

## AROUND THE DIOCESE

# St. Luke's Hospital: Bishop Swing's Letter to Mayor Brown

A few years after the Civil War, an Episcopal priest, the Rev. Dr. Thomas Brotherton, founded San Francisco's second hospital, St. Luke's. Its stated mission was revolutionary in its day:

"St. Luke's is to be a charitable hospital for the reception of all colors, nationalities, and creeds. Its benefits, refused to none, will be limited only by its means."

One hundred years before Civil Rights—a time when there were racial lynchings in California—one hundred years before interfaith initiatives, a tiny hospital was created to provide medical service for everyone out of charity. The mission statement created the hospital. The hospital embodied the mission statement.

Amazingly this hospital has survived with its mission statement intact for 130 years, through the earthquake and fire, through the great influenza epidemic, through two world wars, through the Depression, through the ethnic changes in the neighborhood, through the AIDS pandemic. Today this little hospital provides more charity care to San Francisco than all the other private hospitals put together. We keep our emergency ward open when others have closed. We have been a safety net for the poor of San Francisco for 130 years.

Why? We haven't done this to convert anyone or to draw attention to our church. Jesus Christ came "teaching, preaching, and healing," say the Scriptures, and we think that we ought, also, to be about the ministry of healing in His Name in our town of San Francisco.

When the greatest-ever threat hit St. Luke's in the form of the present medical-hospital crisis in the United States, we were able to hold out by streamlining our total operation, keeping salaries low, keeping charges low, and being efficient. This made it possible for the poor to have access to their neighborhood hospital and its clinics.

Unfortunately, the resources of St. Luke's Hospital were waning. This led the Board of Directors to look around for a strategic partner. In these conversations, we stuck by our mission. Anyone who would be a strategic partner with St. Luke's would have to allow us to continue as a hospital which had a spiritual base, which offered full acute care to the poor, which provided charity care, and which kept the emergency room open.

Almost no other hospital was interested. The only prolonged conversation was with a hospital that insisted that we cease offering a full acute care hospital for the poor.

We were at a crossroads. On the one hand, we could announce bankruptcy or simply give it all away and walk away. On the other hand, we could stay on mission and try to survive. We chose that latter against the advice of business types on the Board.

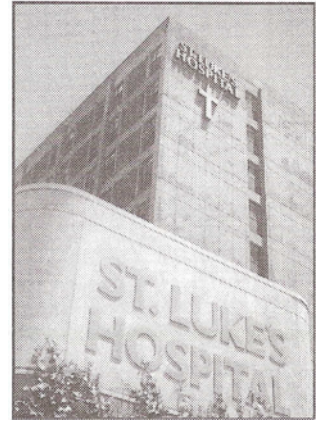
There were three contingency plans which we were going to pursue to help us survive:

One, we were going to try to get some relief for all our charity care from the California Medi-Cal Assistance Commission.

Two, we were going to investigate our accumulated worth in our pension fund, which far exceeds the maximum coverage of our employees.

Three, we were going to file a suit against the Brown and Toland Physicians Group, California Pacific Medical Center, and the Sutter Health Care System for an exclusive contract arrangement that discriminated against St. Luke's Hospital for four years. In order to do this, we had to put off the \$11,000,000 we owed in vendors' bills, and we had to get a loan to payoff our lawyers. During this time, we depleted almost all of our endowment. Though we were on the bottom, receiving help from no one, we still continued to be a safety net for the poor of San Francisco. We stayed on mission and still survived.

Fortunately, it became clear that in our



*Amazingly  
this hospital  
has survived  
with its mission  
statement intact  
for 130 years.  
Through the  
earthquake and  
fire, through the  
great influenza  
epidemic,  
through two  
world wars  
... and more*

*St. Luke's handles 55,000 people a year on an inpatient basis, 100,000 people on an outpatient basis; St. Luke's emergency ward treats over 14,000 patients a year.*

lawsuit against Sutter, we were, most likely, going to prevail. We could have received anything from zero to \$200 million.

When a settlement package was being negotiated, a hard decision had to be made: whether to go through with the jury trial and perhaps drawn-out appeals and risk falling into bleaker financial straits in the meantime, or straighten the hospital out immediately by choosing an affiliate relationship with Sutter, which they were offering. When Sutter agreed that we could keep our mission statement, keep the charity care, keep a total acute care hospital open to the poor, keep the emergency room open, keep our relationship with the Episcopal Diocese of California and our chaplaincy, plus turn the hospital around financially and put it on secure footing, plus retrofit the hospital, plus the St. Luke's Board of Directors would remain in control of daily operations, then we were ready to pursue a deal.

First, we visited with leaders of other hospitals which had become affiliated with Sutter. Yes, there have been, in some instances, difficult negotiations with Sutter and the unions. Nevertheless, our investigations showed that Sutter was a promising strategic partner. So far they have helped us in paying our vendors, made it possible to purchase much-needed machines and equipment, helped us in restoring our endowment, and given the doctors, nurses, and staff a sense that we are not disappearing but will be on mission for decades to come. The confidence level of St. Luke's Hospital has begun to soar.

Then through the Proposition Q hearings, we find that the unions are out to destroy the affiliation, the Supervisors line up to voice their disapproval, and (City Attorney) Louise Renne announces that the City of San Francisco is reviewing the affiliation with the possibility of filing an anti-trust suit against St. Luke's Hospital and Sutter.

*Mter* 130 years of being a quiet, effective, and healing safety net under the poor of San Francisco, today the City of San Francisco is out to destroy the one and only chance we have to

carry on our mission.  
Clearly if the

## AROUND THE DIOCESE

affiliation is destroyed, St. Luke's Hospital does not have the financial means to recover from that blow. Perhaps the City of San Francisco with the Supervisors and the unions will exert the kind of pressure that will lead to the demise of St. Luke's Hospital. But what great good will that serve?

The unions understand that if they are successful hundreds of employees will lose their jobs. In addition, it will bring an immediate health care crisis to South of Market that will be far, far more devastating than the demise of Mount Zion Hospital. St. Luke's handles 55,000 people a year on an inpatient basis, 100,000 people on an outpatient basis; St. Luke's emergency ward treats over 14,000 patients a year; our physicians provide 300,000 hours of visits in the hospital and 80,000 hours of physician visits in our clinics. Eliminate all of that in medical services to the poor, and San Francisco will be in a medical emergency. For instance, the City would have to pick up from St. Luke's emergency ward 1,200 visits per month and 300 ambulance visits per month.

Why should the City of San Francisco do that to someone who has only helped you? Why do that after 130 years of proving that we are a friend to the poor? Why do that when we, the Episcopal Diocese and the City, are partners all over San Francisco in housing the homeless, providing services to Hispanic immigrants, working with children at the St. John's tutorial program, providing alcohol and drug rehabilitation, providing neighborhood medical clinics, and on and on? We are your friends. Please don't mobilize to thwart our one and only chance of staying on mission and be a charitable hospital for the reception of people of all colors, nationalities, and creeds, whose benefits, refused to none, are limited only by our means ..•.

*The Rt. Rev. William E. Swing*  
*Bishop*