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Conflict and Compromise: Catholic and Public Hospital Partnerships

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Abstract

This article analyzes the tensions and uneasy negotiations, based on a case study, that occurred among Catholic sisters, administrators, bishops, physicians, and the Vatican for more than seven years at a hospital in Austin, Texas. Here, the largest health care system in the city, which was Catholic, joined with the local public, tax-supported hospital that provided the majority of reproductive health care services in the region. A clash resulted over whether the hospital could continue providing sterilization and contraceptive services to its primarily poor patients. This article examines the fierce debates that occurred, especially over emergency contraception and attempts to develop creative solutions after a hierarchical crackdown from the Vatican. The end result was a compromise that included the creation of a “hospital within a hospital.”

On May 4, 1995, Charles J. Barnett, president and CEO of Seton Medical Center in Austin, Texas, announced an agreement between Seton, a Catholic facility owned and operated by the Daughters of Charity of St. Vincent De-Paul, and the city manager of Austin, which owned Brackenridge Hospital. Seton would take full management and control of Brackenridge, a public facility that had primary responsibility to care for the medically indigent and that had accumulated a \$61 million debt. The declared purpose of the transaction was to “ensure the continuation of essential health care services, including trauma, women's and reproductive services, and children's services, for all citizens of Austin and Travis County, regardless of their financial means.”¹

Under the agreement, Seton committed itself to pay \$10 million up front and \$2.2 million annually to lease Brackenridge buildings and consolidate services, which would result in Seton becoming the city's largest hospital system.² In turn, the city would pay Seton \$5.6 million dollars annually for charity care provided at Brackenridge. This public/private partnership was not unusual; it was part of a trend toward overall consolidation in the hospital marketplace. What complicated it was that Seton had to adhere to the *Ethical and Religious Directives for Catholic Health Care Services*, developed by the U.S. Conference of Catholic Bishops (USCCB) in 1994, which banned direct involvement in reproductive services to which the Catholic Church morally objected. These services included contraception, sterilization, abortion, and infertility services such as in vitro fertilization and artificial insemination. The *Ethical and Religious Directives* did permit an indirect role in the delivery of some of these services, should a Catholic hospital affiliate with a non-Catholic institution.³

As a condition of the lease, Brackenridge insisted that its reproductive services be maintained, except for abortions, which had not been done in Brackenridge and were referred to an outside provider. Key to this agreement was that Brackenridge retain ownership of its facility and that Seton not identify Brackenridge as a Catholic institution. Because of this important stipulation, and after consultation with Catholic ethicists and theologians, the Daughters of Charity announced that, “in recognition of the community's need for reproductive services, those ...

that are currently available at Brackenridge will be retained.” Seton Leader Letter, May 4, 2005.

The compromise agreement between Seton and Brackenridge served as a model for other consolidation efforts between religious and public hospitals. Between 1994 and 1999, 93 percent of mergers involving Catholic institutions were with secular partners. In 1998 alone, the Catholic Hospital Association (CHA) reported thirty-two such mergers and affiliations; other sources said the number was as high as forty-three.⁴ The partnership between Seton and Brackenridge was a lease arrangement rather than a merger, but its saga can be viewed as a microcosm of the longstanding and complex debate over Catholic hospitals' involvement in reproductive health care services in the United States in the latter half of the twentieth century.⁵ This article explores how activists from Seton and Brackenridge hospitals managed a controversy that ensued over the provision of reproductive services as a result of their partnership. The conflict of views and values involved all the aspects of the national debate, including the Vatican's direct involvement, intense deliberation over the provision of emergency contraception, and compromising attempts at solutions.

The Vatican Context

The Catholic Church was and is a major stakeholder in the health care field and exerts enormous influence on the shape of American health care. More than 600 Catholic hospitals function in forty-seven states, with one in six hospital patients cared for in a Catholic hospital.⁶ Seton Medical Center was part of the Daughters of Charity National Health System (DCNHS),⁷ which had a long history of nursing and managing successful hospitals in Austin and throughout the nation. Indeed, a unique characteristic of Catholic health care in the United States was its establishment, administration, and nursing by dedicated and talented religious women.⁸ Yet Catholic sister nurses faced new challenges over the course of the twentieth century as a result of greater restrictions from Rome and increasing secularization of society.

The Daughters of Charity were profoundly influenced by the Second Vatican Council (Vatican II), which met from 1962 to 1965 and emphasized social justice and human dignity.⁹ The Daughters held meetings during which they redefined their governance and ministry and renewed their commitment to the poor and oppressed. An essay by James L. Connor, S.J., described the change in the sisters' ministry emphasis: They no longer saw themselves as bringing students and patients into the nuns' world but saw themselves rather as “entering into *their* world, to share *their* experience” (emphasis original). Yet this change in ministry focus was not easy to achieve.¹⁰ After Pope John Paul II was elected in 1978, the hierarchical model of the church made a comeback and replaced the more collegial model that had emerged after Vatican II.¹¹ By the 1970s, vocations to women's religious congregations were rapidly declining, and the Catholic Church increasingly relied on lay participation. Secular influences at Seton grew through the appointment of lay administrators, nursing supervisors, and trustees. These lay leaders, along with the Daughters of Charity, played a significant part in the Seton-Brackenridge partnership debates.

In addition, in cases where a Catholic facility sought affiliation with a non-Catholic institution, it had to ask the local bishop for approval. Thus, the Daughters of Charity had to consult with the bishop in Austin, who usually was not involved in hospital policy decisions in the independently owned and operated DCNHS. As a bishop, it was his responsibility to communicate directly with the Vatican's Congregation for the Doctrine of the Faith, which was responsible for ensuring that Catholic teachings were implemented in all church facilities. The USCCB also stepped into the fray. Initially founded as the National Conference of Catholic Bishops in 1966 as a church policy-making body in the United States, it is composed of all

members of the Roman Catholic hierarchy; its work includes rulings on the issues of abortion and reproductive services in Catholic hospitals.

It is important to note that three decades had passed since Pope Paul VI's 1968 encyclical, *Humanae Vitae*, reiterated the Catholic Church's stance against birth control. The encyclical caused a serious divide between church hierarchy and laity and split the Catholic clergy.¹² By the early 1990s, abortion, which had always been a divisive issue, again became politicized as President Bill Clinton included reproductive care in his health plan. Opponents and the small but powerful Christian Coalition came out against the health plan and included family planning in the abortion debate. Particularly disconcerting to supporters of family planning was the growing elimination of reproductive health services when Catholic hospitals merged or partnered with secular hospitals.¹³ This was especially important because the Catholic Church was the nation's largest group of not-for-profit health care sponsors, systems, and facilities. Thus, women's rights activists in Austin joined the Brackenridge discussion and insisted on being part of the decision-making process.

Austin Health Care Context

The Daughters of Charity established Seton Hospital in 1902 with a special concern for the sick and poor. Their history began in 1633, when the order was founded in France by Vincent de Paul and Louise de Marillac to serve those most in need and abandoned. Brackenridge, too, had a commitment of community service to the poor. Established in 1884, it was the oldest public hospital in Texas, and in 1995 it had the city's only trauma center and only graduate medical education program. The city also owned Children's Hospital of Austin. Losing all these services would mean a significant loss to the community.

Brackenridge Hospital's longstanding financial problems came to a head in 1995.¹⁴ Realizing that it could not survive as a stand-alone hospital, its administrator asked the Daughters of Charity to submit a proposal describing how Seton might assist the city's operation of Brackenridge and Children's Hospital to place these facilities in a better position to compete in the Austin marketplace. The active involvement of the huge Columbia/Hospital Corporation of America (HCA) chain, the nation's largest for-profit hospital group in the country, had changed the health care landscape in Austin when it took over four of the other previously independent full-service hospitals in the area. Columbia/HCA owned nearby Round Rock Hospital and South Austin Medical Center; it partnered with the Austin Diagnostic Medical Center that was under construction; and it was in the process of solidifying a partnership with St. David's Medical Center, originally affiliated with the Episcopal Church. In the face of these changes, the Daughters of Charity and the City of Austin as owner of Brackenridge agreed that some form of consolidation was mandatory for the survival of both hospitals. Indeed, it was projected that Seton's payments to Brackenridge more than thirty years would allow the city to pay its hospital debts and leave a \$38 million balance.¹⁵

Two national studies gave reason for concern should Brackenridge close its doors. One reported that eighty-six hospitals in twenty-two states had been cited by the government for refusing to treat emergency indigent patients for nonmedical reasons in 1993 and early 1994.¹⁶ The other examined the impact of a public hospital's closing on access to health care in California. A significant number of uninsured patients were denied access to care at other facilities, and the closing was associated with a decline in their health status.¹⁷ Most important, then, the partnership between Seton and Brackenridge would continue the safety net function to the medically indigent, a function long embraced by both institutions.

Still, some citizens were concerned that a private hospital's management of Brackenridge would remove it from public scrutiny. One member of Brackenridge's Advisory Board lamented, "When you can do things behind closed doors—you can decide who gets care and

who doesn't—I assume the worst is going to happen.” In addition, 520 Brackenridge employees had signed a petition opposing the lease. They wanted to remain city employees, and they believed that the city had not sufficiently explored alternative funding. City Manager Jesus Garza admitted that Seton's management of Brackenridge would remove it from public accountability. To solve this problem, the city council appointed a board to oversee Seton's responsibility for the city's indigent health care programs.¹⁸

Material Cooperation

After the city council approved the lease in May 1995, final acceptance had to come from the Seton Board of Trustees and its parent organization, the DCNHS, to whom Seton's religious and lay administrators and trustees were ultimately responsible. Prior to any final decision and public announcement, however, the Daughters of Charity, Seton's lay leaders, and the bishop consulted with four medical ethicists and Monsignor William Broussard, executive director of the Texas Conference of Catholic Health Facilities and vicar general for the Diocese of Austin, to ensure that the lease arrangement was in compliance with the *Ethical and Religious Directives*.¹⁹ The Daughters in St. Louis questioned Monsignor Broussard about the challenges an agreement between a Catholic and non-Catholic hospital would bring. Noting his consultation with canon and civil lawyers, he replied, “First, they felt that a lease arrangement would not mean ownership in the strict sense.” Instead, ownership would remain with Brackenridge. Second, “a lease arrangement does not give the facility a Catholic identity, but rather gives the lessee certain rights and privileges.”²⁰

Broussard and Rev. Gerard Magill, a theology professor and ethicist at St. Louis University, prepared a position paper analyzing the Seton/Brackenridge partnership from the perspective of church teachings and ethical principles. The paper circulated among area clergy and other interested persons to help prevent the possibility of scandal. It built on the Catholic tradition of social justice and the *Ethical and Religious Directives*. Specifically, Directive 69 stated that Catholic institutions could participate in networking arrangements that included cooperating, in a limited way, with the provision of services such as sterilization that Catholic teaching prohibited, although this did not include abortion (Directive 45).²¹ The *Ethical and Religious Directives* justified the principle of “material cooperation,” and this principle was used to clarify Seton's position. Material cooperation “permits a person to cooperate in some way in a wrong procedure,” ethicist David F. Kelly argues. It does not excuse wrongdoing but enables limited cooperation with other parties who engage in wrongful acts as long as certain conditions are met. Had the Daughters of Charity at Seton agreed with the idea of reproductive services as morally right, and had they intended to be active in providing them, then they would be guilty of formal cooperation. Formal cooperation, which was always wrong, involved the cooperator desiring that the wrong act be performed. Kelly continues, “But all of us are at one time or another caught up in some form of cooperation with actions we consider morally wrong.” Catholic tradition says that “material cooperation is morally right ... if the good effects to be realized ... outweigh the bad effects.”²² Thus, when Magill wrote about Seton's situation, he argued, “The act of cooperation is justified when it occurs to achieve *a greater good or to avoid a more serious evil*” (emphasis original). In Seton's case, the more serious evil was the closing of the hospital and the resulting lack of health care to the poor. Specifically, “not doing good could be a serious dereliction of moral duty” by “forfeiting the valuable contribution of Brackenridge's health care to the community.” The greater good was that Seton could “extend its mission and values in the community ..., continue its provision of indigent care,” protect “its witness to pro-life values ... and maintain and strengthen its position in the health care market.”²³

Magill emphasized that because the Daughters of Charity and Seton Medical Center did not approve of the illicit procedures or want them to take place, “there is no formal cooperation.”

This was also where Brackenridge's designation as a non-Catholic facility was emphasized, in that the lease agreement stated that the city retained "reserved powers over Brackenridge." As Magill pointed out, it was very important to "clearly establish that Brackenridge is a non-Catholic hospital." Furthermore, those performing the services considered illicit would not be Seton employees.²⁴

The Controversy

It was the responsibility of Austin's Bishop John McCarthy to approve the partnership because it involved a Catholic and non-Catholic partnership in his diocese. Considered one of the nation's more moderate bishops, McCarthy had long been an activist for working men and women, dating back to the 1950s and 1960s when he became involved in the labor movement. As part of his fight for social justice, he participated in the Civil Rights march in Selma, Alabama, in 1965.²⁵ When faced with the problem of whether the poor in Austin would receive care, his and the Daughters' stance was predictable. They believed that the hospital could not survive alone against the growing power of the four Columbia/HCA hospitals, which would underbid Seton for services. Seton would then lose patients and would be forced to close.²⁶ A partnership with Brackenridge was especially needed; otherwise, the for-profit Columbia/HCA group would become the major player in the Austin hospital marketplace. To Bishop McCarthy and the Daughters of Charity, this meant that the poor would not get the care they needed, because one could not assume that Columbia/HCA would be willing to provide the kind of care Seton did. The St. David's contract with Columbia/HCA retained the right to make some provisions for the poor, but that area was still under negotiation at the time. In May 1995, Bishop McCarthy wrote Sister Patricia Elder, D.C., Chair of Seton's Board of Trustees, that pending final review of the document, he supported the lease arrangement, justifying it on the principle of material cooperation. This would maintain the church's commitment to the poverty-stricken people of central Texas and ensure the survival of Seton Hospital.²⁷

Despite consultation with ethicists, Catholic theologians, and other health care providers, the Seton/Brackenridge partnership was the beginning of a long battle between the Daughters of Charity, lay Seton leaders, and Bishop McCarthy on the one hand, and the Vatican and conservative Austin laity on the other. On May 17, 1995, before the agreement was finalized by the regional and national boards of the Daughters of Charity, a group calling itself Concerned Catholics of Austin wrote to the Vatican. Using the conservative Saint Joseph Foundation in San Antonio as intermediary, the group complained that the Daughters were cooperating in abortions in their hospital.²⁸ Specifically, the group sent a letter to Cardinal Joseph Ratzinger, head of the Vatican's Congregation for the Doctrine of the Faith. This agency's role included investigating any action or publication that seemed contradictory to the faith, asking the authors of such acts or writings for an explanation and reproving them if satisfaction was not reached.²⁹ In June 1995, Archbishop Tarcisio Bertone, representative of the Congregation for the Doctrine of the Faith, wrote Bishop McCarthy, challenging the proposed agreement and asking the bishop not to sign the contract. In July, McCarthy aggressively defended Seton's position and provided the Vatican with background information on the proposed lease. But several months elapsed between his letter and the Vatican's response in March 1996. The bishop "assumed that silence meant consent" and signed the lease in October 1995.³⁰

On at least two occasions in 1997, the Vatican instructed the bishop and the Daughters to stop all sterilizations and contraceptive programs at Brackenridge. McCarthy and the Daughters again commissioned canon lawyers, ethicists, and health care representatives and asked for more time to study the situation. In all his correspondence with the Vatican, McCarthy was unsuccessful in convincing it that the city of Austin owned Brackenridge and that it was not a Catholic hospital. City officials had reserved this right and placed conditions in the agreement that reproductive services would be continued. Any breach of the contract would subject Seton

to a multimillion-dollar fine. But the Vatican argued that the lease agreement did not meet the tenets of Catholic moral teaching and that formal rather than material cooperation existed.³¹ In June 1998, Bishop McCarthy went to Rome, where Cardinal Ratzinger asked for more detailed information about the lease. By then, the controversy was making front-page headlines in Austin.

On July 30 a story appeared in the *Austin American Statesman* that discussed the issues over the past three years. In it, Bishop McCarthy asserted that helping the poor was a “cornerstone of the Catholic faith.... We are not trying to expand our hospital empire. We don't think of health care as a business.... We are trying to protect health care for the poor.” In the same article, Patricia Hayes, Seton's chief operating officer, highlighted Seton's commitment to the Austin community. The Daughters of Charity had hired Hayes in the late 1990s after she had served as the first woman and second lay president of St. Edward's University for fourteen years. With a doctorate in philosophy from Georgetown University, this powerful woman had vast experience in dealing with the public, including having been chair of Austin's United Way and the Greater Austin Chamber of Commerce. In the article, she compared the amount of charity care Seton was able to provide both before and after the lease agreement with Brackenridge. In the fiscal year ending June 30, 1998, Seton had delivered \$17 million in charity health care, while the projection for fiscal 1999 was \$50 million. Thus, she asserted, “Seton would never break the lease.”³²

On the day this newspaper article was published, Hayes wrote to Seton's Board of Trustees that the hospital remained in compliance with the lease agreement, and all services, including reproductive, remained available at Brackenridge. She clarified that the dialogue between Bishop McCarthy and the Vatican “was a private, internal discussion within the Church, to which Seton was not a party.”³³ Still, it was an example of similar dialogues going on in many communities, and bishops nationwide closely watched the Austin case. The outcome could determine how much discretion they would have in matters as more Catholic hospitals allied with secular facilities. A DCNHS official noted that failure to maintain their position would influence their work with public hospitals throughout the country.³⁴

The language used in an article in *The Wanderer*, a conservative Catholic publication, was scathing. It accused the bishop of deceiving the Vatican and presenting “a dismal portrait of episcopal solicitude for the poor and the degeneration of Catholic social teaching.” Furthermore, “McCarthy showed that his view of the poor is apparently Sangerite,” referring to Margaret Sanger's advocacy for birth control.³⁵

To counter this criticism, an *Austin American Statesman* editorial on July 31, 1998, called for community support for Bishop McCarthy. It provided further insight into his standoff with the Vatican:

One of the highlights of the tenure of McCarthy, a warmly regarded local leader, has been his insistence that diocesan social programs be managed at the parish level. Were the Vatican willing to confer a comparable amount of local autonomy and cease micromanaging operations at a distant hospital, a local crisis would subside.³⁶

A Wall of Separation

If the Vatican determined that Seton did not conform to Catholic moral teaching, the hospital would be at risk of losing church sponsorship for its facilities. Thus, through 1998 the Daughters of Charity, Bishop McCarthy, lay Seton officials, and the city of Austin worked on a deal to amend the contract. In August, Patricia Hayes was quoted in the *Austin American Statesman* that a new agreement for sterilizations and reproductive services had been negotiated that created “a wall of separation” between Seton and the services the church deemed sinful.³⁷ This

involved employees of the city-county health department providing family planning and counseling services and independent practitioners, rather than Seton employees, performing surgical sterilizations. Hayes noted, “We feel this firewall that is important to us—and has been important from the beginning—is even stronger.” To pay for the outside services, the city reduced its annual payment to Seton for indigent care at Brackenridge. This deduction from the indigent care money made it clear that Seton was not paying for city offices and services inside the hospital.

Although reproductive services continued at Brackenridge, women’s activists from Planned Parenthood and the Texas Family Planning Association, who had been consulted in the original agreement, were angry because they were not informed of the renegotiations. “I know there is pressure from the Vatican,” said the executive director of Planned Parenthood, “but once again it is this stuff behind closed doors that makes you feel very uneasy.”³⁸ The executive director of the Texas Family Planning Association stated, “I have a huge problem with the separation of church and state in this particular arrangement.”³⁹

The new compromise to allow city employees to do the proscribed practices remained in effect until 2001, when the USCCB revised the *Ethical and Religious Directives* to prohibit the very solution created at Brackenridge. This move began in 2000, when, with Seton’s situation in the forefront, the Vatican’s Congregation for the Doctrine of the Faith ordered American bishops to change the *Ethical and Religious Directives* concerning mergers and partnerships with non-Catholic facilities. Material cooperation could not be used as justification for sterilization and other procedures. Because Seton had implemented its lease, five other similar collaborations involving Catholic hospitals had taken place in the United States. Under Vatican pressure, two such alliances had ended their agreements, one in New Jersey and one in Arkansas.⁴⁰ Seton officials remained optimistic, however. Hayes thought it premature to speculate on what changes might occur at Seton. But Frances Kissling of Catholics for a Free Choice (CFFC), a group based in Washington, D.C., that worked to decriminalize abortion and contraception, was more pessimistic. The *Austin American Statesman* quoted her: “As long as sterilizations take place in that building ... it is not going to pass muster with the Vatican.”⁴¹

In 2000, Pope John Paul II appointed a new bishop, Gregory Aymond, to succeed McCarthy on his retirement. The more conservative Aymond was known for his support of Vatican teachings, and he was the representative to the USCCB meeting in 2001 when the bishops developed new *Ethical and Religious Directives*. They voted overwhelmingly to tighten the reins on Catholic hospitals; their main focus was Part Six, “Forming New Partnerships with Health Care Organizations and Providers.” Specifically, a new Directive 70 forbade Catholic health care organizations from engaging “in immediate material cooperation in actions that are intrinsically immoral, such as abortion, euthanasia, assisted suicide, and direct sterilization.”⁴² Some theologians and ethicists objected to the new *Ethical and Religious Directives*. According to Kelly, this ecclesiastical decree usurped any “right use of reason” in applying principles of moral teaching. “Perhaps the intention here is to enforce a disciplinary rule in Catholic hospitals,” he asserted, “rather than to suggest a change in the underlying moral teaching about material cooperation.”⁴³ Bishop Aymond had a different view. To him, the new *Ethical and Religious Directives* provided “an opportunity to teach strongly about the respect for human life and also our belief in the sacredness of marriage and sexuality. I feel very positive that the *Directives* have been clarified.”⁴⁴

Not “If Reproductive Services Remain Available, But How”

The new *Directives* forced the Daughters of Charity to renegotiate again with the city of Austin. On June 8, 2001, Seton announced that, to comply with church teachings, it could no longer allow sterilizations and other contraceptive services to be provided at Brackenridge, even by

city employees. In a press conference that day, Mayor Kirk Watson was adamant that reproductive services would still be available to Austin citizens, regardless of ability to pay. "The question isn't *if* reproductive services remain available, but *how*," he said (emphasis original).⁴⁵ After considering several options, the city proposed to create "a hospital within a hospital" system, whereby the city would operate a separately licensed hospital on Brackenridge's fifth floor. A second entity, either the city or another health organization, would be licensed to handle the reproductive services.⁴⁶ The separate floor would handle all sterilization and contraceptive services. It also would house a labor and delivery area for low-income women who wanted to have their babies there for ready access to sterilization, rather than in Brackenridge's labor and delivery department.

Women's health activists did not want to see sterilizations moved from Brackenridge, preferring a seamless transition between delivery and the sterilization option. Rosemary Mirriam, a spokeswoman for the Women's Health and Family Planning Association of Texas, saw this as "a discrimination issue. We're talking about low-income, uninsured women. They don't have a choice." To further complicate matters, Seton announced that emergency contraception (EC) would be allowed, either in its own emergency room or on the fifth floor, but only if a test proved that the woman was not ovulating at the time. Advocates for women's health wanted Brackenridge to provide the medicine to women on request. They viewed Seton's restrictions as placing the services out of reach of the women who most needed them.⁴⁷

Seton's actions regarding EC were in compliance with the 2001 Directive 36, which permitted Catholic hospitals to provide EC after a woman was sexually assaulted "if, after appropriate testing, there is no evidence that conception has occurred already."⁴⁸ But Seton was in the minority in providing EC, even with restrictions, compared to other Catholic facilities. In a 1999 CFFC national survey of 589 such institutions, 82 percent said they did not provide EC at all, even if a woman had been sexually assaulted. And only 22 percent of those providing no EC made any referrals for such.⁴⁹

Four more months of negotiation brought a coalition of community groups together. A compromise resulted on the "hospital within a hospital" plan that involved Seton paying for remodeling the fifth floor, which would have its own pharmacy, medical records area, nursing unit, housekeeping, and separate elevator. Seton also agreed to pay approximately \$500,000 less a year on its annual lease to Brackenridge, and it allowed EC to be provided on the fifth floor, but only to women who were sexually assaulted. It agreed to refer to a city clinic any woman requesting EC without being raped, but that meant that indigent women seeking this service would have to go elsewhere rather than the public hospital.⁵⁰ The city council approved the measure, and the Vatican had no problem with the "hospital within a hospital" system.⁵¹

Still, women's rights activists protested. Lesley Ramsey, vice president of Austin's National Organization for Women chapter, had concerns but believed that "realistically, it's the best offer we're going to get." Just before the final agreement was announced in 2001, her organization and another women's advocacy group, the Democracy Coalition, had sponsored a town hall meeting on the Brackenridge issue. Many attendees objected to a church organization running a public hospital. They planned a protest march that would start at Brackenridge and end at the Catholic Diocesan Office a few blocks away. A member of the Democracy Coalition noted that "moving reproductive services to a separate floor suggests something is wrong.... Seamlessness works great in a bra, but it does not work well in a hospital situation."⁵² One letter in a local newspaper, however, defended the Daughters of Charity, stating, "Without Seton and its Catholic values, low-income citizens of Austin would have nowhere to turn for emergency medical treatment.... No organization should be condemned for following its conscience."⁵³

The DCNHS succeeded in putting Brackenridge in the black, largely because of its many resources and its level of philanthropy. It was easier to absorb charity care across a large system. And Brackenridge provided most of the city's care to the poor. According to one newspaper account, Seton and Brackenridge together accounted for more than 60 percent of the entire system's charitable care and 80 percent of its Medicaid billings. "Seton gave 10 cents of every dollar it took in to charity last year and will report more than \$41 million in charity care for 1998, significantly more than its rival, St. David's." In return, millions of Medicare reimbursements went to Seton, as well as money from the city's medical assistance programs for the indigent, which St. David's did not get.⁵⁴ Activists for women's reproductive rights called the 2001 *Ethical and Religious Directives* "just another example of the challenges of allowing faith-based institutions—especially the Catholic Church—to deal with public medicine."⁵⁵ Frances Kissling from CFFC questioned Catholic hospitals' acceptance of federal Medicaid reimbursements and then denying legal and publicly supported reproductive services.⁵⁶ In the end, however, Seton became the region's largest community service organization, including the home of a Level II Trauma Center, pediatric facility, and teaching hospital.

Conclusion

This study illustrates the growing influence of the Catholic Church in the hospital marketplace and the increased centralization of power in the Vatican that is a legacy of Pope John Paul II, with all its rulings on the provision of reproductive services. Important to this discussion is that Cardinal Joseph Ratzinger, who played such a large role in the Seton/Brackenridge controversy, is now Pope Benedict XVI. As the Daughters of Charity attempted to be a safety net provider to residents in Austin, they were challenged to succeed in an increasingly competitive and performance-oriented environment. The decision to create a "hospital within a hospital" system was not easy for them or for the other church and hospital officials who took criticism from both sides of the reproductive question. Reflecting on the issue in a recent interview, Bishop McCarthy, who had battled the Vatican for six years, stated, "When the right wing Catholics and the left wing pro-choicers are both against you—then you know you're doing something right!"⁵⁷

The Daughters of Charity experienced a conflict of conscience over the field of reproductive services. They were committed to care of the poor, but like all Catholic hospitals they had to base their actions on the *Ethical and Religious Directives*, developed by U.S. bishops with approval from the Vatican. Indeed, adherence to them was a matter of survival, as the Daughters could not afford to lose Catholic sponsorship. In the end, they responded to a hardening of the Vatican's opposition to reproductive services with an innovative compromise. It was not a case of Catholic sister nurses alone confronting hierarchical authority; rather, it involved multiple stakeholders. What the Daughters of Charity and the city of Austin especially needed to maintain their partnership while adhering to Catholic Church policies was strong leadership at the board and management levels of each hospital, a clear understanding of the benefits of the partnership, and an aggressive pursuit of key goals, especially the provision of health care to all Austin's people, including the indigent.⁵⁸

In closing, half the mergers or partnerships between Catholic and non-Catholic facilities resulted in the limitation or discontinuation of reproductive health services, and more than 80 percent denied emergency contraception even to women who had been sexually assaulted.⁵⁹ These figures highlight the importance of the compromise between the Daughters of Charity and the city of Austin, because the "hospital within a hospital" solution was not what most Catholic hospitals were doing. Still, the issue of provision of reproductive services caused conflict among many groups. Whereas the Daughters found themselves at odds with the Catholic Church's newest directives proscribing such services, women's activists thought the compromise was too limited, and they accused Catholic bishops of politicizing their hospitals.

Conservative Catholic advocates were unhappy that the services were offered at all. The Vatican thought the Daughters were bending church doctrine too far and initially ordered them to cease the services altogether. The outcome, however, did permit some reproductive services to continue, and it allowed the Daughters of Charity to claim that they did not abandon their mission to the poor. To them, this served as an example of their willingness to work on compromise solutions.⁶⁰ Yet, the Daughters' delicate balancing of the Vatican's demands with their own social and religious mission continues.

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Notes

1. Barnett, Charles J. Seton Leader Letter, Seton Network Special Issue. Austin History Center; Austin, Texas: May 4, 1995 Memo, May 4, 1995.
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