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Why We Are Suing Our Sponsors

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As the chairman of the board and as the CEO of Exempla Healthcare, one of Denver's leading non-profit organizations, we have a special duty to ensure that Exempla serves the interests of the people in our community. That's why Exempla is suing our sponsors in order to preserve the heritages of our three hospitals – Exempla Saint Joseph Hospital, Exempla Lutheran Medical Center and Exempla Good Samaritan Medical Center.

Last year, the Sisters of Charity of Leavenworth Health System (SCLHS) and the Community First Foundation (CFF), Exempla's sponsors, entered into an agreement to give SCLHS total control of Exempla's hospitals.

If they are successful, they will convert two of our non-sectarian, community hospitals – Exempla Lutheran Medical Center and Exempla Good Samaritan Medical Center – into Catholic hospitals and require them and our physician clinics to follow Catholic Ethical and Religious Directives. Moreover, SCLHS says it will not pay for rebuilding Saint Joseph Hospital unless it gains total control of Exempla.

We believe what they are doing is wrong for Denver.

First, they are breaking a fundamental promise to this community. When Exempla was formed, the sponsors promised the community that they would preserve the differing heritages of Exempla Saint Joseph Hospital as a Catholic hospital and Lutheran as a non-sectarian hospital.

SCLHS's sole duty as a sponsor is to protect the Catholic values and traditions of Saint Joseph Hospital; CFF's sole duty is to protect the non-sectarian values of Lutheran and Good Samaritan. Exempla pays each sponsor \$200,000 a year to ensure that one belief system is not imposed on the other. Their proposed transaction absolutely violates this obligation.

Second, they will reduce services provided to this community. Services at Lutheran, Good Samaritan and Exempla's physician clinics will be reduced, and in some cases eliminated, in order to conform to the existing and future directives of the Catholic Church.

Under the sponsors plan, all patients, employers and physicians in metro Denver will have their hospital services reduced because this proposed transaction will turn two non-sectarian hospitals into Catholic hospitals. Jefferson County residents will be especially affected because both hospitals serving Jefferson County would be Catholic hospitals.

Third, SCLHS is turning its back on an ethical responsibility to rebuild Saint Joseph for our community in order to try to get its way. SCLHS owns the building that houses Saint Joseph. Exempla operates Saint Joseph under an agreement with SCLHS. (Exempla both owns and operates Lutheran and Good Samaritan.) As the owner of Saint Joseph, SCLHS has the ability and ethical obligation to invest in and improve its own facility today. But SCLHS has stated that it will only fund the replacement of Saint Joseph

Hospital if the proposed transaction is completed and SCLHS takes control of all Exempla hospitals.

SCLHS and CFF say their transaction is necessary in order for Exempla to have the money required to invest in all of its hospitals. That is just not so. Exempla is financially strong as it currently exists. For example, Exempla has invested more than \$800 million in capital projects over the last ten years and has plans to invest another \$2.1 billion over the next ten years.

We are in court now to keep the sponsors from breaking what doesn't need to be fixed. We don't know what the courts will decide and when. We do know that SCLHS and CFF need to do what is right for this community.

They need to come back to the negotiating table with Exempla and find a solution that serves the interests of Denver: one where they keep their promises; one that preserves the heritages and values of Saint Joseph Hospital, Lutheran Medical Center and Good Samaritan Medical Center; one that maintains all of the services that these hospitals have provided; and one that keeps these hospitals strong today and into the future.