

Overview 2016





Catholic Health Initiatives

Imagine better health.SM

Mission

The Mission of Catholic Health Initiatives is to nurture the healing ministry of the Church, supported by education and research. Fidelity to the Gospel urges us to emphasize human dignity and social justice as we create healthier communities.

Vision

As a ministry of the Catholic Church, we will lead the transformation of health care to achieve optimal health and well-being for the individuals and communities we serve, especially those who are poor and vulnerable.



Core Values

Reverence: Profound respect and awe for all of creation, the foundation that shapes spirituality, our relationships with others and our journey to God.

Integrity: Moral wholeness, soundness, fidelity, trust, truthfulness in all we do.

Compassion: Solidarity with one another, capacity to enter into another's joy and sorrow.

Excellence: Preeminent performance, becoming the benchmark, putting forth our personal and professional best.

Core Strategies

Vibrant Ministry

We will be leaders and stewards in growing, living and transforming the ministry of Catholic health care.

Energized Community

We will build and energize relationships with employees, clinicians, consumers and partners to strengthen our communities.

Exceptional Care

We will come together as a system to engage clinicians and align resources to assure the delivery of exceptional care.

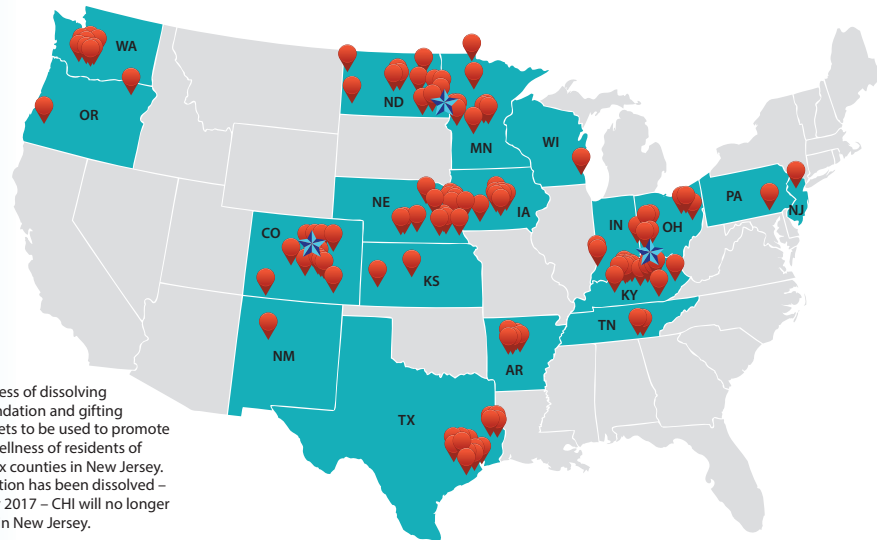
Distinctive Value

We will transform our health delivery models to offer distinctive value, based on access, quality, safety, service and cost.

At a Glance

Fiscal year 2016 statistics

Our Scope



CHI is in the process of dissolving Saint Clare's Foundation and gifting its remaining assets to be used to promote the health and wellness of residents of Morris and Sussex counties in New Jersey. Once the foundation has been dissolved – expected in early 2017 – CHI will no longer have a presence in New Jersey.

Operations in 18 States



104 hospitals, including:



4 academic health centers and major teaching hospitals



30 critical access hospitals



2 community health services organizations



22 long-term care facilities



55 home health services locations



12 clinically integrated networks



Care Interactions



Physician and advanced practice
clinician visits:

10.4 million



Acute care admissions:

525,234



Outpatient emergency visits:

2.1 million



Outpatient
non-emergency
visits:

5.9 million



Home visits:

1.1 million





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Financial Highlights

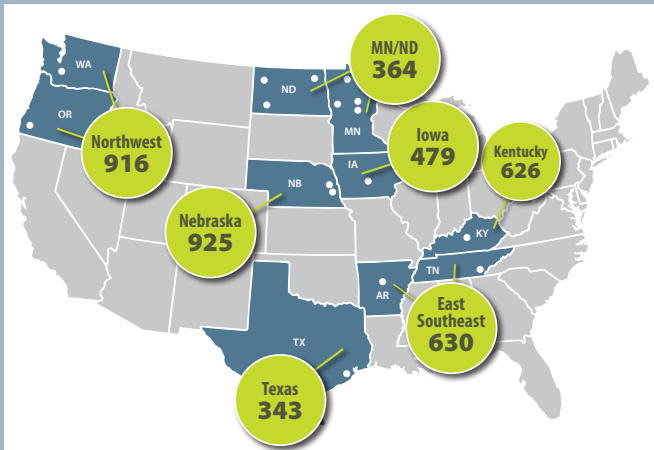


\$23.0 billion
in assets

\$15.9 billion
in total annual
operating revenues

Employee Community

More than 90,000 employees
including approximately 4,300 employed
physicians and advanced practice clinicians



Employed providers
by region

Physicians account
for 61% of total
provider types

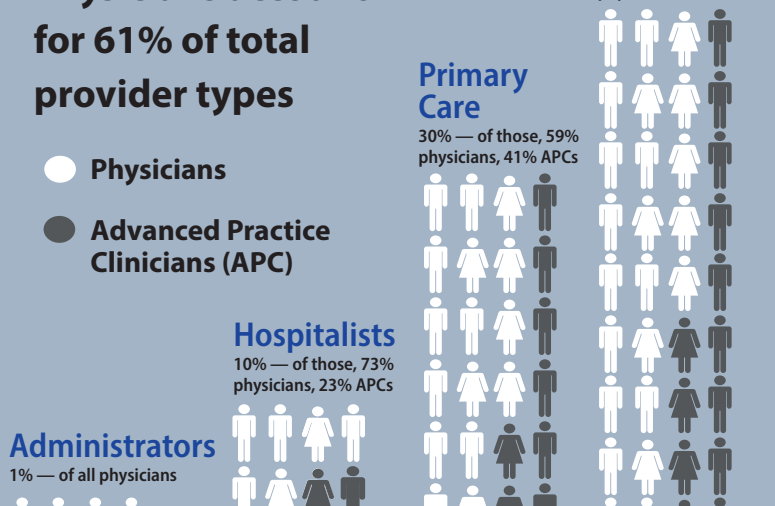
- Physicians
- Advanced Practice Clinicians (APC)

Administrators
1% — of all physicians

Hospitalists
10% — of those, 73%
physicians, 23% APCs

Primary
Care
30% — of those, 59%
physicians, 41% APCs

Specialists
59% — of those, 61%
physicians, 39% APCs



\$2 billion
in community benefit and
financial assistance provided
to our communities, including
the unpaid costs of Medicare



Community benefit includes the cost of supplies and labor to meet community health needs, provide public health education, and provide care for people who can't afford to pay or whose health insurance doesn't cover the full cost of their care.

Healthy Communities

Direct Community Investment Program:
\$58.3 million
in loans to community-based programs.

\$\$\$

Mission and Ministry Fund:

During the past 20 years, the Mission and Ministry Fund has awarded 483 grants totalling more than \$74 million.

\$10.9 million in grants in 2016 to build healthy communities in the U.S. and around the globe.



International Ministries:

Building healthy communities with our brothers and sisters in Vietnam, Belize, Tanzania, the Philippines, Jamaica, Peru, Haiti and more.

United Against Violence:

\$17 million in grants allocated to eradicate violence in the communities we serve.

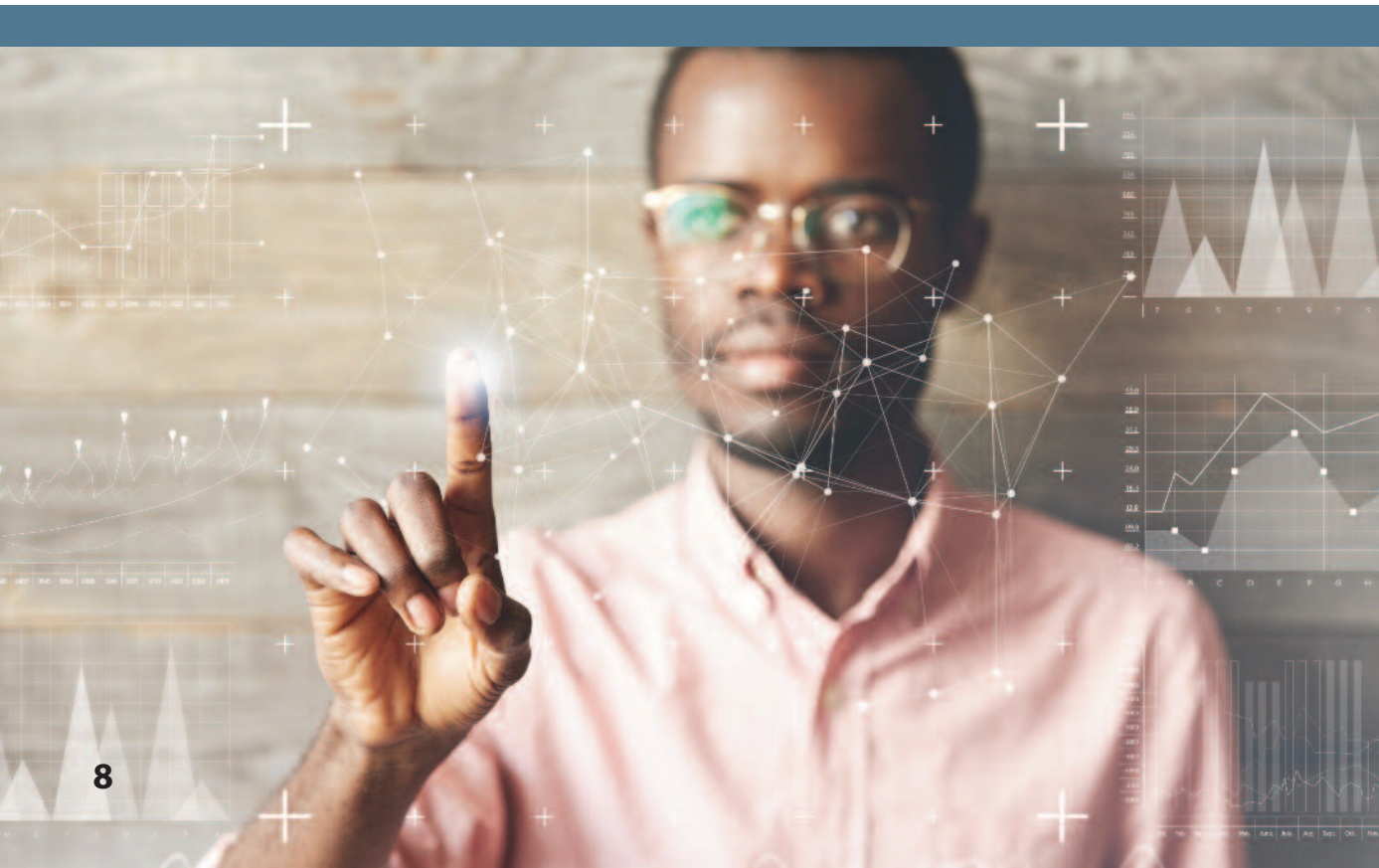


2016 was a challenging year for CHI, as it was for other health systems that are struggling with decreased utilization, decreased payments and fundamental changes in the way we do business.

CHI's financial performance last year was not where it needs to be. Lower patient volumes, higher labor costs, increased pharmacy prices and reduced reimbursement for Medicare and Medicaid all contributed to CHI's annual results.

In the face of these challenging circumstances, however, our mission has not wavered. Last year, our charity care and community benefit grew by 13% over the previous year, to \$1.1 billion. Including the unpaid costs of Medicare, the total figure reached just over \$2 billion – a nearly 25% increase over the 2015 fiscal year.

We remain optimistic about our future – due in part to our solid balance sheet and far-reaching performance improvement plan to strengthen our health networks and continue to enhance the care we deliver to our patients.

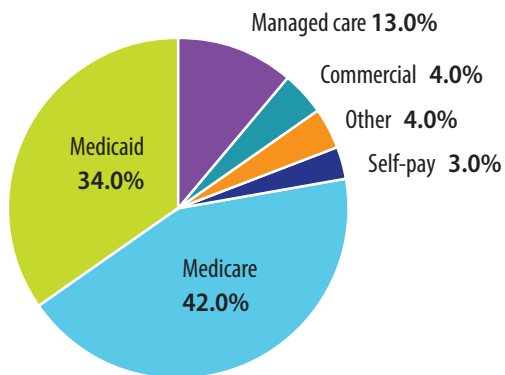




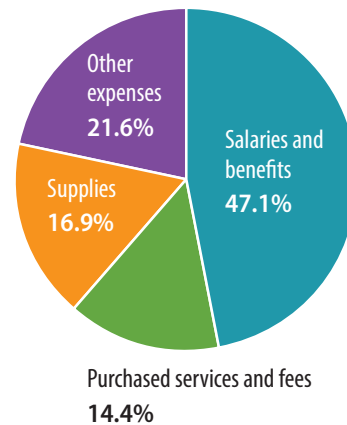
Employee Community

Our employee community is more than 90,000 colleagues – including 4,300 employed physicians and advanced practice clinicians – working in 18 states. They earned more than \$7.7 billion in salaries, wages and benefits while serving our patients, residents and communities.

Payer Revenue Mix



Expense Distribution



Statistical Highlights

<i>Fiscal year ended June 30, 2016</i>	2016	2015
Acute inpatient days	2,531,936	2,432,737
Acute admissions	525,234	503,285
Acute average length of stay, in days	4.8	4.8
Outpatient emergency visits	2,104,395	2,014,383
Outpatient non-emergency visits	5,916,161	5,206,205
Physician visits	10,388,816	9,422,024
Residential days	751,072	680,762
Long-term care days	503,450	454,760
Full-time equivalent employees	82,673	80,790
Employees	100,316	95,851
Acute inpatient revenues as a percentage of total	44.8%	44.6%



Summary Statement of Operations

(in 000s) For the year ended June 30, 2016

Operating Revenue	\$ 15,942,506
Salaries and benefits	\$ 7,731,942
Purchased services	2,372,906
Patient care supply expenses	2,783,100
Other expenses	3,537,874
Total Operating Expense	\$ 16,425,822
(Loss) Income from operations	\$ (483,316)
Total nonoperating (losses) gains	\$ (216,112)
Net (Loss) Income	\$ (699,428)

Summary Balance Sheet

(in 000s) On June 30, 2016

Property and Equipment, Net	\$ 9,452,010
Cash and investments	\$ 7,926,423
Other assets	5,280,697
Total Assets	\$ 22,659,130
Long-term debt	\$ 9,057,274
Other liabilities	\$ 6,154,760
Net assets	\$ 7,447,096
Total Liabilities and Net Assets	\$ 22,659,130

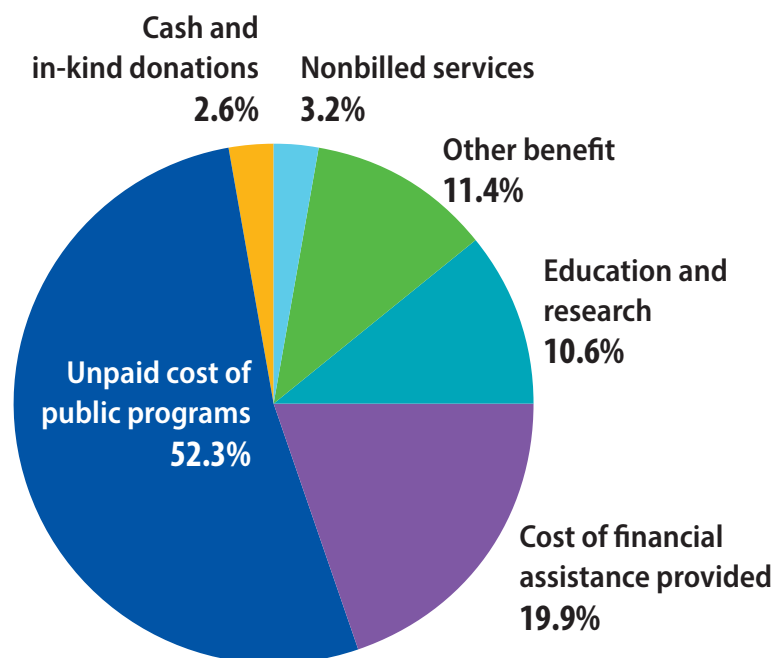


Community Benefit

Community benefit is one way we continue the legacy of our founding organizations and our commitment to human dignity and social justice.

At CHI, community benefit takes many forms in many settings. In our facilities, we provide care at no or reduced charge to people who don't have health insurance and can't afford to pay, or whose insurance doesn't cover the full cost of their care. In our communities, we provide a variety of free or discounted services to individuals and groups of people who are poor, disadvantaged, or have special needs.

During fiscal year 2016, we provided a total of \$1.1 billion in community benefit and financial assistance, an increase of almost 13% from fiscal year 2015. This includes the cost of supplies and labor related to free clinics, donations and other services provided to people who are poor and to meet community needs. The total also includes the cost of services in excess of reimbursement for Medicaid patients, but not the unpaid costs of the Medicare program. Including the unpaid costs of Medicare, the total figure reaches just over \$2 billion — a nearly 25% increase over the 2015 fiscal year.



Communities of Care

As of December 2016

Arkansas

Arkansas Health Network – Clinically Integrated Network*

CHI St. Vincent, Little Rock

Chad S. Aduddell, CEO

CHI St. Vincent Hot Springs, Hot Springs

CHI St. Vincent Infirmiry, Little Rock

CHI St. Vincent Morrilton, Morrilton

CHI St. Vincent North, Sherwood

CHI St. Vincent Rehabilitation Hospital, Sherwood

Colorado

Centura Health, Englewood

Centura Health is a joint operating agreement between Catholic Health Initiatives and Adventist Health System Sunbelt Healthcare Corporation, Florida.

Gary Campbell, FACHE, President and CEO

Mercy Regional Medical Center, Durango

OrthoColorado Hospital, Lakewood

Penrose-St. Francis Health Services, Colorado Springs

Penrose Hospital, Colorado Springs

St. Francis Medical Center, Colorado Springs

Progressive Care Center, Canon City

St. Anthony Hospital, Lakewood

St. Anthony North Hospital, Westminster

St. Anthony Summit Medical Center, Frisco

St. Catherine Hospital, Garden City, KS

Bob Wilson Memorial Grant Hospital, Ulysses, KS

St. Mary-Corwin Medical Center, Pueblo

St. Thomas More Hospital, Canon City

Part of CHI Living Communities, Toledo, OH:

Medalion Retirement Community, Colorado Springs

Namaste Alzheimer Center, Colorado Springs

The Gardens at St. Elizabeth, Denver

The Villas at Sunny Acres, Thornton

CHI Institute for Research and Innovation, Englewood

CHI Clinical Research supports CHI as a learning health care organization to empower knowledge that translates to advanced capabilities in evidence-based care, personalized medicine, innovative and cutting edge therapeutic clinical trials and data management capabilities.

Dax Kurbegov, MD, Senior Vice President

CHI Physician Services, Englewood

Colorado Health Neighborhoods – Clinically Integrated Network*

QualChoice Health, Englewood

Indiana

CHI Health at Home

Daniel Dietz, President and CEO

Iowa

Mercy Health Network – Clinically Integrated Network*

Mercy Health Network, Des Moines

Mercy Health Network is a joint operating organization created by Catholic Health Initiatives and Trinity Health, Livonia, Michigan.

David H. Vellinga, CEO and Senior Vice President, Divisional Operations, Catholic Health Initiatives

Mercy Clinics, Inc., Des Moines

Mercy College of Health Sciences, Des Moines

Mercy Franklin Center, Des Moines

Mercy Medical Center-Des Moines, Des Moines

Skiff Medical Center, Newton

Mercy Medical Center-Centerville, Centerville

Mercy Medical Center-West Lakes, West Des Moines

Mercy Park Apartments, Des Moines

Part of CHI Health, Omaha, NE:

CHI Health Mercy Corning, Corning

CHI Health Mercy Council Bluffs, Council Bluffs

CHI Health Missouri Valley, Missouri Valley

Kansas

Part of Centura Health, Englewood, CO:

St. Catherine Hospital, Garden City

St. Rose Ambulatory & Surgery Center, Great Bend

Kentucky

KentuckyOne Health, Louisville

KentuckyOne Health is the merged entity of the former Jewish Hospital & St. Mary's HealthCare and Saint Joseph Health System, with an operating agreement for the University of Louisville Hospital | James Graham Brown Cancer Center.

Ruth Brinkley, President and CEO and Senior Vice President, Divisional Operations, Catholic Health Initiatives

Continuing Care Hospital, Inc., Lexington

Flaget Memorial Hospital, Bardstown

Frazier Rehab and Neuroscience Center, Louisville

Jewish Hospital, Louisville

Jewish Hospital Rudd Heart and Lung Center, Louisville

Jewish Hospital Shelbyville, Shelbyville

**A Clinically Integrated Network (CIN) coordinates patient care, services and payment across a broad spectrum of functions, processes and settings in order to maximize value. A CIN is a legal structure with shared provider governance and an integrated delivery system.*



Catholic Health Initiatives

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Medical Center Jewish East, Louisville

Medical Center Jewish Northeast, Louisville

Medical Center Jewish South, Louisville

Medical Center Jewish Southwest, Louisville

KentuckyOne Health Medical Group, Louisville

Our Lady of Peace, Louisville

Saint Joseph Berea, Berea

Saint Joseph East, Lexington

Women's Hospital Saint Joseph East, Lexington

Saint Joseph Hospital, Lexington

Saint Joseph Jessamine RJ Corman Ambulatory Care Center, Nicholasville

Saint Joseph London, London

Saint Joseph Martin, Martin

Saint Joseph Mount Sterling, Mount Sterling

Sts. Mary & Elizabeth Hospital, Louisville

University of Louisville Hospital | James Graham Brown Cancer Center, Louisville

University of Louisville Hospital, Louisville

KentuckyOne Health Partners – Clinically Integrated Network*

Part of CHI Living Communities, Toledo, OH:

Madonna Manor, Villa Hills

Minnesota

CHI LakeWood Health, Baudette

Ben Koppelman, Interim President

CHI St. Francis Health, Breckenridge

David A. Nelson, President and CEO

CHI St. Francis Health St. Francis Medical Center, Breckenridge

CHI St. Francis Health St. Francis Home, Breckenridge

CHI St. Francis Health Appletree Court, Breckenridge

CHI St. Joseph's Health, Park Rapids

Ben Koppelman, President

CHI St. Gabriel's Health, Little Falls

Lee M. Boyles, President

CHI St. Gabriel's Health Alverna Apartments, Little Falls

CHI St. Gabriel's Health St. Camillus Place, Little Falls

CHI St. Gabriel's Health St. Gabriel's Hospital, Little Falls

Nebraska

CHI Health

Cliff Robertson, MD, CEO and Senior Vice President, Divisional Operations, Catholic Health Initiatives

CHI Health ALEGENT Creighton Clinic, Omaha

CHI Health Bergan Mercy, Omaha

CHI Health Creighton University Medical Center, Omaha

CHI Health Good Samaritan, Kearney

Richard Young Behavioral Health Center, Kearney

CHI Health Immanuel, Omaha

CHI Health Lakeside, Omaha

CHI Health Mercy Corning, Corning, IA

CHI Health Mercy Council Bluffs, Council Bluffs, IA

CHI Health Midlands, Papillion

CHI Health Missouri Valley, Missouri Valley, IA

CHI Health Nebraska Heart, Lincoln

CHI Health Plainview, Plainview

CHI Health Schuyler, Schuyler

CHI Health St. Elizabeth, Lincoln

CHI Health St. Francis, Grand Island

CHI Health St. Mary's, Nebraska City

Lasting Hope Recovery Center, Omaha

Nebraska Spine Hospital, Omaha

The Physician Network, Lincoln

UniNet – Clinically Integrated Network*

New Mexico

CHI St. Joseph's Children, Albuquerque

Allen Sánchez, President and CEO

North Dakota

CHI Carrington Health, Carrington

Mariann Doeling, RN, President

CHI Friendship, Fargo

Jeff L. Pederson, President

CHI Lisbon Health, Lisbon

Peggy Larson, President

CHI Health at Home, Fargo

Sue Heitkamp, Executive Director

CHI Mercy Health, Valley City

Keith Heuser, President

CHI Mercy Hospital, Devils Lake

Andrew Lankowicz, President

CHI Mercy Medical Center, Williston

Matthew Grimshaw, President

CHI Oakes Hospital, Oakes

Rebecca L. Thompson, President

CHI Riverview Place, Fargo

Jeff L. Pederson, President

CHI St. Alexius Health, Bismarck

Kurt Schley, Market CEO and President

CHI St. Alexius Health Community Memorial Hospital, Turtle Lake

CHI St. Alexius Health Garrison Memorial Hospital, Garrison

CHI St. Alexius Health St. Alexius Medical Center, Bismarck

CHI St. Alexius Health Clinics, Bismarck

CHI St. Joseph's Health, Dickinson

Reed Reyman, President

North Dakota Clinically Integrated Network*

Communities of Care

Ohio

CHI Health at Home, Milford

Daniel Dietz, President and CEO

Premier Health, Dayton

Premier Health is a joint operating agreement between Catholic Health Initiatives and MedAmerica Health Systems Corporation, Atrium Health System and Upper Valley Medical Center.

James R. Pancoast, President and CEO

Dayton Heart & Vascular Hospital at Good Samaritan, Dayton

Good Samaritan Hospital, Dayton

CHI Living Communities

Rick Ryan, President and CEO

Bishop Drumm Retirement Center, Johnston, Iowa

Franciscan Care Center, Toledo

Madonna Manor, Villa Hills, KY

Medalion Retirement Community, Colorado Springs, CO

Namaste Alzheimer Center, Colorado Springs, CO

Providence Care Center, Sandusky

St. Clare Commons, Perrysburg

St. Leonard, Centerville

The Gardens at St. Elizabeth, Denver, CO

The Villas at Sunny Acres, Thornton, CO

Trinity Health System, Steubenville

Joseph Tasse, Interim CEO

Trinity Hospital Twin City, Dennison

Trinity Medical Center-East, Steubenville

Trinity Medical Center-West, Steubenville

TriHealth, Cincinnati

TriHealth is a joint operating agreement between Catholic Health Initiatives and Bethesda, Inc. Cincinnati.

Mark Clement, President and CEO

Good Samaritan College of Nursing and Health Sciences, Cincinnati

Good Samaritan Hospital, Cincinnati

TriHealth – Clinically Integrated Network*

Oregon

Archtrave Health – Clinically Integrated Network*

CHI Mercy Health, Roseburg

Kelly C. Morgan, President and CEO

CHI Mercy Health Linus Oakes, Inc., Roseburg

CHI Mercy Health Mercy Medical Center, Roseburg

CHI St. Anthony Hospital, Pendleton

Harold Geller, President

Pennsylvania

CHI St. Joseph Children's Health, Lancaster

Philip K. Goropoulos, President

Tennessee

CHI Memorial, Chattanooga

Larry Schumacher, President and CEO, and Senior Vice President, Divisional Operations, Southeast Division, Catholic Health Initiatives

CHI Memorial Hospital, Chattanooga

CHI Memorial Hospital Hixson, Hixson

Mission HealthCare Network – Clinically Integrated Network*

Texas

Michael Covert, CEO and Senior Vice President, Divisional Operations, Catholic Health Initiatives

CHI St. Joseph Health, Bryan

Rick Napper, President and CEO

CHI St. Joseph Health Bellville Hospital, Bellville

CHI St. Joseph Health Burleson Hospital, Caldwell

CHI St. Joseph Health Skilled Nursing and Rehabilitation Center Burleson, Caldwell

CHI St. Joseph Health Grimes Hospital, Navasota

CHI St. Joseph Health Madison Hospital, Madisonville

CHI St. Joseph Health Skilled Nursing and Rehabilitation Center, Bryan

CHI St. Joseph Health Regional Hospital, Bryan

CHI St. Luke's Health, Houston

Michael Covert, CEO and Senior Vice President, Divisional Operations, Catholic Health Initiatives

Brazosport Regional Health System, Lake Jackson

CHI St. Luke's Health Baylor St. Luke's Medical Center, Houston

CHI St. Luke's Health Baylor St. Luke's Medical Center is a joint operating agreement between Catholic Health Initiatives and Baylor College of Medicine, Houston

CHI St. Luke's Health Hospital at The Vintage, Houston

CHI St. Luke's Health Lakeside Hospital, The Woodlands

CHI St. Luke's Health Patients Medical Center, Pasadena

CHI St. Luke's Health Sugar Land Hospital, Sugar Land

CHI St. Luke's Health The Woodlands Hospital, The Woodlands

CHI St. Luke's Health Springwoods Village, Spring

CHI St. Luke's Health Memorial, Lufkin

Monte Bostwick, Market President

CHI St. Luke's Health Memorial Medical Center-Livingston, Livingston

CHI St. Luke's Health Memorial Medical Center-Lufkin, Lufkin



CHI St. Luke's Health Memorial Medical Center-San Augustine, San Augustine

CHI St. Luke's Health Memorial Specialty Hospital, Lufkin

St. Luke's Health – Clinically Integrated Network*

Washington

CHI Franciscan Health, Tacoma

Ketul J. Patel, CEO and Senior Vice President, Divisional Operations, Catholic Health Initiatives

CHI Franciscan Health Medical Group, Tacoma

CHI Franciscan Health Harrison Medical Center-Bremerton, Bremerton

CHI Franciscan Health Harrison Medical Center-Silverdale, Silverdale

CHI Franciscan Health Highline Medical Center, Burien

CHI Franciscan Health Regional Hospital for Respiratory and Complex Care, Burien

CHI Franciscan Health St. Anthony Hospital, Gig Harbor

CHI Franciscan Health St. Clare Hospital, Lakewood

CHI Franciscan Health St. Elizabeth Hospital, Enumclaw

CHI Franciscan Health St. Francis Hospital, Federal Way

CHI Franciscan Health St. Joseph Medical Center, Tacoma

Rainier Health Network – Clinically Integrated Network*

Wisconsin

CHI Franciscan Villa, South Milwaukee

Char Adams, President

National Offices

Englewood

Home Office
198 Inverness Drive West
Englewood, CO 80112
303.298.9100

Meridian

11045 East Lansing Circle
Englewood, CO 80112-5909
720.875.7100

Fargo

4816 Amber Valley Parkway
Suite 100
Fargo, ND 58104
701.237.8100

Northern Kentucky

3900 Olympic Boulevard
Suite 400
Erlanger, KY 41018-1099
859.594.3000



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