DIGNITY HEALTH
New Name, Same Mission

BY SR. JUDITH CARLE, RSM

In restructuring Catholic Healthcare West (CHW) into Dignity Health in 2012, the sponsors, board of directors and management team walked a creative and sometimes tumultuous path that ultimately opened new roads for us and our ministry. Throughout the discernment and implementation of this transition, we sought always to further the mission and values of the organization, including our calling to serve the most vulnerable.

As is true of most change, the timing of our restructuring involved internal and external influences, most notably:

- The sponsors' assessment of our own demographics
- The strategic direction and vision of the organization we governed
- Prayerful discernment with our bishops
- The challenges presented by the Affordable Care Act

In November 2009, the corporate members of CHW began to assess how to advance and shepherd the mission in light of the changing demographics of the women religious in our congregations. We engaged the board of directors and leadership team and set out to explore governance structures that would reinforce our sponsorship responsibilities. The changing environment in health care was prodding us to revitalize our commitment to our mission. With renewed vigor, we saw our mission as both a rich legacy and a stimulus for extending the healing ministry of Jesus for generations.

Our evaluation took into account that although we began as a system of Catholic hospitals, the preference for collaboration woven into our mission and values meant that by 2011 almost one-third of our acute care facilities were other-than-Catholic. CHW began to welcome other-than-Catholic hospitals into the system in 1992. In each case, management and often sponsors met with the diocesan bishop and explained that the facility in his diocese would adhere to CHW's "Statement of Common Values"[1] rather than the *Ethical and Religious Directives for Catholic Health Care Services* (ERDs). The "Statement of Common Values" was developed specifically to govern how CHW would affiliate and partner with other-than-Catholic institutions, and it outlines the values Dignity Health shares with these partners. The document prohibits any acquired facility from abortion, euthanasia, assisted suicide and embryo destruction. It does not prohibit direct sterilization or other contraceptive acts. Each diocesan bishop accepted the non-Catholic hospital becoming part of CHW, and both the sponsors and the bishops at that time believed that our participation was appropriately limited to what was in accord with the moral principles governing cooperation.

Over the years, new perspectives began to shed a different light on accepting other-than-Catholic hospitals into the system. In 2009, the section

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on partnerships in the ERDs was substantially revised.[2]

The earlier understanding of the moral principles governing cooperation with other-than-Catholic facilities was affected by new interpretations, so our discernment process included canonical and theological review intended to resolve these concerns. It was clear to the sponsors that flexibility was necessary to govern both Catholic and other-than-Catholic facilities.

Equally necessary was to keep the system whole, since the organization's long-term strategic plan called for growth and diversification in order to better meet community needs in a reformed environment. Our strategic vision is to be "a vibrant, national health care system known for service, chosen for clinical excellence, standing in partnership with patients, employees and physicians to improve the health of all communities served." To succeed in this vision requires partnerships across the spectrum of health care, which would require more partnerships with both Catholic and other-than-Catholic organizations.

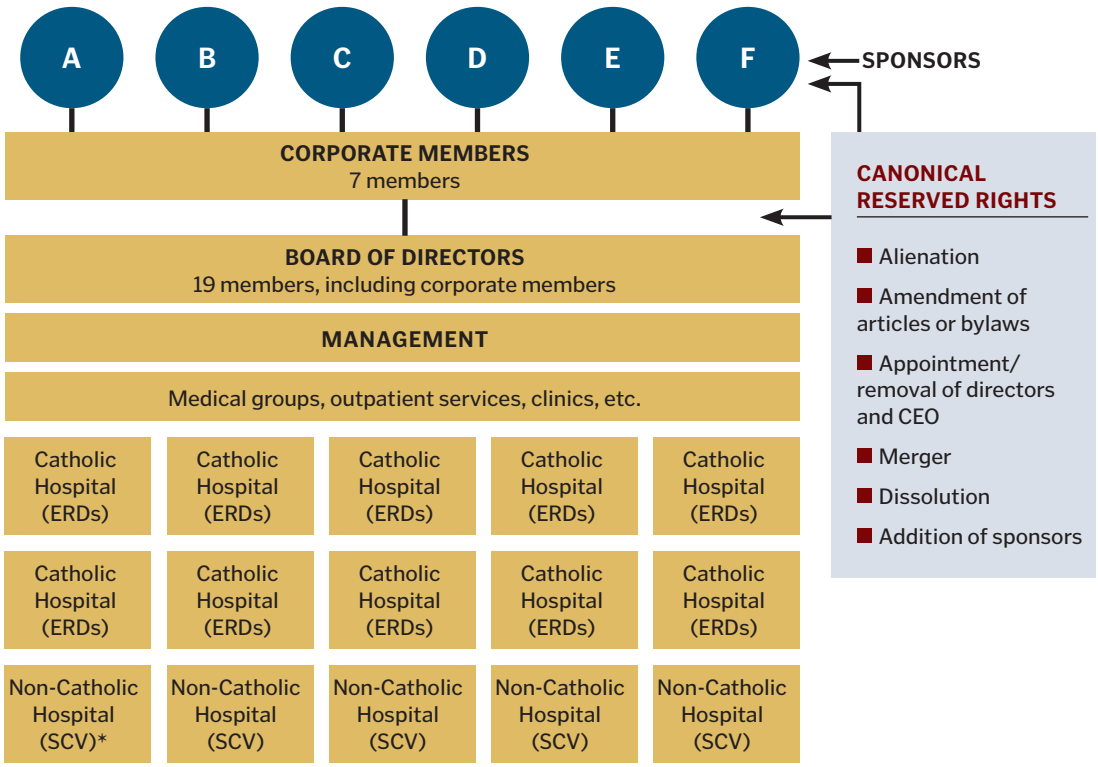
Our discernment process included canonical and theological reviews of potential models for restructuring. We studied the implications of transferring ownership of all the Catholic facilities to systems in which they would no longer be Catholic, transferring ownership of the other-than-Catholic hospitals, moving the Catholic hospitals into their own system or joining them with another Catholic system. We also considered forming a public juridic person, the path that many Catholic systems were taking at the time.

Ultimately, we determined that none of these options were viable for CHW if the system were to remain whole.

DIALOGUE WITH BISHOPS

Meanwhile, in February 2011, Archbishop George Niederauer of San Francisco, where the CHW

Prior governance structure at Catholic Healthcare West



*CHW's "Statement of Common Values"

home office was located, initiated a dialogue with the sponsors regarding the ethical issues we had been considering. His invitation to dialogue led to fruitful conversation over several months. He widely consulted bishops in whose dioceses CHW had hospitals, as well as the chairman of the United States Catholic Conference of Bishops (USCCB) Task Force on Health Care. Sponsors and bishops met, followed by subsequent meetings which involved bishops, sponsors, board and executive management. Both bishops and CHW leadership independently engaged moral theologians to review the proposed model and analyze the canonical and ethical opinions they had obtained. Bishops also did their own research into other possible models.

The sponsors gradually identified a preferred model that promised strength for furthering the mission of the entire system, continuing as a single operating company governed by a self-sustaining board. Although the sponsors would have desired to continue to sponsor the entire system, it became clear that in the future we could sponsor only the Catholic hospitals that we had originally founded. We sponsors would relinquish our corporate member rights and responsibilities for the system. The restructured system would continue to embrace both Catholic and other-than-Catholic facilities, and as sponsors we would retain our canonical sponsorship rights over all our Catholic facilities.

NEW GOVERNANCE STRUCTURE: SPONSOR-RESERVED RIGHTS

Regarding the system:

- Right to veto changes to organizational values (including "Statement of Common Values") and mission integration standards
- Approval of amendments to articles of incorporation or bylaws affecting sponsor rights
- Approval of Dignity Health merger or dissolution
- 2-3 board members from sponsors, serving in their individual capacity
- Participation in sponsorship council, with defined responsibility for assuring Catholic identity and practices, ministry leadership formation and organizational integration of mission, vision and values

Regarding Catholic Hospitals *(preservation of canonical and stewardship responsibilities):*

- Approve mission,vision and values
- Application of ERDs
- Approve addition of new sponsor
- Individual sponsors approve sale or closure of sponsored Catholic hospitals or other stable patrimony, or change of name of Catholic hospitals

THE NEW STRUCTURE

The process of restructuring included a great deal of processing around identity, involved a deeper relationship with the local church and essentially re-energized our organization. The system moved from being a formal ministry of the Catholic Church to one that, in association with the Catholic Church, remains based on Gospel values as expressed through our Catholic heritage.

Whereas the corporate members of then-CHW were appointed to the organization's board of directors by their congregations, the new Dignity Health model includes two women religious from the Catholic sponsoring congregations who serve on the board in their own right (that is, they are not appointed by their congregations).[3] We also established a sponsorship council composed of representatives from the six sponsoring congregations to oversee the Catholic identity in Catholic facilities, to nurture relationships with the bishops of the broader church and to exercise a vital Catholic evangelical influence on the new system's mission and culture. The Catholic sponsorship council retained certain rights with respect to the organization as a whole and canonical and stewardship responsibilities over the Catholic hospitals. A new mission integrity committee of the board of directors also was established to support and monitor the effectiveness of the mission throughout the system.

While the CHW sponsors as religious institutes of pontifical right are the appropriate church authority to approve a governance restructuring like the one we carried out, according to the ERD section on partnership, it was necessary for the bishop to render a *nihil obstat* indicating he had no objection to the proposed structure.[4] A *nihil obstat* does not necessarily imply approval, only that there is nothing objectionable. In his memorandum of November 2011, Archbishop Niederauer granted the *nihil obstat* with conditions specifying that the new name not suggest direct control by the Catholic Church; that the definition

of moral terms in the "Statement of Common Values" be based on Catholic teaching; and that sponsors, facilities and local bishops engage in more frequent dialogue that would include the provision of structured independent analyses of both the implementation of the principles of the ERDs and the quality of ministry formation.

TRANSITION

It is only as we journey down this new road that we realize the implications of restructuring. We have been able to focus on strengthening the identity of Catholic facilities, and in revitalizing Dignity Health's core values — the first of which happens to be dignity — we have a stronger articulation of our mission for the entire system. The mission integrity committee reports regularly to the board of directors, and as the sponsors approach bishops in whose dioceses we have facilities, we value the enhanced relationships, quality of dialogue and the opportunity for education of the bishops on practical applications of Catholic moral and ethical teachings in our hospitals. We also have designed a template to guide hospital leaders in their ongoing contact with bishops.

Through the independent analyses of how the ERDs are implemented and the quality of ministry leadership formation in our facilities, we have sharpened our focus on how we carry out the healing ministry of Jesus. We are deepening our internal review of mission integration standards, and we are moving toward more extensive evaluative processes with the Ministry Leadership Center in Sacramento, Calif., a program from which 228 Dignity Health executives have graduated. In order to extend the formation benefits to non-executives, we have inaugurated an internal ministry formation program by means of several pilot sessions that will eventually include six to eight modules. The program includes all types of employees. The board and the sponsorship council are now participating in joint meetings and annual retreats for education and strategic planning. Our educational theme for our November 2012 retreat was Catholic moral teaching and arrangements with other-than-Catholic partners.[5]

THE MINISTRY IN A REFORMED ENVIRONMENT

The full implementation of the Affordable Care Act in 2014 will require that hospitals and health systems partner more closely in order to provide more efficient, higher quality care. An important benefit of the new governance model is that it gives Dignity Health the flexibility to partner with both Catholic and other-than-Catholic organizations in order to improve the quality of life nationwide.

A significant opportunity for this kind of growth and integration closely followed our restructuring. In August 2012, Dignity Health acquired U.S. HealthWorks, the largest independent operator of occupational medicine and urgent care centers in the U.S., thereby extending our mission into new care centers and new communities in 16 states. U.S. HealthWorks, which has adopted the "Statement of Common Values," operates through a for-profit subsidiary of Dignity Health focused on the occupational health care practice. The new structure allowed us to enter into this partnership more quickly and is opening up conversations for others like it. Building the ministry through more diverse partnerships like this one helps strengthen the mission as a whole while also preserving the identity and integrity of our Catholic hospitals.

Our new name more accurately describes who we are, and our new governance structure gives us the flexibility to grow our healing ministry in a reformed environment.

Dignity Health continues to look beyond the acute care setting in preparation for reform. Our conversations have brought us into collaborative arrangements with health plans, independent physician groups, technology innovators and entrepreneurs who share our values and vision for the future of health care. This work is enlivening to our mission and is helping us co-create a new health care landscape that will do a better job of caring for more people.

EMBRACING THE FUTURE

Though from the outside it looks as though we have fashioned ourselves into something new, we in fact look like we always did. Our Catholic hospitals are still Catholic; our hospitals that have never been Catholic still are not. Both continue to embrace core Catholic principles as expressed

in the "Statement of Common Values." Our new name more accurately describes who we are, and our new governance structure gives us the flexibility to grow our healing ministry in a reformed environment. By embracing this future, we bring to Dignity Health the same energy as our original foundresses who were willing to travel to new lands to do what was needed in innovative ways. It demanded risk-taking and common sense to bring basic health, education, social services and social justice to emerging communities. Today we partner with the social innovators who are reimagining health and healing for a more perfect society, called together to bring about the Kingdom of God.

SR. JUDITH CARLE, RSM, served as chair of the corporate members of Catholic Healthcare West during the time of transition. She presently is vice-chair of the Dignity Health board and chairs the mission integrity committee.

NOTES

1. Dignity Health's "Statement of Common Values" (Feb. 12, 2013) is arranged around the five values of Catholic Healthcare West and now, Dignity Health. The values are dignity, collaboration, justice, stewardship, excellence.
2. United States Conference of Catholic Bishops, *Ethical and Religious Directives for Catholic Health Care Services*, 5th ed. (Nov. 17, 2009), Part Six, no. 70: "Catholic health care organizations are not permitted to engage in immediate material cooperation in actions that are intrinsically immoral, such as abortion, euthanasia, assisted suicide, and direct sterilization."
3. The former sponsors of Catholic Healthcare West are: Sisters of Mercy, West Midwest Community, Omaha, Neb.; Sisters of St. Dominic, Congregation of the Most Holy Rosary, Adrian, Mich.; Third Order of St. Dominic, Congregation of the Most Holy Name, San Rafael, Calif.; The Congregation of the Sisters of Charity of the Incarnate Word, Houston, Texas; Dominican Sisters of St. Catherine of Siena, Taos, N.M.; Sisters of St. Francis of Penance and Christian Charity, St. Francis Province, Redwood City, Calif.
4. *Ethical and Religious Directives*, no. 68: "Any partnership that will affect the mission or religious and ethical identity of Catholic health care institutional services must respect church teaching and discipline. Diocesan bishops and other church authorities should be involved as such partnerships are developed, and the diocesan bishop should give the appropriate authorization before they are completed. … For partnerships sponsored by religious institutes of pontifical right, his *nihil obstat* should be obtained."
5. Cathleen Kaveny, "What Is Our Moral Compass?" and "Decoding Catholic Lingo" (lectures, Dignity Health retreat, November 2012).

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