CONGREGATION TRANSFERS ITS HEALTHCARE SYSTEM

Franciscan Sisters of Little Falls List Critical Factors for a Successful Transfer of Sponsorship

In October 1993 the Franciscan Sisters of Little Falls, MN (FSLF), having determined that a larger Catholic system could better meet the needs of their 12 healthcare facilities, took the final step in transferring ownership and sponsorship of the facilities to Catholic Health Corporation of Omaha. The congregation also decided to phase out its health system, Franciscan Sisters Health Care, Inc. (FSHC).

In so doing, the Franciscan Sisters let go of an historic and cherished ministry, and the facilities’ personnel let go of long-standing and cherished relationships with their sister sponsors. Such a decision might have provoked shock, resistance, or even rage. But in the end the sisters and their lay colleagues—even those who opposed the decision—experienced a sense of peace, tightness, and acceptance. They understood that these decisions, though difficult, were made to ensure continued value-based healthcare in the communities FSHC had served. Careful planning and open communication were critical factors in this acceptance.

THE TRANSFER PROCESS

The sisters’ goal was twofold:

• To transfer their facilities to another Catholic health system, and in such a way that both members of the religious institute and the facilities’ personnel would “own” the decision
• To accomplish the transfer with minimal upheaval in facility operations

To reach these goals successfully, the sisters needed to have their internal culture—that is, the organization’s spirit, mission, and creativity—continue even in the midst of a lengthy, detailed, legalistic process. Several critical factors facilitated the accomplishment of this outcome, as described below.

Summary

In 1993 the Franciscan Sisters of Little Falls, MN, transferred ownership and sponsorship of their 12 healthcare facilities to Catholic Health Corporation of Omaha. The sisters had had two goals from the start of the process:

• To transfer the facilities to another Catholic system, and in such a way that both members of the religious institute and the facilities’ personnel would “own” the decision
• To complete the transfer with minimal upheaval in facility operations

The sisters accomplished both of these goals. They attribute their success to prayer and several critical factors. First, having pondered their healthcare ministry in light of their Franciscan tradition, the sisters decided that a larger system could better meet their facilities’ needs. Second, they developed a set of criteria for the new sponsor, including the requirement that it be both Catholic and dedicated to rural healthcare.

Third, the sisters became willing to take the risks a transfer involved for both their congregation and the 12 facilities. Fourth, the sisters clearly communicated their decision to everyone affected by it. Fifth, they sought the help of experts in making the transfer. Sixth, they worked hard to create trust, so that all involved—including those who would lose their jobs—took ownership of the transfer decision.

After completion of the transfer, each of the facilities held a ritual celebrating the friendships and respect built over the long years the Franciscan Sisters were their sponsors. The sisters held their own ritual of commemoration. They continue their ministries in health, education, social services, and pastoral care.
Looking into the Future

Before the transfer decision, FSHC and FSLF spent a year assessing the question: Is it possible to carry out Franciscan healing in the current healthcare environment in such a way that ministry and mission drive strategy? To provide a clear response to this question, the sisters needed to clarify what they meant by “Franciscan healing.” They did this by developing two documents that clarified their beliefs about their healing ministry and translated key characteristics of Franciscan care into specific goals for local providers and care givers.

In the end the sisters decided that, although they could continue their healing ministry for the foreseeable future, the longer run was more doubtful. The sisters decided the welfare of their dozen facilities—hospitals and long-term care facilities in Minnesota and Wisconsin—must be their first priority. Therefore the sisters directed FSHC to do what was strategically in the facilities' best interest.

Criteria for a Transfer

In discussing a possible transfer of sponsorship, the congregational and system leaders—including the chief executive officers (CEOs) of the 12 facilities—clarified what they wanted to accomplish and also what was non-negotiable. These criteria required that the new sponsors:

- Be Catholic
- Have mission and culture compatible with that of the Franciscan Sisters
- Have the resources to support both acute and long-term care
- Show a commitment to rural healthcare
- Be willing to preserve local strategies and values
- Strengthen the facilities for the future
- Treat employees fairly
- Work with the Franciscan Sisters to maintain the congregation’s good reputation as it withdrew from the community

With these criteria in mind, the sisters reviewed transfer proposals from 30 Catholic healthcare systems.

Willingness to Risk

To be faithful to the Franciscan healing vision, the system and the congregation had to be willing to “step outside the lines” of business as usual. Rather than start with the question, How can our Franciscan health system survive? they asked, What do the local communities need to assure themselves of healthcare in the future? This led to new questions, calling for creative thinking, risk taking, and “letting go.”

The risk for the congregation was related to its identity and security. The risk for the congregation was related to its identity and security in the future. What would the congregation be without the ownership and sponsorship of health facilities? How would letting go of these assets affect its financial security? The facilities, in turn, risked incurring financial debts during the transfer. Would the many advantages of belonging to a larger system outweigh the added debt burden?

Despite these risks, in the spring of 1993 the sisters, with the support of the local facilities, decided to transfer their system. They chose the Catholic Health Corporation of Omaha (CHC) because it not only met the transfer criteria in general; CHC brought a special expertise in rural healthcare.

Under their agreement with CHC, the Franciscan Sisters were to transfer ownership of the 12 facilities to the Omaha-based system and to phase out their own system, FSHC. The agreement specified that the sisters would cosponsor the facilities with CHC’s seven other religious institutes. And Franciscan Sisters based at the facilities were to continue to serve there.

Importance of Communication

FSHC leaders realized that the communication of such a major decision required special sensitivity. Because they were owners and sponsors, the Franciscan Sisters were formally consulted about the decision to transfer. A communications consultant was hired.

FSHC promised its employees that they would receive information about the process before anyone other than the sisters. The CEOs of the 12 facilities made certain this promise was kept. Letters, memos, newsletters, and forums provided employees with regular updates on the process. A media packet was developed to assist local leaders in communicating with both internal and external audiences. Spokespersons from the

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Franciscan Sisters and FSHC communicated the decision to the broader religious, civic, governmental, and professional communities.

In the spirit of participatory management, the congregational leaders and FSHC solicited comments about the transfer from the sisters and facility personnel on an ongoing basis. The result was true ownership of the entire process by all affected by it. This was no small feat, considering the interests of the many people who were involved.

**Seeking Advice and Support** FSHC and the Franciscan Sisters hired experts to help in transferring the system: an adviser to assist in negotiations with the new sponsor; the communications firm; and a special counsel to deal with the transfer’s legal structure. (The sisters’ and FSHC’s corporate counsel was also involved.) Even with this help, however, FSHC and the Franciscan Sisters maintained control of the process. Their leaders used the transfer criteria to assess the value and appropriateness of the advice being given them.

The prayers by and support from the Franciscan Sisters had a powerful impact on the success of the transfer-of-ownership process. Because they believed God was guiding their congregation and healthcare system, the sisters trusted their leaders to make decisions that would provide continuing value-based healthcare for each of the communities they served.

**Getting the Leaders on Board** The Franciscan Sisters obviously needed to have their leaders committed to the mission-focused decision to transfer sponsorship. The decision had to be accepted, first, by congregational leaders and members, and then by local CEOs, senior management teams and trustees, corporate staff, and system trustees.

The leaders worked at all levels to create trust, build bridges between people, enlist commitment from their constituents, and negotiate appropriate compromises based on the transfer criteria.

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**THE CATHOLIC HEALTH CORPORATION PERSPECTIVE**

One of the founding reasons for creating Catholic Health Corporation (CHC) in 1980 was “to strengthen Catholic healthcare.” This founding principle has contributed to CHC’s growth over the past 15 years. The Franciscan Sisters of Little Falls, MN, were committed to maintaining their institutions as Catholic, which was in line with CHC’s mission. Thus CHC was very interested in the opportunity to own and sponsor the Franciscan Sisters’ 12 facilities.

CHC also had strategic reasons for acquiring the Franciscan facilities. Given the facts that healthcare is becoming more of a regional affair, and that CHC has a heavy concentration of facilities in North Dakota, South Dakota, and Wisconsin, it made geographic sense to acquire facilities in Minnesota as well. To accommodate the addition of 12 facilities, CHC created a northern office in Minnesota.

From CHC’s perspective, the transfer of sponsorship has gone very well for at least three reasons:

- CHC invited the Franciscan Sisters as a congregation to become a corporate member of both CHC and its public juridic person (CHCF). This means that the Franciscans continue to cosponsor their facilities with the seven other member religious institutes of CHC. This provides continuity for the facilities and the congregation and also gives CHC the time and opportunity to learn what has been essential in the tradition of the Franciscan Sisters during the 100 years they have sponsored their healthcare ministries.

- The culture of the Franciscan Health Care System was similar to that of CHC, with similar management styles, missions, and values. The transfer of sponsorship has caused little disruption to local boards and administration.

- The Franciscan Sisters did an excellent job of preparing their facilities for the transfer. We have experienced no backlash from local boards, sisters, or employees.

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us was asked to think of an image representative of the heart of the hospice mission. We drew these images on pieces of felt, cut them out with scissors, and combined them in a large tapestry to display in our day care center.

In another staff ritual the group shared stories about our patients and their families. Later, a mission statement, adapted from the Book of Isaiah (58:6-12), was read:

If you share the bread of yourself with the hungry, and welcome the homeless into your heart, then shall your light break forth like the dawn, and your healing spring up speedily. You shall be like a watered garden, a spring of unwearied water failing not, and you shall be called, "Mender of Relationships."

After the reading our supervisors gave each staff member a scented, multicolored candle, adding a personal word of gratitude and affirmation.

These are but some of the many ways ritual can be used as a source of healing, affirmation, renewal, inspiration, and grace. As Jesus realized that we are sensual beings who need concrete manifestations of spiritual realities, so too we must use our gifts in maintaining a sense of meaning. Otherwise, our institutions will become devoid of spirit and die.

**NOTES**