

2014 Annual Report



Enhancing the lives of those we serve



Bridgeport Hospital | Greenwich Hospital | Yale-New Haven Hospital | Northeast Medical Group

VISION

Yale New Haven Health enhances the lives of those we serve by providing access to integrated, high-value, patient-centered care in collaboration with others who share our values.

MISSION

Yale New Haven Health is committed to innovation and excellence in patient care, teaching, research and service to our communities.

VALUES

| | |
|-------------------------|--|
| Integrity | <i>Doing the right thing</i> |
| Patient-Centered | <i>Putting patients and families first</i> |
| Respect | <i>Valuing all people</i> |
| Accountability | <i>Being responsible and taking action</i> |
| Compassion | <i>Being empathetic</i> |

ON THE COVER

Joyce Lynch doesn't let arthritis define who she is. The Monroe, CT, resident maintains an active lifestyle that she attributes to treatments prescribed by rheumatologist Geoffrey Gladstein, MD.



A Message from the President and CEO

Yale New Haven Health is committed to enhancing the lives of the people we serve by improving access, integrating care and focusing on the value of services provided.

While Connecticut's hospitals faced complex financial challenges in an increasingly restrictive reimbursement environment, Yale New Haven Health experienced increased demand for services, enhanced its portfolio of high-quality clinical programs, built a culture of patient safety and achieved strong financial performance.

An element of achieving our commitment to enhance access, care integration and value by partnering with other providers in our region included a relationship with Tenet Healthcare, which was prepared to invest \$400 million into Connecticut's healthcare economy through the acquisition of five challenged hospitals. Our collaboration with Tenet would have extended YNHHS's clinical expertise and services throughout the region without requiring the use of our capital to invest in the physical plants and basic operations of these hospitals. Further, we initiated with Tenet *Total Health*, a statewide clinically integrated network of providers capable of taking and managing risk. After two years of progress with Tenet and other healthcare providers, however, the opportunity couldn't be realized because of the proposed imposition of excessive state oversight and regulation. Nonetheless, much of the work we did in anticipation of our Tenet relationship has allowed us to continue to move forward and establish *Total Health*.

As the 2014 YNHHS annual report shows, there was a great deal of which to be proud this year, particularly in the evolution of our value proposition. Nearly every employee and active medical staff member has been trained in high reliability principles to support the consistent delivery of safe, quality care. We also have a robust System-wide performance improvement initiative that is not only improving care but also bending the cost curve.

We are grateful to count on talented employees, medical staff and volunteers to help us continue to do greater things for the patients and loved ones we are privileged to serve.

Marna P. Borgstrom
President and Chief Executive Officer

Yale New Haven Health

2014 Performance Highlights

YALE NEW HAVEN HEALTH SYSTEM (YNHHS), Connecticut's leading healthcare system, was formed in 1996 to enhance the quality and scope of healthcare services for residents of Connecticut and beyond. YNHHS includes three Delivery Networks: Bridgeport Hospital, Greenwich Hospital and Yale-New Haven Hospital, and a physician foundation, Northeast Medical Group (NEMG). YNHHS has clinical relationships with several other hospitals in Connecticut and numerous outpatient locations throughout the state. YNHHS is affiliated with Yale University in support of patient care, medical education and clinical research.

The System's vision is to enhance the lives of those we serve by providing access to integrated, high-value, patient-centered care in collaboration with others who share our values.

YNHHS Strategy in a Changing Environment

Yale New Haven Health System has a three-fold strategy to achieve its vision:

VALUE STRATEGY: Value is achieving the right balance between quality and cost. YNHHS is reducing costs by reducing variation. Cost and value positioning has helped remove non-value-added costs from labor, from the purchase and use of supplies and technology and from operational and clinical processes.

PHYSICIAN ALIGNMENT AND INTEGRATION STRATEGY: The future payment systems should support providers focusing on population health management – moving from a focus on treating people who are sick to keeping people healthy; from volume-based to value-based care. Hospitals and physicians, primary care as well

as specialty care, need to have aligned goals, incentives and values, and we need to work more closely with other healthcare facilities and providers in the larger community. By partnering with community-based providers we are growing our System's clinical expertise in depth and breadth to better address population health needs. The acquisition of PriMed, for example, added 88 physicians and 35 other healthcare providers across 32 locations to the YNHHS network.

SCALE/PORTFOLIO STRATEGY: Creating a broader network allows us to offer more for less. This includes creating System-wide service lines (such as pediatrics and cancer); building clinical affiliations with independent hospitals; joining with others and continuing to make destination hospital investments so that more and more patients will continue to want, and be able, to choose to come here. We also established clinical affiliations with Bristol, Charlotte Hungerford, Lawrence and Memorial and Waterbury hospitals as well as Eastern Connecticut Health Network and Saint Francis Medical Center.

Safety, Quality and Operational Effectiveness

SAFETY AND QUALITY Committed to creating a culture of safety for patients, Yale New Haven Health System continued proactive steps to eliminate preventable errors that could cause harm. A multi-year initiative to become a high reliability organization (HRO), in collaboration with the Connecticut Hospital Association, dominated 2014. Efforts touched every employee at every level across the system through education and training on safety behaviors. During 2014, 98 percent of staff completed the training. All three hospitals continued daily safety huddles and the Great Catch program, which

recognizes employees for using high reliability behaviors – clear communications, questioning processes and paying attention to detail – to protect patients from harm.

OPERATIONAL IMPROVEMENT: VALUE

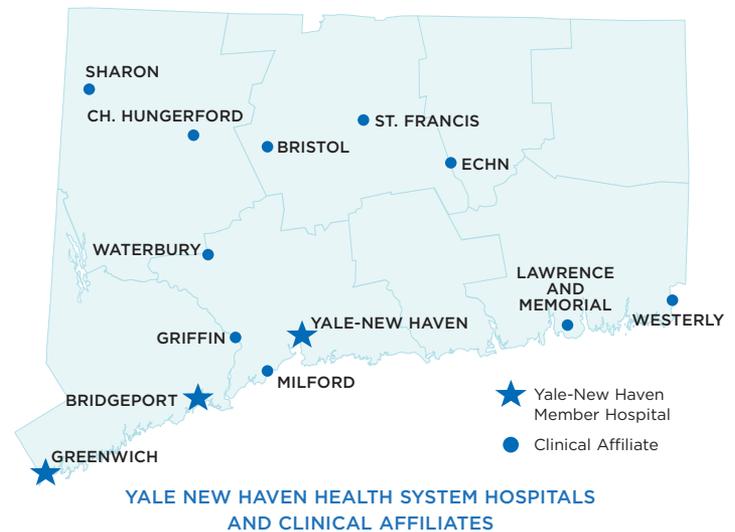
POSITIONING YNHHS’s value positioning initiative was designed to improve quality outcomes while reducing expenses. YNHHS’s value positioning efforts saved \$138.8 million this year – more than \$40 million above target – while enhancing the quality and safety of patient care.

Value positioning has helped prepare the System for changes in Centers for Medicare and Medicaid Services (CMS) reimbursement. The Affordable Care Act authorized CMS to reward hospitals for delivering services of higher quality and value and to reduce payments to hospitals that do not meet CMS benchmarks related to readmissions, value-based purchasing and hospital-acquired conditions. Numerous System-wide initiatives addressed these performance monitors, preserving \$28 million at risk.

Clinical redesign – physician-led efforts designed to reduce clinical variation, potentially avoidable complications and excess cost through best practices and improved care models – identified opportunities for improvement in length of stay, readmissions, expense reductions, revenue improvement and increased volume.

For example, YNHHS focused on appropriate blood product utilization for selected procedures. While common clinical practice often has been to administer transfusion of red blood cells when patients had modest anemia, evidence has shown that many of those transfusions are both unnecessary and costly. In fact, unnecessary blood transfusion in the operating room can be correlated with poorer long-term survival, higher rates of infection and other complications. A quality improvement team reduced unnecessary blood transfusions during heart/cardiovascular surgery and increased the number of patients who did not receive blood from 32 percent to 53 percent, translating to fewer complications and millions of dollars saved.

An initiative to standardize drug inventories at all three hospitals saved \$2 million and helped eliminate



“duplicate therapies” – defined as using similar, but more costly medications to treat the same conditions. The project earned Baxter Healthcare Corporation’s Leadership Excellence Award in Pharmacy and was recognized as part of an Excellence Award for Supply Chain Management from VHA Inc., a national network of not-for-profit healthcare organizations.

As a result of standardizing both clinical and non-clinical policies and procedures, all three hospitals and NEMG now use the same software, MCN Policy Manager, to develop, update, standardize and store their policies on a single site. The MCN software provides ready access to policy and procedure manuals and helps staff more easily update policies and procedures for which they are responsible, saving time, maintaining compliance and streamlining policy approvals.

SUPPLY CHAIN/NON-LABOR YNHHS achieved more than \$47.9 million in System-wide cost savings and cost avoidance in 2014, including \$29 million related to Supply Chain Management and \$18.9 million in corporate cost savings and cost avoidance (in addition to Cost and Value Positioning savings). Revenue cycle enhancements were \$102.2 million.

YNHHS’s non-labor committee, part of value positioning, provided a consistent mechanism for process changes, product reviews, service evaluations and implementation of cost saving and clinical quality improvement initiatives. YNHHS realized \$22.6 million in non-labor savings, with over \$5 million of that in the area of medical devices.



CLINICAL AND INFORMATION TECHNOLOGY

Epic, the System's electronic medical record system, was upgraded in 2014 to optimize usage and add new tools, search functions and safety features. Epic was extended into the practices of an additional 200 providers in 2014, bringing the number of locations using the system to 370. YNHHS also became the first hospital to deploy Epic as part of an electronic ICU (eICU) program at Yale-New Haven Hospital, where hospital intensivists use data from Epic to monitor patients in the Saint Raphael Campus medical intensive care unit from off-site locations 24/7. Caregivers use the Mobile Heartbeat™ system, an iPhone application that is integrated with Epic, to receive patient-specific information and results.

A clinical collaboration agreement was signed with CVS Pharmacy that includes electronic medical record connectivity and shared clinical and quality reporting. Additionally, YNHHS became the exclusive Connecticut contractor for MDLive, a real-time, online physician consultation system for non-emergent medical conditions. MDLive will be available to YNHHS employees as part of their medical benefits package in 2015.

YNHHS and its member hospitals were again selected as one of the Most Wired health systems in the nation by *Hospitals and Health Networks* magazine.

Provider of Choice

SERVICE GROWTH AND ACCESS IMPROVEMENT

Retaining its position as Connecticut's premier health system, Yale New Haven Health System saw its statewide service share rise to 27.8 percent in 2014. While inpatient discharges dipped slightly by 1.9 percent, outpatient encounters increased 9 percent, reflecting statewide trends. The year's growth is attributed in part to the expansion of clinical service partnerships and programs across the state.

Among the contributions to growth was the acquisition of PriMed, a multispecialty group with 32 locations in Fairfield and New Haven counties. The System welcomed their 120 providers and over 400 employees on June 1 as part of Northeast Medical Group.

SkyHealth, a joint venture between YNHHS and North Shore-LIJ Health System, now provides emergency hospital-to-hospital transport by helicopter. SkyHealth is outfitted with the same lifesaving equipment as an intensive care unit.

Several clinical service partnerships and program expansions were implemented during 2014:

- The Yale-New Haven Children's Hospital Specialty Center in Trumbull opened in June.
- YNHHS and Milford Hospital signed an agreement to bring various Yale-New Haven Hospital programs

to the Milford campus, including a 24-bed inpatient rehabilitation unit.

- Bridgeport Hospital expanded its cardiac surgery program by integrating with Yale-New Haven Hospital and Yale School of Medicine.
- Oncology Associates of Bridgeport integrated with Smilow Cancer Hospital at Yale-New Haven to provide cancer services at Bridgeport Hospital's Trumbull and Fairfield locations in September.
- Pediatric and heart and vascular services were expanded at Greenwich Hospital.
- YNHHS extended maternal fetal medicine, heart and vascular services and neurosurgical services to Lawrence and Memorial Hospital.
- Collaborating with Eastern Connecticut Health Network, YNHHS expanded heart and vascular and sleep medicine services.
- Yale-New Haven Hospital announced plans to develop an advanced specialty medical care outpatient



center serving Middlesex and New London counties to include pediatric specialty services, a comprehensive Smilow Cancer Care Center, musculoskeletal services, urology and vascular services in Old Saybrook.

PATIENT EXPERIENCE/SERVICE EXCELLENCE

The Service Excellence Council continued to identify strategies and implement measures that improve the patient experience. The Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) survey, developed by the Centers for Medicare and Medicaid Services, was one of many measures of the patient experience. In March, HCAHPS reported that Greenwich Hospital had the highest ranking for both “overall rating” and “willingness to recommend” in the state of Connecticut as well as the nearby New York counties. The annual YNHHS Service Excellence conference drew more than 950 attendees and 96 presentations on projects that staff developed to improve the overall patient experience.

A refreshed Diversity and Inclusion program was implemented to help employees better understand and work with diverse patient and staff populations. For the second consecutive year, YNHHS hospitals were named “Leaders in LGBT Healthcare Equality” by the national Human Rights Campaign Foundation for commitment to equitable, inclusive care for lesbian, gay, bisexual and transgender patients and families.

YNHHS formed a System-wide Pricing Alignment Committee and a new Patient and Family Advisory Committee to address the pricing of our healthcare services, taking a proactive stance on pricing transparency, and advising leaders on billing approaches and the simplification of patient bills. The Patient and Family Advisory Committee has guided the System toward simpler, more understandable patient statements and more effective communications to patients regarding the prices of services. Cost estimates for patients prior to service were implemented System-wide in 2014. Virtually all health benefit plans now consist of substantial deductibles and copayments; YNHHS is becoming prepared for greater pricing transparency, recognizing that

consumers will begin to “shop” for medical services and assess quality, convenience, access and customer service before choosing a provider.

POPULATION HEALTH MANAGEMENT YNHHS continues to build its capabilities to manage population-based health care, including ways to address the interrelated factors that impact the health of specific populations of patients. Populations can be defined by specific health conditions, complexity of care need or even by payer – such as Medicare. The goal of building a scalable infrastructure and implementing targeted programs to better coordinate the preventive, wellness and medical care of patients across the healthcare continuum was evidenced in many ways.

In 2014, NEMG achieved Level 3 (the highest level) Patient-Centered Medical Home (PCMH) recognition from the National Committee on Quality Assurance (NCQA) in 12 primary care practices, utilizing a care management model that uses embedded and centralized care coordinators and patient navigators to manage the care of patients. Across YNHHS, patient registries were established for diabetes, cardiovascular disease and geriatrics which improved our affiliated providers’ ability

to identify patients in need of support.

Yale New Haven Health continued to enhance care management with its employees resulting in a significant improvement in healthcare utilization patterns and reducing the per member per month index of targeted patients while maintaining a greater than 97 percent participant satisfaction rating. In 2014 the program grew to nearly 500 participants and included a lower-acuity health coaching program at all YNHHS campuses.

YNHHS also laid the groundwork for a clinically integrated network of physicians, hospitals and other healthcare providers to provide patients with safe, high-quality, coordinated and cost-effective healthcare services. Called *Total Health*, this collaborative network delivers health care that is patient-focused, physician-led and committed to our communities. *Total Health* will grow the infrastructure, resources, policies, processes and organizational structure needed to support a network of physicians and practices working with each other and with YNHHS to deliver evidence-based care to improve the quality, efficiency and coordination of healthcare services. The Conifer Value-Based Care suite of technologies will assist clinical integration with a focus on physician dashboards for metric reporting from the





population level down to the patient level. *Total Health* is one of several ways YNHHS and its partners are growing to meet the challenges and demands of the 2010 Patient Protection and Affordable Care Act in increasing quality, affordability and access to health care.

COMMUNITY BENEFITS Yale New Haven Health System member hospitals continued to enhance access to healthcare services for their communities and supported other community initiatives including health screenings, support groups, community education sessions, community leadership activities, financial grants and assistance to maintain and improve the health of each hospital's local community.

In FY 2014, YNHHS provided \$583.8 million in uncompensated care, which included \$374.3 million in free and charity care and Medicaid shortfalls, plus \$209.5 million in bad debt and Medicare shortfalls. Based on the results of last year's Community Health Needs Assessments, each YNHHS hospital implemented community health improvement plans with partners in their local communities that addressed their top three public health issues.

Employer of Choice

HUMAN RESOURCES YNHHS used feedback from the 2013 Employee Engagement Survey, which was completed by nearly 17,000 employees across the System, to develop action plans to address opportunities for improvement. Yale New Haven Health System's overall engagement index was 5.13 out of 6.0.

Building on the success of last year's Know Your Numbers employee wellness program, YNHHS offered Know Your Numbers Plus. Employees who completed a health screening and documentation of healthy behavior received a \$500 credit toward the cost of their annual medical premium. More than 10,000 System employees participated in health screenings.

The livingwellCARES On-Site Care Coordination program, which provides free, confidential healthcare coordination services to employees, increased enrollment to 410 participants. The program expanded this year from a focus on diabetes to coronary artery disease, congestive heart failure, asthma, COPD, hypertension, hyperlipidemia and certain musculoskeletal conditions. Participants demonstrated decreased blood pressure, cholesterol and hemoglobin levels over the past year, and



ranked their satisfaction with the program at 97 percent.

As part of an initiative to standardize benefits across YNHHS, a standard Paid Time Off (PTO) system was extended to most YNHHS employees. The new system provided employees with more flexibility in using their time off and created consistency among time-off practices throughout the System.

INSTITUTE FOR EXCELLENCE Yale New Haven Health System remains committed to leadership and employee development. In 2014, the Institute for Excellence (IFE) provided over 17,500 hours of classroom instruction to more than 2,700 employees. The IFE saw a 20 percent increase in requests for coaching and mentoring within the leadership ranks.

The e-Learning Department provided 381,000 hours of online education to more than 20,000 employees. E-Learning was used to help train 3,000 staff members and providers on ICD-10, the federal government's new diagnosis coding system. More than 600 leaders participated in the Essential Components of Leadership Development program. The SYN:APSE Simulation Center provided 800 classes for more than 5,600 staff. The Center also provided high-impact training that included Ebola preparedness training for personal protective equipment and the CLEAR Physician Disclosure Coach training program.



2014 Yale New Haven Health System Profile

| | YALE-NEW HAVEN HOSPITAL | BRIDGEPORT HOSPITAL | GREENWICH HOSPITAL | NEMG | TOTAL YNHHS |
|-----------------------|----------------------------|------------------------|-----------------------|---------|-------------|
| TOTAL LICENSED BEDS* | 1,541 | 383 | 206 | N/A | 2,130 |
| INPATIENT DISCHARGES | 78,529 | 18,208 | 12,538 | N/A | 109,275 |
| OUTPATIENT ENCOUNTERS | 1,204,666 | 277,043 | 289,860 | N/A | 1,771,569 |
| NEMG PHYSICIAN VISITS | — | — | — | 275,142 | — |
| TOTAL ASSETS*** | \$3.1B | \$474M | \$605M | \$29M | \$4.2B |
| TOTAL REVENUE | \$2.4B | \$467M | \$361M | \$205M | \$3.4B |
| MEDICAL STAFF** | 4,118 | 887 | 548 | 756 | 6,309 |
| EMPLOYEES**** | 12,152 | 2,546 | 1,813 | 1,581 | 20,396 |

* Licensed bed number includes bassinets; inpatient discharges based on 12 months of data from Corporate Finance.

** Includes Residents and Fellows; MD Hospitalists included in NEMG column; excludes non-physician Affiliated/Allied Health.

*** Includes Yale-New Haven Health Services Corporation (HSC) assets in the Yale-New Haven Hospital column.

**** Employees represent counts and not FTEs. System total includes HSC employees; NEMG includes MSO employees.

Financial Performance

A successful financial and operational partnership helped produce an operating gain of \$170.1 million. This supports the System's future growth and its ability to enhance clinical programs, make facility improvements, purchase equipment and fund employee pension plans, as well as prepare YNHHS to be one of the few hundred large health systems in the country positioned to deliver comprehensive, integrated, quality health care in an environment that is quickly consolidating into Delivery Networks.

One way that YNHHS prepared for these changes was through the formation of an "obligated group," in which the System is viewed as a single organization to make borrowing money less expensive and more accessible for all Delivery Networks. The obligated group, which

includes Yale-New Haven and Bridgeport hospitals, Northeast Medical Group and the Health Services Corporation, received very strong ratings from bond rating agencies. The obligated group refinanced \$463 million in existing debt and took on \$140 million in new debt to fund capital projects.

At the conclusion of FY 2014, YNHHS performance exceeded budget with total net revenue of \$3.4 billion and a 5 percent operating margin driven by the success of cost and value positioning efforts, strategic growth in destination services and successful revenue cycle management strategies.

An infusion of hope

Managing a dentist's office. Playing tennis. Raking leaves. Most consider these everyday activities. Joyce Lynch considers them medical miracles.

Plagued by rheumatoid arthritis since her late 20s, the Monroe resident's condition remains well under control, thanks to rheumatologist Geoffrey Gladstein, MD. "I've been with him for almost 37 years. He's like family," said Joyce. "He's always there for me."

Her struggle with arthritis began when she found activities like tennis and even Ping-Pong made her joints swell. "I'm very athletic, and I knew something wasn't right," she explained, which led to her diagnosis. That led to more research and Dr. Gladstein, a Northeast Medical Group (NEMG) member.

Over the years, treatments transformed with Joyce's arthritis. Most recently, decades-long use of methotrexate pills led to monthly Actemra infusions, after the pills no longer provided relief.

"I had to go to something stronger," noted Joyce. The result? "There's no inflammation, and I feel fantastic," she said.

Joyce trusted Dr. Gladstein's change in treatment because of his results with other patients. "He's done his research, and it's been working very well for them for about 10 years." Joyce is no exception.

"With Dr. Gladstein's care, my arthritis doesn't limit me," she said proudly. "You wouldn't believe what I can do."



Joyce Lynch

values the medical experience and advice of her rheumatologist to keep her active at work and home.



YALE-NEW HAVEN HOSPITAL

Sharing a heartfelt appreciation for life

Terence Clark didn't see it coming. At 30, the father of three and former Navy operations specialist had landed his dream job as a paramedic, when illness derailed his plans. A serious case of pneumonia led to a viral infection that caused significant heart damage. Doctors recommended an implantable cardioverter defibrillator – a device that detects and treats abnormal heart rhythms through electrical impulses.

Terence had to change the way he lived physically, mentally and emotionally. Change came with challenges, including a two-year stretch of homelessness even as he worked to support his children.

After five years, Terence's condition deteriorated. Rushed to the Center for Advanced Heart Failure at Yale-New Haven Hospital, he met with medical director Daniel Jacoby, MD, and Forrester Lee, MD. His situation was dire.

They recommended the implantation of a left ventricular assistive device (LVAD) to partially replace the function of his failing heart.

Six years post-surgery, Terence is the program's longest surviving LVAD patient. He continues to wait for a heart transplant, but doesn't let it consume him. "My upbringing taught me that that life can change at any time," he said. Recently remarried, Terence is the office manager at a moving company and the Sabbath school superintendent at Bridgeport Tabernacle of Seventh-Day Adventists, and he shares his experience with others considering LVAD implantation.

"The hospital staff asked me to encourage others," Terence said. "I see this as part of my purpose, to show that every day is an opportunity to appreciate life."

Terence Clark

*reflects on the ancient art collection at the Yale University
Art Gallery in New Haven.*



GREENWICH HOSPITAL

The 50-year rule that saved a life

A believer in preventive screenings, Debbie Angotto was right on time for mammograms, pap tests and wellness visits. Yet when she turned 50, the Greenwich mom hesitated about a colonoscopy. Knowing that a maternal aunt had colon cancer, she followed her internist's advice and scheduled a screening at Greenwich Hospital's Endoscopy Center.

Debbie was shocked to learn that a diseased portion of the colon had to be removed. Her surgeon Philip McWhorter, MD, explained that the remaining healthy colon would be attached to the lower rectum. To give the connection time

to heal, however, Debbie would have to use a temporary colostomy bag to collect body waste.

Three weeks later, the colostomy was closed in a second surgery, but the cancer had spread to the lymph nodes. Her co-workers at Greenwich Public Schools rallied, donating their sick days to her when Debbie missed some work days during weeks of chemotherapy.

Debbie considered herself fortunate. "For a short period of time to live with that, it was okay," she said. "Other people aren't lucky like I was."

Debbie Angotto

cherishes the generosity and friendship that helped her during radiation and chemotherapy.

Wound center heals what time cannot

Time does not heal all wounds. Sometimes, it takes an assist from the staff at Bridgeport Hospital's Center for Wound Healing and Hyperbaric Medicine – assistance that patients like Kate Coleman could not live without.

Spine surgery as a teenager left the 72-year-old New Haven resident without feeling below the knees, making her prone to open wounds on her feet and putting both legs at risk of amputation. "I've been receiving treatment for several years, but the wounds continued," she said. That's when her dermatologist suggested the Center for Wound Healing and Hyperbaric Medicine.

Initially, Kate's allergic reaction to several ointments eliminated many options. But the experienced and persistent staff at the wound center found that xeroform gauze medical dressing and bandage wraps proved a perfect combination to reduce swelling and close the wounds. "And they've stayed closed," said Kate.

"I have great confidence in the staff at the wound center," she added, a confidence that Kate bases on much more than the coordinated care they provide. "They listen to you and understand," she explained. "They are wonderful."



Kate Coleman

appreciates the dedicated care she received from a healthcare team that listened and understood her needs.

Delivery Networks and Northeast Medical Group

Greenwich Delivery Network

- Greenwich Hospital
- Greenwich Health Services, Inc.
- The Perryridge Corporation

GREENWICH HOSPITAL, founded in 1903, is a 206-bed community teaching hospital that has evolved into a progressive regional healthcare center, with more than 12,500 inpatient discharges and nearly 290,000 outpatient encounters last year. The hospital offers a wide range of medical, surgical, diagnostic and wellness programs. Specialized services are offered at the Bendheim Cancer Center, Breast Center, Endoscopy Center, Leona M. and Harry B. Helmsley Ambulatory Medical Center, the Richard R. Pivrotto Center for Healthy Living and the Greenwich Hospital Diagnostic Center in Stamford.



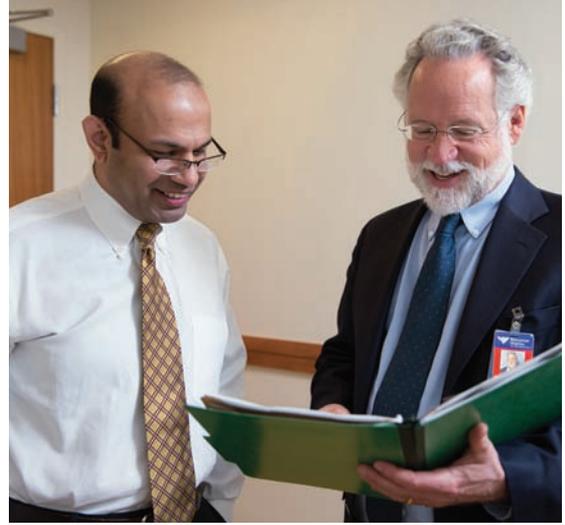
2014 GREENWICH HOSPITAL HIGHLIGHTS

Under the leadership of its board of trustees and senior administration, Greenwich achieved strong performance in 2014. With net revenue of \$361 million, Greenwich Hospital added value to its patients, partners and community through improved patient care, managed costs and enhanced revenues. Following are some of the highlights of the year:

SMILOW CANCER HOSPITAL The Greenwich Hospital campus of Smilow Cancer Hospital at Yale-New Haven converted all of its mammography equipment to three-dimensional (3-D) units that offer improved cancer detection. This advanced technology is available at the hospital's Breast Center in Greenwich and its Diagnostic Center in Stamford.

MATERNITY SERVICES Greenwich Hospital welcomed a record 2,500 newborns into the world in its redesigned maternity department, which includes a nursery, level 3 NICU, labor and delivery area, and accommodations for additional antenatal and perinatal patients. The Hugs infant security system also was expanded to ensure the highest patient safety possible. Four New York obstetricians joined the medical staff, strengthening Greenwich's reputation as the region's destination hospital for prospective parents.

PATIENT SATISFACTION Always striving to improve the patient experience, Greenwich became the only hospital in the Northeast to offer Family Touch, a communication system that allows ambulatory surgery patients to keep loved ones updated on their status through text messages.



Bridgeport Delivery Network

- Bridgeport Hospital
- Southern CT Health System Properties
- Bridgeport Hospital Foundation

BRIDGEPORT HOSPITAL, founded in 1878, is a 383-bed urban teaching hospital serving 18,208 inpatients and handling more than 277,000 outpatient encounters in 2014. A member of YNHHS since 1996, Bridgeport Hospital is the site of the Connecticut Burn Center, the Joel E. Smilow Heart Institute, the Norma F. Pfriem Cancer Institute and Breast Care Center, the Women’s Care Center, the Center for Wound Healing and Hyperbaric Medicine and the Ahlbin Centers for Rehabilitation Medicine. Bridgeport Hospital is also home to the second inpatient campus of Yale-New Haven Children’s Hospital.

2014 BRIDGEPORT HOSPITAL HIGHLIGHTS

Bridgeport Hospital’s excellent progress in ensuring patient care safety and clinical quality, increasing employee engagement, strong inpatient volume, advances in outpatient strategy and investment in facilities resulted in a successful year. The hospital’s operational and fiscal management produced excellent financial results. With total revenue of approximately \$467 million in 2014, Bridgeport Hospital continued to add value to its patients and partners through improved patient care, managed costs and enhanced revenue. Highlights of the year at Bridgeport Hospital included:

TRUMBULL OUTPATIENT CAMPUS Groundbreaking for a new 120,000-square-foot medical office building at the Bridgeport Hospital outpatient campus, 5520 Park Avenue, Trumbull, was held in September. The ceremony included the opening of a four-story, 450-space parking garage. Services in the new building will include a primary care/walk-in center, ambulatory surgery and gastroenterology suites and Smilow Cancer Hospital outpatient care, including medical, surgical and radiation oncology and expanded radiology services, such as MRI, CT and PET scans, plus laboratory services.

SMILOW CANCER HOSPITAL Oncology Associates of Bridgeport integrated with Smilow Cancer Hospital at Yale-New Haven to provide cancer services at its Trumbull and Fairfield locations.

FACILITY UPGRADES Following extensive renovations to the first floor of the Perry Building on the hospital’s main campus, new quarters for the MedEase ambulatory medicine unit and Gyn-Oncology and Urogynecology specialty clinics opened in March. The work included a new entrance from Grant Street Plaza and new waiting/reception area, exam rooms and infusion room. In addition, two operating rooms and the West Tower 10 Internal Medicine unit were modernized.

EDUCATION PACT The University of Bridgeport (UB) and Bridgeport Hospital signed an agreement to integrate the Bridgeport Hospital School of Nursing into UB and transition the current two-year RN diploma program to a four-year Bachelor of Science in Nursing program. Meanwhile, an interim plan provides UB students with a Pathway to Nursing curriculum.



Yale-New Haven Delivery Network

- Yale-New Haven Hospital
- Yale-New Haven Children’s Hospital
- Yale-New Haven Psychiatric Hospital
- Smilow Cancer Hospital at Yale-New Haven
- Yale-New Haven Ambulatory Services Corporation
- The Grimes Center

YALE-NEW HAVEN HOSPITAL (YNHH), founded in 1826 as the first hospital in Connecticut, is a 1,541-bed acute and tertiary care hospital. With two inpatient campuses in New Haven, YNHH is the primary teaching hospital for Yale School of Medicine and is a major tertiary care center for acutely ill or injured patients, receiving regional, national and international referrals. YNHH discharged 78,529 inpatients and handled about 1.2 million outpatient encounters in New Haven, North Haven, East Haven and Guilford and dozens of radiology and blood-drawing services throughout the state. Last year, YNHH received national recognition for its clinical services ranking among the country’s top hospitals in 11 specialties in *U.S. News & World Report’s* annual “America’s Best Hospitals,” and for seven pediatric subspecialties in the *U.S. News* “Best Children’s Hospitals” rankings.

2014 YALE-NEW HAVEN HOSPITAL HIGHLIGHTS

Yale-New Haven Hospital, the flagship of Yale New Haven Health System, increased its focus on ensuring patient care safety and clinical quality, destination hospital clinical

programs and services, human resources programs and initiatives and financial performance. Given its excellent performance, the hospital ended the year with net revenue of \$2.4 billion. Key highlights of the year included:

SMILOW CANCER HOSPITAL AT YALE-NEW HAVEN

Celebrating its fifth anniversary, Smilow Cancer Hospital added two cancer care centers in Fairfield and Trumbull. In March, the hospital joined the National Comprehensive Cancer Network, an alliance of leading cancer care centers dedicated to improving the quality, effectiveness and efficiency of care. Also, more than 1,220 cyclists participated in the annual Closer to Free bike ride in September, raising over \$1.5 million for cancer care and research.

INVESTMENTS ON SAINT RAPHAEL CAMPUS

More than \$40 million was reinvested in the Saint Raphael Campus to refurbish the facility, including two operating rooms, the cardiac catheterization lab and the Grimes Center for adult rehabilitation. Renovations also supported the creation of the Musculoskeletal Center Unit and the Center for Restorative Care dedicated to geriatric care.

Y ACCESS YNHH continued to attract tertiary and quaternary referrals from across the region. The Y Access referral line increased its volume by 4.5 percent this year, with 5,333 inter-hospital transfers. In partnership with the North Shore Long Island Jewish (LIJ) health system, YNHH implemented a helicopter emergency medical services program to facilitate the transfer of critically ill patients to the hospital.

Northeast Medical Group

NORTHEAST MEDICAL GROUP (NEMG), established in 2010, is a System-wide physician group designed to create opportunities for better collaboration, quality of care and physician alignment. A not-for-profit multispecialty medical foundation, NEMG has aligned physicians and advanced practice clinicians across the System. NEMG includes physicians throughout the System, including hospital-employed physicians at Greenwich and Bridgeport hospitals, the hospitalists of Yale-New Haven Hospital and community physicians.

Based in Bridgeport, Connecticut, NEMG community practices extend from Rye Brook, New York, to Gales Ferry, Connecticut. Through its growing physician network, NEMG helps YNHHS better care for patients across the continuum – from hospitals to ambulatory care settings to home. NEMG offers its members opportunities for collaboration and resources to improve practice management and clinical quality. NEMG supports physician practices through economies of scale, assistance with recruitment efforts and support for the delivery of integrated, high-quality care.

A major highlight was the acquisition of PriMed, a multispecialty physician group with 32 locations in

Fairfield and New Haven counties, which expanded NEMG's geographic reach and ranks – with 120 new providers and more than 400 employees. NEMG also welcomed another 24 physicians to existing NEMG practices. By the end of the fiscal year, NEMG had more than 1,500 employees across 100 sites. By growing its provider network, NEMG strengthened its ability to increase patient access to high-quality healthcare services, especially in primary care, in a cost-efficient, coordinated manner.

In 2014, the National Committee for Quality Assurance awarded several NEMG primary care sites Level 3 Recognition as Patient-Centered Medical Homes (PCMHs). These models of care focus on improving access and coordinating patient care across the healthcare continuum through the primary care provider's office. This helps ensure that patients receive the care they need, when they need it, thereby improving both the physician's and patient's experience while lowering costs.

NEMG continued to devote attention to the patient experience, maintaining strong gains reflected in its patient satisfaction scores. NEMG ranked in the 97th percentile nationally for overall patient satisfaction.



YNHHS

Departments and Services

As of September 30, 2014

BUDGETING helps the hospitals develop and monitor operating, cash and capital budgets.

BUSINESS DEVELOPMENT provides planning and support for System and Delivery Network new ventures and coordinates System ambulatory and population health-based strategies.

CENTER FOR HEALTHCARE SOLUTIONS coordinates YNHHS emergency preparedness activities, provides emergency preparedness leadership and business continuity planning. The Grant and Contracts Development arm helps departments identify grants, develop proposals, secure revenue and provide project financial and management services for YNHHS grant/contract-related healthcare initiatives.

CHARGE CAPTURE/PRICE MASTER coordinates charge master reviews, charge capture and pricing strategies, and Medicaid and Medicare reimbursements.

CLINICAL INTEGRATION AND POPULATION HEALTH manages and coordinates clinical integration efforts across YNHHS, including the management and development of care coordination services for patient populations in value-based contracts.

CORPORATE COMPLIANCE ensures a consistent approach toward ethical issues and values, compliance with external regulatory organizations and ethical employee behavior through the YNHHS Code of Conduct.

CORPORATE FACILITIES provides coordination and support to all Delivery Network campuses for the design, construction, renovation and operation of all System buildings, and is responsible for all off-site real estate functions including leasing, fit-out and management of off-site locations.

CORPORATE FINANCE provides financial reporting, accounting, accounts payable, tax filing services and payroll for the Health Services Corporation and Bridgeport, Greenwich and Yale-New Haven hospitals.

CORPORATE HUMAN RESOURCES INFORMATION SERVICES provides assistance for Lawson manager self-service, employee self-service, tuition reimbursement, human resources database and human resources information technology.

CORPORATE PHARMACY SERVICES manages and coordinates pharmacy services across the System, including operational standardization, clinical services and pharmacist practice model, formulary standardization, pharmaceutical procurement and contracting and medication safety and quality improvements for inpatient and ambulatory patients and network affiliates.

CORPORATE SUPPLY CHAIN MANAGEMENT develops strategy and services related to non-labor contract management and negotiations, clinical value analysis, procurement operations, supply chain analytics, materials management/logistics operations and leadership of the cost and value positioning non-labor initiative.

DECISION SUPPORT maintains an integrated clinical, financial and operational information system to help managers understand and evaluate resource utilization in a timely and accurate manner.

FINANCIAL PLANNING helps evaluate resource requests, allocates resources, monitors budgeted versus actual resources and implements corrective action plans.

GOVERNMENT AFFAIRS AND COMMUNITY RELATIONS monitors health legislation at state and federal levels, serves as liaison to elected officials to help them better understand the challenges facing healthcare providers and develops relations with community agencies and stakeholders.

HUMAN RESOURCES provides human resource, employee relations, recruitment and human resource information to the Delivery Networks, the Health Services Corporation and Northeast Medical Group.



HUMAN RESOURCES COMPENSATION AND BENEFITS provides information and background and monitors the standardization of compensation and benefits programs.

INFORMATION TECHNOLOGY SERVICES maintains technology infrastructure, clinical applications, business applications and support to serve the needs of patients, physicians and staff.

INSTITUTE FOR EXCELLENCE provides System-wide coaching, training and education programs in performance improvement, change management, leadership development, team building and e-learning.

LABORATORY MEDICINE encompasses laboratory services pertaining to the diagnosis, treatment and prevention of disease including microbiology, chemistry, transfusion services, hematology, immunology, molecular diagnostics, virology and surgical pathology. The department also manages blood draw stations located throughout southern Connecticut.

LEGAL SERVICES provides and coordinates legal and certain risk management services for YNHHS and its affiliates.

MANAGED CARE develops managed care payer strategies, negotiates provider agreements with payers and provides ongoing contract implementation and management support.

MARKETING AND COMMUNICATIONS manages internal and external communications and provides patients and the public with health information, helps patients find appropriate physicians and offers program registration and general information.

PAYROLL coordinates the management of payroll functions for all System organizations.

PLANNING (REGULATORY) oversees the Certificate of Need process and completes surveys for all System organizations, and supports new technology development.

PLANNING (STRATEGY) provides service area data and analysis, identifies and assesses the impact of market and industry changes and emerging trends to manage the business and strategic planning process; supports service line development; develops community health needs assessments and improvement plans.

QUALITY AND PERFORMANCE MANAGEMENT supports managers and clinical leaders in improving performance in both clinical and non-clinical areas, measures and monitors patient safety and clinical quality, and develops and maintains electronic dashboards and scorecards to monitor clinical, operating and financial measures.

REIMBURSEMENT coordinates regulatory financial filings to state and federal agencies and governmental cost report reimbursement settlements, pursues government reimbursement appeals, and works with net revenue assumptions for compliance, budgeting and financial reporting.

SIMULATION CENTER provides simulation-enhanced, experiential learning opportunities to the Yale New Haven Health System community.

SYSTEM BUSINESS OFFICE handles patient billing and account follow-up, patient admitting and registration, financial assistance administration, collection and account recovery, accounts receivable, medical records and coding, credit balances and partial pay account.

TREASURY provides investment, debt, banking and insurance advice to the System organizations.

WORKERS COMPENSATION coordinates a network of workers compensation specialists accessible to employees of the System organizations.

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As of September 30, 2014

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Yale New Haven Health (YNHHS) enhances the lives of those we serve by providing access to integrated, high-value, patient-centered care in collaboration with others who share our values. The vision is aspirational, reflecting the imperative that patient care must provide the value — high quality, patient-centered, cost-conscious — that patients and payers expect. It also acknowledges the need to carefully choose partners to achieve our goals. YNHHS is committed to innovation and excellence in patient care, teaching, research and service to our communities. The mission reflects the purpose and the underlying commitments that have been a hallmark of YNH and YNHHS. We are dedicated to excellence in patient care. Providing comprehensive, individualized care to every patient who walks through our doors. We are collaborative. Taking a multidisciplinary approach and encouraging communication, coordination, and cooperation between all administrators, physicians, surgeons, nurses and healthcare professionals affiliated with our hospital. We are respectful. Treating all of our patients with courtesy, compassion and respect, with an unwavering commitment to honor their privacy and religious beliefs. We are compassionate. Offering quality, patient- and family-centered care in a comfortable, professional environment designed specifically to facilitate healing. We are educators. Serving as the primary teaching hospital for Yale School of Medicine, we attract the brightest young minds in medicine and educate them for medical leadership in clinical practice, teaching and research. We are a place to grow. Providing training opportunities for nurses and other health professionals, in affiliation with Yale School of Nursing and other universities, colleges and technical schools. We are explorers. Providing support and a setting for the ongoing clinical research that leads to major medical advances and breakthroughs. We are innovators. Advancing medicine by developing, testing and introducing leading-edge technologies, techniques and treatments to the global medical community. We are pioneers. Fostering the translation of research to the treatment of disease. We are committed to the health education and healthcare needs of our community. We are accessible. Providing programs and services for uninsured patients in our community. We are giving. Supporting our aging employees and providing programs and services for our community. We are committed to the health education and healthcare needs of our community. We are accessible. Providing programs and services for uninsured patients in our community. We are giving. Supporting our aging employees and providing programs and services for our community.



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