## ABOUT TEXAS HEALTH RESOURCES

Texas Health Resources® (Texas Health) is one of the largest faith-based, nonprofit health systems in the U.S. Headquartered in Arlington, Texas, we serve about 7 million people in 16 counties. Our facilities are nestled within culturally and linguistically diverse neighborhoods in urban, suburban and rural communities.

We respect and welcome all faiths that are represented by our patients, employees and volunteers. With more than 350 points of access across the North Texas region, the health system includes 29 hospitals of which we own, operate or joint-venture.

## ABOUT THIS REPORT

Texas Health’s 2016 Community Responsibility & Sustainability Report provides a high-level overview of our citizenship and sustainability programs, commitments and goals, as well as progress being made to enhance our workplace, our environment of care and to improve the health of the people in the communities we serve.

The content sheds light on our 2016 calendar year operational areas of excellence. The report helps us identify opportunities for improvement, advance our mission, and prioritize sustainability strategies and investments for the future.

To access our full report, please visit [TexasHealth.org/Responsibility](http://TexasHealth.org/Responsibility) or contact Felicia Williams, Program Director, Community Responsibility for Texas Health Resources at THRCommunityAffairs@TexasHealth.org.

### TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>LETTER FROM OUR CEO</td>
<td>1</td>
</tr>
<tr>
<td>OUR VISION</td>
<td>2</td>
</tr>
<tr>
<td>OUR ORGANIZATION</td>
<td>4</td>
</tr>
<tr>
<td>OUR PEOPLE</td>
<td>6</td>
</tr>
<tr>
<td>OUR PATIENTS</td>
<td>8</td>
</tr>
<tr>
<td>OUR COMMUNITY</td>
<td>10</td>
</tr>
<tr>
<td>OUR ENVIRONMENT OF CARE</td>
<td>12</td>
</tr>
<tr>
<td>CASE STUDIES</td>
<td>13</td>
</tr>
<tr>
<td>THANKING OUR VOLUNTEERS</td>
<td>16</td>
</tr>
</tbody>
</table>
DEAR FRIENDS,

Health care is an indispensable social necessity that has been on an increasingly unsustainable path due in part to rising costs and inconsistent outcomes. Add to that political and regulatory challenges, and you have all the makings for uncertainty about what the future holds. But with these concerning trends comes the opportunity for change. Employers, business leaders and everyday North Texans are demanding it. And so are we.

That's why Texas Health Resources and other leading health systems around the country have spent the last decade preparing for and shaping this new environment. We completed a significant transformation over the last 10 years to shift from a great acute care hospital system to a health system focused on well-being and prevention, along with caring for the sick and injured. This work will fortify our ability to fulfill our Mission of improving the health of the people in the communities we serve.

To continue this progression, we unveiled a new 10-year strategy in 2016 that shifts our focus to earning the trust and lifetime loyalty of North Texans. We are supporting consumers throughout their lifetime of health and wellness needs, while continuing to safely and reliably deliver incomparable care and experiences. We also are taking steps to make the care we deliver more seamless, efficient and affordable.

Some key ways we advanced our strategy during the year included:

• Collaborating with Aetna to create a new health plan company that will streamline consumers’ health care experience and deliver more affordable, high-quality and better-coordinated care.

• Identifying the most effective health interventions and applying them to the people we serve through Southwestern Health Resources, the integrated health network we formed with UT Southwestern Medical Center®.

• Adding 30-plus freestanding emergency departments and a 50-bed hospital to provide more convenient access to these services.

• Investing in additional tools, processes and training for our employees to reliably deliver safe and quality care.

• Improving the well-being of people living in Fort Worth as part of the city’s five-year plan to transform into a certified Blue Zones Community®.

Our commitment to organizational excellence has not gone unnoticed. For three years in a row, Texas Health has made the Fortune 100 Best Companies to Work For® list and ranked No. 1 on the list of Best Workplaces in Health Care. We have also been nationally honored as the No. 1 Best Workplaces for Women and Diversity and ranked No. 1 on the inaugural list of Best Workplaces in Texas. Having a great place to work is a constant journey, and our unwavering commitment to listening to our people and continuing to make improvements remains stronger than ever.

As we look to the coming year, we will be relentless about improving outcomes for every individual we have the privilege of treating. The people we serve every day deserve nothing less. We also will make investments in innovative health programs that our communities need as well as initiatives that will sustain our system for decades to come. Thank you for supporting our Mission.

Barclay E. Berdan, FACHE
Chief Executive Officer

Our commitment to organizational excellence has not gone unnoticed. For three years in a row, Texas Health has made the Fortune 100 Best Companies to Work For® list and ranked No. 1 on the list of Best Workplaces in Health Care. We have also been nationally honored as the No. 1 Best Workplaces for Women and Diversity and ranked No. 1 on the inaugural list of Best Workplaces in Texas. Having a great place to work is a constant journey, and our unwavering commitment to listening to our people and continuing to make improvements remains stronger than ever.

As we look to the coming year, we will be relentless about improving outcomes for every individual we have the privilege of treating. The people we serve every day deserve nothing less. We also will make investments in innovative health programs that our communities need as well as initiatives that will sustain our system for decades to come. Thank you for supporting our Mission.

Barclay E. Berdan, FACHE
Chief Executive Officer
OUR VISION FOR SUSTAINABILITY

As a faith-based, nonprofit health system with a Mission to improve the health of the people in the communities we serve, Texas Health recognizes that we must cultivate and maintain a thriving and healthy organization. We are taking steps to reduce our own environmental footprint and improve population health by:

- Demonstrating our core values of Respect, Integrity, Compassion and Excellence each day.
- Maintaining strong financial and operational performance.
- Providing safe, high-quality and innovative care.
- Attracting, developing and retaining top performers.
- Maintaining high standards of conduct and integrity.
- Embracing diverse ideas and facilitating teamwork.
- Ensuring ongoing patient, employee and physician satisfaction.
- Recognizing and rewarding employees for achieving organizational goals.
- Delivering increased value, while lowering costs.
- Reducing or eliminating environmental and safety risks.
- Wisely using natural, financial and human resources.
- Forging strategic and mutually beneficial community relationships.
- Advocating for the needs and rights of our patients, employees and communities.

OUR MISSION

To improve the health of the people in the communities we serve.

2016 FACTS

~23,000
Employees

$4.5 billion
Total operating revenue

6,000+
Physicians with active staff privileges

3,900+
Licensed hospital beds

350+
Community access points

$864 million
Charitable care and community benefit

$2.2 million
Grants and sponsorships to 300+ nonprofits
“Texas Health is built on a foundation of traditions—our faith traditions, traditions of quality, traditions of compassion, traditions of innovation. These traditions will be the very things that propel us into the future.”

— Barclay E. Berdan, FACHE
Chief Executive Officer
OUR ORGANIZATION

As a faith-based, nonprofit health care provider, Texas Health is committed to operating ethically and conducting business safely, fairly, legally and with integrity. Our leaders are responsible for guiding the execution of key strategies to maintain organizational and financial sustainability. Each year, they evaluate performance and track continuous improvement to strengthen our health system. In 2016, we unveiled a new 10-year strategy that focuses on consumers and centers on affordability, innovation and reliability.

To build trust, we engage employees and community leaders to discuss performance expectations. We also believe that consumers should know how we are performing and that transparency drives performance improvement—which is why we publish a Quality and Safety Report to the Community.

Recognizing that our best must get better, Texas Health is also working to become a high reliability organization to consistently provide a safe, quality experience to all those we serve. This involves creating reliable structures, tools and processes—as well as a strong culture to support them. We are integrating these tools into the work we currently do and are forming a new roadmap for how we will continue to advance our Mission to improve the health of the people in the communities we are so privileged to serve.

2016 HIGHLIGHTS

~1.7 MILLION
physician office visits

1.5 MILLION+
OUTPATIENT VISITS

$4.5 billion
Total Operating Revenue

100% EMPLOYEES
received ethics and compliance training

100%+
licences and accreditations maintained

$2.25 BILLION
salaries, wages and benefits
“Our mission at Texas Health is widely recognized by leaders and staff as a very special, a very sacred and a very humbling ministry—one in which God uses our hearts, heads and hands to manifest His healing power. All of the people we are privileged to serve across the full continuum of care and the full cycle of life, we regard as our spiritual brothers and sisters for whom we provide care and compassion that attends to the whole person—body, mind and spirit.”

— Dr. Jeffrey Canose, FACHE
Chief Operating Officer and Senior Executive Vice President
OUR PEOPLE

Working at Texas Health is a calling. We feel humbled to care for people throughout their lives and during their most vulnerable moments. We make it a point to hire people who fit into our carefully crafted culture and who are committed to delivering excellent and compassionate care.

For us, being an employer and workplace of choice are business imperatives. We retain the brightest talent in the region by helping employees develop their skills, expand their experiences and enhance our reputation as a best place to work.

Woven into the fabric of our culture is the inclusion, respect and compassion we have for all the ways we are different. We take equality—in wages and how we treat each other—very seriously. Here, people of all backgrounds have an opportunity to fully contribute and share in our success.

2016 HIGHLIGHTS

2016 Community Responsibility & Sustainability Summary Report

OUR PEOPLE

Working at Texas Health is a calling. We feel humbled to care for people throughout their lives and during their most vulnerable moments. We make it a point to hire people who fit into our carefully crafted culture and who are committed to delivering excellent and compassionate care.

For us, being an employer and workplace of choice are business imperatives. We retain the brightest talent in the region by helping employees develop their skills, expand their experiences and enhance our reputation as a best place to work.

Woven into the fabric of our culture is the inclusion, respect and compassion we have for all the ways we are different. We take equality—in wages and how we treat each other—very seriously. Here, people of all backgrounds have an opportunity to fully contribute and share in our success.

2016 HIGHLIGHTS

#NO.1 ON FORTUNE':
20 Best Workplaces in Health Care
100 Best Workplaces for Women
50 Best Workplaces for Diversity

100 BEST COMPANIES TO WORK FOR®
FORTUNE

150 GREAT PLACES TO WORK IN HEALTHCARE
BECKER’S

PLATINUM AWARD WINNER
“Best Employer for Healthy Lifestyles”
National Business Group on Health

World’s Largest Certified Blue Zones Project® Approved worksite
$11.4 million Saved in employee medical costs

98% SATISFACTION WITH BENEFIT OFFERINGS

~25% Reduction in employee slips, trips and falls

$10+ million IN INCENTIVES PROVIDED to high-performing employees

$1.8+ million GIVEN FOR EMPLOYEE RECOGNITION AWARDS
“Our culture and people are unrivaled, and I truly believe that is what makes us unique and the system of choice for employees, physicians and our communities.”

— Crispin Hocate
Professional and Support Services Officer,
Texas Health Presbyterian Hospital Allen
OUR PATIENTS

Putting patients first and improving their health is at the heart of everything we do. We aim to deliver an exceptional Texas Health experience characterized by compassion, clear communication and helpful navigation. We feel this is critical to earning our patients’ trust, improving their health and lowering health care costs.

To reliably deliver safe and quality care, Texas Health is making significant investments to provide the tools, processes and training to deliver evidence-based best practices each time a patient visits one of our facilities.

We also are expanding our clinical network so we can provide consumers with the right care at the right time by the right provider and in the right setting.

For example, we created a joint venture with one of the nation’s leading operators of freestanding emergency rooms to increase access to high-quality, convenient emergency medical care in the Dallas-Fort Worth area.

Also during the year, we combined our high-quality providers and investment in population health management with Aetna’s health plan expertise, care management capabilities and analytical insights. This will help employers and consumers in North Texas benefit from more affordable, high-quality coordinated care.

2016 HIGHLIGHTS

100% wholly owned hospitals achieved Magnet® or Pathway to Excellence® designation

16+ MODULES Launched to improve patient safety and care

14 HOSPITALS RECEIVED HIGH RATINGS

from the Centers for Medicare & Medicaid Services’ Hospital Compare website

13 HOSPITALS received an “A” safety rating by The Leapfrog Group

90%+ RATED THEIR OVERALL CARE and likelihood to recommend our hospitals to others as good or very good
“Texas Health Resources’ family of hospitals exists to improve the health of the people in the communities we serve—not just by providing care to the sick, but by reaching outside the walls and beyond the comfort zones to understand and meet the needs of the communities.”

— Marsha Ingle
Director, Community Relations,
Texas Health Harris Methodist Hospital Azle
OUR COMMUNITY

Being a good corporate citizen is how we do business as a faith-based, nonprofit health care system. We share our funds, time, talent and expertise to strengthen the North Texas community.

We make investment decisions based on Texas Health’s Community Health Needs Assessment, which is conducted every three years. We also consult with local stakeholders to identify pressing community health needs and how we can best support them.

To make a more meaningful impact, Texas Health funds community benefit grants, sponsors health-related programs and events, and offers a paid-time-off employee volunteer program. We also collaborate with community nonprofits whose mission, vision and values align with our own.

Additionally, we are able to provide quality patient care; meet an ever-growing demand for health care education, outreach and research; and make facility and technology enhancements thanks to the generosity of donors to the Texas Health Resources Foundation.

To strengthen our capacity to improve the health of the people in the communities we serve, Texas Health also advocates for sound public policies at the federal, state and local levels of government. With numerous policy issues currently affecting health care, it is more important than ever to educate and inform policymakers on the real-life impact of legislation and regulations.

2016 HIGHLIGHTS

10,538 HOURS spent volunteering for 650 community service projects

$2.2 MILLION Grants and sponsorships to 300+ nonprofits

$16.9 million Received in gifts through the Texas Health Resources Foundation

~$864 MILLION provided in charity care/community benefit (~$2.4 million a day)

1.8 million Donated by employees to hospitals and communities

130,476 People received pastoral care

129,649 PEOPLE SUPPORTED through the Faith Community Nursing program

BEST WORKPLACES FOR GIVING BACK

Only health system recognized by FORTUNE
“Our community investments help us fulfill our mission, preserve our nonprofit status and differentiate us from our competitors. It is through strong community partnerships that we are able to make significant economic, social and environmental impacts.”

— Felicia Williams  
Program Director, Community Responsibility, Texas Health Resources
OUR ENVIRONMENT OF CARE

Texas Health conscientiously manages its environment of care to maintain business functions, keep employees and patients safe, lower operating costs and reduce negative environmental impacts.

We comply with stringent health and environmental protection standards, and use industry leading tools and guidance to reduce energy and water use, and responsibly manage waste.

Additionally, we take extensive measures to maintain business functions, manage business risks, secure patient information and preserve our reputation and long-term sustainability. For example, to combat the growing number of cybersecurity threats, we deploy proven technologies, monitor all alerts, and address all possible breaches and threats in a coordinated and responsible manner.

We also prepare extensively for continued operation in the event of a natural or manmade disaster. Texas Health is one of the few health systems in the nation with a robust and comprehensive emergency management plan and a multidisciplinary team who oversees emergency management and business continuity.

2016 HIGHLIGHTS

- 7.1 million pounds of paper recycled (saving 60,360 trees)
- $5.5 million invested in 44 efficiency projects
- 5.34% reduction in energy and natural gas use
- 143,243 pounds of electronic waste recycled
- $29.5 million spent with minority and women-owned enterprises
- $30.2 million saved on supply expenses
CASE STUDIES

CREATING A GREAT PLACE TO WORK

Cultivating a workplace of excellence takes unwavering faith, a strong commitment to inclusion and diversity, and extensive engagement of our clinicians and staff.

In 2016, Texas Health ranked No. 1 for the second year in a row on the Fortune and Great Place to Work® list of Best Workplaces in Health Care. We also made Becker’s list of “150 Great Places to Work in Healthcare” for the first time, the Fortune 100 Best Companies to Work For®, list for the second year and was the only health system named to Fortune’s Best Workplaces for Giving Back.

Our employees reported on Great Place to Work reviews that we offer:

- Great challenges: 97%
- Great atmosphere: 98%
- Great rewards: 97%
- Great pride: 99%
- Great communication: 97%
- Great bosses: 96%

COLLABORATIVE ROUNDING REDUCES LENGTH OF STAY, IMPROVES PATIENT SATISFACTION

It’s common for nurses and physicians to round on their patients, stopping by throughout their shift to check patients’ vitals, test results and to discuss needs or treatment plans. Oftentimes, however, these clinicians work alone or in silos, which can negatively affect not only communication with patients and their caregivers, but also extend the length of patients’ stay within the hospital.

Extended hospital stays not only cost patients and health systems more money, they also increase the risk for patients to acquire an infection. Yet discharging patients too soon increases the likelihood of readmission. To address this issue and increase communication among patients, physicians and clinical staff, Texas Health’s Clinical Nurse Leader Program proposed a collaboration rounding routine in which two Texas Health hospitals participated in 2016.

For three months, a physician, clinical nurse leader and the primary nurse made rounds together on select groups of patients and their families. They discovered that by collaborating, they got up to speed on each patient much faster and became better aligned on care plans. This, in turn, helped patients and their loved ones better understand the goals for the day, test results or treatment options.
More importantly, having these conversations together significantly reduced patients’ length of stay and readmissions, and improved their overall satisfaction. Using this model as a blueprint, Texas Health will begin having clinical teams systemwide take this same approach to rounding in 2017.

**STATEWIDE DSRIP PROJECTS MAKING AN IMPACT**

In Texas, the Medicaid 1115 Transformation Waiver funds more than 1,400 Delivery System Reform Incentive Payment projects’ statewide—including 39 projects managed by 12 Texas Health hospitals. These projects are designed to keep people healthy and out of the costly and emergency department. These projects include chronic disease education and management, behavioral health screenings, mobile cancer screenings, palliative care and medication management, among others.

Over the last five years, the projects have kept more than 40,000 Medicaid beneficiaries and low-income people out of emergency rooms and hospitals and have saved Texas Health more than $5 million.

---

1 Delivery System Reform Incentive Payment projects include clinics, emergency department navigation, chronic disease education and management, behavioral health screening/referral, mobile cancer screening, palliative care and medication management.
SUSTAINING OUR SUPPLY CHAIN

Supply costs are the second-largest expense after labor, making it critical that we conscientiously manage procurement processes to maintain competitiveness, financial viability and operational efficiency. We do this while also selecting the highest quality materials and services to deliver outstanding patient care.

Texas Health proactively assesses material use and waste so we can change use and disposal behaviors, identify cost-reduction opportunities large and small, and identify best practices throughout the system.

In 2016, Texas Health saved $30.2 million by reducing variation of supplies and their use, exceeding our $28 million goal. We also awarded $29.5 million of business to minority and women-owned business enterprises, which helped stimulate their growth.

TEXAS HEALTH NAMED THE WORLD’S LARGEST BLUE ZONE APPROVED™ WORKSITE

Texas Health became the largest Blue Zone Approved Worksite in the world in 2016. Studies have found that integrating purpose, movement, nutrition and other healthy living habits enhance longevity and overall employee well-being. Part of the approval criteria was to have at least 25 percent of our employees pledge to incorporate the Power9 habits into their lives.
THANKING OUR VOLUNTEERS

At Texas Health, our volunteers are a vital source of inspiration and support. Volunteers bring their talents, experiences and caring hearts to our employees, patients and visitors. They work throughout the hospitals staffing information desks and waiting rooms, delivering flowers, assisting patients and visitors, serving in the gift shops and raising funds for hospital and community needs.

Many times, volunteers provide a service that would not be possible without them, such as Texas Health Presbyterian Hospital Plano’s new veteran visitation program. The program connects veteran volunteers with patients who have served in the military for a visit during the patients’ stay. Sean Smith, a disabled veteran, received one of these visits from volunteer Vic Lambert, which made his day. Smith received a card and a special pin that he plans to place on his Army jacket. There is no doubt that Smith and other patients and visitors will remember their hospital stay or visit as a pleasant experience thanks to the compassion and kindness of our volunteers.

In 2016, more than 2,000 volunteers collectively donated more than 315,000 hours of their time and energy to Texas Health. We are grateful for their dedication and service.
“Faith is deeply woven into the culture of Texas Health Resources. Faith is a part of who we are and all that we do. We are a caring people called to share our God-given gifts to care for others without judgment or prejudice during times of need when they are unable to care for themselves. Our faith leads us to embody the Texas Health PromiseSM of Individuals Caring for Individuals, Together®.”

— Bob Ellzey, FACHE
President,
Texas Health Harris Methodist Hospital Azle