

# GROWTH OF CATHOLIC HOSPITALS AND HEALTH SYSTEMS:

## 2016 UPDATE OF THE MISCARRIAGE OF MEDICINE REPORT

By Lois Uttley, MPP  
and Christine Khaikin, JD

MergerWatch

With data analysis by  
Patricia HasBrouck, MBA

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Funding support for this update came from the Alki Fund of the Rockefeller Family Fund, the Ford Foundation, the Robert Sterling Clark Foundation and our advocacy partners at the ACLU.

Research assistance provided by Ciara Johnson, MergerWatch intern from the Columbia University School of Social Work

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# EXECUTIVE SUMMARY

In 2013, MergerWatch and the ACLU co-published a report<sup>1</sup> describing the growth of Catholic hospitals and health systems in the United States and the resulting negative impact on women's ability to obtain reproductive health services at their local hospitals. As our report explained, Catholic hospitals operate under ethical directives<sup>2</sup> that prohibit the provision of key reproductive health services (such as contraception, abortion, sterilization and infertility services). We documented instances in which, as a result of these directives, women suffering reproductive health emergencies — including miscarriages — have been denied prompt, appropriate treatment at Catholic hospitals.<sup>3</sup>

*Miscarriage of Medicine* reported that the number of Catholic owned or affiliated hospitals grew 16 percent between 2001 and 2011, while almost all other types of short-term acute care hospitals (except for-profit hospitals) declined in numbers. The report also highlighted the growth of Catholic-run health systems that each operate dozens of hospitals in multiple states. Some of this expansion, the report noted, had come from mergers and affiliations with, or acquisitions of, secular community hospitals that were required to take on the Catholic ethical restrictions and end provision of key reproductive health services.

## What has happened in the health care industry since that report was published?

A new round of data analysis has found that the trends highlighted in 2013 have continued, but with some changes. This year's analysis also improves on our methodology by including hospitals that are following all or some of the Catholic health care restrictions as a result of business partnerships with Catholic hospitals or because of an historic Catholic identity that has been maintained after sale to a non-Catholic entity. For simplicity's sake, this report refers to all of those types of hospitals as Catholic owned or affiliated. Key findings from this year's analysis include:

- As of 2016, 14.5 percent of all acute care hospitals in the United States are Catholic owned or affiliated.
- Over the 15-year period 2001 to 2016, the number of acute care hospitals that are Catholic owned or affiliated grew by 22 percent, while the overall number of acute care hospitals dropped by 6 percent.
- One in every six acute care hospital beds is in a facility that is Catholic owned or affiliated.
- There are five states (Alaska, Iowa, Washington, Wisconsin and South Dakota) where more than 40 percent of acute care beds are in hospitals operating under Catholic health restrictions. In another five states (Nebraska, Colorado, Missouri, Oregon and Kentucky), between 30 and 39 percent of the acute care beds are in facilities that are Catholic owned or affiliated.
- There are 46 Catholic-restricted hospitals that are the sole community providers of short-term acute hospital care for people living in their geographic regions.
- The largest Catholic health systems in the nation now control 384 hospitals, compared to 330 in 2011 and 259 in 2001.

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1. <http://www.mergerwatch.org/storage/pdf-files/Growth-of-Catholic-Hospitals-2013.pdf>

2. Ethical and Religious Directives for Catholic Health Care Services (ERDs), issued and updated periodically by the U.S. Conference of Catholic Bishops.

3. American Civil Liberties Union, Health Care Denied: Patients and Physicians Speak Out About Catholic Hospitals and the Threat to Women's Health and Lives (May 2016), <https://www.aclu.org/feature/health-care-denied>

## What's new about the methodology of this year's data analysis?

In the 2016 data analysis, we improved on our previous method of counting Catholic hospitals.<sup>4</sup> Our 2013 Miscarriage of Medicine report had counted as Catholic hospitals only those non-profit hospitals that were either Catholic owned or were community hospitals that had merged or affiliated with a non-profit Catholic hospital or system. Table 1 below shows how that method of counting Catholic hospitals looks when updated to 2016.

**Table 1: Number and percentage of total short-term acute care hospitals by hospital ownership: 2001, 2011 and 2016**

| Hospital Type              | 2001 Hospitals | 2001 % of Hospitals | 2011 Hospitals | 2011 % of Hospitals | 2016 Hospitals | 2016 % of Hospitals | Change 2001 to 2016 |
|----------------------------|----------------|---------------------|----------------|---------------------|----------------|---------------------|---------------------|
| Catholic Non-Profit        | 329            | 8.2%                | 381            | 10.1%               | 355            | 9.4%                | ↑ 7.9%              |
| Other Religious Non-Profit | 248            | 6.2%                | 147            | 3.9%                | 153            | 4.0%                | ↓ -38.3%            |
| Secular Non-Profit         | 1,937          | 48.2%               | 1,713          | 45.2%               | 1,723          | 45.6%               | ↓ -11.0%            |
| Public                     | 843            | 21.0%               | 581            | 15.3%               | 556            | 14.7%               | ↓ -34.0%            |
| For-Profit                 | 660            | 16.4%               | 964            | 25.5%               | 992            | 26.3%               | ↑ 50.3%             |
| <b>Total</b>               | <b>4,017</b>   |                     | <b>3,786</b>   |                     | <b>3,779</b>   |                     | <b>↓ -5.9%</b>      |

Over the 15-year period 2001 to 2016, Catholic non-profit hospitals and for-profit hospitals were the only two ownership categories showing growth. While the number of Catholic non-profit hospitals grew by 7.9 percent between 2001 and 2016, the number of other non-profit religious hospitals fell by 38.3 percent. Also suffering a precipitous decline were public, or governmentally-owned, community hospitals. Between 2011 and 2016, the number of Catholic non-profit hospitals dropped somewhat, but was still at a higher level than in 2001.

For our 2016 analysis, we improved our research and analysis to find hospitals that fell in one of the following categories:

- Historically-Catholic hospitals that are now owned by secular health systems (either for-profit or non-profit), but which continue to follow Catholic health directives as a matter of policy;
- Hospitals that list their ownership as governmental (public) in cost reports filed with the Center for Medicare and Medicaid Services (CMS), but which are actually managed by

4. Data analysis from hospital cost reports submitted to the federal government (CMS) and compiled in a database by Definitive Healthcare, a health care informatics company. Hospitals and systems data is from 2016. Beds and discharges are from the most recent cost report submitted by these hospitals to CMS, most of which date to 2015 or 2014.

or affiliated with a Catholic health system (and thus follow all or some of the Catholic health directives); and

- Hospitals that list their ownership as voluntary non-profit (rather than church non-profit) in CMS cost reports, but which are actually Catholic owned or affiliated with a Catholic health system.

Confirmation of Catholic ownership, affiliation, management or identity was accomplished by referring to their membership in a Catholic health system, their statements of mission and values on their websites, their listings as members of the Catholic Health Association of the United States or news articles describing the terms of partnership transactions in which each hospital was involved.

Table 2 below shows how our 2016 analysis pulled out those hospitals within each hospital ownership category to present a more comprehensive picture of the extent of Catholic owned or affiliated hospitals.

**Table 2: Number and percentage of Catholic owned or affiliated hospitals within hospital ownership categories: 2001, 2011 and 2016**

| Ownership             | Religion  | 2001 Hospitals | 2001 % of Hospitals | 2011 Hospitals | 2011 % of Hospitals | 2016 Hospitals | 2016 % of Hospitals | Change 2001 to 2016 |
|-----------------------|-----------|----------------|---------------------|----------------|---------------------|----------------|---------------------|---------------------|
| Non-Profit Church     | Catholic  | 329            | 8.2%                | 381            | 10.1%               | 355            | 9.4%                | ↑ 7.9%              |
|                       | All Other | 248            | 6.2%                | 147            | 3.9%                | 153            | 4.0%                | ↓ -38.3%            |
| Non-Profit Other      | Catholic  | 97             | 2.4%                | 140            | 3.7%                | 148            | 3.9%                | ↑ 52.6%             |
|                       | Other     | 1,840          | 45.8%               | 1,573          | 41.5%               | 1,575          | 41.7%               | ↓ -14.4%            |
| Public                | Catholic  | 19             | 0.5%                | 11             | 0.3%                | 10             | 0.3%                | ↓ -47.4%            |
|                       | Other     | 824            | 20.5%               | 570            | 15.1%               | 546            | 14.4%               | ↓ -33.7%            |
| For-Profit            | Catholic  | 4              | 0.1%                | 18             | 0.5%                | 35             | 0.9%                | ↑ 775.0%            |
|                       | Other     | 656            | 16.3%               | 946            | 25.0%               | 957            | 25.3%               | ↑ 45.9%             |
| <b>Total</b>          |           | <b>4,017</b>   |                     | <b>3,786</b>   |                     | <b>3,779</b>   |                     | <b>↓ -5.9%</b>      |
| <b>Total Catholic</b> |           | <b>449</b>     | <b>11.2%</b>        | <b>550</b>     | <b>14.5%</b>        | <b>548</b>     | <b>14.5%</b>        | <b>↑ 22.0%</b>      |

## What the new method of analysis shows

### Number of Catholic owned or affiliated hospitals grew over 15-year period

Between 2001 to 2016, the combined number of Catholic hospitals within the four ownership categories grew from 449 to 548. That was a 15-year growth rate of 22 percent. During the same period, the overall number of short-term acute-care hospitals fell 5.9 percent. When Catholic hospitals in all the ownership categories are combined, they account for 14.5 percent of all acute care hospitals.

There are interesting differences in trends among the four ownership categories. The number of non-profit church hospitals that are Catholic owned or affiliated grew from 329 in 2001 to 381 in 2011, but then fell back to 355 in 2016. Public hospitals that are Catholic managed or affiliated fell from 19 in 2001 to 11 in 2011 and 10 in 2016. By contrast, there was steady growth in the number of Catholic owned or affiliated hospitals in both the non-profit other ownership category (up from 97 in 2001 to 148 in 2016) and the for-profit ownership category (from four in 2001 to 35 in 2016). See the case summaries section later in this report for examples of Catholic owned or affiliated hospitals in these ownership categories.

## One in six acute care hospital beds is now in a Catholic owned or affiliated hospital

As shown in Table 3, the total number of beds in short-term acute care hospitals that are Catholic owned or affiliated grew from 87,698 to an estimated 103,411 in 2016, an increase of 17.9 percent.<sup>5</sup> As a result, 16.6 percent of all acute care beds — or one in every six — are now in hospitals following all or some of the Catholic ethical restrictions on reproductive health services.

**Table 3: Number and percentage of beds in hospitals that are Catholic owned or affiliated, by ownership category: 2001, 2011 and 2016**

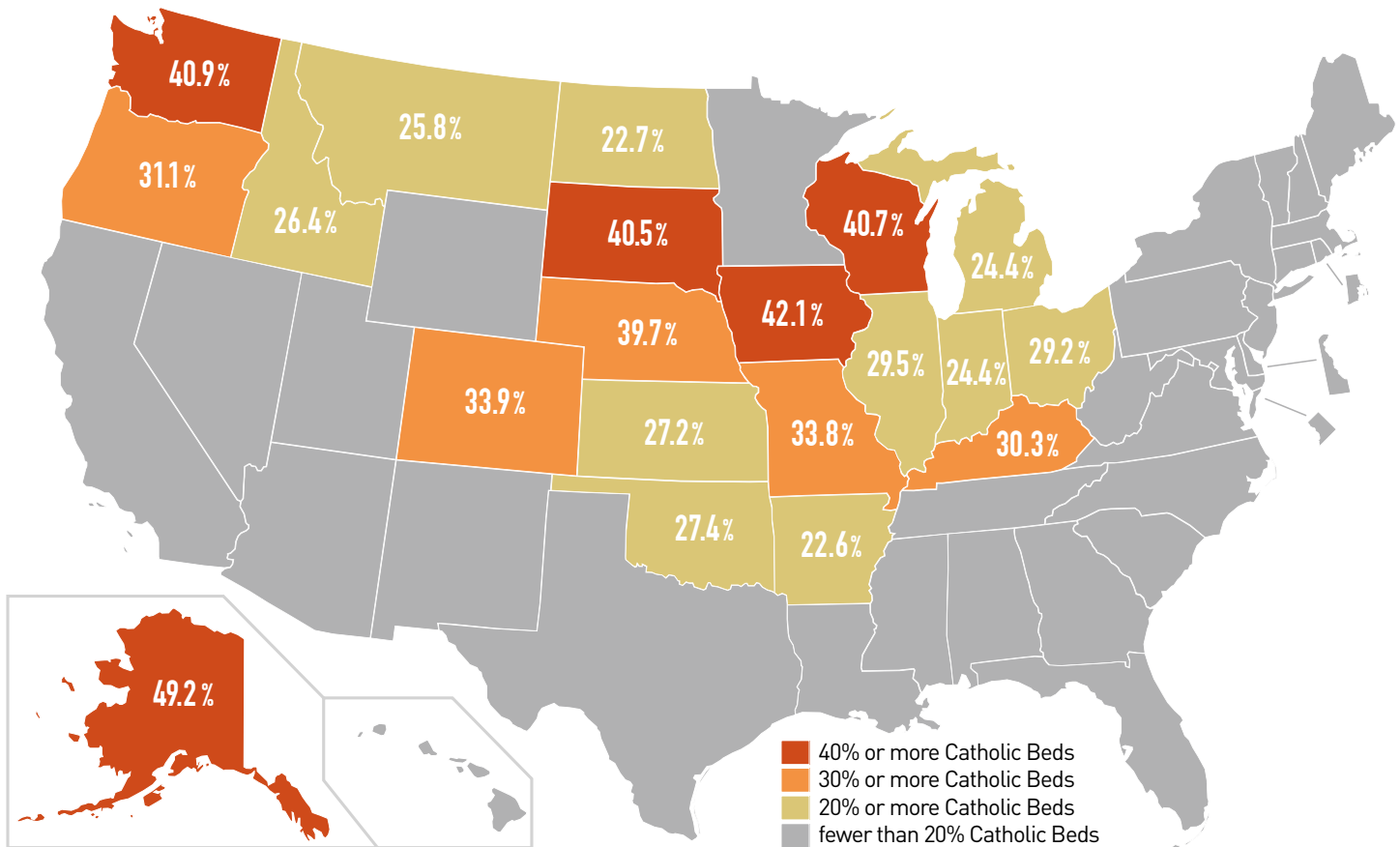
| Ownership             | Religion  | 2001 Beds      | 2001 % of Beds | 2011 Beds      | 2011 % of Beds | 2016 Beds      | 2016 % of Beds | Change 2001 to 2016 |
|-----------------------|-----------|----------------|----------------|----------------|----------------|----------------|----------------|---------------------|
| Non-Profit Church     | Catholic  | 67,904         | 11.1%          | 76,517         | 11.6%          | 70,376         | 10.7%          | ↑ 3.6%              |
|                       | All Other | 48,770         | 7.9%           | 33,638         | 5.1%           | 31,334         | 4.8%           | ↓ -35.8%            |
| Non-Profit Other      | Catholic  | 18,256         | 3.0%           | 27,159         | 4.1%           | 27,768         | 4.2%           | ↑ 52.1%             |
|                       | Other     | 298,163        | 48.5%          | 304,719        | 46.4%          | 306,649        | 46.8%          | ↑ 2.8%              |
| Public                | Catholic  | 1,136          | 0.2%           | 1,175          | 0.2%           | 817            | 0.1%           | ↓ -28.1%            |
|                       | Other     | 85,941         | 14.0%          | 90,614         | 13.8%          | 90,838         | 13.9%          | ↑ 5.7%              |
| For-Profit            | Catholic  | 402            | 0.1%           | 1,754          | 0.3%           | 4,450          | 0.7%           | ↑ 1007.0%           |
|                       | Other     | 93,729         | 15.3%          | 121,506        | 18.5%          | 122,849        | 18.8%          | ↑ 31.1%             |
| <b>Total</b>          |           | <b>614,301</b> |                | <b>657,082</b> |                | <b>655,081</b> |                | <b>↑ 6.6%</b>       |
| <b>Total Catholic</b> |           | <b>87,698</b>  | <b>14.3%</b>   | <b>106,605</b> | <b>16.2%</b>   | <b>103,411</b> | <b>16.6%</b>   | <b>↑ 17.9%</b>      |

5. Our analysis used hospitals open in 2016, with the bed count for each of those hospitals from most their recent hospital cost report filed with CMS (typically from 2014 or 2015).

## Some states have especially high percentages of Catholic hospital beds

In some states, our analysis found, significant percentages of all short-term acute-care beds are in hospitals operating under Catholic restrictions. For example, in five states (shown below in red) — Alaska, Wisconsin, Iowa, Washington and South Dakota — more than 40 percent of the acute care beds are in hospitals with Catholic restrictions. See below.

### Percentage of Acute Care Beds in Catholic Owned or Affiliated Hospitals Analysis by State



## Catholic owned or affiliated hospitals are often the only local hospital

In our 2013 Miscarriage of Medicine report, we identified 30 Catholic hospitals that had been designated by CMS as the “sole community hospitals” for their region. Our 2016 improved analysis found 46 sole community hospitals that are Catholic owned or affiliated, as shown in Table 5. Those hospitals have a combined total of more than 200,000 patient discharges a year and an estimated one million or more emergency department visits.

Designation of a hospital as a sole community hospital means that the facility is located at least 35 miles away from other like hospitals, or is located in a rural area and meets certain other criteria, such as being at least 45 minutes in travel time away from the nearest similar hospital.<sup>6</sup> Such hospitals are eligible to receive a higher level of reimbursement from CMS.

6. Department of Health & Human Services., CMS, Sole Community Hospital 1 (Nov. 2014)

Some states have multiple geographic areas served only by a Catholic hospital. For example, in Iowa, there are Catholic sole community hospitals in three regions — Carroll, Clinton and Mason City. In South Dakota, four hospitals in the Catholic Avera system are the sole community hospitals for Aberdeen, Mitchell, Pierre and Yankton. Four regions in Texas — Alice, Beeville, Kingsville and Plainview — have only a Catholic hospital.

**Table 4: Catholic Sole Community Hospitals in the United States, 2016**

| Hospital Name  | City           | State | Beds | Discharges | ER Visits (Estimate) |
|--|----------------|-------|------|------------|----------------------|
| St Elizabeth Community Hospital  | Red Bluff      | CA    | 76   | 2,866      | 31,469               |
| Mercy Regional Medical Center  | Durango        | CO    | 82   | 4,278      | 19,066               |
| Centura Health - St Thomas More Hospital   | Canon City     | CO    | 25   | 1,806      | 17,369               |
| St Marys Hospital And Medical Center   | Grand Junction | CO    | 288  | 12,578     | 42,717               |
| Sacred Heart Hospital On The Gulf  | Port St. Joe   | FL    | 19   | 561        | 7,337                |
| St Joseph Regional Medical Center  | Lewiston       | ID    | 94   | 4,343      | 28,765               |
| OSF St James Hospital  | Pontiac        | IL    | 42   | 1,204      | 12,835               |
| St Anthony Regional Hospital   | Carroll        | IA    | 59   | 1,569      | 7,566                |
| Mercy Medical Center - North Iowa  | Mason City     | IA    | 176  | 11,363     | 37,628               |
| Mercy Medical Center - Clinton   | Clinton        | IA    | 139  | 5,806      | 20,316               |
| Via Christi Hospital Pittsburg   | Pittsburg      | KS    | 90   | 3,518      | 14,179               |
| St Catherine Hospital  | Garden City    | KS    | 80   | 3,300      | 14,103               |
| St Claire Regional Medical Center  | Morehead       | KY    | 91   | 4,272      | 31,101               |
| Natchitoches Regional Medical Center   | Natchitoches   | LA    | 81   | 2,467      | 20,738               |
| St Joseph Hospital   | Tawas City     | MI    | 47   | 1,368      | 21,290               |
| Essentia Health St Josephs Medical Center<br><i>(FKA: St Josephs Medical Center)</i>               | Brainerd       | MN    | 140  | 4,290      | 28,338               |
| Essentia Health St Marys Hospital - Detroit Lakes<br><i>(FKA: St Marys Regional Health Center)</i> | Detroit Lakes  | MN    | 37   | 2,087      | 13,566               |
| St Francis Hospital & Health Services  | Maryville      | MO    | 43   | 1,027      | 8,960                |
| Mercy Hospital Lebanon   | Lebanon        | MO    | 49   | 2,418      | 28,615               |
| Audrain Medical Center   | Mexico         | MO    | 49   | 1,868      | 14,261               |
| St James Healthcare  | Butte          | MT    | 67   | 3,619      | 14,868               |
| CHI Health Good Samaritan<br><i>(FKA Good Samaritan Hospital)</i>                                  | Kearney        | NE    | 203  | 6,981      | 15,220               |

CONTINUES



**Table 4: Catholic Sole Community Hospitals in the United States, 2016, *CONTINUED***

| Hospital Name  | City         | State | Beds         | Discharges     | ER Visits (Estimate) |
|--|--------------|-------|--------------|----------------|----------------------|
| Christus St Vincent Regional Medical Center                      | Santa Fe     | NM    | 168          | 11,888         | 47,487               |
| St James Mercy Hospital  | Hornell      | NY    | 129          | 1,368          | 18,415               |
| Genesis Hospital   | Zanesville   | OH    | 290          | 14,335         | 70,392               |
| Coshocton County Memorial Hospital                               | Coshocton    | OH    | 56           | 1,734          | 17,369               |
| Jane Phillips Medical Center                                     | Bartlesville | OK    | 81           | 4,455          | 33,909               |
| Mercy Hospital Ada <i>(FKA: Valley View Regional Hospital)</i>   | Ada          | OK    | 108          | 2,815          | 20,365               |
| Mercy Hospital Ardmore <i>(FKA Mercy Memorial Health Center)</i> | Ardmore      | OK    | 140          | 6,627          | 36,168               |
| Mercy Medical Center   | Roseburg     | OR    | 141          | 7,093          | 47,629               |
| St Alphonsus Medical Center - Ontario                            | Ontario      | OR    | 44           | 2,427          | 20,366               |
| Avera Sacred Heart Hospital                                      | Yankton      | SD    | 61           | 3,412          | 10,311               |
| Avera Queen Of Peace Hospital                                    | Mitchell     | SD    | 88           | 2,235          | 8,114                |
| Avera St Lukes Hospital  | Aberdeen     | SD    | 75           | 3,397          | 16,100               |
| Avera St Marys Hospital  | Pierre       | SD    | 60           | 2,078          | 7,910                |
| Christus Spohn Hospital Beeville                                 | Beeville     | TX    | 51           | 2,305          | 18,858               |
| Christus Spohn Hospital Kleberg                                  | Kingsville   | TX    | 50           | 2,974          | 19,771               |
| Covenant Hospital Plainview                                      | Plainview    | TX    | 49           | 1,857          | 13,247               |
| Christus Spohn Hospital Alice                                    | Alice        | TX    | 72           | 2,709          | 28,939               |
| Rappahannock General Hospital                                    | Kilmarnock   | VA    | 65           | 1,129          | 14,431               |
| Providence Centralia Hospital                                    | Centralia    | WA    | 81           | 5,853          | 31,713               |
| PeaceHealth St Joseph Medical Center                             | Bellingham   | WA    | 207          | 29,383         | 53,803               |
| Ministry St Marys Hospital                                       | Rhineland    | WI    | 59           | 2,531          | 20,597               |
| Ministry St Josephs Hospital                                     | Marshfield   | WI    | 470          | 14,850         | 24,833               |
| St Agnes Hospital  | Fond Du Lac  | WI    | 125          | 5,800          | 27,227               |
| Howard Young Medical Center                                      | Woodruff     | WI    | 99           | 2,396          | 11,589               |
| <b>TOTAL</b>   |              |       | <b>4,746</b> | <b>219,240</b> | <b>1,069,850</b>     |

## Largest Catholic health systems control even more hospitals

In 2013, five of the 10 largest health systems in the nation were Catholic-sponsored. Our 2016 analysis found that four of the top 10 systems were Catholic, due to a merger of two of the largest of these systems (Trinity and Catholic Health East) into one system, Trinity Health, that now controls 60 acute care hospitals with an estimated 13,506 beds. Ascension Health remains the largest Catholic health system, with 90 acute care hospitals and 16,825 beds, followed by Catholic Health Initiatives, with 84 hospitals and 14,555 beds, and by third place Trinity Health.

**Table 5: Ten largest Catholic-sponsored hospital systems in 2016 and rank among top 25 systems nationally\* January 2016**

|   | Acute Care Hospitals | Staffed Beds  | Rank |
|---|----------------------|---------------|------|
| <b>Ascension Health</b>   | 90                   | 16,825        | 4    |
| <b>Catholic Health Initiatives (CHI)</b>                          | 84                   | 14,555        | 5    |
| <b>Trinity Health</b> (FKA: CHE Trinity Health)                   | 60                   | 13,506        | 6    |
| <b>Dignity Health</b> (FKA Catholic Healthcare West) <sup>7</sup> | 37                   | 7,311         | 9    |
| <b>Providence Health &amp; Services</b>                           | 23                   | 5,385         | 13   |
| <b>SSM Health</b> (FKA: SSM Health Care)                          | 19                   | 3,411         | 22   |
| <b>CHRISTUS Health</b>  | 23                   | 3,367         | 24   |
| <b>Mercy (MO)</b>   | 15                   | 3,238         | 25   |
| <b>Mercy Health</b> (FKA Catholic Health Partners)                | 17                   | 3,075         | N/A  |
| <b>St Joseph Health System</b> (AKA: St Joseph Hoag Health)       | 16                   | 2,949         | N/A  |
| <b>TOTAL</b>  | <b>384</b>           | <b>73,622</b> |      |

\*These top 10 Catholic health systems now control 384 acute care hospitals, up from 330 hospitals in 2011 and 259 in 2001

Table 6 on the next page shows how these Catholic health systems fit into the list of the 25 largest health systems in the U.S., when ranked by the number of total staffed acute care beds. Three for-profit systems hold spots 1, 2 and 3 on the list, followed by the three largest Catholic systems (Ascension, Catholic Health Initiatives and Trinity Health). Table 7 on page 10 shows the total annual patient charges for each system (amounting to more than \$45 billion for the top three Catholic systems) and the percentage of those charges (around 45 percent) that are from public dollars (Medicare and Medicaid).

7. Dignity Health maintains a Catholic identity and has many historically-Catholic hospitals that continue to follow all of the ERDs, as well as some hospitals that adhere to some of the ERDs as expressed in adoption of a Statement of Common Values.

**Table 6: Largest Hospital Systems in the U.S. in 2016**  
**Ranked by total staffed acute care beds\***

| RANK         |  | SYSTEM SPONSORSHIP   | TOTAL STAFFED BEDS | NUMBER OF HOSPITALS | TOTAL PATIENT DISCHARGES |
|--------------|--|----------------------|--------------------|---------------------|--------------------------|
| 1            | Hospital Corporation of America (HCA)  | For-Profit           | 35,245             | 173                 | 1,662,836                |
| 2            | Community Health Systems (CHS)   | For-Profit           | 23,982             | 186                 | 914,691                  |
| 3            | Tenet Healthcare   | For-Profit           | 17,605             | 86                  | 766,753                  |
| 4            | Ascension Health   | Catholic             | 16,825             | 90                  | 786,358                  |
| 5            | Catholic Health Initiatives (CHI)  | Catholic             | 14,555             | 84                  | 692,498                  |
| 6            | Trinity Health (FKA: CHE Trinity Health)   | Catholic             | 13,506             | 60                  | 663,792                  |
| 7            | Kaiser Permanente Health Foundation  | Secular Non-Profit   | 8,566              | 34                  | 410,115                  |
| 8            | LifePoint Health (FKA: LifePoint Hospitals)  | For-Profit           | 7,365              | 64                  | 260,352                  |
| 9            | Dignity Health (FKA Catholic Healthcare West)  | Catholic             | 7,311              | 37                  | 356,590                  |
| 10           | New York Presbyterian Healthcare System  | Secular Non-Profit   | 5,932              | 25                  | 310,411                  |
| 11           | Prime Healthcare Services  | For-Profit           | 5,742              | 40                  | 231,492                  |
| 12           | Adventist Health System  | Church/ Non-Catholic | 5,553              | 29                  | 280,923                  |
| 13           | Providence Health & Services   | Catholic             | 5,385              | 23                  | 275,904                  |
| 14           | Universal Health Services  | For-Profit           | 5,344              | 30                  | 266,150                  |
| 15           | Banner Health  | Secular Non-Profit   | 4,949              | 21                  | 252,549                  |
| 16           | Carolinas HealthCare System  | Secular Non-Profit   | 4,626              | 23                  | 224,044                  |
| 17           | Northwell Health (AKA: North Shore Long Island Jewish Health System / North Shore LIJ) | Secular Non-Profit   | 4,463              | 18                  | 256,361                  |
| 18           | University Of Pittsburgh Medical Center (UPMC)   | Secular Non-Profit   | 4,246              | 18                  | 194,343                  |
| 19           | Sutter Health  | Secular Non-Profit   | 3,828              | 27                  | 173,620                  |
| 20           | Baylor Scott & White Health  | Church/ Non-Catholic | 3,727              | 29                  | 173,636                  |
| 21           | Advocate NorthShore Health Partners  | Church/ Non-Catholic | 3,671              | 14                  | 197,557                  |
| 22           | SSM Health (FKA: SSM Health Care)  | Catholic             | 3,411              | 19                  | 154,230                  |
| 23           | CHRISTUS Health  | Catholic             | 3,367              | 23                  | 135,918                  |
| 24           | Texas Health Resources   | Secular Non-Profit   | 3,258              | 19                  | 155,251                  |
| 25           | Mercy Health (FKA Catholic Health Partners)  | Catholic             | 3,075              | 17                  | 161,558                  |
| <b>TOTAL</b> |  |                      | <b>215,537</b>     | <b>1,224</b>        | <b>10,152,310</b>        |

\*Number of hospitals as of January 2016. Bed counts from latest cost report filed with CMS (typically from 2014 or 2015)

**Table 7: Patient Charges for the 25 Largest Health Systems in the U.S.\*<sup>8</sup>**

| RANK                 |  | TOTAL PATIENT CHARGES*   | TOTAL MEDICAID CHARGES*  | TOTAL MEDICARE CHARGES*  | MEDICAID & MEDICARE AS % OF TOTAL CHARGES* |
|----------------------|--|--------------------------|--------------------------|--------------------------|--|
| 1                    | Hospital Corporation of America (HCA)  | \$187,133,746,838        | \$27,454,353,497         | \$55,484,246,745         | 44.3%                                      |
| 2                    | Community Health Systems (CHS)   | \$98,530,866,437         | \$14,243,568,545         | \$34,321,559,699         | 49.3%                                      |
| 3                    | Tenet Healthcare   | \$75,001,675,757         | \$15,503,143,444         | \$19,956,161,938         | 47.3%                                      |
| 4                    | Ascension Health   | \$53,563,346,559         | \$6,287,714,770          | \$17,016,330,441         | 43.5%                                      |
| 5                    | Catholic Health Initiatives (CHI)  | \$58,094,763,152         | \$8,045,958,174          | \$18,490,367,293         | 45.7%                                      |
| 6                    | Trinity Health (FKA: CHE Trinity Health)   | \$45,420,136,472         | \$6,489,837,920          | \$14,251,498,084         | 45.7%                                      |
| 7                    | Kaiser Permanente Health Foundation  | N/A                      | N/A                      | N/A                      | N/A  |
| 8                    | LifePoint Health (FKA: LifePoint Hospitals)  | \$18,773,225,792         | \$3,060,202,146          | \$6,398,509,329          | 50.4%                                      |
| 9                    | Dignity Health (FKA Catholic Healthcare West)  | \$39,667,082,271         | \$9,328,513,388          | \$12,061,754,220         | 53.9%                                      |
| 10                   | New York Presbyterian Healthcare System  | \$27,002,310,172         | \$5,777,542,445          | \$7,822,148,826          | 50.4%                                      |
| 11                   | Prime Healthcare Services  | \$18,238,759,317         | \$3,142,536,921          | \$6,170,717,039          | 51.1%                                      |
| 12                   | Adventist Health System  | \$25,111,669,303         | \$3,359,173,506          | \$7,557,063,969          | 43.5%                                      |
| 13                   | Providence Health & Services   | \$23,842,492,651         | \$4,385,189,117          | \$7,432,093,385          | 49.6%                                      |
| 14                   | Universal Health Services  | \$24,412,529,640         | \$5,115,170,379          | \$6,617,693,916          | 48.1%                                      |
| 15                   | Banner Health  | \$20,857,112,239         | \$4,678,603,551          | \$5,363,100,871          | 48.1%                                      |
| 16                   | Carolinas HealthCare System  | \$19,008,783,043         | \$2,926,756,189          | \$5,545,381,842          | 44.6%                                      |
| 17                   | Northwell Health (AKA: North Shore Long Island Jewish Health System / North Shore LIJ) | \$22,945,827,074         | \$4,566,277,591          | \$5,970,315,127          | 45.9%                                      |
| 18                   | University Of Pittsburgh Medical Center (UPMC)   | \$24,963,329,608         | \$2,950,519,706          | \$4,791,507,951          | 31.0%                                      |
| 19                   | Sutter Health  | \$28,915,631,244         | \$4,815,992,352          | \$6,540,411,859          | 39.3%                                      |
| 20                   | Baylor Scott & White Health  | \$15,673,751,082         | \$1,077,333,920          | \$4,913,246,632          | 38.2%                                      |
| 21                   | Advocate NorthShore Health Partners  | \$17,200,565,876         | \$2,544,721,272          | \$6,123,634,505          | 50.4%                                      |
| 22                   | SSM Health (FKA: SSM Health Care)  | \$11,356,166,831         | \$2,848,261,154          | \$3,611,086,296          | 56.9%                                      |
| 23                   | CHRISTUS Health  | \$11,928,928,994         | \$1,248,888,004          | \$3,483,294,281          | 39.7%                                      |
| 24                   | Texas Health Resources   | \$11,127,050,078         | \$1,169,533,320          | \$3,237,218,937          | 39.6%                                      |
| 25                   | Mercy Health (FKA Catholic Health Partners)  | \$11,693,649,057         | \$2,348,874,347          | \$3,382,577,735          | 49.0%                                      |
| <b>TOTAL/AVERAGE</b> |  | <b>\$890,463,399,487</b> | <b>\$143,368,665,658</b> | <b>\$266,541,920,920</b> | <b>46.0%</b>                               |

\*Charges reflect most recent cost report filed with CMS (typically from 2014 or 2015)

8. Patient charges reflect the amount charged by the hospital for patient services rendered and are essentially “list prices” that do not reflect the payment received. Hospital payments, or net patient revenue, average less than one-third of the patient charge.

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## Case Examples

As noted earlier in this report, our 2016 update of Catholic hospital data and trends includes hospitals that are following at least some Catholic health restrictions, even though they are owned by non-religious for-profit or non-profit health systems, or are publicly-owned facilities. Here are some examples of these types of hospitals:

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### Historically-Catholic hospitals maintaining Catholic restrictions following purchase by for-profit systems

**Six Catholic hospitals now owned by for-profit Steward Health Care:** Six hospitals in the Boston area that were formerly part of the Caritas Christi Health Systems have maintained their Catholic identities and ethical policies following their purchase in 2010 by the New York-based Cerberus private investment group, which used these purchases to create the for-profit Steward Health Care system. The website of the Boston Archdiocese explains that: “The six hospitals of the former Caritas Christi health care system (St. Elizabeth’s Medical Center, Carney Hospital, Norwood Hospital, Good Samaritan Medical Center, Holy Family Hospital, and Saint Anne’s Hospital) are now a part of Steward Health Care System LLC., of Boston. The Catholic identity of the hospitals has been preserved and they retain an important connection to the Archdiocese of Boston. Each institution is dedicated to providing health care that affirms Christ’s healing ministry in accordance with Catholic teaching and to serving the physical and spiritual needs of patients with the highest quality care, compassion, and respect.”

Steward Health Care’s own website makes no mention of Catholic restrictions at any hospitals in its network, which now includes 11 hospitals and a number of outpatient facilities. The only reference to Catholic teaching is in a website disclaimer, which explains the presence of website links to other on-profit organizations or health care providers “is not an endorsement of any information or other content or expression of views that may be contrary to the teachings of the Catholic Church contained on the linked sites.”

**Miami Catholic hospital now owned by for-profit HCA:** Mercy Hospital is a 473-bed acute care hospital known as the only Catholic hospital in Miami-Dade County. After being purchased in 2011 by Health Corporation of America (HCA), one of the largest for-profit health systems in the United States, the hospital continues to operate in accordance with the Ethical and Religious Directives for Catholic Health Care Services.”<sup>9</sup> Manuel P. Anton, President and CEO of Mercy Hospital, stated in reference to the acquisition by HCA that “Although Mercy now will be part of HCA, it will continue to operate in a manner consistent with the designation as a Catholic hospital, such that the Archbishop of Miami will be able to endorse it as a Catholic Hospital, adhering to the principles of faith with which it has served the community since its founding.” Mercy’s adherence to religious principles is explained in detail on its website.

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9. HCA Completes Purchase of Mercy Hospital in Miami, Business Wire, May 2, 2011, accessed at <http://www.businesswire.com/news/home/20110502005967/en/HCA-Completes-Purchase-Mercy-Hospital-Miami>

**Florida Catholic hospital purchased by for-profit Tenet Health Care:** St Mary's Medical Center, a 464-bed hospital located in West Palm, FL, was able to maintain its Catholic identity after being purchased by Tenet Health System in 2001. Tenet, which is the nation's second largest for-profit health system, agreed to allow St. Mary's "to continue following Catholic ethical and religious principles" as set forth by St. Mary's previous owners, Catholic Health East and Intercoastal Health System.<sup>10</sup> This condition was important to the Franciscan Sisters of Allegheny, who founded St. Mary's. Bob Stanek, interim CEO at Intracoastal, stated in reference to the deal that "Tenet has experience operating Catholic institutions and perpetuating the religious directives." When Tenet acquired St. Mary's, it agreed to allow the hospital to function under Catholic doctrine for 10 years. However, 15 years later the St. Mary's website still explicitly states that its mission is to "deliver the highest quality healthcare services in our community while embracing and continuing our faith based heritage." Moreover, St. Mary's is still listed as a member of the Catholic Health Association of the United States. Although Tenet claims transparency as one of its core values, its website makes no mention that some of its hospitals are operating under Catholic restrictions.

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## Publicly-owned hospitals managed by Catholic health systems

**Texas public hospital managed by Catholic health system:** University Medical Center-Brackenridge (UMCB) is a 210-bed acute care hospital and Austin, Texas' only safety net provider. UMCB has been Texas's largest publicly owned facility since opening in 1884. Beginning in 1995, the City entered into an arrangement with the Catholic owned Seton Healthcare Family (then called Daughters of Charity, now part of Ascension), under which the hospital would be managed by Seton but continue to be owned by the City.

To save access to reproductive health care, this arrangement was structured not as a merger, but as a lease agreement. Seton would be leasing the facilities from UMCB, and the hospital would not be considered a Catholic facility. The reproductive health services would be provided by city-paid employees, rather than Seton employees, to create a separation that would satisfy the local Catholic diocese.

Unfortunately, the Vatican eventually objected to this arrangement and so the Austin Women's Hospital, a "hospital within a hospital," was created on the fifth floor of UMCB in 2001 to provide obstetrics and reproductive health services not permitted under Catholic restrictions. The University of Texas Medical Branch managed the facility. A separate entrance and elevator to the fifth floor was constructed, at a cost of \$9 million, so that patients of Austin Women's Hospital would not have to use the entrance or reception desk of Seton-managed UMCB when entering.

In 2004, UMCB and the Seton agreement were transferred to the Travis County Hospital District, under an umbrella called Central Health, funded by a tax levy. In 2012, the University of Texas Medical Branch lost funding for the Austin Women's Hospital and it was closed. Individuals needing reproductive health services were then referred to the nearby St. David's Hospital, an Episcopalian facility.

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10. [http://articles.sun-sentinel.com/2001-03-23/news/0103230237\\_1\\_tenet-charity-care-intracoastal-health-systems](http://articles.sun-sentinel.com/2001-03-23/news/0103230237_1_tenet-charity-care-intracoastal-health-systems)

In 2017, Seton Health will close UMCB entirely and open a new teaching hospital called Dell Seton Medical Center on the campus of the University of Texas, which will also be owned by the Travis County health system known as Central Health. New reports have stated the Central Health will continue to refer patients to St. David's when they are seeking reproductive health services not permitted under Catholic doctrine.

**Louisiana hospital district facility affiliated with Catholic health system:** Natchitoches Regional Medical Center is a 96-bed hospital located in Northwestern Louisiana. In 1997, Natchitoches began an affiliation with CHRISTUS Health, a Catholic non-profit hospital system based in Irving, TX, that owns more than 60 hospitals internationally. CHRISTUS would be responsible for the day-to-day management of the hospital. However, the hospital continues to be owned by the Natchitoches Parish Hospital Service District and is therefore governed by a seven-member Board of Commissioners appointed by the Parish Council.

As a member of CHRISTUS Health, Natchitoches Regional Medical Center would be expected to comply with Catholic restrictions. Aside from a statement on the "about our health system" page of its website that the hospital is managed by CHRISTUS, there is no other mention of Catholic teachings.

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## City-owned hospitals acquired by Catholic systems

**Iowa public hospital acquired by Catholic system:** Skiff Medical Center is a 48-bed hospital located in Newton, Iowa that was officially acquired by Mercy Medical Center-Des Moines, a Catholic health system, on July 1, 2015 after many months of discussion. This acquisition included a full purchase of all of Skiff's assets and liabilities, as well as a complete transfer of control from the City of Newton.

As part of the acquisition, hospital staff took part in a "Missioning Ceremony" to welcome the formerly city-owned hospital into the Catholic health care ministry. The Bishop of the local diocese provided a blessing to the facility and offered a "blessing of the hands" of all of the medical and non-medical staff.