



THE FUTURE HAS ARRIVED

Shared, Collaborative and Sustainable

By KATHRYN H. RUSCITTO, MPA, PhD

St. Joseph's Health has come a long way from the day, nearly 150 years ago, when five Sisters of St. Francis of the Neumann Communities opened their small hospital on a hill in Syracuse, New York. Today, with their traditions and values entrusted to our lay ministry, St. Joseph's Health is an entity encompassing a host of health services, as well as its flagship St. Joseph Hospital Health Center, and has become a strong regional provider offering community-based, acute and post-acute care in the spirit of its founders.

No longer known for sisters in white habits serving at each patient's bedside, we are recognized as a premier cardiac and vascular center that has achieved Magnet status. We have been honored multiple times with Consumer Choice and Beacon awards, among other quality designations. Our financial strengths have allowed us to live comfortably in our mission work.

All of this is proof that we have truly succeeded at taking what the sisters gave us and bringing it to the next level. St. Joseph's has been able to stay ahead of a frequently shifting health care environment and thrive while providing excellent, compassionate health care with integrity and reverence. Our determination to maintain that position took us on an interesting journey, one that led to our membership in Trinity Health.

Over the years, we watched countless other facilities merge or become acquired. Some had to

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make that decision in order to survive, and they became affiliated with partners and organizations that did not necessarily hold the same values or priorities. In other situations, Catholic health care peers joined together to fortify one another. If they didn't, they either were struggling and closing, or they were being absorbed and controlled. With every announcement of another affiliation came a common refrain: We are moving into the future of a new health care industry, and we cannot do this alone.

St. Joseph's leadership wondered: Could we?

I had an early conversation centered on that question in 2001 with a leader at Catholic Health East. We talked about the advantages of St. Joseph's possibly joining with CHE and about my organization's levels of interest and readiness.

There were many good reasons to consider it. At the time, we focused on the fact that coming together with a larger system could help us maintain margins and gain access to support for capital needs. It could also help us with technology and infrastructure upgrades. But, in 2001 and in many years that followed, those benefits didn't matter. While some executives may have been ready for that kind of change, discernments by the sisters led them to deem the timing was not quite right.



Art Valero

Later, as health care reform, the Affordable Care Act and other market developments pointed to lasting change, we again considered joining with CHE. It was clear that the new health care environment would bring us a host of challenges. Providing charity care, for instance, while dealing with diminishing government reimbursements meant we would have to re-examine the way we managed and delivered care. Merging could give us access to best practices in those areas, as well as a chance to implement innovative models — without as much experimentation as we would face on our own.

We conferred with numerous consulting firms and independent industry experts who all agreed that finding a larger partner would be beneficial. Ultimately, though, it was a 2011 consultant's study that made it clear we could get where we wanted to go only with the support of a larger system and a new sponsor.

A larger system would give us access to more resources for clinical and operational transformation and a strong financial framework for entering the new era in health care. A new sponsor would help us address the fact that our sisters were aging, and we had to do all we could to preserve their — and our — beloved mission.

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In moving forward from the research period, we spent a great deal of effort exposing our board, physicians and staff members to the national trends, looking at New York state organizations that had joined other systems, and learning.

We considered what went right and wrong in peer affiliations and mergers, what would help us survive in a new health care environment and what would hurt our ability to provide care in our community. Next, we determined our priorities, noting especially that our mission is our strength. It defines our brand and serves as our differentiator in the community. In any change or affiliation, we had to hold our mission close, ensure it would not change and allow it to continue as our inspiration.

Granted, we didn't know it all. We knew that

access to a wide network of expertise and best practices could strengthen our clinical and business operations, and quickly and significantly raise the quality of the care we deliver. We knew that achieving immediate surges in financial strength would help us establish a strong foundation for future success. But to accomplish the necessary transformation, we, like the sisters who came to us, had to take a significant leap. We had to entrust some of our ministry to another.

Thus began the process of finding a partner. In doing so, we frequently looked back, remembering the day when our sponsoring congregations of sisters asked that we plan for the future and preserve their mission for a time when they are no longer here. Those reflections helped us put context around the reasons for turning to another, larger system for a collaboration that would ensure the sustainability of our ministry. With our mission and heritage in our hearts and on our minds, we embarked on our current and very promising journey.

Through our consultant, we sent an RFP to multiple Catholic systems and a secular academic center so we could begin assessing potential partners. They helped us evaluate the responses and, eventually, make a choice. Our discussions with CHE President and CEO Judith Persichilli began in 2012, shortly after that organization had embarked on exploring a merger with Trinity Health.

Together, our respective organizations concluded that the timing was not quite right — we did not want a merger within a merger. Instead, we chose to develop an affiliation agreement and get to know each other. Beginning in January 2014, the affiliation gave St. Joseph's access to Trinity Health's powerful purchasing program and to clinical and operational best practices we could use immediately. It also bought both organizations a little time, during which Trinity Health and CHE completed their merger, established what was then known as CHE Trinity Health and put the new organization's leadership team and future strategies in place. At St. Joseph's, we proceeded with an IT project and a new patient tower, all the while enjoying the benefits of our affiliation and considering how eventually joining Trinity Health might look and feel.



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We saw quickly that our missions mirrored each other's missions, and our organizations' cultures, core values and visions of the future were consistent as well.

Additionally, Trinity Health had strengths in areas where we needed strength to ensure the continuity of our mission services. At the time, we had concerns about our own capacities for mental health, primary care and maternal and child health, and we saw that the larger organization's vast experience in each of these areas could benefit us.

Trinity Health was financially strong, too — as were the organization's individual ministries. When we looked at other Trinity Health ministries, we saw that their margins easily tripled ours. With purchasing power, a variety of shared services, access to capital and best practices, Trinity Health clearly had a recipe for financial success.

Officially coming together with Trinity Health in 2015 worked out to be precisely the right timing for both organizations. Trinity Health had a new leadership team committed to giving greater depth to its vision of a people-centered health system and to leading the nation in achieving its goals. St. Joseph's was eager to be part of that — as a contributor to Trinity Health's work across the nation and, especially, as a provider of people-centered care in New York state. We recently had suffered some financial pitfalls when a growth in Medicaid expansion significantly affected our mental health and primary care service margins. It was time to start improving margins and clinical and business operations through effective partnership with a leader.

In the recent past, our ministry watched margins erode as the cost of giving care rose as much as the cost of receiving care. We worked hard to improve the quality of the care we provide, but despite our efforts, quality did not improve as much — or as quickly — as we needed it to in order to compete. For years, the surplus that our margin provided had given us access to capital

and investments in our workforce, but it wasn't enough to enable us to do more. This fact threatened our ability to keep our promise to the Sisters of St. Francis of the Neumann Communities. It meant we might not be able to sustain their mission and ministry.

So today, with the days of research and questions behind us, we are filled with hope and optimism as a member of Trinity Health. We are engaged in a strong, collaborative partnership that links us to 84 other Trinity Health hospitals, giving us access to capital, best practices, shared buying power and a powerful advocacy voice both in our state as well as in Washington, D.C. We know that these and other benefits will help us succeed in the transformation ahead and in delivering the people-centered care of our heritage. It will help us sustain our mission, and it also will give us a chance to create something wonderful as we contribute to achieving Trinity Health's visions of its own future.

Considering where we have been and where we want to go, becoming part of Trinity Health was the best choice for us.

Together, Trinity Health and St. Joseph's will provide better health, better care and lower operating costs for the communities we serve, and, together, we will further enhance our ability to compete in an environment of constant change. Locally, our partnership will strengthen the 150-year mission of Catholic health care in our community and benefit patients and employees by providing the clinical, operational, strategic and financial resources necessary to deliver the best care possible. And nationally, other members of Trinity Health will be able to benefit from our expertise and shared best practices.

We will, without doubt, be stronger together.

The confirmation that we made the right decision may be best described in a personal story. I recall, fondly, an evening I met with more than 100 of our sisters to describe our challenges and introduce a solution: joining together with Trinity Health and shifting our sponsorship. They asked questions for over an hour and, at the end, one older sister stood up. She said simply, "Thank you for preserving our mission."

The remaining 99 sisters broke into applause.

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