

UHS SYSTEM ANNUAL REPORT
2018



**Performance
Accountability
Engagement**



Defining The UHS Way

A Message from the Chairman and the CEO

Jerry Canny, left, and
John Carrigg



**Chairpersons of the Boards of Directors
of the UHS Healthcare System for 2018:**

Jerome Canny, UHS and UHS Hospitals

Eric Larsen, UHS Chenango Memorial Hospital

Helen Johnston, RN, UHS Delaware Valley Hospital

Sharon Yapple, UHS Senior Living at Ideal

Linda Best, UHS Home Care

Leonard Anderson, MD, UHS Medical Group

Jon Sarra, UHS Foundation

At UHS, our Performance, Accountability and Engagement come together to form what we call The UHS Way. We strive to create an outstanding healthcare experience, giving our patients and residents, as well as their families, **a feeling of being safe, respected, listened to and cared for that fosters confidence and trust in UHS.** As we live the principles of The UHS Way, we take ownership for everything we do and keep our focus on the patient experience.

We are mindful that we are always learning, always engaging, always shaping our organization's culture. Our most strategic actions revolve around creating the most outstanding experience possible, every time, in every setting, for every person we serve. Throughout 2018, many examples emerged of The UHS Way in action. The commitment of our leaders, employees, providers and volunteers has never been greater, ensuring that patients have access to the best health resources, delivered with efficiency, effectiveness and compassion.



UHS is committed to learning, growing and enhancing the delivery of services across the community, and to benchmarking its care against that of the nation's top healthcare systems.

Among the milestones of 2018 were these:

- UHS chose nationally acclaimed **Epic Systems** as the new platform for patients' electronic health records and patient accounting. The selection was recommended by a host of knowledgeable UHS employees, providers and leaders, and adopted by the Board of Directors in July. One of Epic's most exciting and useful features is **MyChart**, which offers patients personalized and secure online access to portions of their health records.

- UHS leaders received valuable feedback from a System-wide **Employee Engagement Survey**. This year there were just 19 questions, and, for the first time, employees took the survey entirely online. Overall participation was a respectable 68%, high for a first-time e-survey. A robust figure of

88% of respondents said they would recommend UHS as a great place to work and a great place to receive care.

- As a result of feedback from the 2018 Employee Engagement Survey, a series of **"Connections LIVE"** broadcasts and **"Connecting Us"** luncheons were held, promoting two-way communication between employees and leaders throughout the organization.

- Over 250 clinical and non-clinical leaders across the System were trained in **"Rounding with Purpose,"** an orchestrated approach to rounding with patients, patients' families and staff. The aims are to ensure safe, efficient care and support a trusting culture for both patients and caregivers.

The successes we recorded during the year demonstrate

how individuals and departments accomplish life-saving and life-enhancing tasks with skill and respect, how they keep the patient and resident at the center of everything they do. Our goals were to perform well, to hold ourselves accountable and to engage with others in a meaningful way. These were our motivations throughout 2018, and will continue to be so as we look to the future. We are dedicated to this pursuit because we believe there is no higher calling than to serve, restore, inspire and change lives.

John M. Carrigg

John M. Carrigg
President and CEO of UHS

Jerome J. Canny

Jerome J. Canny
Chairman of the Board of UHS

Performance

We are committed to improving the lives of those we serve, and to creating a safe and productive work environment for our team.

Vigorous attention to Performance is integral to any healthcare organization. On today's rapidly changing healthcare scene, many aspects of Performance are being measured by others as they evaluate the quality, timeliness, cost and effectiveness of our care and service. Publicly available information compares UHS to its peers across the state and country, and reimbursement is tied more and more directly to our quality and satisfaction ratings.

UHS demonstrated outstanding Performance throughout 2018, giving strong evidence of our adherence to The UHS Way in how we perform our jobs and how we care for those in need of care. Among the major accomplishments and

achievements during 2018 that enhanced our care, service and outreach System-wide were these:

- **Upstate Urology of UHS** became a prominent factor in 2018, bringing to Greater Binghamton an unprecedented level of expertise in the urological specialty. The practice, in Wilson Square, began offering medical and surgical treatment and follow-up for such conditions as bladder, kidney, prostate and testicular issues, as well as erectile dysfunction, male infertility and pelvic pain. As a result, urological patient visits at UHS increased by 100% over 2017.

- UHS began offering **continuous renal replacement therapy** to patients recovering

from surgical procedures at UHS Wilson. The therapy is an option for those who are too hemodynamically unstable to tolerate conventional hemodialysis.

- Specialists and surgeons at the UHS Heart & Vascular Institute performed a wide range of cardiac and thoracic procedures during the year, featuring the latest advances in open heart and chest surgery. An important advancement has been **transcatheter aortic valve replacement (TAVR)**, which deploys a new, bovine valve with a metal external structure inside a damaged valve.

- Doctors at UHS began using one of the world's most advanced types of clinical machines to care for



The quality of the care provided by UHS employees throughout the System was recognized by a number of national and regional health organizations during the year.

patients with severe heart conditions. The device is called an **ECMO**, which stands for **extracorporeal membrane oxygenation**. A true life-saver, it is used to pump and oxygenate a patient's blood outside the body.

- In 2018 UHS was honored nationally and regionally. This included an American Heart Association "Get with the Guidelines" award for the quality of UHS' response to stroke and heart failure. And the Center for Donation & Transplant presented UHS with a "Donate Life Healthcare Champions of the Year" team award.

- Nationally recognized leaders in emergency care were speakers at the **2018 Patrick E. O'Hara, MD, EMS, Emergency Medicine/Trauma Teaching Day**, presented by UHS. The event celebrated its 30th anniversary; for three decades it has been popular with first responders and others who work in the challenging field of emergency care.



Our Performance as an organization is tied to the respect and personal attention we give to every person who seeks us out for care.

Accountability

Each of us stands for excellence, believing there is no greater purpose than to provide quality care to the people we serve.

As part of adopting High Reliability and Zero Harm, we have pledged to advance everyone's decision-making role.



In 2018 UHS began a bold journey to become a truly **High Reliability Organization** by adopting a **Just Culture** and emphasizing **Safety** and **Zero Harm**. Over time, this will benefit everyone who depends on our System for care, service and employment. The goal is to get things right, each and every time, by creating a culture of **Safety**, preventing failures and reducing the probability that errors will occur. We declared a goal of **Zero Harm**: no events of preventable harm – to our patients, our residents or our co-workers.

We acknowledge that we will never fully “arrive” at High Reliability – because we will never run out of lessons to learn. But we will keep learning, improving and living a culture of safety. In any healthcare setting, a preventable error is not merely a number – but a person. In a **High Reliability Organization**, everyone from the front lines to the boardroom takes responsibility for safety, which first and foremost requires trust.

In a trusting organization, a **Just Culture** prevails: Leaders trust the expertise of those on

the team. People are perceived as contributing to patient care, and are treated fairly. Peers hold each other accountable. Staff members feel comfortable reporting errors and variations to their supervisors. Hazards are identifiable and controllable, and everyone has a role in removing them. There is a focus on prevention, not reaction.

Our aim during the year was to keep the patient at the center of everything we do. We took ownership of our actions, our results and the way people feel about their experience with us.

In a High Reliability Organization, everyone takes responsibility for patient and co-worker safety.



2018 Leadership Transitions

On Jan. 1, 2018, **John M. Carrigg** became president and chief executive officer of the UHS System. Mr. Carrigg previously served as executive vice president and chief operating officer. In his new role he succeeded Matthew J. Salanger, FACHE, who transitioned to the part-time post of senior strategic advisor.

Karla Dotts, RN, was named president and chief executive officer of UHS Home Care. She succeeded Joseph Cerra, who continues in his role as senior vice president for the Physician Practice Division of UHS Hospitals.

Sheri Lamoureux joined UHS as vice president for Human Resources and chief human resources officer. She is responsible for all HR functions System-wide. Previously she held HR leadership posts at Avangrid, NYSEG, Energy East Corp. and Iberdrola USA.

Nan Apps joined UHS as its first senior director of Patient Experience. In this role, she leads the endeavor to keep the patient at the center of everything we do. She previously served at Bassett Healthcare and Vassar Brothers Medical Center.

Engagement

The patient experience is a feeling of being safe, respected, listened to and cared for that fosters confidence and trust in UHS.

A high sense of engagement in a healthcare organization has been shown statistically to improve many areas of care: higher patient satisfaction and physician commitment, lower staff turnover, reductions in readmissions – even better patient safety and the effectiveness of clinical treatments.

Engagement is The UHS Way in a nutshell. Throughout 2018, UHS as an organization was actively engaged with its patients, patients' family members, employees, providers and volunteers, as well as the community at large.

Among the goals of engagement are clear communication to patients about the process

of their care, involvement of patients in their care and an emphasis on health education, preventive medicine and wellness. A culture which fosters the inclusion of consumers and their families in shared decision-making – like that demonstrated by UHS during 2018 – is one that makes patients active members of the healthcare team.

To continually improve the health status of the community, UHS sought opportunities to participate in civic and charity events in the community, with employees walking, running, building, repairing and raising money to enhance the lives of our region's residents.

During the year, UHS leaders, providers and staff focused on

building relationships based on trust and confidence.

Members of the UHS team at all levels were asked to set personal, measurable goals for themselves and to learn how those goals relate to the quality metrics on which UHS is judged by government agencies, third-party payers and quality evaluators.

Important to engagement in 2018 were events such as the UHS Golf Expo, featuring LPGA star Annika Sörenstam, which drew 1,000 people to our venue at the Dick's Sporting Goods Open. As a way of reaching out to the community with wellness information, the Expo grows in popularity and attendance every year. In September, more than 300



Engaging with patients means listening, showing respect and giving hope, as demonstrated during 2018 through thousands of inpatient, outpatient, office-visit, long-term care and home care interactions.



UHS employees stay connected to the community by volunteering for such charity events as the Heart Walk, Relay for Life, Making Strides Against Breast Cancer and the United Way's annual Day of Caring, among others.

employees from across the System rolled up their sleeves and engaged in United Way's Day of Caring, an incredible show of support for the annual 9/11 remembrance. With teams deploying to 24 work sites, UHS had the highest participation of any organization in Greater

Binghamton in the charity event. Engagement at UHS means forming meaningful connections and creating memorable interactions. As one employee noted, "People may not remember what you said, but they will always remember how you made them feel."

UHS contributes \$37 million annually in charity care, while at the same time employees do their part by volunteering for and giving generously to community outreach and charity programs.



Member Highlights

UHS Hospitals – UHS Hospitals relocated its primary care office in the southern part of Broome County from Kirkwood to newly remodeled space at 160 Robinson St. in Binghamton. Providers at **UHS Primary Care Robinson Street**, in the Weis Market plaza, are Brenda Schlaen, MD, and Meghan Laing, NP. In addition to primary care, the site also is home to UHS Hospitals' fourth Walk-In Center (opened in 2019).

UHS Chenango Memorial Hospital – During the year the hospital team worked to strengthen services. In connection with Broome Oncology, cancer care services that had been discontinued in 2017 were restored, with chemotherapy provided weekly. The hospital leveraged its resources to further meet the needs of Sidney residents, offering general medical care, obstetrics and gynecology, podiatry, orthopedics, cardiology and outpatient pulmonary services.

UHS Delaware Valley Hospital – By year end, the hospital had completed a major portion of a \$1.4 million expansion of its primary care office in Walton. The project added examination rooms and created a better area for specialist care and one for diabetes counseling.

UHS Senior Living at Ideal – To ensure the long-term viability of Ideal, UHS strategically aligned with Upstate Services Group, a privately owned, experienced nursing home provider in Broome County. The arrangement will ultimately transfer ownership of Ideal to USG.

UHS Home Care – The agency was recognized for quality by national organizations. Twin Tier Home Health was honored as a Home Health Care Elite agency, placing in the top 25% of those recognized, and earned special distinction for providing great patient experiences.

UHS Medical Group – UHS expanded capabilities in cardiothoracic surgery during the year with the hiring of Daniel Beckles, MD, PhD. He offers the full range of heart, lung and chest surgeries, hybrid coronary revascularization for coronary artery disease, mitral valve surgery and mini-valve repair or replacement. The group also recruited Rohit Shahani, MD, scheduled to join in 2019. Dr. Shahani is a top cardiothoracic surgeon and recognized expert in mitral valve surgery.

UHS Physician Practices – Offices in 2018 standardized the approach to the prescription of opioid medications for pain management. The process began by convening a committee made up of primary care providers, psychiatrists, pain management specialists and other experts from within the UHS Medical Group. Once developed, the standards were rolled out to all UHS primary care locations. The goal is to decrease the use of opioids while finding viable pain-management alternatives for patients.

Financial Strength for The UHS Way

On the financial front in 2018, we met and exceeded our budgeted goals of net income through innovative solutions to emerging challenges and disciplined monitoring of cost drivers. UHS demonstrated solid financial stewardship to drive the earnings and cash flow necessary for investments in our workforce, patient programs and technologies.

Total revenues grew by 6.6%, as more families entrusted UHS

providers and services with their care. Demand for care continued to rise, most notably in outpatient and emergency room settings.

Net income margin grew to 2.6% in 2018, compared to 2.4% in 2017, thereby providing the cash flow for the many investments needed. Although there are threats on both the state and federal levels against healthcare reimbursement, UHS is committed to nimbly adjust,

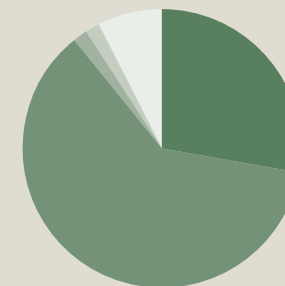
find efficiencies and leverage technology to fulfill our promise of excellence for our patients and communities.

The UHS System closed the fiscal year with a net surplus of \$21 million on revenues of \$860 million. During the year we provided \$37 million in uncompensated and charity care to the benefit of the financially needy in our communities.

FINANCIAL PROFILE

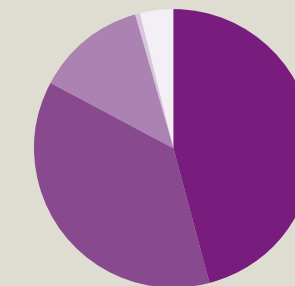
UHS System Revenue and Expenses (Thousands)*

Total Revenue	\$860,176
Total Expenses	\$838,993
Net Surplus	\$21,183
Net Uncompensated and Charity Care**	\$37,387



2018 Revenues (Thousands)

Inpatient service	\$240,938
Outpatient services	\$527,782
Long-term care	\$14,709
Home health care	\$14,539
Other operating revenue and non-operating revenue	\$62,207
Total	\$860,176



2018 Expenses (Thousands)

Salaries	\$386,326
Supplies and services	\$308,928
Employee benefits	\$106,698
Interest	\$5,049
Depreciation and Amortization	\$31,992
Total	\$838,993

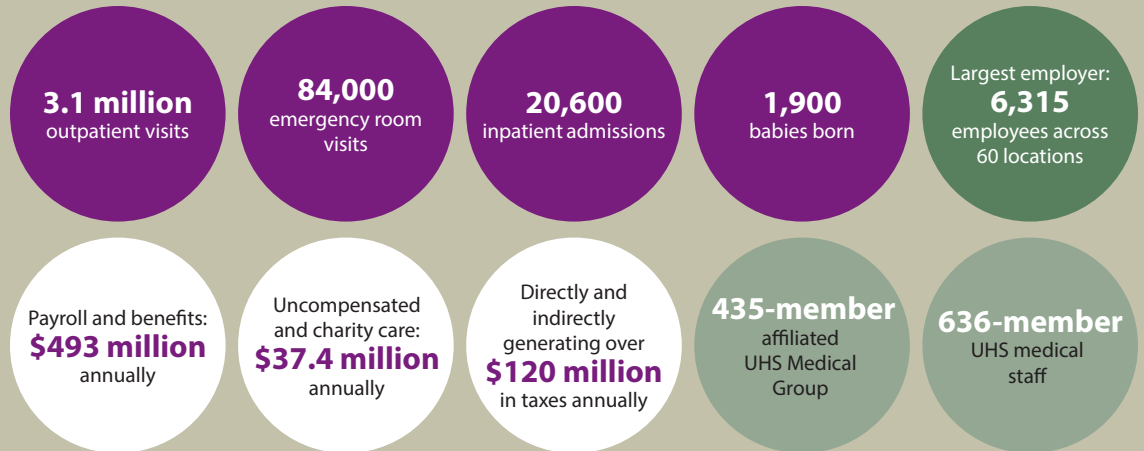
* The information here is a preliminary, unaudited financial draft for the year 2018.

** This includes financial assistance and bad debts expense.

TOTAL ECONOMIC IMPACT
\$1.3 BILLION

Meeting the Critical Healthcare Needs of New York's Southern Tier

UHS is a locally owned, not-for-profit hospital and healthcare system serving the seven-county Southern Tier region of upstate New York and caring for two-thirds of the regional population each year with:



nyuhs.org

"Performance, Accountability, Engagement" is the 2018 Annual Report of the UHS Healthcare System in Greater Binghamton, N.Y. John M. Carrigg, President and Chief Executive Officer. The report is produced and published by the UHS Community Relations Department, 10-42 Mitchell Ave., Binghamton, NY, 13903; 607-762-2336. Christina Boyd, Vice President for Community Relations; Carrie Davis, Director of Community Relations; William Michael, Communications Editor.

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