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Two Houston CHRISTUS hospitals soon to join Houston Methodist

HOUSTON—(Sept. 18, 2013)- Two Houston area CHRISTUS hospitals, CHRISTUS St. Catherine and CHRISTUS St. John, will join Houston Methodist when a new partnership between the two faith-based health systems is finalized. This week, the boards of CHRISTUS Health and Houston Methodist took the first step, entering into a letter of intent to transfer majority ownership of the two CHRISTUS hospitals to Houston Methodist.

The transaction also includes the CHRISTUS Provider Network clinics in the Katy and Nassau Bay areas and the CHRISTUS Stehlin Foundation for Cancer Research.

When the transaction closes, CHRISTUS St. John Hospital in the Nassau Bay/Clear Lake area will continue to provide its community with top quality health care as it does now, but under the Houston Methodist name and under Houston Methodist management. Houston Methodist also will operate CHRISTUS St. Catherine Hospital, in the Katy area, but it will likely be transitioned into Houston Methodist's first post-acute care facility, although no plans have been finalized by Houston Methodist.

"This partnership brings together two faith-based organizations with longstanding commitments to the Houston community," said Marc L. Boom, M.D., president and CEO of Houston Methodist. "Now we can expand our services to new areas and new patients in our community. With CHRISTUS, we will introduce Houston Methodist to Clear Lake while also furthering their mission."

The next step is to complete the transaction, which is expected to happen by the end of the year.

Under the agreement, CHRISTUS will retain a minority interest in both facilities and a role in the governance oversight, and may have the option to manage St. Catherine as a post-acute facility. The exact percentage of ownership or governance role is being determined as the partnership plans are finalized.

"We believe that partnering with Houston Methodist will ensure that the ongoing health care needs of the communities will be served more effectively and provide the highest likelihood that the services provided by CHRISTUS St. John and CHRISTUS St. Catherine continue," said Ernie Sadau, president and CEO of CHRISTUS Health. "This partnership will preserve the hospitals' missions while ensuring they are part of a larger local system that can offer a full continuum of care."

CHRISTUS ministries through the CHRISTUS Foundation for Healthcare in Houston – including all the clinics, school-based centers and services for the poor and underserved – will not be part of the partnership and will continue as part of CHRISTUS Health. In fact, it is the intention of CHRISTUS Health to work closely with the Foundation and the Sisters of Charity of the Incarnate Word to expand and grow those services, as well as to add new services, to reach out in new ways to those in need in the Houston community.

“Houston Methodist was chosen because it has a strong desire to extend its services to the community, and is a high quality provider determined to further the mission of CHRISTUS St. Catherine and St. John,” Sadau said.

Boom said when a final agreement is reached, the partners will work together to continually identify new opportunities to serve, innovate, and enhance the health care provided throughout the Gulf Coast area. Houston Methodist has 15,000 employees caring for patients in five hospitals, stand-alone emergency departments, imaging centers, PT clinics and a research institute. Houston Methodist Hospital is consistently recognized by *U.S. News & World Report* as one of America’s “Best Hospitals” and is ranked No. 1 in Texas. *FORTUNE* has listed Houston Methodist as one of the “100 Best Companies to Work For” in America for eight consecutive years.

“We welcome with open arms the employees, physicians and patients from CHRISTUS St. Catherine and CHRISTUS St. John to the Methodist family where we share common missions and values,” Boom said. “We have the same commitment to quality and we are both dedicated to our patients above all else.”