MEMORIAL HERMANN HEALTH SYSTEM

2013 ANNUAL REPORT
OF COMMUNITY BENEFITS PLAN

COMPLETED FOR
THE TEXAS DEPARTMENT
OF STATE HEALTH SERVICES

MEMORIAL HERMANN HEALTH SYSTEM, HOUSTON TX
MEMORIAL HERMANN SOUTHWEST HOSPITAL
MEMORIAL HERMANN NORTHWEST HOSPITAL
MEMORIAL HERMANN SOUTHEAST HOSPITAL
MEMORIAL HERMANN THE WOODLANDS HOSPITAL
MEMORIAL HERMANN MEMORIAL CITY HOSPITAL
MEMORIAL HERMANN KATY HOSPITAL
MEMORIAL HERMANN SUGARLAND HOSPITAL
MEMORIAL HERMANN - TEXAS MEDICAL CENTER
MEMORIAL HERMANN TEXAS INSTITUTE FOR RESEARCH AND REHABILITATION
MEMORIAL HERMANN NORTHEAST HOSPITAL

1.) MISSION STATEMENT
Memorial Hermann’s vision is to be the preeminent health system in the United States by advancing the health of those we serve through trusted partnerships with physicians, employees and others to deliver the best possible health solutions while relentlessly pursuing quality and value. Memorial Hermann Health System’s mission is to provide high quality health services in order to improve the health of the people in Southeast Texas. The largest not-for-profit, community-owned, health system in Texas, with 11 hospitals (includes Memorial Hermann Rehabilitation Hospital – Katy), Memorial Hermann is uniquely positioned to collaborate with other providers to assess and create health care solutions for individuals in greater Houston’s diverse communities; to provide superior quality, cost-efficient, innovative and compassionate care; to support teaching and research to advance the health professionals and health care of tomorrow; and to provide holistic health care which addresses the physical, social, psychological and spiritual needs of individuals.

In the greater Houston area where a staggering 30% are uninsured, Memorial Hermann annually contributes more than $350 million in costs in uncompensated care and community benefit activities, and through its subsidiary, the Memorial Hermann Community Benefit Corporation (MHCBC) established in 2007, implements programs to work with other healthcare providers, government agencies, business leaders and community stakeholders to ensure that all residents of the greater Houston area have access to the care they need to improve their quality of life and the overall health of the community.

2.) OVERVIEW OF MEMORIAL HERMANN HEALTH SYSTEM
Memorial Hermann Health System is the largest not-for-profit healthcare system in Southeast Texas and serves the greater Houston community through Memorial Hermann-Texas Medical Center, the teaching hospital for The University of Texas Medical School at Houston, and home of one of the nation’s busiest Level I trauma centers; (8)
suburban hospitals; (3) premier Heart & Vascular Institutes; TIRR Memorial Hermann, one of the nation’s top rehabilitation and research hospitals; Memorial Hermann Rehabilitation Hospital - Katy; Children’s Memorial Hermann Hospital; the Memorial Hermann Sports Medicine Institute; the Mischer Neuroscience Institute; (7) cancer centers; (23) imaging centers; (9) breast care centers; (7) sports medicine and rehabilitation centers; (7) wound care centers; (9) palliative care centers (21) diagnostic laboratories; (2) convenient care centers; PaRC, a substance abuse treatment center; (1) retirement/ nursing center; (1) home health agency; and a hospice program. Memorial Hermann operates the Life Flight® air ambulance program and one of two of the city’s only burn treatment centers.

3.) DESCRIPTION OF THE COMMUNITY SERVED

Population Size: Memorial Hermann serves “greater Houston,” a multi-county area in southeast Texas—where several counties are without hospital district services. The 5th largest metropolitan area in the United States, greater Houston is one of the fastest growing with a population of 6 million.

Demographics: A source of strength in a global economy, Houston prizes its racial and ethnic diversity. According to U.S. Census 2010 estimates, Houston is 25.6% White, 43.8% Hispanic, 23.7% Black or African American, 0.7% Native American, and 6.2% Asian/Pacific Islander. More than 45% of individuals ages five and up are living in homes where English is not the primary language. Per capita income is $25,927. In Houston, 21.5% of all residents are living below the poverty line—21% higher than the rate for Texas.

Major Employers: Rated as a global city, Houston's economy has a broad industrial base in energy, manufacturing, aeronautics, and transportation. It is also a leader in the health care sector and oilfield equipment. The largest employers in the community include: Memorial Hermann Health System (20,248 employees); The University of Texas M.D. Anderson Cancer Center (15,000 employees); ExxonMobil (13,000 employees); Shell Oil Company (13,000 employees); and Kroger Company (12,000 employees).

Key Community Health Assessment Findings: The greater Houston area is one of the hardest hit areas in the “uninsured” healthcare crisis—thirty percent of Houston’s residents are uninsured Houston’s fast-growing Hispanic population accounts for a large percentage of uninsured residents. Health education and prevention and increased access to healthcare are vital to improving the overall health of residents whose leading causes of health issues are mental health problems, diabetes, obesity (adult), obesity (children), substance abuse, heart disease/stroke, cancer and high blood pressure. The most prevalent chronic diseases are diabetes, obesity, high blood pressure, cancer, heart failure and asthma with the rising rate of obesity the single biggest threat to the greater Houston area—more than one in four greater Houston residents is obese. Only 28.4% of the population, age 25+, has a college degree. So vital to the well-being of individuals and families, the Houston area’s unemployment rate is 6.1%—down from its highest level in February 2010 at 8.6%.

As required by the community health needs assessment-section 501( c)(3)—requirement of the ACA, Memorial Hermann conducted community needs assessments for each of its 11 hospitals. The studies included demographic data of Harris, Fort Bend, Montgomery, and Brazoria Counties (counties that compose 89% of Memorial Hermann discharges. Data was analyzed from numerous sources including: Texas Department of State Health Services; Behavioral Risk Factor Surveillance System (BRFSS); F as in Fat Report; How Obesity Threatens America's Future; United States Census Bureau; The Robert Wood Johnson Foundation and the University of Wisconsin Population Health Institute; The State of Health in Houston and Harris County 2012; The Health of Houston Survey: A First Look at 2010; Safety Net Review Key Informant Study Results; and, the previously referenced, Houston Hospitals Emergency Department Use Study.

In addition, an opinion survey was sent to 550 health organization professionals in the greater Houston area, 11 in-depth qualitative surveys were conducted with community health leaders and information was collected from Memorial Herman Hospital CEOs and their staff.
A description of the processes and methodologies, surveys and interviews with public health officials where participants were given the opportunity to prioritize community health needs and rate the importance of health care initiatives; and, identification of all collaborating organizations and existing health care facilities and other resources within the community available to meet the needs are identified in each of the community needs assessments.

Findings indicated that there were eight main needs in the communities served by Memorial Hermann. The Community Health Needs Assessment Team, consisting of leadership from Memorial Hermann, prioritized those eight needs by studying them within the context of the hospital's overall strategic plan and the availability of finite resources, with the following prioritization, in descending order, resulting:

- Education and prevention for diseases and chronic conditions
- Address issues with service integration, such as coordination among providers and the fragmented continuum of care
- Address barriers to primary care, such as affordability and shortage of providers
- Address unhealthy lifestyles and behaviors
- Address barriers to mental healthcare, such as access to services and shortage of providers
- Decrease health disparities by targeting specific populations

Following the Community Needs Assessment, each Memorial Hermann Hospital along with the support of Memorial Hermann Community Benefit Department developed an implementation plan with supporting objectives, and implementation activities and metrics.

The end result of the assessment process was the development of a strategic plan for each Memorial Hermann Hospital to address the major needs identified. As with the Needs Assessments, the Implementation Plans reside on each hospital's website.

4.) COMMUNITY BENEFIT PROGRAMS

In the greater Houston area where a staggering 30% are uninsured, Memorial Hermann serves the financially needy in our community. In 2013, Memorial Hermann provided charity care costs totaling $120 million and Medicaid care and other means tested care totaling costs of $5 million.

Contributions beyond charity, Medicaid, and other means tested programs in 2013 were $226 million in community health improvement services and community benefit operations; health professions education; subsidized health services; research; and cash and in-kind contributions for community health.

It is through its subsidiary, the Memorial Hermann Community Benefit Corporation (MHCBC), that Memorial Hermann implements community benefit programs that work with other healthcare providers, government agencies, business leaders and community stakeholders to ensure that all residents of the greater Houston area have access to the care they need to improve their quality of life and the overall health of the community. Ongoing collaborators to address Houston's health and social issues and improve its well-being include Gateway to Care, area school districts, Texas Health Institute, M.D. Anderson Cancer Center, The University of Texas Health Science Center at Houston School of Public Health, social service agencies, institutes of higher education, and professional associations. Memorial Hermann Community Benefit Programs are designed to provide care for uninsured and underinsured children; to reach those Houstonians needing low cost care; to support the existing infrastructure of non-profit clinics and FQHCs; and to educate individuals and their families on how to access the healthcare available to them. Committed to making the greater Houston area a healthier and more vital place to live, Memorial Hermann Healthcare System supports the following initiatives:

- Memorial Hermann Health Centers for Schools, established in 1996, offers access to primary medical and mental health services to more than 40,000 children at 49 schools across three school districts in the
Greater Houston area. The focus is on uninsured, Medicaid, and at-risk students. Numerous outcomes are measured--both clinical and academic. The program is the recipient of numerous state and national awards.

- The **Memorial Hermann Mobile Dental Clinic**, established in 2000, has two dental vans and provides access to preventative and restorative dental services at all six Health Centers for Schools’ sites and is accessible as a “dental home” for uninsured and underinsured students. The program measures itself against Healthy People 2020 Objectives for oral health and is the recipient of the Texas Dental Association Certificate of Merit.

- Serving the community since 2008, the **Memorial Hermann ER Navigation** program places certified Community Health Workers in three Memorial Hermann ERs to help the uninsured, who disproportionately use emergency rooms for healthcare, ‘navigate’ the complex health system, obtain a medical home, schedule appointments, secure needed social services and cope with future healthcare concerns. Navigated ER patients experience fewer ER visits post intervention covering program costs ten-fold.

- The **Memorial Hermann Community Outreach Personal Empowerment (COPE)** program employs social workers to meet with non-resource, repeat (3+ ER visits/ admissions) patients to help them navigate the healthcare system, establish a medical home and empower their potential to maximize health and wellness through knowledge, behavioral skills, and self-responsibility.

- **Memorial Hermann Medical Missions** exists to finance, facilitate, and encourage physician led teams into third world countries. It finances by providing supplies, pharmaceuticals, and scholarships of $500 per non-physician team member. It facilitates by linking physicians and support teams together; advising on passports, vaccinations, air travel; and coordinating necessary supplies. It encourages by sharing the knowledge of past experiences; communicating what a medical mission means to a poverty or disaster stricken area; and coaching on safety practices so that participants feel comfortable in their new surroundings. In 2012, approximately 53,000 people from 20 different countries were assisted through 64 missions. Memorial Hermann matches the proceeds of an annual golf tournament to support this global community benefit effort.

- **Memorial Hermann Neighborhood Health Centers** are clinics open extended hours, strategically located near busy emergency centers, accept cash and Medicaid, and charge just above costs. Designed to serve as a “medical home” to uninsured working families, the goal is to provide this population with preventive, acute, as well as chronic care. They are an affordable clinic where individuals can decrease their hypertension, manage their diabetes, and women can feel comfortable returning for their annual well woman exams.

- **Physicians of Sugar Creek** is a Memorial Family Practice Residency Training site for 42 family practice residents and provides a sliding fee based scale to the area’s working poor. The National Committee for Quality Assurance (NCQA) has designated this residency program and family practice as a “Recognized Medical Home”.

- **Population Research** is supported by Memorial Hermann to guide the development and implementation of effective approaches that improve the health of Houston area patient populations through data-driven research, interventions, evaluation and community engagement.

- **Interfaith Community Clinic** is a private not-for-profit volunteer based health care clinic. Its mission is to provide medical care, dental care, and social service referrals for indigent persons not eligible for other programs and have nowhere else to turn. Opened in 1996, Memorial Hermann has supported the clinic since inception with operational funds, and Memorial Hermann-The Woodlands provides an additional $60,000/month in diagnostic services.

- **Community Health Prevention and Education Initiatives** are offered by Memorial Hermann through each of its hospitals and PaRC, its substance abuse treatment center. These initiatives offer free screenings, seminars and support groups through a variety of venues to thousands of Houston residents seeking more information about their health.
5.) PARTNERSHIPS
Memorial Hermann Health System’s community partnerships include: health related organizations, physicians groups, research and educational institutes, businesses, nonprofits, and government organizations to identify, raise awareness and to meet community health needs. Below are just a few of the partnerships:

- **Cancare of Houston** — Memorial Hermann supports this one-on-one hospital visitation program that is staffed by volunteers whose mission it is to support patients and their families to create hope where there is none so that no one suffers alone.
- **Covenant House** — For more than 17 years, Memorial Hermann has partnered with and provided free linen services for Covenant House, a child care agency that provides emergency shelter, counseling, vocational and educational services, health care and legal information to homeless and runaway youth at no cost.
- **Emergency Room Algorithm Study** — Since 2003 Memorial Hermann has been a sponsor and participant in the collection and analysis of emergency department visit data in Harris County hospitals. The purpose of the study is to monitor trends in primary care-related ER use and understand the characteristics of the patients who use ERs for primary care purposes. Emergency Rooms have become major providers of primary care, particularly for low-income uninsured people unable or unwilling to access basic medical services at private or public clinics or doctor’s offices.
- **Healthy Living Matters** — Memorial Hermann Community Benefit Corporation has been a partner of the Healthy Living Matters collaboration since 2012. The collaboration, funded by Houston Endowment, was created to curb childhood obesity in Houston/Harris County by using policy action to enact system and environmental change.
- **Newspring** — Memorial Hermann supports this spring branch community program that provides art related programs & opportunities for at-risk students.
- **The Gulf Coast Regional Blood Center** is the recipient of 50+ blood drives per year held at 19 Memorial Hermann locations. As the largest user of blood and blood components in the region, Memorial Hermann encourages its employees to support the community and give blood, thereby instilling a culture of giving through its 20+ year partnership.
- **One Voice** — Memorial Hermann the Women’s Health Initiative of Texas, an initiative launched in 2012 to 1) create awareness during the 2013 legislative session of bills that negatively impact women’s healthcare, and 2) lay the foundation for the long-term work and infrastructure development.
- **The Physician Health Network (PHN)**, established in 2005 through a collaborative with Gateway to Care, is made up of over 800 providers including individual physicians and organizations such as hospitals, diagnostic centers and labs to serve more than 5,200 indigent patients in need of specialty care in order to regain their health and become productive citizens. To date, a conservative $22.8 million of medical services have been donated. Timely access to specialized care improves clinical outcomes. Patients eligible for receiving PHN services include those whose income is at 150% or below the federal poverty level, have no other form of health insurance, and have been referred by a participating volunteer physician or Houston area Safety Net Community Clinic. Memorial Hermann physicians and hospitals are significant contributors to PHN needed services.
- **San Jose Clinic** — Memorial Hermann partnered with San Jose to premier in Houston the documentary film of the Highlands Hospital ER in Oakland California, depicting a typical county ER where patients know of no where else to turn for their medical needs.
- **Spring Branch Community Health Center** — Memorial Hermann supported the building campaign of this federally qualified health center to establish a satellite community health center to provide low cost comprehensive medical services in the West Houston area.
- **TOMAGWA Ministries, Inc.** — Memorial Hermann supports this private, not-for-profit clinic in the service of primary care and education to the working poor not qualifying for public assistance and not earning enough to pay for doctor visits in the Tomball, Magnolia, and Waller areas.
- **University of Texas Health Science Houston School of Nursing** — Memorial Hermann financially partners with several nursing schools to collaboratively find a solution to increase enrollment of student nurses and relieve the shortage.
6.) **SUSTAINABILITY**
Initiatives supported by Memorial Hermann remove barriers to healthcare access, increase and strengthen the primary and specialty care infrastructure, provide education and increase healthcare awareness, and improve the use of preventative medical services. Each initiative and partnership is evaluated against Memorial Hermann Contribution Tenets:

– Provision of primary and/or specialty care for the uninsured and underinsured
– Contribution to the existing infrastructure of non-profit clinics and FQHCs
– Commitment to measurement
– Programmatic inclusion of health education and literacy

Successful program outcomes must demonstrate the short and long term impact on individual lives and/or a population. Philanthropic and community support are critical to sustainability. A grant writer is dedicated to the research and preparation of applicable local, national and federal grants. An integral part of Memorial Hermann's mission to improve healthcare is the sharing of successful programs with other organizations for replication. Thus Memorial Hermann's roadmap for sustainability is measurable goals and outcomes, dedicated resources, organizational commitment, and securing additional funding and partnerships.

7.) **ANNUAL STATEMENT OF COMMUNITY BENEFITS STANDARD (ASCBS)**
Memorial Hermann's total operating expenses for the most recent completed and audited prior fiscal year were $3.4 billion. The Annual Statement of Community Benefits Standards is submitted to the Hospital Survey Unit, Department of State Health Services, and includes completed worksheets that compute the ratio of cost to charge.

8.) **REPORT TO THE COMMUNITY**
Memorial Hermann periodically produces a Report to the Community. This report can be viewed via the following link: [http://www.mhcommunitybenefit.org](http://www.mhcommunitybenefit.org), along with other Memorial Hermann Community Benefit facts, resources, programs and partnerships.