

# UNIQUE GOVERNANCE FOR A NATIONAL MINISTRY

## *Catholic Health Initiatives' Board Structure Empowers Laity, Supports Mission*

BY JANE E. POE



*Ms. Poe is vice president of sponsorship and governance, Catholic Health Initiatives, Denver.*

In April 1996, three Catholic healthcare systems consolidated to form a new organization, Catholic Health Initiatives (CHI). This collaboration was a courageous preparation for the future by leaders who saw the inevitability of change in an increasingly market-driven healthcare delivery system.

Catholic Health Corporation of Omaha, Franciscan Health System of Aston, PA, and the Sisters of Charity Health Care Systems of Cincinnati shared a common vision of Catholic healthcare that would not only survive but also thrive into the twenty-first century. They designed CHI to strengthen Catholic healthcare presence nationally by establishing efficient integrated delivery networks and market-based orga-

nizations in local communities where their facilities and services are located. Through a national commitment to healthier communities, the organization's facilities are developing unique programs and new ministries to address health and social problems and create long-term solutions.

CHI now represents the ministries of 11 religious congregations and spans 22 states and 71 rural and urban communities, with 68 hospitals, more than 50 long-term care facilities, and numerous elder care and housing services. It is now the largest Catholic, not-for-profit health organization in the United States. With corporate offices in Denver and Cincinnati, CHI employs more than 54,000 individuals, and its combined revenues exceed \$4.7 billion. It is divided into six

**Summary** The three original founding healthcare systems and 10 sponsoring religious institutes of Catholic Health Initiatives (CHI) have developed an unprecedented governance model to support their vision of a national Catholic health ministry in the twenty-first century. The new organization spans 22 states; annual revenues exceed \$4.7 billion.

Religious institutes choose either active or honorary status before consolidating with CHI, depending on their desired involvement in the organization. Currently, nine are active and two are honorary. CHI's civil corporation comprises one representative from each active congregation. These representatives approve major changes in mission or philosophical direction. They control board membership by appointing three to five congregation representatives as sponsorship trustees, who are responsible for approving the remaining members of the Board of Stewardship Trustees. This half-religious, half-lay governing board is responsible for leading CHI.

CHI has only two levels of governance, a national board and boards of market-based organizations, for instance a network of facilities with one management structure, or a community board of an individual facility. This avoids multiple administrative layers and approval processes. The organization has a civil identity as CHI and a canonical identity as a public juridic person of pontifical right, called Catholic Health Care Federation (CHCF).

The governing board members of CHI, as members of CHCF, serve as the religious sponsors for all CHI health facilities. Some facilities have already been "alienated" (turned over) to CHI by their religious institutes; others will be alienated in the future.

CHI's recent consolidation with Sisters of Charity of Nazareth Health System added an 11th sponsor, a sixth geographic region, and two members—one religious and one lay—to the governing board. The governance model assists such growth through the appeal of an equal religious-lay partnership and a flexible sponsorship model.

geographic regions (see Map).

CHI's founding sponsors have developed an unprecedented governance structure that will support their vision of Catholic healthcare.

### ACTIVE AND HONORARY SPONSORSHIP

When a congregation decides to become part of CHI, it chooses either active or honorary status, depending on how involved the congregation wants to be in the organization. The two levels of involvement provide needed flexibility for religious institutes, enabling them to select the option that allows them to fulfill their specific ministries.

Currently, nine of CHI's sponsoring congregations are active and two are honorary. Active sponsoring congregations appoint one congregational representative to serve as a member of CHI's civil corporation. Active congregations attend the annual meeting for stewardship accountability, where the leaders of CHI report on the stewardship of mission and organizational resources. They participate in organizational advocacy efforts and encourage participation of their sisters in CHI's ministries. Honorary spon-

soring congregations attend the annual meeting for stewardship accountability and encourage the congregation's participation in CHI's ministries.

One of CHI's key objectives is to seek out and encourage new healthcare ministries. This model of sponsorship allows congregations to focus on advancing the ministry aspects of healthcare, strengthening the mission of Catholic healthcare to serve people's needs in creative ways that may include new, nontraditional ministries. This multicongregational sponsorship model also positions the organization for future growth and development.

### RELIGIOUS-LAY PARTNERSHIP

The members of the civil corporation approve any major changes in CHI's mission and philosophical direction. This group controls the membership of the CHI board by appointing three to five representatives from the active sponsoring congregations to serve as sponsorship trustees. Sponsorship trustees are responsible for approving all remaining stewardship trustees. The Board of Stewardship Trustees is composed of seven religious members, seven laypersons, and the

## COMMUNITIES SERVED BY CATHOLIC HEALTH INITIATIVES



chief executive officer of CHI, ex officio. The board must always have an equal number of religious and lay members and is responsible for the governance of CHI.

Religious and laity have formed partnerships since the 1960s in *governance* roles, but the laity has not been a partner in *sponsorship*. In the CHI model, the laity is a full partner in sponsorship as well as governance. This true religious-lay partnership embodies the spirit of CHI's founding principle to empower the laity in greater roles than in previous Catholic healthcare models.

In addition to its civil identity, CHI is also a public juridic person of pontifical right. The name of the public juridic person is Catholic Health Care Federation (CHCF). It was originally created in 1991 by Catholic Health Corporation and established by written decree of the Congregation for Institutes of Consecrated Life and Societies of Apostolic Life. As one of the

three systems to form CHI, Catholic Health Corporation revised CHCF's statutes to accommodate the new CHI organization.

During its formation, CHI also sought to create an organizational hierarchy without multiple layers of administration and approval processes. Such bureaucracy can hinder efficient decision making, which is critical in today's dynamic healthcare environment. For this reason, CHI has only two levels of governance: the national and the market-based or individual facility level.

### "ALIENATION": A POSITIVE SIDE


The sponsoring congregations that founded CHI wanted to separate the responsibility for their healthcare ministry from the direct control of assets. As a result, the congregations have turned over control of their health facilities to CHI.

The members of CHI's Board of Stewardship Trustees are members of CHCF, and in that capacity they sponsor all CHI facilities. Some facilities have already been "alienated" (full ownership has been turned over) to CHI, and it is anticipated that all sponsoring religious institutes will alienate their health facilities to CHI within the next few years. Until that time, reserved powers, except those pertaining to the alienation of property, are delegated to CHCF as the public juridic person of CHI. Some founding congregations were not prepared to alienate because they required special chapters and voting on behalf of their entire congregation and did not want to delay the creation of CHI, while several congregations wanted to join CHI to benefit their facilities but were not in a position to alienate at that time.

### GROWTH OF THE VISION

CHI continues to grow. In September 1997, the Sisters of Charity of Nazareth Health System (SCNHS) became part of CHI. This consolidation created a sixth geographic region comprising Kentucky, Tennessee, and Arkansas and added two members to the governing board. SCNHS brings 9,300 employees and 2,488 hospital beds to CHI.

CHI has created a governance structure that serves as a strong foundation for moving forward the mission and values that make Catholic healthcare exceptional. Through a full partnership between religious and laity, flexibility of sponsorship, and a collaborative model based on openness to new ways of delivering healthcare, CHI is fulfilling its vision for the next century: to create a national Catholic health ministry that promotes healthy communities. □

 For more information, contact Teri Gaskin at 513-347-1138 or Joyce Ross at 303-298-9100.

## CHI PROFILE

**Vision** The vision of Catholic Health Initiatives is to create a national Catholic ministry which will live out its mission by transforming traditional healthcare delivery into integrated networks and creating new ministries that promote healthy communities.

**Mission** The mission of Catholic Health Initiatives is to nurture the healing ministry of the Church by bringing it new life, energy, and viability in the 21st century. Fidelity to the Gospel urges us to emphasize human dignity and social justice as we move toward the creation of healthier communities. Catholic Health Initiatives, sponsored by a religious-lay partnership, calls other Catholic sponsors and systems to unite to ensure the future of Catholic health care.

**Locations** Twenty-two states divided into six geographic regions (see **Map**) and serving 71 communities through more than 120 facilities and 54,000 employees

**Services** Mission; advocacy; leadership development; treasury/financial strategy; operations, communications; insurance/risk management; materials management; performance improvement

**Regional offices** *Eastern:* Aston, PA (610-358-3950); *Southeastern:* Louisville, KY (502-349-6250); *Upper Midwest:* Minneapolis (612-948-0526); *Central Midwest:* Omaha (402-393-7661); *Mountain:* Denver (303-290-6500); *Western:* Tacoma, WA (206-552-4100)

**Sponsoring congregations** Benedictine Sisters of Mother of God Monastery, Watertown, SD; Congregation of the Dominican Sisters of St. Catherine of Siena of Kenosha, Inc., Kenosha, WI; Franciscan Sisters of Little Falls, MN; Nuns of the Third Order of St. Dominic, Great Bend, KS; Sisters of Charity of Cincinnati, OH; Sisters of Charity of Nazareth, KY; Sisters of Mercy of the Americas, Regional Community of Omaha; Sisters of St. Francis of Philadelphia; Sisters of St. Francis of Colorado Springs, CO (honorary); Sisters of the Holy Family of Nazareth, Immaculate Conception Province, Philadelphia (honorary); Sisters of the Presentation of the Blessed Virgin Mary, Fargo, ND