Each of us is a special part of Highland, with unique roles, working together with a common goal of fulfilling the Highland Promise.

Cindy Becker, Vice President and Chief Operating Officer, Highland Hospital
Without a doubt, 2017 was a year of growth and expansion at Highland Hospital. Our Fiscal Year 2017 Annual Report outlines highlights, accomplishments, and achievements that demonstrate why Highland is the destination in greater Rochester for patients in search of superior community-centered medical care.

Like hospitals across the country, Highland faces an ever-changing health care landscape. Our goal is to remain successful in this environment by staying abreast of healthcare reform, cutting unnecessary costs, and focusing on accountability and health care that yields positive outcomes for our community.

Highland continues to position itself as a strategic affiliate partner within the University of Rochester Medical Center system, providing access to a complete range of specialties and treatment modalities. Highland maintains a specialized focus on bariatrics, geriatrics, orthopaedics, and women’s health, supported by a unique mix of qualified clinical and non-clinical staff, specialization, and efficiency. And Highland has continued reinvestment in the hospital through implementation of its facilities plan, cultivating new initiatives from our areas of strength and evaluating new opportunities that will enable Highland to maintain its role as the leading community hospital, recognized for the best outcomes in clinical quality and patient safety.

Our priorities and accomplishments are based on our management plan and the strategic objectives established by our Board of Directors. These strategic objectives are delivered through six pillars of service and operational excellence: Quality & Safety, Patient- and Family-Centered Care, Growth, Finance, People, and Community/System.

Everything we do is supported by the Highland Promise, our commitment to live the ICare values of Integrity, Compassion, Accountability, Respect, and Excellence, every day. With the help of our Board, physicians, employees, donors, and volunteers, we’re poised for another great year ahead.

Thank you for your support of Highland Hospital!

Steven I. Goldstein, President and CEO
Highland Hospital

Kathleen Whelehan, Chair, Board of Directors
Highland Hospital

Cindy Becker, Vice President and COO
Highland Hospital

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| Quality & Safety | 3 |
| Patient- and Family-Centered Care | 5 |
| Growth | 6 |
| Finance | 15 |
| People | 18 |
| Community/System | 19 |
Quality Recognition

In FY 17, Highland and several of its departments were recognized for exceptional performance, including:

- Highland received its Joint Commission triennial reaccreditation, with a final report described by surveyors as “excellent.”
- Highland was redesignated a Magnet® hospital, the highest recognition for nursing excellence, by the American Nurses Credentialing Center.

Highland Nurses celebrate the 2016 Magnet redesignation at the Magnet Conference.

- Highland achieved three stars in the Centers for Medicare and Medicaid Services (CMS) Hospital Compare Overall Rating and ranked above the national average for readmission and patient experience.
- Highland was spotlighted by *U.S. News & World Report* as a “Best Regional Hospital,” having achieved “High Performing” ratings in Heart Failure, Colon Cancer Surgery, and Hip Replacement. Highland was also “Recognized in Western New York,” ranked #3 in the Rochester Metro Area, and ranked #21 in New York State.
- The Geriatric Fracture Center, Gynecologic Oncology, Orthopaedic Joint Replacement Hip and Knee, and Palliative Care received Joint Commission disease-specific care certifications.
- The Bariatric Surgery Center received a three-year reaccreditation as a Comprehensive Center by the Metabolic and Bariatric Surgery Accreditation and Quality Improvement Program. The center has held this accreditation since 2006.
- Highland Hospital achieved Exemplar Status from Nurses Improving Care for Healthsystem Elders (NICHE) for the fourth consecutive year.
- Highland’s Stroke Team and Cardiology Department earned Get with the Guidelines® recognition from the American Heart Association and American Stroke Association. Both groups achieved Gold Plus status.
- Breast Imaging and Radiation Oncology were recognized by the American College of Radiology as ACR Centers of Excellence.
- The American Association of Critical Care Nurses awarded Highland’s Intensive Care Unit with a gold-level Beacon Award for Excellence for demonstrating exceptional care.
- Highland was recognized by the National Safe Sleep Hospital Certification Program as a Gold Safe Sleep Champion for commitment to best practices and education on infant safe sleep.
- The Department of Laboratory Medicine passed inspection by the New York State Department of Health, renewing its license for two years.

Hospital Awards
Infection Prevention

As part of Highland's commitment to patient safety, the infection prevention program is focused on decreasing the risk of infection to patients by conducting surveillance on health care-associated infections and implementing strategies to prevent infection.

The SIR measurement is the number of infections divided by the number of predicted infections. Highland outperformed SIR targets for FY 17. In the area of Surgical Site Infections (SSI), significant progress was made due to increased attention to surgical prevention bundles, standardized best practices, and glucose control. This has resulted in colon surgery SSI outperforming the threshold and no SSIs with hysterectomy patients over the last six months of FY 17.

The following graphs outline Highland's progress compared to benchmark thresholds.

C. Difficile

C. difficile outperformed the threshold of 0.92. Significant improvements were identified in the last quarter of the fiscal year due to efforts to prevent inappropriate testing.

Central-Line Associated Blood Stream Infections (CLABSI)

In 2016, the CDC re-benchmarked thresholds resulting in much lower rates of predicted infections. Highland Hospital continued to outperform the CLABSI CMS threshold of 0.86 with a FY 17 SIR of 0.62. Current actions include re-education and competency on central-line care for all nurses.

Methicillin-Resistant Staphylococcus Aureus (MRSA)

MRSA Bloodstream infections are an area of focus for Highland. Highland discontinued contact precautions for MRSA in August 2014. These infections have remained low with a SIR of 0.15, which is statistically lower than the threshold.

Surgical Site Infections in Hysterectomies

Surgical site infections in patients undergoing abdominal hysterectomy were identified during FY 16 as a targeted area for improvement. The GYN team worked with Infection Prevention to implement several improvement strategies.
Quality & Safety

Highland’s Performance

Highland’s reimbursement was favorable in the Value-Based Purchasing program for both the Centers for Medicare and Medicaid Services (CMS) and Excellus BlueCross BlueShield’s Hospital Performance Incentive Program. In fact Highland’s VBP score remains higher than the U.S. average. However, a small penalty was incurred in Readmission Reduction. Highland had slightly higher than expected readmissions for acute MI, COPD, and Joint Replacement but overall for CMS and Excellus combined, Highland achieved a financial reward of approximately $700,000 for VBP.

<table>
<thead>
<tr>
<th>CMS Areas of Measure</th>
<th>FY 17 Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>VALUE-BASED PURCHASING (2% withhold at risk)</td>
<td></td>
</tr>
<tr>
<td>Highland Performance Score</td>
<td>41.25</td>
</tr>
<tr>
<td>New York State Score</td>
<td>34.86</td>
</tr>
<tr>
<td>U.S. Score</td>
<td>37.43</td>
</tr>
<tr>
<td>Value-Based Incentive Payment Percentage: 2.38498%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>READMISSIONS REDUCTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured by Excess Readmission Ratio (&lt;1.0 is better)</td>
</tr>
<tr>
<td>Acute Myocardial Infarction</td>
</tr>
<tr>
<td>Heart Failure</td>
</tr>
<tr>
<td>Pneumonia</td>
</tr>
<tr>
<td>Chronic Obstructive Pulmonary Disease</td>
</tr>
<tr>
<td>Total Knee/Hip Arthroplasty</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HOSPITAL-ACQUIRED CONDITIONS (HACs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured by Payment Reduction Threshold: 6.75 (lower is better)</td>
</tr>
<tr>
<td>HACs Score</td>
</tr>
</tbody>
</table>

Reducing Avoidable Readmissions

Preventing hospital readmissions improves patient outcomes and can result in significant savings in terms of the overall cost of care. Initiatives to reduce hospital readmissions within 30 days of discharge are underway, including:

- A case management team composed of nurse care coordinators and social work staff that focuses on efficiencies and efforts to improve discharge planning and prevent avoidable readmissions.
- A coordinated effort involving the hospital’s Outpatient Pharmacy and care providers is working to ensure that patients get their medications before they leave the hospital.
- Initiatives are in place to schedule follow-up appointments, address patient transport needs, and contact Primary Care Providers and care managers prior to patient discharge.
- Projects designed to reduce readmissions for the Medicaid population (DSRIP) and Medicare fee for service patients (Bundles) are in place and will further develop over time. These projects are designed to enhance care planning, minimize length of stay, avoid unnecessary hospital utilization, and support readmission prevention efforts.
Advancing our Patient Experience Approach

The ever changing environment of health care encouraged Highland to rethink our strategy in providing an exceptional patient experience. While Highland remains steadfastly focused on the patient- and family-centered care model, in FY 17 Highland seized an opportunity to unite oversight of the Performance Improvement and the Service Excellence Departments. This realignment enabled Highland to create a department focused on improving the patient experience by facilitating closer communications with the teams that uncover opportunities for improvement and those responsible for planning and executing improvement strategies.

During FY 17, Highland conducted multiple value-stream mapping and patient-journey mapping exercises. The patient-journey mapping sessions completed by our Emergency Department and Labor & Delivery unit gave us greater insight into our patients’ perceptions of their experience throughout the continuum of care and provided us with invaluable insight on where to focus our improvement projects in the next fiscal year.

Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) remains a strong indicator of how we are performing in our patient’s eyes. In FY 17 we saw continued growth in the following domains:
- Communication with Doctors
- Discharge
- Care Transitions

<table>
<thead>
<tr>
<th>HCAHPS Domains</th>
<th>Highland Hospital Results FY 17</th>
<th>Achievement Threshold</th>
<th>National Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Rating of Hospital</td>
<td>73.4%</td>
<td>70.85%</td>
<td>84.83%</td>
</tr>
<tr>
<td>Communication with Nurses</td>
<td>79.6%</td>
<td>78.69%</td>
<td>86.97%</td>
</tr>
<tr>
<td>Responsiveness of Hospital Staff</td>
<td>61.5%</td>
<td>65.16%</td>
<td>80.15%</td>
</tr>
<tr>
<td>Communication with Doctors</td>
<td>83.5%</td>
<td>80.32%</td>
<td>88.62%</td>
</tr>
<tr>
<td>Hospital Environment</td>
<td>61.8%</td>
<td>65.58%</td>
<td>79.06%</td>
</tr>
<tr>
<td>Cleanliness</td>
<td>68.9%</td>
<td>65.58%</td>
<td>79.06%</td>
</tr>
<tr>
<td>Quietness</td>
<td>54.7%</td>
<td>65.58%</td>
<td>79.06%</td>
</tr>
<tr>
<td>Pain Management</td>
<td>71.2%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Communication about Medication</td>
<td>64.6%</td>
<td>63.26%</td>
<td>73.53%</td>
</tr>
<tr>
<td>Discharge</td>
<td>90.6%</td>
<td>87.05%</td>
<td>91.87%</td>
</tr>
<tr>
<td>Care Transitions</td>
<td>58.0%</td>
<td>51.42%</td>
<td>62.77%</td>
</tr>
</tbody>
</table>

The Achievement Threshold and National Benchmark are purposeful performance targets set by CMS. The Achievement Threshold is used in calculating reimbursement for VBP. The National Benchmark reflects the goals for top performing hospitals.
HIGHLAND’S CLINICAL SERVICES

<table>
<thead>
<tr>
<th>Patient Volumes</th>
<th>FY 16</th>
<th>FY 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital Discharges – Adult</td>
<td>21,372</td>
<td>22,546</td>
</tr>
<tr>
<td>Total Observation Cases</td>
<td>5,628</td>
<td>6,407</td>
</tr>
<tr>
<td>Short Stays</td>
<td>3,437</td>
<td>3,997</td>
</tr>
<tr>
<td>Adult Patient Days</td>
<td>81,042</td>
<td>84,524</td>
</tr>
<tr>
<td>Average Length of Stay</td>
<td>4.5</td>
<td>4.5</td>
</tr>
<tr>
<td>Emergency Department Visits</td>
<td>45,460</td>
<td>46,235</td>
</tr>
<tr>
<td>Admissions</td>
<td>11,380</td>
<td>12,256</td>
</tr>
<tr>
<td>Treat &amp; Release</td>
<td>33,885</td>
<td>33,774</td>
</tr>
<tr>
<td>Left Without Being Seen</td>
<td>195</td>
<td>205</td>
</tr>
</tbody>
</table>

Operating Room Services by Type

- Neurosurgery: 7%
- GYN Oncology: 6%
- Bariatrics: 5%
- Surgical Oncology: 5%
- Vascular: 3%
- Ear, Nose, & Throat: 3%
- Plastic: 3%
- Colorectal: 1%
- Gastro: 1%
- Ophthalmology: 1%

Volume leaders include: Orthopaedics at 25 percent, General Surgery at 19 percent, Gynecologic Surgery at 11 percent, and Urology at 10 percent.

Perioperative Services

Perioperative Services cares for the patient throughout the entire surgical process. Perioperative Services includes: Pre-Operative Testing, Same Day Surgery, Operating Rooms, Post Anesthesia Care Unit, and the Sterile Processing Department.

Highland Hospital’s multidisciplinary approach to Perioperative Services focuses on delivering the highest standard of care. In response to increased demand from growing clinical programs for expanded capabilities and capacity, Highland continues to invest in expanding and modernizing its Perioperative Services program.

Volume

- Operating Room (OR) volume grew by almost four percent in FY 17 driven by a more than six percent increase in outpatient volume.

<table>
<thead>
<tr>
<th>Key Indicators</th>
<th>FY 16</th>
<th>FY 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Room Cases</td>
<td>12,151</td>
<td>12,616</td>
</tr>
<tr>
<td>Outpatient</td>
<td>6,535</td>
<td>6,962</td>
</tr>
<tr>
<td>Inpatient</td>
<td>5,616</td>
<td>5,654</td>
</tr>
</tbody>
</table>

Highlights

- In FY 17, Highland made a significant capital investment in upgrading and expanding its OR capabilities. In FY 18, the hospital will finish renovating two additional ORs. These ORs will provide two additional Total Joint ORs with an expanded size of more than 650 square feet. The Total Joint ORs will be among the largest operating rooms at Highland, and bring the number of renovated Total Joint ORs to six.

- Highland is also investing in a hybrid OR for its Vascular Surgery Program. This surgical suite will be equipped with advanced medical imaging devices that support minimally invasive surgery. The addition of a Siemens Artis Zeego machine, a multi axis interventional system, will bring unparalleled flexibility and expanded capabilities to the operating suite environment. The hybrid OR is expected to open in November 2017.

Highland’s South Addition features state-of-the-art operating rooms and the latest in advanced surgical technology.
Orthopaedics

The Orthopaedics Department, a regional and national center of excellence, is part of the Orthopaedics Department at the University of Rochester Medical Center, one of the top five National Institutes of Health-funded orthopaedic research organizations in the country. Leading the way with advanced procedures and comprehensive care, Highland’s Orthopaedics Department treats all aspects of bone and joint health – from emergency surgeries, to joint replacement, to noninvasive therapies.

Volume
• Total Orthopaedic OR volumes increased nearly 12 percent in FY 17.

<table>
<thead>
<tr>
<th>Key Indicators</th>
<th>FY 16</th>
<th>FY 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orthopaedic Joint Cases</td>
<td>1,636</td>
<td>1,819</td>
</tr>
<tr>
<td>Fracture Cases</td>
<td>578</td>
<td>677</td>
</tr>
<tr>
<td>Foot &amp; Ankle Cases</td>
<td>203</td>
<td>222</td>
</tr>
<tr>
<td>Shoulder Replacements</td>
<td>164</td>
<td>165</td>
</tr>
<tr>
<td>Orthopaedic Discharges</td>
<td>2,300</td>
<td>2,509</td>
</tr>
<tr>
<td>Orthopaedic Average Length of Stay</td>
<td>2.9</td>
<td>2.5</td>
</tr>
<tr>
<td>Orthopaedic Clinic Visits</td>
<td>806</td>
<td>864</td>
</tr>
</tbody>
</table>

Highlights
• Highland continued its coordinated, multi-disciplinary Total Joint Program team with a cutting edge Total Joint Center, aiming to lead the region in joint replacement. Focusing on optimizing processes with an emphasis on outstanding patient satisfaction and optimal quality, the group is analyzing every step in the care continuum.

• The newly expanded and updated clinic is now open with a full contingent of Arthroplasty Surgeons. The department will add a non-surgical arthritis specialist in early FY 18.

• Renovations to the Orthopaedic OR space will continue for the next several years. Highland currently has 15 ORs. The sixteenth OR will be fully operational starting in November 2017 and will be equipped for advanced vascular surgeries.

• Last fall, Tom Myers, M.D., joined Highland’s Orthopaedics program and the Evarts Joint Center, followed by Ben Ricciardi, M.D., in May. Dr. Ricciardi brings an exciting research background and is actively involved in the University of Rochester Center for Musculoskeletal Research.

• Highland’s Shoulder Reconstruction team, including Ilya Voloshin, M.D., and Gregg Nicandri, M.D., performs more complex Shoulder Arthroplasty than any other center in the region.

Rishi Balkissoon, M.D., M.P.H., specializes in partial and total primary and revision hip and knee replacement surgery.
Surgery Department
Highland’s Surgery Department includes Bariatrics; Colorectal; Ear, Nose, and Throat; General Surgery; Ophthalmology; Plastic Surgery; Breast Surgery; Thoracic; Urology; and Vascular Surgery.

Highland’s surgical program is recognized by the American College of Surgeons National Quality Improvement Program (NSQIP) as a leader in quality care and surgical excellence. In conjunction with its NSQIP participation, Highland is a member of the Upstate New York Surgical Quality Initiative (UNYSQI).

Volume
Surgeries performed at Highland Hospital in FY 17 increased by almost four percent.

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<td>Operating Room Cases</td>
<td>12,151</td>
<td>12,616</td>
</tr>
<tr>
<td>Outpatient</td>
<td>6,778</td>
<td>6,962</td>
</tr>
<tr>
<td>Inpatient</td>
<td>5,373</td>
<td>5,654</td>
</tr>
</tbody>
</table>

Highlights
- All breast cancer-related surgery moved from Strong Memorial Hospital to Highland Hospital. This includes all breast surgeries and breast reconstruction.
- Joseph Johnson, M.D., Chief of Surgery, received the Rochester Business Journal Health Care Achievement Award in the Physician category. The award recognizes excellence and honors individuals in the Rochester area who have made significant contributions to the health care field.
- Long time vascular surgeon, Theodore Hirokawa, M.D., retired at the end of March 2017 following 35 years of service to Highland Hospital. Dr. Hirokawa referred his vascular surgery patients to Roan Glocker, M.D., and his general surgery patients to Joseph Johnson, M.D., William O’Malley, M.D., and David Burns, M.D.

Bariatric Surgery
Highland Hospital is a nationally accredited Comprehensive Bariatric Center, meeting the highest standards of excellence for Bariatric Surgery Centers. More than 8,000 surgeries have been performed at Highland since 2005.

Volume
Bariatric surgery volume increased by almost seven percent in FY 17.

<table>
<thead>
<tr>
<th>Key Indicators</th>
<th>FY 16</th>
<th>FY 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bariatric Surgeries</td>
<td>643</td>
<td>685</td>
</tr>
</tbody>
</table>

Highlights
- Highland expanded access to surgeon-led seminars, a prerequisite to surgery.
- With improved communication and engagement tools, Highland was able to reduce the average time it takes a patient to prepare for bariatric surgery from seven to five months.
- The department utilized data from Metabolic and Bariatric Surgery Accreditation and Quality Improvement Program (MBSAQIP) bariatric registry to establish best practices and continue to improve quality and safety of patient care.
- A dedicated Bariatric RN position was established to address patient concerns and inquiries pre- and post-surgery.
- Purchased three new bariatric beds and made improvements to the waiting room.
- Finalizing business plan for introduction of medical weight loss program; pilot to be implemented in FY 18.
- Updated all marketing materials and patient communication to facilitate the patient journey.
Department of Medicine
Highland’s Department of Medicine includes Geriatrics, Palliative Care, Critical Care/Pulmonary, Cardiology, Infectious Disease, Hematology/Oncology, and Nephrology. In FY 17 the department included 15 hospitalists, 11 geriatricians and 33 Advanced Practice Providers. Hospitalists and APPs partner with geriatricians and specialists to provide the highest standard of patient care during a hospital stay. Geriatricians work together with Orthopaedic surgeons to co-manage the care of patients in the Geriatric Fracture Center.

Volume
Observation cases are expected to rise yearly as growth in Emergency Department volume as well as the continued trend through both payors and population health efforts to shift more patients from an inpatient to outpatient setting. In FY 17 inpatient volume admissions increased by nearly four percent and observation cases rose by 18.7 percent.

<table>
<thead>
<tr>
<th>Key Indicators</th>
<th>FY 16</th>
<th>FY 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inpatient Admissions</td>
<td>7,736</td>
<td>8,036</td>
</tr>
<tr>
<td>(projected)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Observation Cases</td>
<td>2,202</td>
<td>2,614</td>
</tr>
</tbody>
</table>

Highlights
• Medical provider coverage was redesigned to include two Medicine Admission Coordinators (MACs) to direct daily admissions to the residents, APPs, hospitalists, and geriatricians using the team approach. The goal is to reduce patient length of stay and readmissions and provide continuity of care.

• The Department of Medicine was the pilot for ePARC charge capture, to ensure that all charges will be processed by go-live time.

Geriatrics
Highland remains a regional leader in geriatric care. We offer the most comprehensive and innovative suite of geriatric services in Upstate New York, including: Acute Care for Elders (ACE) Unit, the Geriatric Fracture program, Geriatric Medicine and Associates (GAMA), Highland Hospital Geriatrics Group, elder life programs, and a senior-friendly Emergency Department. We also serve skilled nursing and assisted living centers in our community through UR Medicine Geriatrics Group. In addition, Highland also offers a palliative care program that provides specialized medical care and support for patients and their families experiencing chronic or terminal illness.

Volume
Specialized and individualized care of a full-time nurse practitioner has contributed to the increased volume in Palliative Care visits. GAMA visits increased by two percent and Palliative Care visits by 124 percent.

<table>
<thead>
<tr>
<th>Key Indicators</th>
<th>FY 16</th>
<th>FY 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAMA Visits</td>
<td>14,035</td>
<td>14,280</td>
</tr>
<tr>
<td>Palliative Care Visits</td>
<td>87</td>
<td>195</td>
</tr>
<tr>
<td>Palliative Care Inpatient Consults</td>
<td>506</td>
<td>485</td>
</tr>
</tbody>
</table>

Highlights
• Daniel Mendelson, M.S., M.D., FACP, AGSF, CMD, Associate Chief of Medicine and Director of Palliative Care for Highland Hospital, is playing a key role in an American Geriatrics Society initiative supported with a John A. Hartford Foundation of New York grant to disseminate a national model for co-management of older adults hospitalized with hip fractures. The goal is to have the program in place over the next three years in 50 U.S. hospitals.

• Dr. Mendelson was also the first physician to be appointed to the William and Sheila Konar Professorship at the University of Rochester, created to enhance patient-centered care, especially for the elderly and complex patients.

• Kristen Thornton, M.D., Assistant Professor of Medicine and Family Medicine, received the 2017 American Geriatrics Society Junior Faculty Clinician Educator of the Year Award. Dr. Thornton was recognized for the significant contributions she has made to the education and training of students/trainees in geriatrics in addition to providing mentoring, career advice, and enhancing the overall educational program locally, within the UR Division of Geriatrics, and nationally with her contributions to the American Geriatrics Society.
Growth

Emergency Department & Observation Unit
The Wolk Emergency Department at Highland Hospital is staffed by highly trained and experienced physicians that work closely with a dedicated team of physician assistants, nurses, and patient care technicians to provide the best care during a critical time in a patient’s care continuum.

Volume
- The ED treated more than 46,000 patients, which represents volume growth of two percent since last year. Highland experienced a ten percent increase in Emergency Observation cases.

<table>
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<th>Key Indicators</th>
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<td>Treat &amp; Release</td>
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<td>33,774</td>
</tr>
<tr>
<td>Left Without Being Seen</td>
<td>195</td>
<td>205</td>
</tr>
<tr>
<td>Emergency Observation Unit Cases</td>
<td>2,191</td>
<td>2,410</td>
</tr>
</tbody>
</table>

Highlights
- In the Centers for Medicare and Medicaid Services (CMS) Hospital Compare Report, Highland’s Emergency Department performed better than the national average for admit decision time to ED departure time and better than the state average for median time from ED arrival to departure for admitted patients.
- A hospital-wide effort focused on improving patient flow for all ED admissions. Triage and intake processes were revised as part of this initiative.
- The Highland ED received approvals from New York State to begin an Emergency Nursing Residency Program.
- The addition of Grand Central through ePARC helped provide optimization of registration, patient flow (Transport), room turnover (Environmental Services), and hospital and professional billing.

Cardiology
Highland Cardiology offers outstanding adult cardiac care in both inpatient and outpatient settings. The Cardiology team continues to grow with the addition of more physicians on the medical team, all with advanced board certifications in Internal Medicine and Cardiology. Highland Cardiology is part of URMC Cardiology, the most comprehensive Cardiac program in Western and Central New York.

Volume
The Cardiology Department continued its growth during FY 17 with a more than three percent increase consisting of patient referrals and procedures. To accommodate the increased caseload driven by new-patient growth and the Red Creek office expansion, the department hired two new physicians.

<table>
<thead>
<tr>
<th>Key Indicators</th>
<th>FY 16</th>
<th>FY 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardiology Procedures</td>
<td>35,001</td>
<td>36,219</td>
</tr>
</tbody>
</table>

Highlights
- Press-Ganey patient-satisfaction survey results have ranked Highland Cardiology among the 98-99th percentile or higher since 2015.
- Highland Cardiology continues to rank highest, at 93 percent, among UR Medicine Cardiology sites based on their seven-day access level.
- The new Highland Cardiology facility at Red Creek, UR Medicine Heart and Vascular, officially opened July 10. It offers 13,080 square feet of clinical space, a 10,000 square foot increase from the present location. The facility includes five echo rooms, five procedure rooms, and 15 exam rooms that will enable Highland to comfortably serve 125 patients per day with room for growth.
- Highland’s Cardiology practice now has seven cardiologists, including Misha Vornovitsky, M.D., who joined July 2017, and four nurse practitioners.
Highland Family Medicine

The Department of Family Medicine at Highland consists of Highland Family Medicine, the clinical practice, an educational department (with medical residents, nurse practitioner residents, and three fellowships), and a robust research program. With 25 Family Medicine faculty physicians, 16 nurse practitioners, 38 residents, and four fellows, the department is the largest it has ever been.

Volume

For FY 17, Highland Family Medicine has seen a six percent increase in volume.

<table>
<thead>
<tr>
<th>Key Indicators</th>
<th>FY 16</th>
<th>FY 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highland Family Medicine Visits</td>
<td>66,694</td>
<td>70,941</td>
</tr>
<tr>
<td>Highland Family Medicine (number of patients)</td>
<td>21,065</td>
<td>21,736</td>
</tr>
</tbody>
</table>

Highlights

- For the second straight year a record number of UR medical students have selected a Family Medicine residency, making it the second most popular choice of medical students after Internal Medicine.
- Three residents from the University of Rochester Department of Family Medicine Residency program were named to national leadership positions in the American Academy of Family Physicians. This is the first time that three residents from the same program have been selected.
- The Nurse Practitioner residency program, the first of its kind in New York State, funded by the Health Resources and Services Administration (HRSA), graduated two residents and two more are enrolled in next year's program.
- Highland Family Medicine is expanding from seven to eight suites to accommodate a growing patient population.
- The Suboxone program, an on-site chemical dependency program, has grown to accommodate more patients. A Credentialed Alcoholism and Substance Abuse Counselor (CASAC) works with physicians to evaluate and coordinate treatment. Highland Family Medicine is the first primary care practice in the Rochester region to have onsite chemical dependency services.
- Highland Family Medicine is involved in several New York State Delivery System Reform Incentive Program initiatives focused on improving clinical outcomes and addressing barriers to care for Medicaid patients including those concerning integrated behavioral health, transition care management, ED triage, health home care managers, and the integrated delivery system.

Primary Care

The Center for Primary Care, part of the University of Rochester Medical Center, is a network of doctors specializing in Internal Medicine, Family Medicine, and Internal Medicine/Pediatrics. All physicians are Board Certified in their specialty and are faculty members of the University of Rochester School of Medicine and Dentistry. The network has over 150 primary care providers in 34 practices located in neighborhoods covering Monroe, Livingston, Genesee, Steuben, Wayne, and Wyoming Counties. Physicians are affiliated with Highland, Strong Memorial, and Golisano Children’s Hospitals. Highland operates nine of these primary care practices. All of the practices are certified as Level 3 Patient-Centered Medical Homes by the National Committee for Quality Assurance (NCQA).

Volume

Adding new physicians to several practices resulted in an increase in patient panel. The Webster office saw a five percent increase and the Calkins Creek office saw a seven percent increase.

<table>
<thead>
<tr>
<th>Key Indicators</th>
<th>FY 16</th>
<th>FY 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highland Primary Care Practices Visits</td>
<td>147,693</td>
<td>141,006*</td>
</tr>
<tr>
<td>Highland Primary Care Practices Patients</td>
<td>57,125</td>
<td>57,748</td>
</tr>
</tbody>
</table>

*Although visits decreased four percent due to shifting of practices within UR Medicine Primary Care, overall patients increased by one percent.

Highlights

- In the last year Highland added UR Medicine Primary Care-Greece (formerly Greece Medical Associates).
- In rankings released by Doximity—the nation’s largest online professional network for U.S. physicians, and a partner of U.S. News & World Report—URMC’s Internal Medicine-Pediatrics program was ranked number one in reputation among similar programs. The exceptional learning environment provided by the Culver Medical Group was a key factor.
- New physicians joining during FY 17 include Scott Wilson, M.D., at Genesee Valley Family Medicine, Mala Ashok, M.D., at Webster Family Medicine, and Carla Schwartz, M.D., at Calkins Creek Family Medicine.
**Women’s Health Services**

Highland offers a wide range of comprehensive health services at the hospital and several community locations. Women’s Health Services includes: Obstetrics at the Family Maternity Center, Gynecology, Community Obstetrics & Gynecology, Surgical services such as Robotic Surgery for Gynecologic Oncology and Gynecology as well as minimally invasive procedures, Highland’s Maternal Fetal Medicine Program, the Rochester Adolescent Maternity Program (RAMP), UR Medicine Breast Imaging, and UR Medicine Midwifery.

**Volume**

- A total of 2,993 deliveries occurred at Highland in FY 17, and Highland continues to lead market share for Obstetrics at 32.9 percent in Monroe County.

- Combined Breast Imaging volume at all four locations (Red Creek, Highland Hospital, Penfield, and Jordan Health Center) surpassed 19,000 patients.

**Highlights**

- May Ma, M.D., joined Highland Hospital’s OB/GYN team.

- Wilson Foundation and Susan G. Komen® Twin Tiers Region grants, each awarded for $10,000, were given to Highland Hospital Breast Imaging and funded targeted patient services delivered from our service sites located at Anthony Jordan, Penfield Crossings, Red Creek, and Highland Hospital.

- GYN Oncology, led by Richard Moore, M.D., conceived and launched a mobile application that is being used to successfully predict a woman’s risk of developing ovarian cancer.

- The GYN Oncology practice is the only regional group performing minimally invasive sentinel node biopsies. Patients would previously travel to Albany or New York City for this procedure.

- The GYN Oncology group has been approved to conduct National Cancer Institute trials for GYN malignancies.

- The UR Midwifery Group is celebrating its 25th year in 2017 as a University of Rochester faculty division.

**Radiation Oncology**

Radiation Oncology at Highland Hospital is an important component in the Wilmot Cancer Institute’s array of cancer services across the region.

**Volume**

Radiation Oncology experienced a 14 percent increase in new patients in FY 17.

<table>
<thead>
<tr>
<th>Key Indicators</th>
<th>FY 16</th>
<th>FY 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Radiation Oncology Procedures</td>
<td>27,583</td>
<td>28,726</td>
</tr>
<tr>
<td>New Radiation Oncology Patients</td>
<td>819</td>
<td>936</td>
</tr>
</tbody>
</table>

**Highlights**

- Hong Zhang, M.D., Ph.D., Chief of Radiation Oncology, received the Rochester Business Journal Health Care Achievement Award for Innovation for her work bringing both high-dose-rate (HDR) prostate brachytherapy and the SpaceOAR to Highland Hospital.

- A new TrueBeam® Linear Accelerator was installed in the department in early December. The machine offers a number of state-of-the-art improvements. It can treat cancer anywhere in the body where radiation treatment is needed as well as quickly and accurately deliver a very high radiation dose to targeted areas. It also allows the therapist to make any necessary adjustments from outside the room without interrupting treatment.

- Highland Hospital continues to be the only place in Upstate New York to offer HDR prostate brachytherapy. An extra day a week is being added to the schedule for these procedures to be performed, due to high demand.

- A business plan is underway to implement general anesthesia and post-anesthesia care in the Radiation Oncology Department. HDR prostate patients will have a choice to receive spinal sedation or general anesthesia. They will then be able to recover in Radiation Oncology instead of being transported back to PACU for discharge.

- “Gated breathing” or “deep inspiration breath hold” technique is being used for external beam therapy, which monitors the movement of a tumor so treatment is delivered only when the tumor is in the right place. This technique helps to eliminate radiation exposure to healthy tissue or critical structures like the heart and lungs.

- As part of an initiative to relieve patient fear of radiation, Highland is now offering a guided tour to patients prior to radiation.
Master Facility Plan In Progress
As part of Highland’s master facility plan, in Fall 2016, Highland completed construction of its South Addition, modernizing patient-care facilities and providing additional private rooms for our patients. This project, combined with an ongoing regional expansion, including opening a new Red Creek site for Cardiology, grew Highland’s total service footprint by 56,240 square feet during FY 17.

Highlights
• Completed a two-story 30,000 square foot addition that expanded clinical space on the hospital’s south side.

- The new addition renovated and expanded six state-of-the-art Operating Rooms on level one and a 26-bed Observation Unit on level two. The observation area cares for patients that don’t meet inpatient criteria.

- Six ORs were upgraded to increase space and improve technology so Highland can deliver state-of-the-art care.

- A hybrid OR was started in March 2017. The new state-of-the-art room will support our expanding vascular program and is twice the size of a standard OR. The room was built to feature a robotic imaging system that dramatically improves patient imaging as compared to the mobile units.

• The Orthopaedic Clinic Expansion project doubled the exam rooms in use today and added a second x-ray room dedicated to Orthopaedic services.

• UR Medicine Heart & Vascular at Red Creek (formerly Highland Cardiology) opened with 13,080 square feet of clinical space, a 10,000 square foot increase from the present location. The facility includes five echo rooms, five procedure rooms, and 15 exam rooms that will enable Highland to comfortably serve 125 patients per day with room for growth.

• The pathology lab was expanded, as part of a Surgical Pathology expansion, to accommodate additional breast cases.

• Highland completed its $2.7 million renovation of its cafeteria in April 2017, modernizing for the benefit of its patients, visitors, and employees.

Facility Improvements and Additions
The FY 17 capital expenditures totaled $37.9 million and included the following projects:

- South Addition: $13.4 million ($28 million total)
- Information Technology: $4.3 million

  - Key Projects:
    • Replacement Laptop Computers
    • ePARC
    • Network Upgrades
    • eRecord Growth
    • Imaging Archive
    • Server Upgrades
    • Epic Infectious Control
- Orthopaedics Clinic: $2 million
- Cafeteria Renovation: $1.8 million ($2.5 million total)
- Cardiology Renovation: $1.8 million
- Patient Monitoring Upgrade: $1.3 million
- Infrastructure: $1 million
- Pathology Expansion: $450,000

A number of milestone projects were completed in FY 17 including UR Medicine Heart and Vascular at Red Creek (A), the newly renovated cafeteria (B), and the South Addition (C).
Growth

Highland Café, Transformed
Highland completed its $2.7 million renovation of its cafeteria in April 2017, modernizing for the benefit of its patients, visitors, and employees.

Highlights
• A new serving area, renovated dining area, and New York-style deli.
• A new lounge area with comfortable seating, natural lighting and a fireplace.
• A New York-style deli featuring staples such as the Reuben, Pastrami on Rye, and many other sandwiches made with high-quality Boar’s Head® meats and cheeses, as well as Stevie G’s Matzo Ball Soup, made from Highland’s CEO Steve Goldstein’s personal recipe.
• An expanded menu complete with the launch of “Net Nutrition, which allows patrons to find nutritional information for the café’s food on iPads located in the serving area, on the URMC app, and on the Highland web site. The new program makes it easy for diners to make informed choices when deciding what to eat.

Growing eRecord’s Role in the Patient Experience
FY 17 was a significant year for ePARC (Enterprise Patient Access and Revenue Cycle, or eRecord 2.0), our electronic health record system. On May 1, Highland spearheaded eRecord’s expansion by launching new patient access and revenue cycle applications within our hospital. When the full expansion project is completed in March 2018, including Highland, University of Rochester Medical Faculty Group outpatient, and Strong Memorial Hospital inpatient services, we will be poised to deliver new models of care for patients looking for modern conveniences like booking appointments and paying bills through MyChart.

ePARC brings patient registration, appointment scheduling, billing, and imaging services to the eRecord system. It creates a robust and integrated platform capable of unifying Highland’s and UR Medicine’s service and billing experience. This standardization has improved visibility into our inpatient revenue activity and led to a more informed experience for our patients, providers, and staff.

The service excellence that begins at first contact and during each patient interaction will conclude online, where patients will find new easy-to-read statements in their MyChart that will consolidate all services provided at Highland, Strong Memorial Hospital, and professional services groups into one bill.

Highlights
• On May 1, 150 URMC staff were onsite for two weeks to ensure a successful phase-one implementation of ePARC, completing the first phase of an 18-month initiative.
• A new inpatient movement system ensured more efficient patient throughput within our hospital – from the ED to inpatient units, and from inpatient units to testing areas.
• 2017 ePARC enhancements enabled single-system capture of registration and insurance information to submit claims and receive payments.
• Highland succeeded in creating a simplified, more cohesive experience for faculty and staff throughout the patient lifecycle and is improving the speed and accuracy of charges entered into the system.
• Revenue integrity efforts have improved oversight of our financial performance by monitoring patient billing amounts, processes, and timing in follow up to the care patients receive.
Financial Performance

Highland achieved a 4.1 percent operating margin target in FY 17 despite facing continued challenges that included Federal and New York State budget/reimbursement constraints, market forces impacting recruitment/retention, as well inflationary pressures on wages, supplies, pharmaceuticals, and other expenses that were not offset by comparable reimbursement rate increases. Our third party payors continued their push to shift patients from inpatient to outpatient status in order to reimburse Highland at a lower rate. Highland continued to meet these challenges through building volume/market share, in part through the continued implementation of our Master Facility Plan.

While the transition to Value Based Purchasing, “Pay for Performance,” has not progressed as quickly as previously predicted, Highland continued to outperform both Centers for Medicare and Medicaid Services (CMS) and Excellus targets in FY 17, resulting in incremental revenues of approximately $700,000.

Highland has achieved average operating margins of four percent or better over the past 12 years, which far exceed the current New York State average margin of one percent. In addition Highland maintained a strong cash position of 149 days, which will help to fund operating and capital needs in the future. This continuing positive financial performance also helps us to maintain our A-level bond rating from both Standards & Poor and Moody's.

Highland’s budget for FY 18 targets an operating margin of 5.5 percent, under a continuation of the fee-for-service reimbursement methodology. Highland will continue to grow inpatient and outpatient volumes and market share in key clinical areas:

• Orthopaedic Surgeries
• Solid Tumor Oncology
• General Surgery

Key contributing factors to Highland's success will include:

• A projected increase of 902 inpatient discharges
• Targeted outpatient volume growth
• Capital expenditures totaling $36.5 million

Key Financial Metrics (in thousands) | FY 16 | FY 17
--- | --- | ---
Operating Revenue | $346,016 | $360,010
Operating Expenses |  |  
Salaries & Benefits | $200,419 | $213,974
Supplies & Other Expenses | $104,805 | $109,549
Interest & Depreciation | $20,387 | $21,673
Total Expenses | $325,611 | $345,196
Income from Operations | $17,405 | $14,814*
Non-Operating Revenue | <$38,659> | $35,196
Change in Net Assets | <$21,254> | $50,010
Days Cash-on-Hand | 158 | 149

* Lower Medicare reimbursement rates, decrease in contract pharmacy volume/margin, and higher fringe benefit rates; particularly Defined Benefit Retirement Plan expense, all contributed to a decrease in operating margin in FY 17 vs. FY 16.

Highland Financial Results vs. State Medians

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>Budgeted 2018</th>
<th>NYS Median</th>
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</thead>
<tbody>
<tr>
<td>Operating Margin</td>
<td>5.1%</td>
<td>4.1%</td>
<td>5.5%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Days Cash-on-Hand</td>
<td>158</td>
<td>149</td>
<td>156</td>
<td>51</td>
</tr>
<tr>
<td>Average Age of Plant</td>
<td>10</td>
<td>11</td>
<td>11</td>
<td>14</td>
</tr>
</tbody>
</table>

Fiscal Years 2013 - 2017

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
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<tbody>
<tr>
<td>Operating Budget ($)/Operating Margin (%)</td>
<td>5.0%</td>
<td>5.0%</td>
<td>6.1%</td>
<td>5.1%</td>
<td>4.1%</td>
</tr>
</tbody>
</table>
Pay for Performance

Highland is focused on meeting the federal mandate of improving quality of care, improving population health, and reducing the cost of care. Reimbursements for health care systems by the Center for Medicare and Medicaid Services (CMS) reward hospitals that deliver services of higher quality and value.

Three components comprise the CMS effort. The combination of these efforts is referred to as Pay for Performance.

1. Hospital Value-Based Purchasing (VBP) Program
   CMS sets targets for clinical quality and patient satisfaction and withholds a portion of hospitals’ Medicare reimbursements which can be earned back by meeting or exceeding these quality targets.

2. Hospital Readmissions Reduction Program
   Reducing readmissions remains a priority for Highland as CMS sets performance goals for 30-day hospital readmissions, which hospitals must achieve or penalties will be incurred.

3. Hospital-Acquired Condition Reduction Program
   Hospitals are penalized if they exceed thresholds on the rate of Hospital-Acquired Conditions (HACRP).

Health Reform and Associated Initiatives

In FY 17 Highland continued to participate in the Medicare Bundled Payments for Care Improvement project with the Centers for Medicare & Medicaid Services (CMS). Since July 1, 2015, all Medicare fee-for-service patients who are admitted for a total knee or hip replacement or with congestive heart failure (CHF) became part of the project.

The goal is to enhance quality, reduce cost, and manage patient care more efficiently through coordinated care delivery beginning prior to admission and extending for a period of 90 days after discharge. The hospital works in collaboration with physicians, nursing homes, home care agencies, and most importantly the patient and family to achieve these results.

Data for FY 17 indicates that Highland has been surpassing the CMS cost reduction targets in the Joint Replacement Pathway Program. In the last quarter of 2016, 26 percent of the patients discharged went to a skilled nursing facility for rehabilitation. This compares to 75 percent of those patients in the CMS baseline period. But challenges have been encountered with the CHF Pathway Program due to the complex nature of heart failure patients and due to that variability, UR Medicine has made the decision to withdraw from the CHF Bundle program in FY 18.
**Delivery System Reform Incentive Payment Program**

New York State’s comprehensive health reform through the Delivery System Reform Incentive Payment (DSRIP) Program continues to focus on system reform, community collaboration, clinical improvement, and population health management for Medicaid patients. Now in its third year, DSRIP goals include: reducing avoidable hospital use (including readmissions and unnecessary Emergency Department visits) by 25 percent over five years, improving clinical outcomes, lowering readmission rates, reducing cost, and improving the patient experience.

Under the auspices of the UR Medicine DSRIP Program, Highland has hired care management staff and is implementing projects at Highland Family Medicine (HFM), Geriatric and Medicine Associates (GAMA), the Emergency Department, and in several of its safety-net primary care practices including Eastridge Medical and Culver Road Medical.

Initiatives are focused on transitions of care – from hospital to home – for Highland Family Medicine and the primary care practices, as well as care management for Medicaid patients provided by Health Home care manager in primary care practices.

One major focus is integrating behavioral health services into primary care practices. A licensed social worker is now onsite in participating primary care practices so if patients have behavioral health needs they can begin treatment simultaneously with their primary care visit. For example, the use of iPads as a tool for patients and the integration of real time notifications into the medical record has allowed for more depression screenings to occur.

Initiatives in the Highland ED include the addition of a community healthcare worker who is focused on addressing barriers so that patients can get the appropriate health care in a primary care setting instead of turning to the ED for all their health care needs. From appointment scheduling to procuring transportation, this role is directly related to DSRIP’s focus on increasing access and addressing barriers to care for high risk populations.

*Figure: Brett Robbins, M.D., examines a baby girl at Culver Medical Group.*
People

Taking Pride In Highland
The talent, dedication, and hard work of Highland’s approximately 2,650 employees support the hospital’s growth and help us to achieve our management plan goals.

Employee Engagement
When hospitals create positive patient experiences they are more likely to have an engaged staff. In pursuit of this goal, Highland administers a yearly survey, which includes six key indicator questions, including: “I am proud to tell people I work for this organization,” and “Overall, I am a satisfied employee.” The latest survey was administered during the previous fiscal year, and efforts in FY 17 were focused on implementing action plans to increase engagement. In addition to long-standing engagement activities, such as Beat the Blahs and Pride Week, Employee of the Month, and Shining Star, examples of new initiatives include:

• The cafeteria expansion, which included the addition of a new lounge for employees.
• Opening the employee store in FY 17 as a result of survey feedback.
• Enhanced insurance plans that enables health plan policy holders and their family members to receive discount rates on copays and coinsurance when an employee visits one of 20,000 area participating providers throughout the Rochester region.
• An updated Human Resources business model that establishes an HR business partner role within all hospital departments in order to engage more fully in the unique needs of each department and gain understanding of the underlying causes and needs in terms of recruitment, retention, and development.

Initiatives for Recruitment
• Created the Recruitment and Retention Center of Excellence that realigned and assigned recruiters to managers across the hospital, focused on simplifying the hiring process.
• Established referral and sign-on bonus programs designed to hire more Nurses, Surgical Technologists, Labor and Delivery, Computerized Tomography, and Sterile Processing Technicians.
• Established recruiting partnerships with area community colleges and universities designed to reach prospective job candidates before they graduate.

Professional Development
• Increased tuition reimbursement amounts and decreased the waiting period for eligibility to apply for reimbursement into master’s level degrees.
• Launched Sterile Processing Department Tech U designed to train employees interested in a position as a sterile processing technician.

Leadership Development
• Rolled-out shadowing program for nursing positions designed to allow the candidate exposure to a unit where they may work.
• Highland’s Leadership Development Program offers opportunities to develop managerial skills, and in FY 17 a two-day offsite retreat for front-line supervisors.
### Accountable Health Partners

Accountable Health Partners (AHP) is a clinically integrated network of the University of Rochester Medical Center (URMC), consisting of eight hospitals and roughly 2,000 physicians, that exists to deliver quality health care and an outstanding patient experience. AHP’s vision is to bring together community and faculty physicians, hospitals, and other providers, to align incentives, improve population health, to provide patient-centered care, and to promote efficient use of resources.

AHP experienced tremendous growth in the past year with nearly 2,000 providers participating in the network. Joining Highland as hospital members of AHP were Wyoming County Community Hospital and St. James Mercy Hospital for a total of eight participating facilities. The network’s future growth will focus on the recruitment of regional primary care providers and exploring the possibility of admitting additional clinical specialties for network membership.

AHP members benefited from access to additional value-based contracts as the network added new employer and insurance payer contracts to its portfolio, including the Highland Hospital Health Plan. Starting in 2017, Highland employees and their dependents covered under the plan have lower out-of-pocket expenses when they receive care from AHP providers. New insurance payer contracts include value-based arrangements for Medicare Advantage and managed Medicaid populations.

Continuing the trend from prior years, AHP earned significant gainsharing under a number of its 2016 contracts. Based on the outstanding quality performance from its primary care providers and the contributions of all providers towards positive financial performance, AHP succeeded in reducing healthcare expenses and sharing the rewards with its hospitals and physicians.

### Fostering a Positive Image in our Community

As a community hospital, Highland seeks to continuously improve the health of the residents of the Rochester area and preserve a positive image that demonstrates our patient- and family-centered focus.

### Proud Community Sponsor

Highland supports more than 20 local non-for-profit organizations and events that align with mission and business objectives, community and neighborhood outreach, employee engagement and wellbeing, and system advancement.

Our top sponsorships in FY 17 included:

- Alzheimer’s Association – Walk to End Alzheimer’s
- American Diabetes Association – Tour de Cure
- American Heart Association – Go Red for Women Luncheon
- Cancer Wellness Spa – Ovarian and Gynecological Cancer 5k Race
- Center for Experiential Learning – Palliative Care Conference
- Jordan Health Foundation – “Patients First” Luncheon
- Lifespan – Celebration of Aging Luncheon
- Pluta Cancer Center Foundation – Emerald Ball
- Southside Little League – The Cubs Little League Team
- South Wedge Planning Committee – City Love Gala
- South Wedge Planning Committee – South Wedge Farmer’s Market
- St. Joseph’s Neighborhood Center – 23rd Annual Auction and Party

### Neighborhood Relations

Highland continues to build upon its relationships with our neighbors. We are committed to transparent, two-way dialog and to that end, hold bi-monthly meetings as part of the Highland Park Neighborhood Highland Hospital Interaction Committee, with a purpose of sharing information, discussing and resolving issues, and airing concerns, questions, and perspectives. We’re also active in NBN6, a local neighborhood organization that celebrates its ties to Highland Park and works to ensure that local residents have a voice in preserving and protecting our historic neighborhood. Highland also maintains a facilities blog on its web site to keep neighbors apprised of ongoing renovations and other facilities updates. Finally, Highland is invested in beautifying its campus through implementation of the Landscape Master Plan developed during FY 16. The plan will improve pedestrian circulation, incorporate more shade trees, and add native plantings to the hospital grounds.
Community Health Improvement

Highland Hospital proudly participates in the Monroe County Community Health Improvement Plan to advance the health of county residents. Hospital systems in the county including Strong Memorial and Highland Hospitals (as part of UR Medicine) and Rochester General and Unity Hospitals (as part of Rochester Regional Health) jointly file a community service plan to the New York State Department of Health every two years. This unique plan, executed in collaboration with the Monroe County Department of Public Health and the Finger Lakes Health System Agency, demonstrates true community health assessment and improvement planning and emphasizes non-duplicative, synergistic, and strategic efforts toward a common goal of improving our population's health. The 2016-18 Monroe County Community Health Improvement Plan focuses on prevention agenda priorities that include smoking cessation, heart health management and prevention, reducing unplanned pregnancy, screening for food insecurity, and opioid misuse prevention.

Highland Foundation

- Evelyn Lovejoy and her husband, Frank W. Lovejoy, M.D., were dedicated philanthropists, supporting Highland's pursuit of providing exceptional care to our community. Following Evelyn's passing, Highland received a $1 million gift which has created a legacy for the Lovejoy's dedication and support.

- Daniel Mendelson, M.D., was installed as the inaugural William and Sheila Konar Family Professor in Geriatrics, Palliative Medicine, and Person-Centered Care. The $1.5 million gift from the Konar Foundation creates this professorship to enhance patient-centered care, especially for elderly patients.

- Dana Consler, former foundation board chair and current member, and his wife Monica, pledged a gift of $200,000 to support Highland Hospital's Master Facility Plan.

- The 2017 Highland Gala, chaired by Highland Chief of Surgery Joseph Johnson, M.D., his wife Elizabeth Supra, M.D., and Foundation Board Treasurer, Dave Henion and his wife Lisa, raised $276,000 to support construction of Highland's new hybrid OR.

- Joe Johnson, M.D., Chief of Surgery for Highland Hospital, his wife Elizabeth Supra, M.D., and their family made a $200,000 gift toward the hospital's new south addition. One of the new operating rooms is named in honor of the Johnson family.

- In FY 17, nearly 175 golfers, volunteers, and staff members came together at Monroe Golf Club to raise $60,000 to support Highland Hospital.

- The Highland Foundation recognized the long time contribution of former Foundation Board chair, Mark Eidlin, with the 2017 Heritage Award. In addition to serving on both the Hospital and Foundation boards, Mark has chaired the Gala and served on event committees.