

Updated: CEO denies health reform prompted possible sale of Catholic hospitals

WASHINGTON (CNS) — The head of a Catholic health system has denied reports that the decision to put three hospitals in northeastern Pennsylvania up for sale was a result of the health care reform bill passed in March.

“Discussions about mergers, acquisitions and strategic partnerships have been conducted in our health care community for years — long before the passage of the (Patient Protection and) Affordable Care Act,” said Kevin Cook, president and CEO of Mercy Health Partners, in an Oct. 10 statement. “Our decision announced last week was due to many factors.”

Cook said “the rationale for our initiative has been mischaracterized by certain politicized media outlets and severely distorted by some special-interest groups.”

Mercy Health Partners is comprised of Mercy Hospital in Scranton, Mercy Special Care Hospital in Nanticoke, Mercy Tyler Hospital in Tunkhannock and several outpatient facilities. It is part of Catholic Healthcare Partners, based in Cincinnati.

“This is a challenging time for Mercy Health Partners, our staff and our community,” Cook said in an Oct. 8 news release. “We do, however, continue to be encouraged by the potential of health care reform to improve coverage and access to care in our country.”

Cook said in the original announcement that the health system was “committed to selecting a buyer who will continue the commitment of our sponsors, the Sisters of Mercy, to improving the health of the community and who will honor our organization’s values.”

Reports that health reform had forced the closing of a Catholic hospital surfaced after Cook told Scranton television station WNEP Oct. 6 that health reform “is absolutely playing a role” in the decision to explore the sale of one or all of the

hospitals.

“Was it the precipitating factor in this decision? No, but was it a factor in our planning over the next five years? Absolutely,” Cook added. He said health reform changes could mean lower federal reimbursements for the Scranton-area hospitals, which have already suffered from underutilization.

Mercy Sister Marie Parker, vice president for mission services at Mercy Health Partners, told WNEP, “There is always sadness and mourning when you think of letting go of anything, but the Sisters of Mercy are strongly supportive of this decision because we do understand the realities of health care and we do think it’s best for the community.”

Claiming that “three Scranton-area Catholic hospitals are shutting down because of Obamacare regulations that are set to go into effect soon,” the website CatholicVote.org said it had developed a radio ad calling on Pennsylvania voters to reject the re-election bids of Democratic Reps. Paul Kanjorski and Chris Carney, who voted in favor of the final health reform package.

Visitors to the site, a project of an organization called Fidelis, were asked to donate money to pay for airing the radio ad in the Scranton area.

The website also criticized Sister Carol Keehan, a Daughter of Charity who is president and CEO of the Catholic Health Association, saying she was “trying to bully Kevin Cook into changing his story about why his hospitals are closing because she knows what a political powder keg the headline ‘Catholic hospitals closing because of Obamacare’ will be in this critical election season.”

Sister Carol told Catholic News Service Oct. 12 that she had not talked with Cook and did not know him personally.

She said she spoke out in an Oct. 8 statement only to affirm the decisions made by the system after they explained the reasons why the hospitals were put up for sale and to reaffirm that the distortions were dishonest.

In that statement, Sister Carol said Mercy leaders had “determined that their own resources were insufficient to meet the needs of the community going forward.”

“According to hospital leaders, for more than two decades Scranton-area hospitals have faced lower-than-average reimbursement and a dwindling population base, resulting at times in empty hospital beds and duplicative services,” she added.

The CHA leader said “reports that health reform is the primary motive behind the sale are completely false, misleading and politically motivated.”

Sister Carol said it was “also important to note that health reform does not in any way imperil the ability of Catholic hospitals to operate as they always have — in accordance with their values and in full compliance with the religious and ethical directives of Catholic health care.”

In the final days of the debate over health care reform, the U.S. Conference of Catholic Bishops and the Catholic Health Association disagreed about whether the final version of the bill, along with an executive order by President Barack Obama, would forbid federal funding of abortion and adequately protect the conscience rights of health care providers and institutions.

The USCCB ultimately urged members of Congress to reject the health reform legislation, while CHA, the Leadership Conference of Women Religious, heads of a number of women’s religious orders and the national Catholic social justice lobbying group Network called for its passage.