

2016 ANNUAL REPORT

HEALTH  
HOPE  
HEALING



Carolinan HealthCare System

HEALTH

HOPE

HEALING

FOR ALL



I am passionate about storytelling. I believe everything and everyone has a story. From the moment I started working at Carolinas HealthCare System in May 2016, I was listening for common themes in the stories people told me about Carolinas HealthCare System. These stories came from people in our community, patients and – of course – a great number of our employees.

One particular story stood out. A patient shared with me that the moment he opened his eyes after surgery, and saw the Tree of Life on his nurse's badge, he knew he was in good hands. Positive feedback like that is always welcome, but the broader significance is that patients in such a positive frame of mind inevitably have faster recoveries and improved outcomes.

To be sure, this story was not unique. I heard many other narratives highlighting the hope, comfort and reassurance associated with our Tree of Life symbol. Accordingly, I soon came to think of these accounts as "Tree of Life stories."

Working with people both inside and outside our organization, we embarked on a focused initiative during 2016 to articulate our central story. The result was new insights about the big, bold future that Carolinas HealthCare System is creating for itself and everyone it serves. That future needed a mission statement that matched the heart of the Carolinas HealthCare System story, and a vision statement that would inspire us as we adapt to changing times and new expectations.

Our new mission statement reflects the reasons we exist in simple, straightforward and unmistakable language: **to improve health, elevate hope and advance healing – for all.** And our new vision, **to be the first and best choice for care**, inspires us to reach higher and strive for more.

Throughout this report are stories of health, hope and healing – stories that show why we can and should be the first choice for care. Looking back on all the major achievements of 2016, I feel especially privileged to lead this organization, and am honored to share these stories with you.

sincerely

A handwritten signature in black ink that reads "Eugene A. Woods". The signature is fluid and cursive, with the first name being the most prominent.

EUGENE A. WOODS

PRESIDENT AND CEO

# Carolinas HealthCare System

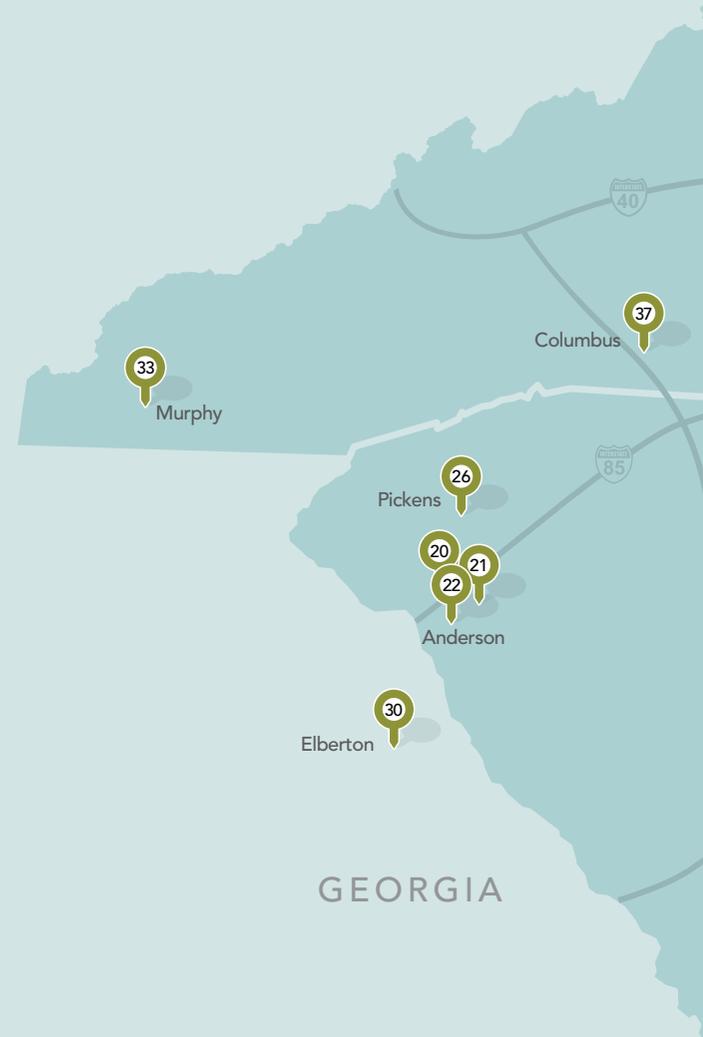
is one of the leading healthcare organizations in the Southeast and one of the most comprehensive public, not-for-profit systems in the nation.

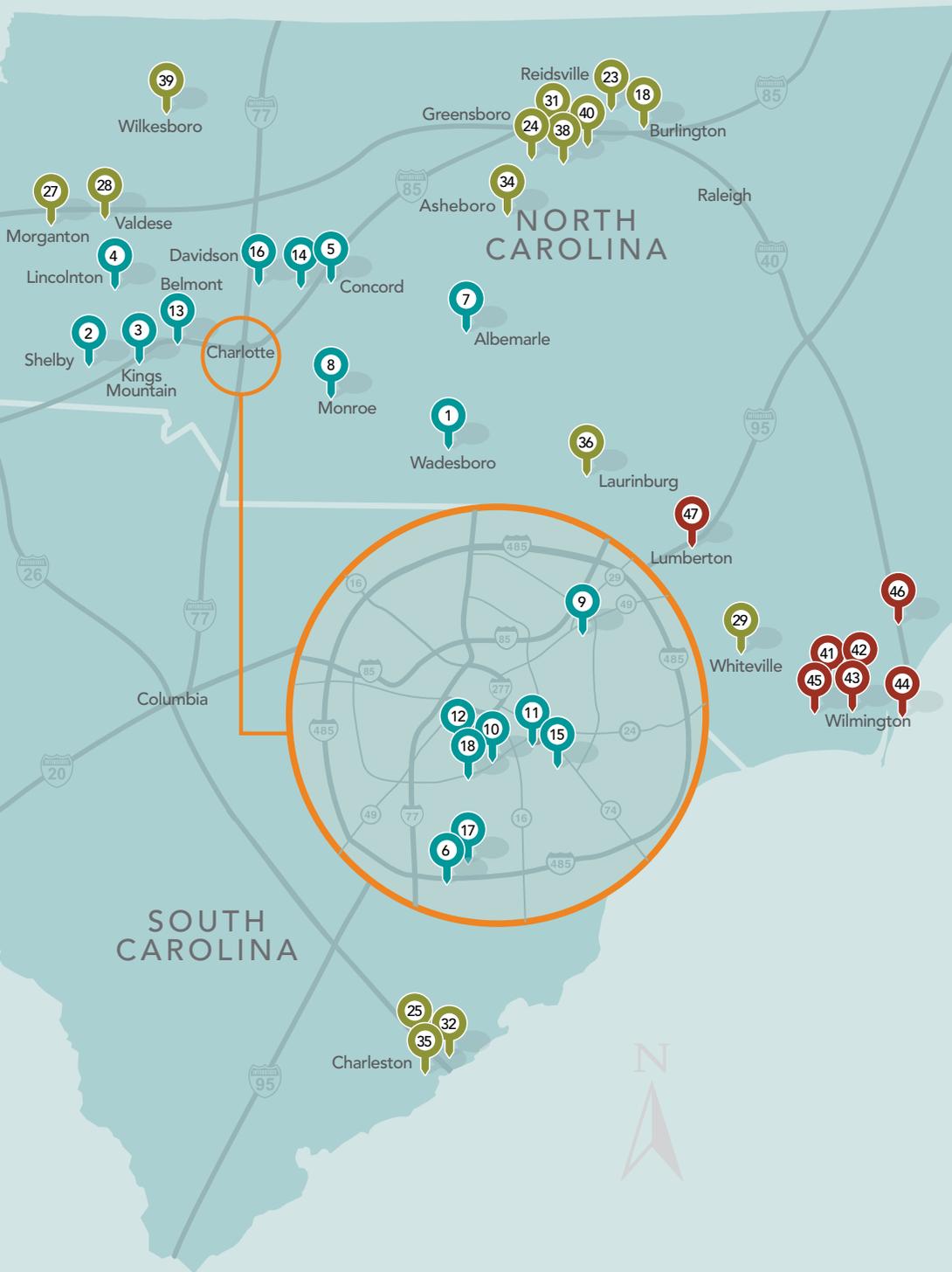
As 2016 drew to a close, the system operated nearly **7,400** licensed beds, employed more than **65,000** people, had an estimated **11.6** million patient encounters, and provided community benefit totaling **\$1.87 billion**.

Carolinas HealthCare System owned, managed or had strategic affiliations with 47 hospitals, and served patients at more than 900 care locations throughout the Carolinas, including:

- Freestanding emergency departments
- Urgent care centers
- Physician practices
- Outpatient surgery centers
- Imaging centers
- Laboratories
- Pharmacies
- Medical office buildings
- Nursing homes

As part of its mission to improve health, elevate hope and advance healing for all, the system provided extensive support to medical research, operated top-notch undergraduate and graduate medical education programs, and launched many new outreach initiatives to boost population health and community health.





## CHARLOTTE METRO MARKET

1. Carolinas HealthCare System Anson
2. Carolinas HealthCare System Cleveland
3. Carolinas HealthCare System Kings Mountain
4. Carolinas HealthCare System Lincoln
5. Carolinas HealthCare System NorthEast
6. Carolinas HealthCare System Pineville
7. Carolinas HealthCare System Stanly
8. Carolinas HealthCare System Union
9. Carolinas HealthCare System University
10. Carolinas Medical Center
11. Carolinas Medical Center-Mercy
12. Carolinas Rehabilitation
13. Carolinas Rehabilitation-Mount Holly
14. Carolinas Rehabilitation-NorthEast
15. Carolinas HealthCare System Behavioral Health-Charlotte
16. Carolinas HealthCare System Behavioral Health-Davidson
17. Carolinas HealthCare System Rehabilitation (Pineville)
18. Levine Children's Hospital

## OTHER MARKETS

19. Alamance Regional Medical Center
20. AnMed Health Medical Center
21. AnMed Health Rehabilitation Hospital
22. AnMed Health Women's and Children's Hospital
23. Annie Penn Hospital
24. Behavioral Health Hospital (Cone Health)
25. Bon Secours St. Francis Hospital
26. Cannon Memorial Hospital
27. Carolinas HealthCare System Blue Ridge-Morganton
28. Carolinas HealthCare System Blue Ridge-Valdese
29. Columbus Regional Healthcare System
30. Elbert Memorial Hospital
31. Moses H. Cone Memorial Hospital
32. Mount Pleasant Hospital
33. Murphy Medical Center
34. Randolph Hospital
35. Roper Hospital
36. Scotland Memorial Hospital
37. St. Luke's Hospital
38. Wesley Long Hospital
39. Wilkes Regional Medical Center
40. Women's Hospital (Cone Health)

## AFFILIATED ENTERPRISES

41. Betty H. Cameron Women's and Children's Hospital
42. New Hanover Regional Medical Center
43. New Hanover Regional Medical Center Behavioral Health
44. New Hanover Regional Orthopedic Hospital
45. New Hanover Regional Rehabilitation Hospital
46. Pender Memorial Hospital
47. Southeastern Health

## MISSION

To improve  
**HEALTH,**  
elevate **HOPE**  
and advance  
**HEALING** – for all.



“In order to provide **health, hope** and **healing for all**, it is vital that we ramp up our efforts to address social determinants of health. These include poverty, homelessness, lack of jobs, lack of educational opportunities, poor nutrition, lack of access to primary care, and lack of access to good social support networks. While we cannot solve these issues alone, we can, by teaming up with other partners, positively impact the overall health and well-being of our local communities.”

– Gene Woods, President and CEO

# Bringing a Mission to Life

President and CEO Gene Woods notes that Carolinas HealthCare System has been vigorous and determined in adapting to deep-seated changes in the way healthcare services are delivered and reimbursed. These changes, he says, have had a tremendous impact on the Carolinas HealthCare System mission, as well as the strategies currently being implemented to ensure continued success.

Historically, the system took great measure to ensure that its staff and equipment were adequate to meet the needs of everyone who came through the doors of its facilities seeking assistance. The emphasis, Woods says, “is and always has been on *everyone*.” Today, the value of uncompensated care by Carolinas HealthCare System providers amounts to more than \$4 million per day, each and every day.\*

During 2016, the system expanded on its traditional mission by taking bold new steps to increase opportunities for care *outside* its walls. It did this by adopting a new business model that focuses much more intently on preventive care, helping *all* people to stay healthier longer.

\* The “community benefit summary” on page 11 breaks down these charitable care numbers in greater detail.



In addition, the Carolinas HealthCare System mission expanded to include greater emphasis on improving patient outcomes; improving the convenience of care; increasing access for people of all socio-economic levels; and proactively addressing social determinants of health.

To address escalating demand for services, Carolinas HealthCare System teamed up with a number of new partners. These included schools, government agencies and health departments, research and social service organizations, and other healthcare providers. The system also continued its already-strong emphasis on data collection and analysis.

The Carolinas HealthCare System mission was also impacted by the rapid adoption of new telemedicine capabilities. These include virtual visits for minor illnesses; online behavioral health consultations; virtual check-ups for chronically ill or recently discharged patients (to avoid the need for distant appointments); and off-site monitoring for critical care patients.

New technology also allows patients to access their own medical records online; to make same-day appointments at urgent care centers; and to access virtual interpreting services covering more than 200 languages.

*“Healthcare is a complex enterprise, and it will only get more so,” says Woods. “Adapting to new demands and technologies requires an extraordinary amount of creativity and agility, not to mention financial strength.”*

He notes, however, that while the Carolinas HealthCare System mission has expanded profoundly to meet changing needs, the heart of that mission has changed little since Charlotte Memorial Hospital first opened its doors in 1940. “Our purpose,” he says, “has always been to ensure high-quality services for the broadest possible number of people.”

To enhance the effectiveness of its community outreach in 2016, Carolinas HealthCare System created the Office of Population Health, which oversees a number of programs including HEALTHWORKS.

HEALTHWORKS teams up with employers to assess the health needs of their employees and family members, and to customize related services in a way that reduces costs for employers and employees alike. The program has served area employers for more than three decades.

#### **Key achievements during 2016 included:**

- The number of employer contracts grew to more than 3,000.
- The retention rate among employer partners was 98 percent.
- Total lives touched (through health fairs and biometric screenings) grew by more than 10 percent to 46,000.
- Health coaches generated more than 3,000 physician referrals, an increase of 15 percent over the prior year.
- Mental Health First Aid training was provided to nearly 300 employees at partner firms (in addition to the many other related training programs provided by Carolinas HealthCare System).

Another priority in 2016 was enhancing the system’s clinical care management programs. The goal of clinical care management is to enhance quality and convenience for patients, while promoting efficiencies and economies of scale that help reduce costs. Achievements during 2016 included:

- More than 9,000 patients were assisted by active care management protocols.
- There was a 33 percent reduction in billed charges associated with preventable office visits.
- Over 80 percent of patient financial needs were addressed.
- There was a 90 percent improvement in medication adherence.

# Community Health

Carolinas HealthCare System's mission to improve health, elevate hope and advance healing for all was further enhanced in 2016 by a significant expansion in efforts to reach segments of the population impacted disproportionately by social determinants of health. These are things like poverty, unemployment, lack of education, lack of adequate housing and lack of proper nutrition.

The system's outreach efforts were a natural response to the fact that people typically have trouble focusing on their own personal health when they have other, more fundamental hardships to overcome.

At a time when there is so much public concern about affordability, one of the best ways to control costs is to keep people from needing care – particularly high-cost inpatient care – in the first place. This is important in and of itself, of course. But cost containment is also vitally important in ensuring that as many people as possible have easy and equitable access to the services they need to sustain healthy lifestyles.



A particularly useful tool in the healthcare toolkit, and one that grew in importance during 2016, was a process called hot-spotting. This involves using publicly available data to identify communities that suffer unusually heavy concentrations of certain illnesses – typically diabetes, cancer or obesity – which are not only high risk by nature but closely associated with other medical complications.

Alisahah Cole, MD, vice president and system medical director of community health, says the proper collection and analysis of hot-spotting data “enables healthcare providers to target outreach efforts more effectively, and address disparities more efficiently.”

Newly appointed to her current position in 2016, Dr. Cole says she and her associates are helping to build healthier communities through “healthcare culture transformation.” As such, she sees the key public health priorities as mental health, tobacco cessation, pediatric and adult obesity, access to care, and social and economic indicators.

*Another noteworthy initiative in 2016 was the formation of a partnership with Novant Health to improve access to healthcare in underserved neighborhoods.*

In November, more than 100 people – representing a wide variety of social service agencies, neighborhood groups and healthcare provider organizations – held a first-ever joint meeting in Charlotte.

At that gathering, plans were made to establish a long-term, sustainable collaboration among interested groups, working alongside the Mecklenburg County Health Department to ensure the broadest possible impact.

Gene Woods, President and CEO of Carolinas HealthCare System, and Carl Armato, President and CEO of Novant Health, note that while their two systems compete on one level, it is increasingly important to combine resources to tackle the challenges ahead.

“We have a collective responsibility,” says Woods, “to improve the lives of people in the community’s most vulnerable populations. Making the necessary changes will require a strong commitment from organizations throughout the public and private sectors, working together as true partners.”

Another related achievement during 2016 was completion of a Community Health Improvement Study. That study is being used to inform future outreach efforts involving partnerships, sponsorships and community health teams. Carolinas HealthCare System worked with the Institute of Public Health – part of UNC-Chapel Hill’s Gillings School of Global Public Health – to develop actionable hot-spotting maps in key markets.

In reflecting on 2016 accomplishments, Dr. Cole says it’s important to stay focused on long-term goals.

“What we are doing,” she says, “is promoting a culture of health that moves away from an industry focused on illness and disease. As time goes on, we need to look at health more holistically, and think about the many ways that health is influenced by personal behaviors, systems, and the physical environment. Where a person lives, works, plays and worships has a tremendous impact on their wellness.”

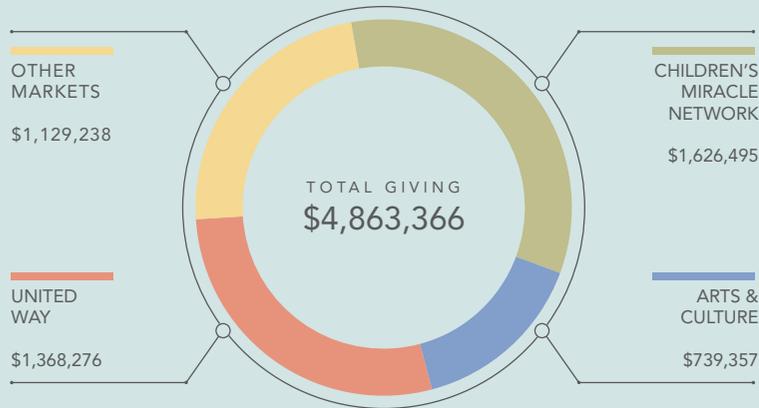
# Community Service & Giving

Carolinas HealthCare System prides itself on the strength of its employees' commitment to community service and improvement. The impact of that involvement has grown steadily over the years, and 2016 was no exception.

Every fall, the Carolinas HealthCare System workforce has an opportunity to provide direct support through the Community Giving Campaign. Related activities are coordinated by the Community Benefit Council, a group of 175 volunteers who share information about the extraordinary work being done by United Way, arts and culture organizations throughout the region, and Children's Miracle Network.



The campaign had a record number of leadership donors in 2016, and raised a total of \$4,863,366. Within the Charlotte market facilities (those owned by Carolinas HealthCare System in Mecklenburg and surrounding counties) a total of \$3,734,128 was raised for three programs: United Way, Children’s Miracle Network and Arts & Culture. In other Carolinas HealthCare System markets, charitable giving totaled \$1,129,238 for all organizations receiving campaign support.



**Other significant outreach activities during 2016 included:**

- Some 16,000 employees volunteered approximately 40,000 hours in the community. They provided services to more than 500 non-profit organizations focusing on health, employment, education, hunger and access to care.
- Mentoring Matters linked employees to students in local schools for mentoring opportunities.
- More than 200 employees helped to sort over 19,000 pounds of food for Second Harvest Food Bank in May. This particular service project ultimately benefited more than 100,000 people in 19 counties across North and South Carolina.
- Employees participating in new-teammate orientation sessions partnered with Second Harvest of Metrolina Food Bank to pack some 6,500 backpacks filled with food for area schoolchildren.

*Lois Inglad, assistant vice president for community engagement, says employee support for local non-profit partners during 2016 was as substantial as anything she’s seen in her 33 years with the organization. “The quality that really sets our people apart,” she says, “is that they are not only willing but anxious to make a difference in every possible setting, inside and outside our walls.”*

**Community Benefit Summary** *(in millions)*

	System Enterprise
Costs of financial assistance to uninsured patients	\$308
Costs of care extended to uninsured and underinsured patients who do not qualify for financial assistance	\$347
Unpaid costs incurred by serving Medicare patients	\$819
Unpaid costs incurred by serving Medicaid patients	\$266
Costs of community-building activities and other services that meet a strong community need, but do not pay for themselves	\$30
Costs of professional medical education, research, and cash and in-kind contributions to local non-profits and charities	\$99

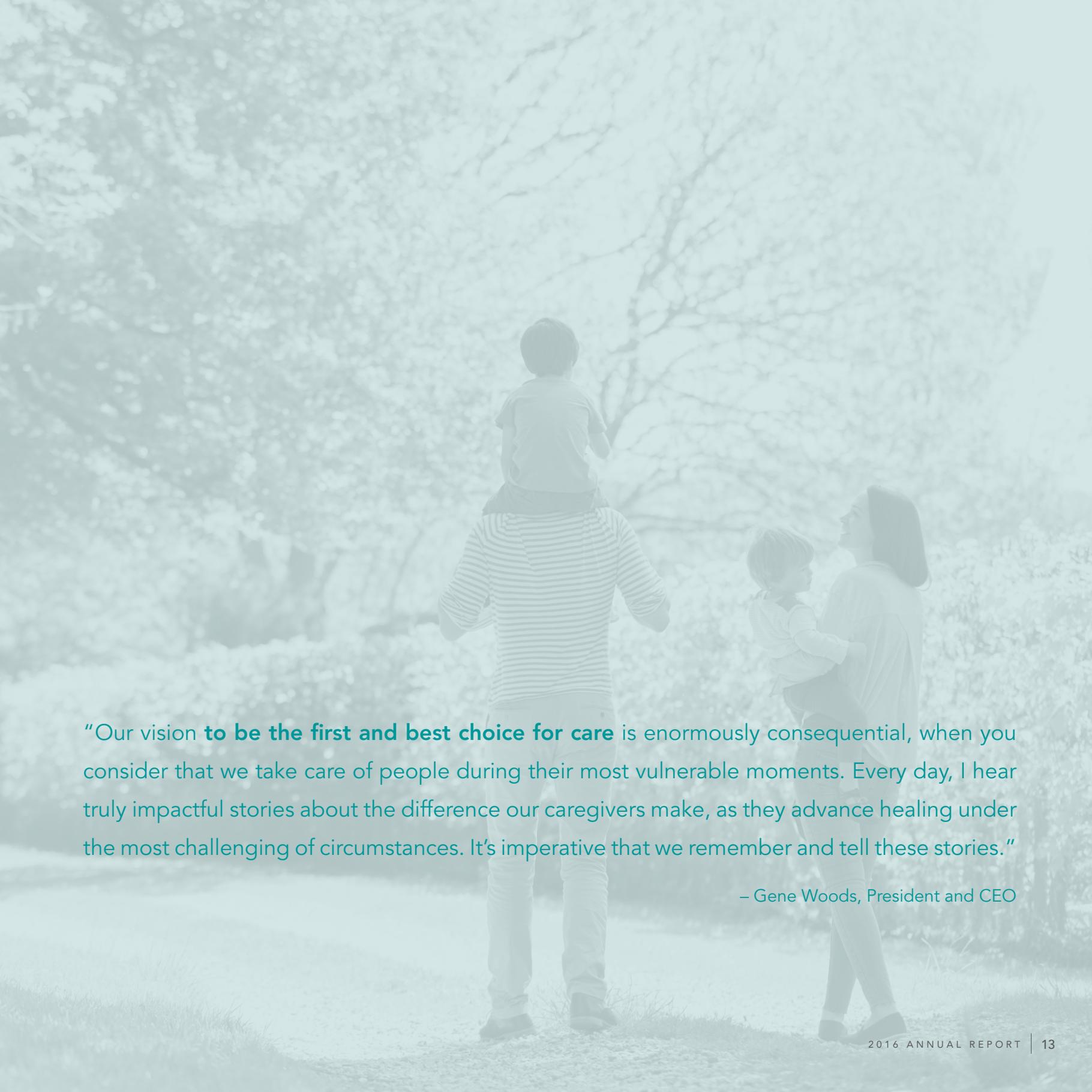
**\$1.87 BILLION** | Total value of uncompensated care and other community benefits during 2016

**20.2%** | Total value of uncompensated care and other community benefits as a percentage of operating expenses

NOTE: This chart reflects the major categories of community benefit recognized by the North Carolina Hospital Association. Figures are based on actual costs, not patient charges. Losses are shown for Medicare and Medicaid, because those programs do not reimburse hospitals in a manner that compensates for the actual cost of treating Medicare and Medicaid beneficiaries. Hospitals cannot turn these patients away or negotiate higher reimbursements. Government payers recognize this fact and expect hospitals to make up the difference through efficiencies and from other revenue sources. The \$1.87 billion total represents the collective value of benefits attributable to the Carolinas HealthCare System “Total Enterprise” during 2016.

## VISION

To be the  
**FIRST** and **BEST**  
choice for care.



“Our vision **to be the first and best choice for care** is enormously consequential, when you consider that we take care of people during their most vulnerable moments. Every day, I hear truly impactful stories about the difference our caregivers make, as they advance healing under the most challenging of circumstances. It’s imperative that we remember and tell these stories.”

– Gene Woods, President and CEO

## WHO IS Sam Wyche?

Football fans remember Sam Wyche as a former pro quarterback and head coach of the Cincinnati Bengals and Tampa Bay Buccaneers. Now, however, he has another distinction – having received a successful heart transplant at the world-class **Sanger Heart & Vascular Institute**.

The word “teamwork” took on a whole new meaning for Sam Wyche in September 2016, and this time it wasn’t a game that was on the line, but Wyche’s life itself.

Wyche had been suffering from gradual heart failure for years. When Sanger physicians reviewed his options in late 2016, he learned that his best, and indeed only, hope was the medical equivalent of a “Hail Mary.” At age 71, he needed a heart transplant, and soon – possibly within a week.

The chances of finding a match that quickly were slim. “It was serious,” says Sanjeev Gulati, MD, Sanger’s medical director of heart failure and transplant services. “If we didn’t get a heart right away, we thought we might have to start looking at comfort care or end-of-life measures.”



Just six hours later, however, doctors gave Wyche the news of a lifetime: They'd found a possible match, and the entire Carolinas HealthCare System team jumped immediately into action.

"In a situation that grave, you have minutes or hours, not days," says cardiothoracic surgeon Larry Watts, MD. "Split-second timing is vital in any organ transplant procedure, and every facet of team performance must be perfectly aligned, rehearsed and executed."

Having experienced such a close call, Wyche says it's hard to find the words necessary to express his sense of gratitude. He is substituting actions for words, however, through his service as one of the nation's most outspoken advocates of organ donation.

*"The last gift that I'm going to leave this planet with will be the gift of life for somebody else," Wyche says.*

Sanger Heart & Vascular Institute continues to be the region's only center capable of performing heart transplants. Sanger's high level of staff expertise is widely recognized, and transplant survival rates consistently surpass those of similar programs across the nation.

Wyche's heart transplant was just one of 37 performed at Sanger in 2016, a year that also marked its 30th year of performing heart transplants.

In line with this unique history, Sanger observed another milestone during 2016 when another of its transplant recipients, 81-year-old James Brock of Cheraw, SC, approached 30 years of survival. Brock is quickly nearing the world record of heart transplant survival, which currently stands at 33 years.

"Mr. Brock is an incredible example of someone who's been given the gift of life for an extra three decades and hopefully much more," says Sanger cardiologist Ted Frank, MD. "And he's not only survived – he's thrived! Those are the kinds of results we want for all our patients – results that reflect our vision to be the first and best choice for cardiac care."

## Who is Joseph McGinn?



The year 2016 brought another significant addition to Sanger Heart & Vascular Institute's menu of services: minimally invasive bypass surgery. This is a technique that significantly reduces the pain and recovery time associated with traditional open heart surgery. It is accomplished by making three small cuts in the chest instead of breaking the ribs and breastbone.

The method was pioneered by cardiothoracic surgeon Joseph McGinn, MD, who in 2016 joined Sanger as chief of thoracic and cardiovascular surgery. He brought his singular expertise with him, having invented what's known nationally as the "McGinn Technique."

"With traditional bypass surgery, you have to take a saw to get through the breastbone. It takes months to heal and can result in a lot of residual pain," says Dr. McGinn. "You can imagine how disabling that can be for patients and how much it can interrupt their normal lives."

However, as a result of the new approach that Dr. McGinn developed, "the general amount of damage to the patient's body is almost zero."

One of the first to get the McGinn procedure in Charlotte was a 68-year-old patient named Elaine. A few weeks after surviving a heart attack, Elaine went in for the procedure. When she woke up, she says, she was pleasantly surprised. "When I got out of bed so I could try to walk, I wasn't hurting or anything," she remembers. "I never needed any pain medication. I didn't even realize I had been in surgery."

## WHO IS Madie DeBruhl?

The names Joseph Fleming, Jonas Salk and Madie DeBruhl all have a significant place in medical history. Fleming famously discovered penicillin. Salk famously created the first polio vaccine. Madie DeBruhl is not a household name, but she did earn a place on the list by undergoing a successful bone marrow transplant to treat chronic neutrophilic leukemia (CNL).

A native of Lancaster, SC, now 12 years old, Madie is thought to be the youngest person ever diagnosed with CNL, which typically strikes people aged 65 or older. Madie achieved another milestone at the end of 2016, when she became the longest living survivor of CNL.

As an infant, Madie had a white blood cell count that was double the normal level. Doctors tracked the cell count for years, but with no definitive clue as to its underlying cause. Her condition was so rare that only about 200 cases of CNL have been documented worldwide.

Fortunately, her pediatric oncologist at the world-class **Levine Children's Hospital**, Daniel McMahon, MD, persisted in looking for the key that would unlock Madie's mystery. He claims no special credit for the ultimate determination that a bone marrow transplant could be Madie's salvation. "A case like this," he says, "simply reminds all of us to never stop asking questions and always keep following the clues."



Successes like this have spurred such a large increase in demand for cancer treatment that **Levine Cancer Institute** broke ground on a new facility in December of 2016. Levine Cancer Institute's world-class medical specialists now treat approximately 15,000 patients per year, and the new expansion, with 260,000 square feet of additional space, is expected to open in 2018.

Another achievement in 2016 was being the first multi-network cancer center in the world to receive Planetree designation. Planetree is a non-profit organization, founded in 1978, that facilitates patient-centered care in healing environments. Levine Cancer Institute has been a national leader in developing programs to assist patients in navigating the many complexities of cancer treatment.

Levine Cancer Institute was organized in 2011 with 12 charter member hospitals. The founding vision was to maintain consistently high standards of care at all locations, so that patients with more advanced or complex cases would not have to travel long distances for treatment or clinical trials. The concept was so well received that the number of branch offices has since increased to 25.

The number of affiliated physicians and advanced care practitioners has also grown substantially, now totaling approximately 180.

*Belinda Avalos, MD, director of hematologic research at Levine Cancer Institute, cites Madie's case as "an important example of how clinicians and researchers at our system's facilities are partnering to advance medicine." In terms of global impact, she adds, the diagnosis and treatment of such a rare cancer form was "a huge stepping stone."*

While Levine Cancer Institute's care teams are changing the face of cancer care delivery, Madie DeBruhl "continues to change the face of chronic neutrophilic leukemia," according to Larry Druhan, PhD, a blood scientist who works with Dr. Avalos. "Our discoveries with Madie have changed the way we look at the very history of this disease."

## Sandra and Leon Levine



It would be hard to drive by any major institution in Charlotte without seeing the name "Levine" featured prominently. The Leon Levine Foundation, the philanthropic arm of Family Dollar founder Leon Levine and his wife, Sandra, is one of the region's most generous charities.

- The groundbreaking for the Levine Cancer Institute expansion was made possible by a \$25 million leadership gift from the Levine Foundation, its largest ever.
- The original Levine Cancer Institute headquarters and research center, which opened in 2012, benefited from a \$20 million leadership gift.
- The Mindy Ellen Levine Behavioral Health Center in Davidson, NC, which opened in 2014, was advanced by a \$3 million leadership gift.
- Levine Children's Hospital, which opened in 2007, was the beneficiary of a \$10 million leadership gift.
- In addition, The Leon Levine Foundation, along with other family members individually, has provided more than \$15 million in support for endowment funds and other major gifts.

## WHO IS Logan Britt?

When Logan Britt was born in early October of 2016, there was nothing unusual about the birth process. His birth venue was quite unusual, however, because Logan wasn't born in a hospital as planned. Rather, he joined the world inside a treatment bay at Carolinas MED-1, a mobile hospital dispatched by Carolinas HealthCare System to assist the people of flood-ravaged Lumberton, NC.

Indeed, the mobile hospital ended up staying nine days in the parking lot of Southeastern Regional Medical Center, a hospital owned by Southeastern Health.

Hurricane Matthew was not the first natural disaster requiring MED-1's services. The mobile unit, designed by Carolinas Medical Center trauma staff some 15 years previously, had been sent to numerous other cities over the years. In fact, its first deployment was to coastal Mississippi (for seven weeks) after Hurricane Katrina.

Literally thousands of patients have been cared for since that time, receiving treatments ranging from band aids to major surgery. Little Logan Britt, however, secured his place in MED-1 history as the very first Carolinas baby delivered within its walls.



The MED-1 October deployment to eastern North Carolina came in response to flooding of historical proportions generated by Hurricane Matthew. In fact, floods in and around Lumberton resulted in a total power outage at Southeastern Regional Medical Center, which diverted to generator power with some 180 patients still under its roof. In addition, dozens of staff members and other flood victims were using the hospital as a temporary shelter.

Because of Southeastern Health's status as a strategic services affiliate of Carolinas HealthCare System, the system was able to bring in outside resources as soon as the full scope of storm damage became clear.

Joann Anderson, President and CEO of Southeastern Health, says the hospital likes to consider itself as the first and best choice for care for the residents of Robeson and surrounding counties. "Thanks to our connections with Carolinas HealthCare System," she says, "we were able to continue to fulfill our mission, even when our main facilities were almost put out of action. This was especially important after Hurricane Matthew, because we took on such an important role as a public refuge and nerve center for community response."

"In some areas around the city," Anderson adds, "fresh drinking water and electricity remained unavailable for weeks, not days. The disruptions were incredible, and we never could have performed as well as we did without the help of our Carolinas HealthCare System partners. While stationed in our community, MED-1 ended up treating well over 200 patients for a full range of injuries and illnesses."

A number of other Carolinas HealthCare System affiliates played prominent roles in mitigating the impact of hurricane damage and lending assistance to sister facilities throughout the region.

- In the days leading up to the storm, Roper Hospital (which is nearly adjacent to the Charleston, SC, waterfront) discharged or transferred more than 100 patients to other nearby hospitals. Surprisingly, subsequent street flooding did not necessitate a shutdown at Roper. As a part of normal contingency planning, however, Roper's sister property, Bon Secours St. Francis Hospital, handled the clear majority of countywide emergency response calls when the storm was at its peak.

Knowing that they would be sleeping in the facility for days on end, Roper St. Francis staff members kept the working atmosphere light by dressing in superhero costumes and gathering en masse to enjoy Clemson football games.

- The Roper Northwoods emergency room had to be closed due to heavy storm damage. Staff members there recall watching by remote control, "with heavy hearts," as security cameras showed the facility being damaged in real time.
- Columbus Regional Healthcare System in Whiteville, NC, had to adjust to five days without power and extended supply shortages caused by impassable roads and highways. Staffers rose to the occasion by maintaining as many operations as circumstances allowed. In the process, the hospital became a de facto refuge for displaced persons from throughout the entire community, whether or not they needed medical attention.
- New Hanover Regional Medical Center in Wilmington, NC, another Carolinas HealthCare System strategic services partner, not only remained open but reached out with staffing and logistical support for Columbus Regional and Southeastern Regional Medical Center.
- Scotland Health Care System, in Laurinburg, NC, experienced challenges described in after-action reports as "moderate." However, the community did lose power for three days and had its supply channels disrupted also. Road systems in and out of the community were cut off, so the hospital ran short-staffed for days until road conditions allowed all employees to reach their duty stations.

In sum, Hurricane Matthew will live on for a long time in the memories of all who experienced the storm and its after-effects. And one person with particularly strong recollections will be Brandon Locklear, MD, the OB/GYN who rushed from home to assist with Logan Britt's unusual birth. Dr. Locklear notes that he has delivered more than 5,000 babies since entering practice. "But," he says, "this will be one that sticks out in my memory!"

## WHO IS Lorraine Lutton?

Lorraine Lutton knew from an early age that she could make a difference in healthcare.

Volunteering as a candy striper at age 14, Lutton donned a pink smock and traversed the halls of St. Mary's Medical Center in West Virginia, transporting patients to and from physical therapy.

While she enjoyed the companionship with a wide mix of patients, she also wondered why the hospital made patients travel to the physical therapy department for care. Why, she thought at the time, couldn't therapists come to the patients? Looking back, she is proud that – even at a young age – she had the vision “to think more deeply about how things could be done.”

Now, many years later, she is taking advantage of that innate curiosity to help make Roper St. Francis Healthcare the first and best choice for patient care in the Lowcountry.

Lutton, a Fellow in the American College of Healthcare Executives, took over as President and CEO of Roper St. Francis Healthcare in November 2016. This move culminated a career in healthcare that included nearly 25 years in leadership at St. Joseph's Hospital in Tampa, FL.



Lutton is the first woman to hold the top position in Roper St. Francis' 150-year history, a timely opportunity given the many changes in the way patients access, experience and pay for healthcare.

She says one of her top priorities is to improve access for members of the community who have been disadvantaged in the past. She notes this was a key concern expressed by residents in a recent community survey.

Other priorities include spreading the word about Roper St. Francis' excellent reputation, while taking full advantage of the benefits that flow from affiliation with medical partners throughout Carolinas HealthCare System.

Roper St. Francis is in growth mode, now looking to open its fourth hospital in 2019. That means a lot of emphasis will be placed on planning and logistics in coming months. Nonetheless, Lutton is also seeking to enhance the corporate culture through a transparent and highly communicative leadership style.

"The best way to ensure good patient care is to ensure that anyone who has a touch point with patients and families is feeling happy and fulfilled in their work. A positive attitude makes a difference in any work setting, but it's particularly important in healthcare, where our teammates set the tone for healing," she says.

Lutton says another great strength of Roper St. Francis is its longstanding commitment to community outreach. "Every day," she says, "I'm listening to and learning from our physicians, staff and patients. I'm seeking opportunities where we can be impactful both inside and outside the walls of our facilities."

She also notes that the leadership team has a strong commitment to diversity and inclusion. In September 2016, the system hired Mary "Toni" Flowers as its first chief diversity officer.

Brian Cuddy, MD, chair of the Roper St. Francis Board of Directors, says the board was delighted to bring Lutton to Charleston. "She brings great enthusiasm and experience to our team. Our board members and physicians are confident in her abilities to lead us through challenging times and make our healthcare system more successful than ever."

Roper St. Francis was not alone in offering new medical options and customer service enhancements that made it the first and best choice for care. The following is a sampling of 2016 achievements by other Carolinas HealthCare System affiliates:

- **Moses H. Cone Memorial Hospital** developed a brand-new vest that can measure fluid in the lungs. This first-in-the-nation innovation uses a type of radar technology to indicate when heart patients can be discharged safely.
- **AnMed Health** significantly reduced hospital-acquired infections, utilizing new testing procedures, standardized cleaning procedures and enhanced physician rounding. Over one 12-month period, AnMed Health saw a 44 percent reduction in *C. difficile* infections and a 53 percent reduction in central line bloodstream infections.
- **Carolinas HealthCare System Blue Ridge-Morganton** installed lab equipment that more quickly identifies germs that can cause "killer infections," from sepsis to central nervous system abnormalities. The new technology has helped measurably to reduce patients' length of stay.
- **Scotland Health Care System**, which celebrated its 70th year in 2016, was recognized by Becker's Healthcare as one of the top 49 hospitals nationally in one category of patient safety. The accolade indicates Scotland experienced an unusually low number of safety events per patient.
- **St. Luke's Hospital** scored perfectly on a quality report for mammography produced by the Food and Drug Administration (FDA). The FDA rates staff proficiency, patient comfort and documentation capabilities.

## WHO IS Lee Beatty?



If one thing is clear in today's environment, it's that no healthcare organization can hope to be the first and best choice for care without doctors and nurses whose customer service ethic is second to none.

Carolinas HealthCare System takes special pride in the depth and breadth of patient loyalty that results from such strong relationships. For that reason, it was no surprise that one of the system's own physicians was recognized as "Family Medicine Physician of the Year" in 2016. This honor was granted to Lee Beatty, MD, of Riverbend Family Practice in Mount Holly, NC. The award is given annually by the North Carolina Academy of Family Physicians.

In accepting his award, Dr. Beatty shared a few lessons learned during his three dozen years practicing family medicine in the Carolinas.

- Be part of something greater than yourself.
- Rely on your teammates. It doesn't diminish you – it empowers you – to be dependent on the people around you.
- Our career is our calling. But greater than any calling is the promise to your own family and your own health.
- During every patient encounter, remember why you chose family medicine. We deliver the gift of humanity.

The Physician of the Year designation recognizes practitioners who excel not only in clinical excellence but community service as well. Accordingly, Dr. Beatty was honored for being the founding chair of the Mount Holly Community Development Foundation. In that capacity, he chaired a six-month, citizen-driven process that resulted in a successful \$5 million bond referendum.

Bond funds were used to revitalize downtown Mount Holly and develop a new greenway connecting downtown to the nearby Catawba River. Bond funds also helped in transforming an old textile mill into a combination city hall and community gathering space.

Dr. Beatty completed his undergraduate degree in zoology from Duke University and graduated from Wake Forest University School of Medicine. He completed his residency at Carolinas Medical Center and co-founded South Point Family Practice in Belmont, NC, in 1981. He practiced in Belmont for 10 years before returning to Carolinas Medical Center to serve as a faculty member for six years. In 1997, he established Riverbend Family Practice, part of Carolinas HealthCare System.

## WHO IS Shelly Cooley?



Shelly Cooley, RN, is another Carolinas HealthCare System clinician well known for pouring her heart and soul into the job. Cooley is one of more than a dozen nursing professionals recognized by the system as

a “Notable Nurse” during 2016.

Cooley’s commitment to her work is felt every day by the families and teammates she works with in the neonatal intensive care unit (NICU) at Jeff Gordon Children’s Hospital at Carolinas HealthCare System NorthEast in Concord, NC. Colleagues say she is always willing to pick up extra hours when necessary. And her compassion in the NICU is evident to all, whether she is providing physical support to an intubated preemie or emotional support to a family struggling with uncertainty or loss.

Cooley’s supervisor, Amy Talbert, RN, has worked with Cooley for many years, never ceasing to be amazed by Cooley’s commitment to quality care. “She’s an unbelievable charge nurse and a wonderful educator for our patients. She helps them understand everything that is going on with their child, and NICU hospitalizations are by definition unusually stressful for families.”

Another of Cooley’s characteristics is her passion for improving the NICU. She encourages the use of breast milk, for example, and helped drive the installation of special NICU cameras that enable parents to check in on their infants remotely. Cooley is also working with other departments across the system to standardize sanitation policies.

Cooley serves as a preceptor for new employees and nursing students. This means going out of her way to make them feel welcome, provide career support and share insights based on her many years of expertise. “She goes way beyond the call of duty to help other people grow,” says Talbert.

“I don’t know where she gets the energy to keep up,” adds Talbert, “but she’s a dynamo who really cares about other people, and a perfect role model for other nurses. With people like her working in the NICU, it’s easy to see why we are regarded by so many people as the first and best choice for this highly specialized type of care.”

# Carolinas Physician Alliance

In February, the System took a major step toward enhancing value-based care with the launch of a clinically integrated network (CIN) called Carolinas Physician Alliance. A CIN brings physicians together to collaborate on enhancing quality, increasing coordination and reducing cost. The result is an all-around win: better value for patients, providers, payers and employers.

Unlike many other CINs, Carolinas Physician Alliance is purely physician-led, with its efforts managed and steered by an equal mix of system and independent providers. In addition to physicians from Carolinas HealthCare System, the alliance includes physicians from Charlotte Radiology, Carolina Neurosurgery & Spine Associates, Northeast Digestive Health Center, OrthoCarolina and Southeast Anesthesiology Consultants, to name just a few.

## CAROLINAS PHYSICIAN ALLIANCE



*in collaboration with*  
Carolinas HealthCare System

By year's end, Carolinas Physician Alliance had more than 2,500 participants in 12 counties across the Charlotte metro area. The alliance was also in the final stages of its search for a chief executive officer, which eventually led to the hiring of Jennifer H. Brady, MD, the former chief medical officer for Health First Health Plans.

With its structure in place and its membership growing, Carolinas Physician Alliance is now focusing on a number of value initiatives, including managing chronic disease, avoiding unplanned readmissions, and standardizing care pathways across different disciplines.

"By developing a network of like-minded providers who all share the philosophy around putting the quality of care and needs of patients first, we're building a broad network of healthcare professionals that not only provides excellent care to individuals, but can also impact large, diverse populations," says Mark Aldous, MD, a physician with Northeast Digestive Health Center and chair of Carolinas Physician Alliance's board. "The end result is increased access to quality care, improved outcomes for patients, and overall lower healthcare costs for patients and payers."



## NET REVENUE AND EXPENSES

For the Year Ended December 31, 2016

*(dollars in thousands)*

## NET REVENUE

	Charlotte Metro Market, The Carolinas HealthCare Foundation <b>A</b>		Other Markets <b>B</b>		Total Enterprise	
	DOLLAR TOTAL	PERCENTAGE OF TOTAL	DOLLAR TOTAL	PERCENTAGE OF TOTAL	DOLLAR TOTAL	PERCENTAGE OF TOTAL
Tertiary & Acute Care Services	\$3,997,682	67%	\$2,958,825	77%	\$6,956,507	70%
Continuing Care Services	211,992	4%	157,789	4%	369,781	4%
Specialty Services	74,458	1%	94,642	2%	169,100	2%
Physicians' Services	1,152,026	19%	472,064	12%	1,624,090	17%
Other Services	213,292	4%	84,888	2%	298,180	3%
Non-Operating Activities <b>C</b>	266,485	5%	87,311	3%	353,796	4%
Totals	\$5,915,935	100%	\$3,855,519	100%	\$9,771,454	100%

## NET EXPENSES

	Charlotte Metro Market, The Carolinas HealthCare Foundation <b>A</b>		Other Markets <b>B</b>		Total Enterprise	
	DOLLAR TOTAL	PERCENTAGE OF TOTAL	DOLLAR TOTAL	PERCENTAGE OF TOTAL	DOLLAR TOTAL	PERCENTAGE OF TOTAL
Wages, Salaries & Benefits	\$3,307,602	55%	\$2,069,068	54%	\$5,376,670	55%
Materials, Supplies & Other	1,749,695	30%	1,443,452	37%	3,193,147	33%
Depreciation & Amortization	300,127	5%	243,667	6%	543,794	6%
Financing Costs	89,660	2%	38,581	1%	128,241	1%
Funding for Facilities, Equipment & New Programs	468,851	8%	60,751	2%	529,602	5%
Totals	\$5,915,935	100%	\$3,855,519	100%	\$9,771,454	100%

**A** Only the Charlotte Metro Market facilities and The Carolinas HealthCare Foundation, collectively known as the Obligated Group, have a direct obligation to pay amounts due with respect to CHS bonds.

**B** The "Other Markets" category includes all CHS-managed facilities.

**C** Consists primarily of investment results including realized and unrealized gains and losses.

## CORPORATE STAFF

**Eugene A. Woods, MBA, MHA, FACHE**

President & Chief Executive Officer

**Greg A. Gombar, CPA**

Executive Vice President & Chief Financial Officer

**John J. Knox III, MHA**

Executive Vice President & Chief Administrative Officer

**Carol A. Lovin, MSN, MHSA**

Executive Vice President & Chief Strategy Officer

**Gerald P. Oliphant, MPA**

Executive Vice President, Regional Partnerships

**Dennis J. Phillips, MHA**

Executive Vice President, Metro Group

**Debra Plousha Moore, MS**

Executive Vice President & System Chief of Staff /Chief Human Resources Officer

**Roger A. Ray, MD**

Executive Vice President & Chief Physician Executive

**Keith A. Smith, JD**

Executive Vice President & General Counsel

**Connie C. Bonebrake, MSW**

Senior Vice President & Chief Patient Experience Officer

**Sara J. Mikus, RN, MPH, CHC**

Senior Vice President & Chief Compliance and Privacy Officer

**Craig D. Richardville, MBA, FACHE, FHIMSS**

Senior Vice President & Chief Information and Analytics Officer

**Joan T. Thomas, MBA**

President, Managed Health Resources

**Robert H. Wiggins Jr., CPA**

Senior Vice President, Financial Services

**Mary Ann Wilcox, MS, RNC, NEA-BC**

Senior Vice President, System Nurse Executive

**Phyllis A. Wingate, MHA, FACHE**

Division President, Northern Group  
President, Carolinas HealthCare System NorthEast

**Zachary J. Zapack, M. Arch**

Senior Vice President, Facilities Management Group

**NOTE:** This list includes corporate staff in office on December 31, 2016.

# CHARLOTTE METRO MARKET

## Cabarrus College of Health Sciences

Dianne O. Snyder, BSN, MSN, DHA  
Chancellor

## Carolinas College of Health Sciences

T. Hampton Hopkins, BS, MS, EdD  
President

## Carolinas HealthCare System Anson

Gary A. Henderson, MBA  
Assistant Vice President & Facility Executive

## Carolinas HealthCare System Behavioral Health, a facility of Carolinas Medical Center

- Charlotte Campus
- Mindy Ellen Levine Campus *(Davidson, NC)*  
Martha Whitecotton, RN, MSN, FACHE  
Senior Vice President  
John Santopietro, MD, DFAPA  
Chief Clinical Officer

## Carolinas HealthCare System Cleveland

## Carolinas HealthCare System Kings Mountain

Brian D. Gwyn, MBA  
President

## Carolinas HealthCare System Lincoln

Peter W. Acker, MHA, FACHE  
President

## Carolinas HealthCare System NorthEast

Phyllis A. Wingate, MHA, FACHE  
President, Carolinas HealthCare System NorthEast  
Senior Vice President, Northern Division

## Carolinas HealthCare System Pineville

Christopher R. Hummer, MHA  
President, Carolinas HealthCare System Pineville  
Senior Vice President, Southern Division

## Carolinas HealthCare System Stanly

- Stanly Manor  
Brian L. Freeman, MHA, FACHE  
Interim President & Chief Executive Officer

## Carolinas HealthCare System Union

- Jesse Helms Nursing Center  
Michael J. Lutes, MHA  
President, Carolinas HealthCare System Union  
Senior Vice President, Southeastern Division

## Carolinas HealthCare System University

William H. Leonard, MHA, FACHE  
President

## Carolinas Medical Center

W. Spencer Lilly, MHA  
President, Carolinas Medical Center  
Senior Vice President, Central Division

## Carolinas Medical Center-Mercy

Scott R. Jones, MBA, FACHE  
Vice President & Facility Executive

## Carolinas Rehabilitation

- Carolinas Rehabilitation
- Carolinas Rehabilitation-Mount Holly
- Carolinas Rehabilitation-NorthEast
- Carolinas HealthCare System Rehabilitation,  
a facility of Carolinas HealthCare System Pineville

Robert G. Larrison Jr., MBA, FACHE  
President

## Cleveland Pines Nursing Center

Brad Myers, MA, LNHA  
Executive Director

## Continuing Care Services

- Healthy@Home
  - Home Health
  - Home Medical Equipment
  - Home Infusion
- Hospice & Palliative Care Network
- Skilled Nursing Facilities
- Sleep Services
- Pain Services
- YMCA, Sports and Event Medicine

Collin H. Lane, MSPH, MHA  
Senior Vice President

## Huntersville Oaks

Scharee Majeed, MHA, NHA  
Executive Director

## James G. Cannon Research Center

George L. McLendon, PhD  
Vice President, Research

## Levine Children's Hospital

Callie F. Dobbins, RN, MSN  
Vice President & Facility Executive

## Sardis Oaks

Colin C. Clode, NHA  
Executive Director

NOTE: This list includes facility executives in office on December 31, 2016.

## OTHER MARKETS

### AnMed Health

- AnMed Health Medical Center
- AnMed Health Rehabilitation Hospital
- AnMed Health Women's and Children's Hospital
- Elbert Memorial Hospital

William T. Manson III, FACHE  
Chief Executive Officer

### AnMed Health Cannon

Brandon P. Clary, MHA  
President & Chief Executive Officer

### Carolinas HealthCare System Blue Ridge

- Carolinas HealthCare System Blue Ridge-Morganton
- Carolinas HealthCare System Blue Ridge-Valdese
- Carolinas HealthCare System Blue Ridge-College Pines
- Carolinas HealthCare System Blue Ridge-Grace Heights
- Grace Ridge Retirement Community

Kathy C. Bailey, FACHE  
President & Chief Executive Officer

### Columbus Regional Healthcare System

Carla Parker Hollis, MHA  
President & Chief Executive Officer

### Cone Health

- Alamance Regional Medical Center
- Annie Penn Hospital
- Behavioral Health Hospital
- Edgewood Place at *The Village at Brookwood*
- Moses H. Cone Memorial Hospital
- Wesley Long Hospital
- Women's Hospital
- Penn Nursing Center

Terrence B. Akin  
Chief Executive Officer

### Murphy Medical Center

- Murphy Medical Center Nursing Home

J. Michael Stevenson, CPA  
President & Chief Executive Officer

### Roper St. Francis Healthcare

- Bon Secours St. Francis Hospital
- Roper St. Francis Mount Pleasant Hospital
- Roper Hospital
- Roper Hospital-Berkeley
- Roper Rehabilitation Hospital

Lorraine L. Lutton, FACHE  
President & Chief Executive Officer

### Scotland Health Care System

- Scotland Memorial Hospital

Gregory C. Wood, FACHE  
President & Chief Executive Officer

### St. Luke's Hospital

James B. Bross  
Chief Executive Officer

### Wilkes Regional Medical Center

J. Gene Faile, FACHE  
President & Chief Executive Officer

**NOTE:** The facility names, personnel and titles listed here are those that were in effect on December 31, 2016.

# 2016 BOARD OF COMMISSIONERS AND ADVISORS

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John R. Georgius, Jr.\*\*

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Felix S. Sabates, Jr.

Angelique R. Vincent-Hamacher

Donaldson G. Williams

Richard "Stick" Williams

Ronald H. Wrenn

\* Executive Committee

\*\* Board of Advisors

**NOTE:** This list includes the names of board members who were in office at the conclusion of calendar year 2016.

HEALTH  
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Carolinan HealthCare System

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