Dear Friends and Colleagues,

2014 marked a milestone for health care in the United States as it was the first year uninsured Americans could enroll in health exchanges under the Affordable Care Act. As more people access health care, Hospital Sisters Health System continues to enhance the reliability and value of care we provide to our patients while keeping focused on the unique needs of each individual we have the privilege of serving.

In this annual report, we highlight some of the ways we are serving our patients and their families through our high quality, Franciscan health care ministry. Our accomplishments this past year include implementing new programs to restore health to our patients, updating the environments in which we heal, increasing the effectiveness and efficiency for how we deliver care, and working collaboratively with others to improve the health status of our communities.

Our accomplishments all have one thing in common: they were achieved so we could better serve the individual who comes to us for help at a vulnerable time in his or her life. Whether it’s a process improvement initiative in the Emergency Room, online access to medical records, a multi-million dollar renovation project, or a training program for Spiritual Care colleagues, the goal is to ensure each patient we encounter has the best experience during their care and the optimal outcome for their health.

To that end, our colleagues and physician partners embrace the patient experience. We are no longer content to focus on improving patient satisfaction. While we continuously strive to exceed our patients’ expectations during their time with us, we also seek to get them actively involved in the care they are receiving at our hospitals and clinics. As we live out our Core Values of Respect, Care, Competence and Joy, we engage our patients so that we can better understand their perspective, their unique needs, and their anxiety and fears.

As we continue our healing ministry, we look to the example of our patron saint, St. Francis of Assisi, who cared for lepers and the sick with a smile on his face and the love of Christ in his heart. The care he provided was a sacred bond with that patient that we seek to emulate.

On behalf of the Hospital Sisters Health System family, we are grateful for the opportunity to serve our patients, their families and our communities in the healing tradition of Jesus Christ and St. Francis of Assisi.

Sincerely,

Mary Starmann-Harrison
President and CEO

Sr. Mary Mollison, CSA
Board Chair
Serving Our Communities
Since 1875, the Hospital Sisters of St. Francis have been caring for patients in Illinois, Wisconsin and other locations in the United States and across the world. Today, Hospital Sisters Health System (HSHS) cares for patients in 13 communities in Illinois and Wisconsin. With 14 hospitals, scores of community-based health centers and clinics, nearly 2,300 physician partners, and more than 14,000 colleagues, HSHS is committed to its mission “to reveal and embody Christ’s healing love for all people through our high quality Franciscan health care ministry.”

During Fiscal Year 2014, HSHS advanced its mission through its care integration strategy which brings together the many components involved in the delivery of health care with a focus on creating an outstanding patient experience. By leveraging the latest technology, emphasizing the importance of relationships, and living its values, HSHS is making a positive difference in the lives of the patients and families it is privileged to serve.

Identity Update
In the 1960s, the Hospital Sisters created a central office which was incorporated as Hospital Sisters Health System (HSHS) in 1978. In December, 2010, all the HSHS hospitals adopted a new visual identity that incorporated the Tau cross – a recognizable Franciscan symbol - within an open circle.

In October, 2014, the visual identity and the name of HSHS hospitals evolved, just as HSHS continues to evolve beyond hospital-based services. The tagline “An Affiliate of Hospital Sisters Health System” was replaced with “HSHS” in front of all the hospitals’ names.
As an integrated health care system, HSHS works closely with nearly 2,300 physician partners in Illinois and Wisconsin to deliver high quality, patient-centered care. Together, we strive to ensure each patient who enters our system has seamless access to health and wellness programs, primary and specialty care, and acute and post-acute care.

Through their commitment to our care integration strategy, HSHS physician partners coordinate closely with our hospital and clinic colleagues to provide our patients with holistic care that meets their individual needs.

**HSHS Medical Group**

What began as a care integration initiative with 10 providers has grown to more than 320 health care professionals in 88 locations. In one year alone, HSHS Medical Group experienced a 51 percent increase in the number of employed providers.

During 2014, Sangamon Associated Anesthesiologists became HSHS Medical Group Anesthesiology & Perioperative Services, adding more than 70 providers and advancing clinical integration efforts with HSHS St. John’s Hospital. Physicians Group Associates (PGA) and their group of 114 experienced providers became HSHS Medical Group – Multispecialty Care. Meanwhile, the expansion of Children’s Surgical Services increased access to pediatric general surgery, pediatric neurology and pediatric orthopedic surgery in central Illinois.

HSHS Medical Group also launched a new service line focused on health and wellness. Through onsite clinics, LeadWell provides accessible, affordable health care at the workplace. With the goal of reducing absenteeism and improving employee health, LeadWell complements the Medical Group’s physician practices. LeadWell originated with Prevea Health.

**Leadership**
The HSHS Medical Group leadership team benefitted from several key appointments in 2014. Robert Farmer, MD transitioned to the role of Medical Director of the Southern Illinois Division in June. Since 2010, Dr. Farmer has practiced family medicine at the New Baden location. Prior to joining HSHS, he was in private practice for more than a decade.

Andrew Bland, MD, MBA joined HSHS Medical Group in August as the Chief Quality Officer. With a background in pediatric nephrology, Dr. Bland brings a mix of clinical and administrative experience to his role. Mary Embertson, CPA assumed the role of Chief Financial Officer bringing more than 25 years of experience in health care finance, auditing and consulting. Penny McCarty, MHRIR, SPHR joined HSHS Medical Group as Chief People Officer and brings physician practice knowledge and experience that will be critical to the organization as it continues to grow across Illinois and Wisconsin.

**Physician Clinical Integration Network**

Physician Clinical Integration Network (PCIN) is a network of independent and employed physicians working together to improve quality and reduce the cost of health care in a shared savings model. PCIN is led by an all physician board of managers and is a non-exclusive network.

In 2014, PCIN grew to more than 1,300 physicians and 700 mid-level providers in Illinois and Wisconsin and includes 53 specialties and sub-specialties. The network focuses on commercial shared savings programs, hospital efficiencies, and population health management.

PCIN uses technology to provide physicians with quality data from inpatient and outpatient services. Currently, PCIN is tracking care that has been provided to over 1.2 million patients in the last two years. PCIN is at the forefront of mining quality data directly from electronic medical records in physician offices.
The Doctors of Prairie Cardiovascular

Prairie Cardiovascular continually strives to meet the changing cardiovascular needs of patients in the 45 Illinois counties it serves. With nearly 100 providers, Prairie is at the forefront in providing patients with the most advanced treatments for cardiovascular disease. As examples of this commitment to patients in central and southern Illinois, Prairie is the only provider of two specialized services in the region.

Transcatheter Aortic Valve Replacement

The Prairie Structural Heart Disease (SHD) program uses the latest technology to repair damaged heart valves and other structural heart defects. The Prairie SHD team has developed a comprehensive program that includes cardiac surgeons, cardiologists, non-invasive cardiac imaging experts, and anesthesiologists. As part of a collaborative effort, the Valve Clinic at Prairie Cardiovascular identified over 200 new patients with aortic stenosis and treated 90 of them with Transcatheter Aortic Valve Replacement (TAVR). In January, 2015, the Prairie SHD team is scheduled to perform their 200th TAVR case just three years after their first case in January 2012 making the program the busiest in Illinois.

MitralClip

In November, 2014, the SHD team successfully completed the first MitralClip procedure, a non-surgical alternative for patients who are not candidates for mitral valve repair or replacement. As with the TAVR program, Prairie’s SHD team was the first program south of I-80 to offer this innovative procedure in Illinois. The program also participates actively in clinical trials - both industry funded trials and investigator initiated projects.

Prevea Health

Prevea Health is an integrated multispecialty group of providers that cares for patients in Northeast Wisconsin. With 206 physicians and 258 midlevel providers, Prevea takes active role in the health and wellness of its patients.

New Orthopedic Center

HSHS St. Mary’s Hospital Medical Center in Green Bay, WI is building a new home for the Prevea Regional Orthopedic Center. Construction on this large scale project began in January, 2014 on the second floor of the hospital. The Prevea Regional Orthopedics Center is an expansive 22,500 square-foot facility that offers comprehensive care including exams, X-rays, labs and radiology in one location. Patients will find the new center to be easily accessible, environmentally friendly, and comfortable.

New Specialties

In 2014, Prevea and HSHS Eastern Wisconsin Division added several new specialties including orthopedic trauma surgery, pediatric gastroenterology and pediatric reconstructive plastic surgery.

Prevea360

With the help of HSHS St. Mary’s Hospital Medical Center and HSHS St. Vincent Hospital in Green Bay, WI, Prevea now offers new and innovative services with the Prevea360 Health Plan — a plan focused on keeping health care dollars, especially insurance premiums, local. Prevea360 works jointly with hospitals and physicians to improve the health care infrastructure, thereby improving the continuity of care and the total wellness of the patients.
New State-of-the-Art Surgery Center
St. John’s Hospital unveiled its new Surgery Center in March, 2014. This major milestone for the hospital, in addition to the completion of four newly renovated patient floors, was part of a $172 million renovation project designed to elevate health care in the region. The Surgery Center’s special features include state-of-the-art surgical suites, private pre-operative rooms, real-time information sharing capabilities, a specialized children’s surgical area, and new family lounges.

The 150,000 square-foot surgical hub incorporates advanced technology, such as automated surgery lighting, and has dedicated space for MAKOplasty® procedures and da Vinci® robotic surgeries. The design of the surgery center provides abundant natural light and incorporates other natural elements.

HSWS Welcomes 14th Affiliate
In September, 2014, Community Memorial Hospital (CMH) in Oconto Falls, WI officially became HSHS St. Clare Memorial Hospital. The Critical Access Hospital located about 35 miles northwest of Green Bay was founded in 1921. In May, 2011, CMH and HSHS entered into an affiliation agreement in an effort to enhance physician recruitment, implement an electronic health record system and improve delivery of health care. That partnership evolved into a full affiliation and the hospital was renamed after a Franciscan saint whose legacy reflects a commitment of service to others.

Convenient Care Clinic
HSHS St. Anthony’s Memorial Hospital in Effingham, IL opened a Convenient Care Clinic in June, 2014. The clinic provides services in the late-afternoon and evening hours on weekdays, and on weekends for non-emergency patients. These hours improve access to health care for those patients who do not have a primary care provider or when the provider is not able to see them. The clinic offers lab, radiology and pre-surgical testing for added convenience.

Birth Center Renovation
HSHS St. Joseph’s Hospital in Chippewa Falls, WI is currently undergoing a complete revitalization and renovation of its Birth Center to offer moms and babies the very best in personalized care along with additional amenities, upgraded technology, increased privacy and more comfort for a family to participate in the birth experience. The Birth Center renovation began in 2014 and will be completed in early 2015.

Sheboygan Surgery Center
HSHS St. Nicholas Hospital in Sheboygan, WI became full owners of the Sheboygan Surgery Center after more than five years of successful partnership with the physician owners. The Surgery Center gives patients the option to have outpatient surgical procedures performed in a non-hospital setting - with the same quality of care - and the security of knowing that they could quickly and easily transition to hospital care should it be needed.

St. Mary’s One Day Services Renovation
HSHS St. Mary’s Hospital Medical Center in Green Bay, WI recently renovated its One Day Services department. The 10,000 square-foot outpatient surgery unit includes 26 rooms for pre- and post-operative patients. Each room will be private and have its own bathroom. Two rooms include ceiling lifts. One Day Services at St. Mary’s Hospital Medical Center was renovated to enhance patient satisfaction by increasing privacy and comfort.
**St. John’s Surgery Suites - Montvale**

HSHS St. John’s Hospital in Springfield, IL added a new, convenient location for outpatient eye and orthopedic surgeries on Springfield’s west side. The location of St. John’s Surgery Suites provides easier access to outpatient surgery services for patients.

**Information Services Center**

**IT Strategic Plan**

Information Systems leadership with assistance from colleagues and Physician Advisory Committees created a new three-year strategic plan that will guide them from 2015 through 2017. The strategic plan calls for exceeding minimum regulatory requirements for safeguarding patient data, evaluating and implementing a Business Intelligence platform to support such functions as analytics, population health, and external payer communications. The plan also calls for integrating care across the System through the implementation of a single Electronic Health Record (EHR).

**Disaster Recovery Site**

HSHS is in the process of moving its disaster recovery operations to Springfield, IL, near the Information Services Center. By moving the disaster recovery site to Springfield, HSHS will have the ability to replicate critical applications and have them backed up and running in as little as 30 minutes.

**Dragon Inpatient Implementation**

Dragon is a voice recognition software that allows physicians to dictate notes directly into the Electronic Health Record system without the use of a transcription service. This software allows physicians to easily and quickly enter patient information. Information Systems upgraded the Dragon software in all HSHS Hospital Emergency Departments. Dragon software and microphones were also installed in inpatient areas at each hospital.

**Project VISION**

Part of the Information System Strategic Plan, Project VISION leverages the PeopleSoft Financial and Supply Chain modules to create System-wide standards for business processing. Project Vision is designed to reduce costs, increase efficiency, and improve compliance. The system also allows for accessing real time information to assist in daily decision making.

**ChartMyHealth**

This year, HSHS launched a free service called ChartMyHealth that offers patients a new and easy tool for health care management. ChartMyHealth provides a secure online personal health record that patients can access from a home computer, laptop, mobile device or smartphone.

**New HSHS St. Elizabeth’s Hospital Announced**

In June, 2014, HSHS announced plans to build a new, state-of-the-art hospital in O’Fallon, IL. The location of St. Elizabeth’s replacement hospital will be more centrally located for the entire Metro East region that HSHS St. Elizabeth’s serves, and will be more accessible to underserved patients than the hospital’s current campus. The facility will include 144 private patient rooms, an emergency department, state-of-the-art operating rooms, an advanced intensive care unit, and inpatient rehabilitation.

St. Elizabeth’s also plans to maintain a range of outpatient services and various support functions at its Belleville campus. The project, which requires a Certificate of Need, will be reviewed by the State of Illinois in 2015.
Promoting Coverage for All
Starting in 2014, millions of Americans became eligible for health care coverage offered through health insurance exchanges and through expanded Medicaid. By actively reaching out to and engaging uninsured individuals, enrolling them in health coverage, and keeping those who remain eligible covered, HSHS hospitals helped ensure access to coverage and care for thousands of residents in Illinois and Wisconsin.

HSHS and its Local Systems played a vital role in educating eligible people in their local communities, in referring them to Certified Application Counselors (CACs) and/or in enrolling them in the health insurance exchanges or in securing coverage through Medicaid expansion.

HSHS established Enrollment Strategy Committees to plan, implement and evaluate enrollment initiatives System-wide. These committees shared best practices such as an enrollment guide and utilizing community computer labs to enroll more people with fewer CACs.

Heroin Task Force
Since 2009, Sheboygan, WI has experienced a 200 percent increase in heroin overdoses and a 1,500 percent increase in heroin arrests. These alarming statistics prompted HSHS St. Nicholas Hospital and the Sheboygan County Service Providers to work together to reduce the social harm caused by heroin.

“Addiction is a problem that knows no boundaries,” said Dr. Howard Croft, Medical Director, St. Nicholas Emergency Department. “That’s why we’re working together to determine how we can help meet the needs of the community.”

The Heroin Task Force, represented by police, schools, social services and health care entities, developed an informational brochure on heroin use, including the warning signs to watch for and resources available to get help. The Task Force also hosted more than 40 educational presentations for community groups including schools, businesses, senior centers, Parent Teacher Organizations (PTOs) and civic groups. To date, the outreach efforts engaged more than 1,000 people.

“It’s a true community collaboration that is focused on treatment for users and prosecution for dealers,” added Dr. Croft.

Community Benefit
During FY2014, HSHS hospitals used their Community Health Needs Assessments (CHNAs) to develop new, and enhance existing Community Benefit programs and services. Among the many priority needs identified were chronic disease prevention and management, obesity, adequate food and nutrition, mental health, and access to health care services. HSHS hospitals are proactively addressing these and other needs through patient, provider and community education, preventative screenings, self-management classes, and clinical services.

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Filling Holes in the Safety Net
When HSHS St. Anthony’s Memorial Hospital learned that the fifth day of the Meals-On-Wheels program in Effingham and surrounding communities was being eliminated due to lack of funding, the hospital stepped forward. St. Anthony’s worked with Golden Circle Nutrition Program (GCNP) to ensure funding for meal services to senior citizens was maintained and that volunteers could continue to check in and deliver meals to homebound clients five days a week instead of four.

As health care experts, St. Anthony’s colleagues recognize how important it is for seniors to have a nutritious meal on a daily basis, particularly those with conditions such as diabetes and wounds that need healing. The personal contact between the volunteers also positively contributes to the clients’ well-being.

By identifying a need and working collaboratively in the community, St. Anthony’s was able to improve the health, comfort and safety for hundreds of area residents.

Theresa Rutherford, St. Anthony’s Memorial Hospital, President and CEO, participates in the Meals-On-Wheels program.

Community Benefit Contributions
Year ended June 30, 2014

Benefits for the poor: Benefits for the broader community:
Financial Assistance $39,856,454 Community Health Services $4,753,345
Unpaid Medicaid 95,829,945 Health Professions Education 17,882,517
Community Health Service 1,532,800 Subsidized Health Services 9,057,626
Subsidized Health Services 841,253 Research 672,238
Financial Contributions 484,393 Financial Contributions 1,280,662
Community Building Activities 209,924 Community Building Activities 555,490
Community Benefit Operations 521,063 Community Benefit Operations 486,418
Total 139,275,832 Total 34,688,296

Total Community Benefit: $173,964,128
In 2014, HSHS appointed new President and Chief Executive Officers at HSHS St. Joseph’s Hospital in Breese, HSHS St. Mary’s Hospital in Decatur, HSHS St. Francis Hospital, and HSHS St. John’s Hospital.

In addition, David Carlson, DO, was named Chief Physician Executive and Raymond Gensinger, MD was named Chief Information Officer after the retirement of Frank Mikell, MD and William Montgomery respectively.

Leadership

Board of Directors

Sister Mary Mollison, CSA
Stephen J. Bochenek
Sister Maureen O’Connor, OSF
Mary Starmann-Harrison
John E. Staudt
Sister Bernice Coreil, DC
Sister Gertrude O’Connor, OSF
John R. Combes, MD
Robert B. Atwell
Steven A. Hassebrock
Bill Murray

Chair
Vice Chair
Secretary
Member
Member
Member
Member
Member
Member
Member

Executive Management Team

Mary Starmann-Harrison, FACHE
President and CEO
Larry P. Schumacher, RN, FAAN
Chief Operating Officer
David Carlson, DO
Chief Physician Executive
Sister Marybeth Culnan, OSF
Senior Vice President, Sponsorship & Governance
Peter Mannix, FACHE
Vice President, Strategy Development & Implementation
Michael W. Cottrell
Chief Financial Officer
Sister Monica Laws, OSF, PhD
Vice President, Mission Integration/Franciscan Formation
Jay Justice, JD
Chief People Officer
Ann Carr
Treasurer
Amy Marquardt, JD
General Counsel

Paulette Evans
President and CEO,
St. Joseph’s Hospital,
Breese, IL

Daniel Perryman
President and CEO,
St. Mary’s Hospital,
Decatur, IL

Patricia Fischer
President and CEO,
St. Francis Hospital,
Litchfield, IL

Charles Lucore, MD
President and CEO,
St. John’s Hospital,
Springfield, IL

David Carlson, DO
Chief Physician Executive, HSHS

Raymond Gensinger, MD
Chief Information Officer, HSHS
Philanthropy

In FY2014, the Hospital Sisters of St. Francis Foundation received $9.9 million in contributions and bequests, an increase of almost 20% over FY2013. More than 13,000 donors contributed to HSHS ministries, including 282 donors who made gifts of $5,000 or more.

The Foundation disbursed $8.9 million to fund a diverse array of programs and services, including:

- $2.5 million toward the new HSHS St. Joseph’s Hospital in Highland
- $683,000 for O-arm neurosurgical equipment at HSHS St. Mary’s Decatur
- $566,000 toward the new surgery center and Emergency Department renovation at HSHS St. Francis Litchfield
- More than $250,000 for charity care System-wide

Awards/Recognitions

In 2014, HSHS hospitals were recognized for providing high quality care. Among the awards:

- St. Elizabeth’s Hospital, St. Joseph’s Hospital in Highland, St. Joseph’s Hospital in Breese, St. Anthony’s Memorial Hospital, St. Francis Hospital, St. Mary’s Hospital in Streator, St. Joseph’s Hospital in Chippewa Falls, and St. Mary’s Hospital Medical Center in Green Bay received Top Performer on Key Quality Measures from The Joint Commission.
- St. John’s Hospital and St. Anthony’s Memorial Hospital Regional Wound Care Centers earned the Center of Excellence Award and the Center of Distinction Award by Healogics for quality care and patient satisfaction.
- St. Mary’s Hospital in Decatur was recognized by the American Nurses Association for Outstanding Commitment to Quality.
- St. Anthony’s Memorial Hospital Home Care was named a Top Agency of the 2014 HomeCare Elite.
- St. John’s Hospital received the Lifeline Quality Achievement Gold Award from American Heart Association.
- St. Joseph’s Hospital in Breese and Sacred Heart Hospital received Healthgrades Outstanding Patient Experience Award.
- St. Joseph’s Hospital in Breese and St. Joseph’s Hospital in Chippewa Falls were recognized as Truven Health Analytics’ 100 Top Hospitals.
- St. Joseph’s Hospital in Breese was ranked among the top 25 hospitals in the nation for Value Based Purchasing (VBP) performance.
- St. Joseph’s Hospital in Chippewa Falls earned the Wisconsin Forward Award - Excellence Level.
- St. Vincent Hospital and St. Mary’s Hospital Medical Center in Green Bay received the Global Vision Community Partnership Award from Wisconsin Hospital Association.
- St. Clare Memorial Hospital was named Outstanding Clinical Site by Rosalind Franklin University of Medicine and Science.
- St. Nicholas Hospital received the Outstanding Achievement Award from the Commission on Cancer of the American College of Surgeons.

FY2014 Quick Facts

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<td>Population Served</td>
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<td>Inpatient Admissions</td>
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<td>Community Benefit</td>
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OUR MISSION
To reveal and embody Christ’s healing love for all people through our high quality Franciscan health care ministry.

OUR VISION
Rooted in our Franciscan Mission, we will be the unique, high quality Health System providing exceptional care, centered on the whole person.

CORE VALUES
Respect • Care • Competence • Joy