



 **McLaren**
PORT HURON



2014 ANNUAL REPORT



Still Local.



Our commitment to being a leader in healing and your partner in health has been our history and our heritage in the Blue Water region. And it's still our priority because we're still local and still yours.

- Thomas DeFauw, *President and CEO*



Still yours.



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Our Mission:

McLaren Health Care, through its subsidiaries, will be the best value in health care as defined by quality outcomes and cost.

Our Purpose:

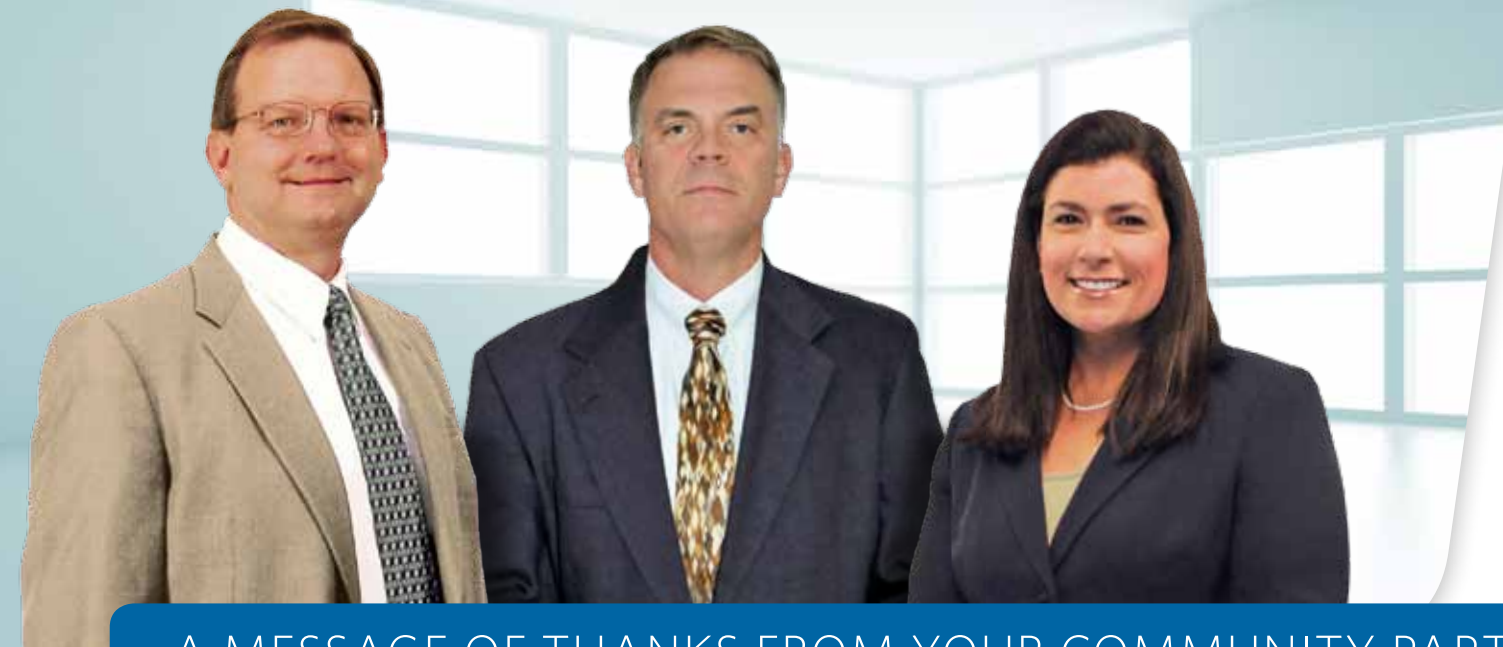
To be a leader in healing and your partner in health.

Our Values

Compassion...Expressing genuine care and concern

Excellence...Creating exceptional experiences and results

Integrity...Practicing personal honesty that creates trust



The governance of our facility has not changed. We are still the same nonprofit community hospital we have always been, with the same mission and vision.

A MESSAGE OF THANKS FROM YOUR COMMUNITY PARTNER

On behalf of the McLaren Port Huron hospital team, we are pleased to bring you the 2014 Community Report, *Still Local. Still Yours*. Throughout our 132-year history, our goal always has been to be the area's leader in healing and a dedicated partner in health. This report provides details about our continuing efforts toward that goal, as well as insight into how we perceive our future in the Blue Water community.

And our future has never looked brighter. Since May, we have had a new partner in perpetuating our mission of healing: McLaren Health Care. This Flint-based health care system is well-known across the state of Michigan for excellence and brings valuable resources that will help us expand our services and make significant investments in our facilities and technology. In the coming years, you can expect to see a new cancer center and patient tower on our campus, as well as expanded community programs. Being part of McLaren also means we will be connected to Karmanos Cancer Institute, Michigan's largest network of cancer care services.

While positive changes lie ahead, what will not change is the high quality, compassionate care we provide. Likewise, the governance of our facility has not changed. We are still the same nonprofit community hospital we have always been, with the same mission and vision. Our values – compassion, excellence, and integrity – still direct everything we do. Our hospital is still managed locally and staffed by familiar faces, with our McLaren relationship bringing us new resources to further enhance clinical excellence. Our board continues to make the local decisions about what is best for our community. In short, our partnership with McLaren allows us to offer new and improved services while remaining loyal to and involved in the community we serve.

Special thanks goes to the many people who have been committed to our success – our Board of Trustees, medical staff, employees, volunteers, community partners, and donors. And we thank you, the residents of our community, for putting your faith and trust in us to provide exceptional care. Our name may have changed, but our commitment to healing has not, and we look forward to a continued, strong relationship with you, because we truly are *still local and still yours*.

Thomas DeFauw, FACHE, *President and CEO*

David Tracy, MD, *Chief of Staff*

Mona Armstrong, *McLaren Port Huron Board Chairman*

HONORING THE PAST, SECURING THE FUTURE

For generations, Port Huron Hospital has been a beacon of hope and compassion for those in our community. Over the years, we have worked tirelessly to carry on a legacy of caring and commitment to those we serve. In return, we have earned the respect of our patients, their family members, our community, and our local leaders, all of whom depend on us for first-rate care.

The integration of our storied history with that of McLaren Health Care May 1, 2014 marked a significant moment in our 132-year legacy. We had served the community well for all those years, but the reality was that we now needed additional resources – resources that would allow us to advance our organization beyond the needs and decisions of today to meet the community's needs of tomorrow.

Joining McLaren was the right decision at a time when we were facing numerous external challenges. Local population decline, regional competition, reduced Medicare reimbursement, and operational demands from the Affordable Care Act presented a combination of serious business complications that would have made it difficult to remain strong and successful as a completely independent hospital. McLaren Health Care offered us viable solutions to these pressing business concerns, as well as access to capital and operational resources. The integration also gave us the ability to more easily comply with Affordable Care Act demands.

Our partnership with McLaren has already yielded new and exciting opportunities for both our inpatient and outpatient services. In fact, a significant amount of work is currently underway. A broad campus development planning process began last spring to identify critical planning issues for a cancer center and a new patient tower. Once groundbreaking commences, construction for the cancer center is anticipated to take about 12 months. It will be managed locally, staffed by the same clinicians, technicians, and administrative personnel the Port Huron community already knows while bringing a new standard in medical expertise from McLaren's Karmanos Cancer Institute. The patient tower will be completed in about two years after breaking ground.



All of these changes reflect our larger vision of how our campus should perform for the next 20 years. It's a progressive approach that coincides with our determination to remain a locally-governed, not-for-profit organization, while preserving the community's access to high quality health care.

Although many people toiled to make this partnership a reality, special thanks go to the Blue Water and hospital Boards for their forward-thinking vision to prepare our organization to care for our community well into the future.

In short, it's a win-win situation – one that will benefit the Blue Water region for many years to come.

Tom DeFauw, *FACHE, President and CEO*



Benchmarking for success

At McLaren Port Huron, excellence is about the constant pursuit of best practices. Toward that end, we set strategic objectives annually that relate to quality and patient safety. We also regularly review the results of our quality processes to gauge our performance and identify areas where improvements may be needed.

We don't do this in a vacuum. As part of our dedication to providing the highest quality care and safest environment for our patients, McLaren Port Huron collects and shares performance data publicly with many other health care organizations. Such benchmarking allows us to learn from other successful health care providers, which in turn helps us improve our own processes. In fact, such data sharing helps everyone enhance care and clinical outcomes, improve service and quality of care, and reduce costs – and our patients are the winners.

Another way we strive for quality outcomes is through voluntary reviews by accrediting organizations. McLaren Port Huron holds dual accreditations from two prestigious organizations: The Joint Commission and the Healthcare Facilities Accreditation Program. These accreditations require thorough, triennial surveys and a stringent review process. Few hospitals in Michigan pursue dual accreditation. We do it because providing the highest quality patient care experience has always been at the core of what we do.

Jennifer Montgomery, BSN, MSA, FACHE
Vice President of Nursing and Clinical Services

Simply the best

When it comes to commitment and dedication, McLaren Port Huron employees really are among the best.

Every day, these dedicated professionals strive to make a difference in the lives of our patients. But they're not just providing competent bedside care. They also handle financial and administrative tasks with skill and tact. They keep our facility clean and spotless. They troubleshoot and solve complex computer issues. And they provide many other services that keep McLaren Port Huron running smoothly and efficiently.

One thing that's really remarkable about our staff is their length of service. The average tenure of our employees is 10 ½ years. Even more incredible, is this year, two employees were recognized for 45 years of service at our annual employee recognition dinner.

One reason I believe we have so little turnover is because it's part of our culture to include employees in our decision-making processes. For example, during the recent transition to a new electronic medical record system, we asked our staff for feedback. What they told us influenced our vendor selection.

An employee engagement committee has been integral for many years in nurturing employee satisfaction. Because we value our staff so much, we acknowledge them in many ways. We recognize annual health care observances, host an annual employee picnic, convert a meeting room into a "Zen Den" during Hospital and Nurse's Week, organize an employee appreciation week, and host a holiday party. The committee also organizes special appreciation activities, such as getting fresh donuts and apple cider from a local cider mill in the fall and warming the hearts and spirits with hot cocoa in the winter.

Our work is serious in nature, but what makes our culture special is the opportunity to promote successes and celebrate excellence. In return, our employees give us their unwavering commitment. We truly are fortunate to have them on our team.

Doris Seidl

Vice President of Human Resources



New name, same commitment

Our name may have changed, but our mission and commitment to the community we serve remain the same as Port Huron Hospital became a member of McLaren Health Care in May 2014.

Our values of compassion, excellence and integrity are - and will continue to be - the anchor for our internal culture, guiding us in the actions we take and the decisions we make. But at the same time, our partnership with McLaren supports positive change and is already demonstrating profound benefits for our community.

To begin with, our patients can expect continued access to local, high-quality care, as well as expanded services. Because access to the most advanced care in our community remains a top priority, McLaren is making more than \$120 million in investments in our hospital over the next few years that will result in facility modernization and new technology.

In addition, McLaren's investment includes plans for a new cancer center in Port Huron that will bring the most modern technology and facilities to the Blue Water region for cancer treatment, planning, and simulation. Plans include infusion therapy, radiation therapy, additional imaging technology, and ample space for patient and community education.

We estimate about 60 percent of cancer patients in St. Clair County travel outside of the area to receive some of their care, and approximately 40 percent leave for radiation therapy. McLaren Port Huron is committed to making significant investments to strengthen our cancer program so patients can receive the treatment they need close to home. The new cancer facility is expected to break ground in 2015.

These are all great examples of the value our new relationship with McLaren will bring to the Blue Water region. But in the final analysis, improvements and changes mean nothing unless we have the loyalty and support of the community.

As you know, hospitals are more than just places where people go to heal. From providing preventive care, to treating and comforting those who are ill, to welcoming new life into the world, hospitals are central to a healthy and optimistic community. For generations, we have perpetuated a legacy of commitment to the community we serve, which has earned us the admiration and respect of our patients. These traditions are the reasons why so many patients in our community depend on us for first-rate care they can trust.

We at McLaren Port Huron will continue to hold ourselves to the same high standards the community has come to expect in our 132-year history. We look forward to continuing to serve you, and we appreciate the loyalty and trust you have shown us as your health care provider of choice.

Dave McEwen

Vice President of Operations



New technology enhances patient safety

The past year ushered in significant changes for Port Huron Hospital. In addition to our new partnership with McLaren Health Care and a name change, we built, tested, and implemented a new electronic medical record (EMR) system.

An EMR helps us keep track of patients' health information electronically and efficiently by collecting pertinent data about their health history, previous visits, test results, and more. All of this information automatically populates into patients' charts so their histories are always complete and up-to-date.

We have been using an EMR for many years. But the new system includes functionality that wasn't previously available, and it puts us in compliance with the new Medicare and Medicaid requirements known as Meaningful Use. It's also helping us achieve wide-ranging benefits, including patient safety improvements and clinical quality enhancements.

Finally, in July we launched My McLaren Chart, an online portal that allows patients to view and print their health information 24/7 using a computer, tablet, or smart phone. This tool helps patients become active, involved, and informed advocates in their own care.

All of these new tools contribute to the culture of safety we promote every day at McLaren Port Huron. They're just one more reason why our hospital is the top destination for health care in the Blue Water region.

John Liston

Vice President of Finance





A commitment to excellence

Excellence. The term is applied loosely to everything from grocery stores to Sunday sports programming. But in health care, excellence – or the lack thereof – can have significant consequences for the health care provider and its patients alike.

At McLaren Port Huron, there is a collective spirit of doing what it takes to meet the health challenges we face daily. But it's not enough for us simply to meet the needs of our community. Rather, it is our

mission to exceed their expectations, to exhibit excellence, by consistently providing outstanding quality and superior patient safety.

Our focus on clinical excellence starts with outstanding patient care rendered by caring, competent associates. The quality of what they do is measured by the outcomes they achieve. Toward that end, each member of our team strives for the best possible outcomes by continuously evaluating the processes that result in the most successful outcomes and then consistently following those processes.

Furthermore, we take a multidisciplinary approach when it comes to improving patient treatment practices. Teams led jointly by a physician champion and a nurse facilitator include frontline clinical staff and members of the medical staff. These teams examine patient practices related to everything from cardiac and pulmonary care issues, to issues relating to excellence in patient safety, surgery, obstetrics, diabetes treatment, and more. Our teams have affected improvements in the care of patients, reduced the cost of care delivery, and improved relations between physicians and hospital leadership.

This commitment to excellence in all we do is what makes McLaren Port Huron special. We strive to do the right thing, in the right way, in the right setting every day, and the respect and support we have earned from the community is a strong indicator that we have succeeded.

Michael Tawney, DO
Vice President of Medical Affairs

Enriching lives by giving back

As I reflect on the incredible progress made over the last four years during my tenure as Chairman of the McLaren Port Huron Foundation, it astounds me to no end. In 2011, we embarked on the largest fundraising project in the hospital's history. The planning took about a year, and in 2012, we launched the campaign to raise money for new technology – a da Vinci® surgical robot and a 160-slide CT scanner. While a few individuals had doubts about how we'd be able to raise \$2 million in our small community, we all felt so strongly about the need. Fast forward to 2014, and we raised \$1.7 million, thanks to hundreds of generous supporters.

Serving two terms as the McLaren Port Huron Foundation Board Chairman has been an enlightening experience for me. More than 16 years ago, I got involved with the Foundation's golf committee. While I knew the importance of giving back, the more I started to work with the Foundation, the more it validated why I wanted to be involved – when the community has access to health programs and services that enhance their quality of life, they are enriched to live healthier. The McLaren Port Huron Foundation's mission is to do just that.

Personally, I believe I received so much more back from the experience – through the people I've met and from the hospital itself – than I've invested. And for that, I'd like to thank Tom DeFauw, the rest of the McLaren Port Huron executive team, Nancy Klemmer, and the entire Foundation staff.

Though the Foundation's name has changed, its purpose has not. Donating to the McLaren Port Huron Foundation is an investment that pays dividends, for many years, in the betterment of individuals in our community. Whether you're a

volunteer or a donor, your contributions play a vital role in the overall health status of our community.

I feel fortunate to be a part of the efforts over the years. But more importantly, I am blessed to have access to the most advanced health care services available anywhere, and it's all right here at McLaren Port Huron.

Ernie Albert

2014 Foundation Board Chairman



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July 1, 2013 - September 30, 2014

SUPPORTING THE HEALTH OF OUR COMMUNITY

McLaren Port Huron's role in the community

- 1,446 employees
- \$61,630,000 in total payroll
- \$523,293 in payroll taxes to the City of Port Huron
- \$7,127,874 to purchases in St. Clair County
- \$5,658,000 (gross) provided as charity care
- \$13,805,047 (gross) for services not reimbursed by insurer or patient
- 2,342 volunteers:
 - McLaren Port Huron Board of Trustees: 19
 - Marwood Nursing & Rehab Board of Directors: 15
 - Foundation volunteers: 2,109
 - In-hospital volunteers: 174
 - Pastoral Care volunteers: 25

Patient visits

- 12,974 adult admissions
- 1,466 births
- 7,179 surgeries and surgical procedures
- 215,056 outpatient visits
- 51,555 Emergency Center visits

COMMUNITY BENEFIT BY THE NUMBERS

People reached through targeted community screenings:

- 581 blood pressure screenings
- 86 foot screenings at 55 Plus
- 103 mammograms or breast health care through Women in Need
- 198 health screenings at the Keep Your Motor Running men's health event
- 272 health screenings at the women's health events in Port Huron, Marysville, Emmett and Lexington

- 146 depression/anxiety screenings
- 83 hearing screenings
- 24 dental exams at Baker College
- 30 pulmonary function tests
- 3 counseled for smoking cessation
- 24 AARP driver's safety course attendees
- 208 Lunch with the Doctor attendees
- 17 Fall Risk Assessment with Marwood Nursing and Rehab attendees
- 130 Breast Cancer Survivor Luncheon attendees
- 147 annual Women & Heart event attendees
- 37 congestive heart failure outpatient education attendees

People reached through targeted community programs:

- 5,569 Foundation community outreach program attendees
- 2,225 children were touched through Helmet Safety
- 249 free helmets were given away
- 509 children and parents attended the Children's Fun and Fitness Festival
- 757 children and parents attended Family Read Nights
- 2,162 children and parents were helped at the Capac Backpack and Food Giveaway
- 934 free backpacks were given away

Employees' commitment to the community

- \$37,535 raised for United Way
- 15,884 pounds of food and 205 turkeys donated to local food banks
- \$1,898 raised for the March of Dimes Jail & Bail
- \$6,202 raised for the American Cancer Society Relay for Life
- \$2,536 raised for the American Cancer Society Making Strides Against Breast Cancer Walk
- \$28,988 aided 54 employees in need through the Employees That Care donor club

Awards, accreditations and certifications

- Aetna Institute of Quality® Bariatric Surgery Facility for treating individuals living with morbid or extreme obesity
- American Academy of Sleep Medicine as a Sleep Center
- American Association of Blood Banks
- American College of Radiology in the following modalities: Breast Ultrasound and Ultrasound Guided Breast Biopsy, CT Scanning, MRI, Mammography, Nuclear Medicine, Ultrasound, and Stereotactic Breast Biopsy

- American College of Surgeons Commission on Cancer & Commission on Cancer's Outstanding Achievement Award
- Breast Imaging Center of Excellence as designated by the American College of Radiology
- Blue Cross® Blue Shield® Blue Distinction Center+ for Hip & Knee Replacement®
- Blue Cross® Blue Shield® Blue Distinction Center+ for Spine Surgery®
- College of American Pathologists
- Consumer and Industry Services for Michigan
- Healthcare Facilities Accreditation Program (HFAP) (fully accredited)
- Joint Commission (fully accredited)
- Joint Commission Disease Specific Care certification in Advanced Diabetes Inpatient Care
- Joint Commission Disease Specific Care certification for Wound Care through Healogics
- Joint Commission as a Top Performer on Key Quality Measures®
- Metabolic and Bariatric Surgery Accreditation and Quality Improvement Program (MBSAQIP) of the American College of Surgeons
- MPRO Governor's Award for Excellence - Outstanding Achievement in Reducing Health Care-Associated Infections in the Acute Care Hospital Setting
- Occupational Health and Safety Administration (OSHA)
- State of Michigan Department of Public Health-certified mammography inspection
- U.S. Department of Health and Human Services-certified mammography facility

McLaren Port Huron subsidiaries:

- Marwood Rehab and Nursing
- McLaren Port Huron Foundation
- McLaren Port Huron Industrial Health
- McLaren Port Huron Community Health Centers in Lexington, Yale, Capac, and Marysville



PORT HURON

