

MEMORIAL HERMANN HEALTH SYSTEM

2017 ANNUAL REPORT OF COMMUNITY BENEFITS PLAN

PREPARED 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 PEARLAND HOSPITAL
MEMORIAL HERMANN THE WOODLANDS MEDICAL CENTER
MEMORIAL HERMANN MEMORIAL CITY HOSPITAL
MEMORIAL HERMANN KATY HOSPITAL
MEMORIAL HERMANN SUGARLAND HOSPITAL
MEMORIAL HERMANN - TEXAS MEDICAL CENTER
MEMORIAL HERMANN HOUSTON ORTHOPEDIC AND SPINE HOSPITAL
MEMORIAL HERMANN CYPRESS HOSPITAL
MEMORIAL HERMANN NORTHEAST HOSPITAL
TIRR MEMORIAL HERMANN
MEMORIAL HERMANN REHABILITATION HOSPITAL – KATY
MEMORIAL HERMANN SURGICAL HOSPITAL KINGWOOD
MEMORIAL HERMANN SURGICAL HOSPITAL FIRST COLONY

1.) VISION STATEMENT

Our vision is that Memorial Hermann will be a preeminent integrated health system in the U.S. by advancing the health of those we serve.

One of the largest not-for-profit health systems in the nation, Memorial Hermann Health System is an integrated system with an exceptional affiliated medical staff and more than 26,000 employees. Governed by a Board of community members, the System services Southeast Texas and the Greater Houston community with more than 300 care delivery sites including 19 hospitals; the country's busiest Level 1 trauma center; an academic medical center affiliated with McGovern Medical School at UTHealth; one of the nation's top rehabilitation and research hospitals; and numerous specialty programs and services. Memorial Hermann has been a trusted healthcare resource for more than 110 years and as Greater Houston's only full-service, clinically integrated health system, we continue to identify and meet our region's healthcare needs. Among our diverse portfolio is Life Flight, the largest and busiest air ambulance service in the United

States; the Memorial Hermann Physician Network, MHMD, one of the largest, most advanced, and clinically integrated physician organizations in the country; and, the Memorial Hermann Accountable Care Organization, operating a care delivery model that generates better outcomes at lower costs to consumers, while providing residents of the Greater Houston area broad access to health insurance through the Memorial Hermann Health Insurance Company. Specialties span burn treatment, cancer, children's health, diabetes and endocrinology, digestive health, ear, nose and throat, heart and vascular, lymphedema, neurosurgery, neurology, stroke, nutrition, ophthalmology, orthopedics, physical and occupational therapy, rehabilitation, robotic surgery, sleep studies, transplant, weight loss, women's health, maternity and wound care.

The extensive geographic coverage and breadth of service uniquely positions Memorial Hermann 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. An integrated health system, Memorial Hermann is known for world-class clinical expertise, patient-centered care, leading-edge technology and innovation. Supporting the System in its impact on overall population health is the Community Benefit Corporation

2.) MEMORIAL HERMANN COMMUNITY BENEFIT CORPORATION

Through Memorial Hermann's subsidiary, the Memorial Hermann Community Benefit Corporation (MHCBC), Memorial Hermann 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. Primary program foci include education on, access to, and provision of primary medical, dental, mental health, and social service support to underserved populations; food as health; and, exercise as medicine.

The mission of Memorial Hermann Community Benefit Corporation is to test and measure innovative solutions that promote good health for the individual, the health system and the community. We collaborate with others as well as create signature, evidence-based ways to improve the communities where people live, work, learn, and play.

3.) DESCRIPTION OF THE COMMUNITY SERVED

Population Size: Memorial Hermann serves Greater Houston, an expansive area of 10,000 square miles and roughly 6.7 million people. With the addition of nearly 2.5 million residents since 2000, it is the fastest growing metropolitan service area in the U.S. This growth has strained health and social infrastructure, with some communities lacking easy access to healthy foods, safe roads, affordable housing and adequate sidewalks.

Demographics: Prizing our diversity, the Greater Houston population has no racial or ethnic majority. Made up of 36% white, 38% Hispanic, 17% black, and 7% Asian, nearly 1 in four residents are foreign born, contributing to a wide variety of cultures and ethnicities present in the region. 27% of the total population are minors and 10% are over 65 years of age, resulting in a potential workforce (18-64 years) of approximately 4.2 million individuals. Despite this possibility for economic success, there are pockets of poverty throughout the area and some residents face tough economic challenges which can affect their health and the health of their

family. 15% of all residents fall at or below the 2018 Federal Poverty Threshold. Propelled by Houston's fast growing immigrant population, young adult population, and high percentage of part-time workers, 17.9% of Houstonians lack health insurance of any kind.

Major Employers: Houston is truly a global city and recognized in many sectors internationally, including: aerospace and aviation, biotechnology, energy, healthcare, manufacturing, and oil and gas. With Memorial Hermann as the second largest employer at 26,000 employees, others include H-E-B (Texas-based grocery chain (23,732)), Houston Methodist (20,000), McDonald's (20,918), University of Texas M.D. Anderson Cancer Center (21,086), and Walmart (37,000), several of which are collaborators with Memorial Hermann on community improvement efforts. Reducing poverty and strengthening existing graduation rates (currently 77% for Houston high schoolers) is paramount to supporting these organizations' continued strength and prosperity.

Key Community Health Assessment Findings: The rising rate of obesity and concerns about maintaining a healthy lifestyle looms over the greater Houston area—easily the single biggest threat to the health of Houstonians—with seven in ten adults in Harris County reported being overweight and obese. Barriers include cultural norms, food desserts, inability to afford fresh fruits and vegetables, and limited access to sidewalks and recreational facilities. Health education, healthy foods, safe places to exercise, and access to health care and behavioral health services are vital to improving the overall health of residents whose leading causes of death mirror other large cities and include: cancer, heart disease, accidents, stroke, COPD and diabetes. The most prevalent chronic diseases are overweight/obesity, diabetes, heart disease, stroke, high blood pressure, cancer, heart failure and asthma. Nutrition and exercise play a major role in chronic conditions with diabetes being a key focus of many community initiatives. The increase in population over the past five years has placed a tremendous burden on existing public health, social and healthcare infrastructure, a trend that encumbers pursuing a healthy lifestyle among residents. With 20% of the Houston area population self-reporting five or more poor mental health days, the need for increased access to behavioral health care is significant.

Approach Used to Determine Major Health and Social Needs: Memorial Hermann gathered secondary data and hospital discharge data, conducted qualitative surveys with 28 community health leaders, held 11 focus groups with community residents and service providers, and collected information from Memorial Herman Hospital CEOs and their staff. Based on finding from all 13 2016 CHNAs, identified health priority areas are the four pillars: 1. **Health care access**, including transportation; 2. **Healthy living—Food as Health**; 3. **Healthy Living—Exercise is Medicine** and 4. **Behavioral Health**, including substance abuse and mental health.

4) 2016 Community Health Needs Assessment

Improving the health of a community is essential to enhancing the quality of life for residents in the region and supporting future social and economic well-being. In 2013, and again in 2016, Memorial Hermann engaged in a community health planning process that was two-fold: 1) A community needs assessment (CHNA) to identify the health-related needs and strengths of the community and 2) a strategic implementation plan (SIP) to identify major health priorities, develop goals and select strategies and identify partners to address these priority issues across the community.

The CHNA was guided by a participatory, collaborative approach, which examined health in its broadest sense. This process included integrating existing secondary data on social, economic,

and health issues in the region with qualitative information from focus groups with community residents and service providers and interviews with community stakeholders.

KEY THEMES AND CONCLUSIONS INCLUDE:

- The service areas of the thirteen licensed acute, rehabilitation and surgical facilities are unique in terms of demographics and population health needs but each also has a strong set of assets on which to build. Each has a tremendously diverse population in terms of age, affluence, race, ethnicity, language, and health needs. While Harris County and Houston experience more challenges in terms of population health than their more suburban and rural neighbors in the region, it also has more accessible social and health resources and better public transportation for its residents.
- The increase in population over the past five years has placed a tremendous burden on existing public health, social, and health care infrastructure, a trend that places barriers to pursuing a healthy lifestyle among residents. Infrastructure that does not keep up with demand leads to unmet need and sustains unhealthy habits in the community. Communities without easy access to healthy foods, safe roads, affordable housing, fewer sidewalks, and more violence are at a disadvantage in the pursuit of healthy living.
- Although there is economic opportunity for many residents, there are pockets of poverty and some residents face economic challenges which can affect health. Seniors and members of low-income communities face challenges in accessing care and resources compared to their younger and higher income neighbors. Strategies such as community health workers may increase residents' ability to navigate an increasingly complex health care and public health system.
- Obesity and concerns related to maintaining a healthy lifestyle emerged as challenges for the region. Barriers ranged from individual challenges of lack of time to cultural issues involving cultural norms to structural challenges such as living in a food desert or having limited access to sidewalks, recreational facilities, or affordable fruits and vegetables.
- Behavioral health was identified as a key concern among residents. Stakeholders highlighted significant unmet needs for mental health and substance abuse services. Key informants particularly drew attention to the burden of mental illness on the incarcerated population.
- Transportation to health services was identified as a substantial concern, especially for seniors and lower income residents, as access to public transportation may be limited in some areas.

Based on relevance, appropriateness, impact and feasibility the three overarching priorities selected and approved by the Memorial Hermann Health System Board in June 2016 were:

- Health care access, including transportation
- Healthy living, including chronic disease management

- Behavioral health, including substance abuse and mental health

The resulting implementation strategies balance the individuality of the different hospitals with the system strategy of collectively supporting community objectives to achieve the necessary alignment and leverage to impact true community change.

5.) COMMITMENT TO THE COMMUNITY

In FY 2017, Memorial Hermann community contributions totaled **\$588,803,922** and were distributed within the following areas:

\$325,707,110

Financial Assistance and Government Programs

Charity care at cost, the unreimbursed cost of Medicaid, and means-tested government programs

\$147,243,981

Community Health Improvement Services and Community Benefit Operations

Programs and initiatives developed to improve access to care

\$50,145,990

Health Professions Education

Education and training of medical and allied health professionals, nurses, students, interns, residents and fellows

\$58,536,799

Subsidized Health Services

Clinical services provided in response to community need despite financial loss incurred, including the Air Ambulance Program, End Stage Renal Disease Program (ESRD), and obstetrics and delivery program

\$5,437,441

Research

Research dollars serving the community

\$1,732,601

Cash and in-kind contributions for community benefit

Community education and awareness initiatives and sponsorship of other organizations

Additionally, Memorial Hermann provided \$2,023,570 in programs to the community for health education and prevention for diseases and chronic conditions, support groups, nutrition and fitness classes, screening for disease, education for current and future health professionals, and community events that promote awareness of health awareness of health issues to the public.

6.) COMMUNITY BENEFIT PROGRAMS

Memorial Hermann Community Benefit Programs are designed to provide care for uninsured and underinsured; to reach those Houstonians needing low cost care; to support the existing infrastructure of non-profit clinics and FQHCs; to close the mental health gap in mental and behavioral care services; and to educate individuals and their families on how to access the services needed by and available to them. Strategically, Memorial Hermann is focusing upstream on health issues by addressing the social determinants of health--specifically access, nutrition, exercise and psychological well-being--and continuing to build the web of partnerships across Houston that will transform population health. Ongoing collaborators to address Houston's health and social issues and improve its well-being include area school districts and foundations, Children at Risk, the Clinton Foundation, Healthy Living Matters, Houston Parks and Recreation and the Houston Parks Board, the Build Health Challenge, Pasadena Vibrant Community, the Houston Food Bank, Hunger Free Texans, Texas Health Institute, The University of Texas Health Science Center at Houston School of Public Health, the YMCA, federally qualified health centers and private not-for-profit clinics, social service agencies, institutes of higher education, and professional associations.

Committed to making the Greater Houston Area a healthier and more vital place to live, Memorial Hermann operates the following initiatives:

- **Health Centers for Schools** --boasting 22 years of service and spanning five school districts and 72 schools, Memorial Hermann Health Centers for Schools offers access to primary medical, dental, mental health, nutritional, exercise and navigation services to uninsured and at-risk children at ten school-based clinics and three mobile dental vans. The recipient of numerous awards, it has been recognized by the U.S. Departments of Education and Health and Human Services as one of the nation's best models of successful collaboration between a health system and surrounding school districts.
- **COPE for Better Health**—Connecting the needs of the uninsured who use ERs as a health home with community clinics for the last 10 years, COPE has studied usage patterns and has responded in program expansions covering health literacy, PCP 101, and diabetes prevention, as well as created Project Lift, where staff work with high utilizers on key social issues impacting health. Outcomes have been presented in several public health journals.
- **Nurse Health Line** --Operating a 24-hour nurse triage call center to assist greater Houston residents with their level of care decisions, Memorial Hermann implemented this service, available to all, in response to the County's retraction of the Houston area-wide Ask My Nurse Advice Line several years ago due to budgetary restrictions.
- **Transformational Mental Health Access to Crisis & Community Based Care**-- With access to behavioral health a priority and a challenge, Memorial Hermann has built an innovative continuum of care to address gaps for individuals requiring diagnosis, referral, treatment and self-management support for their mental health needs.
- **Food as Health** --After receiving the Houston Food Bank's first-ever food insecurity training, Memorial Hermann implemented food insecurity screening throughout the

System, engaged other Houston facilities to like-wise implement the tool, and have collaborated with others to bring unique food opportunities to food insecure families.

- **Exercise is Medicine**—With exercise a comparable need to healthy food in the pursuit of overall health and well-being, we are implementing Exercise is Medicine on several levels: incorporation of exercise as a vital sign into physician offices, exercise prescriptions and promotion of soccer, walking groups and Zumba classes--often connected with the distribution of fruits and vegetables and all with the goal of instilling active living, good habits and reactivating parks that have been rejected by communities due to safety concerns and lack of culturally appropriate activities.
- **Memorial Hermann Medical Missions** exists to finance, facilitate, and encourage physician led teams into third world countries. It finances by providing supplies, pharmaceuticals, and travel scholarships for non-physician team members. It facilitates by linking physicians and support teams together; advising on passports, vaccinations, and 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.
- **Memorial Hermann Neighborhood Health Centers Northwest and Northeast**-- Intended as a medical home for uninsured and underinsured populations, the Centers encourage the appropriate utilization of primary care by being located close to busy emergency rooms, offering extended hours and weekend coverage, keeping costs low, and charging just slightly over costs.
- **Community Collaborations**--Our work with community partners has escalated to further sustain the work. Within just the last year we have become an award grantee for the BUILD Health Challenge for the Near North Side to improve healthy housing and community capacity building; an award partner in the CMS AHC Grant to address social determinant of health in the clinical setting; a recipient of the Community Centered Health Home initiative with the Episcopal Health Foundation and the Prevention Institute to combat the ‘inactivity’ epidemic in the Northline community; and selected by Wholesome Wave to bring fruits and vegetables to low-income communities.
- **Physicians of Sugar Creek** –A Family Practice Residency Training site for 42 family practice residents, the clinic 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”.
- **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.

7.) 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. Partnering/funding tenants include: provision of primary and/or specialty care for the uninsured and underinsured; contribution to the existing infrastructure of non-profit clinics and FQHC's; programs, practices, and policies that affect the health of individuals, families, and communities; commitment to measurement; existence of collaborative partners; programmatic inclusion of health education and literacy; and strive towards sustainability.

Below are just a few of the partnerships:

- **Children at Risk** — Operational funding for efforts to conduct a research study on recess policies and implementation in the Greater Houston area; and to develop and publish a report highlighting the state of recess in Houston, recess best practices, and recommendations for recess policies that school districts can implement.
- **Health Disparities, Awareness, Research and Training Consortium** — Support of the consortium whose goal is the provision of comprehensive understanding of health disparities and to investigate approaches to advancing health equity.
- **Interfaith Community Clinic** — Operational funding to support this private not-for-profit volunteer based health care clinic whose 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 both operational funds and provision of diagnostic services.
- **Nora's Home** — Support of Nora's Home Expansion Campaign to increase the ability to meet the demand for housing and a healing environment for the organ failure and transplant patients receiving care in the Texas Medical Center.
- **Ronald McDonald House** — Support of the Behind Every Door campaign to expand and update facilities that provide families of seriously ill children in the Texas Medical Center with accessible, affordable and comfortable living accommodations.
- **SEVA Clinic** — This charity clinic serves the uninsured and underinsured populations in Pearland.
- **Spring Branch Community Health Center** — Memorial Hermann supports this federally qualified health center serving the uninsured and underinsured populations in Spring Branch and West Houston areas. Using the primary care model, SBCHC offers an integrated and comprehensive service delivery system, serving as a medical home for all who seek it.

- **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.
- **YMCA** — Memorial Hermann partners with the YMCA to bring its evidenced-based, year-long Healthy Weight and Your Child program to school-based clinics' families with a child in the 95% for BMI.

8.) 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.

Memorial Hermann annually supports community benefit programming with a pledge. Grants and contributions supplement this pledge. Several initiatives have expanded through DSRIP (Delivery System Reform Incentive Payment) funding. Our work with community partners has escalated to further sustain the work. Initiatives are evaluated annually on efficiency, effectiveness and achievement of stated outcomes before the program is included in the operating budget.

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. 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, partnerships, funding and replication.

9.) ANNUAL STATEMENT OF COMMUNITY BENEFITS STANDARD (ASCBS)

Memorial Hermann's total operating expenses for the most recent completed and audited prior fiscal year were \$4.3 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.

10.) 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>, along with other Memorial Hermann Community Benefit facts, resources, programs and partnerships.