

Fiscal 2013 Report to Our Communities

ONE



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ONE Vision



“It’s your life – your story –
that guides the work we
do each and every day.”

Henry DeNarway

J. Arthur Smith, Jr.

It has been said that great opportunity often comes from great challenge. We have embraced that thinking at Wellmont Health System. There have been unprecedented changes in our nation's health care in recent years, and those changes continue. While it's true our horizon isn't as clear as it once was, we've been given a remarkable opportunity to make our system even stronger for the people of our region. And that's exactly what we intend to do.

Drawing from the strength, talents and commitment of our health system's leaders and co-workers, we are reinventing Wellmont from the inside out. The greatest theme for this work is collaboration. Our facilities are sharing best practice in ways they never have before. Our physician leaders are providing insight and guidance for operational and strategic enhancements. We are leaving no stone unturned in our efforts to improve processes and deliver care as efficiently as possible. We are not witnesses to the change and certainly not victims of it; we are active participants.

One of the most vivid reminders of this collaboration is our Epic electronic health record implementation. This is one of the largest projects we have ever pursued, and it touches every single member of our organization – including our patients and their families. Our implementation has now moved from launch to optimization and is being characterized by Epic and our consultants as a world-record effort for speed and effectiveness. It speaks to our ability to manage a remarkable pace of change. It was, if you will, a pressure test for our ability to navigate change in a collaborative environment.

We commend every single member of our organization for this remarkable accomplishment, especially as we consider the scores of other key initiatives we are pursuing at the same time. This report will highlight some of those efforts.

With a better sense than ever of our own strengths and capabilities, we're also evaluating new organizations and resources that can effectively align with us to advance our vision to provide the best health care anywhere. Rooted in the mission, vision and values that guide us, we are seeking ways for Wellmont to gain even greater financial stability, increased access to clinical and technological resources, and more agility to evolve with new paradigms of healthcare delivery. The end result of this endeavor will be a more robust healthcare system for Northeast Tennessee and Southwest Virginia.

Our focus is fixed intently on what we can do to serve our patients, co-workers, physicians and communities better than ever. It's your life – your story – that guides that work each and every day. And we're truly excited about what lies ahead.

Sincerely,



Denny DeNarvaez
President and CEO
Wellmont Health System



T. Arthur "Buddy" Scott Jr.
Chairman of the Board
Wellmont Health System



ONE
Life

Life



“To know even one
life has breathed
easier because you
have lived. This is
to have succeeded.”

Ralph Waldo Emerson

When we talk about reinventing ourselves, it all comes down to one life – yours. This isn't change for the sake of change. It is methodical, purposeful change with the goal of ensuring Wellmont Health System stays strong and able to provide superior, compassionate care to the Tri-Cities and surrounding communities for decades to come.

The evolution occurring in the healthcare industry is extraordinary. From advanced technologies, like heart valves that can be placed without the need for open-heart surgery, to innovative treatments, like medications that are steadily improving cancer survivorship rates, we're experiencing an astounding pace of change. In fact, in the field of cancer therapy alone, there are almost 1,000 new medicines and vaccines currently in development.

Not only are hospitals not immune to these changes, they are part of them. And that's exactly where we at Wellmont want to be – because some of the changes we're seeing mean that many illnesses and injuries aren't nearly as debilitating as they once were. Often, these changes mean you or your loved ones can recover much more quickly and go home much sooner after a hospital stay. In some cases, you don't even have to stay in the hospital at all, though you would have just a few years ago.

This trend of accelerating innovation will only continue, and that's a good thing. So even as we treat, care for and heal you and your family now, we're working to prepare for other changes we're fairly certain are coming – and to build a lasting legacy for your children's children and the generations that follow them.



Life



Life

Healing even the most complex problems with powerful new technologies

Embracing this transformation, the [Wellmont Cancer Institute](#) enhanced its radiation oncology program by adding a Trilogy linear accelerator at [Holston Valley Medical Center](#) in November. Along with the newest advancements in stereotactic radiosurgery, which will come to [Bristol Regional Medical Center](#) in the fall of 2014, and our CyberKnife technology, which we've featured since 2004, the cancer institute will be powerfully equipped to continue treating all forms of cancer, including some of the most complex ones.

These technologies provide the ability to quickly deliver targeted doses of radiation to cancer tumors without damaging the healthy tissues around them. Some radiosurgery patients are surprised to find that, after a few minutes of therapy, they can go on into work, hardly missing a beat.

In heart care, our transcatheter aortic valve replacement – TAVR – program at Holston Valley, now in its second year, is providing a unique, life-saving service to patients who aren't able to undergo open-heart surgery. One of the most active tavr programs in Tennessee, it reflects the ongoing innovation you'll find at the [Wellmont CVA Heart Institute](#) and across Wellmont.

A photograph of a healthcare worker in blue scrubs assisting an elderly man in a wheelchair. The worker is holding the man's arm and the wheelchair handle. They are outdoors, with green foliage and flowers in the background. The word "Life" is overlaid in large white letters on the left side of the image.

Life

Providing a full spectrum of care, even after the hospital stay

Of course, there's much more to health care than the latest technologies. And though it isn't always necessary to keep patients for extended hospital stays, not all patients are able to bounce back from their conditions quickly. This need for care after leaving the hospital led to Wexford House joining the Wellmont family.

In addition to skilled nursing and long-term care, including hospice, this 174-bed facility offers respiratory services, short-term stays and inpatient and outpatient physical therapy, as well as speech and occupational therapy. What Wexford House ultimately does, though, is ease our patients' transitions from one healthcare setting to another, while ensuring the quality of care remains consistently high.

We also have some important new initiatives in place to help ensure, when patients are able to go home, they stay healthy and don't wind up back in the hospital. Through our post-acute care network, we're working with 12 organizations on various initiatives to improve readmission and infection rates, including new home-care programs with Advanced Home Care, as well as new strategies with our rehabilitation partner HealthSouth.

Superior, compassionate care simply doesn't stop when you walk out our doors.

Life



Building a healthier region, one person at a time

To provide truly superior, compassionate care, we can't just start when you walk in our doors. Not only do we want to help you get better when you aren't well, we also want to help you stay healthy to begin with.

Unfortunately, according to many sources, including a report by the Robert Wood Johnson Foundation, most counties in Northeast Tennessee don't rank very well in health outcomes, especially when it comes to potentially preventable diseases. And three Southwest Virginia counties ranked among the five unhealthiest in the commonwealth.

That's why we introduced Wellmont LiveWell. Combining Wellmont's medical strengths and expertise with our regional relationships with businesses and community organizations, LiveWell is designed to champion, lead and sustain healthier communities.

By offering a free health assessment, personalized health information and an extensive health library, we're creating a foundation and momentum for change while helping ensure participants achieve their health milestones – and healthier lifestyles. As LiveWell is helping transform the health of individuals locally, we believe it can transform the overall health of the region itself.

We are also partnering with regional initiatives, as well as organizations like Healthier Tennessee to ensure we are effectively aligning resources to build momentum instead of duplicating efforts. You can learn more and find helpful resources at wellmont.org/LiveWell and healthiertn.com.



ONE
Team



Team

“Individual
commitment to a
group effort – that
is what makes a team
work, a company
work, a society work,
a civilization work.”

Vince Lombardi

By any reasonable measure, Hawkins County resident David Hillard shouldn't have survived. Found in a ditch, where he'd been lying unconscious 14 hours, Hillard went into cardiac arrest while being transported to [Hawkins County Memorial Hospital](#). To say his chances of survival were slim – after 109 minutes without a pulse – would be quite an understatement.

Thankfully, the physicians and nurses at Hawkins County Memorial, along with paramedics of the Hawkins County EMS, just wouldn't count him out. And since they pulled together and didn't give up, David Hillard lived to see another day.

Though it may not seem typical, Hillard's story is typical of one thing: the level of teamwork and collaboration we foster at Wellmont. Because effective, lasting change doesn't happen in a vacuum – and because adapting to the changes we're experiencing in health care is not optional – it's more important than ever we work as one team striving for the same goal.

The good news is we're achieving new levels of physician and co-worker engagement all the time. We're seeing improved cross-facility collaboration and streamlined processes. We're providing a more complete continuum of care for our patients. And through [Wellmont Medical Associates](#) and other physician groups across Wellmont, we're taking seriously the ideal of physician leadership. If we are to succeed in reinventing ourselves, we must tap into the insights and expertise our caregivers bring to the table.

We were saddened to learn before publishing that David Hillard passed away in an unrelated accident recently. Our deep sympathies go to his family.



Team

A photograph of a man and a woman standing on a balcony at night. The man, on the left, is wearing a white short-sleeved shirt and is looking towards the woman. The woman, on the right, is wearing a light-colored dress and a pearl necklace, and she is smiling and clapping her hands. In the background, there are blurred lights and the structure of a building. A large, semi-transparent blue rectangle is overlaid on the left side of the image, containing the word 'Team' in a large, white, serif font.

Team

Nurturing a life-giving partnership within the broader healthcare community

Just as the teamwork of hospital caregivers and emergency medical service providers made the difference for David Hillard, a partnership between Wellmont hospitals and local EMS agencies has made a life-saving difference for hundreds of heart attack victims. Called the [Level One Heart Attack Network](#), or LOHAN, it provides a critical link between hospital caregivers and first responders.

Not only is Wellmont's LOHAN the only program of its kind in our region, it is one of the most comprehensive regional heart attack networks in the country. Through it, area EMS agencies have been equipped with new 12-lead EKG machines, which measure the heart's electrical activity to identify a heart attack, and tools to ensure timely remote communication with our hospitals.

Because of LOHAN, our physicians and care teams know what to expect before a patient ever arrives at the hospital. And we've dramatically lowered heart attack treatment times as a result. This innovative system has even enabled [Holston Valley](#) and [Bristol Regional](#) to restore blood flow to clogged arteries within 15 minutes of arrival, well below the national "gold standard" of 90 minutes – saving heart muscle that might otherwise be permanently damaged.



Team

Bringing services together into a well-coordinated system

As LOHAN bridges the gap between EMS providers and hospitals, we're building bridges at the [Wellmont Cancer Institute](#) as well. The innovative approach to care offered at our breast centers brings together multiple physician specialists and other caregivers, often including a certified genetic counselor, nurse navigator, registered dietitian and others, to design a customized treatment plan for each breast cancer patient.

The team discusses the patient's medical history, imaging studies and other records. It also checks national treatment guidelines, as well as clinical trials that might be beneficial – all to ensure we're providing the most effective treatment available. This is just one of the reasons our centers at [Holston Valley](#) and [Bristol Regional](#) are the only ones in Northeast Tennessee accredited by the American College of Surgeons' National Accreditation Program for Breast Centers.

And the new [Leonard Family Comprehensive Breast Center](#) at Bristol Regional brings services such as digital mammography, ultrasound, biopsy and bone density screening – which were previously spread across multiple locations – together into one comfortable, convenient setting. Along with our breast centers in Kingsport and Johnson City, it helps provide access to superior breast care throughout the Tri-Cities area.

Perhaps best of all, the same collaborative model used by our breast centers is followed throughout the cancer institute, so our other cancer patients receive the same, disciplined level of team-driven care.

Team

Championing a patient-centered approach to care

Teamwork is also the name of the game at [Wellmont Medical Associates](#). The unique twist is that we want to make sure the patient is the key member of that team.

In other organizations, patient care typically takes a disease-centered approach, with most decisions based on the experience of one physician, or of multiple physicians working in relative isolation. In contrast, we embrace a model of patient-centered care that draws on the collective experience of a team of health professionals.

Not to be confused with a nursing home or similar institution, the patient-centered medical home is a practice where the team works together to provide dedicated, well-coordinated primary care. And the medical home model actively involves you and your family in healthcare decisions while being respectful of and responsive to your preferences, needs and values.

Being recognized in 2013 by the National Committee for Quality Assurance Physician Practice Connections as a Level 3 Patient-Centered Medical Home, Wellmont Medical Associates has successfully adopted this innovative team-based, patient-focused approach.



Team

Enhancing care in our rural communities

This same level of collaboration can be found at work elevating the care we're providing within our community hospitals. In fact, between our teams at [Mountain View Regional Medical Center](#) and [Lonesome Pine Hospital](#) in Southwest Virginia and [Hawkins County Memorial](#) and [Hancock County Hospital](#) in Northeast Tennessee, we've made some important operational changes that resulted in \$6 million in savings.

What's even better is these aren't simple cost-cutting measures. These changes are making a difference in patients' lives by improving readmission rates across the community division. Bottom line? More patients are going home from the hospital without having to return later. Just at Hawkins County Memorial, the readmission rate from chronic obstructive pulmonary disease is down 5.4 percent. The rate for heart failure patients is down 3.7 percent.

And the teamwork at Hancock County Hospital resulted in recognition by the National Rural Health Association as one of the top 20 critical access hospitals in the country. The hospital's performance in several areas, including the treatment of pneumonia and heart attack patients, brought this rating out of a group of more than 1,300 hospitals nationwide.



ALL IN
One



One

“We’re all working together; that’s the secret.”

Sam Walton

Fostering truly coordinated patient-centered care sometimes requires radical changes. And to this end, our most significant undertaking in recent memory is the adoption of the Epic electronic health record. After 18 months of intensive development, training and implementation, Epic now covers 140 physician practices and outpatient locations along with all Wellmont hospitals, encompassing more than 1,000 regional physicians and 6,000 staff members.

Part of Epic's beauty is that it replaces multiple medical record and financial systems that weren't fully integrated and couldn't easily communicate with each other before. Now with Epic, having everything – a patient's entire medical history and information, including prescriptions, allergies, test results and more – in one comprehensive system provides tremendous benefits.

With so much now available at their fingertips, caregivers are able to make faster, more effective decisions. No more calls and messages back and forth with other providers trying to find out what tests might have been ordered by other practices or what medications someone is on and why. Having one single medical record for each patient allows unrivaled capabilities for coordinated care management across Wellmont and beyond.



A woman with blonde hair, wearing a green cardigan and blue jeans, is sitting on a light-colored sofa. She is smiling and looking at a laptop on her lap. The background shows a window with curtains and some greenery outside. A large, semi-transparent 'One' is overlaid on the left side of the image.

One

Putting your healthcare story all in one place

For you as a patient, Epic eliminates unnecessary duplication of services and enhances the quality, safety and efficiency of care.

And the new MyWellmont patient portal provides easy and secure online access to your health record. You can now view and actively manage your record, including your test results, care summaries, vaccination history and more – all from a computer or smartphone.

MyWellmont also helps you and your healthcare team to collaborate like never before by allowing you to:

- Send a message to your doctor
- Access your test results
- Request an appointment, as well as see your upcoming appointments
- Review your prescriptions and request refills
- View and pay bills online
- Access medical information for your children and other dependents

To learn more, visit MyWellmont.org.



ONE

Legacy



Legacy

“I want it said of me by those who knew me best, that I always plucked a thistle and planted a flower where I thought a flower would grow.”

Abraham Lincoln

Though we are reinventing Wellmont to meet both the changes happening in health care now and those that are likely coming, one thing will not change: our commitment to providing superior, compassionate care.

This commitment means we help those who are unable to pay for their medical care. It means we support other organizations that share our vision of healthier neighbors – body, mind and spirit – building a healthier region. That we ensure our caregivers and staff members get the training they need to stay at the top of their professions.

Underlying that commitment is also our diligent work to ensure the continuation of superior health care well into the region's future. For these reasons and more, Wellmont provided more than \$85.5 million in benefits back to our communities last year.



Legacy



Legacy

Report Summary

COMMUNITY PROGRAMS AND UNCOMPENSATED CARE

\$83,723,029

FUNDS COMMITTED THROUGH WELLMONT FOUNDATION

\$1,788,988

FISCAL 2013 TOTAL COMMUNITY BENEFIT

\$85,512,017



Uncompensated Care

The delivery of superior, compassionate care doesn't stop with patients who are covered by insurance or who are able to pay their medical expenses out of pocket. For those whose incomes fall within 200 percent of federal poverty guidelines, [Wellmont hospitals](#) provide a full write-off of charges. For the uninsured whose incomes are above that income level, we provide a 60 percent write-off.

Wellmont's physician practices also provide similar discounts. And because Medicare, Medicaid and state programs for indigent patients often do not cover the full costs of care, we receive little or no payment for many of these services.

\$70,050,546

Training and Education for Healthcare Professionals

By investing in the professional development of our co-workers, we're investing in our communities – and the future of health care across the region. For almost 3,400 doctors, nurses, medical students and other caregivers, countless hours have been devoted to enhancing the care we provide through continuing medical education, clinical education and other training programs.

Medical, pharmacy and nursing residents, as well as students, gain practical hands-on experience through our residency programs and internships. And other educational and training opportunities, including many offered through our own Wellmont University, are helping co-workers across the system grow as professionals and leaders.

\$6,782,638

Community Health Education and Outreach

Just as we partner with other organizations to enhance our region's health, we offer many programs of our own to further this goal. Our grief and cancer support groups meet throughout the region. Camp Caterpillar provides much-needed help and hope for children who have lost loved ones. And our pastoral care program helps adults and children alike navigate difficult times.

Through health fairs, free seminars and programs on diabetes, weight loss and other topics, we're helping our neighbors meet many challenges head on. We're also working to detect heart disease, cancer and other health concerns early with free screenings, such as those we provide at the Remote Area Medical clinics.

\$5,966,504

Donations to Community Organizations

There's simply more to good health and wellbeing than what our hospitals and caregivers can provide alone. That's why Wellmont supports numerous community and philanthropic organizations.

Through partnerships with and donations to area United Way agencies, YMCAs, EMS providers, Boys & Girls Clubs and many others, we're making a significant impact – not only on physical health, but mental and spiritual health as well – in communities across Northeast Tennessee and Southwest Virginia. And working with Children's Miracle Network Hospitals, Susan G. Komen for the Cure, the American Cancer Society, the American Heart Association and more, we're making a difference far beyond our facility walls.

\$758,810

Clinical Trials and Research

Some conditions that were once untreatable, even just a few years ago, are not only treatable but beatable now. Advancements in medications and medical procedures can be thanked, in large part, to developments brought about by clinical trials and research.

What many don't realize is that the field of research is not solely the domain of nationally known academic medical centers. At Wellmont, we're at the forefront of these efforts, enrolling 1,606 patients in fiscal 2013 into important new studies and research efforts. [Cancer](#) and [heart patients](#) – even our smallest patients in the neonatal intensive care unit – are reaping the benefits.

\$96,106

Community Benefit Operations and Community- Building Activities

In addition to addressing health problems directly, we're also involved in various efforts to address the underlying causes of many of those health problems. Organizations tackling poverty, crime, environmental and other key issues benefit by tapping into Wellmont's resources and expertise.

Through Remote Area Medical events, our Trauma Nurses Talk Tough program and workforce development activities – to name just a few examples – Wellmont is helping build coalitions, keep area drivers safe on the road, mentoring local high school students, taking on the challenges faced by our local workforce and advocating for the health of our entire region.

\$68,425

Caring for Our Communities

When they aren't healing the sick and injured in our facilities, or providing support in the background to those who do, our co-workers can often be found caring for our communities in other ways. Charitable organizations and community events across the area benefit from the thousands of hours they freely offer.

Add to that the generosity of the many volunteers who assist within our facilities, and the numbers are staggering. In fiscal 2013 alone, co-workers and volunteers contributed 88,446 hours of their own time, giving their energies to greatly enhance and further extend the impact of Wellmont's [healing environment](#).

88,446 volunteer
hours

Meeting the Challenges of the Future

2013 Capital Expenditures

\$8,876,551

Renovations/Infrastructure

Major investments included the [Wellmont Urgent Care](#) location in Kingsport and the opening of new [Wellmont CVA Heart Institute](#) practices in Elizabethton, Tennessee, and Lebanon, Virginia, as well as a Wellmont Medical Associates Pulmonology & Sleep office in Lebanon.

\$34,930,620

Information Technology

Importantly, equipment, software and infrastructure investments related to the Epic electronic health record rollout, including the new [MyWellmont](#) patient portal, accounted for Wellmont's major expenses in this area.

\$11,279,131

Clinical and Administrative Equipment

New equipment and upgrades included a CT scanner at the Wellmont Urgent Care location in Abingdon, Va., fetal monitors and patient beds for the newly renovated Birthing Inn at [Lonesome Pine Hospital](#) and equipment to enhance the short-stay surgery patient care area at [Bristol Regional](#), among many others.

\$5,190,403

Major New Construction

Significant investments included construction of the new [Leonard Family Comprehensive Breast Center](#) at Bristol Regional, a new endoscopy/gastrointestinal suite and a cardiac fast track area at [Holston Valley](#) and a new CT scanner at [Hancock County Hospital](#).

Total

\$60,276,705



ONE
Gift



Gift

“May it be a light
to you in dark
places, when all
other lights go out.”

J.R.R. Tolkien

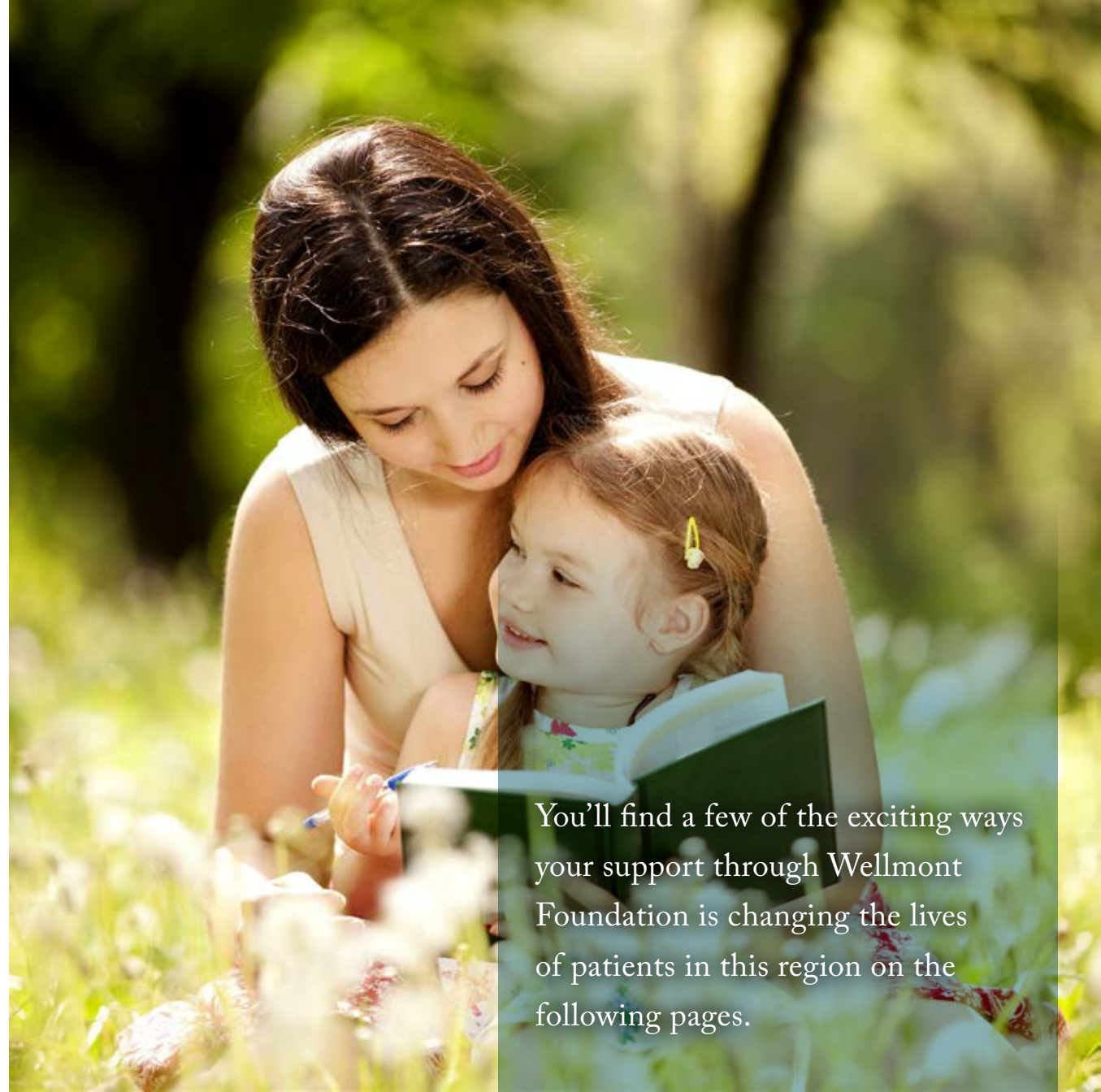
Gifts to Wellmont Foundation from the communities served by our hospitals provide resources to reach beyond limitations and ensure a legacy of excellent care. Generous contributions from individuals, families, businesses, employees, physicians, foundations, estates and other organizations are used every year to purchase better tools, expand services, train people and, ultimately, help our patients.

Your support makes a difference in the lives of patients today and for generations to come. What's more, your generosity also enables strategic initiatives to be brought to fruition and allow us to assist patients in desperate need.

Paying it forward, part of the satisfaction of supporting [Wellmont Foundation](#) is in the unknown impact. Whose loved ones, friends or neighbors – now or in the future – will benefit from your support? Even though we may not hold the hands, know the names or look into the eyes of the patients we help, we are comforted knowing we touched their lives through giving.

Community support of Wellmont Foundation during this year reached a remarkable \$3.5 million in total giving from almost 4,700 contributors, with thousands more contributing anonymously through Children's Miracle Network fundraising avenues like Walmart and the Dance Marathon campaigns.

All of this combines to make one tremendous gift to our community.



You'll find a few of the exciting ways your support through Wellmont Foundation is changing the lives of patients in this region on the following pages.

Women and Children's Care



Support from gifts to women and children's funds helped Wellmont hospitals across the region keep pace with technology improvements by purchasing equipment such as fetal monitors, bassinets, bilirubin lights and birthing beds.

In addition, a renovation project to create the Deborah H. Quillen Birthing Center at [Bristol Regional](#) was launched and will be completed in the coming months. Children's Miracle Network raised more than \$700,000 this year thanks to an extremely successful Walmart fundraising campaign, as well as other exciting events such as Dance Marathon at East Tennessee State University, Miracle Jeans Day, Wellmont and Walmart golf tournaments, concerts and various national sponsor campaigns.

The [Next Generation fundraising campaign](#) recently launched with the goal of raising \$2.5 million to expand, renovate and relocate the neonatal intensive care unit at Holston Valley.

Cancer and Hospice Care



The [Leonard Family Comprehensive Breast Center](#) unveiled this year provides a convenient, consolidated, patient-friendly place for women in our region. At the [Wellmont Hospice House](#), a beautiful healing garden was dedicated, providing families, patients and caregivers alike a place for healing and reflection.

A new event, The Virginian 6.6k Extra Mile Run, was held to raise funds for the [J.D. and Lorraine Nicewonder Cancer Center](#).

And efforts continue to seek funding for cutting-edge stereotactic radiosurgery equipment for Wellmont's cancer centers.

Heart Care



Through community support, leveraged by matching funds from Virginia's Tobacco Indemnification and Community Revitalization Commission, we continue to build the [Level One Heart Attack Network](#). Funds were used to equip emergency medical providers with specialized equipment that allows heart attack victims to receive improved care and outcomes.

Patient Assistance



Contributions from generous employees and community supporters provide a way to help patients whose financial strains inhibit their healing. The Patient Medication Assistance Fund and Cancer Patient Assistance Fund help pay for gas cards, electric bills, non-narcotic prescriptions and other critical needs when patients have nowhere else to turn.

Support from the Tri-Cities affiliate of Susan G. Komen for the Cure to fund [Project Access to Breast Care](#) continues to provide free mammograms for women who cannot afford this important screening.

Other



[Takoma Regional Hospital](#) standardized defibrillators throughout the hospital thanks to support from the Greeneville, Tennessee, community of the Takoma Golf Classic and Amy Grant concert. And in Big Stone Gap, Virginia, community support enabled [Lonesome Pine Hospital](#) to purchase a hyperbaric chamber for treating multiple medical conditions.

[Bristol Regional](#) and [Holston Valley](#) continue to receive support that has allowed the purchase of daVinci robotic surgery systems. Other funding throughout the year was spent on renovations, CARE Channel implementation, medical training equipment, diabetes care, safety initiatives, children's car seats, the Camp Caterpillar grief camp for children and numerous educational programs.

Thank You



Through your generous support of [Wellmont Foundation](#), we are providing patients – both current and future – with equipment, programs and care we can all be very proud of. We look forward to your continued assistance as we strive to reach toward the future as one community dedicated to healthcare excellence.



OUR
Finances

Finances



“Wellmont maintained its financial strength in fiscal 2013 in spite of continuing challenges created by a national climate of healthcare reform and regional responses.”

Alma H. Pope

In spite of continuing challenges created by a national climate of healthcare reform and regional responses, Wellmont maintained its financial strength in fiscal 2013. Among these challenges are the federal sequestration and other reductions in Medicare, reduced inpatient utilization from the implementation of new outpatient-oriented care models and the continuing general shift by Medicare and other payers from the use of inpatient services to observation or outpatient care.

While inpatient volumes declined 5.8 percent from fiscal 2012, observation patient volumes increased 0.5 percent. Other hospital volumes were mixed, with emergency room visits down 6.7 percent. Wellmont's three urgent care centers present a more cost-effective and patient-friendly alternative. Other outpatient volume was up 0.5 percent, though surgeries were down 2.6 percent.

As a result of new obstetricians in our area, newborn deliveries increased 14.3 percent. And due to the ongoing development of [Wellmont Medical Associates](#), the [Wellmont CVA Heart Institute](#) and the [Wellmont Cancer Institute](#), physician office visits increased 17.2 percent.

These activities, as noted above, resulted in a net revenue increase of \$9.8 million from fiscal 2012.

Salaries and benefits increased \$12.9 million from fiscal 2012, primarily driven by physician practice growth and an increase in healthcare benefit costs due to increasing enrollment. Hospital productivity remained flat as compared to fiscal 2012.

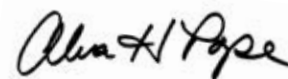
Depreciation increased \$5 million, primarily for information systems necessary to achieve Meaningful Use (the federal Electronic Health Record Incentive Program).

All other expenses increased \$1.5 million for a total expense increase of \$19.4 million. Therefore, income from operations of \$12.9 million was lower than fiscal 2012's \$19.1 million.

Non-operating gains increased \$2.7 million from fiscal 2012, primarily from strong investment performance. Discontinued operations losses and non-controlling interest allocations increased \$1.7 million, due largely to the closure of certain sleep lab operations. Therefore, net income (revenue and gains in excess of expenses and losses) of \$31.4 million was strong but lower than fiscal 2012's \$39.8 million.

Days cash on hand increased as a result of strong investment performance, receipt of federal and state Meaningful Use funds and borrowings associated with the Epic implementation. The debt-to-capitalization ratio improved slightly due to our borrowing discipline. The debt-service coverage ratio dropped slightly due to the net borrowings.

Sincerely,



Alice Pope
Chief financial officer
Wellmont Health System



Finances

Statement of Operations

YEARS ENDED JUNE 30, 2013 AND 2012

(Dollars in thousands)

	2013	2012
Revenues	\$798,223	\$788,379
Expenses		
Salaries and benefits	381,210	368,288
Medical supplies and drugs	163,922	164,350
Purchased services	80,179	78,731
Interest	21,833	21,677
Depreciation and amortization	51,319	46,369
Other	86,816	86,501
Total expenses	785,279	765,916
Income from operations	12,944	22,463
Nonoperating gains (losses)		
Investment income	19,467	17,272
Derivative valuation adjustments	2,356	1,807
Nonoperating gains, net	21,823	19,079
Revenue and gains in excess of expenses and losses before discontinued operations and noncontrolling interests	34,767	41,542
Discontinued operations and noncontrolling interests	(3,395)	(1,722)
Revenue and gains in excess of expenses and losses	\$31,372	\$39,820

Finances

Balance Sheet

JUNE 30, 2013 AND 2012

(Dollars in thousands)

	2013	2012
Assets		
Current assets		
Cash and cash equivalents	\$55,958	\$44,930
Patient accounts receivable	107,029	108,265
Other current assets	50,366	53,501
Total current assets	213,353	206,696
Assets limited as to use, net of current portion	375,709	339,030
Land, buildings and equipment, net	474,730	458,048
Other long-term assets	81,323	92,439
Total assets	<u>\$1,145,115</u>	<u>\$1,096,213</u>
Liabilities and net assets		
Current liabilities	\$112,657	\$114,473
Long-term debt, less current portion	475,946	459,654
Other long-term liabilities	41,567	54,060
Total liabilities	630,170	628,187
Net assets	514,945	468,026
Total liabilities and net assets	<u>\$1,145,115</u>	<u>\$1,096,213</u>



OUR
Accolades

Accolades

A photograph of a man with glasses and a light-colored shirt helping a young child learn to ride a red and white bicycle on a paved path. The child is wearing a blue helmet and an orange shirt. The background shows a grassy area and trees.

“People do not decide to become extraordinary. They decide to accomplish extraordinary things.”

Edmund Hillary

- The American Heart Association's Get with the Guidelines for Heart Failure recognition went to [Holston Valley](#) and [Bristol Regional](#), with both receiving the Gold Achievement Award for having 85 percent or higher adherence to the Get with the Guidelines indicators to improve quality of patient care and outcomes for two straight years.

- BlueCross BlueShield selected Holston Valley and Bristol Regional as Blue Distinction Centers+ for Cardiac Care for expertise and efficiency in delivering specialty care. Both hospitals met overall quality measures for patient safety, outcomes and cost.



- The Society of Thoracic Surgeons gave Holston Valley and Bristol Regional a three-star rating, which denotes the highest level of quality among cardiac surgery programs. Only 12–15 percent of hospitals receive three stars.



- ACTION Registry – Holston Valley and Bristol Regional received Get with the Guidelines Platinum Performance Achievement Awards for maintaining a rate of performance of 90 percent or better for eight consecutive quarters.

- Bristol Regional received Mission: Lifeline Gold recognition for following the American Heart Association's recommended guidelines for treating patients with ST segment elevation myocardial infarction, which is a type of heart attack, within a specific time frame for 24 consecutive months. Holston Valley received Silver level recognition for 12 consecutive months.



- CareChex ranked Holston Valley in the Top 100 in the nation for medical excellence in cardiac care, heart attack treatment and neurological care. Holston Valley also ranked in the Top 10 percent in the nation for patient safety in cardiac care, heart attack treatment, cardiac surgery, coronary bypass surgery and interventional coronary care.



- U.S. News & World Report ranked Holston Valley in Tennessee's Top Three hospitals and was high performing in 11 specialties, including cardiology, cancer and neurology.
- Holston Valley was named by Becker's Hospital Review among the 100 Hospitals with Great Heart Programs.



- CareChex named [Bristol Regional](#) among the Top 100 in the nation for coronary bypass surgery and in the Top 10 percent in the nation for cancer care, cardiac care, coronary-bypass surgery and heart attack treatment.
- Bristol Regional received the Platinum Performance Achievement Award for implementing a higher standard of heart attack care by the American College of Cardiology Foundation.
- The Mission: Lifeline Gold award for superior heart attack treatment has been given to Bristol Regional two years in a row by the American Heart Association.
- The Gold Plus Achievement Award for quality stroke care has also been awarded to Bristol Regional two years in a row by the American Heart Association and American Stroke Association.
- Bristol Regional received the Resuscitation Bronze Quality Achievement Award for cardiac arrest treatment by the American Heart Association.
- [Holston Valley](#) and Bristol Regional were each designated by BlueCross BlueShield a Blue Distinction Center+ for Knee and Hip Replacement and a Blue Distinction Center for Spine Surgery.



- [Hawkins County Memorial](#) was recognized by Becker's Spine Review in 2013 as one of the 49 cleanest hospitals in the United States.
- Hawkins County Memorial achieved a Top 10 percent in the nation rating for patient satisfaction in overall hospital, medical and surgical care for 2013 by CareChex.
- The Joint Commission reaccredited Hawkins County Memorial, its outpatient infusion center and physical therapy department for three years and extended the accreditation for [Mountain View Regional](#) and the Medicare/Medicaid Long-Term Care unit, which are departments of [Lonesome Pine](#).
- The Bridges to Excellence Award was awarded to the [Wellmont CVA Heart Institute](#) for meeting rigorous thresholds established by the American College of Cardiology. This shows a commitment to providing safe, effective, high quality care through clinical, structural and professional metrics.





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