



CHI MARKS ITS FIFTH ANNIVERSARY

Just a little more than five years ago, Catholic Health Initiatives (CHI), based in Denver, was a vision in the minds and hearts of the members of its founding congregations of women religious. Today, it is one of the nation's largest not-for-profit health systems and a model of how a modern religious-lay partnership can advance the health ministry of the Catholic church.

"When I look back at the beginning of CHI, I see two values that characterize our journey," said Sr. Maryanna Coyle, SC, chair of the Board of Stewardship Trustees of CHI. "The first is the trust we had in each other and in our shared gospel values. The second is the pioneer spirit—the willingness to take risks—that has shaped our institutions from the beginning. Because three health care systems and 10 religious congregations were willing to embrace the vision, it became something that we believed we could accomplish."

The organization that celebrated its fifth anniversary on May 1, 2001, began as a consolidation of the former Catholic Health Corporation, Omaha; Franciscan Health System, Aston, PA.; and Sisters of Charity Health Care Systems, Cincinnati. A year later, the Sisters of Charity of Nazareth Health System, Bardstown, KY, merged with CHI, followed by the Sisters of St. Francis of the Immaculate Heart of Mary, Hankinson, ND, in March of 1998, which brought the total number of founding congregations to 12.

Today, CHI has not only knitted together the cultures, resources, and balance sheets of five

*Shared
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BY RANDY SHOOK
& LAURIE FOJUT

different and geographically dispersed health systems, but has done so with a focus on high-quality care. This April, CHI was named the winner of the 2001 National Quality Health Care Award, which honors providers that improve health care through high-quality performance and innovative leadership. "We are thrilled by this recognition," said Patricia A. Cahill, JD, president and CEO of CHI. "We believe that it honors not only our organization, but all the partnerships that help us deliver high-quality care within our facilities and throughout the communities we serve."

EQUAL SPONSORSHIP PARTNERS

Mutual trust and a pioneer spirit were important in the early days of CHI because the organization was breaking new ground. The organization's Board of Stewardship Trustees, which serves as the canonical sponsor of its facilities, is divided equally between religious and lay members. In this way, CHI set a precedent by giving laity a sponsorship role in its facilities. "Serving as canonical sponsor can be a formidable challenge for lay members of the board," said Marjorie Beyers, RN, PhD, a health care consultant and a lay member of the board. "In contrast to well-established governance models, there were no rules or conventions to be followed. The partnership works because there is candid discussion of the issues and a strong sense of accountability to Catholic health care."

Trust was also essential because the women religious and lay leaders who composed the steering council that created CHI did not want to issue directives as to how the organization would be structured or managed. "It was as though we created a design, much like an architect does, but did not fill in the colors, shapes, or arrangements," said Sr. Coyle. "We recognized that those who would implement our design would

Mr. Shook is director of media relations for Catholic Health Initiatives, Denver; Ms. Fojut is a freelance writer based in Rochester, MN.



need a certain amount of flexibility in order to make it a reality."

Sr. Peggy Martin, OP, JCL, was a member of the steering council and recently joined the CHI leadership team as senior vice president of sponsorship and governance. She believes the council's trust in CHI's leadership is being rewarded. "The leadership and staff pay great attention to our original mission and vision," she said. "Everyone constantly talks about the original intent of the women religious who founded CHI, and leadership ensures that the decisions made today are consistent with the steering council's intent."

ESTABLISHING A NATIONAL/LOCAL PARTNERSHIP

The foundresses envisioned CHI as a single national organization designed to serve its local facilities, which it calls "market-based organizations." CHI defines market-based organizations as the basic service units of its system. They provide direct health care services within defined market areas and are governed locally by a board of directors or trustees. Some are individual, stand-alone facilities, and others are integrated networks of different kinds of health care facilities.

Although the intent was always to have just two levels—national and local—within the CHI organization, that took some time to achieve. The facilities belonging to the predecessor systems had been loosely grouped into regions. Then, through a multistage process of restructuring, the organization simplified its structure into national and local levels of governance and management. "I think the evolution of CHI gives a message about the ability of our local and national leaders to work together in direct partnership," said Sr. Coyle.

CREATING HEALTHY COMMUNITIES

At the time CHI was formed, the steering council's members realized that the future of health care may not lie within the walls of institutions. They formed the organization's Mission and Ministry Fund to provide grants to organizations that are experimenting with different structures to improve the health of their communities. "Improving community health has been a major theme of CHI from the outset," said Beyers. "Strategically, it may prove to be the single most important challenge in health care."

During the last four years, the fund has presented 91 grants that total nearly \$8.5 million to CHI facilities and founding congregations or associated



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organizations. "Wonderful things are happening as a result of these grants," said Sr. Martin. "To give just a few examples, disadvantaged children are receiving health and dental care at school, communities have new places to meet and play, and end-of-life care programs are helping people exit this life with dignity and comfort."

The Mission and Ministry Fund also recently started a new track of planning grants intended to encourage comprehensive and collaborative efforts to achieve healthy communities. "Some of the grant recipients are new collaborations, whereas others are mature organizations that want to expand or diversify their efforts," said Cahill. "What they have in common is the potential to effect profound, systemic change in the health and well-being of the larger communities they serve."

CHI also pursues an agenda of social justice in other ways. The organization's social responsibility investment policy provides guidelines for three areas of mission-based investing:

- The direct community investment program, which provides zero- to low-interest loans to not-for-profit institutions or projects that provide individuals in need with access to jobs, housing, education, and health care
- Shareholder activism, exemplified by filing shareholder resolutions in collaboration with other mission-based investors
- Social screens to exclude certain companies, such as those that manufacture tobacco products, from its investment portfolio

REBOUNDED FROM OPERATIONS PERFORMANCE

CHI's financial road has not always been smooth. After showing net income during its first two years, the organization was buffeted by the changes in acute care patterns and reimbursement levels that swept through the health care industry during the late 1990s. "There were external factors that were beyond our control, and they added stress during a time of great change for the organizations that had formed CHI," said Sr. Coyle. "The very fact that we have survived contributes to our belief that coming together as one large organization was the right direction to take. And, through all the financial difficulties, CHI never wavered in its commitment to charity care and programs such as the Mission and Ministry Fund. Our leaders continued to meet those obligations as they worked for the survival and stability of CHI."

Through stringent cost controls, revenue



enhancements, and performance management initiatives, the organization rebounded and posted a positive operating margin for the fiscal year ended June 30, 2000. "In September 1999, we set operating performance improvement as our highest priority," said Kevin Lofton, executive vice president and chief operating officer of CHI. "We established an internal performance management function that establishes benchmarks and additional resources for the good work our facilities were already doing in this area. We see this effort as a mission enabler—it helps us maintain the financial stability needed to carry the mission of CHI forward."

In some cases, achieving financial stability has meant changes in leadership at the local and national levels and even the separation of some facilities that were no longer viable members of the CHI system. Currently, the organization is in the process of transferring seven of its facilities in the eastern United States to Catholic Health East, based in Newtown Square, PA. "The reason that we all came into CHI was for the overall



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—Lofton

good and survival of the healing ministry, and we all realize that survival sometimes requires letting go," said Sr. Martin.

When CHI sold one facility to a for-profit provider, it also took steps to ensure that the Catholic health ministry would continue to have a presence in the local market. Last June, CHI sold St. Joseph Hospital in Lancaster, PA, to Health Management Associates of Naples, FL, but then created St. Joseph Health Ministries, which continues to provide community-based health education and services, spiritual care, and advocacy in the local community (see box below).

CORE VALUES HELPED DEFINE COMMON GROUND

Sr. Coyle recalled that an important step in unifying the disparate elements that formed CHI was the process of determining the organization's core values: reverence, integrity, compassion, and excellence. "The process took more than a year and involved almost 800 people throughout the

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ST. JOSEPH HEALTH MINISTRIES

When the board of St. Joseph Health-care Network recommended to the CHI board the sale of St. Joseph Hospital in Lancaster, PA, it raised a question about the continuation of the Catholic health ministry in that community. The hospital would be sold to Health Management Associates, a for-profit firm that owned another Lancaster hospital. The sale would leave the area without a Catholic health provider for the first time in more than 115 years.

"We do a lot to encourage and support the development of new ministries that enable the delivery of health care outside the walls of our facilities," said Cahill. "We decided the time had come to create a new type of organization that could continue the mission of Catholic health care, and of CHI, in Lancaster without the presence of a Catholic acute care facility."

To accomplish this, CHI created St. Joseph Health Ministries, which Cahill calls "our first nonfacility market-based organization." Funded by a portion of

the proceeds of the sale of St. Joseph Hospital, St. Joseph Health Ministries is carrying on many of the community-based health and wellness programs established by the hospital. These include:

- The Children's Health Achievement and Motivational Program (CHAMP), which teaches health, nutrition, and first aid skills to children from low-income households
- A parish nurse ministry program, which collaborates with area churches to provide nursing guidance and education to parishioners in need
- The Life Enhancement Center, which offers support, exercise programs, and workshops for cancer survivors
- The Wellness Information Network, which provides every library in the county with a comprehensive collection of health and wellness books, audiotapes, and videotapes
- The Lancaster County SAFE KIDS Coalition, which provides education and

safety programs designed to reduce the number of childhood injuries and deaths

- Supportive Care for People with Life-Threatening Illness, a program that helps people with life-threatening illness to evaluate their options and make choices for the care of their minds, bodies, and spirits

"St. Joseph Health Ministries is doing a wonderful job with the programs that transferred from the hospital," said Sr. Peggy Egan, OSF, vice president of mission integration for CHI. "They have a great balance between continuing those programs and planning for what they want the ministry to become in the future."

Sr. Egan says the community has been accepting and supportive of the new ministry. "In their communications, the staff is always very clear that St. Joseph Health Ministries is not another social service agency, but a ministry of health and healing," she said. "That identity is going to serve them well as they continue to grow in ways that will meet the needs of the community."

SPONSORSHIP AND THE VATICAN

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The U.S. Catholic health ministry certainly faces many challenges.

rience. It seems safe to say that we are interested especially in information about these topics—particularly as they concern collaboration between religious and laity. None of us knows how things will look in the future. Some groups appear intent on maintaining a model of religious-lay collaboration; others apparently plan on gradually turning the work over to the laity.

“INTO THE DEEP”

The U.S. Catholic health ministry certainly faces many challenges: ensuring Catholic identity, maintaining services despite government cutbacks, keeping a ministry focus in a business environment, resolving the ethical issues raised by scientific advances in a diverse culture, and others. The question of how to collaborate without appearing to collaborate in evil is today very much on the minds of everyone in Catholic health care.

However, we Dicastery members know that the creative and dedicated people involved in the U.S. ministry have for years been turning challenges into opportunities. Collaboration among Catholic groups has grown significantly in the last 10 years. We have seen a significant increase in the involvement of expert Catholic laity and extensive growth in communication networks and information exchanges. The ministry has put much effort into keeping diocesan bishops informed. It is working creatively on mission effectiveness, personnel formation, and pastoral care. Despite financial pressures, it continues to

emphasize care for the underserved.

I myself wonder about several technical questions concerning the U.S. ministry's future. Who, for example, will handle competency in the erection of juridic persons once neither religious institutes nor bishops are immediately involved in the petitions sent to us? Will the U.S. Conference of Catholic Bishops perhaps develop a national mechanism for the granting of juridic personality?

However, such questions remind me of the words of Pope John Paul II in *Novo Millennio Ineunte*, the apostolic letter with which he closed the Jubilee year and launched the new millennium. How many times since January 6, 2001, have we heard that challenge: “*Duc in altum!* —Launch out into the deep!”

In chapter II, “Starting afresh from Christ,” the Holy Father marks the starting point for pastoral revitalization. “I have no hesitation in saying that all pastoral initiatives must be set in relation to holiness,” he writes: “‘holiness’ understood in the basic sense of belonging to him who is in essence the Holy One.” The baptismal gift of holiness becomes a task shaping one’s life (n. 30). “To place pastoral planning under the heading of holiness is a choice filled with consequences,” he continues. “It would be a contradiction to settle for a life of mediocrity. . . . We are challenged rather, through baptism, to the radical nature of the Sermon on the Mount.” (n. 31)

The cry “Launch out into the deep!” certainly fits the situation of the U.S. Catholic health ministry today. □

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“We did not deny the problems we faced, but dealt with them in a way that resulted in the greatest amount of good for this ministry.”

organization,” she said. “It helped identify the common ground among so many different groups with different histories.”

Sr. Coyle believes that CHI is a better organization as a result of its challenges. “A great deal of energy has gone into the organization of CHI and into dealing with unpredictable changes in the marketplace,” she said. “We did not deny the problems we faced, but dealt with them in a way that resulted in the greatest amount of good for this ministry. And, we’ve certainly celebrated many achievements along the way. Now, I think we’ve reached a level of stability and integration that will hold us in good stead as we move into the future.” □

CHI AT A GLANCE

- 68 Hospitals
- 48 Long-term care, assisted living, and residential facilities
- 22 States: Arkansas, California, Colorado, Delaware, Idaho, Iowa, Kansas, Kentucky, Maryland, Minnesota, Missouri, Nebraska, New Jersey, New Mexico, North Dakota, Ohio, Oregon, Pennsylvania, South Dakota, Tennessee, Washington, and Wisconsin
- 71 Rural and urban communities
- 72,000 Full- and part-time employees
- \$6.4 Billion in assets
- \$5.5 Billion in annual operating revenues
- \$549 Million in total measurable benefits for the poor and the broader community

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