

# Catholic Health Care State Reports: California

**Catholics  
for a Free  
Choice**

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California at a Glance	
Catholic population	10,110,452 <sup>1</sup>
Percent of total population	30%
Catholic hospitals	47 <sup>2</sup>
Total hospitals in California	502 <sup>3</sup>
Catholic hospital systems	6
Average # of patients served daily at Catholic hospitals <sup>†</sup>	6,802 <sup>4</sup>
Average # of patients served daily at all California hospitals <sup>†</sup>	51,253 <sup>5</sup>
Percent of average California patient population served by Catholic hospitals	13%
Catholic/ Non-Catholic Hospital Mergers	15 (since 1990)

<sup>†</sup> Average number of inpatients served, not including emergency or outpatient care.

## Introduction

In many ways, California is a national leader in striving for comprehensive reproductive health care for women. Through the work of committed advocates, providers, legislators, and state officials, California has made significant progress toward the goal of making all reproductive health services accessible to all women. It is one of 16 states mandating comprehensive contraceptive employee benefits, one of 13 requiring HMO infertility diagnosis and some treatment benefits, and one of 17 states mandating access to an OB/GYN as a primary care provider. At the end of the 2001-2002 legislative session, the California legislature passed and Governor Gray Davis signed into law several groundbreaking reproductive health and freedom bills.<sup>6</sup>

The focus on reproductive rights in the California legislature is also a reflection of the state's electorate. The majority of California voters are prochoice, with a recent poll indicating that 63 percent of voters think that California should "allow abortion on demand" for

women in their first trimester of pregnancy.<sup>7</sup> Latinas, the majority of whom are Catholic, support prochoice positions as well. A January 2002 poll found that 51 percent of California Latinas would either personally consider an abortion or allow it as an option for others in the first three months. And a strong majority, 84 percent, of California Latinas believe that information should be available to teenagers about all methods of birth control, while 60 percent do not think religious leaders should have influence over abortion laws.<sup>8</sup> Among the 20 Latino Members of the California Legislature, 18 are unwaveringly prochoice.

California is often a legislative pioneer, but it has also been challenged with the same problems faced by communities across the nation. Legislation is not always fully implemented, so access to comprehensive reproductive health care may be limited. Access to health insurance and the ability to pay for health services, as well as the availability of local providers who offer reproductive health services, often determines whether women

are able to obtain the health care they need. This is especially true for California women. For instance, 21 percent of California women between the age of 19 and 64 are uninsured, compared to a 17 percent average for the United States overall.<sup>9</sup> And, according to a 1999 California Abortion & Reproductive Rights Action League study, 72 percent of California hospitals do not provide abortion services.<sup>10</sup>

The Catholic church plays a significant role in the delivery of health care services in California. Operating community programs, shelters, health clinics, and hospitals throughout the state, the Catholic church often makes decisions regarding the delivery of health care—decisions that are driven by the interpretation of Catholic religious doctrine. Unfortunately for women, that usually means the restriction and even elimination of basic reproductive health services.

As one of the most influential institutions against the administration of comprehensive reproductive health care services in California,

the Catholic church has a real impact on which services millions of California women receive and which services they do not. Through a strong network of Catholic health care providers, the church limits women's access to a range of health services. And through increasingly aggressive grassroots campaigns, as well as the organized efforts of Catholic health care providers, the Catholic church has consistently opposed legislation that protects reproductive freedom.

### Catholic Health Care in California

The Catholic church is the largest private provider of health care services in California. With 47 Catholic hospitals and six Catholic health care systems, including Catholic Healthcare West, the largest not-for-profit health care provider in the state, the Catholic church is a significant force in the California health care industry. In addition to hospitals, Catholic health care in the state includes home health agencies, hospice networks, and seven health care centers (serving 32,139 patients annually). All told, California Catholic hospitals serve approximately 5.6 million patients annually.<sup>11</sup>

Catholic hospitals in California rely heavily on public funding—federal and state government sources, such as Medicare and Medi-Cal (California's Medicaid program). In fact, Catholic hospitals in California receive an average of 54 percent of net patient

revenue from federal, state, and county sources.<sup>12</sup> Funds from tax-exempt bonds and other government sources significantly increase the percentages of "Catholic" health care financed by the government. Traditional Medicare (Plan B) accounts for an average of 33 percent of net patient revenue for Catholic hospitals, while Medicare managed care (Plan C) accounts for eight percent, Medi-Cal traditional accounts for eight percent, Medi-Cal managed accounts for four percent, and the County Indigent Program (county programs to provide health care to those who are indigent and uninsured) accounts for an average of 0.8 percent.<sup>13</sup> In addition, Catholic hospitals often rely on government issued tax-exempt bonds to attain low-cost financing for construction, development, or even acquisition.<sup>14</sup>

The overwhelming majority of religiously affiliated hospitals in California are Catholic. In fact, the Catholic church controls 87.5 percent of all religious health facilities in California. Religious hospitals in California gross about \$4.1 billion from Medicare annually and about \$1.8 billion from Medicaid—approximately half of these hospitals' gross patient revenues. Comparatively, public hospitals in California receive approximately \$1.9 billion in Medicare and \$3.4 billion in Medicaid annually, about 60 percent of their total gross patient revenue. Religious hospitals (the majority of which are Catholic) also receive about \$160 million in disproportionate share

payments (additional government support for serving a larger than average share of indigent individuals) while public hospitals receive approximately \$117 million.<sup>15</sup>

Religious hospitals in California are not run on religious dollars (such as church collections or fundraising). In fact, religious hospitals in California receive 46 percent of operating revenues from Medicaid or Medicare, 51 percent from third-parties (such as commercial insurers), and three percent from non-patient revenues. The majority of the three percent in non-patient revenues consists of county appropriations and investment income. In fact, only about .0015 percent of operating revenues comes from charitable contributions, such as donations from church members. Interestingly, while many religious hospitals, including Catholic hospitals, promote a mission of serving the poor, they tend not to provide any more charitable care than secular hospitals.<sup>16</sup>

### Catholic Health Care from a Public Perspective: Facing the Directives

Despite the fact that Catholic hospitals are heavily funded by public sources, the provision of services at these hospitals does not consistently serve the public's interests or needs. Although the Catholic church is a significant health care provider to millions of Californians, Catholic hospitals do not always provide the full range of basic health care services, especially reproductive health care.

Basic health services such as female and male sterilization, in vitro fertilization, the provision of contraceptive devices, and even medically indicated abortions are forbidden by *The Ethical and Religious Directives for Catholic Health Care Services (Directives)*, a document issued by the United States Conference of Catholic Bishops to establish basic governing principles for Catholic-owned or affiliated hospitals and health care services. Condoms, as contraceptive devices, are included in this ban. As a result, many people living with HIV/AIDS cannot expect to receive adequate information from Catholic health care providers regarding the use of condoms to prevent the spread of the disease.

When Catholic hospitals acquire or become affiliated with non-Catholic hospitals, they generally require that the *Directives* apply to the non-Catholic hospital, restricting or altogether eliminating access to important reproductive health services for women. This trend has been common in California. Most recently, in 1998, Catholic Healthcare West (CHW) acquired West Side District Hospital in Taft and discontinued all reproductive health services. When the Catholic Little Company of Mary Health Services leased the South Bay Medical Center in Redondo Beach, a condition of the lease was that the entire Medical Center strictly abide by the *Directives*—even those portions not controlled by Little Company of Mary.

And when CHW purchased South Valley Medical Center in Gilroy, they also eliminated all reproductive health services over the unanimous protest of all the OB/GYNs on staff.

In recent years, there has been an increase in awareness and activism by patients, consumer protection advocates, and medical professionals who have actively protested mergers that threaten reproductive health services. Under increasing public pressure, some mergers have subsequently resulted in less restrictive conditions. For instance, in March 2001, California's Attorney General Bill Lockyer 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 attorney general granted approval only on the condition that the hospital would continue to provide tubal ligations, contraceptive and family planning services, and emergency contraception for women who have been raped.

Even as mergers have declined in recent years, a new trend is emerging. In the face of increasing financial woes, Catholic hospitals are beginning to sell their facilities to non-Catholic entities, but often under the condition that the *Directives* will continue to be followed at the new non-Catholic facility. In 1996, Tenet Healthcare purchased Queen of Angels/Hollywood Presbyterian Hospital. Tenet agreed to abide by the

*Directives* for 20 years. Then Attorney General Dan Lundgren, who was himself anti-choice, approved the transaction and refused to limit the application of the *Directives*.

In 2001, Tenet Healthcare purchased two additional Los Angeles facilities, the 345-bed Daniel Freeman Memorial Hospital and the 153-bed Daniel Freeman Marina Hospital. Under the terms of the agreement, not only would the *Directives* still apply to both hospitals, even though they would no longer be Catholic facilities, but the requirement to follow the *Directives* "runs with the land," meaning that every subsequent owner is bound by the *Directives*. When Attorney General Bill Lockyer approved that transaction, he explicitly reserved the right to challenge this provision, and has announced his intention to do so.<sup>17</sup>

In 2002, however, when Star Healthcare purchased Santa Marta Hospital from the Sisters of Carondelet, the same order that sold the Daniel Freeman hospitals, the attorney general flatly stated that the *Directives* could not apply.<sup>18</sup> Rather than close the hospital, the Sisters agreed to the sale, and reproductive services will be allowed at the hospital, renamed Star ELA. This was the first time in the country that the application of the *Directives* was blocked in a hospital transaction of this nature.

Since then, it has become increasingly difficult for Catholic hospitals to impose restrictions during the sale of a Catholic facility to a non-

Catholic facility. In June 2003, California state Senator Debra Bowen championed SB 932, a bill that prohibits a nonprofit hospital from imposing restrictions on medical services that a potential buyer of the facility can offer. Governor Davis signed the bill into law in July 2003.

Another important service commonly restricted at Catholic hospitals or hospitals affiliated with the Catholic church is emergency contraception (EC), even in cases of rape. This has a devastating impact on women, especially rape survivors who are taken to Catholic emergency rooms for treatment.

The *Directives* restrict the use of emergency contraception for rape survivors except when "there is no evidence that conception has already occurred" as a result of the rape. If no such evidence exists, the *Directives* do explicitly allow for the provision of EC, stating that a woman who has been sexually assaulted "may be treated with medications that would prevent ovulation, sperm capacitation or fertilization." However, most Catholic hospitals in California do not even offer EC for rape victims.

In September 2003, Catholics for a Free Choice surveyed Catholic hospitals in California regarding the distribution of EC to rape victims. Of the 44 Catholic hospitals in California responding to the survey, 66 percent reported that they do not offer emergency contraception, even in cases

of rape. Of this 66 percent, only 17 percent offer a productive referral. Twenty-three percent of Catholic hospitals in California reported that they offer EC only in cases of rape. And only nine percent of Catholic hospitals in California reported offering emergency contraception without condition. Two percent give doctors discretion in determining the provision of emergency contraception.<sup>19</sup>

The results of the survey are especially troubling since California state law requires hospitals to provide EC to rape survivors. Signed by Governor Davis in September 2002, the law mandating emergency contraception for rape survivors went into effect in January 2003. There is no religious exemption to this new statute.<sup>20</sup>

### Case Study: Catholic Healthcare West

With 42 hospitals (in California, Nevada, and Arizona), 7,088 beds, and 36,000 employees, San Francisco-based Catholic Healthcare West (CHW) is the largest not-for-profit health care provider in California and the largest Catholic hospital system in the western part of the United States.<sup>21</sup> In the year 2000, Catholic Healthcare West treated about 12 percent of the California hospital patients delivering babies, 13 percent receiving medical/surgical acute care, including GYN, and 16 percent of those diagnosed with HIV, AIDS, or ARC (AIDS related complex).<sup>22</sup>



CHW, which was founded in 1986, is sponsored by seven religious orders: The Sisters of Mercy, Auburn and Burlingame Regional Communities; the Sisters of St. Dominic of Adrian, Michigan; the Sisters of Charity of the Incarnate Word of Houston, Texas; the Dominican Sisters of San Rafael; the Sisters of St. Catherine of Siena of Kenosha, Wisconsin; the Franciscan Sisters of the Sacred Heart of Frankfort, Illinois; and the Sisters of St. Francis of Penance and Christian Charity of Redwood City. Until recently, it was also sponsored by the Daughters of Charity which withdrew from the chain.

Catholic Healthcare West aggressively purchased hospitals throughout the 1990s, but found itself struggling financially as the decade drew to a close. In 2001, CHW faced a tide of red ink, posting its fifth consecutive year with 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.<sup>23</sup>

In addition to significant negative operating revenues, the corporation is saddled with massive debt. According to its FY 1999 annual report ending June 30, 2000, CHW had operating revenues of about \$4.5 billion and total liabilities of about \$3.5 billion. Among the liabilities

were \$2.4 billion in tax-exempt bonds and another \$1.6 billion in “related tax-exempt entities” according to the IRS 990 form filed for FY 1999.<sup>24</sup> US taxpayers subsidize these bonds, which amount to tens of millions of dollars each year in waived taxes. It is not clear if the taxpayers also guarantee the instruments in the case of default. Furthermore, the bonds are secured by general revenues, not assets, according to IRS documents.

Among CHW’s expenditures was the distribution of very generous salaries and benefits to senior executives, medical officers and business personnel prior to restructuring. According to the most recent data available, at least three officers received more than \$1 million in FY 1999. Former CEO Richard J. Kramer received a package of more than \$3.3 million when he left the company. Recently-appointed CEO Loyd Dean was granted a \$1.75 million five-year loan to help him with housing expenses as he joined CHW, topping the \$300,000 mortgage loan granted to Chief Medical Officer George Bo-Lin in 1998.<sup>25</sup>

Eight employees received between \$600,000 and \$850,000 each in compensation, benefits and expenses in FY 1999, and another 23 took in between \$400,000 and \$595,000 that same year. Moreover, at least 24 employees of CHW and affiliated institutions received over \$300,000, and at least 35 employees earned between \$200,000 and \$299,000. According to the latest IRS 990 forms

available, at least 86 employees were compensated in the \$100–200,000 range. More than 8,500 employees (about 20–25 percent of the workforce) were paid more than \$50,000 annually, according to IRS documents filed by CHW and affiliated organizations.<sup>26</sup>

In addition to the on-book compensation, a large number of members of religious orders received “market rate” compensation from CHW and affiliates, which is passed on directly and indirectly to their orders.<sup>27</sup> These payments to religious orders take place without any public accounting of the monies, even though CHW and all other medical organizations receive large amounts of cash and subsidies from taxpayers. In fact, Catholic Healthcare West hospitals received an average of 58 percent of total net patient revenue from federal, state, and county sources in the year 2000.<sup>28</sup>

Although CHW is a not-for-profit religious charity, it funds and owns numerous for-profit subsidiaries, not an unusual practice for large non-profits. They are all medically-related with the exception of two operations.

One operation is the “passive foreign investment company” with a post office box address in the Cayman Islands. According to IRS documents, CHW is the sole owner of CHW (Cayman Islands) LTD. located at PO Box 1051, George Town, Grand Cayman, Cayman Island BWI. The documents indicate that the company is a “foreign corporation” and

a “self insurance fund.” The financial/administrative books of the company are held by J & H Marsh McLennan Maggert, listed under the same address.<sup>29</sup>

According to IRS documents, CHW (Cayman Islands) LTD. was highly profitable in FY 1999, returning more than \$6 million on \$53 million in total assets, primarily securities.<sup>30</sup> CHW declared tax exemption on the operation, on the basis that the US-based owner (CHW) is tax-exempt. There is no explanation on the IRS forms to clarify why CHW set up the off-shore, post office box operation. This company, like most CHW holdings, was audited by Arthur Andersen LLP of San Francisco. The corporation and its affiliates paid Andersen tens of millions of dollars in FY 1999 for auditing and consulting services.<sup>31</sup>

Catholic Healthcare West 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 Coastsides 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 profitable, posting \$19 million in net

patient revenue in 2000, and it was widely speculated that the Daughters of Charity were uncomfortable with the fiscal management of CHW, although they denied that this was the reason for the pullout.<sup>32</sup>

CHW also had a string of legal problems in 2001, ultimately settling whistleblower suits without admitting guilt. 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.<sup>33</sup> And in May, CHW 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.<sup>34</sup>

CHW also recently settled two long-running labor problems. After several years of contentious negotiations and charges that CHW was using religious authority to dissuade hospital workers from joining unions, CHW and the Service Employees International Union reached a contract agreement in April of 2002. The two-year contract covers 9,000 employees at 20 CHW hospitals and includes a 10 percent or higher salary hike, paid health insurance for family members of employees, and a greater employee say in staffing levels. CHW also reached a contract agreement with the California Nurses Association for five Southern California hospitals and three Bay Area hospitals in 2001. CHW had earlier reached organizing agreements with

the SEIU and the California Nurses Association under which it agreed to give union organizers greater access to workers in exchange for an end to the SEIU's highly public campaign challenging CHW's commitment to charitable and social justice values.

CHW has also been embroiled in controversies regarding its decision to close Long Beach Community Hospital and to discontinue contraceptive sterilization at St. Louise Medical Center in Gilroy after it purchased the formerly secular South Valley Medical Center and transformed it into a Catholic facility. The Long Beach Community Hospital controversy was settled when CHW allowed the hospital to be taken over by an operator who promised to keep it open. In Gilroy, strong community protests and pressure from physicians, who stopped admitting patients to the hospital, sparked further evaluation. The hospital's viability was at stake and sterilization services were restored, but they must be approved in advance by an ethics committee. If a woman wants to have a tubal ligation, for instance, she must apply one week in advance to the committee, which consists of medical and religious professionals. Under review, it must be proven that the procedure is "medically necessary" and that it is related to a Caesarean section or an "analogous" abdominal surgery. Financial obstacles and the physical burden of traveling are also considered.

Community advocates (including the ACLU, Planned Parenthood, and the League of Women Voters) consider this policy woefully inadequate.

CHW provides some reproductive health services at some of its facilities. As a Catholic health care provider, Catholic Healthcare West must conform to the guidelines set forth by the US Conference of Catholic Bishops. However, CHW has a distinction within its system between what it calls its "Catholic hospitals" at which there are no reproductive health services and its "Community Model" hospitals where abortion and physician-assisted suicides are prohibited, but other services including tubal ligations are provided. At Sutter Merced and Dominican Hospital Santa Cruz, sterilizations are provided even though they are both Catholic hospitals.

### Case Study: Catholic Charities

Catholic Charities is a national Catholic service organization dedicated to providing a range of community assistance programs through diocesan and other affiliates across the United States. There are thirteen Catholic Charities affiliates in California—twelve diocesan Catholic Charities and Catholic Charities of California, which serves as a facilitator for the diocesan organizations, promoting their common visions, values, and services. Catholic Charities of California establishes organizational priorities, such as "Catholic Identity and

Mission Integration" and "Public Policy Advocacy," which includes monitoring and influencing social policy based on community need and Catholic teaching. Catholic Charities of California's board consists of members from the 12 diocesan affiliates, two bishops (Bishop John S. Cummins and Bishop Jaime Soto), and the executive director of the California Catholic Conference (Edward Dolejsi).

Catholic Charities agencies of California serve local communities in a variety of ways. In 2000 alone, they served 738,799 clients, reported \$76,047,813 in expenditures, and included 6,407 staff and volunteers and 391 board members.<sup>35</sup> Catholic Charities agencies in California provide a broad range of community services, including a network of health care related services. Catholic Charities serves and employs a broad population of Catholic and non-Catholic people. They are driven by a commitment to serve local communities, but because they are often mandated to follow strict guidelines issued by the US Conference of Catholic Bishops, this service can fall short. As a Catholic health care provider, Catholic Charities agencies are required to follow *The Ethical and Religious Directives for Catholic Health Care Services (Directives)* in the provision of those services, which include basic health care services, pregnancy support services, counseling services, and a variety of services related to HIV/AIDS, including residential programs, counseling,

and HIV/AIDS education initiatives.<sup>36</sup>

For instance, Catholic Charities of the Diocese of San Diego provides extensive pregnancy support services and runs women's centers for homeless and low-income women. The Catholic Charities of the Diocese of Fresno provides health care services as well, spending \$568,264 for such care in FY 2000.<sup>37</sup> Meanwhile, Catholic Charities of Orange County served 3,586 people in that same year, providing community counseling and direct assistance outreach. Catholic Charities of the Diocese of Monterey provides counseling services to families and individuals for a fee estimated at lower than market value, with HIV being one issue that is addressed through counseling services. Like many Catholic Charities agencies, Catholic Charities of the Diocese of Oakland provides outreach and counseling, including HIV/AIDS advocacy and assistance to gay/lesbian communities and their families. In the fiscal year 2000, the agency served 11,955 people in this capacity. The agency also received funding to provide HIV/AIDS-prevention instruction to elementary and high school age children.<sup>38</sup>

Of the California agencies, Catholic Charities of the Archdiocese of San Francisco runs the most comprehensive HIV/AIDS service network. Managing three residential units as well as at least three comprehensive programs for people living with HIV/AIDS (including

programs targeting homeless women), Catholic Charities of the Archdiocese of San Francisco plays a significant role in the battle against HIV/AIDS. However, as a Catholic agency and with the expectation that they will follow the *Directives*, it is not clear that the agency follows basic public health standards regarding condom education in the provision of these services, whether it be counseling or even direct care. While the *Directives* and other US Conference of Catholic Bishops' publications reject the use of condoms, the Centers for Disease Control (CDC) considers condom counseling and use as integral to the fight against HIV/AIDS.<sup>39</sup>

In fact, concerns have been raised in the past regarding Catholic Charities of the Archdiocese of San Francisco functioning in this role. In 1997, the agency postponed a celebration over the opening of a new Catholic Charities facility for AIDS patients because of the controversy over Archbishop William Levada's request for an exemption from a San Francisco domestic partners ordinance requiring small businesses to provide partner benefits.<sup>40</sup> Not only were community advocates concerned about the agency's opposition to domestic partner's rights, but many ex-employees came forward to air their concerns about not being able to pass out condoms, freely discuss safe sex, or disagree with the church hierarchy, even though the agency had \$5.6 million in social service

contracts with the city of San Francisco at the time.<sup>41</sup>

Again in 2000, there was controversy surrounding the agency when the *San Francisco Chronicle* charged that the Catholic Charities CEO at the time, Frank Hudson, had charged the agency for meals at high-priced restaurants, laser hair removal, and wrinkle injections, in addition to his annual salary of \$170,000. From August of 1998 to the summer of 2000, Hudson reportedly charged Catholic Charities \$73,000 for these perks, while at the same time the agency was considering closing a homeless shelter. Calling the service integrity of the San Francisco Catholic Charities into question, some advocates called on the San Francisco Board of Supervisors to stop funding the agency altogether.<sup>42</sup> As of the fiscal year 1999, Catholic Charities of the Archdiocese of San Francisco was receiving 61 percent of its total revenue from government grants.<sup>43</sup>

In general, Catholic Charities agencies in California rely on government funding. Of the 10 (out of 13) reporting public funding, California Catholic Charities agencies received an average of 46 percent of total revenue from government grants.<sup>44</sup> Even though Catholic Charities agencies receive significant funding from government sources, they are bound to follow church guidelines pertaining to the provision of health services that often contradict basic public health standards.

Another Catholic Charities affiliate that is at odds with a common public health standard is Catholic Charities of Sacramento. The agency is challenging California's Women's Contraceptive Equity Act of 2000, a state law that mandates insurance coverage for contraceptives when a prescription benefit is already included in coverage. Catholic Charities of Sacramento is charging that the law, which only exempts explicitly religious organizations from providing prescription contraceptive coverage, violates the organization's religious freedom. The law exempts "religious employers" identified as those who meet the IRS definition of "church" and who function primarily to promote their religion and to serve those of the same faith. Catholic Charities of Sacramento does not meet that definition. It is a non-profit, 501(c)(3) tax exempt organization. Although it is affiliated with the Catholic Diocese in Sacramento, Catholic Charities is a separately incorporated and administered organization. Further, Catholic Charities largely employs and serves people of all faiths. It received 36 percent of total revenue from government grants in 1999.<sup>45</sup>

In July 2001, a state appeals court rejected Catholic Charities' claim that compliance with the law would violate its religious freedom. The case, *Catholic Charities of Sacramento, Inc. v. Superior Court* has now gone to the California Supreme Court, where a decision is expected shortly.

## The Catholic Lobby in California

The Catholic church has long been a political player in the California legislature. Through coordinated grassroots and lobby initiatives, the church has often exerted influence over state public policy decisions, advocating Catholic positions on poverty, housing, education, and health care. For years, the Catholic church has mobilized around legislative issues concerned with health care, particularly women's reproductive health services. The two premiere Catholic lobby organizations in California working on these issues are the Alliance of Catholic Health Care and the California Catholic Conference (CCC).

## The Alliance of Catholic Health Care

The Alliance of Catholic Health Care, in Sacramento, is the health care association for Catholic hospitals and other health care providers in California. Headed by President and CEO, William Cox, the Alliance represents home health agencies and nursing, assisted living, hospice, and low-income housing facilities in addition to Catholic hospitals. In the fiscal year 2001, the Alliance of Catholic Health Care reported to the IRS \$1,862,787 in income and \$800,672 in assets.<sup>46</sup> The Alliance and the Catholic church play an aggressive role in California politics on issues involving reproductive health care. William E. Barnaby, Inc. is the lobbying firm for the Alliance. In the

first six quarters of the 2001/2002 legislative cycle, the Alliance of Catholic Health Care spent \$140,299.37 in lobbying expenditures.<sup>47</sup>

## The California Catholic Conference

The California Catholic Conference (CCC) is the lobby arm of the California Catholic Conference of Bishops. With a stated mission "to advocate for the Catholic church's public policy agenda statewide and to facilitate common pastoral efforts in the Catholic community," the California Catholic Conference executes a coordinated effort to influence policy on the state level.<sup>48</sup> Guided by three standing committees and three ad hoc committees of Catholic bishops, a staff of 12 drives the agenda of the California Catholic Conference, lobbying on behalf of church ministries such as the Alliance for Catholic Health Care, Catholic Charities, and Respect Life Ministry.<sup>49</sup>

The Conference has six legislative priorities: reverence for life, religious freedom, human and civil rights, economic rights, and education and family life. In any given legislative session, the Conference actively follows and pursues policy debates related to reproductive health. From supporting bills that would require an ultrasound to be performed and shown to women seeking an abortion to opposing legislation requiring that all residency programs in obstetrics and

gynecology comply with the program requirements of the Accreditation Council for Graduate Medical Education (ACGME), the California Catholic Conference is comprehensive in addressing the "reverence for life" priority.<sup>50</sup> Under the "family life" priority, the conservative agenda of the Conference is also clear. In both 2001 and 2002, the Conference actively supported legislation requiring parental notification before the performance of an abortion on an unemancipated minor and opposed legislation affording same sex couples civil union rights in California.<sup>51</sup>

Recent legislative priorities for the Conference have included blocking numerous bills that set policies regarding stem cell research and supporting legislation that would add the killing of a human fetus as the unlawful killing of a human being without malice aforethought in "felony gross vehicular manslaughter" incidents. The Conference has also supported a bill that would prohibit an abortion from being performed on a minor without the written consent of a parent or legal guardian, and a bill that would require state and local agencies to consider religious organizations on the same basis as other nongovernmental organizations to receive government funding to provide assistance under programs carried out by the governmental agencies.

The California Catholic Conference is a sophisticated lobbying operation. In 2001/2002 cycle, the

Conference has reported five registered lobbyists: Executive Director Ned Dolejsi, Associate Director of Public Policy David Pollard, Associate Director of Education Robert Teegarden, Associate Director of Hispanic Affairs Al Hernandez, and Associate for Public Policy Linda Wanner.<sup>52</sup> During any two-year California legislative session, the California Catholic Conference monitors approximately 800 to 1,000 bills.<sup>53</sup> Cardinal Roger Mahony of Los Angeles heads the Conference's Committee on Legislation and Public Policy, which determines policy priorities. As head of the largest archdiocese in the country, Cardinal Mahony is an active, vocal, and influential leader. With an excellent reputation as an advocate on behalf of the poor and vulnerable, Cardinal Mahony is generally regarded by the community with admiration and appreciation. Cardinal Mahony has chaired the National Catholic Conference of Bishops' Committee on Pro-Life Activities and often speaks publicly on the issues of abortion.

Through a strong network of diocesan offices, the California Catholic Conference conducts an active grassroots lobbying initiative. As an indication of this effort, the Conference distributes activist tools, such as a brochure to serve as advocacy guidelines for pastors and parishes, which includes instructions on how to lobby well and legally. The Conference also produces



action and legislative alerts in both English and Spanish, and hosts conferences to educate and motivate advocates.

By all standards, the CCC has a significant activist network. Every one of the 12 dioceses in California has a "Respect Life" office, each conducting their own programs and lobbying activities under the guidance of the California Catholic Conference. The "Respect Life" office of the dioceses of Los Angeles distributes a "Leader's Handbook," which serves as an in-depth guide on how to conduct "pro-life" initiatives, from letter drives to lobby visits to telephone tree networks. One of the Los Angeles parishes conducts a program "10 Things Children Can Do To End Abortion," which encourages children to wear a pro-life t-shirt or a "precious feet" pin and explain its significance, as well as passing the list on to a friend or even a school-mate. The "Respect Life" office of the Diocese of Monterey focuses heavily on natural family planning programs, while the office of the Diocese of San Jose conducts an annual "Respect Life" packet mailing to parishes.

In addition to the diocesan and parish level, the church has the means to influence the greater Catholic community in California, which is among the largest in the country. In addition to Cardinal Mahony, California has two Archbishops (Archbishops William J. Levada and the

retired John R. Quinn of San Francisco), 29 Bishops, 2,077 diocesan priests, and 792 permanent deacons. There are 1,067 Catholic parishes in California and 31 pastoral centers. In addition to the hospital conglomerates and health care centers, the church runs 76 specialized homes, 102 day care centers, and 21 residential care facilities for children in California. There are 13 Catholic colleges and universities, serving 41,260 students, and 59 diocesan and parish high schools, serving 38,038 students, as well as 56 private Catholic high schools, serving 34,153 students. In addition, there are 583 diocesan and parish elementary schools and 25 private elementary schools, enrolling 173,854 and 6,329 children respectively.<sup>54</sup>

Perhaps the largest indicator of their commitment to lobbying the state legislature is the California Catholic Conference's "Catholic Lobby Day." Annually, the Conference spearheads a lobby event for California Catholics. In April of 2002, more than 1,300 Catholics representing all 12 dioceses attended the 4th Annual Catholic Lobby Day in Sacramento, California. Participants met with legislators to discuss the church's position on legislation, such as opposing the Reproductive Privacy Act, opposing insurance coverage for infertility treatment, and supporting a bill that would require the department of motor vehicles to make available "Choose Life" license plates with associated purchase funds designated for

services preventing abortion and promoting adoption.

The California Catholic Conference's lobbying expenditures have increased as well. From October 2000 through December 2000 (earliest available quarter report), the Conference spent \$17,611.00 on general lobbying activities.<sup>55</sup> But from April of 2002 through June of 2002 (latest available quarter report), the conference spent \$44,707.00 on general lobbying. For the first six quarters of the 2001-2002 legislative session, the Conference spent \$229,934.00 on general lobbying activity.<sup>56</sup> The California Catholic Conference also contributed \$311,000 to help support a successful 2000 ballot measure to prohibit same-sex marriages.<sup>57</sup>

The California Catholic Conference has such significant lobbying clout that it almost single-handedly managed to kill a bill mandating insurance coverage for contraceptives, the Women's Contraceptive Equity Act, by insisting that any organization even remotely connected to the church be exempted from the legislation. Former Gov. Peter Wilson, republican and prochoice, heeded their demands and vetoed a contraceptive coverage measure three times. The bill did not become law until Democratic Gov. Gray Davis (a prochoice Catholic) took office and signed a bill with a narrowly drawn exemption over the objections of the Catholic church.<sup>58</sup>

The California Catholic Conference has continued with its efforts to undermine the implementation of this important bill. In support of Catholic Charities of Sacramento, the CCC is playing an active role in the legal battle over whether or not Catholic Charities should be able to deny employees contraception coverage. Describing the issue as a religious freedom debate, opposed to a reproductive rights debate, the California Catholic Conference has issued press releases, articles, and analyses, all defending Catholic Charities' "religious liberty" to deny coverage.

The Catholic Charities case demonstrates the tight-knit relationship between the California Catholic Conference and Catholic Charities of California. The CCC executive director serves on Catholic Charities' board of directors, and the California Catholic Conference also provides office support to the agency. Furthermore, the two groups (along with the California Association of Catholic Hospitals) convened a statewide meeting of leaders in 1997 to discuss partnerships in health care. The meeting served as the foundation for other local initiatives and has evolved into a biannual event.<sup>59</sup>

Further indicating a cohesive effort to protect mutual interests, the Catholic Health Association recently launched its "Freedom to Serve Initiative," an effort to challenge criticisms and "preserve their ability to



provide health and human services while remaining faithful to their religious beliefs.” During a joint speech at the 87th Catholic Health Association meeting, both Rick Mockler, Catholic Charities of California president, and Rev. Sammie L. Maletta, project leader of the initiative, discussed the Catholic Charities case in the context of the new project.

The 2001–2002 legislative session was not a very successful one for the California Catholic Conference. Three historic reproductive health care bills that the CCC vehemently opposed were passed and signed into law by Governor

Gray Davis. One of those signed is the Reproductive Privacy Act (SB 1301), sponsored by State Senator Sheila Kuehl, which will maintain abortion rights in California even if the U.S. Supreme Court overturns the *Roe v. Wade* decision. Governor Davis also signed into law a bill (AB 2194) mandating that all accredited medical schools in the state offer training to OB/GYN residents in abortion procedures. The third bill that the Governor signed (AB 1860) requires California hospitals to offer emergency contraception to rape survivors. The California Catholic Conference considered opposing all of these measures a major priority.

## Conclusion

The Catholic church has a powerful impact on access to reproductive health care in California. Through Catholic health care facilities and local Catholic communities, the Catholic church not only directly makes decisions about access to reproductive health services, but tries to influence public policy decisions regarding the overall provision of those same services throughout the state. And while many Catholic facilities provide important assistance to California communities, the restrictions and limitations they often impose can have a dangerous impact on millions of people. From forbidding

sterilization to banning access to and information about contraception, these restrictions imposed by the Catholic church are not in any way improving the health and well being of Californians—in fact, they are doing the exact opposite.

**Organizations and Resources**

***California Catholics for a Free Choice (CCFFC)***

California Catholics for Free Choice is a community of faithful women and men who believe in the primacy of conscience and who work for social justice in the reproductive arena.

<http://www.stasek.com/ccffc/>  
PO Box 122  
Mountain View, CA 94042-0122  
(650) 988-1053

***CARAL – California Abortion and Reproductive Rights Action League***

CARAL’s mission is to develop and sustain a constituency that uses the political process to guarantee every woman the right to make personal decisions regarding the full range of reproductive choices,

including preventing unintended pregnancy, bearing healthy children, and choosing legal abortion.

[www.caral.org](http://www.caral.org)  
32 Monterey Blvd.  
San Francisco, CA 94131  
(415) 334-1502

***California Family Health Council***

The California Family Health Council (CFHC) is a nonprofit organization working to improve the health of California families by increasing access to family planning, improving reproductive health care and ensuring access to health services. CFHC also serves to inform the public, health professionals and policy makers about health issues, conducts cutting edge contraceptive research and

develops effective solutions to health care challenges.

[www.cfhc.org](http://www.cfhc.org)  
3600 Wilshire Boulevard  
Suite 600  
Los Angeles, CA 90010-0605  
(213) 386-5614

***The California Women’s Law Center***

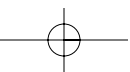
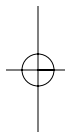
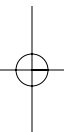
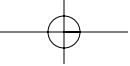
The California Women’s Law Center works to ensure, through systemic change, that life opportunities for women and girls are free from unjust social, economic and political constraints. CWLC plays an active role in monitoring merger activity in California.

[www.cwlc.org](http://www.cwlc.org)  
3460 Wilshire Blvd.,  
Suite 1102  
Los Angeles, CA 90010  
(213) 637-9900

***Planned Parenthood Affiliates of California***

Planned Parenthood Affiliates of California (PPAC) is one of 21 state public affairs offices of Planned Parenthood Federation of America.

[www.ppacca.org](http://www.ppacca.org)  
555 Capitol Mall,  
Suite 510  
Sacramento, CA 95814-4502  
(916) 446-5247





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