

**SSM HEALTH CARE:
THE INTEGRATION OF CATHOLIC SOCIAL THOUGHT VALUES
IN A MODERN HEALTH CARE SYSTEM**

Sister Melanie DiPietro, S.C.
Seton Hall University School of Law
Buchanan Ingersoll & Rooney PC
dipietme@shu.edu
melanie.dipietro@bipc.com

Professor Alison Sulentic
Duquesne University School of Law
sulentic@duq.edu

Abstract

SSM Health Care is a large multi-state Catholic health care system that has integrated Catholic social thought principles in the day-to-day operations since its inception. As the first health care organization in the United States to receive the Malcolm Baldrige National Quality Award for excellence in overall performance, SSMHC is a role model for the successful delivery of health care services. This paper provides a case study of a health care system that created internal policies and practices grounded in Catholic social thought and validated by successful participation in a highly competitive and stressful economic market.

I. Introduction

"We have always taken a certain pride, if you will, in being true to who we say we are. If we were going to have these values posted all over, how were we going to actually put those into practice?"

- Sister Mary Jean Ryan, FSM
President / CEO, SSM Health Care

This year (2006) marks the twentieth anniversary of the boldest economic statement of the American church. In *Economic Justice for All*, the United States Conference of Catholic Bishops stated:

Every perspective on economic life that is human, moral, and Christian must be shaped by three questions: What does the

economy do for people? What does it do to people? And how do people participate in it?¹

The pastoral letter challenged the laity "not merely to think differently, but also to act differently" in their "secular vocations."² Equally striking, however, is the pastoral letter's insistence that the Church hold itself accountable for the application of the social teachings to the work place—its own workplace. The Bishops stated their objective and their commitment in plain language: "[a]ll the moral principles that govern the just operation of any economic endeavor apply to the Church and its agencies and institutions...."³

This paper presents a case study of SSM Health Care (SSMHC), a large multi-state Catholic health care system that accepted the challenge of *Economic Justice for All*. When the Franciscan Sisters of Mary and their collaborators began to chart SSMHC's future in the mid-1980s, they made a considered decision to pay special attention to the economic dimensions of Catholic social thought (CST). From its inception, the corporate values of SSMHC were defined by reference to the values of the Franciscan Sisters of Mary and Catholic social thought. In the same vein, the sisters who were the Members of SSMHC instructed the Board of Directors to insure the integration of these values into the day-to-day operations of the SSMHC organization. Today SSMHC is a modern multi-faceted health care delivery system that has educated and encouraged its senior leadership to apply CST principles in its internal operations and its external relationships for two decades. In 2002 SSMHC's successful management and effective delivery of health care services became the first health care organization in the nation to be awarded the Malcolm Baldrige National Quality Award in recognition of excellence in overall performance.⁴

This case study responds to the call for further examination and development of "middle-level thinking" in Catholic social thought.⁵ Recognizing the need for organizational policies and practices that "help business professionals to move from a set of broad theological and moral principles and doctrines to more particular, concrete moral judgments,"⁶ we offer a case study of a health care system that created internal policies and practices grounded in Catholic social thought and validated by successful participation in a highly competitive and stressful economic market. This paper benefits from the willingness of Sister Mary Jean Ryan, FSM, President / CEO of SSMHC, to permit us to interview her staff. With Sister Mary Jean's permission, we have also been able to draw upon some of the original concept papers authored by Sister Melanie DiPietro, S.C. and Father Dennis Brodeur at the inception of the program.⁷

¹ See United States Conference of Catholic Bishops, *Economic Justice for All*, Ch. 1 ¶ 1, in David J. O'Brien and Thomas A. Shannon, CATHOLIC SOCIAL THOUGHT: THE DOCUMENTARY HERITAGE 572, 578 (Orbis Books, 1992).

² See *id.* at ¶ 25.

³ See *Id.* at Ch. 5, ¶ 347.

⁴ "How Sweet It Is." *Network: A Bimonthly Publication For Employees, Physicians And Friends* Nov.-Dec. 2002. For application process see, Pomeroy, Ann, "Winners and Learners: Applying for the Baldrige Award is a Win-Win Situation, Say Applicants—Even If You Lose." *HR Magazine* 51 (2006): 62.

⁵ Maines, Dean, and Michael Naughton. "Middle Level Thinking: the Importance of Connecting and Mediating Catholic Social Thought, Corporate Social Responsibility and Business Practice [Working Draft]." 2005:3.

⁶ *Id.* at 5.

⁷ This paper refers to Sister Mary Jean, Sister Melanie and Father Dennis by their first names because this is the way they are known throughout SSMHC.

II. Distinctive Features of the SSMHC Approach: Stewardship and Education.

Although the history of SSMHC spans only a quarter-century, the Franciscan Sisters of Mary trace their origins to a group of nineteenth-century German nuns who walked through squalid conditions in Saint Louis in order to care for smallpox victims.⁸ A century of dedicated service built up a group of sixteen hospitals that all owed their existence, in some way, to these intrepid sisters.⁹ By the early 1980s, the congregation was struggling to balance the sisters' responsibilities as members of the religious congregation, participants in the governance structures of the various hospitals and hands-on health care providers who cared for patients. The success of the SSM health ministries and the pressure of the management and governance of the hospitals prompted the congregation to implement a large-scale overhaul of the structure of their health ministries. By the mid 1980s, a decision was taken to establish a health care system, with all hospitals under the leadership of SSM Health Care (SSMHC).

In the years immediately preceding the establishment of SSMHC, the Franciscan Sisters of Mary were engaged in the process of identifying plans for the future of their health care ministry. In Vision #19, the congregation articulated its decision to "more strongly emphasize their role as an advocate and agent of change to bring a wholistic philosophy to health care...in a manner consistent with SSM values and the healing mission of the Catholic Church."¹⁰ Sister Mary Ellen Lewis, who then served as Major Superior of the religious institute and as a Member of SSMHC, recalls studying the Franciscan traditions concerning the relationship of conversion and sin during this period.¹¹ Influenced by Franciscan writers on social and structural sin, Sister Mary Ellen encouraged the congregation to consider the potential of a corporation to be (in her words) a "place for virtue or sin."¹² In addition to focusing on the personal spiritual development of the individual employee of a corporation, this exercise resulted in a pragmatic examination of

Sister Melanie designed the original structure of the Office of Stewardship (OS), as well as the curriculum in Catholic social thought that was the principal means of teaching decision-makers about the intellectual foundations of this area.

Father Dennis became the first Senior Vice President for Stewardship and continued to do the ethical analysis for clinical, business and public policy positions of the corporation. Together, Sister Melanie and Father Dennis presented the first formal curriculum in Catholic Social Teaching to SSMHC's key decision-makers.

Many of our source materials come from Sister Melanie's personal files, which have not been formally catalogued or archived. We have tried to identify these documents as clearly as possible. All of these uncatalogued materials are on file with Sister Melanie DiPietro, S.C.

⁸ *Our Heritage of Healing*. St. Louis: SSM Health Care, 2006; *Our Heritage of Healing*. SSM Health Care. DVD. SSM Health Care, 2006.

⁹ The number of hospitals in the system is now 22, with two additional facilities that are not hospitals.

¹⁰ DiPietro, S.C., Sr. Melanie. *Innovators in Wholistic Health (Vision #19)*. Stewardship Position and Function, Appendix 5.

¹¹ Lewis, FSM, Sister Mary Ellen. Telephone interviews. 1 Sept. 2006; 17 January 2007.

¹² Lewis, FSM, Sister Mary Ellen. Telephone interviews. 1 Sept. 2006; 17 January 2007.

corporate responsibility with regard to social sin and social benefit.¹³ With this in mind, Sister Mary Ellen Lewis directed Sister Mary Jean Ryan to address the role of values in the life and operations of the nascent SSM Health Care.

The four "cornerstones" of SSMHC's organizational structure reflect the specifically Catholic philosophy of the Franciscan Sisters of Mary, as well as some of the fundamental concepts of Catholic social thought: collegiality, subsidiarity, collaboration and accountability.¹⁴ The particular emphasis of SSM ministries in general and of SSMHC in particular was service to "broken and vulnerable persons and families...with a special concern for the poor and disadvantaged."¹⁵ This commitment shaped the corporate mission of SSMHC and its goals as a health care provider and as an employer. According to a 1998 book written by Sister Mary Jean and Bill Thompson, both the governing board and the management team were committed to honoring SSMHC's core values as "sacred promises to be kept"¹⁶ rather than merely reducing these values to inspirational statements.

While the Franciscan Sisters of Mary encouraged SSMHC to form a corporate structure and culture that reflected and acted upon CST values, both the religious institute and the leadership of the newly formed system were intent upon differentiating between the primary purpose of the Franciscan Sisters of Mary as a congregation of women religious and SSMHC as a corporation. As Sister Mary Ellen Lewis put it, "All of us from the Congregation Council were still members of the board, but we were trying very hard not to overshadow the board and we wanted to be very clear about the difference between the religious congregation and the board."¹⁷ During the earliest period of SSMHC's existence, the sisters who served as Members of SSMHC, directors and key employees of the corporation studied the theological and legal distinctions between the Franciscan Sisters of Mary as a religious institute and SSMHC as a corporation. As a religious institute, the Franciscan Sisters of Mary were canonically responsible for the apostolate of their order. SSMHC, a civil non-profit corporation organized according to the membership model, was the instrumental means by which the Franciscan Sisters of Mary chose to carry out their apostolate. The corporation's Catholic identity was set forth in its organizational documents and thus informed the criteria for internal decision-making by its governing board and by senior management. However, SSMHC's officers and key employees understood their fiduciary responsibilities to inculcate values reflective of the identity and purpose of SSMHC as a corporation. The distinction between the purpose of the corporation and the purpose of the congregation provided clear boundaries between the two entities and clarified the internal expectations and practices of SSMHC.

The clear legal and operational boundaries between the religious institute and the corporation did not signal an intent to weaken the Catholic identity of SSMHC as a corporation. In the late 1980s, Sister Mary Jean Ryan commissioned Sister Melanie and Father Dennis to plan and to implement a program to weave Catholic social thought values into the fabric of SSMHC's

¹³ Lewis, FSM, Sister Mary Ellen. Telephone interviews. 1 Sept. 2006; 17 January 2007.

¹⁴ Ryan, FSM, Sister Mary Jean, and William P. Thompson. CQI AND THE RENOVATION OF AN AMERICAN HEALTH CARE SYSTEM: A CULTURE UNDER CONSTRUCTION. ASQ Quality P, 1998. 3.

¹⁵ *Id.*

¹⁶ *Id.* at 4.

¹⁷ Lewis, FSM, Sister Mary Ellen. Telephone interview. 1 Sept. 2006.

daily operations. Sister Mary Jean recalls being preoccupied in those days by the idea of "stewardship":

Stewardship seemed to imply great care. It required that we be good stewards of our resources. Those integrated things—ethics, mission and public policy—were of a sort that could really form a foundation for some stewardship activities.¹⁸

Her objective, in charging Sister Melanie and Father Dennis with this task, was to transform the way in which people thought about "mission" from the idea of corporate-sponsored volunteerism—going out "on a couple of Saturdays and paint[ing] houses of patients"—to a the idea that "your mission is what you do when you are at work eight hours a day."¹⁹ In a column in SSMHC's *Network* newsletter, Sister Mary Jean described a similar focus on the daily work of employees in the system:

The work that we do in health care is very difficult, but it is also necessary and, more than that, it is holy.²⁰

Relying on their theological background and interest in applied CST, as well as Sister Melanie's training in civil and canon law and Father Dennis' background as a health care ethicist, Sister Mary Jean encouraged the team to exercise their creative energy in proposing the method by which CST values would be integrated into the life of the institution.

Like many Catholic organizations, SSMHC faced the task of maintaining institutional identity even when the "leadership, senior staff and other employees of Catholic institutions, are drawn from the laity."²¹ The Franciscan Sisters of Mary and the corporate management of SSMHC were aware of the declining number of vocations to religious life and recognized the challenge this would pose for Catholic institutions formerly led by vowed religious women and men.²² In 1989, Sister Melanie put the problem like this:

If they [Catholic lay executives and executives who do not share the Catholic faith] are to be effective in a Catholic setting, they must understand the Catholic values which profoundly affect their institution, their very jobs.²³

SSMHC's stewardship project was, in some sense, a strategic response to the declining number of vocations to religious life. The primary concern of the project was "the perpetuation of

¹⁸ Ryan, FSM, Sister Mary Jean. Telephone interviews. 28 Aug. 2006, 4 Jan. 2007..

¹⁹ Ryan, FSM, Sister Mary Jean. Telephone interview. 28 Aug. 2006.

²⁰ Ryan, FSM, Sister Mary Jean. "What's Next?" NETWORK: a BIMONTHLY PUBLICATION FOR EMPLOYEES, PHYSICIANS AND FRIENDS Nov.-Dec. 2002: 3.

²¹ *Id.*

²² The congregation was able to dedicate four sisters to work in different system-wide leadership capacities at during the system's early years, but it was foreseeable that the congregation's level of participation would weaken in years to come. Thompson, Bill. Telephone interview. 15 Sept. 2006.

²³ Catholic Vision Teleconference Series. Dir. CTNA Telecommunications, Inc. SSM Health Care System and the Catholic Communications Campaign, 1989-90.

corporate values"²⁴—in this case, corporate values derived from SSMHC's Catholic and Franciscan heritage.

From the outset, the stewardship team (primarily Sister Melanie and Father Dennis) neither conceptualized nor implemented this program as a means of pastoral care or evangelization of SSMHC's employees.²⁵ Contemporaneous documents suggest that corporate decision-makers were aware that the "radical goal"²⁶ of planning for lay leadership coincided with Vatican II's encouragement of the apostolate of the laity.²⁷ Sister Mary Jean stressed that the purpose of executive development was not to induce lay corporate leaders to replicate the culture of the religious congregation but rather "to help people be the best kind of people they can be" in their professional life at SSMHC.²⁸ The original proposal noted that one effect of SSMHC's educational programs was the "for[mation of] lay persons to their inherent right and duty to participate in the mission of the Church."²⁹ While instruction in Catholic social teaching may have in an individual employee's spiritual life, the stewardship project focused on the Catholic identity of SSMHC as a corporation. In light of SSMHC's sustained commitment to pluralism and the religious freedom of all employees, the measure of the program's effectiveness was the way in which the employee corporation rather than on the spiritual development of its employees.

Given these parameters, the challenge for the stewardship team was to determine how an organization that self-consciously identified itself as a Catholic institution in the Franciscan tradition could put its Franciscan charism and the teachings of Catholic social thought into practice in a way that would also respect the dynamic, rapidly evolving and competitive business of modern health care. Sister Melanie's notes from the late 1980s offer a glimpse into the social and economic environment in which SSMHC began to examine the practical application of Catholic social thought. In 1989, Sister Melanie wrote:

Catholic hospitals, colleges and social service agencies are a significant part of the private volunteer sector. The very role of the volunteer sector and the function and need of non-profit corporations is now a subject of public policy debate. Not last in that debate is the question of what, if any, discernable difference Church affiliation makes within a religiously affiliated non-profit corporation. Further, what qualitative difference does affiliation bring to the services rendered? If there is a qualitative difference,

²⁴ *Id.*

²⁵ This is not to suggest that pastoral care was viewed as an unimportant component of a Catholic hospital system. The original proposal suggested that pastoral care programs should be coordinated by the Vice President of Stewardship and the Regional Vice Presidents. However, the source documentation makes clear that the program developed by Sister Melanie and Father Dennis was designed to insure that Catholic values were respected in all other areas of the organization, including those that were not directly or intuitively connected to pastoral care.

²⁶ Di Pietro, S.C., Sr. Melanie. Stewardship Position and Function.

²⁷ Second Vatican Council, *Apostolicam Actuositatem* (November 18, 1965). For a general discussion of the role of lay directors in Catholic hospitals, see Mudd, John O. "From CEO to Mission Leader: Lay Directors Must Take Responsibility for the Catholic Identity of Their Institutions." *America* 18 July 2005: 14.

²⁸ Ryan, FSM, Sister Mary Jean. Telephone interview. 29 Aug. 2006.

²⁹ *Id.*

how does it contribute to the good of the whole in a society protecting pluralism and separating "Church and State."³⁰

In response to this challenge, Sister Melanie and Father Dennis designed a program to facilitate a practical but sophisticated understanding of Catholic social thought in serious dialogue with complicated economic and business judgments. The three components of this program were:

- **The establishment of a presidential cabinet position³¹ for the Executive Vice President of Stewardship,**³² whose authority and participation in decision-making equals that of the Vice Presidents of Human Resources, Finance and other more traditional management concerns.
- **The establishment and implementation of a substantive education curriculum that required corporate members, directors and executive leadership to receive formal instruction in the core substantive principles of Catholic social thought and the methods of analysis applied to concrete corporate issues.**³³
- **The development of a training program designed specifically for “hands on” caregivers.** This program emphasized the practical application of Catholic social thought in the way in which each employee interacted with patients. Sister Francine Burkert, FSM, a gifted and charismatic Franciscan sister, played the principal role in structuring and providing this training with the Mission Awareness Teams composed of employees from different departments in each facility.

The fundamental premise of this three-part program was that SSMHC's Catholic identity depended upon the ability of each corporate leader to understand the substantive content of CST and the manner in which CST values might shape the activities of the corporation. As Father Dennis later wrote, "People who do not attribute an internal ethic to medicine when examining relationships dictated by contemporary market realities will ask questions different from those who do."³⁴ Further, the program required a practical dialogue about moral theology and business theory that could only happen through the use of commonly understood language. In order to minimize the barriers that might arise from the exclusive use of technical theological terms, Sister Melanie and Father Dennis committed themselves to understanding and participating in the ordinary discourse of business and finance. In addition to the theological language in common use among people familiar with CST, they used the language of legal, financial and

³⁰ Catholic Vision Teleconference Series, Dir. CTNA Telecommunications, Inc. SSM Health Care System and the Catholic Communications Campaign, 1989-90.

³¹ The president's cabinet was originally known as the "Office of the President."

³² This title was later changed to "Senior Vice-President."

³³ This curriculum required decision-makers to study CST in order to understand SSMHC's distinctive identity as a Catholic health care system. Once decision-makers understood CST on its own terms, the curriculum facilitated discussion of business issues in a comparative context. The group analyzed proposed options by comparing costs and consequences of a decision driven by Catholic identity and a decision that replicates industry norms. The curriculum was integrated into regularly scheduled meetings of corporate leadership with the presidents and received priority in the scheduling of corporate training seminars.

³⁴ Brodeur, Dennis. "Money, Medicine and Ethics." Modern Healthcare 28 July 1997: 24.

management theory to convey the content of the CST curriculum to people whose educational and professional expertise derived from business and financial experience.³⁵

A. The Office of Stewardship: A Closer Look

The Office of Stewardship ("OS") was the most visible component of SSMHC's efforts to incorporate Catholic social thought values into the structure of its organization. At the inception of the stewardship project, Sister Melanie conducted an in-depth examination of the structural organization of SSMHC, its subsidiaries and their departments. Based on data gathered from her review of corporate documentation, interviews with employees at all levels of the organization and the study of "best practices" in other organizations, she prepared a proposal for the establishment of the Office of Stewardship.³⁶ According to the original proposal, the Office of Stewardship would be part of SSMHC's senior-wide system senior management team, a status indicated by its inclusion in the "Office of the President."

The function of the Office of Stewardship was, in the broadest sense, to assist and to coordinate disparate components of SSMHC in the effort to understand and operationalize SSMHC's commitment to Catholic social teaching at all levels of the organization.³⁷ The early documents describe the OS as "an information resource" and as "staff" to other executives as they performed their responsibilities within the organization. It is interesting to note that the OS did not emerge as a "command and control" position.³⁸ The organizational structure of SSMHC remained intact, with each executive retaining the discretionary authority of his or her post. The function of the OS was to assist in providing the information necessary for executives to integrate values into the decisions within their authority.

The method by which the OS contributed to the decision-making process was collaborative rather than controlling. According to the proposal, the Vice President of Stewardship was

not responsible for integrating the Mission into the financial plan, the marketing plan or the business plan. Rather, the Vice President of Stewardship works with the responsible party, and that

³⁵ This practice was a mutual challenge for both the presenters and the decision-makers who participated in the curriculum. Sister Mary Jean Ryan led by example when she declared her own need to learn.

³⁶ Dipietro, S.C., Sr. Melanie. Stewardship Position and Function.

³⁷ The proposed duties of the Vice President of Stewardship included: developing "ongoing systemwide educational program to enable persons...to internalize the Church and SSM values and to implement these values in their respective...functions" and "the educational content of SSM values through the System in critical activity centers"; providing "a center for information on collaboration with Church related colleges, universities, research centers and service delivery systems"; participating in the development of public advocacy positions and public policy initiatives; participating in "the interviewing and orientation of doctors and top executive personnel"; coordinating and monitoring the Ethics and Pastoral Care programs; assisting with development of an evaluation process for executives. See Dipietro, S.C., Sr. Melanie. Stewardship Position and Function, Duties of Vice President of Stewardship.

³⁸ This departure from the "command and control" model is also reflected in the application of systems thinking in later years. See Savary, Louis M., and Clare Crawford-Mason. THE NUN AND THE BUREAUCRAT: HOW THEY FOUND AN UNLIKELY CURE FOR AMERICA'S SICK HOSPITALS. CC-M Productions, 2006. 119-120. (quoting Sister Mary Jean on the disadvantages of the "command and control model" of management).

responsible party retains the authority to receive, integrate or reject the information given from the Vice President of Stewardship.

In other words, the Vice President of Stewardship was neither expected nor entitled to take over discretionary authority for corporate decision-making; rather, this position "facilitate[d] the educational and internalizational processes that enable the decision makers to integrate the values into their decisions."³⁹ In addition, the Vice President of Stewardship played the leading role in anticipating the educational needs of executives with regard to "value analysis" in the Catholic tradition.⁴⁰

Father Dennis Brodeur, Ph.D., a trained ethicist and a prolific writer on health care ethics, became the first Vice President of Stewardship. Sister Melanie DiPietro became the Director of Public Policy and developed educational programs for the senior executives in SSMHC. The third member of the team, Sister Francine Burkert, assumed responsibility for coordinating programs among the employees who had direct "hands-on" contact with patients.

Bill Schoenhard, Executive Vice President and Chief Operating Officer, recalls the role of the Vice President for Stewardship as follows:

We were really looking for ways both in our advocacy and in our decision-making in the important communities that we served to try to really understand Catholic social teaching in terms of how we could operationalize care for the marginalized and disadvantaged. With the special charism of the FSMs being in maternal and child health, what could we do to meet those needs? Whereas a lot of systems put a lot of emphasis on the spirituality, we put emphasis on service to people on the ground. That's where Dennis's interest and energy was.⁴¹

³⁹ Dipietro, S.C., Sr. Melanie. Stewardship Position and Function.

⁴⁰ *Id.*

⁴¹ Schoenhard, Bill. Telephone interview. 29 Aug. 2006. In a 1994 law review article, Father Dennis wrote:

In many cities and towns, health care institutions of all types, as a conglomerate or individually, represent one of the most significant employers. As health care reform takes place, there may be a need for fewer employees in the health care system. When one couples this issue with the fact that health care institutions frequently spend more than fifty percent of their operating costs on human resources, concerns about the ethical obligations of these institutions as employers are raised. Unfortunately, there is often a tendency, because of the high percentage of costs associated with human resource issues, to make financial cuts in operating budgets on the back of employees. More often than not, it's the lesser paid employees who pay a hefty price for economic change while many high priced executives either have golden parachutes or more secure economic and employment settings.

See Dennis Brodeur, *Ethics and Health Care Reform: Institutional Contributions*, 39 ST. LOUIS U. L. J. 65, 75 (1994). This perspective is also apparent in a 1998 article in *National Catholic Reporter*, which cites Father Dennis as identifying "[q]uestions of management style, rates of compensation from top executive to janitor, the transfer or loss of pension funds, conflicts of interest, the resolution of grievances, patient care and how the institution pursues social justice in the community" as "key components" of the Catholic identity of hospital systems. Lefevre,

B. The CST Curriculum

The second key feature of SSMHC's program on Catholic social thought was the on-going education of key decision-makers in the basic principles of CST, with an emphasis on the application of these principles to realistic business problems.

The original curriculum was designed for the instruction of board members, highly placed system-wide executives and the presidents of the individual hospitals that were part of SSMHC. The curriculum included a series of programs on the dimensions of applied CST that were to take place over a period of several years. Sister Melanie was the principal instructor for these programs, which were held as a part of the quarterly meetings of senior executives at Innsbrook Estates, Missouri. This gathering of system management and the presidents of all SSM facilities became known as the Innsbrook group. The CST curriculum received top priority in the meeting schedules and the executives who attended the program were expected to participate as full partners in a "joint venture" between the instructor and the course participants.

1. Foundational Principles

Several principles guided the stewardship team as they designed SSMHC's educational programs on CST. These principles not only shaped the CST curriculum but, in the long run, they also influenced the corporate culture of SSMHC. Our interviews with present-day leaders at SSMHC revealed that many of those present at the inception of SSMHC recall these phrases and those who joined in later years understand the principles, even if they do not recall these phrases per se.

- Principle One: "*Information precedes formation.*"

The educational programs undertaken by the OS did not assume that executives came to their positions with an expertise in Catholic moral theology. In most cases, an executive required instruction in the substantive content of Catholic social thought in order to undertake the kind of decision-making required in a sophisticated Catholic health care corporation. A clear understanding of CST seemed particularly important when the executive's front-line discretion involved the application of CST values in relationship to other people within and outside of the corporation. In order to have well-informed employees, the Office of Stewardship needed both (i) to explain CST and Catholic ethics and (ii) to facilitate a comparative discussion with other traditions in order to establish the distinctive identity of SSMHC and understand its similarities to and differences from non-Catholic approaches to the same issues.

- Principle Two: "*We must acknowledge pluralism of those we serve, of employees and values in the market place. We are not a parish; we are a corporation. We are not proselytizing.*"

Patricia. "Catholic Hospitals Face Myths, Mergers." National Catholic Reporter 28 Nov. 1998.
http://natcath.org/NCR_Online/archives2/1998d/112098/112098e.htm.

From its inception, SSMHC's corporate identity and culture reflected a commitment to pluralism and to respect for religious freedom. The corporation's program to integrate CST values into decision-making was not implemented as catechesis of the employees. Thus, an individual executive's spiritual formation was understood to be distinct from his or her behavioral compliance with the corporation's commitment to policies and practices that reflected CST values. The OS intended for the curriculum in CST and its instructors to resist the temptation to substitute spiritual formation for education in the relevance of CST to business decision making.

The distinction between corporate practices and private beliefs was particularly important in the development and execution of employment policies. A Catholic faith community such as a parish is grounded in common beliefs and liturgical practices. In contrast, an employment relationship between a worker and a Catholic institutional employer originates in a contract for the performance of services in exchange for compensation. In a 1989 proposal for a televised conference entitled "*Catholic Vision in Corporate Settings: Exploring the Sources*," Sister Melanie explained the challenges particular to a Roman Catholic institution that employs people who are not vowed to the religious life and who may not be Catholic:

The corporation is a pluralistic workplace where persons relate as employers and employees. Unlike the Church where persons bond in community through sacrament, faith and governance, employees in a Church related corporation relate through contract and many employees have no sacramental bond with the Church. The employer while respecting the sacredness of the personal beliefs of its employees, needs to identify the sources of the standards of its mission statement and develop appropriate employee performance standards and evaluations.

The employee must be informed of the Catholic source and meaning of the corporation's value statements. Once informed, the employee needs to believe that he/she can, with personal professional integrity, implement those values with their distinctively Catholic meaning in the performance of the functions he/she performs as an employee.⁴²

In order to respect the corporate culture and values of SSMHC, the OS recognized that all activities concerning the integration of values were to take place in the context of and as a part of the employment relationship. As a practical matter, the OS helped executives to understand that employment policies should focus on observable behavior rather than individual beliefs. Behavioral expectations were stated in nonsectarian language. In addition, the corporation did not establish or observe religious criterion for professional advancement and/or leadership.

○ Principle Three: "We must integrate CST into decision-making issues that are real."

⁴² DiPietro, Sr. Melanie. "Catholic Vision in Corporate Settings: Exploring the Sources." Curriculum - Course Title. Mar. 1989.

The OS also assumed that the relevance of CST values extended beyond clinical ethics. Catholic social thought values should inform decisions concerning unionization, the establishment of wage policies and employee benefit plans, the management of reductions in force and the establishment of criteria for joint ventures with other health care institutions.

2. Curricular Objectives

The proposal for the original curriculum set forth four objectives, as follows:

- To provide an information base for trustees and management to enable them to identify the relevant issues in creating corporations whose working environment and corporate culture, and whose service to the community, is experienced and perceived as distinctively Catholic.
- To initiate comparative analyses of the dominant non-sectarian cultures, other sectarian cultures, and the "Catholic corporate culture."
- To provide an information base to understand the origin and contextual development in church teaching and in the SSM Health Care System [, including the] history of values in the SSM Health Care System philosophy and mission statement: subsidiarity; co-responsibility; enablement; collaboration; health care services as a personal and communal task; identification of persons who are poor; comprehensive care; advocacy for the availability and accessibility of integrated health services.⁴³
- To provide experience and "how to" in integrating declared values, substantive Catholic theology and social teaching in the governance decision making process; the management processes; the delivery model; the community experience and the evaluation of all levels of programs and services.⁴⁴

The curriculum also took into consideration the educational backgrounds and professional experiences of the participants. Most of the governing board and many members of senior leadership had extensive backgrounds in health care, the life sciences and/or business administration. In contrast, relatively few had extensive educational opportunities in theology, philosophy or other liberal arts. The curriculum therefore had to inform and educate people whose professional talents and depth of experience were evident in their noteworthy professional achievements, while acknowledging that theology and philosophy were not likely to be among their areas of expertise.

3. Implementation: Experiences & Evaluations

⁴³ Sister Melanie DiPietro, S.C., SSMHC Curriculum Proposal (on file with authors). This material is a direct quotation from the proposal, which was prepared in 1986-1987. Please note that the word "System" was later dropped from the official name of the organization. The correct name of the present-day organization is SSM Health Care .

⁴⁴ *Id.*

The curriculum was implemented through a series of mandatory gatherings of senior leadership. Each of these gatherings also included more traditional meetings concerning financial or governance matters, but the CST curriculum received priority in the scheduling arrangements. This small technical detail illustrates the commitment of SSMHC and, in particular, of Sister Mary Jean Ryan to the education of senior executives in the substantive content of Catholic social teaching. Sister Mary Jean actively participated in these sessions on an equal basis with the other senior executives in order to demonstrate her own commitment to learning the material.

The curriculum was presented through a combination of didactic, interactive and participant-led activities. Participants were expected to be "co-responsible" for the course. In practical terms, "co-responsibility" meant that participants were to study and read a memorandum that summarized the substantive content of Catholic social teaching on the topic to be discussed in a session. In addition, the participants themselves would design a hypothetical exercise or a role-playing session that took place at the end of the course program. This approach was intended to maximize the participants' engagement with the topic and to ensure that the discussions remained relevant to the concerns that they faced in their corporate responsibilities. Moreover, active learning activities such as role-playing enabled participants to practice what they had learned in a low-stakes setting.

The original curriculum encouraged candid evaluation of the program in order to facilitate improvement over the years. We have been able to review some of the original anonymous comment sheets, which had been preserved over the years. Because these materials have never been catalogued or archived, we cannot be certain as to whether the comments were representative of the viewpoints of the group as a whole. With this caveat, however, we think that the contemporaneous reactions of the participants point out some of the strengths and weaknesses of this approach.

○ **First, most respondents acknowledged their need for and desire to be informed about the principles covered in the course.** Several respondents stressed the need for decision-makers to understand "the reasons for doing what we do." The participants' comments suggest their commitment to pluralism and diversity of individual belief among system employees (a culture that SSMHC still enjoys today). A Protestant participant stated, for example, that "I feel that my values are in complete accord with the SSM values and philosophy." Another non-Catholic found "comfort" in learning about the substance of Catholic social teachings. One participant observed that Catholics could benefit from this kind of instruction as well as Protestants. Another respondent expressed concern that the course assumptions may have over-emphasized the potential diversity of religious belief among senior executives within the system, stating that "there may well be pluralism of belief—but intent and life objectives may be more consistent than the assumption(s) imply."

Several respondents seemed more skeptical regarding any practical differences that might arise from the application of CST values. One common question identified by these responses was whether there was a clear distinction between CST values and general

norms of professional conduct. One participant asked point blank, "Will you be able to identify specific Catholic values / behavior as opposed to professional peer values?"

○ **Second, with few exceptions, the participants pressed for less abstraction and increased use of "terms we as hospital executives understand."** Several respondents asked for more "concrete" information and examples. As one respondent put it, concrete examples were necessary in order "to assist the participants in grasping the concept and then to move to transferring the knowledge or integrating it into the reasons for doing what we do." Another wrote:

There has to be a recognition of the conflict in running a hospital as a business yet operating a hospital in accordance with our values and church as healing ministry. It is not black or white and must explore applying our values in a changing pluralistic society.

At least one respondent found common ground between the suggested application of CST values and other styles of management training, noting "the main difference is the philosophical problem with expressing normative statements to see how to apply them." This respondent urged that the curriculum incorporate more comparative examples, "thereby allowing a judgment to be made about the applicability of a value in concrete situations."

The interest in additional examples suggests a desire to become more fluent in the pragmatic application of CST values. One participant wrote, "I feel that our Presidents/Executive Directors need to *live* the values of the System and not just have a knowledge of them and their Catholic history." Another urged that the discussion attend to "the context of the current struggle of corporate America" and the problems of "greed, lost ethical values, etc."

○ **Third, the participants expressed some concern about the feasibility of providing so much information during the time allotted to the instruction.** One participant indicated that "I don't believe we can do this in 1-2 hours at a time." The instructor's self-critique also questioned whether devoting a period of four to five consecutive days to the study of this material would be more effective means of presenting the content.

4. Evolution and Perceived Impact

The "Innsbrook Education Sessions" continued to address CST for several years. Although the objectives and the substantive content of the curriculum remained consistent during this time, the OS did make concerted efforts to become more "concrete" in their use of examples and in the way in which they discussed the materials.

One compelling example of the successful communication of CST values was a 1992 session on the relationship between Catholic social teaching on labor issues and the legal assumptions and requirements of the National Labor Relations Act ("NLRA"). The paper

provided to the participants in advance of the session described the requirements of the NLRA and provided a summary of CST on the rights of workers to associate. In regard to the specific issues raised by unionization, the paper stated:

Compliance with legal requirements does not necessarily result in the implementation of CST values in management decision making. Similarly, compliance with CST may not result in compliance with the legal requirements of the Act. A union in a hospital may not necessarily mean that management or employees are internalizing values or operating in accord with the community goals set forth in CST. Nor is the opposite true, i.e., that because facilities' employees are non union or reject a union's attempt to organize, that the employer is not internalizing such values. The object, style and content of negotiations between management and a union may be disjoined from the affirmative notions of justice, community, and the subjective meaning of work elaborated in CST.⁴⁵

The ensuing discussion of this paper was lively. Some participants vividly recall not only the overall impression of the session, but also the specific content of the discussions. Steve Barney, Senior Vice President of Human Resources and a participant in the Innsbrook Education Sessions, recalled this particular presentation and noted its influence on SSMHC's modern-day labor and employment policies. Steve particularly focused on his understanding of CST in relation to "how you deal with employees and honesty and dignity and freedom in the workplace and respect and opportunities to find meaning in their work."⁴⁶ Noting that SSMHC's 24,000 employees do not have a collective bargaining agreement, Steve told us that "the union isn't necessary as a third party to bring about what management has done."⁴⁷ Bill Schoenhard, Executive Vice President and Chief Operating Officer, adds, "You shouldn't have to have a union to insure the underlying rights and principles of Catholic social teaching as it relates to how a workforce is organized. It's not '*let's fight the union*' when the underlying principles of justice are at issue."⁴⁸

The impact of the Innsbrook Educational Sessions is difficult to quantify and our assessment remains necessarily qualitative in nature. However, it seems fair to say that these Sessions, held regularly in the earliest years of the system's history, created a shared pool of knowledge that provided a common reference point for corporate decision-makers in later years.⁴⁹ Although the Sessions no longer occurred after the mid-1990s, senior management leaders report engaging in regular consultations with the OS in the ensuing years.

⁴⁵ DiPietro, Sr. Melanie. "Memorandum to Innsbrook Participants." 7 Oct. 1992.

⁴⁶ Barney, Steve. Telephone interview. 15 Sept. 2006.

⁴⁷ Barney, Steve. Telephone interview. 15 Sept. 2006.

⁴⁸ Schoenhard, Bill. Telephone interview. 29 Aug. 2006.

⁴⁹ Another example of the influence of CST on corporate policies is SSM Health Care's position paper on the health care reform proposals during the early Clinton administration. See "SSM Health Care System Publishes Position Paper." NETWORK: A QUARTERLY PUBLICATION OF THE SSM HEALTH CARE SYSTEM Winter 1993-94: 1. This position paper specifically referenced the U.S. Bishop's November 1981 Pastoral Letter on Health and Health Care and pledged that SSMHC would evaluate proposals for health care reform in light of eleven guiding principles, including the principle that "access to health services should be universal, including non-legal residents." Id. See also Brodeur, 39 ST. LOUIS U. L. J. at 65. ("The voice of the institution should be heard in a self-critical examination of the institution's own need for reform and as an advocate for communal change that will improve the health status of communities.").

III. CST in the CQI Years

In 1990, Sister Mary Jean Ryan and another senior executive, Bill Thompson, introduced "Continuous Quality Improvement" (CQI) as the system-wide management strategy. In their 1998 book, Sister Mary Jean Ryan and Bill Thompson define quality as follows:

The goal of quality is to understand what the customer wants and then meet or exceed those wants by designing and redesigning processes to continuously improve the product.⁵⁰

Combined with an analytical approach known as "systems thinking" or "systems analysis,"⁵¹ CQI formed the basis for a wholesale reevaluation of how SSMHC managed its activities. This management approach entailed the education and engagement of workers at all levels throughout the entire hospital system. The success of SSMHC's implementation of CQI has been documented in a recent public television program, as well as in other news media, and has been validated by SSMHC's receiving the Malcolm Baldrige National Quality Award.

SSMHC's internal organizational structure has also evolved over time in response to changes in personnel and new challenges in its social and economic environment. After Father Dennis's death in 2002, the responsibilities of the Office of Stewardship were divided between Bill Thompspon, who had served as Senior Vice President of Strategic Development since the establishment of SSMHC, and Dixie Platt, the newly promoted Senior Vice President of Mission and External Relations. Strategic Development assumed responsibility for ethics oversight (involving the input of ethicist Michael Panicola), while Mission and External Relations took charge of mission and advocacy. A third area that fell within the responsibilities of the Office of Stewardship was the Corporate Responsibility Process, a program developed in response to external developments in federal and state regulations *and* the "fundamental values" of SSMHC. Steve Barney, Senior Vice President – Human Resources, says, "I do believe that the Department of Corporate Responsibility was born in a unique way because of the way in which executive leadership responded to it[s] original concept of carrying out CST."⁵² The Corporate Responsibility Process now operates under the leadership of the Senior Vice President of Finance. While the basis for this decision seems to have been the loss of Father Dennis's unique skill set, the reorganization of the responsibilities of the Office of Stewardship clearly marks a change in SSMHC's internal leadership structure. Sister Mary Jean emphasizes, however, that the reorganization of responsibilities did not signal any lessening of SSMHC's commitment to

⁵⁰ RYAN AND THOMPSON, *supra* note 14, at 9.

⁵¹ SAVARY, *supra* note 31. See also Plsek, Paul. Complexity and the Adoption of Innovation in Health Care. National Institute for Health Care Management Foundation National Committee for Quality Health Care Conference on Accelerating Quality Improvement in Health Care Strategies to Speed the Diffusion of Evidence-Based Innovations, 27-28 Jan. 2003. Washington, D.C. For a discussion of systems thinking, see Lynn M. LoPucki, *The Systems Approach to Law*, 82 CORNELL L. REV. 479, 482 (1997). See also Alison McMorran Sulentic, *Can Systems Analysis Help Us to Understand C.O.B.R.A.?*, 39 JOHN MARSHALL L. REV. 753 (2006); Alison McMorran Sulentic, *Human Dignity First: John Paul II, Systems Analysis and the ERISA Fiduciary*, J. CATH. LEG. STUDIES (2006) (forthcoming)

⁵² Barney, Steven M., E-mail to Sister Mary Jean Ryan, 1 Jan. 2007.

integrating its values into corporate operations.⁵³ In fact, Father Dennis' responsibilities were assumed by executives at the same level of leadership and authority as he had held within SSMHC.

Likewise, the interviewees emphatically assert the corporation has continued its commitment to CST values. From the outset of SSMHC's transition to CQI strategies in the late 1980s and early 1990s, SSMHC leaders saw CQI as consistent with CST values. Sister Mary Jean explained, "What we saw intuitively was that there was a direct correlation between those values and the principles of CQI."⁵⁴ Bill Thompson, Senior Vice President of Strategic Development, told us that he sees the relationship between CST and CQI as "one flowing naturally into the other. One can see in CQI principles many of the same principles that are articulated in CST. Couple that with our mission and values and they do all work together to reinforce what we're trying to do as a health care organization."⁵⁵ Moreover, the senior leadership still refers to the vision of "stewardship" that guided Father Dennis's insistence on considering CST not only in relationship to obvious clinical issues but also in relationship to economic decision-making. When Bill Thompson assumed the responsibility for overseeing ethical decision-making, he made concerted efforts to incorporate the new corporate ethicist, Michael Panicola, in the analysis of potential mergers and acquisitions.⁵⁶ Steve Barney, Senior Vice President of Human Resources, encourages Michael Panicola's involvement in developing human resources policies.

The leaders who participated in the Innsbrook Education Sessions in the early 1990s generally differentiated between the value-content of CST and the process orientation of CQI. One telling example of the emphasis that the Board of Directors placed on CST values was its reaction to the proposal to implement CQI. When the executive management team initially presented CQI to the Board, the Board expressed concern that CQI was better suited to manufacturing and similar industries than to a healthcare system that espoused the values that SSMHC had adopted.⁵⁷ As a result, the management team undertook a more in-depth comparison of corporate values and the methodologies and goals of CQI. This process helped the management team to clarify the connection between SSMHC's corporate values (which expressed its understanding of CST) and CQI which they had hitherto understood on an intuitive basis. Once this exercise was complete, the Board did not hesitate to approve the CQI management strategy—but only after the management team had satisfied the Board that CQI strategies would not detract from SSMHC's commitment to its corporate values..

From our interviews and review of SSMHC's publications, we conclude that SSMHC leadership regards CQI as a management tool that is compatible with the values of the organization. The following excerpt from a 1995 article by Father Dennis is typical of the reasoning that SSMHC executives articulated in linking CQI to organizational values:

⁵³ Ryan, FSM, Sister Mary Jean, Telephone interview 4 Jan. 2007.

⁵⁴ Ryan, FSM, Sister Mary Jean. Telephone interview. 28 Aug. 2006.

⁵⁵ Thompson, Bill. Telephone interview. 15 Sept. 2006.

⁵⁶ Thompson, Bill. Telephone interview. 15 Sept. 2006.

⁵⁷ *Id.* at 23.

Why an organization produces goods and services, how it makes and improves them, and the implication this has for the nature and structure of the workplace are intimately connected to an ethical analysis of the nature of work. ... From an ethical perspective, the value assumptions of any management style and specifically the CQI paradigm provide material for the ethical analysis of how the management style supports or hinders the dignity of the worker, the nature of the organization and the attempts of the organization to meet the needs of the community it serves. ... CQI properly understood and implemented can help health care organizations realize their ethical obligations as employer, as a social organization attempting to create an environment of healing in society, and as a producer of goods and services.⁵⁸

Several aspects of CQI management theory mesh particularly well with the leadership's understanding of CST values. Several interviewees noted, for example, that CQI is especially compatible with a practical understanding of subsidiarity.⁵⁹ As Bill Schoenhard explains,

CQI does help CST values, in as much as there is a call to invite participation and innovation by all people in the workplace. We've moved to a concept called shared accountability and we've moved to re-organizing to help people to define their practice and to have a say in organizing their own worklife.⁶⁰

Two additional examples suggest the leadership's interest in using CQI techniques to achieve a culture that reflects CST values.

⁵⁸ For an explanation of this perspective, see Dennis Brodeur, *Work Ethics and CQI*, 40 HOSPITAL & HEALTH SERVICES ADMINISTRATION 111 (1995).

⁵⁹ Panicola, Michael. Telephone interview. 21 Sept. 2006. An example of subsidiarity appears in the November 2005 report on the financial statements for the period ending September 30, 2005:

Effective January 1, 2005 SSMHC hospitals began providing a discount to all uninsured patients, regardless of ability to pay. The discount rate is determined locally for each network and freestanding campus based on managed care contract rates and other relevant services.

SSM Health Care Management Discussion concerning the Combined Financial Statements for the Nine Months Ended September 30, 2005 (November 29, 2005), available at www.ssmhc.com. The discount program not only extends the ability of the uninsured to access health care (a teaching compatible with Catholic social thought values), but it also granted authority to the individual entities to determine the amount of that discount at the local level. Thus, both the substance and the process involved in the program were compatible with subsidiarity.

⁶⁰ Schoenhard, Bill. Telephone interview. 29 Aug. 2006. See also Hudson Thrall, Terese. "Work Redesign: Retention is the Key to Easing the Nursing Shortage. Seven Organizations Offer Successful Strategies for Improving the Workplace for Nurses and Persuading Them to Stay." *Hospitals & Health Networks* 17 Mar. 2003. <www.hhnmag.com/hhnmag_app/hospital_connect> (describing the impact of shared governance on retention of nurses at St. Marys Hospital Medical Center in Madison, Wisconsin, where the nurse vacancy rate was 3%, compared to the national average of 13% in 2002); Smith, Alison P. "Magnet and Baldrige: SSM Health Care's Journey for Excellence (Part II of II)." *Nursing Economic\$* 2003: 127. (interview with Joan Beglinger, vice president of patient services at St. Marys Hospital Medical Center).

○ First, SSMHC has consistently worked towards a holistic, patient-centered culture of caring.⁶¹ CQI techniques have permitted the corporation to identify inefficiencies in the process of managing particular patient-oriented activities and, equally important, to identify ways in which these processes can be transformed in order to enhance the patient's experience at an SSM facility.⁶²

○ Second, the Quality Improvement Teams (QIT) responsible for identifying problems and proposing solutions include employees from every level of the corporate structure from the medical staff and nurses to the custodial staff and housekeepers.⁶³ This inclusive and anti-hierarchical composition is intended to reflect the dignity of each worker and the invaluable contribution of each worker to a decision-making process that will result in improved quality of care.⁶⁴

While SSMHC publications indicate that these strategies have not always been easy to implement,⁶⁵ Sister Mary Jean's firm leadership style has persuaded skeptics to participate in these activities.

⁶¹ See, e.g., "St. Mary's Launches Patient-Focused Care." SSM Network: a Quarterly Publication of the SSM Health Care System Winter 1993-94: 4; "The Breakthrough to Patient-Focused Care: How CQI is Making It Possible." Quality Chronicle: a Quarterly Publication of the SSM Health Care System Winter 1993-94: 1. For example of systems thinking and quality improvement in relationship to patient experience, see Deming, W. Edward. "Some Notes on Management in a Hospital." DEMING INTERACTION 10 (2006): 2.; Crawford-Mason, Clare. "Being Misread: a Lesson in Vigilance." (2002). <managementwisdom.com/bemileinvi.html>.

⁶² For example, a team of employees of Cardinal Glennon Children's Hospital in Saint Louis determined that only 86 percent of loose outpatient lab reports were filed within 30 days of issuance. The team traced the delay to problems involving the availability of charts, omissions and errors in charts and staffing problems. The team designed several techniques to improve the percentage of reports filed in a timely manner. These techniques assigned responsibility for filing to a team rather than to individuals, attention to filing compliance in performance reviews, orientation of new residents, and periodic compliance inspections. The approach was successful; by September 1993, the team reported that all lab reports were now filed within twenty days of issuance. See "Cardinal Glennon Children's Hospital, St. Louis, MO: Laboratory Loosesheet Liquidators." Quality Chronicle: a Quarterly Publication of SSM Health Care Winter 1993-94: 3.

⁶³ The Laboratory Loosesheet Liquidator team at Cardinal Glennon Children's Hospital included employees from medical records, administration, nursing, information systems and the laboratory. See id.

⁶⁴ In her 2005 address to the Catholic Health Association's Theology and Ethics Colloquium, Sister Mary Jean related the story of a hospital cafeteria employee who recognized that slicing tomatoes for the salad bar wasted approximately \$4000 per year, an amount that could be saved by dicing the tomatoes. She used this example to illustrate an "employee's willingness to step out of his comfort zone and demonstrate leadership" and the importance of a culture that permits this type of contribution at every level of the organization. See Sr. Mary Jean Ryan, F.S.M., *Exceptional Health Care Requires Leadership at All Levels*, 87 *Health Progress* 15 (January-February 2006).

⁶⁵ One practical example of the difficulties in implementing CQI was the challenge posed by fear among employees. In 1993, Jim Rigby, the executive vice president of St. Mary's Health Center in Richmond Heights, Missouri, explained:

When you talk to employees, and go through a clear explanation of what patient-focused care is all about and why we do it, they buy into it readily[.] ...But the natural concern is "What does it mean to me?"

St. Mary's Launches Patient-Focused Care, supra note 56 at 2. This problem required attention at the system-wide level, as well as at the entity level. Sister Mary Jean hired consultants to ease the transition fears and spoke publicly about this issue at the meeting of professional associations. See "Driving Fear Out of the Workplace: SSM Health Care System Among the First to Take on This Scary Issue." Quality Chronicle: a Quarterly Publication of SSM

One particularly interesting indication of SSMHC's integration of CST values and CQI processes is the 1995 publication entitled *A Guide to Assessing Values Integration: Key Indicators*.⁶⁶ The *Guide* suggests a methodology for a Catholic organization to reexamine its own corporate values and, if necessary, to assess the values of a potential business partner. Noting that joint ventures may succeed or fail in direct correlation to the compatibility of value systems, the *Guide* offers a suggestions to facilitate an organization's self-examination in ten specific areas. The ten proposed areas of self-examination reflect SSMHC's particular understanding of CST values: vision, serving the poor, serving the community, continuous quality improvement, employment practices, role of leaders, stewardship, advocacy, wellness, and Church. The *Guide* then proposes a matrix for self-scoring in accordance with specific guidelines based on the qualifications and criteria used in determining the recipient of the Malcolm O. Baldrige award and the scoring methodology used by JCAHO. In order to capture a qualitative assessment of the organization's implementation of its values, the *Guide* suggests a mandatory comment section to supplement the scoring matrix in each area of evaluation. The self-evaluative process described by the *Guide* is a fair representation of the way in which the leaders of SSMHC view the interaction of CST and CQI.

While acknowledging the positive contribution of CQI to SSMHC's achievements, we believe it is also important to consider whether and how the communication and implementation of Catholic social teaching has changed since the intensive approach used in the earliest years of SSMHC's history. System leaders articulate an acute awareness of the importance of the mission values to the success of a CQI-managed organization.⁶⁷ As one interviewee noted, however, CQI techniques could easily assist a crime syndicate to undertake its work in a more efficient and productive manner, too. The central importance of the mission, rooted in the Catholic social thought tradition and the history of the Franciscan sisters, is crucial in defining the goals to which CQI strategies will be directed.

The basic concepts presented at the Innsbrook Educational Sessions seem to have stayed with the participants over the years. More than one interviewee referred to these values as "engrained" in the senior management ranks or "embedded" in the organization as a whole. The president and executive management of SSMHC interviewed for this project remain deeply committed to the core values of CST even when they do not specifically identify the reasons or methods for their decisions in the terms or the language of CST. As Sister Mary Jean put it,

Health Care Winter 1993-94: 2. A significant influence on SSMHC's approach to this problem was *Driving Fear Out of the Workplace*. See Ryan, Kathleen D., and Daniel K. Oestreich. DRIVING FEAR OUT OF THE WORKPLACE: HOW TO OVERCOME THE INVISIBLE BARRIERS TO QUALITY, PRODUCTIVITY, AND INNOVATION. Jossey-Bass, 1991.

⁶⁶ *A Guide to Assessing Values Integration: Key Indicators*. St. Louis: SSM Health Care, 1995. Although the publication itself does not identify the authors, the *Guide* appears to have been prepared under the supervision of Dennis Brodeur, the Senior Vice President of Stewardship.

⁶⁷SSMHC leaders have publicly acknowledged that the preparation of its application for the Baldrige award revealed several areas in which the system as a whole needed to improve. In particular, the system did not have a single mission statement; instead, there were separate mission statements for each entity. The mission statements were consolidated into a single sentence that was designed to be easily remembered: "*Through our exceptional health care services, we reveal the healing presence of God.*" See Dunn, Philip, and Bill Santamour. "How Health Care Won Its First Baldrige." HOSPITALS & HEALTH NETWORKS Sept. 2003.

"The poor we always have with us and CST we always have with us, we just don't call it that all the time."⁶⁸

Moreover, the present-day leaders who participated in the Innsbrook Sessions were able to identify and justify significant legal and economic decisions currently made by the corporation that were made consciously as a result of keeping their "sacred promises." These decisions were clearly different from industry norms and involved costs and risks to the corporation. One specific example that emerged in several of the interviews was a recent decision to acknowledge error in the avoidable death of a young mother during her labor rather than relying on an aggressive defensive strategy that would almost certainly have led to litigation. Likewise, several interviewees illustrated SSMHC's commitment to CST by pointing to the corporation's decision to pay its most vulnerable workers a wage that exceeds the market average and provides for basic needs (determined according to the particular local economy). These examples were offered as evidence of SSMHC's ongoing commitment to CST values. It appears that SSMHC's leadership generally believes that these decisions and others like them were rooted in CST values that transcend any particular management philosophy.

IV. The Emerging Challenge

If one regards the initial development of the Office of Stewardship as the first phase of SSMHC's corporate development and the adoption of CQI as the second phase, it seems fair to say that SSMHC is now entering a third phase. Based on the interviews we have conducted to date, we perceive "Phase Three" as characterized by changing leadership, a less formally structured education in CST, the gradual loss of CST language and the emerging dominance of CQI language. None of these observations indicates a rejection of SSMHC's fundamental commitment to CST values.

We note that the interviewees perceive Catholic identity as having been and continuing to be preserved through their decision-making, despite the fact that CST figures much less prominently in ongoing management education and that CST vocabulary is no longer in widespread use. In general, the interviewees believe that SSMHC has continued to operationalize the substantive values of CST.⁶⁹

However, the demographics of the Franciscan Sisters of Mary pose some significant challenges for the future leadership of SSMHC and its ability to remain focused on the implementation of its mission in a manner that is consistent with the religious congregation's commitment to Catholic social thought values. The average age of the 140 living members of the congregation is approximately 80, a fact that suggests that the congregation itself is not likely to be able to provide long-term, sustained leadership throughout the system. Moreover, while

⁶⁸ Ryan, FSM, Sr. Mary Jean. Telephone interview. 29 Aug. 2006.

⁶⁹ Schoenhard, Bill. "Mission: a Light to Our Path." *Health Progress* Nov.-Dec. 1998: ?? . Similar beliefs may be found in published statements of other SSM leaders. See, e.g., Coleman, FSM, Sr. Sherri. "The Hiring Process." *Health Progress* Jan.-Feb. 2001: ?? . (president of an SSM rehabilitation center "feels reassured that the hiring process she used to fill eight key positions adheres to the current mission statement: *Through our exceptional health care services, we reveal the healing presence of God.*").

SSMHC has been fortunate in retaining many of the original employees who participated in the intensive CST training provided by Sister Melanie and Father Dennis, it seems predictable that retirements and other staffing changes will mean that leadership will ultimately reside with a new generation of employees who will not have had the same training experience.

SSMHC's leadership uses four main strategies for insuring the continued understanding of and commitment to Catholic social thought values and to its Catholic identity.

- First, the present-day senior leadership is still composed in large part of people who experienced the intensive training provided by Sister Melanie and Father Dennis and who were able to reinforce and deepen their understanding of Catholic social thought through consultation with Father Dennis during his tenure as Vice President of Stewardship. The senior leadership reportedly reminds newer employees that SSMHC's decision-making must reflect the values of the corporation. One interviewee observed, "As the years have gone on, there is a lot of looking to them for moral guidance. A lot of that is being centered on our traditions and where that came from."⁷⁰ Dixie Platt, the Senior Vice President for Mission and External Relations, provided a specific example of the way in which she looked to colleagues for information when she first joined SSMHC:

As I was new to the organization and new to Catholic health care, I tended to ask a lot of questions of the senior leadership. I had a lot of questions regarding what it meant to be Catholic, questions around community benefit, tax-exempt status. Coming out of the media, I wanted to have a better understanding so that I could explain the organization to other people.⁷¹

- Second, SSMHC now requires newly hired or newly promoted executives to participate in a formal orientation program within six months of the beginning of their career at SSMHC. This program incorporates several hours of instruction in Catholic social teaching which are designed to familiarize the employee with SSMHC's history and values.

- Third, SSMHC is self-consciously undertaking efforts to communicate the history of the religious congregation, the corporation and the corporate values in a way that is accessible to all employees, regardless of their educational level. Dixie Platt, whose leadership in Mission and External Relations reflects her broad experience in communications, told us:

What I have tried to focus on is how do we broadly communicate to people with no education and to people who are highly educated. I'm very interested in different ways of communicating and one of the things I'm able to do is to take information that's complex and boil it down so that people can understand it.

⁷⁰ Lewis, Sr. Mary Ellen. Telephone interview. 1 Sept. 2006.

⁷¹ Platt, Dixie. Telephone interview. 13 Sept. 2006.

I think people need to know why we do what we do. It's got to be delivered in a way that people can grasp it.⁷²

Most recently, the communications department has compiled a DVD presentation modeled after public television documentaries to relate this heritage in a way that employees will find appealing. Dixie Platt observed that the impact of the DVD presentation extended into conversations between employees: "One of the things that was wonderful about this drama is that people talked about it. People remember stories."⁷³ Likewise, Mission Awareness Days often feature values such as "respect" or "justice" and activities designed to deepen reflection on the practical meaning of those values. The deep commitment of corporate leadership to SSMHC's mission statement and values is reflected in these activities and in the corporate culture.

○ Fourth, the system-wide leadership is developing ways to reach out to the leaders of the individual entities. The Vice President of Mission, for example, makes annual rounds of the facilities associated with SSMHC. Likewise, Michael Panicola, the corporate ethicist, is developing relationships with entity leaders that should facilitate communication on ethical issues. Sister Mary Ellen Lewis, who was formerly the Major Superior of the religious institute and active in the system-wide governance during SSMHC's early years, told us "the newer presidents who hadn't dealt with Dennis [Brodeur] really depend on [Michael Panicola] and use him not just for when they have an issue but when they just want to talk. I think he does teaching on a one-to-one basis."⁷⁴

However, at the same time, several members of the senior management told us that it is not uncommon for discussion of CST values to take place without the use of "CST talk."

⁷² Platt, Dixie. Telephone interview. 13 Sept. 2006.

⁷³ Platt, Dixie. Telephone interview. 13 Sept. 2006.

⁷⁴ Lewis, Sr. Mary Ellen. Telephone interview. 1 Sept. 2006. Michael Panicola's perspective on training leaders in Catholic hospitals is summarized in an article he wrote for *America* just this year:

Without reaching too much, it appears to me that in the current context the danger is always present that ministry leaders could lose sight of our mission and core values. ..[.] Signs of this may already be present in that the "commandments" handed down from Jesus and the pioneers of Catholic health have been inadvertently modified by some of today's leaders in their attempt to preserve the viability of Catholic health care while meeting the pressing demands of the marketplace. Of course, Catholic health care never really adopted a set of commandments, but if it had they might read something like: "Mission before margin," no "Margin before mission," as though we are free to compromise our mission for financial stability; or "Always care for the poor," not "Always care for the poor if we receive adequate reimbursement[.]" . . . [M]inistry leaders must always guard against the type of reasoning that leads them to believe they are doing things for the sake of the ministry when in fact their actions harm the ministry in the long run.

See Panicola, Michael R. "A Cautionary Tale." *America* 29 Apr. 2002: 13.

These observations suggest that it might be fruitful to re-examine the original premise on which the Office of Stewardship was based and to consider the extent to which these ideas may have value in the modern operations of SSMHC. Sister Melanie and Father Dennis began their work on the assumption that in order to lead and to put into operation a specifically Catholic identity, the leaders of a corporation must have a sophisticated understanding of the substantive content of Catholic social thought in comparison to other approaches. Moreover, the curriculum implemented in the earliest years of SSMHC's history explicitly articulated these concepts in terms of Catholic theology, philosophy, anthropology and/or scripture in order to enable SSMHC's first generation of corporate leadership to envision and to articulate the distinctiveness of its Catholic identity.

This re-evaluation will be necessary in order for SSMHC to create a successful strategy to transmit an understanding of CST values and Franciscan identity to new generations of corporate leadership. This task seems all the more urgent in light of the probability that new corporate leaders and employees at all levels may have no prior history with SSMHC or the Franciscan Sisters of Mary and, in some cases, may have no affiliation with the Roman Catholic Church.⁷⁵ Moreover, social scientists have gathered empirical evidence that suggests that Catholics are increasingly uncertain about the basic teachings of the Church and may have little or no formal training beyond the religious instruction necessary to receive the sacraments of initiation.⁷⁶

So, ironically, we end this case study at the same point where it began. The intensive instruction provided by the Office of Stewardship offered the first generation of SSMHC senior leadership an opportunity to understand the substantive content of Catholic social thought in relationship to the complex business of running a major health care institution. The historical reality of SSMHC as an institution, of American business practices and market influences, and of the life of the Catholic Church in America suggests that education in Catholic social thought principles will be an ongoing necessity. Father Dennis Brodeur, whose vision was so integral to SSMHC's understanding of its Catholic identity, described the special role of Catholic health care in American society in 1999:

To the extent that the Catholic Church remains solidly entrenched in the non-profit sector, it provides opportunities for social critique that otherwise would not be available. ...

There are many related concerns in the public policy arena and the advocacy initiatives that should challenge and engage Catholic health care. These issues cannot be engaged from outside a somewhat complicated and confusing health care structure. If institutional simplicity and dreams of better times in the past is what is desired or necessary for viable Catholic health care, it can only be achieved at the loss of the social and political

⁷⁵ See also Mudd, John O. "From C.E.O. to Mission Leader: Lay Directors Must Take Responsibility for the Catholic Identity of Their Institutions." *America* 18-25 July 2005: 14.

⁷⁶ See generally Stephen T. Mockabee, Joseph Quin Monson & J. Tobin Grant, *Measuring Religious Commitment Among Catholics and Protestants: A New Approach*, 40 J. SCI. STUDY OF REL. 675-690 (2001) (describing statistical methods for measuring religious commitment).

involvement which may be key to promoting common life. As a consequence a significant aspect of the healing ministry itself is also lost.⁷⁷

Dynamic and on-going education of corporate leaders in the substantive content of Catholic social thought values is necessary to the success of Catholic healing ministries.

VI. Next Steps

There are, of course, many ways in which leaders can be exposed to and trained in CST.

One recent initiative at SSMHC that may hold some promise as the means for communicating information about the substantive principles of CST is the newly formed "SSM University." This program provides leadership training and executive education. We were intrigued by Dixie Platt's arguments in favor of a course in mission and values that could provide executives with a background in Catholic social thought as the source of many of the organization's core principles. The objective would be, in Dixie Platt's words, "to help people understand the principles that were behind the founding of our hospitals" and "to say this is where it comes from and this is how it translates into our system."⁷⁸ Such a course would also provide an opportunity to offer what Michael Panicola describes as "intentional" and "systematic" training in Catholic social ethics, both in terms of internal organizational ethics and clinical ethics.⁷⁹

Our case study suggests, however, that an introduction to CST, whether through executive orientation or through other programs targeted to newly promoted or newly hired executives, will only reinforce one aspect of SSMHC's employee education—that of the newly minted executive, whose professional experience may be modest and whose history with the corporation is also likely to be limited. These employees receive basic training in CST principles, but this training may not be put to use until the employee has worked for the corporation for some time.

The Franciscan Sisters of Mary founded SSMHC with the goal of creating a corporation that fully integrated CST values into every aspect of corporate life. The case study suggests that the corporate identity of SSMHC as a Catholic and Franciscan institution would be strengthened by the on-going education of leaders at all levels of the organization beyond the initial period of an executive's tenure at the corporation. Increasing opportunities for instruction and reflection will assist corporate leaders in keeping current with developments in CST, as well as in the health care field. Moreover, the sophisticated problems that management leaders face on a daily basis may require skills and learning in the CST area that exceed the capacity of a single introductory course.

⁷⁷ Dennis Brodeur, *Catholic Health Care: Rationale for Ministry*, 5 *CHRISTIAN BIOETHICS* 22 (1999). *See also* Charles J. Dougherty, *On the Road to Jericho*, 5 *CHRISTIAN BIOETHICS* 66, 69-70 (1999)(commenting on Brodeur's work).

⁷⁸ Platt, Dixie. Telephone interview. 13 Sept. 2006.

⁷⁹ Panicola, Michael. Telephone interview. 21 Sept. 2006.

Not only would on-going education strengthen the understanding of CST values among current and future leaders at SSMHC, but such a program may offer important contributions to the development of lay leaders within secular society and within the Church. SSMHC's reputation for excellence, as evidenced by the Malcolm Baldrige award, has encouraged other health care organizations to look to SSMHC for examples and leadership. At a time when most religious congregations are addressing problems related to declining numbers of vocations, the Franciscan Sisters of Mary and SSMHC could also play an important role in developing lay leaders for Catholic institutions.

Catholic social thought continues to grow as a discipline and as a matter of social and structural justice. A third possible benefit of the on-going education of leaders within Catholic health care systems such as SSMHC would be the ability of business people to make significant practical contributions to our understanding of the theology and practice of Catholic social thought. Health care workers, whether senior executives or hands-on healers, can offer a perspective to the discussion of CST values that academic theory simply cannot replicate. The wisdom of experienced and articulate business people can only help the Church and the academy to read the signs of the times as they deepen their understanding of Catholic social thought values.