2016 Annual Report

Year-End Message

Yale New Haven Hospital as of September 30, 2016
Dear friends and colleagues,

For Yale New Haven Hospital, 2016 was a year of change, challenge and growth. While we again faced state budget cuts, hospital taxes, a gubernatorial moratorium on affiliations and regulatory challenges this year, we continued to provide greater value to our patients and invest in clinical programs, facilities and technology resources.

*U.S. News & World Report* again recognized Yale New Haven Hospital among the best in the nation in 11 adult and six pediatric specialties.

Patient volume increased this year, and we finished 2016 with an operating margin of 3.2 percent. We discharged 79,490 inpatients and handled about 1.3 million outpatient visits. We completed the fourth year of our integration with the Hospital of Saint Raphael and, since 2012, the integration has saved about $291 million in operating costs. At the same time, we have invested more than $100 million in capital improvements on the Saint Raphael Campus.

This year we celebrated the 20th anniversary of the Yale New Haven Health System, which has benefited our Hospital, as well as Bridgeport and Greenwich hospitals and Northeast Medical Group. We also changed our brand to reflect the increasing importance and strength that Yale New Haven Health offers, and we added two new hospitals—Lawrence + Memorial and Westerly—to our Health System.

Our achievements in 2016 would not have been possible without the dedication and contributions of our physicians, employees and volunteers, as well as the guidance and commitment of our board members and the generous support of donors and friends in the community. Thank you for bringing strength to Yale New Haven Hospital as we continue our service to others.

Marna P. Borgstrom  
Chief Executive Officer

Richard D’Aquila  
President

Mary C. Farrell  
Chair of the Board of Trustees

Thomas J. Balcezak, MD  
Chief Medical Officer and Senior Vice President
Safety, Quality and Operational Improvement

Quality and safety remained top priorities this year, with a focus on high reliability practices, hospital-acquired infections and care transitions. For care transitions, Yale New Haven Hospital (YNHH) lowered both its readmission rate and the time it takes to admit patients from the emergency department.

Staff increasingly embraced High Reliability Organization principles and practices, and serious safety events at YNHH declined by 43 percent. YNHH also showed a reduction in hospital-acquired infection rates related to central line-associated bloodstream infections, catheter-associated urinary tract infections and C. difficile infections, as well as a reduction in deep vein thrombosis/pulmonary embolism rates.

Smilow Cancer Hospital and eight of 10 Smilow Cancer Care Centers received the Quality Oncology Practice Initiative certification from the American Society of Clinical Oncology’s Institute for Quality.

Yale New Haven Children’s Hospital (YNHCH) won the 2015 Pediatric Quality Award from the Children’s Hospital Association for its neonatal abstinence project, recognizing YNHCH’s approach to treating infants born with neonatal abstinence syndrome, reducing the use of morphine treatment and reducing the length of stay for these babies.

Yale New Haven Hospital continued to improve the patient experience – by strengthening the partnership of nursing and physician dyads, focusing on purposeful rounding, enhanced physician and nursing leadership engagement and clustering care so patients could rest at night. A new Patient Experience reporting tool was introduced that provides managers with instant online access to their patient satisfaction data, updated on a daily basis.

Press Ganey surveys improved in certain areas, and were above target this year for the emergency department and ambulatory areas. YNHH introduced Patient Experience Awards for Caring and Excellence (PEACE), a monthly recognition program that celebrates employees who demonstrate an outstanding example of providing a patient or family member with an exceptional experience.

The physician-led clinical redesign initiatives improved quality outcomes while reducing expenses. Projects – related to processes such as blood and lab utilization and recovery after surgery – eliminated 7,700 inpatient days, removed more than 3,600 instruments from surgical trays and decreased the number of duplicate lab tests by almost 55 percent and point-of-care labs by 42 percent.
Yale New Haven Hospital remained Connecticut’s provider of choice, discharging 20.2 percent of Connecticut’s inpatients – 79,490 patients this year. Outpatient visits increased by more than 4 percent to 1.3 million visits. In addition to rankings in 11 adult and six pediatric specialties by *U.S. News & World Report*, YNHH received other national recognition. The hospital was notified in early October by the American Nurses Credentialing Center that it had been granted Magnet status for another five years, this time for both campuses and all of our ambulatory sites.

YNHH earned international recognition as a Baby-Friendly birth facility from Baby-Friendly USA, signifying an optimal level of care for breastfeeding mothers. YNHH was the first Connecticut hospital to earn The Joint Commission’s Gold Seal of Approval for Chest Pain Certification.

Additionally, the Heart and Vascular Center TakeHeart cardiac rehabilitation program received three-year certification by the American Association of Cardiovascular and Pulmonary Rehabilitation.

Yale New Haven Hospital continued to grow and invest in facilities and programs. YNHH opened a new Cancer Genetics Unit at the Saint Raphael Campus and a new phase 1 clinical trial infusion center at 55 Park Street. New bariatric and gastrointestinal inpatient units opened at the Saint Raphael Campus, as well as new musculoskeletal offices and a new radiology and gastrointestinal and bariatric surgery suite. At the York Street Campus, a major renovation of maternity and newborn intensive care units began, and the Children's Hospital Surgery Center was renovated.

YNHH was the first hospital in Connecticut to perform TransCarotid Artery Revascularization to help clear carotid arteries and protect the brain from stroke risk during carotid artery stenting. The hospital was also one of just two stroke centers in the state to offer stent receivers, a new technology for treatment of severe strokes. YNHH also performed the nation’s first thyroidectomy through the mouth to avoid visible scarring.

The Interventional Cardiology Program celebrated its 30-year anniversary and the Hospital performed its 1,000th live donor kidney transplant this year, as well as contributed to the nation’s first organ transplant between two HIV-positive patients.

New clinical leadership this year included appointing Stephen Huot, MD, as Designated Institutional Official for Graduate Medical Education; Gary Desir, MD, as chief of Internal Medicine; Linda Mayes, MD, as chief of Child Psychiatry; and Luciano Del Priore, MD, PhD, as chief of Ophthalmology.

Additionally, YNHH received more than 6,847 transfers of acute patients from other healthcare organizations through Y Access – an increase of more than 6 percent. The SkyHealth helicopter transported 151 patients to YNHH this year.
Employer of Choice

Yale New Haven Hospital invested in employee health and well-being throughout the year, and the results of the 2016 employee engagement survey showed improvement in several areas. This year’s survey had a participation rate of 76.9 percent, and the organization’s overall engagement index was 5.03 out of a possible 6.

YNHH developed strategies to address the most significant issues identified in the 2015 physician engagement survey, beginning with the creation of a Medical Staff Engagement Committee (MSEC) to improve communication and engagement. MSEC organized several social and educational events, secured funding for the renovation of the house staff and medical staff lounges, and worked to expand Mobile Heartbeat and develop a physician web portal.

The YNHH compensation and benefits programs continued to offer competitive salaries and benefits, including an employee-friendly workplace, employee reward and recognition, tuition reimbursement, career development, adoption assistance and the performance incentive plan, along with other initiatives directed at employee recruitment and retention.

The livingwell CARES care coordination program, which provides support and counseling for employees who have chronic health conditions, has enrolled more than 519 employees. This year, 68 percent of employees – nearly 5,600 – participated in onsite health screenings for the Know Your Numbers Plus program, which heightens health awareness, improves health and offers a $500 credit for each participating employee toward 2017 medical premiums.

YNHH inducted 133 employees into the Quarter Century Club and 2,374 volunteers donated almost 208,000 hours of service in 2016. The Home Ownership Made Easier (H.O.M.E.) program, which helps employees buy their first house, celebrated its 10th year. Over that decade, H.O.M.E. has helped 143 YNHH employees become first-time homeowners in New Haven.

Yale New Haven Hospital continued to broaden patient, employee and supplier diversity and inclusion efforts and Yale New Haven Health hired the first full-time director of diversity and inclusion.

Several organizations affirmed YNHH’s status as an employer of choice, including the Best Workplaces for Commuters program and the National Association for Female Executives.
Community Service

YNHH has demonstrated nearly two centuries of commitment to the community, and 2016 was no exception with housing, health education and screenings, literacy efforts, career training, and access to care high on the list.

Not only is Yale New Haven Hospital the busiest provider of care in the region, caring for the largest number of Medicaid-covered and uninsured patients in the state, but it serves as a public health advocate and provides services which respond to the area’s healthcare needs through health education, health promotion and access to care.

YNHH provided $130 million in uncompensated care, including $88 million in free and charity care, plus $42 million in bad debt. This is 13.6 percent higher than last year.

Programs such as Me & My Baby provided new mothers with access to prenatal and pediatric care, health education and prescription drug coverage. The Hospital provided free health screenings for head and neck cancers and prostate cancer, and in partnership with the Cornell Scott-Hill Health Center, the YNHH digital mammography van provided over 560 screening mammography exams throughout southern Connecticut. More than 1,700 people participated in free, hospital-run support groups that met more than 300 times and covered over 25 areas of need. YNHH established a primary care consortium in New Haven, including Fair Haven Community and Cornell Scott-Hill Health Federally Qualified Health Centers.

In collaboration with community partners, YNHH completed its triennial Community Health Needs Assessment for the greater New Haven community. The 2016 survey identified the top health concerns: obesity and chronic disease, behavioral health and substance abuse and access to care.

To address these issues, YNHH, through the Healthier Greater New Haven Partnership, developed a Community Health Improvement Plan to guide community health efforts over the next three years. This year’s initiatives included education about healthy eating and physical activity through Get Healthy CT; an annual Get Fit Day; a list of area diabetes prevention and education programs; helping people enroll in insurance programs; and a plan to improve asthma care in the community.

Also, in addition to direct hospital contributions to many community organizations, YNHH employees donated $222,000 to United Way of Greater New Haven.
Financial Performance

Despite continued underpayments from Medicare and Medicaid, as well as a Connecticut tax on hospitals, YNHH posted an operating margin of 3.2 percent this year, lower than last year but higher than the budgeted goal of 2 percent. This was largely due to high patient volume, cost and value efforts, and continued savings of approximately $78.4 million from the integration with the Hospital of Saint Raphael.

Through the Cost and Value Positioning initiative, which continued to increase efficiency, reduce waste and create more cost-effective and beneficial patient care processes, YNHHS saved $78 million this year, including clinical redesign initiatives and labor and non-labor related savings. Revenue Cycle initiatives resulted in an additional $154 million savings improvement. This year’s Closer to Free ride generated $2.5 million in donations to Smilow Cancer Hospital, with hospital philanthropy $12 million.

Yale New Haven Health and Yale School of Medicine re-invigorated the New Clinical Program Development Fund with an investment of $30 million to provide funding for new and expanded clinical programs.

This year, 2,500 employees and physicians from across the Health System participated in Voter Voice, contacting legislators or visiting the state capitol to deliver the message that state cuts to hospital funding in the state budget would negatively impact patient care. Although the campaign did not totally reverse the cuts, the grass roots lobbying helped ameliorate them.
Value in high quality, cost-effective healthcare

Yale New Haven Health System formed in 1996, when hospitals around the country were beginning to create and join larger health systems to deal with the federal government’s new prospective payment plans, the development of HMOs and the growth of powerful insurance companies.

To manage the challenges of an increasingly difficult healthcare climate, Yale New Haven Health helped its hospitals reduce costs by centralizing basic business activities, and by forming clinical relationships and affiliations which helped manage healthcare costs and improved the delivery and quality of healthcare.

Highlights of the past 20 years:

- 1996: Bridgeport Hospital joined YNHHS.
- 1998: Greenwich Hospital joined YNHHS.
- 1999: Yale New Haven Health and Yale School of Medicine affiliated to coordinate graduate medical education and support the growth of new clinical services.
- 2009: Smilow Cancer Hospital opened in New Haven; today there are 10 outpatient Smilow Care Centers around the state.
- 2010: Northeast Medical Group formed – a physician foundation that now includes 700 physicians and more than 1,700 employees.
- 2010: Yale New Haven Health began the installation of Epic, one of the country’s most respected healthcare information technology systems.
- 2012: Yale New Haven Hospital acquired the former Hospital of Saint Raphael – adding 500 beds to Yale New Haven Health.
- 2016: Lawrence + Memorial and Westerly hospitals joined YNHHS. Today, Yale New Haven Health is Connecticut’s premier health system with 2,563 beds serving patients from eastern New York and throughout Connecticut to western Rhode Island.
## Awards

<table>
<thead>
<tr>
<th>Award</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 Most Wired Hospitals Award</td>
<td>Hospitals and Health Networks magazine</td>
</tr>
<tr>
<td>Adoption Friendly Workplace</td>
<td>Dave Thomas Foundation</td>
</tr>
<tr>
<td>America's Best Children's Hospitals</td>
<td>U.S. News &amp; World Report</td>
</tr>
<tr>
<td>America's Best Hospitals</td>
<td>Hospitals and Health Networks magazine</td>
</tr>
<tr>
<td>Best Workplaces for Commuters</td>
<td>National Center for Transit Research</td>
</tr>
<tr>
<td>America's Best Employers</td>
<td>Forbes Magazine</td>
</tr>
<tr>
<td>Magnet Recognized</td>
<td>American Nurses Credentialing Center</td>
</tr>
<tr>
<td>Top 100 Workplaces</td>
<td>Women Fortune Magazine</td>
</tr>
<tr>
<td>Leader in Healthcare</td>
<td>Equality Healthcare Index</td>
</tr>
</tbody>
</table>
Awards

Environmental Excellence
Practice Greenhealth

Top Company for Women
National Association for Female Executives

Designated Baby-friendly
Baby-Friendly USA

Top Doctors
Connecticut Magazine

Best Doctors
New York Magazine
Vision, Mission and Values

Vision
Yale New Haven Health enhances the lives of the people we serve by providing access to high value, patient-centered care in collaboration with those who share our value.

Mission
Yale New Haven Health is committed to innovation and excellence in patient care, teaching, research and service to our communities.

Values
Patient-Centered - Putting patients and families first
Respect - Valuing all people
Compassion - Being empathetic
Integrity - Doing the right things
Accountability - Being responsible and taking action

YaleNewHavenHealth

Bridgeport Hospital | Greenwich Hospital | Lawrence + Memorial Hospital | Westerly Hospital
Yale New Haven Hospital | Northeast Medical Group

YNHH Year-End Message 2016