



2017

Annual Report to the Community

Message From Our CEO



2017 proved to be another challenging and interesting year for healthcare. We continued to experience a major shift in how we are paid from insurance companies, as well as working through the complexity of their value based payment system. We are fortunate to be in a strong financial position currently, but given the uncertainty of

the industry changes, it was time to explore alternatives to ensure the necessary resources would still be available locally for our patients and community. The proposed strategic combination with Navicent Health would allow our two organizations to provide greater benefit for our patients, region and those with limited access to healthcare.

Houston Healthcare remains focused on providing our patients and community with quality healthcare. During the year, we began the transition to a different accrediting organization, DNV-GL Healthcare. DNV integrates ISO 9001 Quality Management System, enabling us to draw from a different knowledgebase relating to quality. This transition also allows us to stay up-to-date with annual reviews of our organization and processes. We are confident this transition will reap benefits for our patients, staff and physicians.

Our strength as an organization is enhanced through our community partners and longtime supporters. Organizations such as the Houston

County Board of Education, Robins Air Force Base, our local colleges and universities, along with so many others, not only utilize our services, but also provide guidance and assistance in determining how we can bring added value to our community. We are grateful for the collaboration and forward-thinking approach to providing health care to those around us.

As we look to 2018, we know changes are coming our way. We anticipate a decision regarding the Navicent combination by summer. We will continue to provide the services and quality that our community expects from our organization. We are so thankful for our community members who support our hospitals and various outpatient facilities. For nearly 60 years, Houston Healthcare has been taking care of the medical needs of our residents and those in surrounding communities. We will continue to do just that.

We appreciate your support as we work through the next phases of our organizational and industry changes. It will be challenging, but we are up to the task and know our patients and community will benefit from the growth in services and dedication of our Board, Medical Staff, and employees to improve the healthcare of the communities we serve.

Cary Martin,
Chief Executive Officer

Our Mission

To improve the healthcare of the communities we serve by providing patient-focused, high quality, cost-effective services while promoting health and wellness.

Our Vision

"A caring health system dedicated to excellence - today and tomorrow."

Our Values

Respect - entails a high regard for worth of each person. It gives everyone a voice and promotes teamwork.

Integrity - promotes honesty and straightforwardness in dealing with each other in attempting to make our system work to its full potential.

Service Innovation - encourages creativity in seeking continuous quality improvements and in meeting customer requirements.

Excellence - fosters constant, continuous striving for quality service in duty and work done



*Connecting
People, Community
and Care.*

Ways We Benefit Our Community

- **Athletic Trainers Program** 1,738 student athletes
Spring Sports Physicals, Saturday Sports Injury Clinics, community events and sports medicine education
- **SeniorCare Program** 11,571 senior contacts
Ongoing exercise and health education
- **Perinatal Coalition** 1,857 female contacts
Case management and interpretation services for non-English speaking women with high risk pregnancies, gestational diabetes and case management
- **Childbirth & Baby Education** 1,823 family member contacts
Education classes on early pregnancy, breastfeeding, older sibling roles, childbirth education, grandparenting, and baby care
- **Diabetes Education** 4,266 contacts
Self-management education and support
- **Community Health Improvement** 12,180 contacts
Glucose and blood pressure screenings, influenza immunizations, community and industrial health fairs, vulnerable population outreach, and health education

Patient Safety

An Integral Part of Delivering Quality Care

Providing quality care to those who utilize our services is a key component of what we do each day at Houston Healthcare. Quality care can be defined in a variety of ways. For Houston Healthcare in 2017, we were recognized by three different organizations for three different aspects of providing quality care.

The Partnership for Health and Accountability presented their prestigious Quality and Patient Safety Award to Houston Healthcare for work and care provided to prevent the incidence of pre-term deliveries. The annual awards recognize Georgia health care organizations for achievement in reducing the risk of medical errors and improving patient safety and medical outcomes. Through the coordination of our EduCare department, which facilitates our community education initiatives, Houston Healthcare leads a Perinatal Coalition comprised of organizations in our community which serve pregnant women. Prevention of pre-term birth ensures the health and safety of mothers and babies. It is vital to the long-term health of these babies to receive appropriate prenatal care. Pre-term birth is the leading cause of neonatal death in the United States and places infants at risk for lifelong disabilities such as cerebral palsy, blindness and physical and neurological impairment. By facilitating this project, we were able to identify women at risk for a pre-term birth and provide additional care, support, and education to help improve their birth outcomes. As a result of this project, the Coalition solidified a March of Dimes grant, partnered with Public Health to start the first Prenatal Clinic in Houston County, and provided additional training for health care providers in methods to prevent pre-term deliveries.



Quality care is also defined through the services and technology offered to the community. Houston Medical Center was granted an additional three-year term for accreditation by the Intersocietal Accreditation Commission in Echocardiography in the area of adult Transthoracic. This recognition demonstrates our ongoing commitment to providing quality patient care in the area of echocardiography. Accreditation indicates that Houston Medical Center has undergone an intensive application and review process and was found to be in compliance with the published Standards. Review of the application was conducted by a panel of medical

experts reviewing critical operational and technical components, including case studies and final reports. As an organization, we are committed to providing our community with processes, procedures, and services that can assist in treating heart issues and saving lives.

Lastly, The Leapfrog Group, a national nonprofit health care ratings organization, awarded Houston Medical Center an "A" for its commitment to keeping patients safe and meeting the highest safety standards in the United States. The grade is assigned based on performance in preventing medical errors, infections and other harms. Twenty-seven measures of data are assigned to the grade and is calculated

by top patient safety experts and peer reviewed. It's important to note that Perry Hospital has continued to have positive outcomes and performance results on the Leapfrog survey; however, due to the number of procedures performed for certain measures, they were not eligible for a safety grade. The physicians and staff at each Houston Healthcare facility are committed to providing quality care for our patients and remain dedicated to furthering our mission of improving the health of our community.

Houston Healthcare

Finalizes Community Health Needs Assessment and Implementation Plan

Houston Healthcare is continuing its tradition and mission of addressing the health needs of our community. This mission starts with knowledge of the health status of our community through a Community Health Needs Assessment (CHNA). The 2017 CHNA included a review of health-related data, a phone survey of 200 community residents, information gathered through an on-line survey with 41 key informants, as well as several discussion groups. This information was utilized to create a new three-year Community Health Implementation Plan. The plan includes prioritizing the health needs of the community as well as a review of services other organizations are providing. Because there are multiple and diverse health needs in the communities we serve, partnerships and collaboration are keys to success along with individuals and families striving to improve their health.

The CHNA is completed every three years along with an updated plan. However, to measure our progress, we also have an annual work plan which is evaluated at the end of each year to ensure our services remain relevant. The work plan is used to address the priority health issues.

Results from the 2017 CHNA

The data showed the leading causes of death are (1) cardiovascular disease – which includes heart disease and stroke, (2) cancer, (3) respiratory diseases, and (4) diabetes. Before these illnesses develop, there are risk factors that can be identified which lead to development of poorer health. The CHNA identified some of the risk in Houston County which included:

- 72.2 percent of adults are overweight; 18.5 percent of children are overweight
- 13.9 percent use tobacco
- 43 percent of adults have high blood pressure

- 28.5 percent of adults meet the exercise recommendations
- 51.8 percent of kids are physically active for one or more hours per day

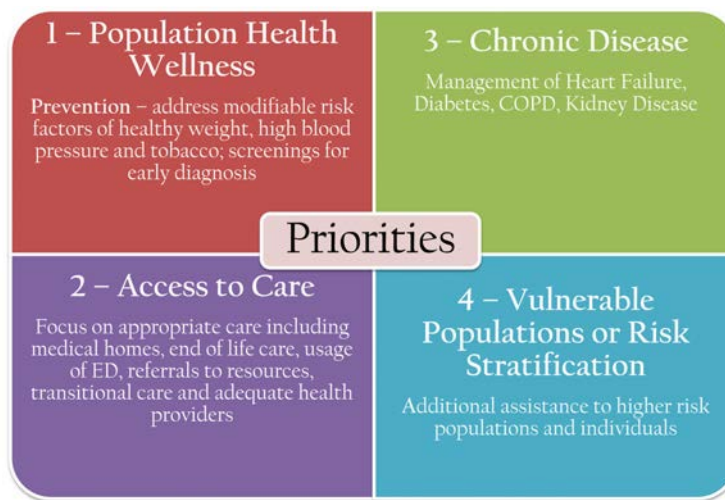
Ideally, the person with these risks would take action to control their risk and decrease their chances of developing a chronic disease. Through our Chronic Disease Management programs and healthy living initiatives, we are able to assist and empower the individual to

manage the condition to prevent complications. The rates of chronic disease in Houston County are similar to the rest of Georgia and some examples include:

- 18.3 percent are diagnosed with diabetes
- 8.7 percent have the diagnosis of heart disease

There was also good news for Houston County residents. The CHNA trended the data from the past six years and showed heart disease, cancer, and pneumonia death rates declined. Stroke incidence, along with low birth weight for newborns incidence, decreased. The six-year study also demonstrated an increase in the

individuals taking more responsibility and action to improve their health such as a decrease in the number of current smokers, and an increase in the number of persons obtaining the recommended health screenings.



Houston Healthcare has identified the priorities for 2018-2020 to make Houston County healthier. The plan includes the activities, events and programs listed in our HouseCalls newsletter, as well as on our website at www.hhc.org/calendar. It also includes information on partnerships and collaborations with other organizations and with the individuals of Houston County all working together for a healthier community.

Our Family of Services

Houston Medical Center • Perry Hospital • Houston Heart Institute • The Surgery Center Pavilion Diagnostic Center • Pavilion Family Medicine Center • Pavilion Rehab Center • Houston Lake Rehab
Houston Lake Med-Stop • Lake Joy Med-Stop • Pavilion Med-Stop • EduCare
Health Connections Cardiac & Pulmonary Rehab • Physician Referral & Health Information

Financial Report

Annual Stats for 2017

Admissions (excluding newborns)	14,421
Patient Days (excluding newborns)	65,954
Emergency Department Visits	78,874
Births	1,882
Surgeries & Endoscopies	16,106
Med-Stop Visits	48,724
EMS Trips	29,607
Employees (Full & Part-time)	2,434

Financial Report for 2017 (audited)

Net Operating Revenue	\$235,264,000
Expenses	\$254,367,000
Net Operating Margin	\$ (19,103,000)
Non-Operating Revenue	\$ 15,166,000
Net of Revenue	\$ (3,937,000)
Indigent and charity care and other financial assistance at cost	\$ 9,375,766



Speakers Bureau

Reaching Community with Health Information

As part of Houston Healthcare's commitment to promoting health and wellness, our Speakers Bureau provides health education and wellness information to those in the community. During 2017, nearly 30 community and civic groups were visited by Houston Healthcare employees to share information about our variety of services, healthy living, chronic disease management, mental health, rehabilitation services, medication management, organizational updates and more.

"My staff and I always enjoy speaking to various groups in the community. It gives us the opportunity to share the importance of maintaining good health, as well as explain the different aspects of what we do each day in the Houston Heart Institute," shares Ray Jones, Associate Director of Cardiovascular Services for Houston Healthcare. "Educating

our patients and our community about what we do is a win-win for everyone."

Throughout the year, over 800 community members heard staff share their experiences, information about our services, and obtain information about health resources available from our organization. "Being able to talk with various people in the community gives us a great opportunity to make sure they are aware of what services are provided locally and available to them," states Nancy Ridley,

Director of Behavioral Health Services for Houston Healthcare. "Often people drive by our facilities but don't really know what all goes on inside. We offer so much more and sharing these highlights with our community only enables us to be a better local health care provider."



Houston Healthcare

Transitions to DNV-Healthcare Accreditation

In December 2017, Houston Healthcare successfully completed the transition to its new accreditation process through DNV GL - Healthcare. By earning accreditation, Houston Healthcare facilities have demonstrated they meet or exceed patient safety standards (Conditions of Participation) set forth by the U.S. Centers for Medicare and Medicaid Services. DNV GL's accreditation program is the only one to integrate the ISO 9001 Quality Management System with the Medicare Conditions of Participation.

"The DNV GL program is consistent with our long-term commitment to quality and patient safety," says Charles Briscoe, Chief Operating Officer for Houston Healthcare. "The ability to integrate ISO 9001 quality standards with our clinical and financial processes is a major step forward."

Houston Healthcare has three years from the date of its accreditation to achieve compliance with ISO 9001, the world's most trusted quality management system used by

performance-driven organizations around the world to advance their quality and sustainability objectives.

DNV GL's accreditation program, called NIAHO® (Integrated Accreditation of Healthcare Organizations), involves annual hospital surveys – instead of every three years – and encourages hospitals to openly share information across departments and to discover improvements in clinical workflows and safety protocols.

"As an organization, we are continuously looking for ways to increase operational efficiencies, improve the overall patient experience, and achieve optimal health outcomes," states Briscoe. "Because DNV is not just involved in healthcare, we are able to learn from other industries as it relates to quality. DNV will also perform an annual review of our hospitals and facilities, which will ensure an ongoing state of continual readiness and enable us to make sure our processes are current and remain effective."



"As an organization, we are continuously looking for ways to increase operational efficiencies, improve the overall patient experience, and achieve optimal health outcomes."

Charles Briscoe, Chief Operating Officer for Houston Healthcare

Strategic Combination a Possibility

Houston Healthcare and Navicent Health

In the Fall of 2017, Houston Healthcare and Navicent Health entered into discussions to determine if a strategic combination of the two organizations would be beneficial for the patients, physicians, region at large, and also each other. This new "partnership of equals" would create a health care system in middle Georgia that will bring together an unparalleled collection of advanced healthcare delivery resources to better serve the region.

The focus is to look for ways that will enable both organizations to leverage our combined resources to deliver the highest quality of care possible in our service area, and we believe the combination will actually enhance health care delivery services for both of the

systems. In Houston County, we expect to strengthen the accessibility of current and future service offerings, as well as share industry best practices to achieve enhanced value for our patients. Perry Hospital is integral to the mission of Houston Healthcare, and as such, will also see enhanced accessibility of new and current clinical services.

We are working together to take advantage of a wide range of synergies that will enhance access, improve quality and accelerate the achievement of operational efficiencies. Both organizations share a common culture, vision and values and a successful history of collaborating together to benefit those patients in the communities we serve.

Primary Care Available

Through the Pavilion Family Medicine Center

Having a medical home – a patient-centered health care provider or facility who offers comprehensive and continuous medical care with the goal to obtain maximal health outcomes – is key to monitoring and improving an individual's health. The Pavilion Family Medicine Center (PFMC) is just that for many of our community members. Located in the Houston Health Pavilion, PFMC also houses the Family Medicine Residency Program, which began in 2012 with the goal of training proficient family medicine physicians and is facilitated by Houston Healthcare.

The PFMC provides care and services for patients throughout all phases of life – from newborns to more seasoned individuals. As for most primary care physician offices, PFMC sees patients for a variety of medical needs including: asthma, hypertension, diabetes, COPD, pregnancy and post-natal care, immunizations, school physicals and more. Referrals are also given

for those patients who need to see a specialist.

For those who are unfamiliar with the PFMC, it operates the same as a primary care physician's office. Patients are able to call and share why they need to be seen by a physician and an appointment will be made for them. Because the office is part of Houston Healthcare, patients are also able to qualify for the Financial Assistance Program available through Houston Healthcare. Patients who do not have an established primary care physician are encouraged to call the PFMC to make an appointment.

During 2017, the Pavilion Family Medicine Center had nearly 15,000 visits. In total, there are 18 resident physicians and four faculty physicians providing care at both the PFMC and at Houston Medical Center. The physicians and staff are dedicated to providing quality care and ensuring our residents establish a medical home.



Community Organizations and Partners



Including, but not limited to:

- Alzheimer's Association
- American Cancer Society
- American Red Cross
- Central Georgia Technical College
- Community Health Works
- Habitat for Humanity
- HODAC
- Houston County Volunteer Medical Clinic
- Komen for the Cure
- March of Dimes
- Middle Georgia Community Action Agency
- Middle Georgia State University
- Museum of Aviation
- Rainbow House Children's Resource Center
- United Way of Central Georgia

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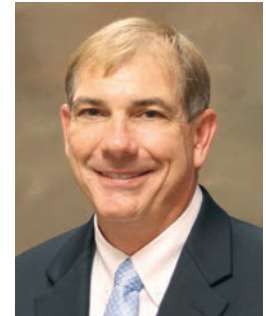
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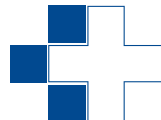
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HOUSTON HEALTHCARE

www.hhc.org

Statement of Nondiscrimination

Houston Healthcare complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex.
ATTENTION: Language assistance services, free of charge, are available to you. Call 478-975-5662 (Houston Medical Center) or 478-218-1635 (Perry Hospital).

Spanish: ATENCIÓN: si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística.

Llamen al 478-975-5662 (*Centro Médico de Houston*) o 478-218-1635 (*Hospital de Perry*).

Korean: 주의: 한국어를 사용하시는 경우, 언어 지원 서비스를 무료로 이용하실 수 있습니다. 478-975-5662 (*Houston Medical Center*), 478-218-1635 (*Perry Hospital*) 번으로 전화해 주십시오.