents spell out our commitment to SJHS's mission.

*A Commitment to Values*, written and revised by teams from each of our entities, spells out our understanding of SJHS's core values: dignity, service, excellence, and justice. *A Vision of Value*, written by a committee composed by SJHS leaders, contains the first systemwide policies. All 18 policies relate to living the mission and values (see **Box**, p. 9). *Values Standards and Key Indicators*, written by members of Values Committees at SJHS entities, serves as a tool to be used in conducting organizational assessments of how we live our values (see **Box**). *Directional Statement* (our bible) shows the link from the mission of the Sisters of St. Joseph of Orange and their understanding of ministry to the expression of that ministry in the mission, vision, values, goals, and metrics of SJHS.

**Sr. Teresa:** When did you organize your human resources (HR) functions around the values?

**Sr. Suzanne:** We were late in developing HR as a central SJHS function. When we did turn our attention to it, we were fortunate in having our foundational documents in place. From these documents, we developed basic competencies—leadership competencies and, a bit later, sponsorship competencies. In addition, we created a development program for all employees. This program, called STAR—for selection, training,



Sr. Kit

assessment, and recognition—is based on these same documents.

**Sr. Kit:** Jack Glaser and Sr. Suzanne in particular brought attention to selecting executives and trustees. They raised the question: What does it mean to be a leader of a ministry? They based their discussion on several of Jack's articles published some years ago in *Health Progress*.\*

**Sr. Teresa:** I am often asked how the vice president of sponsorship at the health system relates to both the congregation and the system.

**Sr. Suzanne:** There is no formal accountability between SJHS's senior vice president of sponsorship and the general superior of the Sisters of St.

Joseph of Orange. Although I report directly to the health care system's CEO, an honest and open relationship with congregational leadership is essential to carrying out the purpose for which we established the health care system. I have the good fortune of enjoying such a relationship.



Statuto

**Statuto:** An important part of our culture is relationships, which are the foundation of the structures and processes. There are very formal relationships between the health system and the congregation, but the glue is the informal relationships. When critical decisions about the ministry are being made, good relationships are important.

**Glaser:** I would add that having a leader whose personal charisma matches that of the congrega-

## A History of Values

The following are some landmarks in the history of the Sisters of St. Joseph of Orange and St. Joseph Health System.

**1650** The Sisters of St. Joseph are founded in Le Puy, France, where they dedicate themselves to working with laity to help people in need in the city.

**1836** Sisters arrive in Carondelet, MO, outside St. Louis.

**1912** The sisters come to Eureka, CA.

**1920** The sisters' first hospital opens in Eureka.

**1965** The sisters develop their "Philosophy of Health Services."

**1981** St. Joseph Health System created to strengthen the sisters' health ministry in partnership with laity.

**1985** The Corporate Values Committee is established by the St. Joseph Health System board to develop goals and policies that ensure that values will remain central in all the system does.

**1986** The Corporate Values Committee's proposed policies are approved; *A Vision of Value* makes clear the system's policies regarding values.

**1991** The *Commitment to Values* states the system's four core values; *A Vision of Value* is revised to incorporate justice as a core value; the system's *Directional Statement* outlines long-term priorities and five-year outcomes.

**1992** System establishes position of vice president of sponsorship

**2002** The *Values Standards and Key Indicators*, used in draft form for several years, is revised.

**2003** The *Theological Statement* expresses the theological foundations of the change in the model of sponsorship.

\*John W. Glaser, "Selecting the Cream of the Crop," *Health Progress*, July-August 1989, pp. 86-89, and "Selecting the Cream of the Crop II," *Health Progress*, April 1992, pp. 14-16, 33.

## Core Values of St. Joseph Health System

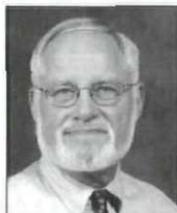
St. Joseph Health System honors four core values. They are:

**Dignity** We respect each person as an inherently valuable member of the human community and as a unique expression of life.

**Service** We bring together people who recognize that every interaction is a unique opportunity to serve one another, the community, and society.

**Excellence** We foster personal and professional development, accountability, innovation, teamwork, and commitment to quality.

**Justice** We advocate for systems and structures that are attuned to the needs of the vulnerable and disadvantaged and that promote a sense of community among all persons.



Glaser

tion is essential. In the next decade, we're going to be facing the biggest moral and ethical sponsorship decision we'll ever have to make. So we need a leader who is willing to spend the resources to do it well.

**Sr. Teresa:** When you face conflicting demands, how do you decide where to put limited resources?

**Statuto:** The early Sisters of St. Joseph had a mandate to go into the community and find out the needs. And our system hospitals were begun in areas where the need was greatest, where there were no other hospitals. Today, there's a thread through the organization of being needs-driven. We don't say, "Can we afford it?" We say, "This is important; we need to do it." As we move for-

ward, we must make sure we continue to ask, "What are those things that really are going to respond to the needs of our community?" We created a budget philosophy, which is based on a discussion involving the board, the leadership group, and the sisters.

Under this philosophy, we set aside a sum of money to ensure that we invest in critical areas, such as HR, quality improvement, sponsorship, and community health, even in times of financial constraint.

**Sr. Teresa:** You have mentioned how important it is to have a CEO who stands firm in supporting the organization's commitments. What elements of leadership selection and succession planning are needed to ensure that the chief executive will be accountable for carrying forward the sisters' ministry and mission?

**Glaser:** An absolutely drop-dead criterion for selecting a leader is that the person intuitively knows how to build community—a community of vision, commitment, and sacrifice—to carry on the sisters' vision. We need to figure out how you identify the "footprints" for that competency. How does a candidate demonstrate the competency to build community? What are the skills? It's important that we ourselves be clear on what that means, so that we can say, "Here's what we're going to look for in a potential leader."

**Sr. Nancy:** I like Jack's idea that an effective leader leaves "footprints" for others to follow. Rich, you've been a good leader in that sense. You're somebody who could bring our mission *forward*. I think that's always the big question, whether the ministry is sponsored by a religious congregation or by a public juridic person—can the leaders bring the mission forward? Without such leaders, a ministry tends to get caught up in talk about bits and pieces and loses its sense of mission.



Sr. Nancy

## Sr. Nancy O'Connor, CSJ

**Sr. Nancy O'Connor, CSJ**, died August 1, 2004. She was 70 years old. At the time of her death, Sr. Nancy was vice president, health care reform, St. Joseph Health System, Orange, CA.

Sr. Nancy had devoted many years to her congregation, the Sisters of St. Joseph of Orange. For 10 years, from 1991 to 2001, she was the congregation's general superior.

"Under Sr. Nancy's leadership, St. Joseph Health System grew larger and stronger," noted Richard J. Statuto, the system's former president and CEO. "She was always a risk taker, and under her leadership we grew rapidly but strategically—she always reminded us to remain focused upon responding to the needs of the people living within our communities.

"We at St. Joseph Health System will miss her spiritual guidance, her firm leadership, and her loving presence."

But along with strong leaders, a ministry needs a sense of community, as Jack points out. How do we create that sense of community among laypeople? It's not enough to offer a few classes in canon law, for example.

**Sr. Kit:** SJHS's board has just spent a year evaluating executive compensation; the new design structures incentives based on the achievement of team goals and at both the system and entity levels.

**Statuto:** This effort is stretching us to reward team-ness and community.

**Sr. Teresa:** As you move toward approval of the public juridic person, what aspects in your relationship with the church and the bishop are important?

**Statuto:** We have built good relationships with the church and the bishops in whose dioceses we serve. We communicate with them on a regular basis. Our mission statement speaks about improving health and quality of life, not just providing health care. We are about responding to community needs; and by looking for opportunities to do things with parishes and others for the good of the community, we build good relationships with the church and the bishop.



Cox

**Barbara Cox:** The way we've done mission and mentoring at SJHS has been healing, I think. We've had some other-than-Catholic people join us who initially feared that they would have theology crammed down their throats. However, they found the experience an affirmation of their own spirituality. So, how we tap in to what we do is pretty essential. We ought to keep the conversation as open as possible.

**Glaser:** Some of the answers depend on whether we think God is present in the whole human community and universe. It will help us to understand where we stand on that question; and it will help us to recognize the relationship between our assumptions and the definition of church and ministry.

**Sr. Teresa:** What does a new sponsorship model mean for the system? What does the future hold?

**Sr. Suzanne:** As we move to the public juridic person, the congregation will have fewer sisters in the positions that both influence and control. It becomes ever more important to strengthen our

leadership formation and our mission integration efforts. We have established a Center for Ministry Leadership and conducted a mission integration assessment systemwide (see John W. Glaser and Kevin Buck, "Health Ministry and Community," *Health Progress*, September-October 2004, pp. 34-37, 61). We are currently evaluating existing sponsorship structures at both the system and entity levels to determine how best to position them for the future.

**Sr. Kit:** We completed a theological statement during the process of exploring an alternative sponsorship model. It clearly expresses our belief that dedicated laypeople, working in partnership with their colleagues in communities within the Catholic health care ministry, will be positioned to address the inequities in our national health

## St. Joseph Health System Policies

The system's policies, set forth in *A Vision of Value*, address five factors pertaining to the values: ensuring that values permeate everything the system does; commitment of leaders; clear communication; recognition and accountability for applying values; and compassion for the poor. In condensed form, the policies state that all system entities will:

- Apply system values throughout all aspects of their operations
- Employ the values in evaluating potential business opportunities
- Strive for financial stability by responding to community need, providing excellent service and clinical quality, and applying effective management practices
- Apply values in selecting, evaluating, and recognizing employees, trustees, medical staff, and volunteers
- Facilitate ongoing understanding of system values through such means as orientation and management development programs
- Express their Catholic identity through, for example, celebration of liturgy and sacraments and fidelity to the ethical and social teachings of the church
- Have a means to address ethical issues in patient care and business activities
- Use the source document, *A Commitment to Values*
- Use the motto "Helping to heal all we touch"
- Be accountable for effectiveness of values implementation
- Assess the health needs of the poor within their sphere of influence
- Have a board committee responsible for developing policies and programs that address the needs of the poor
- Return a percentage of their net income to outreach programs for the poor
- Maintain a restricted fund for care of the poor
- Make charity care an annual commitment
- Develop ways to involve physicians in providing direct services to the poor
- Advocate for the needs of the poor, including influencing public policy
- Submit an annual report that includes activities that support the poor

## Values Standards and Key Indicators

St. Joseph Health System's *Values Standards and Key Indicators* document provides a systematic way for system organizations to evaluate their progress in implementing values in nine areas: clarification and integration of values, Catholic identity, communication, quality of service, quality of work life, advocacy, community benefit, business practices, and stewardship and collaboration.

care system. Institutions have power, and they can use that power in multiple ways to become leaders in promoting high-quality services and obtaining access to care for everyone.

**Glaser:** This is a moment of grace for the Sisters of St. Joseph of Orange—a moment to share the ministry, to form new partnerships, to be authentic to our deepest traditions, and to transform society. I believe that, in 20 years, we'll have a health care system in the United States that is much more fair than today's, partly because of

the leadership of the Catholic health ministry in building communities. □

*In the January-February 2005 issue of Health Progress, Sr. Kit Gray, CSJ, will demonstrate how SJHS's new sponsorship model reflects the history of the Sisters of St. Joseph of Orange. In the March-April issue, Sr. Suzanne Sassus, CSJ, and Barbara Cox will describe the system's human resources approach, including programs for leadership formation and selection. In subsequent issues, articles will focus on initiatives in other health care systems.*

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## Words, Actions, Beliefs: The Mission at Work

By RICHARD J. STATUTO

*Mr. Statuto wrote this article in September 2004, a month before stepping down as the president and CEO of St. Joseph Health System, Orange, CA.*

**I**n order for an organization to be committed to change, or to a broader purpose, that organization must have more than programs and initiatives. The commitment to cultural change must be ingrained in the words, actions, and beliefs of the organization and its leaders.

Such is the case with St. Joseph Health System (SJHS). Although we have programs that reach beyond hospital walls and that encourage the development of our leaders, these are the realizations and manifestations of our mission and vision—they are the external examples of an internal commitment.

This commitment has its roots in the year 1650, when the Sisters of St. Joseph began reaching out to communities in France to see what help they could provide. The sisters brought this commitment across the Atlantic as they traveled from France to St. Louis, MO, in 1836; they began their health care ministry in Eureka, CA, in 1912.

It is that commitment to continue the healing

ministry of Jesus that drives SJHS. It is our relationship with the congregation that has helped us develop the spirit that carries the culture into every aspect of the system's operations, be it leadership selection and development, financial decision making, human resources initiatives, community benefit programming, or mission integration.

### TRANSLATING VALUES INTO ACTIONS

A commitment to respond to the most pressing needs in a community is something that all Catholic health care providers must sustain, regardless of external pressures. The SJHS mission inspires us to work to create communities that are vital and alive. Truly healthy communities arise only when all people living within them are provided the opportunities and resources to increase their health and happiness. Examples of SJHS healthy communities initiatives include child care centers, support for local community centers, programs for at-risk children and adults,

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graffiti- and gang-prevention programs, subsidies for low-income housing projects, shelters for the homeless, and neighborhood-organizing programs. Among these initiatives are the following:

- The *St. Joseph Health System Foundation* directs distribution of funds for the economically poor in the community and for community-building initiatives.

- SJHS's *Budget Philosophy* is a mechanism intended to increase attention to areas in system entities that focus specifically on the mission and values and to monitor ongoing investments in mission-critical areas. Monies are set aside to fund projects that might otherwise not be included in the operating budget.

- SJHS's *Socially Responsible Investing Policy* incorporates social, ethical, moral, and religious principles in the system's investment decision making.

- SJHS's *Community Investment Loan Fund* provides capital in the form of low-interest loans to not-for-profit organizations, thereby promoting the development of healthy communities.

#### LEADERSHIP DEVELOPMENT

SJHS's heritage of practical, loving service to people and communities requires deeply committed leaders. It requires an understanding of the theological underpinnings of Catholic health care and the particular traditions and charism of the Sisters of St. Joseph of Orange. SJHS has been in the forefront of ministry leadership development and continues to commit resources to the development of men and women devoted to the Catholic health ministry.

To that end, SJHS has established its Center for Ministry Leadership, a resource center that provides programs and services intended to foster the development of strong communities of leaders. The center's programs—which include executive orientation, trustee orientation, physician leadership development, and coaching seminars for executive teams—are designed to strengthen the confidence and competence of our leadership in carrying the ministry into the future.

The center's first program, begun in 1998, is called "Mission and Mentoring." A yearlong program, it brings people from across the system together in order to:

- Increase understanding and appreciation of the history and legacy of the Sisters of St. Joseph of Orange

- Increase understanding of the elements of spirituality

- Increase understanding of the importance of integrating SJHS's mission and values in its daily operations, thereby equipping participants to lead and support such integration in the sys-

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The Mission and Mentoring program has enabled more than 500 graduates to develop mission integration projects in their workplaces; they are often called upon to act as facilitators for other local initiatives. Educational sessions inspired by the Mission and Mentoring curriculum are offered to all system employees.

#### COUNTING ON OUR VISION

Catholic health care finds itself in a world of change—changes in technology, in regulation and law, and in the public's perception of the services it provides. Couple all that with the changes that SJHS itself faces—in leadership, for example—and you can see that it could be easy for us to lose our way. After all, with so much change, what can we count on?

We can count on our roots, on our foundation. The mission of the Sisters of St. Joseph of Orange remains the mission of SJHS—our determination to bring people together to provide compassionate care, promote health improvement, and create healthy communities. These are the elements that will last, the elements that we can rely on, the elements that will continue to help us remain committed to cultural change, healing, and hope.

Finally, let me close on a personal note. There is a power and strength in being a part of the community of Sisters of St. Joseph of Orange and SJHS. This power, this spirituality, has allowed me to deepen my faith and become a better leader; a better corporate citizen; and a better spouse, parent, and friend. □