

Amid Promise And Peril, Hold Mission High

BY MICHAEL ROWAN, M.H.S.A.

Despite an unsettled future, health care reform is a reality in the United States, assuring health insurance to about 32 million more Americans. And while the Patient Protection and Affordable Care Act is an imperfect law offering the prospect of both promise and peril — a good starting point for the work ahead — it represents an essential affirmation of Catholic health's care's commitment to the dignity of the human person and the need to focus on the common good.

At the same time, many of the central elements of health care reform create new challenges and additional demands for mission leaders in Catholic health care, transforming their traditional roles and responsibilities in an uncharted, ever-evolving environment. It is important that leaders in Catholic health care now focus on how the vital roles of mission and ethics may be affected — or altered — by the reality of health care reform.

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Of course, the groundbreaking legislation helps to fortify our ministry and mission, expanding coverage to more than 90 percent of all Americans, advancing the proposition that health care is a right and not a privilege and reinforcing our role in providing care to everyone who comes through our doors. If it survives legal and legislative chal-

lenges, the law also is expected to improve quality, eliminate waste, reduce cost and spur innovation. It will encourage an industry focused on episodic care to be even more proactive in our mission — eliminating disease rather than simply caring for the sick and infirm.

The advent of health reform, however, will present Catholic providers with a number of economic challenges and complications in areas such as equitable reimbursement, industry consolidation and overall costs. Many concerns will directly address the age-old balance between sustaining a viable, effective health care ministry and serving our communities in a difficult environment fraught with lower reimbursement.

Coming on the heels of the recession and the economic turmoil of recent years, health care reform clearly complicates the task of expanding and advancing our ministry. Pressured by reduced federal reimbursement, some providers



have been forced to reduce services and cut staff. Capital shortfalls have become the norm, forcing hospitals to postpone important purchases or the replacement of aging facilities. Many smaller hospitals no longer have access to capital, a limitation that is forcing unprecedented consolidation in this segment of the industry. Today, nearly 60 percent of all hospitals are part of systems;

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Indeed, the face of health care is changing across the country due to this wave of mergers and consolidations, including several notable instances involving the sale of Catholic hospitals to for-profit firms. Among recent examples: Cerberus Capital Management, a New York-based private-equity firm, paid approximately \$830 million for six-hospital Caritas Christi Health Care in Boston, which ranks as New England's largest community-based hospital network; Vanguard Health Systems of Nashville, Tenn., announced in December 2010 it would acquire Holy Cross Hospital in Chicago's western suburbs, a deal that came several months after it acquired two other Chicago-area hospitals from Resurrection Health Care; and Nashville-based HCA, the nation's largest for-profit hospital company, added Mercy Hospital in Miami to its long list of facilities. All are expected to operate as Catholic hospitals — at least for the foreseeable future.

Are these developments beneficial for the future of Catholic health care? That remains to be seen, but this trend of nonprofit, Catholic hospitals moving into the public sector highlights concerns over issues such as the challenges of charity care and bad debt as well as restrictions on business partners and services.

Of course, Catholic health care is not about the facility — it's about the mission. Catholic Health Initiatives (CHI), for instance, has sold hospitals in Albuquerque, N.M., and Lancaster, Pa., replacing these facilities with community health services organizations that focus on our vital mis-

sion work in those two cities. We may need to think more broadly about using our assets and resources to respond to needs in different or more creative ways.

Health care reform also is expected to bring increased scrutiny over the next several years of Catholic health care's nonprofit, tax-exempt status. Will charity care exist when all Americans are required to purchase a health insurance policy? In fact, more than 20 million people in this country — mostly undocumented immigrants — will remain uninsured after the full range of the health reform overhaul unfolds in 2014. That impact is being felt even now. In Washington state, for instance, the Medicaid program no longer reimburses for services provided to undocumented immigrants. Yet the needs of these vulnerable patients must be met — and we will continue to serve them despite this cut in funding.

As we grapple with these changes, the leaders of our Catholic health care ministry must answer some of the difficult questions we know will come with health care reform, including:

- How do we advocate for true universal coverage — that is, health care for everyone in the country, *including* undocumented immigrants?

- How do we ensure access to care for all, including those who are marginalized? Under the best of circumstances, millions of Americans still will not have health insurance.

- How do we maintain low-margin or unprofitable services — behavioral health, emergency departments, burn units and others — that have a positive impact on our communities' overall health status?

- How do we best understand — and communicate — the ethical and moral issues raised by decisions we make in the allocation of increasingly scarce capital and other resources?

- As budgets are stretched and reimbursements reduced, how can we continue to provide workplace justice for all employees — in other words, a living wage and good benefits?

- How do we explore our view of what mission means in our Catholic facilities — and how our mission evolves and adapts in the face of such sweeping change?

Now, even more than before, we must stretch our imaginations and emphasize theology, ethics, spirituality and religious tradition in all of our decisions. That includes decisions about how we deliver health care to our communities as well as our overall commitment and alloca-



tion of resources. For example, CHI, responding to the changing health care needs of the community, announced in January 2011 it would transform its acute-care hospital in Great Bend, Kan., into a facility focused exclusively on outpatient services. That decision will help to sustain — and enhance — our mission in this community in anticipation of the changes we foresee from health care reform.

Over the last two years or so, as I have observed not only the debate leading up to the passage of the health reform law but also the rancor and politicization that has marked its aftermath, I can't help but remain mindful of one meaningful, memorable passage from Matthew:

“For I was hungry and you gave me food, I was thirsty and you gave me drink. I was a stranger and you welcomed me, naked and you clothed me. I was ill and you comforted me, in prison and you came to visit me . . . I assure you, as often as you did this for one of my least ones, you did it for me.”
(Matthew 25:35-36, 40)

Let me give you an example of how Catholic mission, values and morality inform decisions at CHI. Prior to the passage of the Affordable Care Act, we had already extended health care benefits to children of enrollees up to the age of 26. We had also created a “Healthy Spirit” initiative to help assist our employees in everything from their medical decisions to their retirement plans. We went a step further, though, instituting a sys-

“Health care is not a private commodity; it is essentially social. This means that those involved in health care are accountable to a greater good that at times can and should exact sacrifice. Likewise, the common good of the Catholic health care ministry precludes unfair competition between or among Catholic institutions and systems and requires that historical rivalries between religious communities and individual institutions give way to the greater good — the well-being of the health care ministry.”

— Cardinal Joseph Bernardin
“The Catholic Moment”
Health Progress, January-February 1995

tem in which better-compensated employees paid higher premiums to subsidize the lower payments of those who earned less — and thus had to pay less for their health insurance. To me, this was fundamental fairness, a representation of Catholic values and equity.

A small group of newly employed associates, however, did not share this understanding of how we live out our ministry. Some were employed physicians accustomed to measuring their success via profits rather than through CHI’s mission of creating and sustaining healthy communities. It’s a cultural chasm that we must bridge as we seek to educate those who join our ministry about how we live out our mission in practical terms. At CHI, this has become especially critical with the creation of an employed physician group and the doubling of the number of employed doctors to almost 2,000 across the health system.

The debates, divisions and rancor over health care reform will not end soon. Whatever form this overhaul eventually takes, we as leaders, *together*, have some profound questions we need to answer. Among them:

- What will mission leaders need to know in the future? Will we need different capabilities and competencies?
- What does this mean for formation of Catholic health care leadership?
- What conversations will be needed for this strange new environment?
- Will our role change fundamentally? What aspects of our future role will be most significant?
- What will we need to do to prepare the next generation of mission leaders?

We all will need long, thoughtful discussions about these important questions. The answers will help us to understand — and adapt to — the realities of health care reform and the many changes we will face over the next several years.

As leaders in our Catholic health care ministry, we serve as far more than administrators, managers and mentors — in fact, we represent the ethical, moral, mission-driven compass that helps to guide our ministry in everything we do.

If we maintain this focus and meet these many challenges, the legislation will expand, reinforce and complement all we do — including, of course, our historic and unwavering focus on the common good.

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