



# Leading the Transformation of Healthcare in Our Community



2014-2015 Report to the Community



# Reimagining Healthcare Delivery

Success in healthcare has traditionally been measured in scientific and technological advances – from groundbreaking new techniques, or discoveries in pharmaceuticals, to advancements in clinical informatics. Although we strive for what is newer, better and more effective, today's successes are also measured in how well we make healthcare more accessible, more efficient and more prevention-focused.

New healthcare models align healthcare and social service resources to improve the health of an entire population. Within these models, healthcare organizations must deliver efficient and effective quality outcomes in order to succeed.

By embracing change and adapting to new models, Catholic Health is delivering results and transforming healthcare for Western New York. In its first full year of operation, the Catholic Health/Catholic Medical Partners Accountable Care Organization saved more than \$27 million in Medicare costs, while achieving outstanding results in quality measures.

In reimagining healthcare delivery, Catholic Health has consistently been a leader in combining clinical skill and innovation with a keen awareness of the processes, settings and other influences affecting the quality of care in our community. That's been the foundation for our success in transforming healthcare in Western New York.

Like the religious orders that founded our healthcare ministry, we seek to maximize the resources we have been given. In that spirit, Catholic Health has developed opportunities to strengthen the organization through non-traditional offerings including First Choice, a self-funded health plan that offers area employers more cost-effective, comprehensive health coverage. We have also enhanced administrative efficiencies by bringing nearly 700 associates together in downtown Buffalo to work in our new Administrative & Regional Training Center.

It's an exciting time at Catholic Health. We have made significant advances in the care we provide, the coordination of care delivery and the efficient administration of our ministry.

A strong community needs a strong healthcare system. For more than a decade, our team has been working to strengthen and transform healthcare in our community. As change continues, Catholic Health stands ready and will continue to provide support, collaboration and leadership for a better, healthier Western New York.

Sincerely,

**Joseph D. McDonald**  
President & CEO

**William K. Buscaglia, Jr.**  
Chair, Board of Directors

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\* Term Expires in 2015

# Staying Ahead of the Curve



# 17.4% \$2.9 Trillion

Of Our Nation's Gross Domestic Product (GDP) Was Spent on Healthcare in 2013

Rapidly escalating healthcare costs over the last half century have created dramatic shifts in the healthcare landscape – particularly over the last decade in the areas of delivery models, technology and of course, the regulatory environment. Through it all, Catholic Health has been ahead of the curve.

## Catholic Health Administrative & Regional Training Center

# \$1.6 Million

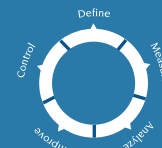
## Annual Operating Cost Savings

The \$50 million investment brought together nearly 700 Catholic Health associates from as many as seven different locations across Western New York into one centralized location. The environmentally friendly facility provides an open environment for improved collaboration and innovation, and recently received Business First's "Golden Brick" award for 2014's top commercial development.



The launch of an Enterprise Resource Planning (ERP) System

- + Provides an integrated, real-time view of core business processes
- + Tracks business resources including cash, materials and the statuses of business commitments (orders, purchase orders and payroll)
- + Projected return on investment (ROI) of approximately 32%
- + Cost savings of approximately \$46 million in five years



The implementation of Lean Six Sigma Training and Methodologies

- + A Define-Measure-Analyze-Improve-Control (DMAIC) approach to improve performance and remove waste
- + 55 Catholic Health leaders completed Lean Six Sigma Training in 2014 joining 20 Green Belts from across the system



Catholic Health's commitment to sustainability earned it the 2015 Practice Greenhealth System for Change Award for Environmental Excellence

- + Nearly 33% of waste generated by Catholic Health is processed through single stream recycling, keeping nearly 1,800 tons of waste out of landfills

# New Models for Healthcare

More than a decade ago, Catholic Health made significant investments to develop and implement an inpatient electronic medical record (EMR) across its network of hospitals. Those investments have been a major part of Catholic Health's success in delivering better care, safely and effectively. As the healthcare environment continues to shift, however, technology alone will not be enough.

New healthcare delivery models have been advanced by the Affordable Care Act – among them is Population Health Management (PHM). PHM aims to align multiple healthcare and social service resources to improve the health of an entire population. The business model that supports PHM provides reimbursement, not on a case-by-case or fee-for-service basis, but rather allows healthcare providers to manage a “budget” for the populations they serve.

Within this model, healthcare organizations that deliver quality, effective outcomes and do so efficiently, will be the most successful. It's a win-win-win situation in that patients benefit from better, more effective care; healthcare organizations benefit from better reimbursement; and everyone benefits from lower overall healthcare costs.

Through its relationship with Catholic Medical Partners, Catholic Health was chosen as one of the first 27 organizations across the country, and the only one in Western New York, to participate in the federal shared savings Accountable Care Organization (ACO) program. Instead of patients having to navigate the complex health system on their own, ACOs work with them to coordinate their care and ensure they don't slip through the cracks.

In September 2014, when the Centers for Medicare & Medicaid Services (CMS) issued quality and financial performance results for ACOs across the country, Catholic Medical Partners Accountable Care ranked third in the nation among 220 Medicare Shared Savings Program ACOs. The Catholic Medical Partners ACO reduced healthcare expenditures for its Medicare patients by seven percent from the national benchmark, taking more than \$27 million in Medicare costs out of the healthcare system, while also demonstrating high levels of quality in several areas, including patient safety, care coordination, preventive health and at-risk populations.

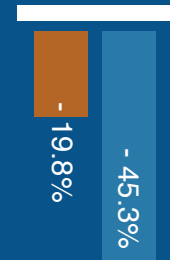
# \$27,000,000

## In Saved Medicare Expenditures

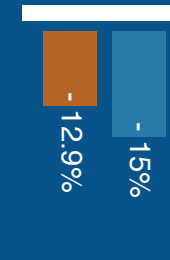
### Reduction of Overall Expenditures

Catholic Medical Partners ACO performed well by significantly reducing expenditures in these categories compared to other ACOs that generated savings.

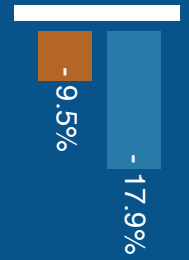
Skilled Nursing Facilities



DME Expenditures



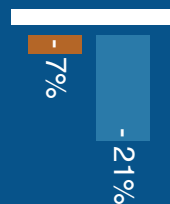
Inpatient Expenditures



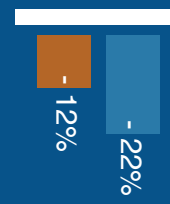
### Reduction in Utilization Categories

Catholic Medical Partners ACO performed well by significantly reducing utilization in these categories compared to other ACOs that generated savings.

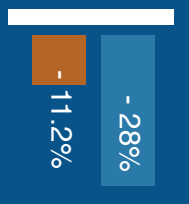
30-Day Readmissions



Hospitalizations



ER Visits Resulting in Hospitalizations



Shared Savings of Other ACOs

Catholic Medical Partners ACO



# Keeping Local Healthcare Strong

A core element of a strong community is a strong healthcare system. Western New York is made up of a wide range of communities – from the city streets of Buffalo to the rural roads of Orleans County and the many towns and villages in between.

Catholic Health has made a regional commitment to improving the delivery of healthcare. We have developed a wide range of collaborative relationships throughout the eight counties of Western New York, the most significant of which is the acquisition of **Mount St. Mary's Hospital** in Niagara County.

Following a long-term relationship in which our two organizations have shared a common mission, vision and values, Mount St. Mary's will officially become a Catholic Health ministry on July 1, 2015. An institutional member of Catholic Medical Partners since 2008, Mount St. Mary's is a 175-bed community hospital and reported more than 5,000 patient discharges and 7,600 outpatient surgical visits in 2014. The hospital's Emergency Room had more than 20,000 visits in 2014 as well.

With approximately \$100 million in revenue, the addition of Mount St. Mary's ministry will make Catholic Health a billion-dollar healthcare system. We expect the hospital to build on its ability to deliver excellent patient care by leveraging advances in clinical quality, a broader scope of services and the administrative efficiencies gained through its status as a Catholic Health ministry.

Catholic Health has worked with a number of other institutions to make local healthcare stronger, especially in rural communities. This includes **Bertrand Chaffee Hospital** in Springville where Catholic Health has provided administrative expertise as well as clinical program support to strengthen the hospital's operations. In Medina, Catholic Health is working closely with **Orleans Community Health** to help strengthen the organization through executive consulting and improving cardiac services.

In Chautauqua County, Catholic Health has worked with a number of healthcare organizations, such as **WCA Hospital** in Jamestown, where we have collaborated with a focus on improving cardiac care and telemedicine. Telemedicine initiatives will allow Catholic Health intensivists and other critical care specialists to provide remote consults to support WCA's Intensive Care Unit and other specialty care areas. This capability helps expand access to care and keeps patients close to home. On a broader scale, our ministry has worked with a wide range of institutions in communities all over the region for important healthcare concerns such as behavioral health, cancer treatment and women's services.

## Healthcare Right at Home

As we work to keep patients healthy and in the best healthcare setting, Home Care is playing an increasingly important role in both improving care transitions and preventing avoidable hospital admissions. Catholic Health's Home & Community Based Care employs more than 505 clinical professionals who work with patients in their homes. In 2014, Catholic Health performed 332,203 home health visits in Erie and Niagara Counties.



# A Reliable Healthcare Future

Recognizing that continuing education and job training are hallmarks of top-performing healthcare systems, Catholic Health has remained committed to developing tomorrow's healthcare workforce today. This includes dedicating 6,300 square feet of space of Catholic Health's new downtown headquarters for a Regional Training Center. The state-of-the-art facility features some of the most advanced technology available, including the next generation of smart board systems and cutting-edge audiovisual and telecommunications systems designed to extend training capabilities beyond its walls through distance-learning programs.

Located on the first floor, Catholic Health's Regional Training Center also features the area's most advanced patient simulation labs allowing clinicians to experience a wide range of patient care scenarios in a controlled learning environment. The labs feature "SIM Man 3G," a high-tech simulation manikin, and a student debriefing room to review simulation sessions.

While the Training Center's two simulation rooms and six classrooms will be used extensively by Catholic Health, a number of educational partners are expected to take advantage of the facility, including D'Youville College, Niagara University, Medaille College, Erie 1 BOCES, the Employment Opportunity Center and others. Community health education programs are also planned for the Regional Training Center.

Whether it's clinical education or management training, Catholic Health is focused on developing and delivering programs that build healthcare leaders and enhance the delivery of care in Western New York. We provide our associates with access to lifelong learning opportunities, both internally through Catholic Health University and through external educational partners like the Harvard School of Business and Cornell University.



Educational space at Catholic Health's Administrative & Regional Training Center - patient simulation room and general classroom.

## Giving Translates into Caring with The Foundations of Catholic Health

The Foundations of Catholic Health help guide the funding of initiatives that make better healthcare possible for the communities we serve. Among the many worthwhile projects supported in 2014 was the new state-of-the-art Ambulatory Surgery Unit at Sisters Hospital, St. Joseph Campus. Made possible with a generous donation from the Sisters Hospital Foundation, the 10,000-square-foot unit was dedicated in June 2014. It offers patients the comfort and convenience of having procedures performed in an outpatient setting, with the latest technologies and advanced pre- and post-surgery rooms.





# Reviewing a Year in Numbers

Selected Statistics & Financial Information	2014
<b>Net Margin</b> Funds used to reinvest in technology, new programs, our facilities and our people.	\$42,788,000
<b>Net Operating Revenues</b>	\$953,563,000
<b>Charity Care and Community Service</b> Services to patients and the community for which Catholic Health receives no payment or payments below the cost of care.	\$82,070,000
<b>Hospital Statistics</b>	
Operating Beds (Excl. Newborn, Rehab, SNF)	799
Total Discharges	47,839
Births	5,974
Surgeries	
Inpatient	15,365
Outpatient	47,092
Total Surgeries	62,457
Total Patient Days (Excl. SNF)	229,834
<b>Outpatient Activities</b>	
Total ER Visits (Net of Admits and Observation)	150,678
Observation Cases	6,614
Primary Care Visits	126,960
Referred Ambulatory Visits	520,085
Total (Including OP Surgeries Above)	851,429
<b>Home Care Visits</b>	332,203
<b>Residents in Our Nursing and Adult Homes</b>	718

Emergency medicine specialist Dr. Monique DeSantis, stands in the Emergency Department at Mercy Hospital of Buffalo.



# Our Mission

We are called to reveal the healing love of Jesus to those in need.

# Our 2020 Vision

Inspired by faith and committed to excellence, we will lead the transformation of healthcare in our communities.

# Our Values

## Reverence

We honor the value of each individual we encounter at Catholic Health.

## Compassion

We commit to walking with others through both joy and suffering.

## Justice

We dedicate ourselves to treat all people with respect, dignity and fairness.

## Excellence

We commit to exceed the expectations of our patients, residents, their families and all the people we meet at Catholic Health.

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## Our Sponsors

Ascension Health  
Diocese of Buffalo  
Trinity Health



Administrative & Regional Training Center  
144 Genesee Street  
Buffalo, NY 14203

To learn more, visit [chsannualreport.org](http://chsannualreport.org)  
or call (716) 923-9790.

## HOSPITALS

Kenmore Mercy Hospital

Mercy Hospital of Buffalo

Mount St. Mary's Hospital  
(Effective July 1, 2015)

Sisters of Charity Hospital

Sisters of Charity Hospital,  
St. Joseph Campus

## DIAGNOSTIC & TESTING CENTERS

Mercy Ambulatory Care Center

Kenmore Mercy Medical Office Building

Mercy Diagnostic & Treatment Center

Mercy Diagnostic Center

Sheridan Health Care Center

Sisters Central Park Diagnostic Center

## HOME & COMMUNITY BASED CARE

McAuley Seton Home Care

Mercy Home Care of WNY

Home Response (Emergency Service)

Infusion Pharmacy

Home Respiratory, LLC

LIFE – Living Independently  
for Elders (PACE Program)

Long-Term Care & Adult Homes

St. Elizabeth's of Lancaster

St. Vincent's of Dunkirk

Father Baker Manor

McAuley Residence

Mercy Nursing Facility at OLV

St. Catherine Labourè  
Health Care Center

## PRIMARY CARE CENTERS

Kenmore Specialty Center

Ken-Ton FamilyCare Center

St. Vincent Health Center

Mercy Comprehensive Care Center

Mercy OB/GYN Center

OLV Family Care Center

Sisters OB/GYN Center

Springville OB/GYN Center

## PRIMARY CARE CENTERS

Bariatric Services

Cancer Services

Cardiology & Vascular Services (Including  
The Heart Center at Mercy Hospital)

Community Education/Outreach

Emergency Services

Imaging/Radiology Services

Laboratory Services

Maternity Services

Minimally Invasive & Robotic Surgery

Mission on the Move

Orthopedic & Spine Care (Including the  
Orthopedics Campus of Excellence at  
Kenmore Mercy Hospital)

Neonatal Intensive Care

Rehabilitation

Sleep Disorder Care

Stroke Care

Substance Abuse Services

Women's Health & Wellness (WomenCare)

Wound Care