

Community Responsibility & Sustainability

2017 Performance Summary





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This performance summary highlights Texas Health Resources' long-standing commitment to operating in ways that are ethical, responsible, sustainable and community-focused. Our 2017 Community Responsibility & Sustainability Report sheds light on the organization's public commitments and goals to enhance our people, our patients and the communities we serve.

For more information and data about our community responsibility priorities and progress, please read our full 2017 report at [TexasHealth.org/Responsibility](https://www.texashealth.org/responsibility).

Letter From Our CEO



DEAR FRIENDS,

As an organization that is steadfastly focused on long-term sustainability and growth, and united in its Mission to improve the health of the people in the communities we serve,

Texas Health took steps in

2017 to remain the leading provider of health and well-being services in North Texas.

We are transforming into a high reliability organization to deliver quality and compassionate care to every person we see, every time. We also are working with leading physicians and specialists to open neighborhood care centers and expand our capabilities to evolve into an integrated health system that supports North Texans at every stage of life. By giving patients and consumers a choice in how, where and when they receive their care, we make it convenient for them to take charge of their health and well-being.

Preserving our position as the North Texas market leader requires that we optimize our culture, operations and environments of care as well. In 2017, we:

- Reported \$73 million in savings for Medicare beneficiaries over the last three years by delivering quality and coordinated care through

Southwestern Health Resources, a clinically integrated health network we formed with UT Southwestern Medical Center®.

- In Frisco, Texas, we broke ground on a 325,000-square-foot, 80-bed acute care hospital that will include a 24/7 emergency room, surgical services, women's services and a neonatal intensive care unit.
- Invested \$14 million on improving our facilities and deployed 63 energy efficiency projects to reduce our environmental footprint.
- Continued our journey to become a high reliability organization and deployed processes to improve patient safety and reduce medical errors.

We continue to invest in the well-being and development of our greatest asset - our employees. We attract and retain highly skilled and compassionate employees by providing a family-like culture, enabling them to work at the peak of their abilities and offering competitive compensation and benefits.

We are proud to be recognized year after year for our efforts to build an exceptional workplace. Fortune and Great Place to Work® ranked Texas Health No. 1 on their Best Workplaces in Health Care, Best Workplaces in Texas and Best Workplaces for Women lists in 2017. We also were named among the top workplaces in the nation for diversity, parents and Gen Xers. Being a great

place to work is not something we take lightly. We strive every day to listen to our employees so that we can - together - improve the lives of North Texans. I am proud of what we've been able to accomplish.

To advance our Mission in 2018, we launched the Texas Health Community Impact campaign to better identify and address health disparities in North Texas. We will harness the power of our network to address social determinants of health and leverage data to drive community health improvements where they are needed most. We will continue developing solutions that will help North Texans lead healthier, happier and longer lives.

We appreciate you supporting our Mission.

Sincerely,

BARCLAY E. BERDAN, FACHE
Chief Executive Officer

About Texas Health Resources

Texas Health Resources® is one of the largest faith-based, nonprofit health systems in the U.S. Headquartered in Arlington, Texas, we serve about 7 million people in 16 counties. With more than 350 points of access across the North Texas region, our system includes 29 hospital locations and more than 100 outpatient facilities.

MISSION:

To improve the health of the people in the communities we serve.

VISION:

Partnering with you for a lifetime of health and well-being.

VALUES:

Respect, integrity,
compassion, excellence.

Our Vision for Sustainability

Texas Health recognizes that fulfilling its Mission is only possible by being a thriving and healthy organization itself. We are taking steps to operate sustainably through:

Operational Effectiveness



- Sustaining strong financial performance
- Operating efficiently
- Using natural, financial and human resources wisely
- Advocating for sustainable health care

Innovative Care



- Delivering safe, reliable and coordinated care
- Providing the best value for the lowest cost
- Forging community health partnerships and programs

High-Performing Culture



- Hiring bright minds in health care
- Maintaining ethical behavior and integrity
- Fostering collaboration and teamwork
- Engaging our workforce
- Achieving top performance

About This Report

Texas Health's 2017 Community Responsibility & Sustainability Report provides a high-level overview of our citizenship and sustainability programs, commitments and goals, as well as progress being made to enhance our workplace, our environment of care and to improve the health of the people in the communities we serve.

The information presented in this report covers our wholly owned facilities unless otherwise noted. We describe critical sustainability strategies, programs and performance indicators that we believe are

most relevant to communicate currently. Some programs and benefits described in this report may not be applicable to all employees and/or facilities that are owned, operated or joint-ventured with Texas Health Resources.

All financial figures are quoted in U.S. dollars unless noted otherwise. References to "Texas Health," "the organization," "we" and "our" refer to Texas Health Resources.



"From prevention and well-being to acute or long-term care, our goal is to help people improve their health and well-being, whether they ever step inside one of our facilities. We do this, in part, by providing safe, quality, convenient access to health care."

BARCLAY BERDAN, FACHE
Chief Executive Officer



Performance Summary FY 2017

OUR PRIORITIES

Earn the trust and lifetime loyalty of North Texans.



Create a culture of excellence.



Provide community health services, resources and education.



OUR PROGRESS

- Reduced readmissions, infection rates and patients' length of stay.
- Offered a more affordable health plan to our employees and North Texas companies.
- Achieved Magnet® and Pathway to Excellence® designation for nursing excellence and quality care.

- Ranked number one by Great Place to Work® for Best Workplaces in Health Care.
- Recognized for offering one of the best workforce well-being programs in the nation.
- Achieved top decile performance in employee engagement.

- Provided \$852 million or almost \$2.3 million a day in charity care and community benefit.
- Received \$7.4 million from donors that will fund clinical, educational and research programs.
- Sponsored projects to improve the health of Medicaid beneficiaries and the underserved.

OUR PRIORITIES

Be a good corporate citizen.



Reduce operational costs and environmental impacts.



Grow strategically and responsibly.



OUR PROGRESS

- Awarded \$2 million in grants and sponsorships to nonprofits addressing community needs.
- Volunteered 10,000+ hours to complete 700 service projects that served 1.3 million people.
- Gave \$1.9 million to support hurricane relief and worthy causes through our generous employees.

- Saved \$24.7 million on procurement expenses.
- Invested \$14 million on 63 energy conservation projects to reduce our carbon footprint.
- Developed emergency management, preparedness risk management, business continuity and security plans for every department across our system.

- Saved \$73 million by delivering quality and coordinated care through Southwestern Health Resources.
- Restructured our governance model to drive efficiency.
- Advocated for public policies that protect the health and well-being of patients, employees and communities.

2017 FACTS



24,569

Employees



\$4.68 BILLION

Total operating revenue



2 MILLION+

Patients served annually



6,000+

Physicians with active staff privileges



350+

Community access points

A Leading Provider of Care

Texas Health aspires to become the leading provider of health and wellness services in North Texas. To earn the trust and lifetime loyalty of consumers, we are working to make every interaction convenient, pleasant, seamless and tailored to each individual's unique needs.

We want to provide value – every time, every place and in every encounter. That's why we are investing time and resources to better understand and engage consumers to learn what they want and how they behave so we can support their journey to wellness at every stage of life. In 2017, we appointed a chief experience officer to lead this effort.

Another way we are differentiating ourselves is by offering a more affordable health plan to local companies as well as our own employees. Through Texas Health Aetna, more than 30,000 members are saving up to 15 percent on insurance premiums while being able to access top-tier medical staff physicians from Texas Health and Southwestern Health Resources¹.

Operating in one of the nation's fastest-growing regions has led us to expand our system and affiliate with complementary organizations to increase access to the care people need. For example, through Southwestern Health Resources, North Texans can choose from more than 3,000 doctors at 31 hospitals and more than 650 outpatient facilities. Additionally, in 2017 we broke ground on a \$270 million acute care hospital and multispecialty clinic complex in Frisco and expanded our emergency department at Texas Health Alliance to address service needs.

We continually look internally to assess ways we can increase efficiency while driving performance improvements. To remain nimble and more effective, we reorganized our governance structure this year to refocus our leaders' attention and resources on achieving specific organizational goals.



"At Texas Health, we call ourselves to action and accountability so that we may be a blessing in the life of every person we touch – our own colleagues, the patients we care for and all of the people who ultimately benefit from our growing focus on health and well-being."

JEFFREY L. CANOSE, M.D., FACHE
Senior Executive Vice President and
Chief Operating Officer

¹Southwestern Health Resources is a clinically integrated health network Texas Health formed with UT Southwestern Medical Center®



We're All in for
North Texas

Snapshot: Southwestern Health Resources Saves More Than \$73 Million

Since forming Southwestern Health Resources, we helped save the Centers for Medicare & Medicaid Services more than \$73 million from 2013-2016 by delivering better-coordinated and higher-quality care to Medicare beneficiaries in North Texas. Our network shares in these savings because we demonstrated we could consistently maintain a 95 percent quality score while also reducing costs.



“Delivering an exceptional consumer experience not only earns people’s trust, it also improves their health outcomes and lowers costs – all things that are essential to fulfilling our Mission, Vision and Values.”

DANIEL VARGA, M.D.
*Senior Executive Vice President
and Chief Clinical Officer*

Being a Workplace of Choice

Being an employer and workplace of choice are business imperatives for Texas Health. We constantly strengthen our culture, engage and develop our employees, and hire applicants who embody our beliefs and values. These investments are paying off, evidenced by the continued recognition by Great Place to Work® and Fortune as being among the top 100 organizations in the nation.

 **Our family-friendly policies include family medical leave, adoption assistance, flexible working hours and onsite child care.**

In 2017, we also made health care more affordable by saving \$179 million by contracting with in-network providers, paying more than 80 percent of employees' insurance costs and tiering premiums based on their salaries.

To help employees bridge the gap between knowledge and learning as well as how to apply

what they learned most effectively, we began standardizing development programs to verify that consistent, effective and timely learning occurs. We also integrated learning resources, such as medical library research databases, into our electronic health record. This places care information at providers' fingertips instead of having to access another system for it. *Chief Learning Officer* magazine named Texas Health as part of its LearningElite for our effective workforce development strategies this year.

Honoring our employees for their innovation and efforts is one of many reasons why Texas Health is a great place to work.

 **We paid out more than \$11 million in incentives for achieving goals and another \$1.3 million in spot recognition and other awards in 2017.**



Snapshot: Celebrating Being a Great Place to Work

We did it again! For the third year in a row, we were recognized as one of Fortune's "100 Best Companies to Work For®"! We were ranked #31 in 2017, up from #46 in 2016 and #69 in 2015. Achieving this honor is further evidence that we have become nationally recognized as a great place to work.

Our 2017 Great Place to Work and Fortune's "100 Best Workplaces" rankings include:



#1 in Health Care
#1 for Women
#4 for Gen Xers
#9 for Diversity
#31 in Best Companies to Work For®
#47 for Parents

To make our workplace safer and reduce injuries caused by handling patients, we educate employees on safety practices and keep them top of mind.

 **We reduced injuries by 24 percent.**

We also spent the year training nearly 6,000 new employees on workplace safety and nearly 4,000 working in high-risk areas in nonviolent crisis intervention.

Through our award-winning wellness program, we helped employees access virtual care for the first time to discuss common ailments from their home or workplace.

 **In 2017, about 60 percent of our workforce completed biometric screenings, 41 percent of tobacco-cessation participants quit using and a weight management group lost a collective 10,505 pounds.**

Delivering Excellent Care

Texas Health strives to be recognized nationally as a quality health care system that provides integrated, coordinated care across the continuum. As part of our journey to become a high reliability organization, we are working to provide a safe, quality experience to our patients every time, every place and every encounter.

 **Reducing variation in how care is delivered improves health outcomes and reduces costs and readmissions.** After deploying more than 30 care modules to help address such issues as hospital-acquired infections, we spent much of 2017 training clinical teams to embed their adoption. Initial results show they are effective in reducing readmissions, infection rates and patients' length of stay.

 **To improve patient safety, we coached clinical teams about error prevention tools to reduce near-misses and safety events.** We also encouraged caregivers to report all potential safety risks, so we can move quickly to resolve them and identify trends.

To allow consumers and patients to share recommendations for improvement or other opinions about their care with Texas Health, we launched an online research panel to assess everything from ways to improve the billing

process to new health services being considered. This feedback is helping us develop or refine the capabilities and services that consumers want – in the way they want it. As we attract new members, we intend to delve deeper into topics to further strengthen our system.

Snapshot: Recognized for Nursing Excellence



In 2017, we had the privilege of recognizing all wholly owned Texas Health hospitals for excellence in nursing.

Five of our largest hospitals achieved Magnet® designation, which is awarded to organizations that meet the American Nurses Credentialing Center (ANCC) standards for quality patient care, nursing excellence and innovations in professional nursing practice. This designation must be re-earned every three years. The ANCC designated 10 smaller hospitals with Pathway to Excellence® status, which recognizes positive practice environments where nurses excel.



HIGH SAFETY RATINGS

Earned A or B safety ratings from The Leapfrog Group at 14 wholly owned hospitals in 2017



PREVENTION

Reduced positive C. diff tests 44% by collaborating with labs and infection prevention teams



REALIGNED

Standardized consumer experience programs and processes to drive excellence across the organization



RATING TOOL

Launched that allows consumers to rate their interactions with Texas Health Physician Group providers



\$240,000

Saved by refining a long-standing infection control process for difficult-to-treat bacteria

Enhancing Community Well-Being

Texas Health advocates for and develops health programs, resources and tools that improve the well-being of North Texans. To make an even bigger impact, we team with our employees and local organizations that share similar goals to volunteer our time, talent and resources.

 **In 2017, we awarded more than \$2 million in grants and sponsorships to nonprofits seeking to reduce health disparities, manage chronic diseases and improve wellness.**

In 2017, our generous employees donated \$1.9 million to worthy causes and hurricane relief—and gave more than 10,000 hours of their time to complete 700 community service projects as well.

 **Through our Faith Community Nursing program, more than 250 volunteer nurses and health promoters provided health education and services to more than 143,000 people in North Texas congregations.** This program, along with the continuous pastoral care provided by our chaplains, offers support in faith-based environments.

 **Thanks to more than \$7.4 million in donations to the Texas Health Resources Foundation, we were able to support clinical, educational and research programs for the benefit of our surrounding communities.** An additional \$640,515 was donated to the Texas Health 365 Fund, which enables us to deliver lifesaving care and services, such as free health

education and screening mammograms to the underserved. Our Wellness for Life® Mobile Health Program provided wellness exams to more than 2,700 uninsured and underinsured women during the year.

Through our Government Affairs department, we advocated for funding to increase the number of physicians, nurses and other health professionals working in our state.

 **We supported funding of the Children's Health Insurance Program, critical rural health programs, behavioral health services and trauma care.** We were pleased the Medicaid 1115 Transformation Waiver was renewed for five more years, which in part supports programs that provide care to the underserved in our state.



Snapshot: Texas Health Named Among Best Workplaces for Giving Back

Giving back is in our DNA. For the second consecutive year, Texas Health was named on the Fortune and Great Place to Work® list of Best Workplaces for Giving Back, jumping in rankings from 44 to 19. We are the only North Texas-based organization recognized out of more than 385,000 surveys submitted by employees from companies across the nation.

Our 2017 Trust Index® Employee Survey revealed that 93 percent of employees feel good about the ways in which we are contributing to the community. Our employees gave more than \$1.9 million of their own money to support health system programs, local nonprofit organizations and hurricane relief efforts as well.

We appreciate our employees' generosity and compassion in serving our communities through their labor of love.



Committed to Community



ADVOCACY

Support public policies that protect the health needs of our patients, employees and communities.



143,000+

People provided with pastoral care



\$7.4 MILLION

Received in financial gifts from generous donors



\$852 MILLION

Provided in charity care and community benefit



\$450,000+

Raised to support North Texas Giving Day, making us the top health care supporter



4 MILLION+

Pounds of paper recycled, saving 33,834 trees



17TH TIME

Being named one of the nation's "Most Wired" health care systems



TOP 25

Health care supply chains (Gartner)



\$14 MILLION

Invested on 63 projects to reduce energy use



\$25 MILLION

Spent with minority and women-owned enterprises

Optimizing Our Care Environment

Texas Health conscientiously manages its environment of care to maintain business functions, keep employees and patients safe, lower operating costs and reduce negative environmental impacts.

Each year, we set annual goals to cut costs and operational impacts.



In 2017, we reduced procurement expenses by \$24.7 million. This caught the attention

of Gartner®, which recognized Texas Health as one of the nation's top 25 health care supply chains for "improving human life at sustainable costs."



To reduce our carbon footprint, we continued retrofitting buildings, equipment and lighting to improve efficiency.

We also built a new energy-efficient Texas Health Neighborhood Care & Wellness Center in Prosper. Additionally, we began a water conservation program and completed a water audit to measure areas of highest consumption during the year. This helped us reduce overall water use despite growth.

To maintain continuity of operations for all critical clinical, financial and operational functions, we developed emergency management, preparedness risk management, business continuity and security plans for each department during the year. We also completed a multiyear

data center transformation project to provide additional offsite backup so that if one system fails, users will automatically be switched to another - with zero downtime or interruption. This helps protect our most critical systems and information from major natural disasters as well as physical security threats.

Snapshot: Responding to Hurricane Harvey

Texas Health provided 37 physicians, physician assistants, nurses and medical assistants to care for almost 400 evacuees of Hurricane Harvey. We also provided eight incident management staff to support the medical command center located at the largest shelter in Dallas. According to the Texas Hospital Association, nearly 50 Texas hospitals were affected by Hurricane Harvey, and incurred about \$460 million in operational costs and about \$40 million in uncompensated care costs.

Volunteers: A Virtuous Circle of Life

It happens thousands of times a day: Texas Health staff throughout our system inspire their patients by providing generous, compassionate care. This is why many of our community volunteers, who donate time worth millions of dollars each year, are former patients who want to give of themselves as a way to pay back and pay forward what our caregivers have done for them.

In turn, their presence and service as helping hands, especially to our nurses whom they help by folding gowns, getting supplies and doing whatever else is needed, inspire all of us. In 2017, more than 2,000 volunteers collectively donated more than 350,000 hours of their time and energy to Texas Health. We are grateful for their dedication and service.



“While each individual will have a personalized experience, their expectations are the same – convenient, quality care that is affordable throughout our system. They expect One Texas Health.”

WINJIE TANG MIAO
Executive Vice President and Chief Experience Officer



Contributors

The following key internal teams provided direction and scope, and helped in identifying relevant topics that reflect Texas Health's economic, environmental and social impacts, or issues of interest to our stakeholders:

Brand Experience

Community Affairs

Community Health Improvement

Environment of Care & Emergency Management

Environmental Services

Faith & Spirituality Integration

Governance Services

Government Affairs & Advocacy

Information Services

Information Systems & Application Management

Integrated Experience

Performance Improvement

Quality Outcomes

Quality & Patient Safety

Real Estate Engineering

Strategy & Planning

Supply Chain Management

System Engineering

Texas Health Physicians Group

Texas Health Population Health, Education & Innovation Center

Texas Health Research and Education Institute

Texas Health Resources Foundation

Texas Health Resources University



Learn More

To access our full report, please visit:
TexasHealth.org/Responsibility

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