NEWSLINK

SUMMER 2016

ISSUF IX



Integrally involved in the care design for Memorial Hermann patients, MHMD physicians are impacting the quality and efficiency of care provided by their involvement in the Clinical Programs Committee (CPC) and Accountable Care Organization Service Line (ACOSL) Projects. The CPCs made more than 450 recommendations to the System Quality Committee in 2015 and the 28 ACOSL Projects have contributed by improving quality and reducing costs in heart and vascular, orthopedics and hospital medicine. These physician-led committees and projects are impacting the care provided at Memorial Hermann facilities each and every day.

With the strongest primary care network in the Houston market area, the Memorial Hermann Accountable Care Organization (MHACO) is poised to continue as the As we move closer to this value-based healthcare model in the United States, MHMD is developing the tools our physicians will need to prepare for these changes and be positioned for success well into the future.

highest performing ACO in the Medicare Shared Savings Program (MSSP). Success in this program prepares the MHMD network of physicians for the future of value-based care. As shared in the spring Clinical Integration (CI) meetings, the enactment of Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) will require physicians and the larger healthcare community to recognize and prepare for a Medicare payment system that is transitioning away from an unsustainable fee-for-service model based on the volume and intensity

of services provided to one that is value-based, patient-centered and accountable. When implementing MACRA's payment systems, whether it is for the Merit-Based Incentive Payment System (MIPS) or an Alternative Payment Model (APM), physicians will be challenged to deliver higher quality care at a better value to the patient. As we move closer to this value-based healthcare model in the United States, MHMD is developing the tools our physicians will need to prepare for these

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NEWSI INK

A Newsletter for Our Clinically Integrated Physician Partners

SPECIAL POINT OF INTEREST

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ABOUT US

MHMD, Memorial Hermann Physician Network, is a clinically integrated physician organization comprising more than 3,400 doctors across Southeast Texas. MHMD is one of the largest independent physician organizations of its kind in Texas. **Visit our website at www.mhmd.com**

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MHMD GUIDES PHYSICIANS INTO THE FUTURE...

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changes and be positioned for success well into the future.

In May, we welcomed a new physician-inchief to the MHMD organization. Shaun Anand, MD, joined our executive leadership team from Banner Health, a large physician and provider network based in Phoenix,

where he most recently served as its chief medical officer. With his physician leadership background and keen understanding of clinically integrated care and population health management, he is a great addition to the MHMD team.

Now, with more than 425,000 lives, MHMD continues to grow to support the ongoing efforts that have defined the success of the

organization. We are negotiating in a manner that prepares our network for future reimbursement models including

risk-based, bundled and global payments while maintaining competitive bonus structures that reward our physicians for the hard work needed to meet the growing demands of health care's new environment. Creating tighter alignment with major payers in the Houston market, we are working to develop narrow networks that direct new

44 As the healthcare

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commercial members to our physicians.

As the healthcare industry continues to move toward population health, we will continue to identify valuable methods for improving the quality and efficiency of patient care. And, the development of the post-acute preferred network is a key element in overseeing this seamless continuum of care. This network is designed to

assist physicians and patients in choosing facilities that meet quality standards and have the connectivity to view the quality data of patients receiving care. It also allows the referring physician to hand-off the patient

with minimal interruptions in care, reducing the risk of readmission.

MHMD continues to focus
on innovative solutions
to overcome the
challenges of the
dynamic healthcare
landscape and to
provide physicians
with the tools they
will need to be
successful well
into the future.

Christopher Lloyd MHMD CEO

MHMD Appoints New Physician-in-Chief

The MHMD Board of Directors approved the appointment of Nishant "Shaun" Anand, MD, FACEP, as Physician-in-Chief effective June 2016.

Dr. Anand most recently served as chief medical officer for Banner Health Network (BHN), a large physician and provider network based in Phoenix. Similar to MHMD, BHN is comprised of more than 4,000 independent and employed physicians and other healthcare providers in a clinically integrated model. He led the effort to mature BHN into a full partnership with the new Banner Health Accountable Care Organization, embracing clinical integration and riskbased contracting in the process. In so doing, he provided the clinical oversight for population health management and the implementation of several high-value specialty networks. Under his leadership, BHN achieved the highest aggregate savings of all Pioneer ACOs, producing major improvements in healthcare quality and efficiency.

WELCOME TO MHMD

Additionally, he managed the clinical integration initiatives throughout his leadership on numerous physician committees, similar to our CPCs, which addressed quality of care across the entire continuum, from acute and post-acute care to telehealth and wellness. He has achieved innovative contracts with payers, including risk capitation, bundled payment, shared savings and pay-for-performance models. In the informatics arena, Dr. Anand championed the installation of electronic medical records into the BHN practices, with special emphasis on eClinical Works and Cerner. He also recently served on the

State of Arizona Governor's Council for Infectious Disease Preparedness and Response, the Aetna National Physician Advisory Board and the Cerner Population Health Advisory Board.

"With his physician leadership background and keen understanding of clinically integrated care and population health management, Dr. Anand is an asset on our executive team," said Senior Vice President of Memorial Hermann Health



competency, work with underserved populations, patient satisfaction and innovation while continuing to practice as an emergency room physician.

"I am extremely honored to join such a forward-thinking organization, like Memorial Hermann," Dr. Anand said. "It is a very exciting time to be in health care, particularly

With his physician leadership background and keen understanding of clinically integrated care and population health management, Dr. Anand is an asset on our executive team.

System and CEO of MHMD and MHACO, Chris Lloyd. "He has an outstanding background with demonstrated results and success — including as a practicing physician."

Dr. Anand received his medical degree from the Mayo Medical School in Rochester, Minn. He completed his residency training in Emergency Medicine at Stanford, beginning his clinical practice in California before relocating to Phoenix in 2007, where he was appointed to serve as associate program director of the University of Arizona Emergency Medicine Residency Program. He has authored 19 peer-reviewed publications and received numerous awards for clinical

at Memorial Hermann and specifically as a part of MHMD, where the focus on population health and clinically integrated care is a priority."

Dr. Anand is known as an innovative and collaborative leader. His considerable experience in a major health system with a strong clinically integrated physician program and an aligned university has positioned him to help lead the MHMD team in our journey toward population health and the strategic initiatives associated with value-based payment models.

Please join us in welcoming Dr. Anand and his family to the Houston community.

Clinical Programs Committee Reorganizes to Advance Evidence-Based Medicine

The sub-committees of the MHMD Clinical Programs Committee (CPC) function as the clinical arm of MHMD. With physician representation from all Memorial Hermann hospitals, the CPC aligns the quality and safety programs of Memorial Hermann Health System with those of our physician organization.

There are more than 50 subcommittees, joint operating councils (JOCs) and taskforces that are both specialty-specific and clinical problemspecific. Together, they are made up of more than 450 physicians, nurses, pharmacists, care managers and administrators. Each of the CPCs has representation from every Memorial Hermann hospital. Together, they advance the health of our community by implementing evidence-based measures and metrics in providing and promoting health care.

We recently organized our numerous CPCs into groups that facilitate better coordination of the initiatives. These groups, called "Programs," are listed below alongside their respective MHMD physician leaders:

Primary Care Kevin Giglio, MD Transitions of Care David Reininger, MD **Inpatient Hospital-Based** Faraz Khan, MD Hospital Medicine Matthew Harbison, MD CV/CVS David Portugal, MD Surgery Chris Salcedo, MD Critical Care Bela Patel, MD **Clinical Compliance** Charlotte Alexander, MD

This re-structuring of the CPCs helps

enable Memorial Hermann physicians to deliver high quality care in a coordinated and efficient manner. Further, it also enhances the opportunity for physicians to identify and help achieve mutually determined operational and growth targets while nurturing innovation within the System and the community. One new initiative is the establishment of a Diabetes JOC. This team is working to create alliances that will provide diabetes prevention education

for the community.

Additionally, the group is identifying and developing evidence-based approaches for better management of diabetes in patients of all ages. Two other new initiatives are the Behavioral Medicine Subcommittee and the Transitions of Care Subcommittee, addressing the unique challenges incumbent in transferring patients to lower levels of care, as from hospital to a skilled nursing facility (SNF) or home health

Finally, every year the full CPC organization awards the subcommittees whose achievements were truly remarkable. This year's Impact Awards were presented to:

The Surgical Home Joint Operating

Council, co-chaired by Christophe Salcedo, MD and Sherif Zaafran, MD, After considerable research into national best practices and scientific evidence, this council developed and implemented a Perioperative Glucose Control Pathway with the goal of maintaining glucose levels below 180 mg/dL without incurring hypoglycemia. By the end of 2015, the council had launched pilot programs testing and utilizing the pathway at two Memorial Hermann hospitals (Memorial City and Sugar Land). The anticipated impact is reduction in surgical complications, readmissions, lengths of stay and surgical site infections.

The Supportive Medicine Subcommittee, chaired by Sandra Gomez, MD. In 2015, this committee succeeded in implementation

of a Compassionate Extubation Project throughout all Memorial Hermann hospitals. In addition, it expanded supportive medicine services to additional hospitals and outpatient clinics, and helped produce an online educational program regarding Drug Addiction and Dependency that became a requirement for MHMD physicians participating in clinical integration. The committee produced a Memorial Hermann Supportive Medicine Symposium attended by more than 200 healthcare workers of multiple disciplines.

The Cardiovascular & Thoracic Surgery Subcommittee, chaired by Richard Alexander, MD. In 2015, this committee initiated public reporting of Society of Thoracic Surgery outcomes data for every cardiovascular surgery program in Memorial Hermann. The result was improvement in patient outcomes, processes and workflows, and adherence to evidencebased best practices. Additionally, the project engaged physicians from multiple other specialties in the quality improvement initiatives, raising awareness at all levels regarding quality metrics and the value of clear and complete documentation

As MHMD continues to grow and develop, the CPC structure is also evolving to effectively support the changing challenges of the healthcare industry. Moving toward value-based healthcare requires an innovative approach to medicine, and the physicians of MHMD are leading the way for much of the industry.

MHMD ANNOUNCES NEWLY ELECTED **BOARD MEMBERS**

The newly elected MHMD Board members for the 2016-2018 three-year term are Ronnie Adams, MD (representing Greater Heights), Ziad Melhem, MD (representing Texas Medical Center), Srinivas Rumalla, MD (representing Northeast), and Theodoros Voloyiannis, MD (representing Southeast). They, along with the rest of the board, are committed to providing evidence-based clinical care and governance, to be transparent, to collaborate, to demonstrate compassion and respect, to be accountable and to maintain professionalism. These are the tenets of our compact by which we interact with our members. Please feel free to share your thoughts and concerns with any of your board members.



GREATER HEIGHTS Ronnie Adams, MD General Surgery



TEXAS MEDICAL CENTER Ziad Melhem, MD Obstetrics & Gynecology



NORTHEAST Srinivas Rumalla, MD Internal Medicine



Theodoros Voloviannis, MD Colorectal Surgery

2016 MHMD BOARD OF DIRECTORS & OFFICERS

BOARD TITLE	OFFICERS	SPECIALTY	CAMPUS
CEO	Chris Lloyd	CEO	MHMD
President & Chair	Charlotte Alexander, MD	Hand Surgery	Southwest
Vice Chair	David Reininger, MD	Geriatrics	Katy
Treasurer	J. Kevin Giglio, MD	Family Medicine	Greater Heights
Secretary	Jon Gogola, MD	Obstetrics & Gynecology	Memorial City
	DIRECTORS	SPECIALTY	CAMPUS
	Ronnie Adams, MD	General Surgery	Greater Heights
	Martin Citardi, MD	Otolaryngology	TMC/UTHealth
	Ankur Doshi, MD	Internal Medicine	Memorial City
	Joseph Edralin, MD	Pediatrics	The Woodlands
	James Guo, MD	Anesthesiology	The Woodlands
	Brian Heaps, MD	Obstetrics & Gynecology	Sugar Land
	Sanford Lubetkin, MD	Cardiovascular Diseases	Southwest
	R. Emmett McDonald, MD	Urology	Greater Heights
	Tejas Mehta, MD	Internal Medicine	Northeast
	Ziad Melhem, MD	Obstetrics & Gynecology	TMC
	Sohail Noor, MD	Internal Medicine	Katy
	Christopher Prihoda, MD	Family Medicine	The Woodlands
	Srinivas Rumalla, MD	Internal Medicine	Northeast
	Christophe Salcedo, MD	General Surgery	Greater Heights
	Laura Torres-Barré, MD	Orthopedic Surgery	Southeast
	Petar Turcinovic, MD	General Surgery	The Woodlands
	Theodoros Voloyiannis, MD	Colon & Rectal Surgery	Southeast

MHMD Welcomes New Leadership to Team

MHMD PRESIDENT: Charlotte Alexander, MD



Charlotte Blackmore Alexander, MD, recently accepted the position of MHMD President, in addition to her role as Chair of the MHMD Board of Directors.

With the new position, Dr. Alexander's responsibilities are growing. She is helping lead the activities of the Clinical Programs

Committee (CPC) as it focuses on determining best practices for managing chronic diseases and improving the entire patient experience. In addition, Dr. Alexander is guiding MHMD in defining business goals as the organization moves toward population health, both inside and outside of the hospital setting.

Board certified by the American Board of Orthopedic Surgery, Dr. Alexander specializes in surgery of the hand and upper extremity. She is a Fellow of the American Society for Surgery of the Hand and the American Academy of Orthopedic Surgeons and holds a certificate of added qualification in hand surgery.

Dr. Alexander received her medical degree from The University of Texas Medical Branch in Galveston where she completed her internship in general surgery and residency in orthopedics. In addition, she completed a hand and upper extremity fellowship at Baylor College of Medicine in Houston.

She is a former president of the Southwest branch of the Harris County Medical Society and former chief of staff at Memorial Hermann Southwest Hospital, where she has been on staff for 30 years. Additionally, Dr. Alexander currently serves on the Memorial Hermann System Board, the Memorial Hermann Medical Staff Application Committee, the National Quality Forum and is chair of the Memorial Hermann System Quality Committee.

She is a fellow of the Disparity Leadership Program through Massachusetts General Hospital in Boston, Mass. Dr. Alexander volunteers at Shriner's Hospital for Children in Houston, and has been active in medical mission work in Central America and the Philippines.

MHMD CHIEF OF CLINICAL ADMINISTRATION: Jon R. Gogola, MD, MBA



Jon R. Gogola, MD, MBA, recently accepted the position of MHMD Chief of Clinical Administration.

In this new capacity, Dr. Gogola oversees

many of the clinical activities of our Clinical Programs Committee (CPC) and physician service line leaders. Also, he leads physician

educational initiatives with MHMD University and our Systemwide Continuing Medical Education (CME) program.

Dr. Gogola is board certified in Obstetrics and Gynecology (OB/GYN), and has been on the medical staff and in practice at Memorial Hermann Memorial City Medical Center since 1999, where he has served as chair of OB/GYN and as chief of staff, among many other leadership roles. Within MHMD, he is completing his ninth year as a board member, and currently serves as chair of our Finance Committee. Additionally, Dr. Gogola has led the very successful initiation and establishment of MHMD University in collaboration with Rice University, and spearheaded the design and implementation of the Enterprise Credentialing Project. He is chair of the Physician Credentials Advisory Committee (PCAC) as well.

A native of Alabama, he received his medical degree from the University of Alabama School of Medicine. While practicing full-time and maintaining many leadership roles, he completed his MBA degree from the prestigious Jones Graduate School of Business at Rice.

Dr. Gogola has already demonstrated he can communicate effectively with both physicians and executives. He is both visionary and innovative and has been instrumental in helping MHMD and Memorial Hermann achieve major national prominence and respect.

TRANSITION OF CARE

A Skilled Nursing **Network of Quality**

In order to create a smoother transition for patients requiring ongoing care following a hospital stay, Memorial Hermann has created a network of skilled nursing facilities that have been evaluated to meet the quality standards expected of MHMD physicians.

Approximately 800 patients

each month are discharged from a Memorial Hermann acute facility to a skilled nursing facility (SNF).

Located in the Greater Houston area. 74 SNFs have been identified as meeting the quality criteria. In addition, they have signed agreements to fulfill requirements of sharing quality data and meeting minimum quality standards. Scheduled and unscheduled site visits ensure these facilities are upholding the standards of quality patient care. Measures tracked include: hospital readmissions, wound healing and development, patient satisfaction, mortality, falls, and unscheduled returns to the emergency departments.

nursing facilities could be avoided. Such readmissions cost Medicare \$17.4 billion in 2014," said Carl E. Josehart, System senior vice president and chief executive officer of Post-Acute Care Services. "Memorial Hermann has developed a skilled nursing network so care coordinators can match a patient's clinical need with the capabilities of a post-acute provider based on performance data and the medical care of an aligned physician. Our goal is to further develop both Memorial Hermann-owned and operated post-acute care providers with the highest quality contracted providers in the Houston-Galveston area."

According to Medicare, 45 percent of

readmissions to the hospital from skilled

By developing this affiliated network of preferred skilled nursing facilities, efficiency and quality of patient care can be better managed improving each patient's transition in care thus improving patient satisfaction.

A series of educational offerings are also made available to their staff to train and increase awareness of changes in condition that can be identified early and hopefully prevent readmission.

In addition a Memorial Hermann physician has been designated as the admitting physician at each of these facilities so referring physicians can communicate directly with the accepting physician when transferring a patient into their care.

To ease the referral process, the PARMS (post-acute referral management system) tool was developed to provide a choice tool for patients to choose which SNF they prefer. The tool is available on OneSource, where the case manager can easily access and provide answers to the following guidelines:

- Preferred patient location
- Patient's type of clinical needs
- Funding source

By developing this affiliated network of preferred skilled nursing facilities, efficiency and quality of patient care can be better managed, improving each patient's transition in care, thus improving patient satisfaction.

A list of the affiliated Post-Acute Network facilities, including the assigned physician, is easily accessible in DocbookMD. If you have additional questions, please contact Kayla Yorton at 713.702.4208 or kayla.yorton@memorialhermann.org.

MHMD University: Equipping Leaders for Health Care's Dynamic Future

On January 22, 2016, a variety of leading talent from across Memorial Hermann Health System, including human resources, region leaders, finance, nursing, operations, employed physicians, multi- and single-physician practices and a variety of medical specialties, were enrolled in the second session of MHMD University.

The Memorial Hermann Physician Network and the

Jones Graduate School of Business at Rice University joined together to create this program, which is designed to enhance professional development and collaboration among our physicians and executives.

The first session of MHMD University took place in the summer of 2015, and

included a total of 26 physicians and executives. After completing the course in August, well over half of the attendees desired to have an expanded role or deeper involvement addressing the challenges of our System.

"MHMD University was a very eye-opening course for me. Especially when it comes to business and finance, which have to



be involved in a successful care plan for

During the second session, 17 MHMD physicians and 9 Memorial Hermann

patients," said Tiffany Albritton, MD, family medicine physician affiliated with Memorial Hermann Medical Group (MHMG) Sugar Land, and was a participant in session one of MHMD University.

executives met for two consecutive days

COURSE TOPICS

Leadership Foundations

Strategy Formulation & Implementation

Leading High Performing

Healthcare Industry: Current Climate & Finances

Change Management & Process Improvement and Quality

each month for five months. At the beginning of the course, the "students" were divided into four teams comprised of both physicians and executives, and led by one of four executive sponsors including David Bradshaw, David James, MD, Chris Lloyd and Dennis Laraway. At every meeting, each team worked on a project topic that was directed at improving the quality, safety and efficiency

of health care at Memorial Hermann.

During the last meeting held in May, each team presented an end-of-semester presentation and white paper, which identified inefficiencies and problems in health care and provided recommendations for better processes to solve the problems identified by the team.

"The project topics cover key issues plaguing every healthcare system moving forward," commented Chris Lloyd, System senior vice president and MHMD chief executive officer, and executive sponsor of MHMD University. "We're diving deep into these issues, learning as much as we can and ultimately using the presentations and recommendations to teach our peers and our health system what and how we need to change in order to provide our patients with higher quality care."

TEAM PROJECTS

TEAM 1

- Dr. Chris Duperier, Anesthesia, MetroWest Anesthesia
- Dr. Johanna Higgins Clowney, Anesthesia, Greater Houston Anesthesiology
- Dr. Ana Leech, Palliative Care Specialist, Memorial Hermann Greater Heights Hospital
- Nicole Clarke-Luck, VP of Finance, MHMD
- Dr. Rick Ngo, General Surgery, Southwest Surgical Associates
- Dr. Victoria Regan, Medical Director of the Pediatric Medical Home, MHMD
- Kyle Stanzel, VP of Operations, Memorial Hermann Cypress Hospital

Executive Sponsor: David Bradshaw, EVP and Chief Strategy and Information Officer, Memorial Hermann Health System

Innovations in health care, such as new delivery models, genomics/personalized medicine, and technology are disrupting the way medicine is practiced, managed, financed, and how patients interact with their providers. What are areas of opportunity and any associated risks? How should Memorial Hermann best evaluate or promote innovations?

TEAM 2

- Dr. Majid Basit, Cardiovascular Disease Specialist, Memorial Hermann Sugar Land Hospital, MHMG
- Glenn Burnett, VP of Finance, Memorial Hermann Pearland Hospital
- Jason Glover, Director of Hospital Operations, Memorial Hermann Greater Heights Hospital
- Catherine Geigerich, CNO, Memorial Hermann The Woodlands Hospital
- Dr. Sandra Gomez, Medical Director of Supportive Medicine, MHMD
- Dr. Christophe Salcedo, General Surgeon, Memorial Hermann Greater Heights Hospital

Executive Sponsor: Dr. David James, SVP and CEO, MHMG

Retail medicine is impacting the delivery of care to patients in ways that were not contemplated in the past. What does retail medicine encompass? What are the opportunities and risks available in this space and what do you recommend that **Memorial Hermann pursue?**

TEAM 3

- Dr. Michael Bublewicz, Medical Director of Emergency Services, Memorial Hermann The Woodlands Hospital
- Dr. Dean Chauvin, Co-Medical Director, Memorial Hermann Wound Care
- Dr. Angel Ham, Anesthesia, Greater Houston Anesthesiology
- Dr. Miles Mahan, OB/GYN, Memorial Hermann Northeast Hospital, MHMG
- Dr. Shahid Rahman, Cardiovascular Disease Specialist, **Greater Houston Heart Specialists**
- Nikki Roux, VP and CNO, Memorial Hermann Northeast Hospital
- Jessey Thomas, Director of Nursing Operations, MHMG

Executive Sponsor: Chris Lloyd, SVP and CEO, MHMD

Health care is undergoing transformative change. Describe how an institutional culture in general, and specifically at Memorial Hermann, impacts an organization's ability to flourish and lead in a changing environment. Are there examples we can learn from of either successful or unsuccessful change? How can an organization best address the internal cultural differences that may be needed as the industry changes?

TEAM 4

- Dr. Rehal Bhojani, Family Medicine Physician, Memorial Hermann Sugar Land Hospital, MHMG
- Dr. Doan Do, Family Medicine Physician, Memorial Hermann Northeast Hospital, MHMG
- Dr. Ankur Doshi, Internist, PrimeCare Medical Group
- Matthew French, AVP of Operations, MHMG
- Lori Knowles. VP of Human Resources. Memorial Hermann Health System
- Rob McStay, Associate General Counsel of Physician Affairs, Memorial Hermann Health System
- Dr. Amit Parikh, Family Medicine, Houston Center for Family Practice & Sports Medicine

Executive Sponsor: Dennis Laraway, CFO, Memorial Hermann Health System

Describe the differences between the fee for service model, global care with control of the premium dollar, and capitation models. Discuss the challenges, risks, opportunities, and how Memorial Hermann can best navigate migration to the more global payment models both in the future, and now, while a significant portion of reimbursement is still fee for service. What are the opportunities and what are the risks?

Memorial Hermann Health Solutions' Growth Continues

All MHMD physicians participating in clinical integration are in network for Memorial Hermann's own health plan, Health Solutions.

Health Solutions is the preferred plan for Memorial Hermann employees and their covered family members. In addition, Health Solutions offers affordable and comprehensive health coverage for individuals, families and employer groups as well as those eligible for Medicare Advantage (MA) plans. In the past 12 months, the plan's Commercial and Medicare lines of business have more than doubled in size. This is exciting membership growth that will enable further growth for Memorial Hermann and MHMD physician practices.

For example, the commercial business, offering HMO and PPO plans for individuals, families, small employers (2-50 employees), and large employers (50+ employees) experienced unprecedented growth this past year. Health Solutions is one of only a handful of carriers in the Houston area offering an Individual PPO plan option. The 2016 enrollment season was huge, increasing individual membership by

7,000 new members. The employer group segment of business, mainly focused on companies with less than 500 employees, also increased in membership by over 40 percent in 2015. Notable clients include the Houston Rockets, James Coney Island and John Moore Services.

In 2015, Health Solutions launched a Medicare Advantage plan enrolling nearly 2,000 members

in the first enrollment period. In 2016, the plan has continued to grow, more than doubling its membership. Now, with more than 5,300 Medicare Advantage members, the Memorial Hermann Health



Plan is becoming a major market presence in the Houston area. Nearly 90 percent of Medicare Advantage members have selected an MHMD or MHMG physician as their primary care provider.

The health plan has also welcomed new CEO Daniel Styf; Chief Operations Officer Jamie Reynoso; Chief Medical Officer Kristyn Greifer, MD; and VP of Product Development and Network Strategy Monica Carbajal. Their relevant experience and expertise will further align Health Solutions as an integral part of our integrated health system. And in no small measure, the success of the Memorial Hermann Health Plan is the result of the ongoing and strengthening alliance between Health Solutions and our physician partners at MHMD and MHMG.

Contracting Update

2016 has been a year of significant growth with lives covered by our accountable care contracts nearly doubling to over 400,000. This growth provides us with the opportunity to better understand the health issues in the populations we serve and to continue to build on our record of high quality and efficiency.

The following overview provides managed care contract updates for the plans executed through our clinical integration program and the Memorial Hermann ACO.

Health Solutions (MHealth)

Recognizing MHMD's continued focus on quality and cost efficiencies, we have successfully negotiated a 10 percent increase in the fee schedule for the Select Plan effective April 1.

Commercial Contracts

Our contracting strategies continue to focus on payer agreements, reimbursement structures, and establishment of unique networks. The significant updates are:

- **BCBS TX:** The ACO agreement, effective 1/1/2016 (75,000 lives)
- United Healthcare ACO: New ACO program effective 7/1/2016 (100,000 lives)

Medicare Advantage Plans

For 2016, the Memorial Hermann Advantage plan (HMO/PPO) experienced increased enrollment to approximately 5,300 members.

In addition, other Medicare Advantage Plans in which MHMD participates include:

- Aetna Medicare Prime (new 1/1/2016)
- Aetna Medicare Premier Plan HMO
- Aetna Medicare Value Plan HMO
- Blue Medicare Advantage PPO
- Health Solutions Medicare Advantage
 Humana Medicare Advantage Gold
 Plus HMO (Advanced Primary Care
- Physicians only)

 Humana Medicare Advantage PPO
 & PFFS (Advanced Primary Care
- Physicians only)

 MHMD Contracted Health

Insurance Exchange Products*

As of January 1, 2016, PPO products are no longer offered on the public exchange. Also, just a reminder, that Health Insurance Exchange products are commercial, not Medicaid products.

Aetna Whole Health: The Aetna exchange product mirrors Aetna commercial rates. Please note we are only contracted for the Aetna Whole Health Exchange product and not other exchange products offered currently by Aetna.

- Community Health Choice: There are no changes to our participation in the existing Community Health Choice products but membership has exceeded 100,000 for the 2016 plan year.
- Humana (HMOx): There are no changes specific to our participation in the existing HMOx plan.

We hope you find this update helpful. Should you have any questions or issues related to managed care contracting, please contact your assigned practice consultant or call us at 713.338.6464 or by email at ProviderRelations@memorialhermann.org.

THANKS FOR SUPPORTING THE INVESTING IN ADVANCING HEALTH CAMPAIGN

Memorial Hermann's Eleventh Annual Investing in Advancing Health Employee Campaign raised more than \$1.071 million to support hospital campus projects and System initiatives like Memorial Hermann Life Flight®, Health Centers for Schools and Medical Missions. It's not too late to make a gift to the hospital where you practice or the service line of your choice.

To donate, please contact the Memorial Hermann Foundation at 713.242.4453 or email lia.vallone@memorialhermann.org, or visit www.memorialhermann.org/donate.

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Memorial Hermann Set to Launch Innovation Institute

Everyone involved in the delivery of health care is keenly aware of the evolving nature of the industry and the constant potential for disruptions to the current value chain.

These changes are coming from all sides – government, commercial payers, employers, private sector, Silicon Valley companies, private equity firms, pharmaceutical giants, device makers, retailers and more. The need to anticipate and respond to change in a timely manner is the idea behind the Memorial Hermann Innovation Institute.

As marketplace demands continue to transform the healthcare industry, it underscores the importance of healthcare providers to foster an innovative culture that embraces change while delivering on the "Triple Aim" of improving the patient experience of care (including quality and satisfaction), improving the health of populations and reducing the per capita cost of health care.

The Memorial Hermann Innovation Institute will enable a coordinated approach to identify opportunities for innovation and match them with the appropriate resources for integration and adoption. System EVP and COO Chuck Stokes and System EVP and Chief Strategy Officer David Bradshaw serve as co-chairs for the new Institute.

"Building on Memorial Hermann Health System's reputation as a national leader and innovator in health care, the Institute capitalizes on our past successes achieved in medical informatics, quality and patient safety, ACO and Shared Savings programs and population health management," says Stokes. "It will allow us to have a special center dedicated to innovation going forward."



"Velocity of change in health care is accelerated through mergers and acquisitions aimed at achieving economies of scale, protecting or growing market share, increasing buying power and consolidation within the marketplace," explains Stokes. "We've seen mergers in the industry, insurance company mergers, insurance companies purchasing physician practices, and the consolidation of physician groups and suppliers."

Innovation and disruption also are resulting due to the rise of consumerism in health care. "In the past, we fit the consumer into our existing system," adds Stokes. "But the rules are changing. Consumers are dictating what services and features they need and want."

Additionally, consumers are becoming more cost-conscious as employers and health plans shift more of the costs of health care to the consumer. "Consumers are paying higher out-of-pocket costs and higher deductible plans, so they are shopping around for the best costs and quality of services," says Stokes.

Working with high-tech partners like Vivify,
Memorial Hermann is already employing
new technologies like Virtual Care Check,
in which nurses connect with patients
using tablet computers with 4G wireless
connection, weight scales, pulse oximeters,
glucometers and blood pressure devices
to manage chronic conditions while they
remain in their own homes.

A collaboration between Memorial Hermann and MHMD, the Innovation Institute will feature a diverse membership, representing all aspects of healthcare delivery – from physicians and hospital administrators, to informatics and IT experts to finance and investment professionals. Quarterly meetings and workshops are being held to allow members the opportunity to discuss and review innovative solutions in the marketplace that are worthy of further evaluation.

"In addition to solutions identified by the Institute, we will encourage ideas from our 5,000 affiliated physicians and 24,000 employees for ways to advance our vision

and business," adds Stokes. "It's these people on the frontlines, the ones out there doing the work each day, who will be the best source for these innovations. It will be the Institute's job to harness the creativity of these people and their ideas."

Organizational agility is always a critical factor in putting new, innovative ideas into operation. The Institute will provide Memorial Hermann with the ability to expedite vetted or approved projects through System channels and MHMD.

"Consolidating these activities to one place will enable us to better manage and maintain the active project listing and prioritize solutions that are seeking funding and approval," says Chris Lloyd, System SVP and MHMD CEO. "It eliminates redundancies and streamlines the process to help us get these innovations to market sooner where they can do the most good for our providers and patients."

"Our industry has endured enormous changes in the day-to-day operations of how we deliver care to patients as the expectations of payers, patients and employers continues to grow," says Stokes. "From the advent of patient portals and 24/7 access to health information to evidence-based care protocols to IT tools for population health management, our continued ability to anticipate and deliver on those expectations will determine our success in the decades ahead."

The Innovation Institute will serve as an effective forum for interacting with groups inside and outside of Memorial Hermann to foster the changes and innovations that will move us forward and strengthen our place as a national leader and innovator.

MHOSH CELEBRATES ONE YEAR ANNIVERSARY WITH SYSTEM

In a move to increase access to convenient, high-quality and comprehensive orthopedic care in 2015, Memorial Hermann acquired Houston Orthopedic and Spine Hospital (HOSH), a highly regarded orthopedic and spine hospital in the region. The hospital, renamed the Memorial Hermann Orthopedic & Spine Hospital (MHOSH), strengthens the Memorial Hermann Health System's orthopedic and spine services in the Greater Houston area.



Centrally located in Bellaire, Tex. near
The Galleria®, MHOSH joins Memorial
Hermann's already well-established and
wide-reaching network of orthopedic,
spine and joint replacement facilities
and services, which includes four
Memorial Hermann IRONMAN Sports
Medicine Institutes and eight Memorial
Hermann Joint Centers. The Joint
Center that previously operated out

of Memorial Hermann-Texas Medical Center has moved to MHOSH.

MHOSH recently celebrated its one year anniversary. In that time, we have seen the medical staff grow leaps and bounds with newly recruited orthopedic surgeons joining MHMD out of fellowship as well as established surgeons such as Kenneth Mathis, MD, who came to Memorial Hermann and UTPhysicians from Houston Methodist.

In addition to the services offered through the established Joint Center, Memorial Hermann Orthopedic and Spine Hospital offers an extensive range of orthopedic specialties, such as inpatient and outpatient orthopedic care, sports medicine, orthopedic and neurological spine surgery and pain management. Operating since 2006, the surgical hospital has 64 beds and 10 operating rooms, all of which are licensed under Memorial Hermann-TMC.

Memorial Hermann's comprehensive orthopedic services include: knee; hip; shoulder; foot and ankle; spine and back; and elbow, hand and wrist care. Memorial Hermann's prestigious staff of affiliated physicians includes head team physicians for the Houston Rockets, Houston Texans, the University of Houston Cougars and many area public and private high schools.

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Pediatrician Pens Illustrated Guide for Parents

MHMD Advanced Pediatric Practices (APP) physician, Peter Jung, MD, recently published a book to help parents deal with common childhood illnesses and determine what pediatricians are saying. "What to Know Before Seeing Your Pediatrician" is available at online book retailers.

Dr. Jung, also a parent, understands that sometimes a picture can be worth a thousand words. Throughout the years while explaining a diagnosis to a patient's parents, he has found himself drawing a diagram on the exam room table to help them better understand. "I thought if I could collect all of these ideas and drawings, it would help parents understand what their pediatricians are saying," Jung said.

That was the beginning of a journey that led to his first book, an illustrated guide to common childhood illnesses. He started by drawing rudimentary diagrams and then handed them over to his friend Becky Seo Kim, an illustrator who transformed the sketches into refined graphics. Jung then wrote the text. He went through

The finished product is basically a picture book for adults, an eight-chapter, 123-page quick read covering a variety of topics, from germs, fevers and vaccines to the common cold, ear infections, vomiting and returning to school after sickness.

three drafts. "The first draft was more text heavy with only one picture," he said. "I realized the pictures were really the meat of the story and I needed to add more." The finished product is basically a picture book for adults, an eight-chapter, 123-page quick read covering a variety of topics, from germs, fevers and vaccines to the common cold, ear infections, vomiting and returning to school after sickness.

Jung completed his residency at Texas Children's Hospital and then joined the Memorial private practice of his father, Dr. Woo Nahm Jung, in 2002. When his father retired, Jung joined fellow MHMD APP physician William Pielop, and the two took over the business and renamed it. Blue Fish Pediatrics.

Jung hopes his book will help reduce parental anxiety and prevent unnecessary doctor visits. "It's geared to the mom and dad who want a greater understanding of simple illnesses," Jung said. "It took 18 months to fully edit it and get all the t's crossed and i's dotted."

Victoria Regan, MD, medical director of the MHMD Pediatric Medical Home program, said "Dr. Jung's book provides a new, valuable and easy-to-read resource for parents which I will recommend to my families. He is a great example of how our MHMD APP physicians go above and beyond providing quality patient care."

Jung's goal is that readers will have a better understanding of what pediatricians are saying. "I've always loved educating others," Jung said. "I have a knack for taking complex ideas and simplifying them. That's been my goal with this book."

Congressional Budget Agreement Affects Key Revenue Components of the ACA

The \$1.1 trillion Consolidated Appropriations Act for 2016, and a \$650 billion tax extenders package, passed in the closing days of December, keep the federal government open through the end of September 2016, but make a number of changes to key tenets of the Affordable Care Act (ACA). While these budget and tax bills delay taxes originally enacted to fund the ACA, they do not fundamentally change the law.

The Congressional

Budget Office

interruption in

the collection

of the tax on

health insurance

result in a loss of

billion in federal

revenue.

approximately \$12

companies will

(CBO) estimates

that the one-year

The effective date of the excise tax on high-cost, employer sponsored insurance plans, also referred to as Cadillac insurance plans, is delayed from 2018 until 2020. Revenue generated from taxes on these high-dollar health insurance plans was intended to be a significant source of ACA funding, and delaying its imposition for two years reduces the amount of revenue estimated to be raised

by the ACA. There was widespread, bipartisan congressional support for the delay in the imposition of the Cadillac tax. Republicans take advantage of every opportunity to oppose the ACA, while Democrats have expressed concern about the effect of the tax on employee benefits, especially those provided by union members, who collectively bargained for more generous health

insurance benefits, as an alternative to receiving greater compensation for their work. In addition to delaying the effective date of the imposition of the Cadillac tax, the budget package repealed an ACA provision providing that the tax is not deductible as a business expense.

The tax extenders bill also eliminates the assessment of the 2.3 percent medical device tax on manufacturers of an array of devices, for federal fiscal years 2016 and 2017, which had

been another significant revenue stream created by the Affordable Care Act. The moratorium on the collection of the tax will reduce ACA revenue by approximately \$2 billion each year.

Another provision contained in the budget and tax bill imposes a one-year moratorium on the collection of the ACA's health insurer provider fee, for

the 2017 federal fiscal year. Collection of the annual tax on health insurers has been in effect since 2013, and is scheduled to be restored in the 2018 federal fiscal year, unless Congress acts to extend the moratorium on its assessment. The Congressional Budget Office (CBO) estimates that the one-year interruption in the collection of the tax on health insurance companies will result in a loss of approximately \$12 billion in federal revenue.

While many congressional Republicans heralded these provisions as incremental victories in their quest to undermine the ACA, Democrats and the Obama Administration were quick to respond that the major components of the healthcare law, such as tax subsidies for eligible beneficiaries, and costs associated with states' expansion of their Medicaid programs, will not be impacted, because they are fully supported by permanent federal appropriations. Delaying these tax provisions will, however, add to the federal budget deficit.



New Admission Bundle to Impact Quality

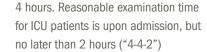
Several years ago, the Memorial Hermann Health System recognized a high level of Serious Safety Events occurring in Memorial Hermann hospitals.

In order to address and better identify the causes of these events, which include SSE-1s (deaths) and SSE-2s (severe permanent harm), the Clinical Programs Committee (CPC) began evaluating this issue. All SSEs are carefully reviewed as part of Memorial Hermann's high reliability initiative. Upon review, it was determined that 50 percent of all SSE-1 and 2 events were caused by delays in attending physician evaluation of emergently admitted patients or those patients admitted through the emergency department (ED).

After approximately two years of discussion in the Clinical Programs Committee and the Admissions Taskforce, an Admission Taskforce

Bundle was proposed for approval by the
Full CPC and MHMD Board, the System
Quality Committee, System Board of Directors
and all Memorial Hermann Medical
Executive Committees. The Admission
Taskforce's recommendation was a new
admission process that includes:

- · Patient centered care
- An effective escalation policy that provides a physician at the point of care at the time the need is identified
- Effective Peer Review for any case that falls out
- Reasonable examination time for patients admitted to the floor or observation is upon admission but no later than



 A recommendation for measurement of time from "assumption of care" to the time of first orders by admitting physician

The Admission Taskforce Bundle received the following approvals last year:

- Full CPC & MHMD Board, January 2015
- System Quality Committee, February 2015
- System Board of Directors, March 2015
- Memorial Hermann Hospital MECs, November 2015

The Bundle is comprehensive and it is important that all understand its breadth and intent. The following outlines each element included:

Patient Centered: First and foremost, the Bundle is patient-centered rather than hospital, physician, or nurse centered. This means that the safety of patients takes precedence over convenience and other factors.

Escalation Policy: Hospital leadership is responsible for ensuring an effective escalation policy that expeditiously brings a physician to any acutely ill patient's bedside, both upon admission and later during the hospital course. Leadership is responsible for instructing staff in the importance of escalation, how to perform escalation, and, importantly, ensuring that one or more non-ED physician is available in-house to respond when called.

Peer Review: Medical staff leadership is responsible for ensuring that effective peer review is performed for cases that do not adhere to the Bundle. In addition to preventing patient harm, another goal of the Bundle is to provide mechanisms for patient care that will fundamentally eliminate circumstances requiring peer review for failure to provide timely care.

Reasonable Examination Time: With regard to the 4-4-2 provision, it is very important to recognize that the wording was carefully selected and 4 hours or 2 hours were not meant to be construed as appropriate times for emergently admitted patients to be examined. "Reasonable examination time is upon admission" for all patients, but no more than 4 hours for observation and floor care admissions and no more than 2 hours for ICU admissions. Those maximum times are not targets and should not be interpreted as such. It is simply unreasonable

for examination and care by the admitting physician to begin after those times and would be in violation of the Admission Taskforce Bundle.

Measurement of Time from "Assumption of Care" to Evaluation of Admitting Physician: This is a challenging provision, but one which has been

incorporated into the

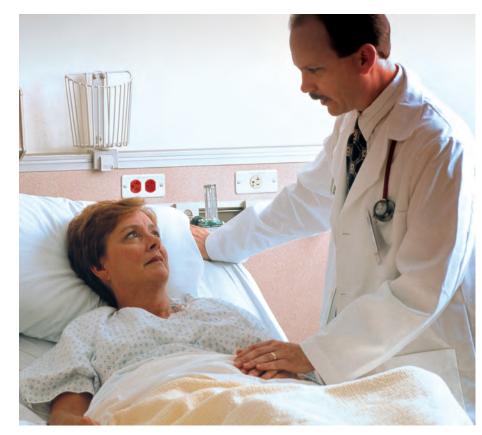
First and foremost, the Bundle is patient-centered rather than hospital, physician or nurse centered. This means that the safety of patients takes precedence over convenience and other factors.

new Hospitalist Program performance metrics. For hospitalists, the details are as follows:

of Emergently
Admitted Patients"
measures the completion
of the Physician at
Bedside Attestation
Form within the
appropriate timeframe
and the execution
of an Admission
Power Plan by admitting
MD. Only patients
admitted to a hospitalist
are included on the
performance dashboard.

To be compliant, the **Physician at Bedside Attestation** Form in Care4 must be completed within the aforementioned reasonable examination times and an Admission Power Plan must be executed by the admitting physician.

The Admission Taskforce Bundle is unique in the greater Houston area, as are most aspects of Memorial Hermann's high reliability patient safety program. We are pleased to provide this leadership on behalf of our patients and community and believe the Bundle will provide not only the safest care, but also the most efficient.





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SYSTEM ANNOUNCES NEW SUBSIDIARY AND SERVICE LINE LEADERSHIP

New Health Plans CEO: Dan Styf



Daniel "Dan" Styf has been named System senior vice president and chief executive officer of Memorial

Hermann Health Plans. In this role, Styf is responsible for providing comprehensive leadership and effective management of the health plans' strategic planning, growth and operating performance. Styf brings a wealth of health insurance experience and leadership to the organization. Most recently, Dan was an executive with the Piedmont WellStar Health Plans in Atlanta, where he served as senior vice president and head of operations for the joint venture between WellStar Health System and Piedmont Health Care. Dan's professional experience includes more than five years as vice president for regional and marketing strategy for Kaiser Permanente in Georgia. He also served in various leadership roles with the Alliance of Community Health Plans (ACHP) in Washington, DC, and Health Alliance Plan in Detroit, Mich. Styf has a Bachelor's degree in biology and chemistry from Hope College in Holland, Mich., and a Master of Science degrees from Dartmouth Medical School's Institute for Health Policy and Clinical Practice.

Post-Acute Care Network SVP/CEO: Carl Josehart



n support of the System's initiative of reducing nospital readmissions

making healthcare delivery cost-effective and efficient while increasing quality of care, Memorial Hermann has created the Memorial Hermann Post-Acute Care Network. Carl Josehart now serves as System senior vice president and CEO for the network. An experienced healthcare executive who began his career as a clinician in social work, Josehart has served as CEO of TIRR Memorial Hermann since 2006. During his tenure, the hospital's U.S.News & World Report's Best Hospitals ranking has advanced from number five in the nation to number two. Today, TIRR Memorial Hermann is a national leader in medical rehabilitation and research, and a model for interdisciplinary rehabilitation services, patient care, education and research. Working with physician leadership, the hospital has established the TIRR Memorial Hermann Research Institute. In his expanded role, Josehart will oversee the Memorial Hermann Post-Acute Care Network, which includes:

- TIRR Memorial Hermann and the Memorial Hermann Rehabilitation Network
- Home Care including Home Health, DME, Home Infusion

- Hospice and Respite
- Sleep Disorders
- University Place Senior Living, SNF, Home Health
- Affiliated Skilled Nursing Network

Women's & Children's SVP: Victoria Regan, MD



Regan, MD, has been named System senior vice president of

service line. Currently. Dr. Regan provides leadership within MHMD related to the Advanced Pediatric Practice (APP) performance and quality initiatives, network development, medical home oversight, as well as chairing the pediatric subcommittee of the Clinical Programs Committee and serving as a member of the Physician Credentials Advisory Committee and the System Physician Advisory Council. In her new role, Dr. Regan will continue her duties within MHMD as well as assuming oversight of the strategic and growth initiatives related to the Women's and Children's service line. A board certified pediatrician, Dr. Regan has been practicing since 1991 and is president of a pediatric group with offices in Missouri City and the Texas Medical Center. A graduate of the University of Notre Dame, Dr. Regan received her medical degree from McGovern Medical School at UTHealth in Houston and completed

her residency at Memorial Hermann-Texas Medical Center and MD Anderson. Dr. Regan is a member of the American Academy of Pediatrics, Texas Pediatric Society and the Texas Medical Association. She has been designated as one of Houston's Top Doctors by H-Texas Magazine and Guide to Top Doctors published by The Center for the Study of Services in Washington, D.C. At Memorial Hermann, she has held leadership positions in Division and System Quality Committees, Health Informatics Committee, Texas Medical Center Medical Executive Committee, as well as most recently serving as chief of staff for Memorial Hermann-TMC.

Heart & Vascular, Trauma **SVP: John Tressa**



John Tressa takes on the dual role of leading both Heart and Vascular

Service Lines for Memorial Hermann. Prior to joining Memorial Hermann, Tressa served as the chief execuitive officer of Tenet, Park Plaza Hospital in Houston, Tressa has almost 20 years of healthcare experience. His past positions include chief operating officer, chief nursing officer, ER director, director of air transport. trauma manager, chief flight nurse, ER and pediatric nurse. Tressa graduated Summa Cum Laude in 1996 with his MBA and then again as

Summa Cum Laude in 2008 with his MSN. In 2010, he received Tenet's distinguished "Circle of Excellence Award" given to the Tenet CEO with the highest performance across a variety of measures.

Clinical Oncology SVP: Sandy Miller

healthcare executive with



Sandy Miller was tapped to head up the System's Clinical Oncology ervice line.

10 years senior executive responsibility, Sandy is a Certified Nurse Executive with 18 years of progressive operational and leadership roles and has clinical expertise in Oncology, Critical Care and Cardiovascular nursing. She is a Magnet Nursing leader experienced in Joint Commission accredited facilities. Previously, she served as network director of Clinical Oncology at Seton Healthcare Family in Austin from 2007 to 2015 and is credited as being a transformational leader. She has a master's in health services management and healthcare administration from Charles Sturt University. Her exceptional business acumen, strategic and programmatic planning skills will help propel the Oncology service line to the next level.

New System CEO Kicks Off Listening Tour

In May, Benjamin Chu, MD, began his tenure as President and CEO of Memorial Hermann Health System. "In order to gain a deeper understanding of Memorial Hermann, I will be visiting our many facilities as part of my listening tour," says Dr. Chu. "I'm passionate about open dialogue, and it will be of great value for me to learn from everyone's personal experiences and uncover opportunities to better the organization."

As part of his listening tour, Dr. Chu will be rotating the System's senior staff meeting on a monthly basis to every hospital in the System, starting with Memorial Hermann Northeast Hospital. "Unless you see each other's facilities, unless you can walk in each other's shoes, you don't really know what One Memorial Hermann is," he adds.

The first physician to lead Memorial Hermann, Dr. Chu's appointment is indicative of the changing landscape in health care, where

the successful future of the industry lies in the true integration of hospitals and physicians. "I have admired Memorial Hermann Health System from afar for many years and I'm honored to be joining this prestigious organization," says Dr. Chu. "As you all know, my predecessor, Dan Wolterman, has made tremendous strides for both the System and the healthcare industry overall, and I look forward to continuing that momentum."

Before joining Memorial Hermann, Dr. Chu served as the executive vice president of Kaiser Foundation Hospitals and Health Plan, Inc., and Group President of Kaiser Permanente Southern California and Georgia regions. He directed health plan and hospital operations for 14 hospitals and 237 medical offices, serving more than 4.5 million members in Southern California and Georgia. He effectively health record system and population

implemented a fully integrated electronic health management tools in the Southern

"I'm passionate about open dialogue, and it will be of great value for me to learn from everyone's personal experiences and uncover opportunities to better the organization."

> California region, expanding the health plan membership to 10.5 million.

At Kaiser Permanente, Dr. Chu focused on quality, patient safety and service delivery, resulting in a number of national accolades. Dr. Chu stressed his commitment to supporting and enhancing an environment that promotes safe, high quality care. "Memorial Hermann's accomplishments have been recognized nationally by organizations such as Truven Health Analytics™, U.S.News & World Report and National Quality Forum," says Dr. Chu. "I am confident that will continue."

Katy Expands with East Tower



In January, Memorial Hermann Katy Hospital opened its new 230,000 square-foot, six-story East Tower, plus a second 100,000 square foot, four-story medical plaza adjacent to the hospital. The \$85 million expansion to the 66-acre campus adds a new cath lab, medical and surgical beds, and labor & delivery, increasing the hospital's capacity from 142 to 208 beds. The new Level 3 NICU features eight private rooms for mothers and babies that can accommodate multiple births in addition to obstetrics special care rooms and facilities for high-risk pregnancy consultations. The expansion accommodates improvements to the West Tower, including enlarging the emergency center to 24 beds, increasing the number of surgical suites, adding a second CT scanner as well as expanding capacity of the hospital laboratory.

Memorial City Earns Top 5-Star Rating from CMS' Hospital Compare

Memorial Hermann Memorial City Medical Center earned a 5-Star rating from the Centers for Medicare & Medicaid Services' (CMS) new Hospital Compare system, ranking it among the nation's top 2.4 percent of hospitals. Hospitals received ratings of one to five stars, with five stars being the highest score. The ratings are based on the hospital's performance on 62 measures selected from the hospital inpatient quality reporting (IQR) and outpatient quality reporting (OQR) programs. CMS places the selected measures into seven groups: mortality, safety, readmissions, patient experience, timeliness of care, effectiveness of care and imaging efficiency. "We're extremely proud to be among 87 hospitals to receive a 5-Star Rating," says Paul O'Sulilvan, Memorial City CEO. To learn more, visit the Hospital Compare website at https://www.medicare.gov/ hospitalcompare/search.html.

Hospitals study, Truven Health researchers evaluated close to 3,000 short-term, acute-care, nonfederal hospitals. 100 Top Hospitals researchers use risk-adjusted methodologies to analyze public information — Medicare cost reports, Medicare Provider Analysis and Review (MEDPAR) data, and core measures and patient satisfaction data from the CMS Hospital Compare reports. Hospitals do not apply, and winners do not pay to market

Memorial City Named Among Nation's 100 **Top Hospitals**

Memorial Hermann Memorial City Medical Center has been named one of the nation's 100 Top Hospitals® by Truven Health Analytics[™], a leading provider of data-driven analytics and solutions to improve the cost and quality of health care. The Truven Health 100 Top Hospitals® study identifies hospitals and leadership teams that provide the highest level of value to their communities, based on a national balanced scorecard measuring overall organizational performance across 11 key analytic measures including patient care, operational efficiency, and financial stability. The study has been conducted annually since 1993. This is the fifth time Memorial Hermann Memorial City has been recognized. To conduct the 100 Top

this honor.

SETRAC Awards Memorial Hermann for Region's Most Outstanding Care

In its inaugural awards ceremony, Southeast Texas Regional Advisory Council (SETRAC) honored hospitals and first responders who have exhibited outstanding performance in areas such as trauma care, stroke care, cardiac care, multi-agency teamwork, disaster preparedness and public education. SETRAC is the agency responsible for coordinating trauma providers in a ninecounty area of Southeast Texas.

Memorial Hermann received awards in four of the top categories, including:

- Cardiac Award (under 250 beds): Memorial Hermann Greater Heights Hospital
- Cardiac Award (more than 250 beds): Memorial Hermann Southwest Hospital
- Pediatric System of Care Award: Children's Memorial Hermann Hospital
- EMS/Air Medical Partner of the Year Award: Memorial Hermann Life Flight







System Opens Pearland Hospital



Hundreds turned out for the ribbon cutting for Memorial Hermann Pearland Hospital, which began caring for patients in March. A 250,000 square-foot, state-of-the-art facility, Memorial Hermann Pearland Hospital with the Convenient Care Center and adjoining medical office buildings, make up a 40-acre, comprehensive medical campus. It is the System's first greenfield hospital.

"Our first priority is to provide physicians and their patients with an exceptional experience - delivering superior quality care, nurturing growth and innovation, and ultimately enhancing the health of the communities we serve," said Mario Garner, System senior vice president and CEO of Memorial Hermann Pearland.

With its 64 beds, the hospital offers a number of high-quality services and specialties, including orthopedics and sports medicine, neurology, general surgery, heart and vascular, labor and delivery, gastroenterology and urology. The existing structure contains shell space to quickly add an additional 64 beds, additional operating rooms and another catheterization lab. Memorial Hermann Pearland is located at 16100 South Freeway on the southbound side of Highway 288 near FM 518.

CV Surgery Programs Earn 3-Star Rating by Society of **Thoracic Surgeons**

Memorial Hermann Heart & Vascular Institute-Memorial City and Memorial Hermann Heart & Vascular Institute-Southwest received 3-Star ratings for heart bypass surgery, placing them in the top 8 percent of cardiovascular surgery programs across the country for quality related to heart bypass surgeries performed July 2014 through June 2015. The nation's top measure for clinical quality in heart bypass surgery, a 3-Star rating places the Institute among the top 10 percent of programs in the US. This rating reflects the 11 measures of quality for coronary artery bypass that directly affect positive patient outcomes.

Center for Advanced Orthopedics Opens at Memorial City

The 90,000-square-foot facility, located in the Memorial Hermann Tower, offers high-quality, comprehensive and fully-dedicated orthopedic care. Spanning four floors, the Center for Advanced Orthopedics houses:

- 38 inpatient beds
- 8 dedicated operating rooms
- 15 pre-op beds
- 21 post-op beds
- A group physical therapy room
- A dedicated conference center for patient and clinical education

Affiliated physicians can perform both in-patient and outpatient procedures in the Center, ranging from joint replacement and revisions, to surgery for knee, hip, foot and ankle, shoulder, and elbow bone and soft tissue conditions and injuries.

"Patients can receive comprehensive orthopedic care from pre-surgical education and registration to surgery and post-surgical care - in one stop," says Paul O'Sullivan, senior vice president and CEO of Memorial Hermann Memorial City. "For patients with mobility issues, having the full spectrum of care in one location will take some of the stress out of treatment." For more information, call 713.984.5500.

Greater Heights Turns 50

The year was 1966. The debut of Medicare was less than six months away, a gallon of gas cost 32 cents, the average home price in the United States was \$14,200 and Houston's Interstate 610 was years from becoming "The Loop" when Greater Heights (formerly Northwest)



first opened its doors. Now 50 years young, with a new name and a renewed focus, the hospital continues to serve the Greater Heights communities and will celebrate its golden anniversary throughout the year with expanded healthcare services, facility enhancements and a host of community and employee events. The hospital is also celebrating several quality milestones.

- Three Years with Zero Serious Safety Events. On December 7, 2015, Memorial Hermann Greater Heights reached 1,095 days or three years without a Serious Safety Event 1 or 2. This is a first for Memorial Hermann Health System and to our knowledge. "An achievement of this magnitude is not achieved without a significant commitment to processes, learning, and a determination to do what is right for every patient, every time, "says Susan Jadlowski, System senior vice president and CEO of Greater Heights.
- Zero CAUTIs for 18 Months. Greater Heights achieved 18 months with zero catheter acquired urinary tract infections (CAUTIs) after action plans and patient safety measures were put in to place. This is an incredible accomplishment another first in the Memorial Hermann Health System.

"We are so proud to have provided people with quality healthcare for the last 50 years," said Jadlowski. "We've grown with the community generation after generation and we are excited about our growth now and for the years to come."



MNI Opens Will Erwin Headache Research Center



The Memorial Hermann
Mischer Neuroscience
Institute at the Texas Medical
Center (MNI) and McGovern
Medical School at UTHealth
have partnered with the Will
Erwin Headache Research
Foundation in Houston to open
a new, national research center
called the Will Erwin Headache
Research Center. The Center
was created with a \$20 million
pledge over 10 years from
the Will Erwin Headache
Research Foundation.

"The Will Erwin Headache Research Center will focus on patients with intractable headaches and more

rare conditions like cluster headaches. Research on these conditions has lagged because no one has identified a large cohort of such patients," said Dong Kim, MD, Director of MNI and Professor and Chair at McGovern Medical School's Vivian L. Smith Department of Neurosurgery "By working collaboratively with other researchers across the country to identify and enroll participants, we can focus on understanding why these headaches occur and design interventions to help." For more information, call 713.704.6900.

Memorial Hermann in Cypress

Located at 27700 Northwest Freeway, east of the Grand Parkway, the new Memorial Hermann Convenient Care Center in Cypress is housed on the first floor of the newly opened Medical Plaza. The Convenient Care Center is the first phase of Memorial Hermann's \$168 million medical campus in Cypress, which will be anchored by an 81-bed acute care hospital that is currently under construction.

Slated for completion in Spring 2017, the hospital will house eight operating rooms, a 16-bed intensive care unit, a neonatal intensive care unit, a cardiac catheterization lab, and a dedicated Memorial Hermann Life Flight® helipad, with room to expand.

McCarthy Receives 2016 Physician Leadership Award

Emergency Medicine physician affiliated with Memorial Hermann-Texas Medical Center, Dr. James "Jamie" McCarthy received the 2016 Physician Leadership Award at the System Leadership Meeting in April. The award recognizes a Memorial Hermann-affiliated physician who demonstrates significant

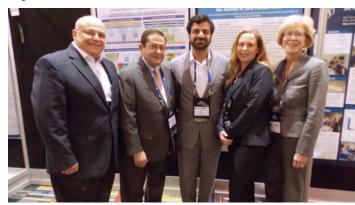


leadership responsibilities and actions in the advancement of the System's Vision and Brand Promise: We advance health. Previous recipients include Drs. Charlotte Alexander, William Riley, Jr., Ankur Doshi and Kevin Giglio.

Dr. McCarthy completed his medical degree at Loyola University Chicago Stritch School of Medicine and completed his internship and residency in Emergency Medicine at the University of Chicago Medical School.

Dr. McCarthy joined the faculty of McGovern Medical School at UTHealth in 2001 and is the current chief of Emergency Medical Services at Memorial Hermann-TMC and associate professor and chairman of the department of Emergency Medicine at McGovern Medical School.

System Teams Present at IHI



(LtoR) Juan Inurria, VP QPSIC; Michael Shabot, MD, EVP, Chief Clinical Officer; Sohail Noor, MD, MHMD Board Member & former Chief of Staff, Katy; Stephanie Masson, RN, Director Hospital Operations, Katy; and Anne-Claire France, QPSIC.

At the 27th Annual National Forum on Quality Improvement in Health Care hosted by the Institute for Healthcare Improvement (IHI), Memorial Hermann teams gave presentations and posters highlighting the System's work in quality and patient safety. The event was focused on innovative ways to help hospitals and health systems achieve the "Triple Aim" of better care, better health and lower costs.

A leading innovator in health and health care improvement worldwide, IHI showcased how health professionals are applying fresh approaches to improve patient safety and deliver better care at this year's event that attracted 5,500 health care professionals and health leaders. System Chief Clinical Officer Michael Shabot, MD, joined The Joint Commission's President and CEO Mark Chassin, MD, to present "High Reliability & Robust Process Improvement" to standing-room only audiences.

A poster presentation entitled "Using Common Cause Analysis on the Journey to Zero Patient Harm" was presented by Anne-Claire France, Stephanie Masson, Michael Shabot, MD, Sohail Noor, MD, and Juan Inurria. Additionally, a team led by Jeffery Gubbels, MD, presented "Ambulatory Infection Prevention: A New Journey."

New Regional CMO for Katy & Cypress

Khalid F. Almoosa, MD, has been appointed Regional chief medical officer for Katy and Cypress. Board certified in Pulmonary Medicine and Critical Care Medicine, Dr. Almoosa most recently served as medical director of the Transplant Surgical Intensive Care Unit (ICU) at Memorial Hermann-Texas Medical Center and associate professor of Medicine at McGovern Medical School at UTHealth. He currently serves on several critical care and health care quality committees and has published manuscripts on pulmonary, critical care, and end-of-life topics. Additionally, Dr. Almoosa is a member of the Society of Critical Care Medicine and a fellow of the American College of Chest Physicians. Dr. Almoosa received his medical degree from the Royal College of Surgeons in Dublin, Ireland. He completed a residency in Internal Medicine at the Medical College of Wisconsin and a Pulmonary and Critical Care Medicine Fellowship at the University of Cincinnati, where he also received a Master's of Science degree in Clinical Research.

Four Memorial Hermann Hospitals Among Nation's 50 Top Cardiovascular Hospitals

Greater Heights, Southeast, Southwest and The Woodlands hospitals have been collectively named among the nation's 50 Top Cardiovascular Hospital by Truven Health Analytics for the seventh time. The Truven Health 50 Top Cardiovascular Hospitals study measures eight key performance areas: risk-adjusted mortality, risk-adjusted complications, core measures (a group of measures that assess process of care), percentage of coronary bypass patients with internal mammary artery use, 30-day mortality rates, 30-day readmission rates, severity-adjusted average length of stay, and wage- and severity-adjusted average cost. Truven Health researchers analyzed 2013 and 2014 Medicare Provider Analysis and Review (MEDPAR) data, 2014 Medicare cost reports, and 2015 Centers for Medicare & Medicaid Services (CMS) Hospital Compare data.

More information on this study is available at www.100tophospitals.com.

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WHAT IS SMARTREGISTRY?

SmartRegistry is designed to help clinicians manage the health of a population -- one person at a time. This application is a comprehensive health management tool that places patients into different registries based on certain health conditions. The goal is to improve and optimize care of individuals and the population served. The current ACO Measures of Excellence are the measures tracked in SmartRegistry and includes 12 registries and more than 60 measures and is governed by the Ambulatory MIC subcommittee.

Use of the SmartRegistry is designed to be valuable to the physician. The data is available from multiple sources including EMRs, continuity of care documents, extracts and claims, and is aggregated and normalized. The tool also generates a scorecard that gives providers

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visibility of performance based on quality and performance metrics that guides providers toward opportunities for population health management. The data will help providers identify populations for outreach and ultimately funds the Medicare Shared Savings Program (MSSP) Bonus Pool.

The SmartRegistry tool is currently being implemented at eCW practices, garnering feedback from the early adopters in order to make it a more effective and efficient tool prior to implementation across all MHMD practices.

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