

Pathways to quality.



2012-2013 Report to the Community

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Mission

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

Our Mission sets us apart. It's the human side of healthcare – the touch, smile or comforting word that can help make your healthcare experience better. It's treating all people with respect and dignity, and providing comfort in times of greatest need.



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A Message from the Chair of the Board of Directors and the Chief Executive Officer

With the passing of the Affordable Care Act in 2010, healthcare as we knew it changed forever. While it will take years before the goals of this legislation are fully realized, Catholic Health continues to transform healthcare in our community by improving our clinical outcomes, enhancing quality and patient safety, and making our services more affordable and convenient for individuals and businesses throughout the region. We are also improving our financial performance so we can reinvest in our facilities and equipment to better serve the local community.

With all the changes taking place in healthcare, it's more important than ever for patients to take an active role in their health. Catholic Health is working hand-in-hand with the nearly 1,000 physicians of Catholic Medical Partners, to provide better integrated, more coordinated care in our hospitals, health centers, and in doctors' offices throughout the area. Together, we are creating a "High Performing Health System" to give patients the information and resources they need to manage their medical conditions, along with their primary care physicians, and live healthier lives.

We all want better care for ourselves, our families and our community. We believe Catholic Health is delivering better care with the most intensive quality and safety program in Western New York. At knowyourhealthcare.org, a new website we created for healthcare consumers, you'll find the most in-depth look at healthcare quality in the region from our own quality and patient safety experts, as well as independent organizations that monitor and rate the care and service we provide.

Aside from providing a valuable resource to help you make more informed healthcare decisions, we use this information to help focus our quality improvement efforts, clearing a path to becoming the safest, most efficient, and highest performing health system in the region. This in turn leads to better care, better health and ultimately, better quality of life within our community.

For our co-sponsors—Ascension Health, Catholic Health East and the Diocese of Buffalo—the changes that come with health reform are a small increment in a legacy of care that spans more than 160 years. It is a legacy founded on a mission of serving the poor and disadvantaged, which we continue today. In 2012, that commitment translated to more than \$60 million in charity care and community benefit for the people of Western New York.

Today, with the help of our associates, physicians, volunteers, and board members, Catholic Health provides nearly half of all the healthcare services delivered in our community. We are also creating clear pathways to quality, achieving numerous local, regional and national recognitions from health insurers, government agencies and independent healthcare ratings organizations along the way.

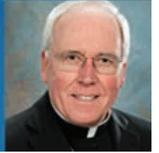
Health care reform is here and Catholic Health is leading the way, improving the health of our community, enhancing every patient experience, and controlling the rising cost of care. We encourage you to spend time exploring this website to learn more. Because when you know more, you feel better.

Dennis J. Dombek

Chair, Catholic Health Board of Directors

Joe McDonald

President and Chief Executive Officer, Catholic Health



A Message from the Most Reverend Richard J. Malone, Bishop of the Catholic Diocese of Buffalo

The mission of Catholic Health is clear: to bring the healing ministry of Jesus to those in need. This mission is lived each day by our associates and volunteers as we together offer the human side of healthcare, treating all people with respect and dignity, and providing healing and comfort in times of need.

As Bishop of Buffalo, it is my privilege to witness our Catholic Health physicians and nurses, administrators, associates, and volunteers reveal the healing love of Jesus—the Great Healer—to those in need throughout Western New York. All who are involved in Catholic Health live our mission in the way they care for their patients, clients, residents and one another.

The healing power of Jesus went beyond physical health by curing broken bones and ailing bodies. His human contact and compassion cut through barriers of isolation, providing emotional and spiritual healing as well. At Catholic Health, we understand the importance of a reassuring touch, a smile or a comforting word.

Catholic Health's history is rooted in the values of Catholicism. Our ministry gains strength from its diversity. We encourage our associates to bring their individual spiritualities to their work. Our ministry is a joyous blend of hope and faith that translates to exceptional personal commitment to those we serve.

Over the past several decades there has been a dramatic shift in the economic landscape of Western New York. There is now an increasing number of individuals and families who, through no fault of their own, find themselves unable to afford the quality healthcare they desire. They need not fear.

Catholic Health is an organization caring for people of every background and economic status or ability to pay. We embrace care of the poor as an essential focus of our healthcare ministry.

We also strongly support and foster our common goals of technological excellence and the very highest standards of medical care. We share an unwavering belief in the miracles that happen at Catholic Health each day.

Most Reverend Richard J. Malone

Bishop, Catholic Diocese of Buffalo

A partnership full of promise.



A Message from the President of Catholic Medical Partners

I have always relied on a simple adage in my professional life: “put yourself and your organization in the position of greatest potential to achieve your goals.” As a long-time soccer coach, I have been relentless on emphasizing to our players to get to the goal and prevent the opposition from getting behind our defense. This same approach has guided me in working with our physician leadership group over the past seven years.

Our clinical integration work was designed to put Catholic Medical Partners and all of our physicians in the position of greatest potential success. It may sound trite and commonplace, but success in the future will require good old collaboration and teamwork. Integrated delivery systems have led the way in designing clinical integration programs, and Catholic Medical Partners has used this knowledge in our strategic initiatives.

Improved quality outcomes and stronger business performance do not have to be at odds with one another. In fact, I think they can go hand-in-hand. Our policies, health plan agreements and programs are designed to provide physicians with a framework for success. We are counting on their leadership and engagement, and we trust that our annual report will strengthen their understanding and commitment to our goals.

Dennis R. Horrigan

President & CEO, Catholic Medical Partners

A Message from the Chief Medical Officer of Catholic Medical Partners

Physicians are the cornerstone of the healthcare system, and we have been continually learning to adapt to changes in the way that care is being delivered. Nurse Practitioners and Physician Assistants are now part of our clinical practices. Clinical guidelines assist us in directing our care. We are working with new populations of patients, delivering more care in ambulatory settings, and learning how to use health information technology to be more efficient and effective.

While we have learned new ways of delivering healthcare, and while many aspects of care have changed, the critical dimensions of medical care are unchanged: the importance of a strong doctor-patient relationship, the importance of access and effective communication with patients, and the need for coordination of care. Our challenge is not only to improve our clinical diagnosis and treatment, but to also gain a better understanding of how to deliver care to unique individuals with different medical conditions and social, economic and educational factors that impact their health.

Being a leader in the coordination of care requires us to understand and prevent potential breakdowns in clinical care. These are critical areas that we will need to address in our clinical offices and in other healthcare setting in the coming years. We will continue to emphasize our clinical integration programs and the necessary commitment that our members must make to move our improvement agenda forward. It is this commitment, above all else, that will define our membership as we continue on our path toward improving the healthcare delivery system.

Michael Edbauer, DO

Chief Medical Officer, Catholic Medical Partners

Report to the Community

One of the most important things a patient can receive for continued good health is something you can't write a prescription for—and that is knowledge. When healthcare providers properly communicate with patients, they can make better informed decisions for themselves and their loved ones, making sure they receive the right care, in the right place, at the right time.

In 2012, Catholic Health empowered its patients to take charge of their health by giving them the right information, building clear pathways to quality care, and delivering the compassion and service they have come to expect.

This commitment to quality, efficiency and financial responsibility stems from a sense of duty to our community and stewardship for the gifts we have been given. In doing this, we fulfill our mission, to reveal the healing love of Jesus to those in need. And none of this would be possible without our exceptionally dedicated physicians, associates, and volunteers, who make our mission a reality every day.

The Catholic Health network has been consistently ahead of the healthcare reform curve, working with patients and physicians to promote wellness, while avoiding unnecessary hospital admissions and re-admissions along the way. All this is fueled by an unparalleled commitment to quality and patient safety. We have a team of 50 quality and safety professionals tracking more than 5,000 measurements of quality care in our system, giving patients the consistency, transparency and knowledge that let them form a true partnership with their healthcare provider, and live healthier lives.

As a high performing health system and accountable care organization, Catholic Health is leading the charge for the most efficient, highest quality care. And the more our patients know, the healthier they're going to be.



Catholic Health is the first
Accountable Care Organization
in Western New York.

Pathways to quality.

Quality

Communication. It's an important part of healthy marriages, happy families, and lifelong friendships. And it's just as important when it comes to healthcare. At Catholic Health, we're proud to give patients access to the most in-depth analysis of healthcare quality in Western New York. Because the more they discover, the more confident they'll feel, and the better healthcare decisions they'll make.

These efforts include a staff of 50 quality and patient safety specialists tracking more than 5,000 quality measures throughout our system and posting these results at knowyourhealthcare.org. The benefits of this painstaking work are two-fold:

- First, as the most thorough and intensive quality control program in Western New York healthcare, it is an invaluable asset for Catholic Health's future performance. This information tells us where we're excelling and where we can improve, creating our own pathways toward becoming the safest, most efficient, highest performing healthcare system in the region.
- Second, by transparently providing this information to the public, we're giving patients the roadmap they need to make more informed healthcare decisions. This will lead to better care, better health and ultimately, a better quality of life.

Innovation

At Catholic Health, our definition of "quality" goes beyond providing the best possible care by today's standards. That's why we're not only open to the latest advancements in healthcare—we proactively seek them out, and embrace those innovations that will benefit patients and our system as a whole for years to come.

This commitment has brought us to the forefront of minimally invasive surgery in our region. These procedures mean shorter hospital stays, quicker recoveries, less scarring and fewer complications for area patients. More than 60 Catholic Health doctors are performing minimally invasive procedures, including bariatric, cardiac, gynecological and orthopedic surgeries. And more than a dozen have extensive experience using robotic technology over a broad range of specialties—from gynecological surgery to joint replacement.

- Cardiac surgeon John Bell-Thomson, MD, is the only doctor in Western New York—and one of a handful nationwide—to use the da Vinci[®] robot for Totally Endoscopic Coronary Artery Bypass Surgery (TECAB).
- Among our other firsts, Kenneth Eckert III, MD, was the first surgeon in the region to perform single-site robotic-assisted gallbladder surgery through a single incision.
- Catholic Health also offers a variety of cardiac, neurovascular, bariatric, gynecologic, orthopedic and urologic minimally-invasive and robotic surgical procedures.

Our commitment is reflected through all of our service lines, including our nationally recognized orthopedic services. All of our hospitals—Mercy Hospital of Buffalo, Kenmore Mercy Hospital, and the Main Street and St. Joseph Campuses of Sisters of Charity Hospital—were recently named Blue Distinction Centers from

Innovation

BlueCross BlueShield of Western New York for providing quality and value in knee and hip replacement Surgery. And Kenmore Mercy, Mercy and Sisters Main Street Campus were awarded the same designation for spine surgery—the only local hospitals to do so, and among only eight in New York State.

WomenCare, the only program of its kind in Western New York, gives women a single, comprehensive source for the high-quality care they need, at every stage of life.

- Sisters Hospital was the first hospital in Western New York to be named an Academic Center of Excellence in Women's Health Surgery by the American Institute of Minimally Invasive Surgery.
- Mercy and Sisters hospitals were recently selected to serve as demonstration sites for a special program to enhance obstetrical safety, and remain the only hospitals in the area to provide high-quality intensive care for both mothers and babies, under one roof.

Our New York State Designated Stroke Center network remains the largest in Western New York, bringing the most advanced stroke care closer to patients.

Our Advanced Wound Healing Centers provide access to proven treatment options from skilled specialists, offering the most efficient and results-oriented wound care services in the region.

And Catholic Health's commitment to innovation doesn't stop at technology. We designed our First Choice health plan to provide members with low premiums, zero co-pays, and unparalleled access to the highest quality care in Western New York—including hundreds of doctors and specialists, and dozens of Catholic Health locations.

By leading the charge in new concepts and technologies, focusing on treatment options that save time and enhance care, and never losing sight of what is truly important—care for the whole person with respect and dignity—Catholic Health is building pathways to a new kind of quality. One that is more dependable, yet ever evolving. One that is 100% patient centered. One that sees innovation as a prescription for better care.



The largest network of
NYS Designated Stroke
Centers in Western New York.

Patient Care Network

Patient Care Network

A good pathway is easy to follow. This has always been our philosophy at Catholic Health. That's why our patient care network has been designed to bring high-quality care closer to you and your family.

This network of emergency rooms, primary care centers, senior services, rehabilitation facilities and hospitals is ranked the second most integrated healthcare system in New York State, third in the Northeast, and 30th in the nation.

With Kenmore Mercy to the west, Sisters Hospital and its St. Joseph's campus to the east, Mount St. Mary's to the north, and Mercy Hospital and the Mercy Ambulatory Care Center to the south, our emergency department network provides high-quality emergency care that is always convenient and close to home. With the unveiling of Kenmore Mercy's new emergency department this summer, all of our hospitals will be outfitted with the most technologically advanced ERs to provide the highest quality emergency care. And our partner hospital at Bertrand Chaffee provides easy access to specialty services in the Catholic Health network that were geographically out of reach for many patients.

After surgery or a medical stay in one of our hospitals, patients in need of rehabilitation services can take advantage of the largest outpatient rehabilitation network in the area, including Partners in Rehab and AthletiCare. Through this network, Catholic Health provides inpatient, outpatient, subacute and at-home rehabilitation to hundreds of patients each day. Specializing in sports injury rehabilitation, AthletiCare is the largest provider of sports medicine and athletic training services to area high schools and colleges.

These care pathways wouldn't be so easy to navigate without the support and expertise of Catholic Medical Partners, our partner network of more than 900 Western New York physicians. We work together with a synergy crucial to a high performing health system, utilizing electronic medical records to create a swift and dependable flow of information, and prevent unnecessary treatments and doctor visits. This partnership makes the efficiencies and preventive approaches of healthcare reform a reality.

This is perhaps best demonstrated in our Patient-Centered Medical Homes, which put more than 300 care coordinators in direct contact with patients suffering from chronic medical conditions. Through these "medical homes," patients are more involved in their care, preventing unnecessary hospital admissions and maximizing their quality of life.

Catholic Health is also the leader in resident-centered care, with five skilled nursing facilities and two adult homes. Offering home health and personal care services, our Home Care division provides seniors and patients of all ages with attentive, innovative, compassionate care and ensures safe transitions from hospital to home.

By integrating services across our continuum of care, Catholic Health is better able to serve the Buffalo-Niagara region, including the area's poor and underserved communities. Catholic Health exists for one reason, and that is our mission—to reveal the healing love of Jesus to those in need. And nothing is more physically, emotionally and spiritually healing than high quality care delivered with skill, intelligence and compassion.

Transformation of Healthcare

Transformation of Healthcare

On June 28, 2012, the Supreme Court upheld the constitutionality of the Affordable Care Act, and the American healthcare system changed forever. While it was an important day for all healthcare providers, at Catholic Health, it was an affirmation. Because the basic tenets of this law—efficiency; preventive medicine; streamlined communication to eliminate wasteful, duplicative care; results-based incentives; and population health management—had already been a part of our operating philosophy for years.

Along with Catholic Medical Partners, we have been proactively gearing up for these changes in healthcare delivery and reimbursement by expanding access, improving quality, and controlling the rising cost of care. We embraced electronic medical records early, built our care network for better coordination of services, and started treating chronic conditions with preventive care that educates patients to help them manage their illnesses. We exist to provide the right care, in the right place, at the right time, and at the right cost—an aim that dovetails with our overall mission as a Catholic-sponsored health ministry.

In April 2012, our role as leaders in transforming the way healthcare is delivered was formally recognized, when the federal government made Catholic Health one of the first Accountable Care Organizations in the country. This group of doctors, hospitals and other care providers gives coordinated, high quality care to Medicare patients.

Also, New York State has given Catholic Health designation as a Health Home, along with partners Evergreen Health Services and Spectrum Human Services. This new entity, Health Home Partners of WNY, LLC, is a new model for care management, providing better care for 8,000 high-risk Medicaid patients, while simultaneously reducing healthcare costs. Our partnership will accomplish this by making the most of our collective resources to ensure that all patient needs are being met, including the underlying social issues that can affect their health. This includes hospital care, diagnostic and laboratory services, outpatient services, primary and specialty care, behavioral and substance abuse counseling and treatment, social services, housing, and peer support.

While many organizations are playing catch-up with healthcare reform and the sweeping changes already taking place, Catholic Health is well prepared to not only keep pace with them, but to flourish. It's been our strategy all along—to lead the transformation of healthcare in our community by building wide, direct pathways to high-quality care, replacing those old, winding roads once and for all.



Catholic Health is the first
Accountable Care Organization
in Western New York.

Foundations

Foundations

When you support The Foundations of Catholic Health, you're not just improving healthcare for Western New Yorkers—you're promoting the welfare of the most vulnerable among us. Because unlike other healthcare systems, Catholic Health's reason for existence is to provide high-quality care to all who need it, especially the poor and underserved in our community.

Every hospital in our network has its own charitable arm—the Kenmore Mercy Hospital Foundation, Mercy Hospital Foundation, and Sisters Hospital Foundation.

Along with our Continuing & Home Care Foundation, the collective efforts of these philanthropic groups support Catholic Health's commitment to provide state-of-the-art care, the latest medical technology, and the most exceptional patient experiences. Every charitable gift is used to enhance our mission—to reveal the healing love of Jesus to those in need.

This means that every Catholic Health hospital, outpatient center, long term care facility, and home care agency provides our patients and residents with award-winning medical care, as well as the kind of personal attention that sets us apart from other healthcare providers. Because we believe our patients' experience with us should have a positive ripple effect on their lives, whether they've come to us for heart surgery, a coat to brave the winter, or a shoulder to lean on.

With your support, there's no telling how many Western New Yorkers will be feeling better—physically, emotionally, and spiritually.



The Foundations of
Catholic Health raised
\$2,762,286 in 2012.

Financials

2012 Selected Statistics & Information

NET MARGIN (000s)

Hospitals	\$27,516
Continuing Care	\$371
Other (OLVR, Trinity)	\$(1,186)

CH NET MARGIN (000s)

Funds used to reinvest in technology, new programs, our facilities and our people	\$26,701
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NET OPERATING REVENUES (000s)

Total	\$892,436
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CHARITY CARE & COMMUNITY SERVICE

Services to patients and the community for which Catholic Health receives no payment or payments below the cost of care	\$60,058,000
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HOSPITAL STATISTICS

Operating Beds (excl. newborn, rehab, snf)	825
Total Discharges	50,441
Births	5,659
Inpatient Surgeries	16,284
Outpatient Surgeries	45,731
Total Surgeries	62,015
Total Patient Days	236,664

OUTPATIENT ACTIVITIES

Total ER Visits (Net of Admits and Observation)	146,569
Observation Cases	4,098
Primary Care Visits	144,514
Referred Ambulatory Visits	577,742
Total	872,923

HOME CARE VISITS

Total	296,901
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RESIDENTS IN OUR NURSING & ADULT HOMES

Total	725
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Leadership

Leadership

Without strong leaders, there is no way that we could achieve our vision of transforming the way healthcare is delivered in Western New York.

Catholic Health has the deepest appreciation for our uncommonly devoted co-sponsors and board members, people who make our mission a reality every day; who work toward greater efficiency and quality; who never stop being completely patient focused.

Our pathways to quality are getting wider and smoother, and it has everything to do with the hard work and inspirational humanity of the following people:

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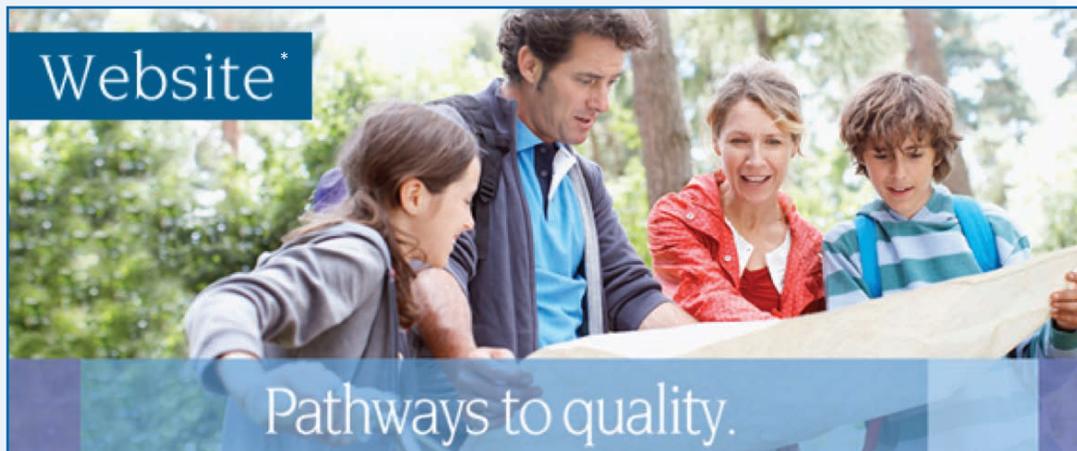
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\$60,058,000 worth of charity care and community service was contributed by Catholic Health in 2012.



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