



Building Healthy Communities

2014 COMMUNITY REPORT







Mission

We exist to identify and respond to the healthcare needs of individuals and communities in our region and to assist them in attaining their highest possible level of health.

Vision

We passionately pursue the healing of the mind, body and spirit as we create a world-class healthcare system.

Values

INTEGRITY—
honesty in everything we do
SERVICE—
with care and compassion
LEADERSHIP—
with creativity and innovation
EXCELLENCE—
always pursuing a higher standard



People. Quality. Finance. Service. Growth. Innovation.

These are not just words. They are the six critical elements Mountain States Health Alliance has identified to help us successfully advance and build on our mission, vision and values.

We call them Building Blocks.

As a community-based organization, we take very seriously our responsibility as stewards of the assets of Mountain States Health Alliance, with our first priority being to ensure the highest quality care for our patients. We also work to provide our physicians and team members a robust environment to practice their expertise, earn your trust, improve the patient experience and build healthy communities.



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HOSPITALS



Mountain States Health Alliance (MSHA) is a locally owned and managed healthcare system based in Johnson City. Formed after Johnson City Medical Center Hospital, Inc. acquired six Columbia/HCA hospitals in Northeast Tennessee on September 1, 1998, it received its official name in January 1999. Beginning in November 2006, with the acquisition of Smyth County Community Hospital, the health system further expanded by purchasing ownership in four additional hospitals in Southwest Virginia.

Today, Mountain States Health Alliance provides an integrated, comprehensive continuum of care to people in 29 counties in Tennessee, Virginia, Kentucky and North Carolina. Our family of hospitals maintains full accreditation and includes:

Tennessee Hospitals

Franklin Woods Community Hospital
Indian Path Medical Center
Johnson City Medical Center
Johnson County Community Hospital
Niswonger Children's Hospital
Sycamore Shoals Hospital
Unicoi County Memorial Hospital
Woodridge Hospital

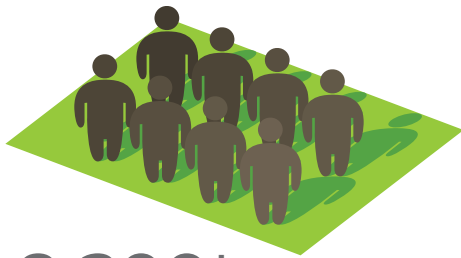
Virginia Hospitals

Dickenson Community Hospital
Johnston Memorial Hospital
Norton Community Hospital
Russell County Medical Center
Smyth County Community Hospital

In addition to our hospitals, Mountain States Health Alliance's integrated healthcare delivery system includes primary/preventive care centers, outpatient care sites and homecare services. Primary and specialty care physician practices, as well as urgent care and occupational medicine clinics, are owned and managed through Blue Ridge Medical Management Corporation.

Through its subsidiary, Integrated Solutions Health Network (ISHN), Mountain States launched the region's first accountable care organization (ACO), AnewCare Collaborative, bringing together community healthcare providers to create better health outcomes and improved patient satisfaction at a lower cost. ISHN also created the region's only provider-owned insurance company, CrestPoint Health. CrestPoint offers Medicare Advantage plans as well as third-party administration for self-insured businesses.

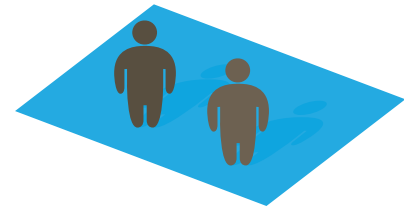
Team Members, Physicians, Volunteers and Tuition Assistance



8,300⁺
TEAM MEMBERS



1,000⁺
PHYSICIANS



2,500
FY14 VOLUNTEERS
(188,165 VOLUNTEER HOURS)

\$152,304.90

TUITION ASSISTANCE | JAN 1, 2014 – JAN. 1, 2015
47 TEAM MEMBERS

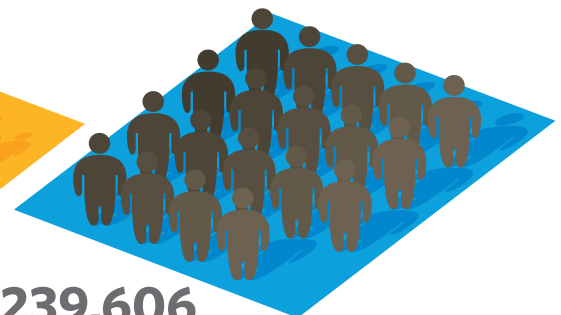
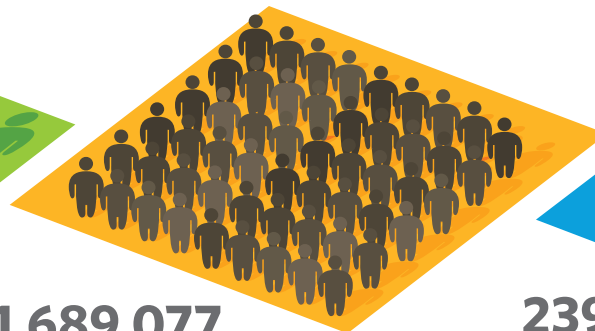
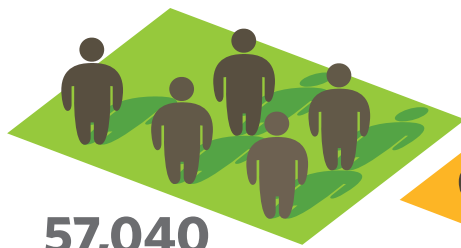
Building Block: People

Choosing the right people for the team.

Human beings are at the foundation of everything that happens here at Mountain States. Our words and actions put us in control of how we are perceived by our patients and community. We are always looking for people who are motivated to make the patient experience a positive one, and who view every interaction as an opportunity for exemplary customer service.

MSHA Patient Encounters

FISCAL YEAR 2014	ADMISSIONS	OUTPATIENT VISITS	ER VISITS
JOHNSON CITY MEDICAL CENTER	23,884	255,538	51,370
FRANKLIN WOODS COMMUNITY HOSPITAL	4,993	42,046	23,612
WOODRIDGE HOSPITAL	4,081	4,482	740
INDIAN PATH MEDICAL CENTER	6,151	117,137	28,776
SYCAMORE SHOALS HOSPITAL	3,203	62,812	21,089
JOHNSON COUNTY COMMUNITY HOSPITAL	14	41,361	10,059
UNICOI COUNTY MEMORIAL HOSPITAL	533	18,236	5,294
JOHNSTON MEMORIAL HOSPITAL	7,109	249,494	39,161
NORTON COMMUNITY HOSPITAL	3,334	146,333	21,521
DICKENSON COMMUNITY HOSPITAL	8	30,053	6,787
SMYTH COUNTY COMMUNITY HOSPITAL	1,608	81,279	17,159
RUSSELL COUNTY MEDICAL CENTER	2,122	30,365	14,038
MOUNTAIN STATES MEDICAL GROUP	-	480,133	-
MOUNTAIN STATES HOMECARE & HOSPICE	-	129,808	-



Foundation Milestones

Our Foundation supports a truly local healthcare system. Much of the work we do goes to support new programs and healthcare services allowing patients to receive loving care right in their own communities, rather than having to travel for treatment.

In the fiscal year 2014, we successfully funded pediatric radiation oncology services at Niswonger Children's Hospital. We also provided funds for radiation oncology's TrueBeam linear accelerator that provides cancer treatments with pinpoint accuracy.

We are eager to continue building on our legacy as we look to the future of the Foundation. We know that excellent and comprehensive service at our hospitals means that the people of this community can receive the care they need right here at home.



NISWONGER CHILDREN'S HOSPITAL GOLF CLASSIC

The Mountain States Foundation signature golf event raised over **\$447,400** for Niswonger Children's Hospital.



NISWONGER CHILDREN'S HOSPITAL RADIOTHON

In just its second year, the radiothon raised **\$140,000** for Niswonger Children's Hospital!



SPIRIT GALA

Mountain States Foundation supporters came out on a brisk winter night to enjoy fine wines, dinner and dancing to help raise over **\$232,900** to benefit radiation oncology.



{ONE} SINGULAR SENSATIONAL EVENING {AGAIN}

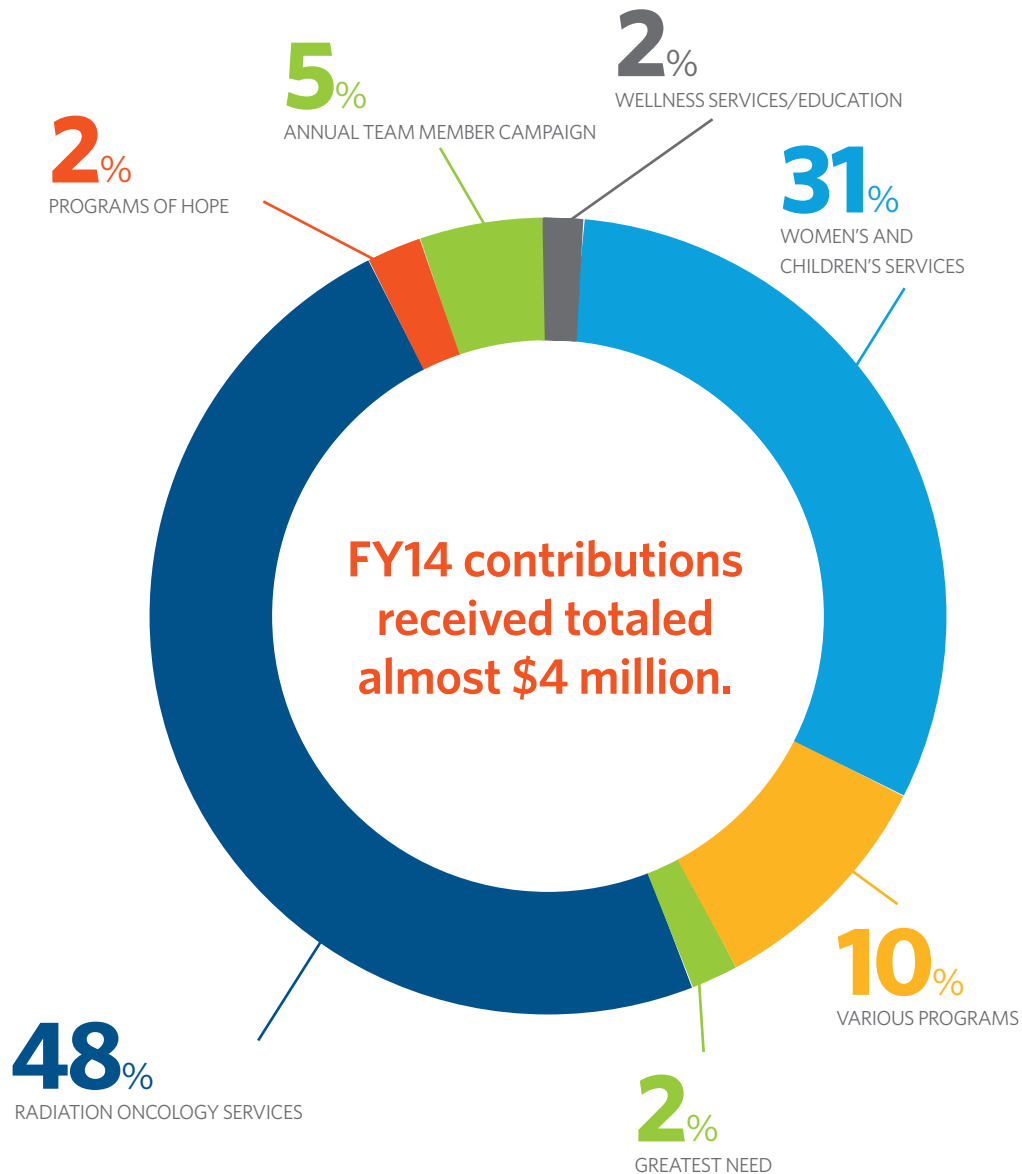
This slice of Broadway came to East Tennessee on April 12, and netted **\$20,000** for Niswonger Children's Hospital.



DRAGON BOAT FESTIVAL

Community teams converged on the water at Winged Deer Park to paddle their boats and raise over **\$87,700** for radiation oncology's linear accelerator.

Mountain States Health Foundation



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Dr. Avery's gracious spirit makes him a real hero to all of us.

Avery Armstrong

At just six years old, Avery Armstrong is known as "Dr. Avery" to the team members at Niswonger Children's Hospital and the St. Jude Tri-Cities Affiliate Clinic. He comes equipped with his doctor's coat, stethoscope and medical record to each appointment. He first became interested in the medical profession when child life specialists used teaching dolls to prepare him for a Hickman line that was surgically inserted for his initial chemotherapy treatments. Since then, Avery has collected medical supplies from unused pieces of supply kits and pediatric oncology team members have even shown him what cancer cells look like under a microscope.

Ever since "Dr. Avery's" leukemia diagnosis on August 6, 2011, he has been coming to the St. Jude Tri-Cities Affiliate Clinic located inside Niswonger Children's Hospital for chemotherapy. The Armstrong family lives in Greeneville, Tenn., and is grateful to have world-class cancer care close to home. His mother, Misty Armstrong, says that it has "meant the world to us to have a St. Jude affiliate just 30 minutes away from home." The team members at Niswonger Children's Hospital are heroes to Avery and his family, but Dr. Avery's gracious spirit makes him a real hero to all of us.

Quality

Excelling in 28 measures of quality equates to saving one additional life every day.

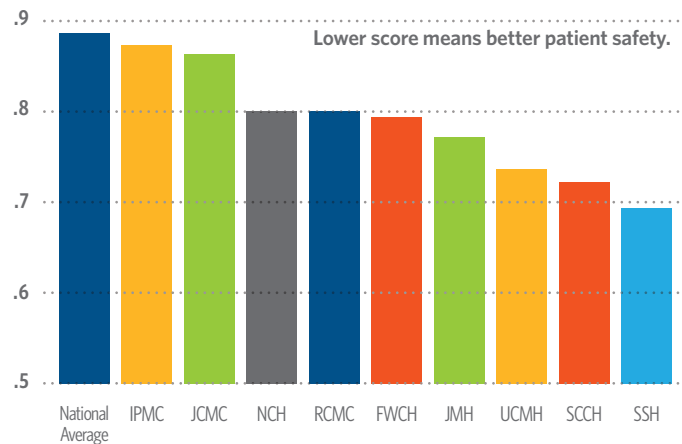
The lives of 365 people who, statistically, were predicted to die from their conditions were saved at MSHA hospitals in 2014.

Mountain States patients experienced fewer errors, injuries, accidents and infections than the national average. A number of MSHA hospitals achieved Top Performer level, a status given to hospitals that deliver high quality care in six clinical areas.

This information comes from published PSI-90 numbers—known by the U.S. Centers for Medicare and Medicaid Services as Patient Safety Rate for Selected Conditions—by Hospital Compare (December 2014).

Mountain States is proud of our record of keeping patients safe from preventable harm and medical errors.

All Mountain States hospitals perform better than the national average in Patient Safety for Selected Conditions*



*SOURCE: HOSPITAL COMPARE, DECEMBER 2014

Building Block: Quality

Exceeding expectations.

It's when we consistently meet our patients' expectations that we deliver a quality product, and when we consistently exceed those expectations that we become a high quality organization. All that requires that we have a consistent process, are diligent about using critical thinking to accomplish our objectives and communicate with our patients because we want them to be part of their own care.

2014 Awards, Recognitions, Certifications

MOUNTAIN STATES HEALTH ALLIANCE

- Healthier Tennessee Workplace by Healthier Tennessee (part of The Governor's Foundation for Health & Wellness)
- HealthCare's Most Wired by *Hospitals & Health Networks*

JOHNSON CITY MEDICAL CENTER

- #8 Best Hospital in Tennessee by *U.S. News & World Report* (high performing in cardiology and heart surgery, gastroenterology and GI surgery, pulmonology, and urology, and among top 10 hospitals in Tennessee in 13 adult specialties)
- One of America's "100 Hospitals and Health Systems with Great Oncology Programs" by *Becker's Hospital Review*
- Surgery Center—Silver certification Leadership in Energy and Environmental Design (LEED) from U.S. Green Building Council

FRANKLIN WOODS COMMUNITY HOSPITAL

- Premier QUEST High-value Healthcare Finalist
- Pharmacy Services—Sylvia Moss Brown Award of Excellence by AEIX
- One of 53 hospitals in the U.S. with Best Outcomes for Pneumonia Patients by *Becker's Hospital Review*

INDIAN PATH MEDICAL CENTER

- Tennessee Center for Patient Safety 39-week award from Tennessee Hospital Association (THA)
- Patient Experience—Press Ganey Guardian of Excellence
- CMS Partnership for Patients Citation of Merit, Premier Partnership for Patients Award (HAC) for early success in reaching goals to reduce Hospital Acquired Conditions
- March of Dimes recognition for reduction of births before 39 weeks to 5% or less
- Premier QUEST High-value Healthcare Finalist

JOHNSON COUNTY COMMUNITY HOSPITAL

- Home Health—Deyta's HHCAPPS Honors recognition

JOHNSTON MEMORIAL HOSPITAL

- Healthgrades Patient Safety Excellence Award
- Diabetes Care Center Diabetes Education Program recognition by American Diabetes Association
- Outpatient Rehabilitation—Outcome Excellence Award from Focus on Therapeutic Outcomes Intersocietal Accreditation Commission
- Cardiac and Pulmonary Rehabilitation—certified by American Association of Cardiovascular and Pulmonary Rehabilitation

NORTON COMMUNITY HOSPITAL

- Virginia Hospital and Healthcare Association & March of Dimes recognition for reduction of births before 39 weeks to 5% or less
- One of 53 hospitals in the U.S. with Best Outcomes for Pneumonia Patients by *Becker's Hospital Review*
- Inpatient Rehab Unit ranked in top 10% nationally (96th percentile in 2014)

RUSSELL COUNTY MEDICAL CENTER

- Home Health—Deyta's HHCAPPS Honors recognition

SMYTH COUNTY COMMUNITY HOSPITAL

- Healthgrades America's 100 Best Hospitals for Prostate Surgery
- Healthgrades Excellence Award in gynecologic surgery, pulmonary care & prostotectomy
- Premier QUEST Top Performing Hospital Excellence Award
- Homecare—Deyta's HHCAPPS Honors Elite recognition

SYCAMORE SHOALS HOSPITAL

- Premier QUEST Top Performing Hospital Excellence Award
- CT and Nuclear Medicine—certified by College of Radiology

UNICOI COUNTY MEMORIAL HOSPITAL

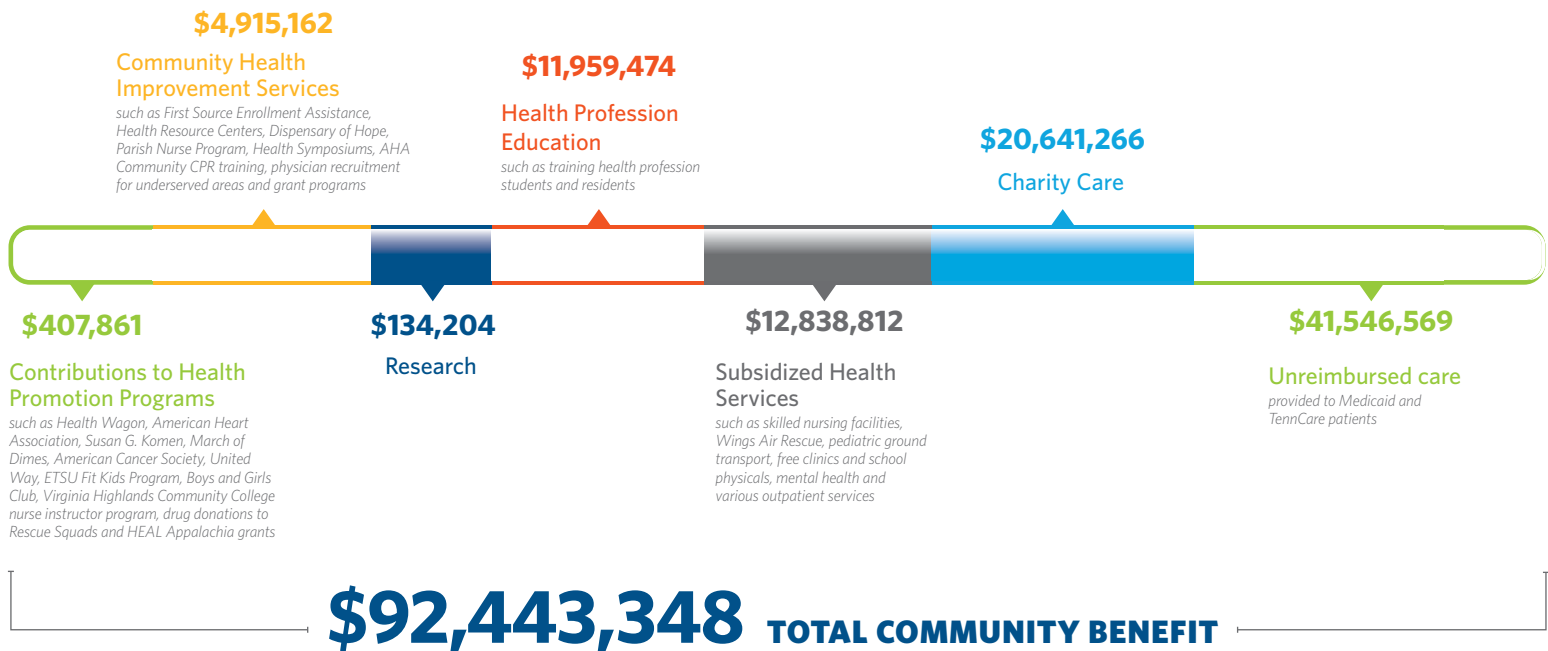
- Lab Services—Joint Commission's Gold Seal of Approval Accreditation
- Mammography department—certified by the American College of Radiology

Community Benefit

The annual economic impact of Mountain States Health Alliance operations exceeds \$1.3 billion, but there are other even more direct ways that the health system supports the communities it serves. Mountain States Health Alliance figures for fiscal year 2013 demonstrate a direct community benefit of more than \$92 million* resulting from the organization's status as a community-based, not-for-profit health system.

"As a not-for-profit health system, our shareholders are the community," said Alan Levine, president and CEO of Mountain States Health Alliance. "It is important for us to be good stewards of these assets, while also ensuring we support the needs of our patients and families who call this region home."

* Total community benefit as reported on the FY13 Forms 990.



Building Block: Finance

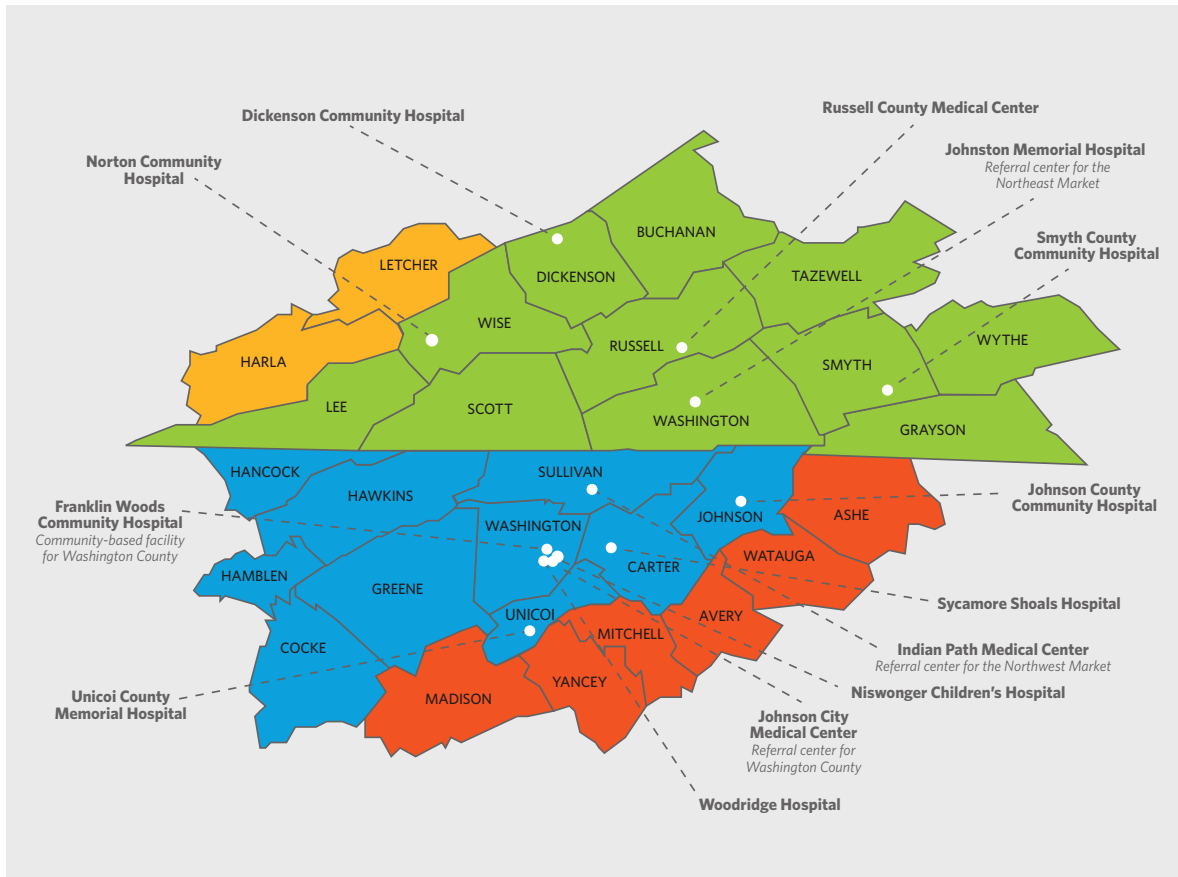
One word: Stewardship

The way to financial success as a health system is to be good stewards of our not-for-profit dollars and the region's healthcare resources entrusted to our care. Financial stability allows us to take care of the health of our community and our patients, and means we can invest in the equipment, technology and facilities needed. Most of all, financial success is the responsibility of every team member.

Our Service Area

Mountain States Health Alliance serves a 29-county service area across four states, including Northeast Tennessee and Southwest Virginia, as well as parts of Kentucky and North Carolina. Ninety eight percent of patients originate from the primary service area with the remaining two percent coming from outside that area.

Mountain States hospitals are organized into four markets across the service area. Johnson City Medical Center functions as a regional tertiary referral center for high acuity services for patients across the entire Mountain States service area.



Building Block: Service

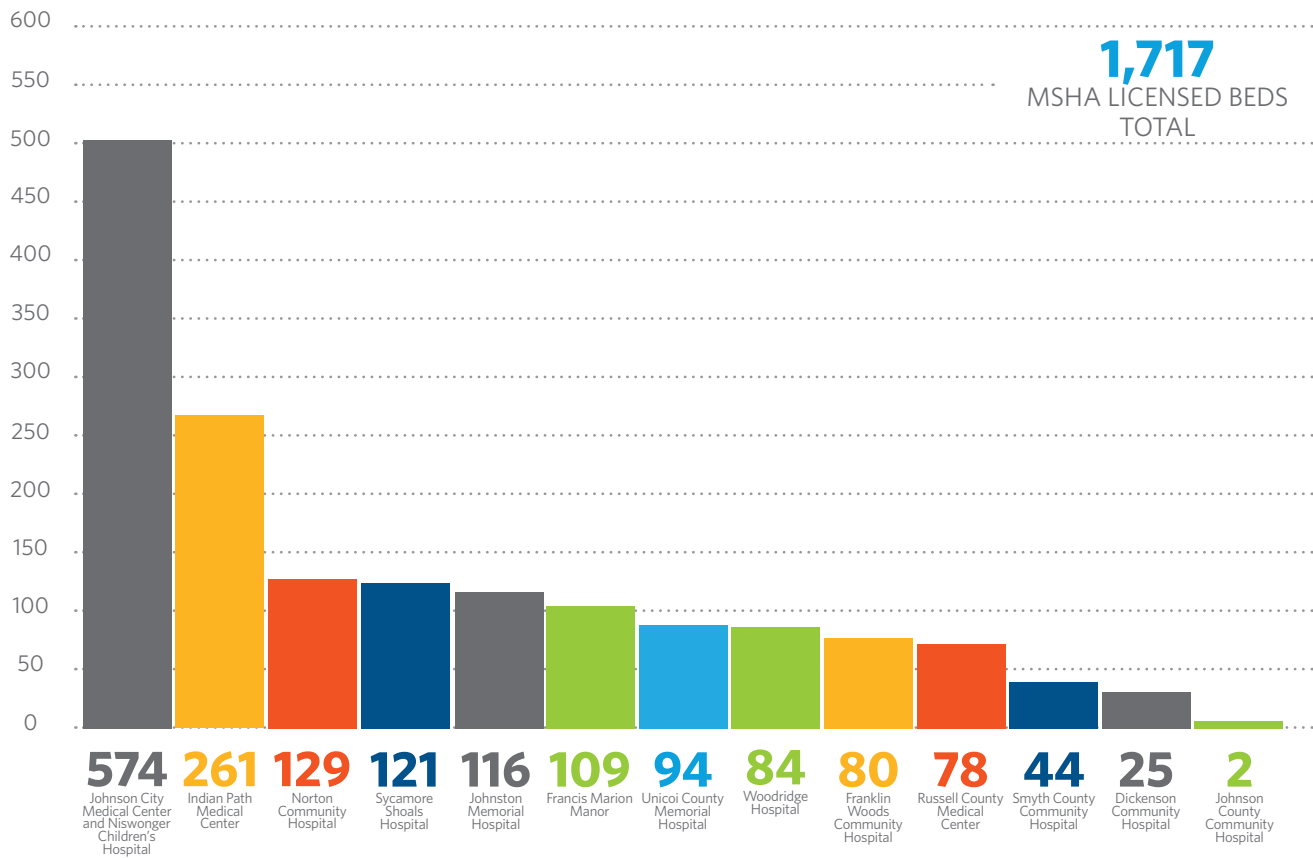
Always patient-first.

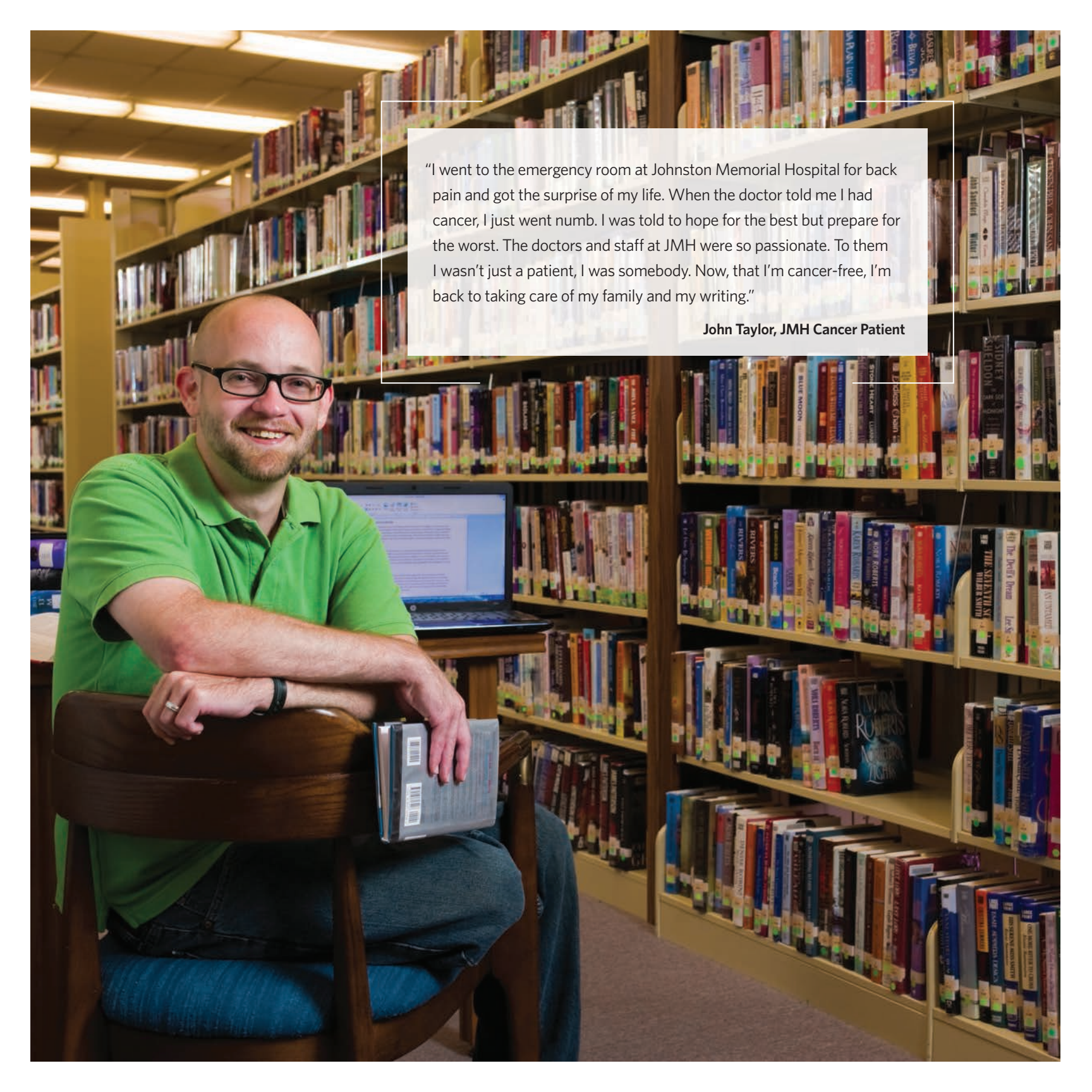
Patients expect clinical excellence from us. It's the patient-centered service surrounding that care that sets us apart. It starts with compassion and communication at every point of care—in our hospitals, physician practices and pharmacies. It involves listening to, educating and comforting our patients—treating each one as if he or she is our only patient. And it concludes by remembering we have the opportunity to touch someone's life every day.

Services Provided by Mountain States Health Alliance

- Airborne Infection Isolation Room
- Alcoholism—Drug Abuse or Dependency Care
- Alcoholism—Drug Abuse or Dependency Outpatient Services
- Ambulance Services
- Ambulatory Surgery Center
- Assisted Living
- Auxiliary
- Bariatric/Weight Control Services
- Birthing Room—LDR Room—LDRP Room
- Blood Donor Center
- Breast Cancer Screening/Mammograms
- Cardiac Catheterization (Diagnostic/Invasive) Adult & Pediatric
- Cardiac Catheterization (Interventional) Adult & Pediatric
- Cardiac Electrophysiology—Adult
- Cardiac Intensive Care
- Cardiac Rehabilitation
- Cardiac Surgery—Adult & Pediatric
- Case Management
- Chaplaincy/Pastoral Care Services
- Chemotherapy
- Children's Wellness Program
- Community Health Education
- Community Outreach
- Complementary & Alternative Medicine Services
- Crisis Prevention
- Dental services
- Diagnostic Imaging—CT Scanner
- Diagnostic Imaging—Diagnostic Radioisotope Facility
- Diagnostic Imaging—Magnetic Resonance Imaging (MRI)
- Diagnostic Imaging—Multislice Spiral Computed Tomography (<64+ slice CT)
- Diagnostic Imaging—Multislice Spiral Computed Tomography (64+ slice CT)
- Diagnostic Imaging—Positron Emission Tomography (PET)
- Diagnostic Imaging—Positron Emission Tomography/CT (PET/CT)
- Diagnostic Imaging—Single Photon Emission Computerized Tomography (SPECT)
- Diagnostic Imaging—Ultrasound
- Emergency Department
- Enabling Services
- Endoscopic Services—Endoscopic Ultrasound
- Endoscopic Services—Ablation of Barrett's Esophagus
- Endoscopic Services—Esophageal Impedance Study
- Endoscopic Services—Endoscopic Retrograde Cholangiopancreatography (ERCP)
- Enrollment Assistance Services
- Extracorporeal Shock Wave Lithotripter (ESWL)
- Fitness Center
- Freestanding Outpatient Care Center
- General Medical—Surgical Care
- Geriatric Services
- Health Fair
- Health Screenings
- Health Research
- Hemodialysis
- HIV-AIDS Services
- Home Health Services
- Hospice Program
- Hospital-based Outpatient Care Center Services
- Immunization Program
- Intermediate Nursing Care
- Linguistic/Translation Services
- Medical Surgical Intensive Care
- Neonatal Intensive Care
- Neonatal Intermediate Care
- Neuro Intensive Care
- Neurological Services
- Nutrition Programs
- Obstetrics—Levels 1 - 3
- Occupational Health Services
- Oncology Services
- Orthopedic Services
- Other Special Care
- Outpatient Surgery
- Pain Management Program
- Palliative Care Program
- Patient Controlled Analgesia (PCA)
- Patient Education Center
- Patient Representative Services
- Pediatric Intensive Care
- Pediatric Medical-Surgical Care
- Physical Rehabilitation
- Physical Rehabilitation Outpatient Services
- Primary Care Department
- Psychiatric Consultation-Liaison Services
- Psychiatric Education Services
- Psychiatric Emergency Services
- Psychiatric Geriatric Services
- Psychiatric Outpatient Services
- Psychiatric Partial Hospitalization Program
- Radiation Therapy—Intensity-Modulated Radiation Therapy (IMRT)
- Radiation Therapy—Shaped Beam Radiation System
- Radiation Therapy—Stereotactic Radiosurgery
- Reproductive Health—Fertility Clinic
- Reproductive Health—Genetic Testing/Counseling
- Retirement Housing
- Skilled Nursing Care
- Sleep Center
- Social Work Services
- Sports Medicine
- Support Groups
- Surgical Trauma Intensive Care
- Swing Bed Services
- Teen Outreach Services
- Tobacco Treatment/Cessation Program
- Transplant Services—Kidney & Tissue
- Transportation to Health Facilities
- Trauma Center—Level 1
- Urgent Care Center
- Volunteer Services Department
- Women's Health Center/Services
- Wound Management Services

MSHA Licensed Beds



A man with a beard and glasses, wearing a bright green polo shirt and blue jeans, is seated in a wooden chair in a library. He is smiling at the camera, with his arms resting on the chair's back. A laptop is open on a table behind him, and his hands are resting on a book. The background is filled with tall bookshelves packed with books. A semi-transparent text box is overlaid on the right side of the image.

"I went to the emergency room at Johnston Memorial Hospital for back pain and got the surprise of my life. When the doctor told me I had cancer, I just went numb. I was told to hope for the best but prepare for the worst. The doctors and staff at JMH were so passionate. To them I wasn't just a patient, I was somebody. Now, that I'm cancer-free, I'm back to taking care of my family and my writing."

John Taylor, JMH Cancer Patient



Unicoi County Memorial Hospital

Mountain States is investing in the healthcare of this rural community with a new facility. Construction will begin in 2016 and, when completed, the new Unicoi County Memorial Hospital will be a full-service community hospital that meets the needs of the people in the area and enhances their care.

The hospital will feature 20 beds, which reflects a nearly 100 percent increase over current use. The design also allows for expected growth. All services available at the current facility will be offered in the new hospital, plus additional services still to be determined.

Other features of the new hospital include two operating rooms/suites, nuclear medicine capability for stress testing and physician office space. Patients will have easy access off I-26 and will be treated to large, private rooms with beautiful mountain views.

The grand opening is scheduled for spring 2018.

Building Block: Growth

It's about more than size.

It's about more than the number of hospitals. Or even the amount of revenue. The sustainability of Mountain States Health Alliance is about realizing that our patients have a choice about where they get care. It's about giving them that care – outstanding care – from our doctors, in our hospitals, at our clinics and in our ER departments. These are the reasons that they'll choose Mountain States. And the reasons why they will want their friends and family members to also entrust their lives with our services, which are always close to home. This level of trust and loyalty isn't given. It's up to us to earn it.

\$1,699,469

CLINICAL WORKFLOW INVESTMENTS
Single Sign-On, System wide (12/1/12 – 8/31/14)

\$64,342,669

SURGICAL SERVICES INVESTMENTS
Laposcopic Towers, Indian Path Medical Center (6/1/14 – 7/31/14)
Olympus Surgical 3D Video System, Johnson City Medical Center (2/1/14 – 9/30/14)
Surgical Navigation System, Johnson City Medical Center (9/1/14 – 12/31/14)
Surgical Tower, Johnson City Medical Center (2/1/10 – 10/28/13)
Olympus Surgical Tower, Kingsport Day Surgery (3/1/14 – 12/31/14)

\$324,771

PULMONOLOGY SERVICES INVESTMENTS
Pulmonology/Intensivist Service Equipment, Johnston Memorial Hospital (3/1/14 – 10/31/14)

\$2,074,000

HOSPITAL RENOVATION INVESTMENTS
Patient Room Renovations, Second Floor, Johnson City Medical Center (4/1/13 – 10/31/14)
Facility Renovations, Francis Marion Manor Health & Rehabilitation (12/1/11 – 12/31/14)

\$1,363,578

DIAGNOSTIC IMAGING INVESTMENTS
Navigational Bronchial Equipment, Indian Path Medical Center (9/1/14 – 12/31/14)
Endoscopic Ultrasound (EUS) for Gastroenterology, Johnson City Medical Center (6/1/14 – 12/31/14)
Portable and Laptop Ultrasound, Johnson City Medical Center (9/1/14 – 10/31/14)

\$199,000

PHARMACY SERVICES INVESTMENTS
McKesson Pharmacy Information System (4/1/14 – 3/1/15)

\$16,030,198

RADIATION ONCOLOGY INVESTMENTS
Radiation Oncology Expansion, Johnson City Medical Center (6/1/11 – in progress)

**FY14 investments
totaled more than
\$86 million.**



Building Block: Innovation

Finding a better way.

For everything we do, there's something that could make it better. Innovation invites us to apply concepts and processes from other industries to healthcare...viewing technology as an investment in better quality and more efficient care...to expand our partnerships and opportunities in research for the benefit of our community. And, once in place, these new applications become the brilliant ideas that keep us moving forward.





MountainStatesHealth.com