Merger Trends 2001: Reproductive Health Care in Catholic Settings

Catholics for a Free Choice

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Introduction

2001 was a year of consolidation for Catholic health care. After years of rapid growth, the Catholic hospital industry shed a record number of hospitals in 2001, selling or closing 18 facilities. Major players such as Catholic Healthcare West continued to be plagued by financial problems and added new concerns in the form of government lawsuits regarding their billing practices. Catholic hospitals found it harder and harder to conduct merger deals in the dead of night, as years of monitoring on the part of Catholics for a Free Choice (CFFC) and other reproductive rights activists resulted in most deals receiving scrutiny before they were completed. One benefit of this was an increasing number of deals in which reproductive health services were preserved. But a new ruling on sterilization by the nation's Catholic bishops may jeopardize some of these hard-won accommodations.

Catholic Health Care 2002

The Catholic health care system is the largest private, nonprofit provider of health care in the United States. More than 11% of the nation's community hospitals are Catholic, accounting for just over 16% of all community hospital beds, according to the Catholic Health Association. The Catholic health care industry is comprised of 618 Catholic hospitals, 61 Catholic health care systems, 382 Catholic nursing homes, 260 sponsors and over 550 related organizations such as hospices, outpatient service centers and physician groups. Catholics for a Free Choice has identified approximately 50 Catholic HMOs in the US.

Many of the nation's largest hospital systems are Catholic, including nine of the 20 largest systems. The \$6-billion Ascension Health System, which is comprised of 65 hospitals, is the nation's largest nonprofit hospital system. In addition to Ascension, the next two largest Catholic systems are Catholic Health Initiatives with \$5 billion in revenue and 70 hospitals, and Catholic Healthcare West with \$4.5 billion in revenue and 42 hospitals.

20 Largest **Health Care Systems** (by net patient

revenue)

10 Largest Catholic **Health Care Systems** (by total number of beds)

| | System | | | |
|----|--------------------------------|--|--|--|
| 1. | Ascension Health | | | |
| 2. | Catholic Healthcare West | | | |
| 3. | Catholic Health Initiatives | | | |
| 4. | Catholic Health East | | | |
| 5. | Trinity Health | | | |
| 6. | Catholic Healthcare Partners | | | |
| 7. | Bon Secours Health System | | | |
| 8. | Christus Health | | | |
| 9. | Sisters of Mercy Health System | | | |
| 10 | Marian Health System | | | |

Source: Modern Healthcare

System

| | System |
|-----|--|
| 1. | US Department of Veterans Affairs |
| 2. | HCA-The Healthcare Co. |
| 3. | Tenet Healthcare Corp. |
| 4. | Ascension Health |
| 5. | Catholic Health Initiatives |
| 6. | Catholic Healthcare West |
| 7. | New York City Health and Hospitals Corp. |
| 8. | Trinity Health |
| 9. | Mayo Foundation |
| 10 | New York Presbyterian Healthcare System |
| 11. | UPMC Health System |
| 12. | Sutter Health |
| 13. | Adventist Health System |
| 14. | North Shore-Long Island Jewish Health System |
| 15. | Providence Health System |
| 16. | Catholic Healthcare Partners |
| 17. | Sisters of Mercy Health System |
| 18. | Catholic Health East |
| 19. | Los Angeles County Dept. of Health Services |
| 20. | St. Joseph Health System |
| | |

Source: Modern Healthcare

No Room for Compromise: The Bishops Ban Sterilization

In June of 2001, the US Conference of Catholic Bishops (USCCB) met to revise the Ethical and Religious Directives for Catholic Health Care Services (Directives). The Directives forbid services that contradict church teachings and set up guidelines for Catholic hospitals wishing to form partnerships with non-Catholic hospitals. The Directives prohibit abortion, female and male sterilization, in vitro fertilization, euthanasia and the prescribing of or counseling on contraceptives. The Directives also restrict the use of emergency contraception for rape victims to instances where "there is no evidence that conception has already occurred" as a result of the rape.

CFFC first reported in October 2000 that the USCCB was planning to revise the *Directives* in a manner that could result in the elimination of sterilization services at all hospitals affiliated with Catholic hospitals—even if they were not directly owned by the Catholic church.

Sterilization services at hospitals affiliated with Catholic hospitals have been controversial for several years and have increasingly drawn the attention of the Catholic hierarchy. In September 1999, the Vatican ordered St. Vincent Health System in Little Rock, Arkansas, to discontinue an arrangement under which sterilizations were provided at the hospital in a space leased to the Arkansas Women's Health Center. A 1995 agreement between the Seton Health System to lease Brackenridge Hospital in Austin, Texas, a public facility, became the subject of a protracted discussion between the Vatican and Bishop John McCarthy, who was then overseeing the diocese of Austin. Sterilization services were to be continued in a separate suite at Brackenridge as part of the lease agreement with the city, but the Vatican ordered McCarthy to halt the provision of sterilizations at the facility.

In 1997, the Vatican acted directly to halt a merger between St. Peter's Medical Center, a Catholic hospital, and Robert Wood Johnson University Hospital in New Brunswick, New Jersey. A plan to allow sterilization services to continue was reviewed by canon law experts and approved by Metuchen Bishop Edward Hughes. The Vatican rejected the plan.

In September 2000, the Catholic Health Association released a memo to its Catholic hospital membership in which it said that the Vatican's "Congregation for the Doctrine of the Faith (CDF) instructed the USCCB to revise Part Six of the Directives and its Appendix—sections that seem to be contributing to misapplication of the principle of cooperation in association with other-than-Catholic organizations." Clearly the Vatican had become concerned that Catholic hospitals were making a liberal application of the principle of cooperation in structuring partnerships with non-Catholic hospitals and allowing reproductive health services to continue. A Catholic institution can use the principle of cooperation to take part in an act considered immoral by Catholic doctrine—such as providing sterilizations—if it would prevent a greater harm, such as the closing of a hospital. The US bishops have long held that cooperation is strictly forbidden in the matter of abortion. However, it has been widely used to permit sterilizations at non-Catholic hospitals when they affiliate with Catholic hospitals.

The Directives went through several revisions before the USCCB was ready to vote on a final version in June 2001. The version that was approved makes significant changes to the Directives, particularly Part Six, which deals with partnerships between Catholic and non-Catholic health care organizations. The revised Directives omitted the previous appendix on the principle of cooperation because of "misinter-pretations" and "problems in concrete applications of the principles."

Directive 70, which previously said that hospitals should consider the possibility of scandal when applying the principles concerning cooperation, was revised to explicitly ban immediate material cooperation with sterilization. The revised directive reads:

"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."

This is the first time that the bishops have put sterilization on the same plane with abortion as a service that is "intrinsically immoral."

A new directive, 71, was created to provide further guidance on the use of cooperation:

"The possibility of scandal must be considered when applying the principles governing cooperation. Cooperation, which in all other aspects is morally licit, may need to be refused because of the scandal that might be caused. Scandal can sometimes be avoided by an appropriate explanation of what is in fact being done at the health care facility under Catholic auspices. The diocesan bishop has final responsibility for assessing and addressing issues of scandal, considering not only the circumstances in his local diocese but also the regional and national implications of his decision."

An additional new directive, 72, requires ongoing monitoring of Catholic-non-Catholic partnerships:

"The Catholic partner in an arrangement has the responsibility periodically to assess whether the binding agreement is being observed and implemented in a way that is consistent with Catholic teaching."

Interpreting the New Directives

To understand the possible implications of the revised Directives, it is necessary to understand the various degrees of cooperation recognized by the Catholic church. Cooperation with a behavior in which the Catholic partner does not share in the intention of the other party but is somehow involved in an action considered wrong by the church, is material cooperation. Cooperation in which the Catholic partner and the non-Catholic partner share in the same action is immediate material cooperation. Only duress—serious and irreparable harm resulting from not cooperating—can be used to justify immediate material cooperation with an act considered morally wrong by the Catholic church.

The revised Directives state that Catholic hospitals are not allowed to engage in immediate material cooperation with sterilization. According to Sister Patricia Talone, director of ethics for the Catholic Health Association, immediate material cooperation means "doing the dirty deed yourself." 3 According to the CHA, the "practical effort of the change is that Catholic organizations will have to distance themselves further from the governance, management and finances of sterilization services." As an example of the type of arrangement that would be allowed, Archbishop Daniel Pilarczyk of Cincinnati cited a deal between a public hospital and a Catholic hospital in which sterilization services are carved out and "provided at a place outside the hospital that is not part of the partnership but is still on the hospital campus."5 He also noted that Catholic hospitals could no longer claim duress because they might lose money or a facility as a reason for justifying the provision of sterilization services. But in a stance that appeared to leave substantially less room for compromise and illustrates the highly subjective nature of the Directives, he told the conservative National Catholic Register, "not only can't you do it but you can't help others do it," and gave the example of two hospitals sharing a driveway as an acceptable form of cooperation.⁶ According to the CHA, the ultimate responsibility for determining the acceptability of individual arrangements will lie with local bishops.

One of the first hospitals to face the realities of the revised *Directives* head on was Brackenridge Hospital in Austin, Texas. Shortly after the revised *Directives* were approved, Ascension Health, the largest Catholic and largest nonprofit hospital system in the US, informed its Austin-based Seton Healthcare Network, which operates Brackenridge Hospital for the city of Austin, that it could no longer provide sterilizations at the hospital. The result was that the city of Austin was forced to create a new, separately licensed facility on the fifth floor of the hospital to provide reproductive health services to low-income women at a cost of \$6 million to the city.⁷

While it is too early in the application process of the new Directives to know how many hospitals may be forced to curtail further reproductive health services, CFFC has identified at least 40 hospitals from 170 mergers documented between 1990 and 2001 in which sterilization services may be jeopardized (see Appendix A). For instance, Middle Tennessee Medical Center is jointly owned by the Daughters of Charity and Baptist Hospital. Approximately 150 tubal ligations per year are provided at the Baptist Women's Pavilion, which is located on the ground floor of the medical center. It is a separately incorporated entity that pays rent to the hospital. However, plans are underway for the Daughters of Charity to buy Baptist Hospital and the Women's Pavilion, so tubal ligations may be jeopardized in the future under the bishops' new rules.

Slowing Down and Selling Out: Catholic Hospital Merger Activity 2001

There was a total of 12 mergers between Catholic and non-Catholic hospitals in 2001. This is down somewhat from the total of 17 mergers that occurred in 2000 and equal to the 12 mergers that occurred in 1999. This is consistent with a larger trend in the health care industry, as the total number of mergers and acquisitions declined for the third straight year. Mergers in the health care industry as a whole were down 26% in 2001.⁸

In a significant victory for reproductive health advocates, of the 12 mergers between Catholic and non-Catholic hospitals that occurred in 2001, reproductive health care services were not wholly discontinued in any instance, largely due to pressure from local and national groups and an increased awareness of the consequences of Catholic hospital mergers. For instance, in March of 2001, the California attorney general cleared the way for Catholic Healthcare West's Mercy Hospital and Health Services to buy the operations of Sutter Merced Medical Center, the only other hospital in Merced. Following pressure from community activists and national organizations, the approval was granted only on the condition that the hospital

| Catholic |
|-----------|
| hospital |
| mergers |
| 1990-200° |

| Year | Number |
|-------|--------|
| 1990 | 1 |
| 1991 | 0 |
| 1992 | 2 |
| 1993 | 0 |
| 1994 | 19 |
| 1995 | 24 |
| 1996 | 24 |
| 1997 | 17 |
| 1998 | 43 |
| 1999 | 12 |
| 2000 | 17 |
| 2001 | 12 |
| TOTAL | 171 |
| | |

would continue to provide reproductive health services, including tubal ligations, contraceptive and family planning services and emergency contraception for women who have been raped.

Always Catholic: More Catholic Hospitals Sold but Restrictions Remain

While the number of mergers between Catholic and non-Catholic hospitals in 2001 was similar to the past few years, another trend appears to be shaping up. A total of 18 Catholic hospitals was closed or sold in 2001, a record number in one year. The record number of sales and closures indicates that more Catholic hospitals are struggling financially. But the sale of a Catholic hospital isn't always good news for the community, as secular, for-profit buyers of these hospitals are in many instances agreeing to keep the *Directives* in place. Five Catholic hospitals were sold to Tenet Healthcare, the nation's second largest for-profit hospital system, which has said that buying financially struggling Catholic hospitals and agreeing to follow religious restrictions is part of a broader acquisition strategy. In 2001, Tenet purchased two Los Angeles area hospitals from the Carondelet Health System for a total of \$55 million: 345-bed Daniel Freeman Memorial Hospital and 153-bed Daniel Freeman Marina Hospital. Under the terms of the deal, the *Directives* will be maintained at both hospitals, although they will no longer be Catholic facilities.

Tenet also stepped in when Unity Health, a six-hospital Catholic system in St. Louis, broke up in September of 2001. Tenet purchased 203-bed St. Alexius Hospital and agreed to maintain the Directives indefinitely. Community Health Systems, a for-profit hospital system, purchased another hospital in the Unity Health system, 75-bed St. Clement Health Services, which also agreed to maintain the Directives. Also, after Florida Attorney General Robert Butterworth forced Catholic Healthcare East to sell two Florida hospitals that it had planned to consolidate, and in which it would end reproductive health services, Tenet beat out other suitors for the hospitals by agreeing to maintain the Directives. Tenet purchased St. Mary's Hospital and Good Samaritan Medical Center and maintained the religious restrictions that had previously been in place. The other formerly Catholic hospitals owned by Tenet that follow the Directives are Saint Louis University Hospital in St. Louis; Saint Joseph Hospital in Omaha; Queen of Angels-Hollywood Presbyterian Medical Center in Los Angeles; Memorial Medical Center in New Orleans; Saint Francis Hospital in Memphis; and Saint Vincent Hospital/Worcester Medical Center in Worcester, Massachusetts. 10

Carondelet, which sold the Daniel Freedman hospitals to Tenet, also sold Santa Marta Hospital in East Los Angeles to Star Healthcare, a for-profit company. The hospital will be converted to a for-profit facility but will continue to follow Catholic rules.¹¹

Catholic Healthcare West

In 2001, Catholic Healthcare West (CHW) continued to struggle with a tide of red ink, posting for its fifth consecutive year a negative cash flow. For its fiscal year ending in June 2001, CHW lost \$119 million. CHW lost \$307 million the previous fiscal year and saw its credit rating downgraded. CHW executed a major reorganization in 2001, centralizing management by eliminating regional offices and cutting 350 management positions. CHW suffered a major fiscal blow in 2001 when one of its nine sponsors, the Daughters of Charity, announced that it was pulling its seven hospitals from the system (O'Connor Hospital in San Jose, Seton Medical Center in Daly City, Seton Medical Center Coastside in Moss Beach, Robert F. Kennedy Medical Center in Hawthorne, St. Francis Medical Center in Lynwood, Saint Louise Regional Hospital in Gilroy and St. Vincent Medical Center in Los Angeles) and creating a new independent system. The hospitals were among CHW's most financially profitable, posting \$19 million in net patient revenue in 2000, and it was widely speculated that the Daughters of Charity was uncomfortable with the fiscal management of CHW, although it denied that this was the reason for the pullout.¹²

CHW also had a string of legal problems in 2001, ultimately settling three whistleblower suits without admitting guilt. In August, CHW agreed to pay \$10.7 million to settle civil charges that it inappropriately billed Medicare for surgical procedures using investigative medical devices not yet approved by the FDA and were therefore ineligible for Medicare reimbursement. In July, CHW paid the federal government \$3 million to resolve allegations that Mercy American River Hospital in Carmichael, California, kept more than \$1.4 million in Medicare overpayments. And in May, CHA paid \$10.3 million to settle a suit that alleged that two doctors at the CHW Medical Foundation submitted inflated claims to Medicare and Medicaid.¹³

Another hospital system that faced major fiscal problems in 2001 was the Pittsburgh-based St. Francis Health System, which saw its credit rating downgraded five notches in little over a year. The system, which lost \$71 million in 2000, closed 136-bed St. Francis Central Hospital in Pittsburgh in 2001.¹⁴

Despite financial problems for some systems, Catholic health care systems continued to take advantage of tax-exempt health care bonds. The three largest sellers of tax-exempt bonds in 2001 were Catholic systems: Ascension Health issued \$583 million worth of debt, Catholic Health Partners issued \$414.9 million worth and Sisters of Mercy Health System issued \$378.3 million.¹⁵

Conclusion

While the number of mergers between Catholic and non-Catholic hospitals has slowed and public education about the impact of mergers has prepared communities to more effectively resist cuts in reproductive services, Catholic hospitals and health systems remain major players in the health care marketplace. The Catholic health care system is undergoing a period of financial consolidation, but this is largely due to the rapid pace of expansion that systems like Catholic Healthcare West underwent throughout the 1990s. Most health care analysts expect that the major Catholic systems will remain financially viable and continue to have a major presence in health care. The next few years will be critical as the impact of the revised *Directives* is played out in communities across the nation.

Endnotes

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- 5 Ibid.
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- 7 Associated Press, "Separate facility inside Brackenridge will provide birth control services," February 8, 2002.
- 8 Modern Healthcare, "Hospital merger-and-acquisition activity declines for third consecutive year," January 14, 2002.
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- 15 Mary Chris Jaklevic, "Healthcare bond market enjoys fruitful year," Modern Healthcare, January 7, 2002.

APPENDIX A: Catholic and Catholic-Affiliated Hospitals Providing Tubal Ligations

| Tubal | | | |
|--------------|--|--|--|
| ligations | | | |
| performed | | | |
| by the | | | |
| non-Catholic | | | |
| partner in a | | | |
| merger/ | | | |
| system | | | |
| 18 hospitals | | | |

| Hospital | Status | History |
|---|--|--|
| Baptist Health System/Christus Santa Rosa Health Care San Antonio, Texas | Tubals are currently performed at one of two merging facilities. | Baptist Health System and Christus Santa Rosa Health Care signed a letter of intent to merge in a deal that was to have been completed by January 1, 2002. Negotiations are ongoing. Tubals are currently performed at Baptist Medical Center. According to Dr. Gil Tolin, director of Medical Management at Baptist, the issue of tubals has yet to be resolved. |
| Candler Hospital/St. Joseph Hospital Savannah, Georgia | Tubals are currently performed at one of two facilities. | Methodist-sponsored Candler merged with St. Joseph Hospital in 1997; both facilities were maintained but are managed jointly. Tubals are currently performed at Candler Hospital. |
| Christ Hospital Jersey City, New Jersey | Tubals are currently provided by the non-Catholic partner in system. | Episcopal-sponsored Christ Hospital became part of the Bon Secours New Jersey Health System in 2001. The newly-created system includes Christ Hospital and two Catholic partners, St. Mary Hospital and St. Frances Hospital, nearby hospitals in Hudson County, NJ. Christ Hospital reportedly will not be required to follow the Directives and will continue to provide tubals and other reproductive health services. |
| Christus Spohn Hospital Beeville, Texas | Tubals are currently provided by the non-Catholic partner in the system. | Spohn Health System, which was part of the Incarnate Word Health System, entered into a contract in 1996 with Bee County to operate Bee County Regional Medical Center. In 1999, CHRISTUS Health acquired all the assets of Incarnate Word, including Spohn Hospital. Tubals are currently provided at the hospital. |
| Citrus Valley Health Partners Covina, California | Tubals are currently provided at one partner facility. | Inter-Community Medical Center and Queen of the Valley Hospital merged in 1994. Tubals are performed at the Inter-Community campus. |
| Columbia-St. Mary's Milwaukee, Wisconsin | Tubals are performed at one of three hospitals in a joint operating agreement. | Columbia Hospital and St. Mary's Hospital, Milwaukee, and St. Mary's Hospital, Ozaukee, signed a joint operating agreement in 1995 to create Columbia-St. Mary's. Tubals are currently performed at Columbia Hospital, but the hospitals recently signed a new agreement that will combine their assets. To preserve tubals, a new 45-bed independent birthing hospital called Columbia Center will be created on the third floor of Columbia Hospital. Revenue from the center will be kept separate from the rest of the hospital and it will be owned and operated by Columbia Health System. |

| Tubal | | | |
|--------------|--|--|--|
| ligations | | | |
| performed | | | |
| by the | | | |
| non-Catholic | | | |
| partner in a | | | |
| merger/ | | | |
| system | | | |
| 18 hospitals | | | |
| (continued) | | | |
| | | | |

| Hospital | Status | History |
|--|---|---|
| Covenant Health System Lubbock, Texas | Tubals are provided at one facility. | Lubbock Methodist Hospital System and St. Mary of the Plains Hospital System merged in 1998 to form Covenant Health System; both campuses were main- tained. Tubals are currently provided at the former Methodist Hospital site, Covenant Medical Center. |
| Exempla Healthcare Wheat Ridge, Colorado | Tubals are provided at two of three facilities. | Lutheran Medical Center, Primera Healthcare and St. Joseph Hospital merged in October 1997 to create Exempla Healthcare; all three facilities were maintained. Tubals are provided at Lutheran Medical Center and Primera. |
| Fletcher Allen Healthcare Burlington, Vermont | Tubals are maintained at one of three merged facilities. | Catholic Fanny Allen Hospital, Medical Center Hospital of Vermont and University Health Center merged in 1995 to form Fletcher Allen Healthcare; all three campuses were maintained. Tubal ligations are currently offered at the Medical Center Hospital of Vermont. |
| Genesis Health System Davenport, Iowa | Tubals are currently performed at one of two facilities. | Mercy Hospital and St. Luke's Hospital merged in 1994 to create Genesis Health System. Both facilities were maintained and tubals are performed at St. Luke's Hospital. |
| Hays Medical Center Davenport, Iowa | Tubals are performed in one room at one hospital. | Hadley Regional Medical Center and St. Anthony Hospital merged in 1994 to create Hays Medical Center; both facilities were maintained. Tubal ligations are restricted to one room at the Hadley campus. |
| Jane Phillips Medical Center/St. John Medical Center Bartlesville, Oklahoma | Tubals are currently performed at a non-Catholic partner in the system. | Jane Phillips Medical Center became affiliated with St. John Health System, the parent company of St. John Medical Center, in 1996. Tubal ligations and other non-abortion reproductive health services are provided at Jane Phillips; approximately 150 tubals are performed each year. However, Jane Phillips and St. John Medical Center merged January 1, 2002, and the status of reproductive health services is unclear. The medical center is one hour from Tulsa; and two of five of the major hospitals in Tulsa are Catholic. |
| Mather-St. Charles Health Alliance Port Jefferson, New York | Tubals are provided at the non-Catholic partner in the alliance. | John P. Mather Memorial Hospital and St. Charles Hospital entered into a joint venture in 1997, forming the Mather-St. Charles Health Alliance; both facilities were maintained. Tubals are performed at John P. Mather Memorial Hospital. |

| Tubal | | | |
|--------------|--|--|--|
| ligations | | | |
| performed | | | |
| by the | | | |
| non-Catholic | | | |
| partner in | | | |
| merger/ | | | |
| system | | | |
| 18 hospitals | | | |
| (continued) | | | |

| | Hospital | Status | History |
|----------|---|---|--|
| ; | Miller-Dwan Hospital/ St. Mary's Medical Center Duluth, Minnesota | One partner in a merger currently performs tubals. | Miller-Dwan Hospital and Catholic St. Mary's Medical Center merged in September of 2001. Miller-Dwan said it would remain secular and continue to provide tubals after the merger. In the mid-1990s, St. Mary's merged with the nonsectarian Duluth Clinic and required physicians associated with the clinic to sign statements promising to adhere to the Directives. |
| | Nathan Littauer Hospital/ St. Mary's Hospital Gloversville, New York | Tubals are reportedly to be maintained at the non-Catholic facility in the affiliation. | Gloversville-based Nathan Littauer Hospital is seeking an affiliation with Amsterdam-based St. Mary's Hospital, whose parent company is St. Louis-based Carondelet Health System, in a deal that has been held up by the state. Under the reported affiliation agreement, tubals and non-abortion reproductive health services are to be maintained at Nathan Littauer. |
| | Sacred Heart Medical Center/PeaceHealth Medical Group Eugene, Oregon | Tubals are performed at the non-Catholic partner in the merger. | Eugene Hospital and Clinic merged its hospital services into the Sacred Heart Medical Center in 1988. The remaining doctors' group, Eugene Clinic, became part of PeaceHealth, Sacred Heart's parent company, in 1995, and was renamed the PeaceHealth Medical Group. The medical group operates several large primary care clinics that provide OB/GYN services and general surgery, as well as a birthing center. Tubals and contraceptive counseling are allowed at the former Eugene Clinic facilities as "part of the private doctor-patient relationship." |
| | Sharon Hospital Sharon, Connecticut | Tubals are currently provided by a non-Catholic hospital seeking an agreement with a Catholic hospital. | Tennessee-based Essent is seeking permission from Connecticut to purchase Sharon Hospital. Essent planned to sign an exclusive contract with St. Francis Hospital and Medical Center in Hartford to provide some services, including women's health care. St. Francis follows the <i>Directives</i> and would not provide tubals. The state attorney general has made approval of the sale conditional on Essent finding another partner to provide reproductive health services that St. Francis will not. |
| | TriHealth Cincinnati, Ohio | Tubals are performed at one facility. | TriHealth was created in 1995 by the merger of Bethesda Oak, Bethesda North and Good Samaritan Hospitals; Bethesda Oak hospital was later closed. Tubals are provided at Bethesda North. |

| Tubals Provided | Hospital | Status | History |
|--|---|---|--|
| Provided Under "Common Values for Community Sponsorship"* 14 hospitals | Bakersfield Memorial Hospital Bakersfield, California | Tubals are currently performed under "Common Values for Community Sponsorship." | Bakersfield Memorial Hospital affiliated with Catholic Healthcare West in 1996 despite vocal community opposition to losing control of the hospital. Bakersfield Memorial Hospital is one of three hospitals that CHW operates in Bakersfield, giving it nearly 50% of the market. One, Mercy Hospital, will close in 2002 and its services will be transferred to Bakersfield Memorial Hospital, and Mercy Southwest Hospital in Bakersfield, which is a Catholic hospital. |
| | California Hospital Medical Center Los Angeles, California | Tubals are currently performed under "Common Values for Community Sponsorship." | Catholic Healthcare West obtained California Hospital Medical Center with its purchase of Unihealth's eight Southern California hospitals in 1998. |
| | Chandler Regional Hospital Chandler, Arizona | Tubals are currently performed under "Common Values for Community Sponsorship." | Chandler Regional Hospital was purchased by Catholic Healthcare West in 1999. CHW said it would operate the facility as a non-Catholic hospital and that reproductive health services, including tubals, would continue at the hospital. |
| | Community Hospital of San Bernadino San Bernadino, California | Tubals are currently performed under "Common Values for Community Sponsorship." | In August 1998, 300-bed Community Hospital became a member of Catholic Healthcare West. |
| | Glendale Memorial Hospital Glendale, California | Tubals are currently performed under "Common Values for Community Sponsorship." | Catholic Healthcare West obtained Glendale Memorial Hospital with its purchase of Unihealth's eight Southern California hospitals in 1998. |
| | Mercy Hospital of Folsom Folsom, California | Tubals are currently performed under "Common Values for Community Sponsorship." | Mercy Hospital of Folsom, formerly Twin Lakes Hospital, has been operated by Mercy Healthcare Sacramento, a division of Catholic Healthcare West, since 1980. |
| | Mercy Medical Center Merced | Tubals are currently performed under | Catholic Healthcare West was allowed by the state to assume the lease of the former Sutter Merced |

"Common Values

for Community

Sponsorship."

Merced, California

would be continued.

Medical Center in March of 2001 on the condition

that tubal ligations and contraceptive services

st "Common Values for Community Sponsorship" is a looser version of the Directives that allows sterilization services, while banning abortion and in vitro fertilization.

Tubals
Provided
Under
"Common
Values for
Community
Sponsorship"*
14 hospitals
(continued)

| Hospital | Status | History |
|---|---|---|
| Methodist Hospital of Sacramento Sacramento, California | Tubals are currently performed under "Common Values for Community Sponsorship." | In 1993, Methodist Hospital affiliated with Mercy Healthcare Sacramento, a division of Catholic Healthcare West. |
| Northridge Hospital Medical Center Northridge, California | Tubals are currently performed under "Common Values for Community Sponsorship." | Catholic Healthcare West obtained the two campuses of Northridge Hospital Medical Center (Roscoe Boulevard and Sherman Way) with its purchase of Unihealth's eight Southern California hospitals in 1998. Both facilities provide tubals. |
| Oak Valley District Hospital Oakdale, California | Tubals are currently performed under "Common Values for Community Sponsorship." | St. Joseph's Regional Health System (an affiliate of Catholic Healthcare West) manages Oak Valley under a 15-year lease. |
| San Gabriel Valley Medical Center San Gabriel, California | Tubals are currently performed under "Common Values for Community Sponsorship." | Catholic Healthcare West obtained San Gabriel Valley Medical Center with its purchase of Unihealth's eight Southern California hospitals in 1998. |
| Sequoia Hospital Redwood City, California | Tubals are currently performed under "Common Values for Community Sponsorship." | Sequoia Hospital became part of Catholic Healthcare West in 1996. |
| Sierra Nevada Memorial Hospital Grass Valley, California | Tubals are currently performed under "Common Values for Community Sponsorship." | Sierra Nevada Memorial Hospital was purchased by Mercy Healthcare, a division of Catholic Healthcare West, in 1995. Sierra Nevada Memorial Hospital is western Nevada County's only acute care facility. |
| Woodland Memorial Hospital Woodland, California | Tubals are currently performed under "Common Values for Community Sponsorship." | 120-bed Woodland Memorial Hospital, which is an affiliate of Mercy Healthcare Sacramento, a division of Catholic Healthcare West, is the largest hospital in Yolo County. |

^{* &}quot;Common Values for Community Sponsorship" is a looser version of the Directives that allows sterilization services, while banning abortion and in vitro fertilization.

Tubals Performed at Separate Site Four hospitals

| Hospital | Status | History |
|---|---|--|
| Battle Creek Health System Battle Creek, Michigan | Tubals are currently performed in a separate "condominium hospital." | Lelia Hospital became part of the Catholic Battle Creek Health System in 1994; a separately owned "condominium hospital" with an operating room and beds was created on the top floor to provide tubals. This separate entity has its own board, staff and finance structure. |
| Brackenridge Hospital Austin, Texas | Tubals are provided at a city-run site within the hospital. | Brackenridge, a financially troubled hospital owned by the City of Austin, has been operated under contract by the Seton Healthcare Network since 1995. Under the original agreement, tubals were to be provided in a city-run reproductive counseling center inside of Brackenridge. A new plan, which would create a separately licensed hospital within Brackenridge to provide tubals and contraceptive counseling, was developed due to continued pressure from the Vatican and the revision of the Directives. |
| Middle Tennessee Medical Center Murfreesboro, Tennessee | Tubals are provided at a separately incorporated unit. | Middle Tennessee Medical Center is jointly owned by the Daughters of Charity and Baptist Hospital. Approximately 150 tubals per year are provided at the Baptist Women's Pavilion, which is located on the ground floor of the medical center. It is a separately incorporated entity that pays rent to the hospital. However, plans are underway for the Daughters of Charity to buy Baptist Hospital and the Women's Pavilion, so tubals may be jeopardized in the future. |
| Salina Regional Health Center Salina, Kansas | Tubals are performed by a separate corporation. | Asbury-Salina Regional Medical Center and St. John's Regional Health Center merged in 1995 to create Salina Regional Health Center. The merger consolidated inpatient services into one facility. Tubal ligations and contraceptive counseling are performed by the North Central Kansas Family Planning Center, a separate corporation within Salina Regional Health Center, that handles all revenue from tubals. |

| Tubals | | |
|---------------|--|--|
| Maintained | | |
| at Merged | | |
| Facility | | |
| Two hospitals | | |

| Hospital | Status | History |
|---|---|--|
| Baptist St. Anthony Health System Amarillo, Texas | Tubals are maintained at the merged facility. | High Plains Baptist Health System and St. Anthony's Hospital merged in 1996 to form Baptist-St. Anthony, a joint venture of CHRISTUS Health and Baptist Community Services with the Baptist campus operating as the full-service hospital. Tubals were maintained under an agreement approved by the local bishop. |
| Benefis Healthcare Great Falls, Montana | Tubals are maintained at the merged facility. | Columbus Hospital and Montana Deaconess Medical Center merged in the summer of 1995 to form Benefis Healthcare; inpatient services were consolidated into one facility, which is a "Catholic-sponsored community hospital." Tubals ligations are provided. Benefis is the only hospital in Great Falls. |

Tubals
Available on
Limited Basis
in Catholic
Facility with
Permission
Two hospitals

| Hospital | Status | History |
|---|---|---|
| Saint Louise Regional Hospital Gilroy, California | Tubals are provided on a limited basis; permission is required. | Catholic Healthcare West took over the former South Valley Medical Center in 1999 from Columbia-HCA, merged it with an existing Catholic hospital that was closed down and renamed it Saint Louise Regional Hospital. Tubals were discontinued at the facility, which previously had performed 400 per year. However, after continued protest, the hospital announced that "medically necessary" tubals would be allowed if they were approved by a review committee. |
| St. Rose Hospital Hayward, California | Tubals are currently performed; approval is required. | St. Rose, which is part of the Via Christi Health System, is a 175-bed facility serving southern Alameda County. Tubal ligations are performed, but they must be approved by a Medical Morals Committee. |

APPENDIX B: Catholic Hospital Merger Activity 2001

(covers the period October 1, 1999-December 31, 2001)

CATHOLIC/NON-CATHOLIC MERGERS AND AFFILIATIONS California

Eureka

St. Joseph Health System, a division of Catholic Healthcare West, purchased the 66-bed Eureka General Hospital from Province Healthcare. The hospital will be operated under CHW's less-restrictive community hospital directives that allow reproductive health care services except for abortion.

Merced

In March 2001, the California attorney general cleared the way for Catholic Healthcare West's Mercy Hospital and Health Services to buy the operations of Sutter Merced Medical Center, the only other hospital in Merced. The approval was granted only on the condition that the hospital would continue to provide reproductive health services, including tubal ligations, contraceptive and family planning services and emergency contraception for women who have been raped.

Kansas

Wichita

The Via Christi Health System of Wichita finalized its purchase of the 125-bed Riverside Health System in October 2001. A subsidiary of Via Christi Regional Medical Center, it is being held as a separate corporation. As an osteopathic hospital, it does not offer maternity or reproductive health services.

Minnesota

Duluth

St. Mary's/Duluth Clinic Health System purchased 152-bed Miller-Dwan Medical Center in Duluth in a deal that closed in September 2001. According to the contract, Miller-Dwan will remain secular, the *Directives* will not apply and "reproductive medical services" will be maintained. Another deal for St. Mary's to purchase St. Luke's, the only other non-Catholic hospital in Duluth, fell through earlier in 2001 in the face of community protest.

New Jersey

Jersey City

Maryland-based Bon Secours Health System purchased 382-bed Episcopal Christ Hospital in Jersey City from the Canterbury Health System and merged it with 158-bed St. Francis Hospital in Jersey City, which was closed. The new Bon Secours and Canterbury Partnership for Care includes the merged Christ Hospital and 223-bed St. Mary Hospital in Hoboken. Christ Hospital will retain its religious identity and continue to offer sterilization and contraception; it has created a women's health center six blocks from the hospital that will provide abortions under a different parent corporation.

Wayne

Saint Barnabas Health System, a secular health system based in West Orange, sold 146-bed Wayne General Hospital to St. Joseph's Healthcare System. Planned Parenthood of Metropolitan New Jersey received a \$2 million grant from the Saint Barnabas system to provide the reproductive health services that Wayne General will no longer provide.

New York

Gloversville

Nathan Littauer Hospital of Gloversville and St. Mary's Hospital of Amsterdam formed a controversial affiliation called TriCounty Health that stopped short of a full merger and therefore evaded regulatory oversight. Nathan Littauer will abide by the *Directives* and discontinue abortion, sterilization and contraceptive counseling.

Oregon

Bend

St. Charles Medical Center of Bend merged with the public Central Oregon District Hospital in Redmond to form Cascade Health Services. St. Charles will continue to follow the Directives while Central Oregon Hospital will not and will continue to provide sterilizations and abortions. Any facilities acquired or operated by the new health system that are not part of the existing two facilities will only be subject to the Directives upon a unanimous vote of the board of directors.

South Carolina

Columbia

The Sisters of Charity of St. Augustine Health System completed a \$112 million buyout of for-profit hospital chain HCA's 50% interest in a hospital network jointly owned by the two systems comprised of Providence Hospital Northeast and Providence Heart Institute, both in Columbia. Neither previously provided reproductive health services.

Tennessee

Nashville

St. Thomas Health Services in Nashville purchased the assets of the Nashville-based Baptist Hospital System, which includes 510-bed Baptist Hospital, 189-bed Middle Tennessee Medical Center, 65-bed Baptist Hickman Community Hospital and 52-bed Baptist DeKalb Hospital. Tubals are currently provided in the Baptist Women's Pavilion, a separately incorporated facility on the ground floor of Middle Tennessee Medical Center.

Texas

Paris

Christus Health purchased 160-bed McCuistion Regional Medical Center from Texas Health Resources and merged it with a nearby hospital, Christus St. Joseph, the only other acute-care hospital in Paris. McCuistion is now known as St. Joseph's Medical Center North and St. Joseph is St. Joseph's Medical Center South. Texas Health Resources will operate a surgery center adjacent to the former McCuistion facility to provide reproductive services, including sterilizations, that conflict with the *Directives*.

San Antonio

An agreement is pending under which Christus Santa Rosa Health Care and Baptist Health System in San Antonio would merge their operations through a joint operating company. The new company would include six facilities in San Antonio: 364-bed Baptist Medical Center, 141-bed North Central Baptist Hospital, 213-bed Northeast Baptist Hospital, 126-bed Southeast Baptist Hospital, 244-bed St. Luke's Baptist Hospital and 527-bed Christus Santa Rosa Healthcare. Although Baptist has said it will maintain its religious identity, details on the provision of reproductive health services have not been released.

CATHOLIC/CATHOLIC MERGERS AND AFFILIATIONS

California

The Daughters of Charity National Health System bought back six hospitals from Catholic Healthcare West: O'Connor Hospitals (San Jose), St. Seton Medical Center (Daly City), Seton Medical Center Coastside (Moss Beach), Robert F. Kennedy Medical Center (Hawthorne), St. Francis Medical Center (Lynwood) and St. Vincent Medical Center (Los Angeles).

Delaware

Wilminaton

Pennsylvania-based Catholic Health East recently completed its purchase of 222-bed St. Francis Hospital from Denver-based Catholic Health Initiatives.

Illinois

Sisters of the Holy Family of Nazareth in Des Plaines and Sisters of the Resurrection in Chicago merged their systems to form Resurrection Health Care. The new system includes Holy Family Medical Center (Des Plaines), Our Lady of the Resurrection Medical Center (Chicago), Resurrection Medical Center (Chicago), Saint Elizabeth Hospital (Chicago), Saint Francis Hospital (Evanson), Saint Joseph Hospital (Chicago), Saint Mary of Nazareth Hospital Center (Chicago) and Westlake Hospital (Melrose Park).

Resurrection Health Care (see above) took over sponsorship of Chicago-based St. Elizabeth's Hospital from Ancilla Systems of Hobart.

New Jersey

Trenton

Pennsylvania-based Catholic Health East purchased 158-bed St. Francis Medical Center in Trenton from Denver-based Catholic Health Initiatives.

Pennsylvania

Denver-based Catholic Health Initiatives sold three hospitals to Pennsylvania-based Catholic Health East: 248-bed St. Mary Medical Center (Langhorne), 161-bed St. Agnes Medical Center (Philadelphia) and 241-bed Nazareth Hospital (Philadelphia).

CATHOLIC HOSPITALS SOLD/CLOSED California

Inglewood

St. Louis-based Carondelet Health System sold 345-bed Daniel Freeman Memorial Hospital to Tenet Healthcare Corp., a Santa Barbara-based for-profit hospital chain.

Florida

West Palm Beach

Intracoastal Health Systems sold 460-bed St. Mary's Medical Center and 341-bed Good Samaritan Medical Center to Tenet Healthcare Corp.

Illinois

Chicago

Catholic Health Partners, Chicago, closed 128-bed Columbus Hospital in Chicago.

Red Bud

St. Louis-based Sisters of Mercy Health System sold 75-bed St. Clement Health Services to Community Health Systems of Brentwood, a non-profit hospital chain.

Indiana

Hobart-based Ancilla Systems sold 188-bed St. Catherine Hospital in East Chicago and 176-bed St. Mary Medical Center in Hobart to Community Healthcare System, which operates Community Hospital in Munster.

Winchester

Muncie-based Cardinal Health System bought a ten percent share in St. Vincent Randolph Hospital in Winchester from parent company Central Indiana Health System.

Kansas

Kansas City

Sisters of Charity Leavenworth Health Services closed 163-bed Bethany Medical Center in Kansas City because of continued operating losses.

Louisiana

Bossier City

Christus Health of Irving closed 131-bed Christus Schumpert Bossier Hospital in Bossier City.

Minnesota

Farmington

Duluth-based Benedictine Health System closed 85-bed Trinity Hospital in Farmington.

Missouri

St. Louis

For-profit Tenet Healthcare Corp. purchased 203-bed St. Alexius Hospital from St. Anthony Medical Center.

New Jersey

Jersey City

Bon Secours Health System closed St. Francis Hospital in Jersey City as part of a merger consolidation.

Elizabeth

Trinitas Hospital, formed by the 2000 merger of St. Elizabeth Hospital and Elizabeth General Medical Center, closed its Jersey Street campus and consolidated services at the Williamson Street campus.

Ohio

Sandusky

Franciscan Services Corp. of Sylvania sold 216-bed Providence Hospital in Sandusky to Firelands Hospital, a nonprofit based in Sandusky.

Hamilton

108-bed Mercy Hospital Hamilton was closed by Cincinnati-based Catholic Health Partners because of a projected \$39 million loss over the next three years.

Pennsylvania

Pittsburgh

Financially troubled St. Francis Health System closed 136-bed St. Francis Central Hospital in Pittsburgh.

Union City

Erie-based Saint Vincent Health System closed Union City hospital.

West Virginia

Parkersburg

Wheeling-based Sisters of St. Joseph Health System sold 294-bed St. Joseph's Hospital in Parkersburg to for-profit hospital chain HCA (formerly Columbia/HCA).

Additional Information

Other titles available from Catholics for a Free Choice:

Student Bodies: Reproductive Health Care at Catholic Universities

A study of the availability of women's reproductive health services at Catholic universities in the US (2002, 37pp). \$10.00

Catholic HMOs and Reproductive Health Care

Details the number of Catholic HMOs operating in the US and explores their policies on contraception and other types of reproductive health care (2000, 50pp). \$20.00

Religion, Reproductive Health and Access to Services

A national survey of women conducted for Catholics for a Free Choice by Belden Russonello & Stewart (2000, 20pp). \$5.00

Catholic Health Restrictions Updated

Explores the impact of CFFC's widely reported emergency contraception survey and provides an update on merger activity between Catholic and non-Catholic hospitals (1999, 45pp). \$10.00 Reduced!

Caution: Catholic Health Restrictions May Be Hazardous to Your Health

A report on mergers between Catholic and non-Catholic hospitals, with an exclusive survey showing many Catholic hospitals say they deny emergency contraception to all women, even those who have been raped (1999, 57pp). \$5.00 Reduced!

To order, complete the enclosed order card, call (202) 986 6093, or email cffc@catholicsforchoice.org.

Additional information is also available from the following organizations:

California Women's Law Center

3460 Wilshire Boulevard Suite 1102 Los Angeles, CA 90010 Phone: (213) 637 9900

Fax: (213) 637 9909 Email: cwlc@cwlc.org

National Women's Law Center

11 Dupont Circle, NW Suite 800

Washington, DC 20036 Phone: (202) 588 5180 Fax: (202) 588 5185

Email: rfp@aclu.org

125 Broad Street, 18th Floor

New York, NY 10004

Fax: (212) 549 2652

Phone: (212) 549 2633

ACLU Reproductive Freedom Project

MergerWatch, FPA 17 Elk Street Albany, NY 12207 Phone: (518) 436 8408 Fax: (518) 436 0004

Email: info@mergerwatch.org