In 1990, the Catholic Health Association of the United States celebrated the 75th anniversary of its founding. To mark this milestone, a series of articles chronicling the association’s history, written by church historian Christopher J. Kauffman, PhD, was published in *Health Progress*. Subsequently the articles were combined and published as the book, *A Commitment to Healthcare*.

As the association now approaches the 100th anniversary of its 1915 founding, a new series of articles will tell the story of CHA during the years since 1990. Pamela Schaeffer, PhD, retired editor of *Health Progress*, is authoring the series. The six articles will appear in successive issues, beginning here and concluding with the May-June 2015 issue.

Each installment of this 25-year history examines the major developments that affected the health care landscape, the Catholic health ministry and the Catholic Health Association. This first article looks at the rise and growth of health systems in the ministry, a phenomenon that began prior to 1990 but came to significantly change the makeup of CHA’s membership through the 90s and into the first decade of the 21st century.

Future articles in the series will focus on the shift to lay leadership and new sponsorship models as the numbers of women religious declined; CHA’s efforts to help members define and measure community benefit as threats to tax-exemption grew; the association’s work in shaping ethical responses to increasingly complex medical and social issues, such the as AIDS crisis, end-of-life care and immigration reform; the road to the Affordable Care Act; and new opportunities on the horizon as CHA moves into its second century.
The Growth of SYSTEMS

Unprecedented challenges

By PAMELA SCHAEFFER, PhD

In the final decade of the 20th century, Catholic health care faced unprecedented challenges on several fronts. The stressors were fiscal and social. They included reimbursement cuts under Medicare and Medicaid, with ongoing threats of even more cuts; pressures to make price concessions under managed care; shorter hospital stays and shifts to outpatient care; the rise of large for-profit health care systems that were targeting Catholic hospitals for purchase; and a well-organized campaign aimed at requiring Catholic hospitals to provide a full range of reproductive services to women.

With the ministry’s survival at stake in the turbulent 1990s and into the next century, the Catholic Health Association engaged in multipronged efforts to preserve Catholic health care’s historically strong presence on the American scene.

These challenges called for vigilance and strategic action on the part of Catholic health care leaders too. For many Catholic organizations, system building — a trend already underway in the for-profit sphere — was the order of the decade.

The 1970s had produced a proliferation of small systems in Catholic health care — usually two or more facilities under the umbrella of a single religious sponsor. In 1984, CHA acknowledged the trend by publishing its first profile of Catholic multi-institutional systems. With a caveat that the report was “non-inclusive,” it described 44 systems in 20 states and noted that, although they represented three types of organizational models, all but one were owned or sponsored by a single religious institute. The exception was the prescient Omaha, Neb.-based Catholic Health Corporation, which was cooperatively sponsored by five (later nine) congregations of women religious.

The introduction to the report signaled what lay ahead: “The one characteristic common to all Catholic systems described here, and to those not included, is change.”

Indeed, the 1990s were marked by a near frenzy of organizational activity aimed at developing both multi-institutional systems and integrated delivery networks, which brought together
The 1991 CHA study of institutional health care laid bare the economic fallout of the 1980s that was now putting Catholic health care at such risk.

In 1986, following the recommendations of its bylaws committee, CHA terminated membership of five hospitals, either because they were no longer approved by a bishop for listing in the *Official Catholic Directory* (a requirement for CHA membership) or because they no longer maintained sufficient control over governance or management to satisfy CHA requirements.

A few years later, a study prepared for the CHA board and distributed to members, “The 1991 Assessment of the Institutional Healthcare Ministry,” laid bare the economic fallout of the 1980s that was now putting Catholic health care at such risk. Fixed-fee reimbursements under Medicare and Medicaid were among factors contributing to a decline in the average total margin of the 476 Catholic hospitals in the study, to 3.41 percent in 1989 from what had been 6.24 percent in 1985. Nonetheless, in 1989, those hospitals together provided $5 billion in care for the uninsured. The report also noted that 25 Catholic hospitals had closed and 25 were no longer under Catholic sponsorship.

THE MOVE TO COLLABORATE

Throughout the 1980s, CHA had supported increased networking among its member organizations, responding to numerous requests for information and guidance on joint ventures between Catholic and other-than-Catholic organizations, in addition to helping members explore the implications from ethical and theological perspectives.

1995

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The need for such guidance was demonstrated by ongoing CHA surveys, which indicated that by 1995, more than 90 percent of CHA members were participating to some degree in an integrated delivery network involving other hospitals, physicians or insurers. In virtually all cases, these arrangements involved deals with other-than-Catholic entities. Further, in at least a third of those cases, survey respondents said they had relinquished some or all Catholic control through shared governance agreements.

At this critical juncture, CHA leaders and religious leaders spoke out strongly and frequently on behalf of preserving the ministry. In January 1995, Cardinal Joseph Bernardin of Chicago, addressing the Harvard Business School Club of Chicago, made a strong and urgent case for the preservation of not-for-profit health care at a time when “in their struggle for economic survival, a growing number of not-for-profits are sacrificing altruistic concerns for the bottom line.” Also in 1995, Cardinal Bernardin gained national attention with a pastoral letter on Catholic health care titled “A Sign of Hope,” in which he proposed a “time of re-founding” Catholic health care when some were talking about “the beginning of the end.”

At the 1995 Catholic Health Assembly, John Curley Jr., CHA’s president and chief executive officer at the time, appealed to CHA members to resist the “siren call” of investor-owned chains. In a poignant nod to history, he compared threats to the ministry in an era of aggressive growth in the for-profit health care sector to “the ocean crossings, hostile settings and epidemics and
In another assembly speech, Fr. J. Bryan Hehir, professor at Harvard Divinity School, urged collaboration among Catholic organizations, including health care, education and social services, and stressed the critical importance of Catholic health care’s institutional identity and presence in the nation’s social fabric.

That same year, three Catholic health care systems, which together involved 10 religious congregations, made the unprecedented decision to develop a new national system. Under the agreement for the new system, to be named Catholic Health Initiatives (CHI), the sponsoring congregations would shift control of assets to the national organization. Other Catholic sponsors soon followed suit.

Another bold, multiphase initiative by three organizations, including CHA, was aimed at promoting collaboration among Catholic organizations. The initiative, known as “New Covenant,” began with a 1995 national convocation in Chicago that brought together 170 Catholic health care leaders. The national meeting was followed by a series of 15 regional and local meetings, working toward the goal of a “refounded ministry” based on commitments to new action strategies among Catholic organizations.
Other sponsors of New Covenant were the National Coalition on Catholic Health Care Ministry and Consolidated Catholic Health Care.

The New Covenant initiative played a key role in CHA’s efforts on behalf of members from the mid-1990s into the next decade. The goal was not only to encourage collaboration among Catholic health care organizations, but also to seek ways to engage the whole church in moving health care outside institutional walls. This coincided with a movement in health care generally to focus more on wellness and community health. Strategies included a cross-ministry effort to convene a series of meetings to promote collaborative efforts among all organizations involved in the church’s healing and social service ministries, including parishes, educational institutions and charitable agencies.

In one such national cross-ministry effort with local outreach, seven Catholic health care systems, organized as Strategic Health Care Partners, invested $10 million in a project called Mercy Housing. By 2014, the organization prided itself on having facilitated development, preservation or financing of 48,000 affordable homes nationwide.

CHA and Catholic Charities USA, noting the common commitment to serving vulnerable populations, also forged stronger ties through the New Covenant process, seeking ways to partner nationally, regionally and locally in the interest of community health, broadly defined. These efforts culminated with a joint membership assembly in 2002. The following year, the two organizations together published results of a study of collaborative efforts among local Catholic Charities agencies and Catholic health care. Titled “Greater Than Its Parts,” the report identified more than 100 collaborative efforts that had carried on.

**Mid-1990s**

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The push to preserve not-for-profit status gained additional impetus in 1994 when CHA and six other leadership organizations united as the National Coalition on Catholic Health Ministry. Other coalition members included the Leadership Conference of Women Religious, the National Conference of Catholic Bishops and Catholic Charities USA. The coalition in 1995 issued *Catholic Health Ministry in Transition, a Handbook for Responsible Leadership*. The handbook, which was updated and revised in 2004, served as a resource for forming new partnerships.

**SUPPORTING NEW SYSTEMS**

In light of the changing face of Catholic health care, CHA in 1997 charged a task force with assessing the nature of CHA’s membership and reforming its dues structure. Their work resulted in the approval at the 1998 Catholic Health Assembly of new membership categories to reflect the growing prominence of Catholic health care systems, the proliferation of integrated delivery networks and the diversity of health care partnerships. Further, a new, lowered dues rate was aimed at reducing inequalities that had developed under the former dues structure.

Between 1984, when CHA published its first profile of Catholic multi-institutional systems, and 1998, Catholic health care systems had grown in both number and size. According to a report prepared for CHA in October 1998, the number of Catholic health systems with membership in CHA had grown to 56, from 44 in 1984. Together, they accounted for about 85 percent of all Catholic hospitals and 46 percent of Catholic long-term care facilities and often were active in developing integrated networks and partnerships.
Among provisions of the revised bylaws, it would be systems, rather than individual hospitals, that became the primary membership entity and would represent their facilities (known as “participant members”) at the membership assembly. Free-standing facilities and sponsors would remain representative members on their own behalf, and freestanding entities such as long-term care facilities could now also join as representative members. Publicly traded, investor-owned organizations were deemed ineligible for membership.

Also at that 1998 Assembly, Fr. Michael Place, STD, was installed as CHA’s new president and chief executive officer. He succeeded John Curley Jr. who retired in 1997 after nearly two decades of service to CHA. (See sidebar.)

CONFRONTING THE CHALLENGES

If the efforts described above were mainly focused inward — that is, at finding ways to strengthen Catholic health care from within — other forces were simultaneously calling CHA to focus outward, on the American scene at large. Threats to Medicare and Medicaid reimbursements had long required vigilance, but now, as national Catholic systems grew in size and number, new, sometimes hostile, forces emerged. These included groups opposing Catholic health care by questioning whether Catholic institutions provided sufficient charity care to justify their tax-exempt status.

With so many mergers on the scene, Catholic bishops in 1994 and again in 2001 revised the Ethical and Religious Directives for Catholic Health Care Services to more explicitly bar Catholic facilities from any “immediate material cooperation” in such procedures as abortion, euthanasia and direct sterilizations, prompting such organizations as the American Civil Liberties Union, MergerWatch, various reproductive rights groups and even the American Medical Association to mount challenges in Congress, the courts and the public square. For example, the officer in February, 1998. For 14 years, Fr. Place had served Cardinal Joseph Bernardin of Chicago as consul for policy development to the Archdiocese of Chicago and as a member of the archbishop’s cabinet. His duties had included advising the cardinal on health care matters.

Sr. Doris Gottemoeller, RSM, who led the committee that selected Fr. Place, said the search focused special emphasis on four leadership competencies: sensitivity to ethical issues; moral wisdom; administrative experience; and knowledge of systems. Although he was not chosen because of his vocation as a priest, she said, “The fact that Mike is a cleric is not irrelevant to who he is. It’s part of his identity ... it’s an added blessing.”

Fr. Place stepped down in February 2005, saying CHA needed continuity to carry out the strategies laid out in the board’s strategic plans. Sr. Carol Keehan, DC, chair of the CHA board at the time, expressed gratitude for Fr. Place’s contributions, especially “his focus on seeking a just and transformed national health delivery system.”

Michael F. Rodgers, CHA’s vice president for public policy and advocacy, served as interim president and chief executive officer through October 2005, when Sr. Keehan was named CHA’s ninth president and chief executive officer, becoming the third woman religious to head CHA in its 90-year history. Sr. Keehan previously had served for 15 years as president and chief executive officer of Providence Hospital in Washington, D.C., and before that as vice president for nursing, ambulatory care, education and training.

Just prior to her appointment to succeed Fr. Place, Sr. Keehan had served CHA as vice chair and then chair of the board. She had also been board chair of Ascension Health’s Sacred Heart Health System, Pensacola, Fla.

1998

Between 1984 and 1998, Catholic health care systems had grown in both number and size.
American Medical Association, at its 2000 meeting, passed a resolution calling on Congress for laws requiring all hospitals to provide a full range of reproductive services, including direct abortion, or become ineligible to participate in government programs. Later that year, CBS aired “God, Women and Medicine” during its national prime-time show, “60 Minutes.” The segment painted a negative view of Catholic health care because of restrictions it placed on reproductive services.

CHA leaders responded both specifically and broadly to these challenges.

Fr. Place departed from the 2000 Catholic Health Assembly in San Francisco for Chicago, along with Michael Collins, MD, incoming chair of the CHA board, to personally address the American Medical Association and challenge its position. He wrote letters to “60 Minutes” executive producer Don Hewitt and journalist Morley Safer, criticizing the broadcast’s one-sided view and stressing Catholic health care’s broad range of services to U.S. communities. CHA continued to highlight the American tradition of pluralism and the vital role played by Catholic service organizations throughout the nation’s history, including their important role in society’s safety net for the uninsured.

The increasing social pressures prompted CHA’s board to focus on a strategic plan for fiscal years 2003-2005 with these goals: to develop a comprehensive response to challenges to the ministry’s right to serve according to its religious and ethical commitments; to develop a stronger, unified voice aimed at influencing public opinion; and to better inform the public about the full range of the ministry’s services to women and society.

Chief executive officers from more than 20 Catholic health systems challenged themselves and CHA to incorporate greater system involvement in this planning process, working together as “the ministry gathered.”

As part of its effort to strengthen public support, CHA commissioned a study of community safety nets by the Georgetown University Institute for Health Care Research and Policy. The 2002 report, titled “A Commitment to Caring: The Role of Catholic Hospitals in the Health Care Safety Net,” demonstrated that a multitude of services performed by Catholic hospitals had long served as an integral part of community safety nets for vulnerable populations. The report further noted that the ability of hospitals to perform such services locally, despite their stringent fiscal restraints, was due to the support of the large health care systems to which they belonged.

The following year, CHA launched a major public relations campaign involving CHA members from a broad swath of the ministry. The goal was to increase favorable opinion of Catholic health care with communications tailored to various audiences. Based on research commissioned by CHA, the Public Perception Project developed a four-pronged message platform designed to be integrated by Catholic health care organizations into their ongoing communications and marketing efforts. The messages focused on the quality of Catholic health care, including its use of advanced technology and its highly trained staffs;
2000s

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2003

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the compassion of Catholic health care, based on a personal and holistic approach; the vision of Catholic health care, based on its commitment to building healthy communities and addressing needs of those without access to health care; and the mission of Catholic health care, based on a tradition of service and devoted to reflecting God’s love by offering healing and hope.

The combined CHA and industry initiatives from 1990 to 2005 left Catholic health care stronger, more unified and well poised to move confidently into the next era, which would again bring major changes to the U.S. health care world.

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