



**March 6, 2008 - Letter to the Caritas Christi Community from Cardinal Seán and James Karam**

To the Caritas Christi Community:

At this time we wish to share with you news concerning significant progress that the Caritas Christi Board of Governors and the Archdiocese have achieved toward assuring that the Caritas Christi Healthcare System will continue its proud tradition of delivering the highest quality Catholic healthcare in Eastern Massachusetts long into the future. In particular we want to advise you that we have implemented a revised governance model for the system, building on the work of the Caritas Board of Governors and a Governance Review Committee, led by Kenneth K. Quigley, Jr., president of Curry College, and other Caritas Board members including Neal Finnegan, former chairman of Citizens Bank and Kevin Phelan, president of Meredith and Grew. This committee was established in October 2007 for the purpose of recommending a governance model that would optimize the system's ability to thrive in the competitive and complex health care market, while continuing the distinctive mission of Catholic health care.

There is a shared understanding and commitment among Caritas leadership that changes in governance will strengthen the system, allowing us to attract and retain highly qualified individuals for the Board and senior management. Consistent with other successful Catholic healthcare systems throughout the country, an independent Board and senior management will be responsible for the strategic and business decisions of the system. The revised governance provides a defined process for governors to select board members and officers. In addition, the Vicar General and Chancellor for the Archdiocese will no longer serve on the Board of Governors. Under the new model, the Archdiocese's reserve powers are limited to matters pertaining to Catholic identity, mission, and the implementation of the religious and ethical directives of the United States Conference of Catholic Bishops, and any transaction that would involve the sale or transfer of the system.

The original proposal for revised governance for Caritas Christi followed the Archdiocese having retained Navigant Consulting in November 2006, to conduct a strategic review of the system and its operations. Navigant analyzed the role and structure of the Board of Governors of Caritas Christi and conducted an overall review of the financial status of the system. While Navigant proposed four different strategies which Caritas could adopt, including continuing as an independent system or transferring sponsorship to a larger Catholic health care system, the concept of a restructured governance model was adopted from the outset.

We are also pleased to announce the appointment of Reverend J. Bryan Hehir as the Archdiocesan liaison to Caritas and also a member of the Board of Governors, with oversight and authority on issues relating to the Catholic identity and mission of the Caritas Christi Healthcare system. As such, he will assume additional responsibility in an expanded position at the Archdiocese as the Secretary of Health & Social Services. Currently Fr. Hehir serves as the Secretary of Social Services.

It is our conviction that these changes strengthen our commitment to providing health care in the model of the healing ministry of Christ, with fidelity to the intellectual and moral dimensions of the Catholic tradition and the highest quality pastoral care.

Going forward we remain determined to serve the needs of the poor and the vulnerable in our midst. In light of the challenges facing health care today, we believe that the Church provides a valuable service to society by caring for each person in manner that always respects their human dignity.

With the assurance of our prayers for all whom we are privileged to serve, we remain.

+ Seán P. Cardinal O'Malley, OFM, Cap  
Archbishop of Boston

James Karam  
Chairman, Board of Governors  
Caritas Christi Health Care

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