tidings!

April, 2009

MARK YOUR CALENDAR

May 13, 2009
CHA-MN Board of Directors Meeting
Carondelet Center, St. Paul
FFI: (651)503-2163

May 18-22, 2009
CHAP Program
St. John's University, New York
FFI: (718)990-8407

June 7-9, 2009
2009 CHA Health Assembly
New Orleans, LA
FFI: www.chausa.org

Cardinal George Urges Catholics to Tell Administration: Keep Conscience Protections for Health Care Workers

Cardinal Francis George (CHA-USA) is urging Catholics in the United States to tell the Obama Administration to retain Health and Human Services regulations governing conscience protections for health care workers.

This is vital to keep the government from "moving our country from democracy to despotism," said Cardinal George, President of the United States Conference of Catholic Bishops. He delivered the message via video available on the USCCB website and You Tube. Those who want to protect conscience rights can speak out through an action alert at http://www.usccb.org/conscienceprotection

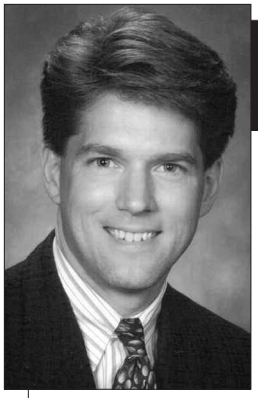
"Respect for personal conscience and freedom of religion as such ensures our basic freedom from government oppression. No government should come between an individual person and God—that's what America is supposed to be about," Cardinal Francis George said. "This is the true common ground for us as Americans. We therefore need legal protection for freedom of conscience and of religion—including freedom for religious health care institutions to be true to themselves."

"I ask you please to let the government know that you want conscience protections to remain strongly in place. In particular, let the Department of Health and Human Services in Washington know that you stand for the protection of conscience, especially now for those who provide the health care services so necessary for a good society," he said.

Cardinal Francis George taped the message after the Obama Administration announced in early March that it was rescinding the regulations which guarantee that health workers cannot be forced to provide services that violate their consciences, including abortions. ■

Protecting Conscience Rights in Health Care

The U.S. Department of Health and Human Services (HHS) is inviting public comment on a proposal to rescind an important federal regulation issued in December. The regulation implements and enforces three federal laws protecting the conscience rights of health care providers, especially those at risk of being discriminated against because of their moral or religious objection to abortion. The Catholic community must speak out to protect Catholic doctors, nurses and hospitals. ■



Toby Pearson, CHA-MN Executive Director

As I See It

From the Holy Father's Reflection on the 2009 Day of the Sick:

I wish here to express my appreciation and encouragement of the international and national organisations that provide care to sick children, especially in poor countries, and with generosity and self-denial offer their contribution to assure that such children have adequate and loving care. At the same time I address a sorrowful appeal to the leaders of nations to strengthen laws and measures in favour of sick children and their families. Always, but even more when the lives of children are at stake, the Church, for her part, makes herself ready to offer her cordial cooperation, with the intention of transforming the whole of human civilisation into a "civilisation of love" (cf. Salvifici doloris, n. 30).

Catholic Health Care has been around the block a few times. We have been through the pressures of mission as they push up against margin. We have seen changes to legislation lowering reimbursement rates, infringement on conscience, and added pressures on the uninsured as a result of economic turmoil. Currently, we are facing all of these simultaneously.

As the old Chinese curse says, may you live in interesting times. We certainly live in interesting times.

On the state and local levels, we continue to advocate for investments in health care. Investments in health care delivery are not only wise choices to help spur economic growth, they are also vitally important to improving the way many people receive care.

As longstanding advocates of accessible and affordable health care for everyone, the Catholic health ministry welcomes these measures in the economic stimulus package and looks forward to continuing to work with lawmakers to make that goal a reality.

On the state level, as we face a $6.4 billion deficit (which is bought down to $4.6 billion with the infusion of the federal stimulus money), we struggle to get our message of economic investment and investment in people into the conversation. The current proposals are for cuts to all health and human services (long term care, acute care and Minnesota care are all facing drastic cuts).

In the coming weeks we will get the specifics of the governor's renewed proposals (reflecting the economic stimulus money) an outline of a Senate proposal, and an outline of a House proposal. All of these proposals will be kicked around in the coming months. Patience will be a virtue, as the size of the deficit will make this year likely to force some special sessions.

In the rush of margin and mission, the present realities of pushing and pulling in a massive state deficit, it is important to reflect on the message from the holy father on the world day of the sick and our mission of transforming the whole of human civilization into a civilization of love. ■

CHAMN Board Reduces Association Dues

The Catholic Health Association Board of Directors has recently changed the membership dues formula for facilities in recognition of the current financial challenges facing all Catholic health organizations. The new formula will create a meaningful reduction in annual dues for all facility members. This change will more closely align the Association's projected revenues and expenses. The Board also reaffirmed the importance of having a unified voice through CHAMN at the Capitol during these times when the rights and funding for healthcare are experiencing unprecedented challenges. ■

2009 CHA-MN ANNUAL DUES STATEMENTS WILL BE SENT OUT IN THE NEXT COMING WEEKS. WE ARE GRATEFUL FOR YOUR CONTINUED PARTICIPATION AND SUPPORT.

The Unraveling of Catholic Health Care

By Daniel P. Sulmasy

In 2007 there were eight Catholic acute care hospitals in New York City. By the end of 2008 there was only one. The reasons for this shift are many and complex, but it would be foolish to dismiss this as a freak event, unique to that city. Indeed, even if one has no special interest in the field of health care, this story speaks volumes about the current state of Catholic institutions in the United States. How did so much happen so fast? And what can be learned?

Then There Was One

In the 1990s, fearing increased pressure to conform to secular medical morality and under intense financial stress from managed care, Cardinal John O'Connor of the Archdiocese of New York pushed the somewhat unwilling hospitals and nursing homes of the archdiocese into a loose confederation called the Catholic Health Care Network. Initial plans were for a full merger, but fear on the part of the hospitals that their charisms would be lost and worries about job security on the part of administrators scuttled the effort.

Unable to merge completely with the hospitals of the Catholic Health Care Network, and facing mounting financial difficulties, St. Vincent's Hospital Manhattan explored a possible merger with St. Vincent's Staten Island and the hospitals of the Diocese of Brooklyn, which had been united into one network as early as the 1960s. This too, proved difficult. Brooklyn feared that in a three-way merger they would face a two-against-one dynamic. While St. Vincent's Manhattan was owned by the Archdiocese of New York, and St. Vincent's Staten Island by the Sisters of Charity, the religious congregation itself was an order of the Archdiocese of New York. This could provide the archdiocese with an unfair advantage. To facilitate a bilateral structure, Cardinal O'Connor ceded full control of St. Vincent's Manhattan back to the Sisters of Charity, and the merger proceeded. A number of members of the board of trustees of St. Vincent's Manhattan warned that the undertaking was ill advised and expressed skepticism about the financial health of the Brooklyn hospitals. Nevertheless in 2000 the merger was completed and the Saint Vincent Catholic Medical Centers of New York was created.

The chief executive officers and boards of trustees of all the merging institutions were replaced with a new board—consisting of two members of the Sisters of Charity, an auxiliary bishop and a canon lawyer— and a new C.E.O. from the outside with experience running a big system and a history, albeit a highly checkered one, of overseeing mergers.

THE BOTTOM DROPS OUT

From the moment of its creation, Saint Vincent Catholic Medical Centers of New York was a disaster. The problems of a $1.6 billion-a-year multi-hospital, multi-nursing-home behemoth were legion. As it turned out, the Brooklyn hospitals were in horrible financial shape. Two hundred million dollars in cash reserves (a meager amount by health care standards) went out from St. Vincent's Manhattan into Brooklyn as soon as the merger took place. Staff in Brooklyn, who had no idea that their hospitals were in such bad shape, immediately blamed Manhattan for mismanagement. Manhattan physicians placed the blame for the financial instability of their hospital on Brooklyn, despite the fact that St. Vincent's Manhattan was hemorrhaging cash independently. And financially solvent Brooklyn nursing homes resented having to carry the load for the hospitals.

Professional relationships did not function properly, either. The physicians refused to refer patients to one another or to function as one system. Attempts to create systemwide bylaws bogged down in endless squabbles.

After Sept. 11, 2001, a decline in the number of employees and residents of downtown Manhattan dramatically reduced the potential patient population around St. Vincent's, and the hospital incurred huge losses. Despite the hospital's national prominence in the wake of the terrorist attacks on Sept. 11, no one proved able to make effective use of it to raise funds. When post-9/11 federal dollars were doled out, New York hospitals that had played almost no role in responding to the disaster received more funding than did St. Vincent's.

The financial picture continued to deteriorate. The economies of scale that the merger was supposed to achieve were poorly realized. Saint Vincent Catholic Medical Centers wound up with the worst managed-care contracts in the city. The system could not pay its creditors; it deferred mainte-

Unraveling *cont. on page 4*

Daniel P. Sulmasy, O.F.M, M.D., holder of the Sisters of Charity Chair of Ethics at St. Vincent's Hospital Manhattan and professor of medicine and director of the Bioethics Institute of New York Medical College, is author of The Rebirth of the Clinic.

Unraveling *cont. from page 3*

nance and the floors went unwashed. On several occasions the institution came close to missing its payroll obligations. Layoffs included physicians, and essential items like X-ray film became scarce when suppliers imposed credit-holds.

The four trustees, however, did not see that the man they had hired to run the new system was incompetent. While he justified the network's problems as endemic to health care generally and called for more consultants, the budget for the system's corporate offices ballooned. Finally, in 2004 the C.E.O. was fired.

Survival came at a still higher price. Saint Vincent Catholic Medical Centers declared Chapter 11 bankruptcy in 2005; when it emerged from bankruptcy in 2007, large chunks of Manhattan real estate that had provided office space, housing for residents and students and a convent for the sisters had been sold, along with three of the hospitals. Worse still, the hospitals located in the poorest neighborhoods had to be closed; no one wanted to buy them.

In the meantime, under the leadership of a new prelate who had inherited a financially troubled system, the Archdiocese of New York was busy extricating itself entirely from the acute-care hospital business. Our Lady of Mercy Hospital was sold to Montefiore in 2008. Operation of the former St. Clare's was ceded to St. Vincent's Manhattan in 2003; it continued to operate until it was finally closed in 2007 by the state's Berger Commission, which had been established to reorganize and streamline health care throughout the state. The commission also shut down Cabrini Medical Center, another financially ailing Catholic acute care hospital in Manhattan.

AND THEN THERE WAS ONE: ST. VINCENT'S HOSPITAL MANHATTAN.

What Went Wrong?

Mergers often fail because of inattention to differences in culture between the merging institutions. That was clearly true in this case. Beyond this generic issue, however, what observations can be made? Why did the Catholic hospital system in New York City collapse so rapidly? Several lessons emerge.

St. Vincent's Hospital, Manhattan

1. The marketplace is a harsh environment for faith-based institutions. New York is one of the world's most high-cost, inefficient cities for health care delivery. The average New York City family spends 18 percent more cost-of-living-adjusted dollars on health care than does the average American. A New Yorker is also 45 percent more likely to be X-rayed than a patient in Seattle.

To reduce costs, managed care used the same major technique in New York that it had used nationally: it forced shorter hospital stays. As a result, New York City eventually had many unused hospital beds. Rather than close, however, all of the city's hospitals (except the university hospitals) tried to stay afloat by shrinking. The competition for paying patients and for the physicians who admit paying patients became fierce. Such a cutthroat commercial environment sits uneasily with a mission-based approach to care.

Moreover, consistent with their missions, Catholic hospitals were often built in poor neighborhoods. Medicaid cutbacks and an increasing burden of care for undocumented immigrants meant even less income; the financial stress proved too much.

Yet it is possible to hold one's own without selling one's soul. In other places during this era of managed care, Catholic and non-Catholic hospital systems still serve the poor and flourish. Some Catholic institutions have joined relatively well-paying suburban hospitals to inner-city hospitals, and in so doing are able to balance their losses with gains. As

Jesus said, we must be wise as serpents and as innocent as doves.

2. Catholic philanthropy is weak. Surviving intense market competition and financial stress often requires generous but wise philanthropic support. New York's Catholic hospitals saw precious little support, even when philanthropy elsewhere was robust. New York's Mount Sinai Hospital, for instance, was in deep financial trouble in 2001 with an operating loss of $26 million. But after asking for and receiving enormous philanthropic support, they made a complete turnaround.

Today many Catholics have risen to prominence and have amassed great wealth. Catholic philanthropy, however, while often generous to direct service projects, does much less to support educational, cultural and health care institutions. Catholic universities and hospitals are notoriously under-endowed compared with similar institutions. It is a great irony: Catholics complain that they do not influence culture, but when they have the resources to make a difference, they tend not to support the institutions that can achieve such influence.

3. Catholics operate under outdated institutional assumptions. In the 1950s loyalty and subservience could be valued over competence, and institutions would still survive. In today's complex environment, however, this is no longer true. Perhaps New York's Catholic hospitals failed, in part, because too many of the administrators hired were good Catholics rather than good managers.

In some parts of the country, religious orders, conscious of their declining numbers, started years ago to plan for leadership succession in their institutions, truly "forming" lay leaders in their charisms, creating a knowledgeable and dedicated leadership workforce. New York's Catholic health care institutions, unfortunately, operated as if the sisters would always be there. As a result, the sisters were relegated to being spectators when disaster struck.

An outmoded, 1950s-style Catholic parochialism continues to plague Catholic institutions. Catholics were afraid to engage with non-Catholic institutions, religious orders were wary of other religious orders, and each diocese was wary of the other. The collapse that followed illustrates quite clearly: If we cannot work together, we will all die alone.

4. Catholics are opting for secular values. Exceedingly few people, including Catholics, seem to have noticed that there has been an 89 percent reduction in the number of Catholic hospitals in New York City in a very short period of time. I suspect one reason is that Catholics no longer prize Catholic institutions. This is partly good. Many Catholic institutions were founded because Catholics could not break through barriers of prejudice. As Catholics have become part of the mainstream, they no longer need such institutions for access to services.

But something has also been lost—a culture, a spirit and a community of faith. In a consumer society, people seek the best brand. Parents who once sent their children to Fordham now send them to Harvard. Even Cardinal O'Connor, when diagnosed with a brain tumor in 1999, sought care at Memorial Sloan Kettering rather than at St. Vincent's Comprehensive Cancer Center. Medically, Memorial offered nothing that St. Vincent's could not have offered for his cancer, but St. Vincent's could have offered also a spiritual atmosphere and approach to palliative care that Memorial cannot match. Excellence and compassion are not antithetical. Catholic institutions can offer both in a truly distinctive way.

An outmoded Catholic parochialism continues to plague Catholic institutions. Yet if we cannot work together, we will die alone.

5. Ecclesiastical culture can be enervating. The hospital crisis could have been a time for a robust display of ecclesiastical leadership. Unfortunately, none was forthcoming. It seems that in the current ecclesiastical climate, one succeeds not by one's accomplishments but by not making mistakes. Hospitals are costly and can drain enormous amounts of time. They can also spell trouble if someone in a Catholic hospital does something that some group thinks is a violation of church teaching. In such an environment, there is little incentive for church leaders concerned about their own future to take a decisive role.

6. Catholic institutions often have poor political connections. When hospitals looked for relief after 9/11, when market pressures pushed all hospitals to the brink of disaster, when the Berger Commission decided which hospitals to close, Catholic hospitals in New York consistently fared poorly. A major reason was the loss of Catholic political power in the city and state. Because of the influence of unions and local neighborhood political power, it was politically impossible to close any of New York's 11 city-owned hospitals. And no one would dare close the big university hospitals. What remained were the small to mid-sized private hospitals. Those without political clout (for the most part, that meant the Catholic hospitals) were the most vulnerable.

Unraveling *cont. on page 6*

Unraveling *cont. from page 5*

WHY BOTHER?

Some might wonder why one should bother to save Catholic institutions. Perhaps the time has come to abandon bricks-and-mortar Catholicism and instead to live the faith by blending like yeast into the secular society. Personally, despite all the obstacles, I continue to be convinced that Catholic institutions (and, in particular, Catholic hospitals) are worth fighting to save. Catholic institutions help to nourish the faith of those who work in them and are served by them. Our Catholic hospitals also provide a vehicle for proving that our moral convictions are compatible with 21st-century technology, and they embody the ideal that service institutions ought to have service missions. In health care, patients and practitioners alike are becoming alienated from the health care delivery system. Hospitals that treat patients with true respect, recognize their dignity, attend to their spiritual needs, value people over technology and value service over the bottom line are precisely the remedy that people need. Given their mission, Catholic institutions should be leading the way.

…Despite all the obstacles, I continue to be convinced that Catholic institutions (and, in particular, Catholic hospitals) are worth fighting to save.

Institutional presence also brings with it a place at the political table and greater potential to lobby for the good. A bishop who can say that Catholics operate one-third of the hospital beds in his state is much more likely to be heard on health care justice for the poor, than if he is speaking from the sidelines.

Recently St. Vincent's tended survivors from the US Airways jet that went down in the Hudson River, just as it had tended survivors from the Titanic in 1912, survivors from the Lusitania in 1915 and survivors from the World Trade Center attacks of 1993 and 2001. Located in the heart of our communities and serving us often in the circumstances when we are most in need, Catholic institutions are worth saving. But the story of what happened to health care in New York suggests we had better learn well, and quickly, if we wish to succeed. ■

USCCB Calls on Administration to Retain HHS Regulation on Conscience Protection

The Obama Administration has a constitutional duty to enforce laws protecting religious freedom and the right of conscience, according to comments by Anthony Picarello and Michael Moses of the Office of General Counsel of the United States Conference of Catholic Bishops (USCCB).

The comments were filed with the Department of Health and Human Services (HHS) March 23 in response to the proposed rescinding of an HHS regulation protecting the conscience rights of health care professionals.

Picarello and Moses cited the numerous laws enacted by Congress over thirty-five years—including the Church Amendment, the Coats-Snowe Amendment and the Weldon Amendment—aimed at protecting health care providers and professionals from being coerced into participating in abortions and emphasized the constitutional duty of the executive branch to "take care that the laws be faithfully executed," and to avoid contradicting or undercutting those laws.

The need for enforcement of these laws is also evident in the "growing hostility on the part of some professional organizations and advocacy groups to rights of conscience in health care," Picarello and Moses noted. They listed examples of recent statements and reports by the American Civil Liberties Union, NARAL Pro-Choice America and Physicians for Reproductive Choice and Health, and even state and local governments that were hostile toward conscience rights.

"Because the Administration holds itself out as one committed to a policy of 'choice' regarding abortion, the Administration cannot, consistent with that policy, remove the choice of nurses, doctors, clinics, or hospitals not to provide or facilitate abortions," Picarello and Moses said. They added that removing conscience protections for the purpose of increasing access to abortion would also be inconsistent with the stated policy of the Obama Administration to reduce the number of abortions. ■

Regarding Embryonic Stem Cell Funding

By Fr. Tom Knoblach
Consultant for Healthcare Ethics
Diocese of St. Cloud

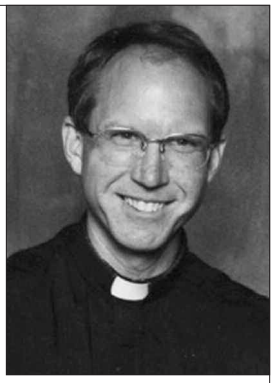
On March 9, 2009, President Obama reversed the previous administration's policies and opened federal funding to destructive embryonic stem cell research. From the standpoint of Catholic bioethics, this is a gravely flawed decision, both morally and scientifically.

Morally, the Church's consistent tradition of the defense of innocent human life obliges us to reject embryonic stem cell research because it entails the deliberate destruction of very young children, usually after only 5-7 days of gestational age. Human life begins at conception, as both faith and reason understand, and morally must be treated with the dignity and protection that is the common and inviolable right of all persons, made in the image of God. This teaching was just reiterated and confirmed by the Church in the document Dignitas Personae.

> *"President Obama's new executive order on embryonic stem cell research is a sad victory of politics over science and ethics. This action is morally wrong because it encourages the destruction of innocent human life, treating vulnerable human beings as mere products to be harvested. It also disregards the values of millions of American taxpayers who oppose research that requires taking human life. Finally, it ignores the fact that ethically sound means for advancing stem cell science and medical treatments are readily available and in need of increased support."*
>
> *– Cardinal Justin Rigali, Chairman of the U.S. Conference of Catholic Bishops' Committee on Pro-Life Activities*

Scientifically, this is a flawed decision because after more than a decade of research and billions of dollars of private and state money, not one single therapy or even promising possibility has emerged from the use of embryonic stem cells. Breakthroughs with adult stem cells, umbilical cord blood, and iPSCs (induced pluripotent stem cells) provide both effective and morally acceptable alternatives to this destructive and, ultimately, dead-ended research on human embryos.

The significance of this reversal of the previous administration's policy will be to open federal funding to research on human embryos. Some human lives may be created in the laboratory for this purpose, and then deliberately destroyed; others will be destroyed by taking them from frozen storage (so-called "spare" embryos created in the process of in vitro fertilization attempts). This decision will force all taxpayers to pay for the destruction of human life that they find immoral, and use some human lives for the merely speculative hopes of benefiting others.



Fr. Tom Knoblach

There is also discussion about "protecting" this research from "political interference" and "ideology." This effectively introduces a level of secrecy from public scrutiny and comment that is unworthy of a free nation, and revisits tragedies of the past when science has been pursued freed from moral constraints, as happened in the Nazi regime within the lifetimes of many still among us. Because billions of dollars have been invested by states and private parties, the addition of federal funds will no doubt escalate and accelerate the destruction of embryonic lives.

> *We will continue to pray for the conversion of minds and hearts to the Gospel of Life.*

We will continue to pray for the conversion of minds and hearts to the Gospel of Life; demonstrate in our interactions with others what true respect for human life entails; write to the President and our elected officials urging them to reverse this decision and end destructive and pointless research using human lives; and look to our bishops' conference for leadership and direction in a unified Catholic response. ■

MISSION:

BELIEVING IN THE WORTH AND DIGNITY OF THE HUMAN PERSON MADE IN THE IMAGE AND LIKENESS OF GOD, THE CATHOLIC HEALTH ASSOCIATION-MINNESOTA ASSISTS ITS MEMBERS TO FULFILL THE HEALING MISSION OF THE CHURCH.

Catholic Health Association of Minnesota
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INQUIRING MINDS *want to know...*

...what's happening in your organization. Please send your news to Toby Pearson, CHA-MN executive director. Telephone: (651) 503-2163; e-mail: tpearson@chamn.org. Ask your public relations or communications director to put us on the news release list: CHA-MN, P.O. Box 65217, St. Paul, MN 55165. ■

Sr. Mary Heinen Presented Award

Brian Rusche (JRLC), Sr. Mary Madonna Ashton, Toby Pearson (CHA-MN), Sr. Mary Heinen, Chris Leifeld (MCC)

The Joint Religious Legislative Coalition recognized the work of Sr. Mary Heinen by awarding her the Lawrence D. Gibson Interfaith Social Justice Award Feb. 3 at the annual JRLC Day on the Hill, which mobilizes citizen advocacy for social justice policies at the Minnesota Legislature.

At 76, she's earned her doctorate in health education, opened two associate nursing degree programs, held administrative positions for her congregation's Catholic health care organization, and helped to start clinics at nine sites for low-income families in the Twin Cities.

Today, she's the director of advocacy at St. Mary's Health Clinics in the Twin Cities and sits on several boards, including that of the College of St. Catherine's School of Health and the Catholic Health Association of Minnesota. ■