

CONGREGATION TRANSFERS ITS HEALTHCARE SYSTEM

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

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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 health-care 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, rightness, and acceptance. They understood that these decisions, though difficult, were made to ensure con-

tinued 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 the 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 health-care 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 health-care 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, includ-

ing 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 health-care 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

The risk for the congregation was related to its identity and security.

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 directly

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

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

The transfer

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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.

Jane E. Poe

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CREATIVE RITUAL

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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 we too must use our gifts in maintaining a sense of meaning. Otherwise, our institutions will become devoid of spirit and die. □

NOTES

1. John Michael Talbot, "Holy Ground," *Praise, Prayer and Worship*, Sparrow Records, Canoga Park, CA, 1986.
2. Kenny Rogers, "You Decorated My Life," *You Decorated My Life*, Liberty Records, New York City, 1979.
3. Carey Landry, "Lay Your Hands," *Abba Father*, North American Liturgy Resources, Phoenix, 1977.

CONGREGATION

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The leaders knew that, even though the transfer decision meant the end of the FSHC system, it was critical to have the corporate staff and facility CEOs remain in place through the transfer. In the end, eight corporate employees were laid off, but the promise of adequate severance pay enabled them to stay until the transfer was completed.


MOVING INTO THE FUTURE

After completion of the transfer, each FSHC facility held a ritual of appreciation. This was important because FSHC had been not only a ministry and business but also a web of relationships. The rituals celebrated the friendship and respect that had been built up over more than 100 years. Sisters, current and former personnel, and local community members got together and celebrated with storytelling, laughter, and tears.

After the facility rituals, the Franciscan Sisters gathered privately for two days to commemorate their past and move into the future together. In the end, the sisters and their lay colleagues knew they could live in peace with the transfer decision. In making it, they had been thinking of the communities involved, and thus had been true to their mission.

That mission continues through the sisters' other ministries in health, education, social services, and pastoral care.

Transferring a system is complex, time consuming, and emotionally wrenching. It requires the commitment of everyone involved. The Franciscan Sisters and their lay colleagues completed their transfer with a shared sense of pride in a job well done. They think it was because they identified and attended to the critical factors described here that the transfer process went so well. □

 For more information about transferring sponsorship, call Sr. Bea Eichten at 507-454-0536. After January 1, 1995, she can be reached at 312-631-8765.

HEALTHCARE MANAGEMENT ETHICS

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Controlling Costs Although the Catholic tradition recognizes basic health care as a right of each individual, it recognizes other rights as well, such as food, housing, and education. All are necessary so that persons within society can live with dignity and can participate in and contribute to the common good. Therefore one of these rights cannot utilize so many resources that society is unable to meet the other basic needs. This is clearly an important issue today, given the huge cost of healthcare in the United States. Thus managers must assess how managed care programs are helping to contain or even lower healthcare costs.

Individual Initiative Finally, for effective, holistic care to become a reality, individuals must take responsibility for their own health; they must use the wellness and prevention programs and not remain merely passive recipients of medical care. For this to happen, however, individuals must understand the healthcare system and be able to use its resources intelligently.

In the past, the system has been anything but "user friendly." Today's managers must assess how user friendly a managed care program is. How does it help users (especially those who are uneducated and unsophisticated) access resources?

CONFLICTING VALUES

Behind each of these issues are values that managers must consider if they are to protect and improve the quality of healthcare. But, as is often the case in looking at issues from an ethical perspective, the values at stake can conflict with one another. Not all can be realized fully; some must be chosen over others.

In such a situation, it is important for managers to identify all the values involved; clarify where conflicts exist; establish which values are most important; and, finally, reach a decision where the more significant values are realized to the greatest degree possible and the less significant values are upheld as far as possible. □