

# AN INNOVATIVE WAY TO CONTINUE THE MINISTRY

## *A Catholic Multi-institutional Healthcare System Achieves Public Juridic Person Status*

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As the number of women religious who sponsor healthcare facilities continues to decrease, sponsors worry that their facilities' missions will not be continued. Members in a Catholic multi-institutional healthcare system that has been established as a public juridic person, however, know their missions will be carried on even if they must leave the healthcare field. The Catholic Health Corporation (CHC), Omaha, and its canonical counterpart, Catholic Health Care Federation (CHCF), a public juridic person, offer religious sponsors just such peace of mind.

### ENVIRONMENT OF ISOLATION

Between 1974 and 1979, the Sisters of Mercy of the Omaha Province formed the Catholic Health System Planning Coalition, in collaboration with seven other religious institutes, to study how religious institutes could collaborate. The environment that gave rise to this coalition is significant. According to the Catholic Health Association (CHA), between 1972 and 1979 an average of 20 Catholic hospitals went out of business each year.

**Summary** Members in a Catholic multi-institutional healthcare system that has been established as a public juridic person know their missions will be carried on even if they must leave the healthcare field. The establishment of a public juridic person was a goal of the Catholic Health Corporation (CHC), Omaha, since it began in 1980. The juridic person was to be named Catholic Health Care Federation (CHCF) in order to distinguish the canonical juridic person from the civil law corporation.

It took many years to determine which competent authority was the most appropriate to grant

During this time medicine was still considered to be a provincial industry, with most healthcare facilities, and certainly most religious institutes, operating in isolation. Had this isolation not been so pronounced, perhaps more Catholic hospitals could have continued operations. It was in this environment that the Sisters of Mercy of the Omaha Province began to ask themselves:

- Are we committed to Catholic presence in healthcare?
- Is Catholic healthcare's survival dependent on the survival of the religious institutes?
- Who is the Church?

The Sisters of Mercy affirmed their commitment to Catholic healthcare through the formation of a partnership of Catholic healthcare facilities and the establishment of a true Church entity.

### AN INNOVATIVE PARTNERSHIP

The coalition ended deliberations in 1979 with the recommendation of the establishment of CHC. Two religious institutes represented in the coalition, along with another religious institute, joined together to form the partnership. CHC, which began operations July 1, 1980, was the first

CHCF public juridic status. The Congregation for Institutes of Consecrated Life and Societies of Apostolic Life (CICLSAL) was deemed the appropriate authority. CICLSAL established CHCF as a public juridic person on June 8, 1991.

CHCF's member religious institutes are the same as CHC's. But CHCF is the canonical sponsor for two owned facilities and manages a third community-owned facility. The religious institutes remain the sole canonical sponsor for their own facilities; however, they jointly sponsor three facilities through CHCF. Public juridic person status is a way for CHCF to continue Christ's healing mission.

systemwide partnership of Catholic religious institutes in U.S. healthcare. It was established to strengthen the Christian healthcare ministry, explore innovative responses to healthcare needs, and preserve Catholic healthcare facilities' spirit and heritage of service.

CHC's development affirmed that religious institutes could indeed work together. CHC is a membership corporation, and each religious institute that affiliates its facilities becomes a member. Each member is an equal partner and owner of CHC.

Current CHC members are Benedictine Sisters, Watertown, SD; Dominican Sisters of Great Bend, KS; Dominican Sisters of Kenosha, WI; Dominican Sisters, Spokane, WA; Presentation Sisters, Fargo, ND; School Sisters of St. Francis, Milwaukee; Servants of Mary, Lady-smith, WI; and Omaha Regional Community of Sisters of Mercy, Omaha.

### THE GOAL

From the beginning, CHC's goal was to establish a public juridic person. CHC wanted to achieve this goal because:

- It wanted to be formally "in the Church."
- Public juridic person status would provide a growth strategy for CHC.
- Public juridic person status is a way to perpetuate the ministry beyond the sponsors' own lives.

The juridic person was to be named Catholic Health Care Federation (CHCF) in order to distinguish the canonical juridic person from the civil law corporation. Civil law corporations and canonical juridic persons have different sources, have some different purposes, and are governed by different law.

CHC members always viewed their coming together as a joint ministry in the Church. Public juridic person status would establish a specific legal relationship with the Church, dedicate the property of CHCF-sponsored facilities to Church ministry as ecclesiastical property, and make it possible for new ventures to be organized and sponsored as Catholic under the authority of a public juridic person jointly controlled by the member religious institutes.

# CHCF is in large part the canonical parallel to CHC for certain purposes.

### THE PROCESS TO MEET THE GOAL

The process of establishing a public juridic person proved lengthy. In 1979 leaders of the Catholic Health System Planning Coalition talked informally with various offices of the Holy See, as well as the apostolic delegate for the United States (now apostolic nuncio). They favorably viewed the creation of the corporation (CHC). However, they believed

CHC should establish a "track record" before requesting establishment as a public juridic person. They wanted to be sure the public juridic person would serve a useful purpose and have sufficient resources and that it had operated successfully for five years.

The process CHC followed was the reverse of the usual process for establishing juridic persons and corporations. In most cases the public juridic person, such as a religious institute, exists first and then establishes corporations to implement its ministry. In this case, the opposite was true. CHC was established first and then advised to establish a "track record" before requesting juridic status. Therefore, to avoid mixing canonical and civil jurisdictions, CHC itself did not petition for juridic status. CHCF is in large part the canonical parallel to CHC for certain purposes.

While exploring which Church entity would be appropriate to establish a juridic person for several religious institutes, CHC leaders discovered the proposal was innovative. The reason it took so long to gain approval was that CHC leaders had to meet with many Church entities who have the authority to create a juridic person, including the diocesan bishops, the National Conference of Catholic Bishops (NCCB), and the Congregation for Institutes of Consecrated Life and Societies of Apostolic Life (CICLSAL).

It took time to determine which competent authority was the most appropriate to grant CHCF public juridic status:

- CICLSAL, an office of the Holy See, has authority over all religious institutes. All CHC members are corporations sponsored by religious institutes.
- NCCB can grant public juridic status to organizations whose purpose is to serve throughout

the United States. CHC provides health-care throughout the nation.

• The local bishop has authority in his own diocese. Although CHC's work extends throughout 19 dioceses, the headquarters is in the Diocese of Omaha.

In 1984 the board of trustees and the members approved CHC's original goal of obtaining canonical status. In the fall of 1985, CHC

leaders discussed with the CICALSAL the possibility of establishing the corporation as a juridic person. At that time, CICALSAL referred CHC to the NCCB as the competent authority. Later in 1985 CHC petitioned the NCCB for juridic status.

The NCCB did not act on the petition; however, it and CICALSAL suggested new options. The two most viable approaches to establishing CHCF as a juridic person were to petition each bishop where a CHCF facility is located or to petition the archbishop of Omaha, where CHC is located. After further discussion and consultation with CHA in 1988, it was decided to petition the archbishop of Omaha to establish CHCF as a juridic person because it meant only one petition would be necessary.

### SUCCESS AT LAST

The archbishop consulted with both the NCCB and the apostolic nuncio, and the nuncio consulted with CICALSAL. CHC was informed it should make its petition to CICALSAL. This process took approximately two years. In early 1991 CICALSAL asked for minor modifications of CHCF's statutes. Once the modifications were made, CICALSAL established CHCF as a public juridic person on June 8, 1991.

**CHC's and CHCF's Roles** CHC has two civil law purposes. First, it helps each sponsoring religious institute fulfill its healthcare mission for its facilities. Second, the corporation allows the members to jointly sponsor other facilities.

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three facilities through CHCF. This means, for example, if a Sister of Mercy facility engages in an alienation, the Sisters of Mercy petition for alienation. However, if one of the facilities sponsored by CHCF engages in an alienation, CHCF is the juridic person that petitions for permission to alienate.

To a certain extent, the CHCF members have a role parallel to that of a superior and

council of a religious institute over CHCF ministry and property. The one difference is that, by statute, CHCF members operate collegially, whereas many canonical votes of a superior and council require the council's consent and the superior's approval.

**CICALSAL's Authority** CICALSAL has authority to approve changes in CHCF's purpose and statutes, to approve certain property transactions (e.g., alienation), and to terminate its existence. CHCF sends CICALSAL an annual report and invites either a representative of the NCCB or a local bishop to its annual meeting. In these areas CICALSAL's authority is similar to the authority it has over a pontifical religious institute.

### A HEFTY RESPONSIBILITY

CHC's public juridic status has four main ramifications:

- CHCF has been recognized as a good and holy work in the Church.
- The two CHC-owned facilities can continue to be sponsored as Catholic, and the property will remain property of the Church.
- In the future there will be other religious institutes that may wish to divest themselves of their healthcare facilities but have them continue under Catholic sponsorship. CHCF can fulfill that role.
- Like all juridic persons, CHCF can sponsor new ministries consistent with its purpose.

Everyone involved in a ministry eventually comes to the question, How will we continue this good work beyond our own lives? Historically, ministries often have continued through formal affiliation with the Church. Public juridic person status is a strategy for CHCF to continue Christ's healing ministry tomorrow and beyond. □