



Welcome to the Roman Catholic  
**Diocese of Bridgeport**



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Monday, May 01, 2006

## Breaking News From Around the Diocese

**In a landmark agreement, the Diocese of Bridgeport announces a partnership with a major healthcare corporation which will invest in and grow its Catholic-based healthcare ministry to the elderly in Fairfield County**

**BRIDGEPORT, Monday, May 1, 2006, 1:30 p.m.** In what could become a model for healthcare providers in the United States, the Diocese of Bridgeport announced today a bold partnership with a major healthcare corporation which will ensure that the three Diocesan nursing homes will remain open and expand while retaining their proud Catholic identity and mission.

The Diocese has entered into a contractual agreement with Harborside Healthcare, one of the most respected nursing and long-term care companies in the United States, to operate its three nursing homes: **St. Joseph's Manor** in **Trumbull** (founded in 1960), **Pope John Paul II Center for Health Care** in **Danbury** (1984), and **St. Camillus Health Center** in **Stamford** (1988).

The homes employ 900 people, and have a total of 562 beds.

### Ongoing Catholic Identity and Mission

The agreement is a ground lease, whereby the Diocese of Bridgeport continues to own the real property but sells the existing buildings and facilities to Harborside Healthcare, which will assume responsibility for the operation and management of the homes.

Central to the partnership is a unique contractual agreement that the homes retain their existing Catholic identity and mission. The Diocese will remain responsible for all aspects of pastoral care. These homes will remain Catholic, and the pastoral services our residents have come to expect and love will continue, including, for example, Catholic chapels, daily Mass, dedicated Chaplains, and adherence to the ethical and moral teachings of the Catholic Church.



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 information

*Additional details on the agreement are included [below](#), in the form of answers to questions.*

"The Diocese has a proud, 40-year history as a Catholic healthcare provider," says **Bishop**

**William E. Lori.** "We decided to seek a new partner so that our homes would remain open and grow, as well as retain their Catholic identity and mission. This is what the Church does, and does well.

"Harborside Healthcare agrees with us," Bishop Lori continues. "They singled out the Catholic identity and mission of our three homes as positive features that would fit well with their own institutional mission. They concur that pastoral services are integral to the quality of life and care of our residents, who seek comfort, direction, and peace from their faith."

### Strategic Alliance

Bishop Lori announced the partnership in a press conference today at the Catholic Center in Bridgeport. He was joined by the Chairman and Chief Executive Officer of Harborside Healthcare, **Damian N. Dell'Anno.**

"We are very proud to form this strategic alliance with the Bridgeport Diocese," Dell'Anno says. "Harborside's strategy is to seek out high-quality operations and use our systematic approach to healthcare and our ability to make strategic investments to better serve the healthcare needs of the community. We are excited about the opportunity to expand our operations in Fairfield County."

Presently, Harborside Healthcare operates two facilities in Danbury, Glen Hill and Glen Crest.

"Harborside Glen Hill has an excellent reputation for care in the community, and recently received the highly coveted AHCA/NCAL National Quality Award, one of only 10 facilities nationwide to receive this honor," Dell'Anno adds. "We are pleased to merge our expertise in long-term healthcare with the Diocese's approach to spiritual care."

### Three Criteria

Today's announcement comes eight months after the Diocese announced its intentions to seek a partner to address the long-term needs of the three nursing homes. As a small sponsor of health care with limited financial resources, the Diocese has had to support the three homes over many years. The homes have also posted losses on an operating basis. The current reimbursement environment in the State of Connecticut has only made the problems worse.

The agreement with Harborside Healthcare was reached following a comprehensive process which began last September.

"The Diocese was approached by several providers," says **Joseph Lupica**, President of Stroudwater Capital, a well-regarded national health care advisory firm retained by the Diocese to identify appropriate potential sponsors. "We carefully considered all, mindful of our three goals: a commitment to keeping the three homes open and investing in their future; exercising our responsibility as good stewards of Diocesan resources; and the continuance of the Catholic identity and culture of the three homes.

"Of all the entities which expressed interest in our homes, only Harborside Healthcare met all three criteria," Lupica continues. "The deciding factor was Harborside Healthcare's contractual commitment to ensure that our homes remain Catholic and under the pastoral control of our local Diocese and its Bishop."

### The Right Way Forward

Bishop Lori's decision was reached with the advice, assistance, encouragement, and approval of both clergy and laity. He worked closely with the Administrators and Members and the Board of Directors of each home; the Bridgeport Diocesan Health Care Corporation; the Priest Consultors; and the Diocesan Finance Council.

"This decision is the way forward," Bishop Lori concludes. "We believe this agreement, which is in many ways groundbreaking in the healthcare industry, is the best one for our homes. We are confident that Harborside Healthcare - in accordance with the binding terms of our agreement - can help us continue to provide the care our residents appreciate and deserve. We are confident they have the financial strength necessary for the task. And we are confident that Harborside Healthcare has embraced fully our commitment to supporting authentically Catholic healthcare."

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## PARTNERS IN CARE

### How the Diocese of Bridgeport plans to continue its Catholic healthcare ministry in Fairfield County with a new partner, Harborside Healthcare

#### Answers to Questions

##### Who is Harborside Healthcare?

Harborside Healthcare is one of the most respected nursing and long-term care companies in the United States, offering a full range of quality programs and services to meet the critical needs of residents and their families.

Harborside Healthcare's goal is "to deliver the best quality care for its residents and patients in a caring, comfortable environment. Whether providing superior care for our long-term residents or helping to rehabilitate those who need our help on a short-term basis, we provide assurance for family members that their loved ones are in good hands."

Headquartered in Boston, [Harborside Healthcare](#) operates 53 facilities serving more than 6,700 people in nine states, including seven facilities in Connecticut. A privately-held company, Harborside Healthcare employs more than 8,000 people.

##### What is the agreement between the Diocese of Bridgeport and Harborside Healthcare?

The agreement is a ground lease, whereby the Diocese of Bridgeport continues to own the real property but sells the existing buildings and facilities to Harborside Healthcare, which will assume responsibility for the operation and management of our three nursing homes: **St. Joseph's Manor**, **St. Camillus Health Center**, and **Pope John Paul II Center for Health Care**.

The Diocese and Harborside Healthcare carefully developed this agreement to enable our homes to retain their Catholic identity and mission. In a unique, binding legal agreement integral to the ground lease, the Diocese will remain responsible for all aspects of pastoral care. These homes will remain Catholic, and the pastoral services our residents have come to expect and love will continue, including, for example, Catholic chapels, daily Mass, dedicated Chaplains, and adherence to the ethical and moral teachings of the Catholic Church.

##### Why is it so important that our homes remain



## Catholic?

The Diocese has a proud, 40-year history as a Catholic healthcare provider. We decided to seek a new partner so that our homes would remain open and grow, as well as retain their Catholic identity and mission. This is what the Church does, and does well.

Harborside Healthcare agrees with us. They singled out the Catholic identity and mission of our three homes as positive features that would fit well with their own institutional mission. They concur that pastoral services are integral to the quality of life and care of our residents, who seek comfort, direction, and peace from their faith.



## What happens if Harborside Healthcare tries to change this agreement on pastoral services?

They cannot. The terms of our agreement are legally binding and not subject to change without agreement by the Diocese, whether with Harborside Healthcare or a future provider.

## What is Harborside Healthcare's reputation in the healthcare field?

Excellent. Over the years, many of Harborside Healthcare's facilities have received the prestigious National Quality Award from the American Health Care Association.

In 2002, Harborside Healthcare was one of the first companies in the industry to adopt an unprecedented quality initiative in which the company and its employees pledged to follow a formal code of conduct and ethical management practices. Called "Quality First: A Pledge to Improve Quality through Accountability, Compassion, and Leadership," the initiative was one of the first of its kind in the healthcare industry.

Nine out of ten of residents' family members rate Harborside Healthcare's level of care and commitment as excellent or good, and say they would look to Harborside Healthcare again if a loved one needed care.

## Why did the Diocese choose Harborside Healthcare as a partner?

Following the public announcement in September 2005, the Diocese was approached by several providers. We carefully considered all, mindful of our three goals: a commitment to keeping the three homes open and investing in their future; exercising our responsibility as good stewards of Diocesan resources; and the continuance of the Catholic identity and culture of the three homes.

Of all the entities which expressed interest in our homes, only Harborside Healthcare met all three criteria. The deciding factor was Harborside Healthcare's contractual commitment to ensure that our homes remain Catholic and under the pastoral control of our local Diocese and its Bishop.

### **Why did we decide to take this action?**

Our three homes have an outstanding reputation for high-quality care in a Catholic environment. We are justifiably proud of our employees and the miracles they work every day. But over the years, challenges have grown. As a small sponsor of health care with limited financial resources, the Diocese of Bridgeport has struggled to support these homes.

The Connecticut State Legislature forced our hand in this matter. For many years, the reimbursement level from the State has lagged behind the cost of patient care on a day-to-day basis. This resulted in a large gap that the Diocese has endeavored to fill in order to deliver a superior level of healthcare to our residents. Unfortunately, we simply do not have enough capital resources to keep up with these and other demands in the long-term.

### **Are our homes going to close?**

No! Harborside Healthcare has committed to investing capital resources in our three homes so that their proud tradition of care can not only continue, but expand. In the past few years, 18 nursing homes have closed in Connecticut. Ours will not. We are doing everything in our power to secure a bright future for our homes, and the continuance of their Catholic identity and mission.

### **Will employees lose their jobs?**

Harborside Healthcare is impressed by the quality of care at our homes and the obvious dedication of our employees to compassionate care. Harborside Healthcare intends to offer employment to employees in good standing.

### **Will the Religious Sisters be allowed to continue their ministry?**

All of the Sisters have been invited to stay by Bishop Lori and by Harborside Healthcare. Their witness to the Lord and their spirit of service greatly enhance our homes.

### **Will the homes keep their names?**

Yes. The homes will retain their names and identity, and still be known as St. Joseph's Manor, St. Camillus Health Center, and Pope John Paul II Center for Health Care.

### **What happens next? Will I see changes immediately?**

You can expect the same high quality of healthcare, Catholic services, and compassion from our dedicated employees and volunteers. Over the next month you will have the chance to meet representatives from Harborside Healthcare, who will keep you informed on the transition.

### **Did the Bishop consult others in reaching this decision?**

Yes. Bishop Lori has made it his job to work closely with the clergy and the laity, seeking professional advice on matters of great importance, and this is no exception. He worked closely with three groups: the College of Consultors (12 priests who advise the Bishop on matters of great importance); the Diocesan Finance Council (professional lay men and women and members of the clergy who advise the Bishop on the financial stewardship of the Diocese); Board members of each home; and the Bridgeport Diocesan Health Care Corporation (a board of priests, women religious, and lay people who oversee the operation of the three homes).

The Diocese also retained Stroudwater Capital, a well-regarded national health care advisory firm led by Joe Lupica, a former parishioner of our Diocese who understands our needs, to identify appropriate potential sponsors consistent with the objectives of our Diocesan ministry.

### **What is the price Harborside Healthcare is paying for the privilege of operating the homes?**

Under the terms of the agreement, the sale price is not disclosed. However, the amount exceeds the average price-per-bed paid in comparable transactions in Connecticut, and also obligates Harborside Healthcare to substantial covenants to allow the Diocese to continue its control over key pastoral matters.

All in all, the agreement constitutes a powerful and responsible exercise of stewardship on the Diocese's part. The proceeds of the agreement will enable the Diocese to pay off the outstanding debt of all three homes, including pension, insurance, and other obligations to the homes' past and present employees; and leave a sum as a fund to support the pastoral care at each home and other Diocesan ministries to the elderly and underserved residents.

### **Does this agreement have anything to do with the abuse settlements?**

No. Abuse settlements were funded through insurance and the sale of surplus land owned by the Diocese. The agreement with Harborside Healthcare is not in any way connected to funding settlements, but was instead the result of an independent process to find the best way for the Diocese to sustain and enhance its ministry to Catholic healthcare for the elderly into the future.

### **Will the Boards and Foundations of each home remain?**

Yes. Under the terms of the agreement, the Board of each home will remain and work closely with Bishop Lori and Harborside Healthcare to oversee the ongoing Catholic pastoral services of the homes.

The current Foundations will also remain and continue to play an important role. Since the homes will now enjoy the benefit of having their general capital needs met by Harborside Healthcare, the Foundations will have the freedom to redirect their efforts towards assisting the Diocese in supporting the pastoral services of the residents.

### **How can I find out more information?**

We are committed to open communication, and will make every effort to keep you informed during this transition. If you have other questions or concerns, we would like to hear from you. You may contact our Director of Communications, Dr. Joseph McAleer, at (203) 416-1461. Harborside Healthcare's Vice President,

Bradley Shiverick, can be reached toll-free at (877) 477-4742.

In addition, the company's website has a host of good information:

[www.HarborsideHealthcare.com](http://www.HarborsideHealthcare.com).

Thank you for your understanding and patience as we welcome Harborside Healthcare as our new partner in sustaining and enhancing the proud legacy of Catholic healthcare for the elderly in Fairfield County.

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