Letter to the Community

This is an exciting time for the Memorial Hermann Health System, and we are proud to share our 2015 Annual Report.

In this edition, we convey the strong spirit of innovation and leadership Memorial Hermann has long embodied. In 2015, we increased our drive and determination, continuing to evolve to meet the challenges confronting hospitals in today’s complex healthcare environment while providing the community greater access to safe, high-quality care.

Throughout the pages of this report, you will find a wealth of information and stories that illustrate Memorial Hermann’s many achievements. Among them we include the remarkable success of the Memorial Hermann Accountable Care Organization, highlights of investing in the community through the Memorial Hermann Community Benefit Corporation and the incredible growth through Breaking New Ground, the largest multi-site construction initiative in the System’s 100-plus-year history.

The stories included are a direct reflection of our strong commitment to advancing health for everyone. We have long understood that our success starts with a healthy community. We have a responsibility to the citizens of this region to provide them with the best care in state-of-the-art facilities utilizing cutting-edge technologies to ensure the safest and the best clinical outcomes. We also understand that we must be good stewards of our financial resources so that we can continue to provide that care at the lowest possible cost.

Notably, in 2015, we achieved a year of unprecedented growth and success – an accomplishment directly attributable to the execution of our strategic plan over the last decade. Through the staunch commitment of everyone affiliated with Memorial Hermann – from our dedicated board of directors to our talented frontline caregivers – these strategies are now fully operational and have allowed us to attract and build a workforce of great physicians and wonderful employees.

Together, we have built a name centered on high-quality, safe care, and that reputation, in turn, has resulted in a greater demand for our services throughout the Greater Houston area. Our focus on patients - coupled with our unceasing efforts to meet the highest possible standards - differentiates us from other hospitals and health systems in the region. Even in the midst of the critical changes facing our industry today, we have remained on a clear path forward, never deviating from our journey to become a high-reliability organization - where zero harm to our patients is the only possible outcome.

We are honored to share these achievements and our story with you. Thanks to the dedication and guidance of our board, and the commitment of our employees and our affiliated physicians, we are celebrating another successful year, and we look forward to doing the same for many more to come.

DAN WOLTERMAN
PRESIDENT AND CEO
MEMORIAL HERMANN HEALTH SYSTEM

WILL WILLIAMS
BOARD CHAIR
MEMORIAL HERMANN HEALTH SYSTEM
### By the Numbers

**1.9 Million Patient Encounters**

**24,800+ Babies Delivered**

**3,200+ Life Flight® Missions**

**108 Years Serving the Community**

**~1,800 Research Studies**

**131,000+ Surgeries**

**1.2 Million Diagnostic & Therapeutic Visits**

**564,000+ Emergency Room Visits**

**844,000+ Inpatient Days**

**154,000+ Inpatient Admissions**

**16 Hospitals**

**24,000+ Employees**

**$4.4 Billion Total Operating Revenue**

**250+ Memorial Hermann Care Delivery Sites**

**3,800+ Licensed Beds**

**200 MHMG Employed Physicians**

**5,500 Active Medical Staff**

**$451 Million Community Benefit Contribution**

**$6 Billion Total Assets**

**6.8% Operating Margin**

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<tr>
<td>2015</td>
<td>1,277,044</td>
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Numbers reflect data from July 1, 2014 to June 30, 2015.
Together, We Ensure Access to Care

With a population of more than six million people, the Greater Houston area is the fifth largest metropolitan area in the United States and one of the fastest-growing, most diverse regions in the nation.

To keep pace with – and stay a step ahead of – the city’s evolving demands for health care, the Memorial Hermann Health System set forth a strategic plan for growth in 2015, underscoring its commitment to bringing broader access to safe, high-quality and clinically integrated care across Houston through new community facilities as well as expansions of existing hospitals and medical centers.

Together, we grew to new heights, investing in a stronger, healthier future for the communities that we serve.
Breaking New Ground

Breaking New Ground is Memorial Hermann’s largest multi-site construction initiative in the System’s 100-plus-year history. It includes several major projects located in some of the fastest-growing areas of the region.

Texas Medical Center

In May 2015, Memorial Hermann broke ground on a $650 million expansion and renovation of its Texas Medical Center Campus. The project’s highlights include a new, state-of-the-art, 17-story patient care tower and a second building with additional parking and infrastructure capabilities. The patient care tower will house the Memorial Hermann Texas Trauma Institute and Memorial Hermann Life Flight® – including the John S. Dunn Helistop and the dispatch center – and it will also include seven shelled floors and six shelled operating rooms to support future growth.

The project is expected to be completed in 2019.

Katy

Memorial Hermann completed construction on Medical Plaza 2 at Memorial Hermann Katy Hospital in summer 2015. The 100,000-square-foot building, designed to provide additional physician offices and increased space for sports medicine and outpatient imaging services, is part of an $85 million investment to support the wide-ranging health needs of Katy – one of the Houston region’s rapidly expanding cities.

The project also included renovations to the existing hospital that were completed in early 2016. A six-story, 230,000-square-foot patient tower increased capacity in multiple areas, including surgical suites, medical and surgical beds, and a neonatal intensive care unit. Construction is currently underway to expand the hospital’s labor and delivery facilities and emergency center. The hospital’s total bed count has grown from 142 to 208, with space available to accommodate future growth.

Pearland

In 2015, the System marked a year of significant progress toward the opening of the new Memorial Hermann Pearland Hospital and in March of 2016, the hospital opened its doors to the community. The 40-acre site is currently home to a 64-bed acute care hospital that consists of two medical office buildings, outpatient imaging, laboratory support as well as a Convenient Care Center. The hospital houses an intensive care unit, state-of-the-art surgical and endoscopy operating suites, cardiac catheterization services, medical and surgical services, labor and delivery/post-partum services and well-baby nursery services.

Sugar Land

Memorial Hermann neared the end of construction on Medical Plaza 2 at Memorial Hermann Sugar Land Hospital in 2015, and added eight emergency center beds and a new surgical suite with full digital integration. A new magnetic resonance imaging (MRI) machine and an advanced computed tomography (CT) scanner that delivers 128-slice CT imaging were also installed.

The additions were part of the System’s $93 million investment to expand the hospital’s bed count to 177, enhance its surgical capabilities, and build both a second medical plaza and a new six-story, 155,000-square-foot patient tower. Highlights of this significant expansion include a larger nursery and neonatal intensive care unit, additional medical and surgical beds, and four shelled operating rooms to accommodate future growth.
Cypress

In January 2015, Memorial Hermann broke ground on a major medical campus in Cypress, northwest of Houston. The $168 million project, which includes a Convenient Care Center and full-service hospital, is being constructed on 32-acres located on the northeast side of Highway 290 and the Grand Parkway, between Mason Road and Mueschke Road.

A six-story, 125,000-square-foot medical plaza anchored by a 45,000-square-foot Convenient Care Center opened on the Memorial Hermann Cypress campus in February 2016. The Convenient Care Center provides a single destination for access to multiple coordinated services, including adult and pediatric primary care, specialty physicians, sports medicine and rehabilitation, lab services, outpatient imaging – including MD Anderson Breast Care with Memorial Hermann for diagnostic screening – and a 24-hour emergency center.

The Woodlands

Memorial Hermann launched a $25 million expansion project at Memorial Hermann The Woodlands Hospital in summer 2015 to support growth of its key service lines and meet the needs of the growing community. The construction, scheduled for completion in 2016, includes the build-out of a shelled space in the hospital’s East Tower; the addition of 36 surgical beds, 10 intensive care unit beds, a cardiac catheterization lab; and renovations to the hospital’s main entrance.

Expanding Quality Care That’s Second to None – And First in Convenience

Signs of Memorial Hermann’s progress in bringing broader access to high-quality, convenient care throughout the suburban communities of the Greater Houston region emerged in 2015 with the opening of two Convenient Care Centers.

These one-stop locations offer highly coordinated access to a range of healthcare services: adult and pediatric primary care, specialty physicians, laboratory and imaging services, sports medicine and rehabilitation, and 24-hour emergency treatment. Patients requiring a higher level of acute care can be transferred to hospitals within the System, which are equipped to treat more complex conditions.

In addition to the new CCCs, Memorial Hermann Medical Group, the employed physician group for Memorial Hermann, also opened its first Urgent Care in Friendswood, staffed with board-certified family medicine physicians who provide walk-in care for non-life-threatening health conditions. The facility is the first of its kind in the System and further underscores Memorial Hermann’s commitment to delivering options for appropriate levels of high-quality care in the communities it serves. A second Memorial Hermann Urgent Care in Houston’s Greater Heights neighborhood opened in March 2016 and three more locations are scheduled to open by the end of 2016.

Memorial Hermann, MD Anderson Join Forces to Broaden Access to Breast Imaging Services in Houston

Memorial Hermann reached a milestone in 2015 when it announced a new partnership with The University of Texas MD Anderson Cancer Center to increase the availability of specialized breast screening at a network of centers in the Greater Houston area. MD Anderson Breast Care with Memorial Hermann – the joint program that was announced in August 2015 – makes MD Anderson the exclusive provider of professional breast radiology services for 15 of Memorial Hermann’s 18 breast care centers.

These patient-driven breast care centers offer comprehensive, state-of-the-art diagnostic services, including, but not limited to, breast MRIs, biopsies, and ultrasounds, as well as 3D and digital mammography, with board-certified and dedicated breast specialists.

Memorial Hermann Expands Orthopedic and Spine Network

In a move to increase access to convenient, high-quality and comprehensive orthopedic care, Memorial Hermann acquired Houston Orthopedic and Spine Hospital in spring 2015. The hospital, well-regarded for its quality care, is now named the Memorial Hermann Orthopedic & Spine Hospital.

Centrally located in Bellaire near The Galleria®, Memorial Hermann Orthopedic & Spine Hospital joins Memorial Hermann’s already well-established and wide-reaching network of orthopedic, spine, and joint replacement facilities and services.

TRIRR Memorial Hermann Expands Outpatient Rehabilitation to Sugar Land and Northwest Houston

World-class rehabilitation care now has a home in the Greater Heights area of Houston and in Sugar Land, thanks to last year’s expansions by TRIRR Memorial Hermann®. The region’s top rehabilitation hospital now provides comprehensive inpatient and outpatient services to patients with neurological injury or illness, physical weakness from injury or illness, and medically complex diagnoses, available at Memorial Hermann Greater Heights Hospital in northwest Houston. A spectrum of outpatient services in physical therapy, occupational therapy, and speech therapy is also available through TRIRR Memorial Hermann Outpatient Rehabilitation at Sugar Land.

*TRIRR is a registered trademark of TRIRR Foundation.
The Flynt’s Story

On a summer’s evening last year, members of the Flynt family decided to go flying in their private plane. As the family took off on their second flight that evening, the engine of the plane quit unexpectedly, crashing the plane in a nearby baseball field. Miraculously, the family survived, but left all those on board – Gary, his wife Linda and son Jonathon – seriously injured.

The entire family was transported to Memorial Hermann-Texas Medical Center via Memorial Hermann Life Flight® and treated by the staff of the Memorial Hermann Texas Trauma Institute. As a Level I Trauma Center for both adults and pediatric patients, all family members were cared for under one roof. Their injuries varied from neck fractures to a dislocated elbow. Some wounds only needed stitches while others required surgery. But today, all members of the family have recovered. Gary has returned to piloting and Jonathon is playing basketball. The Flynts are thankful for the care they received together and now consider the staff of Memorial Hermann part of their family.
Together, We Achieve Groundbreaking Firsts

For years, the Memorial Hermann Health System has been at the forefront of health care, achieving a long list of firsts in virtually every specialty of care, from robotic reconstructive surgery to multiorgan transplants. In 2015, Memorial Hermann further reinforced its position as a leader in advancing health, building upon its strong legacy of award-winning care with an impressive list of accomplishments and remarkable growth.
Accomplishments

Lifetime Debuted TV Series Showcasing Memorial Hermann’s Air Ambulance Service and Level I Trauma Team

The six-episode docudrama, Life Flight: Trauma Center Houston, gave viewers a front row seat to all of the real-life action inside Memorial Hermann Life Flight® and the Memorial Hermann Texas Trauma Institute, the nation’s busiest Level I trauma center. The series followed clinicians and affiliated physicians as they dealt with high-stress situations while racing against the clock to save the lives of patients in critical condition.

Memorial Hermann Named a 2015 ENERGY STAR® Partner of the Year

For the third consecutive year, the U.S. Environmental Protection Agency recognized the Memorial Hermann Health System with the 2015 ENERGY STAR® Partner of the Year – Sustained Excellence Award in Energy Management for improving energy efficiency across its network of facilities.

Dan Wolterman Was Included Among 100 Most Influential People in Healthcare

Memorial Hermann’s President and CEO joined the ranks of President Barack Obama and other notable figures as one of the 100 Most Influential People in Healthcare. This was the seventh consecutive year Wolterman has earned a spot on Modern Healthcare magazine’s prestigious annual listing.

Memorial Hermann President & CEO Was Inducted into Texas Business Hall of Fame

Dan Wolterman became one of just five businessmen and the only healthcare professional to be inducted into the Texas Business Hall of Fame’s Class of 2015. He joined an elite group of past inductees, including former President George H. W. Bush, Mary Kay Ash and Michael Dell.

TIRR Memorial Hermann Was Ranked No. 2 in Nation by U.S. News & World Report

TIRR Memorial Hermann is the No. 2 rehabilitation hospital in the nation – and the best in Texas – according to U.S. News & World Report’s annual rankings. Memorial Hermann-Texas Medical Center was also recognized for its gynecology, nephrology, and urology programs, and Children’s Memorial Hermann Hospital was honored for its nephrology, neurology and neurosurgery programs.

Memorial Hermann Was “Most Wired” Healthcare System – Again

For the 11th consecutive year, the Memorial Hermann Health System was selected as one of the nation’s “Most Wired” healthcare systems, according to data released by the American Hospital Association. The announcement was made in Hospitals & Health Networks magazine, which sponsors the annual survey to measure how fully information technology has been adopted by hospitals and healthcare systems in the United States.

Memorial Hermann Earned Magnet Designation

Memorial Hermann Memorial City Medical Center, Memorial Hermann-Texas Medical Center and Memorial Hermann The Woodlands achieved one of the highest levels of recognition a hospital can receive through the Magnet Recognition Program® by the American Nurses Credentialing Center. The Program recognizes healthcare organizations for quality patient care, nursing excellence and innovation in nursing practice.

Houston Chronicle Listed Memorial Hermann among Houston’s Top Workplaces

Memorial Hermann was ranked No. 13 among large employers on the Houston Chronicle’s Top Workplaces list, becoming one of only a handful of organizations to earn the recognition for six consecutive years.

Memorial Hermann Was Recognized as One of Houston’s Best Places to Work

Memorial Hermann retained the No. 3 spot on the Houston Business Journal’s Best Places to Work list, making it the top health system in the city. This was the 11th consecutive year the organization has been included in the annual ranking.

Memorial Hermann-Texas Medical Center Won Prestigious Quality Leadership Award

For the second consecutive year, Memorial Hermann-Texas Medical Center was awarded the Bernard A. Birnbaum, MD, Quality Leadership Award, formerly named the University HealthSystem Consortium (UHC) Quality Leadership Award. Presented by UHC, an alliance of the nation’s leading nonprofit academic medical centers, the award is given to members that demonstrate superior performance as measured by the UHC Quality and Accountability Study. Memorial Hermann-TMC was one of only 13 member hospitals across the country chosen as a 2015 award winner.

Memorial Hermann PaRC Achieved a New First

The Memorial Hermann Prevention and Recovery Center (PaRC) became one of just 36 centers in the United States – and the only one in Texas – to earn accreditation for its addiction medicine fellowship program. The designation underscores the critical need for expanded training in addiction medicine to help ensure that trained physicians are available to address common medical or psychiatric conditions in patients suffering from substance abuse and addiction.

Six Memorial Hermann Facilities Became Press Ganey Guardian of Excellence Award® Winners

Six Memorial Hermann facilities – Memorial Hermann Southeast Hospital, Memorial Hermann The Woodlands Hospital, Memorial Hermann Pearland Convenient Care Center Emergency Room, Memorial Hermann 24 Hour Emergency Care in The Woodlands, Memorial Hermann Prevention and Recovery Center (PaRC) and University Place – were named 2015 Guardian of Excellence Award® winners by Press Ganey Associates, Inc.
Vascular Institute-Texas Medical Center used the advanced technology of a minimally invasive machine called the Hemolung Respiratory Assist System (RAS) to help save the life of an 18-year-old Texas boy. Doctors recently discovered that Uriel Alvarado, who has a history of testicular cancer, had a mass in his chest. Due to the mass, he had a lung removed in June 2015. While recovering, Uriel had abnormal levels of carbon dioxide in his blood that put him at high risk of respiratory arrest, which could have been fatal. After three days on the device, he experienced drastic improvements and was able to be removed from the machine completely and continue his recovery from the comfort of his own home. Now, when he isn’t taking classes at South Texas College in McAllen, Texas, Uriel has returned to his passion of mixing music. He is also working to pursue his new dream of becoming a nurse someday.

While recovering, Uriel had abnormal levels of carbon dioxide in his blood that put him at high risk of respiratory arrest, which could have been fatal. They soon learned their unborn baby, Ellis, had a bronchopulmonary sequestration (BPS) which was causing his heart to work too hard. The sequestration eventually caused Ellis’ internal organs to shift to one side of his body, causing a dangerous buildup of fluid in his scalp and intestines. If left untreated, baby Ellis could suffer heart failure, resulting in a fatal outcome. Their OB/GYN recommended the family travel to Houston to meet with internationally renowned, high-risk pregnancy specialist Anthony Johnson, D.O., McGovern Medical School at UTHealth physician and Co-director of The Fetal Center at Children’s Memorial Hermann Hospital. When the Roberts’ arrived in Houston and met with Dr. Johnson, they quickly learned surgery was the only lifesaving option. The procedure, known as the BPS laser ablation surgery, had only been done 26 times before in the world, but had a 95 percent success rate. The surgery was a success. Ellis is now thriving. His parents report he is ahead of all of his milestones and is a very happy baby. They are grateful for a healthy son who was given a chance, even before he was born, thanks to a groundbreaking procedure only available at select fetal centers across North America, like the one right here in Houston.

Groundbreaking In Utero Procedure Saves Baby’s Life

Mom-to-be Sara Roberts received some alarming news roughly 20 weeks into her pregnancy. Florida residents, she and her husband Dillon were at a routine ultrasound appointment when the doctor pointed out an abnormality. They soon learned their unborn baby, Ellis, had a bronchopulmonary sequestration (BPS) which was causing his heart to work too hard. The sequestration eventually caused Ellis’ internal organs to shift to one side of his body, causing a dangerous buildup of fluid in his scalp and intestines. If left untreated, baby Ellis could suffer heart failure, resulting in a fatal outcome. Their OB/GYN recommended the family travel to Houston to meet with internationally renowned, high-risk pregnancy specialist Anthony Johnson, D.O., McGovern Medical School at UT Health physician and Co-director of The Fetal Center at Children’s Memorial Hermann Hospital. When the Roberts’ arrived in Houston and met with Dr. Johnson, they quickly learned surgery was the only lifesaving option. The procedure, known as the BPS laser ablation surgery, had only been done 26 times before in the world, but had a 95 percent success rate. The surgery was a success. Ellis is now thriving. His parents report he is ahead of all of his milestones and is a very happy baby. They are grateful for a healthy son who was given a chance, even before he was born, thanks to a groundbreaking procedure only available at select fetal centers across North America, like the one right here in Houston.

Top 100 Great Community Hospital

Memorial Hermann Sugar Land Hospital was named among the top 100 Great Community Hospitals by Becker’s Hospital Review. The publication recognizes hospitals based on the research and evaluation of influential ranking sources, such as Truven Health Analytics’ 100 Top Hospitals, the American Nurses Credentialing Center, and The Leapfrog Group.

Ranked No. 4 According to BetterDoctor

Memorial Hermann ranked No. 4 out of 4,788 hospitals across the country for low readmission, complication, and death rates, according to BetterDoctor, a national doctor search and database website. The organization studied data from hospitals nationwide, examining 19 critical factors for ensuring quality care.

Surgical Quality Improvement Program Recognition

Memorial Hermann Katy Hospital, Memorial Hermann Northeast Hospital, and Memorial Hermann The Woodlands Hospital were three of only 52 participating hospitals in the nation to achieve validation of their meritorious outcomes for surgical care from the American College of Surgeons National Surgical Quality Improvement Program.

The Leapfrog Group’s “A” Grade

Memorial Hermann was the first health system in Southeast Texas to achieve an “A” from The Leapfrog Group – the survey organization’s top safety score for preventable medical errors, injuries, accidents, and infections – at all of its hospitals.
Shane’s Story

When Shane Young collapsed at a gym, fellow CrossFit® enthusiast Cathy Meredith rushed to his side. When Cathy searched for a pulse, she could not find one. Cathy, a registered nurse and nurse practitioner who works at Memorial Hermann, along with paramedics, helped resuscitate the athletic father of two, and transport him to Memorial Hermann Memorial City Medical Center. Two days later, while in the intensive care unit, his heart stopped again. A team of doctors, including cardiologist Michael Mitschke, M.D., nurses and respiratory therapists, revived him for a second time.

His recovery has been remarkable and his heart continues to beat strongly. Under the careful eye of Dr. Mitschke, Shane is back at work as a chief financial officer, spends quality time with his family and continues to maintain an active lifestyle. He credits the clinical team at Memorial Hermann Memorial City and the quick actions of Cathy with saving his life – not once, but twice.
Together, We Lead the Nation in Improving Quality of Care at a Lower Cost to Consumers

2015 was another period of explosive growth and industry-leading success for the Memorial Hermann Physician Network (MHMD), one of the largest, most advanced and fully integrated physician organizations in the country.

Throughout the year, MHMD continued to enhance the operations of the Memorial Hermann Accountable Care Organization (ACO) by further aligning clinically integrated physicians under the goal of building an unrivaled, highly efficient care delivery model that generates better quality outcomes at a lower cost to consumers.

That dedication has earned the Memorial Hermann ACO recognition as the top-performing Medicare Shared Savings ACO in the nation for two consecutive years.
A Model for Achieving Top Performance through Medicare Shared Savings

When Memorial Hermann voluntarily joined the Medicare Shared Savings Program (MSSP) as an Accountable Care Organization (ACO) in July 2012, it saw a significant opportunity: to share in the savings generated by delivering safer care and better clinical outcomes at a lower cost to Medicare beneficiaries in Houston and the surrounding region.

Through the program, the Memorial Hermann ACO was initially attributed 24,000 Medicare beneficiaries and tasked with managing the total cost and quality of those patients’ care through claims and other reporting information. The organization quickly coordinated and integrated the Medicare services, reporting to the Centers for Medicare & Medicaid Services (CMS) across 33 metrics organized into four categories: patient experience, preventive health, at-risk populations and care coordination and patient safety.

Given the organization’s complexity as one of the largest ACOs in the nation, with a network of more than 2,000 employed and independent physicians, this was no small task. It required the coordination of physicians, the incorporation of new kinds of data streams and metrics, the management of those metrics, and support from inpatient case management.

Multiple disciplines came together under a common goal: to build the best physician organization in the U.S. through the Memorial Hermann ACO and the best hospital system in the U.S. through the Memorial Hermann Health System.

By the end of 2013, the number of beneficiaries attributed to the Memorial Hermann ACO had grown to more than 34,000. The organization was able to manage quality outcomes and the cost of care for these beneficiaries in such an efficient manner that it generated $57.8 million dollars in savings to CMS. This resulted in a payment of $28.5 million from CMS to the Memorial Hermann ACO.

In 2014, the Memorial Hermann ACO continued on the same path forward, saving another $53 million in healthcare costs and generating a payment of approximately $23 million from CMS.

When the Memorial Hermann ACO earned the achievement as the top-performing ACO in the nation for the second consecutive year, results showed it contributing 13 percent of the $411 million in savings generated by ACOs in the Medicare Shared Savings and Pioneer programs.

The Memorial Hermann ACO also achieved an 88 percent quality score in MSSP – an improvement over the previous year’s score of 83 percent – and performed among the top 10 percent of ACOs in the nation across several key metrics, all while having one of the lowest risk standardized readmission rates in the country.

In its first year, the Memorial Hermann ACO achieved the most shared savings in the country, contributing more than 16 percent to the total $372 million in savings achieved that year by Medicare Shared Savings ACOs and Pioneer ACOs enrolled with CMS.

In 2015, the Memorial Hermann ACO continued on the same path forward, saving another $53 million in healthcare costs and generating a payment of approximately $23 million from CMS.

Multiple disciplines came together under a common goal: to build the best physician organization in the U.S. through the Memorial Hermann ACO and the best hospital system in the U.S. through the Memorial Hermann Health System.

By the end of 2013, the number of beneficiaries attributed to the Memorial Hermann ACO had grown to more than 34,000. The organization was able to manage quality outcomes and the cost of care for these beneficiaries in such an efficient manner that it generated $57.8 million dollars in savings to CMS. This resulted in a payment of $28.5 million from CMS to the Memorial Hermann ACO.

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Delivering a Higher Level of Care through Clinical Integration

The remarkable growth and success of the Memorial Hermann ACO is due in large part to the unique clinical integration that MHMD offers the Houston market.

Physicians who elect to participate are required to meet specific criteria, including connecting with the MHMD physician performance database and complying with MHMD-approved clinical protocols and guidelines. Members are also asked to incorporate electronic health data into their practices for improved documentation, quick access to medical records, claims-based risk stratification, quality tracking and peer benchmarking.

Since its inception in 2008, MHMD’s clinically integrated program has represented an innovative alignment of physicians, hospitals and other high-quality network providers. It has reduced fragmentation in healthcare delivery, generated dramatically better results in hospital-tracked data, and ultimately created better experiences for patients as they navigate through the complexities of the healthcare system.
Memorial Hermann is more efficient than the market.

MHMD’s Accountable Care Network was established to drive growth in this regard. Together, its 2,000 affiliated physicians form a tight network of roughly 350 primary care physicians and 1,650 specialists dedicated to delivering highly aligned, high-quality care at a lower cost.

Working in partnership with insurance companies, employers and the Memorial Hermann Health System, the MHMD Accountable Care Network continues to produce measurable results in cost savings while improving healthcare quality for those it covers. The group is supported by a robust care management program with dedicated representatives who help guide high-risk patients through the health system and link them with community resources.

Traditionally, care managers have provided many of these services within hospital walls. However, as more care is being required for increasingly complex conditions in the ambulatory arena, these services are being expanded beyond the hospital setting to provide a stronger support system to physician members.

The result: High-risk patients are more engaged in the physician office environment, establishing “medical homes” with primary care providers who refer them to specialists within the clinically integrated network. Patients benefit from a true continuum of high-quality care, which leads to improved health management as they avoid unnecessary and costly testing, and trips to the emergency department for care.

Leveraging the Memorial Hermann ACO’s Success to Refine Service Line Care Delivery

In fiscal year 2015, MHMD embarked on a new initiative to refine care delivery specific to healthcare service lines through the Memorial Hermann ACO. Service line projects were initiated to more closely align MHMD physicians with hospital leadership and to provide a platform for tackling complex efficiency and care issues. In the program’s inaugural year, physician-led teams significantly improved quality and efficiency even as they lowered costs by $1.7 million for Medicare inpatients in orthopedics, heart and vascular services line, expanding beyond the hospital setting to provide a stronger support system to physician members.

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Building a Stronger Continuum of Care through the Memorial Hermann Medical Group

The Memorial Hermann Health System considers its employed physician network - the Memorial Hermann Medical Group (MHMG) - a win-win-win. That’s a win for patients, a win for physicians, and a win for the System.

In the last year, this elite group has grown to include more than 200 primary care and specialty providers who anchor Memorial Hermann’s model for delivering a robust continuum of care.

Patients benefit by having one physician truly manage all aspects of care delivery - from routine lab work to specialist office visits. Physicians value the group’s practice management capabilities, which allow them to focus more on delivering patient care and less on day-to-day business operations. And the System benefits from a more streamlined approach to care delivery, which ultimately translates to higher quality outcomes and better care management - at a lower cost.

Three Basic Components Supporting One Continuum of Care

At the heart of MHMG are three basic components: consumer, provider, and employer solutions.

In 2015, the group poured a tremendous amount of resources into expanding its consumer solutions offerings, broadening the capabilities of the convenient care and urgent care centers staffed primarily by MHMG physicians throughout the community.

Its aim was - and continues to be - to expand the “front door” of what MHMG calls the patient’s “medical home,” the primary care physician. A wide range of initiatives were introduced through the group’s web portal, and patients are now able to access appointment scheduling and prescription information through the click of a mouse. They can even seek various levels of direct access to their physician online.

MHMG also expanded its telecare services with the goal of broadening them even further in 2016 and beyond. The group’s telecare now includes centralized scheduling, where patients can call a single number to browse physicians, determine the most suitable doctor, and schedule an appointment.

A concierge scheduler is also available to support patients seeking referrals from primary care physicians to specialists as well as outpatient imaging and diagnostic labs.

In terms of provider solutions, MHMG continued its robust program of turnkey management services to both employed and independent physician practices. This includes providing everything from office build out and leasing services to management of maintenance, staff, practice and payment systems, billing, collection, legal, and financial services.

MHMG also broadened its work with employers throughout the greater Houston area to expand access to onsite services, including medical clinics, primary care services, and occupational medicine. Its comprehensive occupational program is managed through Memorial Hermann’s network of Convenient Care Centers, providing employers with an expansive geographic footprint of locations for accessing physicians whose practices are aligned with workers compensation protocols.
John’s Story

While on vacation with his wife in Hawaii, John Seo damaged his spinal cord after hyperextending his back during a surfing lesson. While jumping up to get on the surfboard, John pinched an artery that cut off blood to his spinal cord. The damage was so severe that it left him unable to walk. After being confined to a wheelchair for more than a year, John is able to walk again, thanks to the use of a wearable robotic device – the exoskeleton. TIRR Memorial Hermann was one of the few facilities in the country to offer its patients the only FDA-approved exoskeleton for rehabilitation and personal use in the United States.

John learned how to use the wearable robotic device during intensive rehabilitation and training at TIRR Memorial Hermann and is one of the first patients in the country to use an exoskeleton at home. In addition to helping him stand and walk, the exoskeleton has helped John regain independence and has made a positive impact on his life.
Together, We Lead the Nation in Quality and Patient Safety

In collaboration with virtually every discipline, Memorial Hermann has reached new heights in its quest to achieve high-reliability health care. Together, employees, physicians and leadership have built a new system for ensuring timely, accurate, and effective treatment. And we have emerged as leaders throughout Houston – and across the nation – in high-quality, safe patient care.
Our Mission to Zero

The Memorial Hermann Health System’s nine-year mission to achieve 100 percent compliance and zero harm stemmed from an operational model more commonly associated with the nuclear, chemical, and aviation industries – where avoiding accidents in high-risk, highly complex environments is critical. Although many business sectors have operated as high-reliability organizations for years, the concept is not as widespread in health care.

Memorial Hermann’s ongoing quality and safety initiative, From the Boardroom to the Bedside, is aiming to change that by proving that high reliability can exist in medicine.

A disciplined approach and an aligned organizational structure have ensured the success of the initiative. An annual focus on quality outcomes, as required by the System’s board and senior leadership, has been reinforced in the strategic plan and defined using specific goals and metrics. Safety is viewed as a shared responsibility, and high-reliability behaviors are recognized and rewarded.

In 2011, the System initiated the Memorial Hermann High Reliability Certified Zero Award for hospitals that go a year or longer without adverse events in federally defined healthcare categories. The award is granted based on results formally certified in monthly reports to the Centers for Medicare & Medicaid Services. In the four years since the award program began, Memorial Hermann hospitals have earned 192 Certified Zero Awards for avoiding hospital-acquired infections and other conditions causing patient harm over periods of a year or more. Fifty-four awards were given in 2015.

Making Health Care Safer with Robust Process Improvements

In 2013, the Memorial Hermann Health System adopted The Joint Commission Center for Transforming Healthcare’s Robust Process Improvement® program – a systematic approach to complex problem resolution using Lean Six Sigma and change management practices, as well as other methodologies for improving quality and safety.

As part of the program, employees and physicians from throughout the System undergo training in the appropriate application of various improvement methods and philosophies. The course involves three daylong classroom sessions, a training project, and mentoring by the System’s Six Sigma, Infection Control, Quality, and Patient Safety departments.

The training culminates in Memorial Hermann’s Robust Process Improvement Quality and Safety Expo, where course participants gather to share the results of their projects with System leaders and executives from The Joint Commission Center for Transforming Healthcare.

In 2015, Memorial Hermann graduated its ninth class of Robust Process Improvement experts. The System’s third annual expo was held in February, achieving record attendance and featuring over 70 Robust Process Improvement projects from throughout the system. To date, more than 145 quality initiatives have been launched through the program.

A Unique Collaboration Increases Hand Hygiene Compliance, Decreases Healthcare-Associated Infections

Memorial Hermann has long been committed to increasing hand hygiene compliance to reduce the incidence of healthcare-associated infections. As part of those efforts, the System – along with only seven other facilities in the nation – elected to voluntarily take part in The Joint Commission Center for Transforming Healthcare’s 2009 inaugural project to improve hand hygiene.

In 2010, the System implemented the center’s Web-based Targeted Solutions Tool® in 150 inpatient units across all hospitals. The tool allows caregivers to track compliance, identify reasons for noncompliance, and implement proven interventions to address key opportunities for changing behavior and to sustain improvements.

In just four years, the System achieved a marked improvement in hand hygiene compliance, sustaining a 95 percent average compliance rate from June 2011 through December 2014. At the same time, adult central line-associated bloodstream infections and ventilator-acquired pneumonia rates in the intensive care units decreased by 49 percent and 45 percent, respectively.
Julie’s Story

Julie Burke thought she didn’t have to worry about breast cancer because she had no family history. After a mammogram and biopsy confirmed early-stage breast cancer, she began the battle of her life. Having a dream team of specialists at her side and staying positive made all the difference.

Today, she is a cancer survivor. Julie, who works as a social worker at Memorial Hermann Memorial City Medical Center, has returned to work and the activities she loves: photography, fishing and spending time at the beach. She is grateful to everyone at Memorial Hermann Memorial City who joined her on the journey to health and recovery.
Together, We Are Covering Houston

Four years ago, Memorial Hermann embarked on a bold, long-term strategy to provide residents of the Greater Houston area with broader access to health insurance through the Memorial Hermann Health Insurance Company.

The premise was simple: to bring the continuum of care full circle by providing insurance coverage through a range of options, all backed by the high-quality health care the community has come to expect under the trusted Memorial Hermann brand.

By grouping care delivery, physicians and health insurance together, Memorial Hermann created an integrated delivery system that is truly unique to Houston. Aligned with the single mission to advance health, it is committed to delivering safer, smarter, and more cost-effective health care.
Expanding Access to Affordable Coverage Options

Following the implementation of healthcare reform and the Affordable Care Act, a clear trend emerged in consumer buying patterns. More and more individuals and families began seeking coverage through public and private exchanges, relying less on benefits offered through large, employer-sponsored plans.

Memorial Hermann quickly responded, adding Health Maintenance Organization (HMO) plans and Medicare Advantage plans to its existing group of Preferred Provider Organization (PPO) plans. It also broadened its suite of insurance offerings to include products targeted to Memorial Hermann employees, small employers, large employers, self-funded buyers, individual buyers, and those eligible for Medicare Advantage.

Today, the Memorial Hermann Health Insurance Company and Health Plan covers approximately 70,000 members under three plan types.

Consumers can now choose coverage from the following plan types:

1. **HMOs.** These plans provide benefits to patients who access covered services from contracted, in-network providers. Presently, benefits include a three-county geographic footprint, with coverage in Fort Bend, Harris, and Montgomery counties, as well as access to Memorial Hermann hospitals, urgent care centers, walk-in facilities, and convenient care centers. Memorial Hermann is pursuing expansion of its present HMO footprint to the nine-county service area encompassing the Houston metropolitan area.

2. **PPOs.** These plans allow patients to utilize both in-network and out-of-network providers. Staying inside the network means smaller copays and fuller coverage. Going outside the network results in higher out-of-pocket expenses. Benefits include access to all Memorial Hermann hospitals, and the more than 200 outpatient facilities, diagnostic centers and medical offices. Additional care is also available through CVS Minute Clinics, H-E-B RediClinics, and Walgreens Healthcare Clinics.

3. **Medicare Advantage.** These plans provide Part A and Part B Medicare benefits and pharmacy benefits through the contract that Memorial Hermann has with Medicare. Medicare Advantage insurance is available in both HMO and PPO plans. These products offer the same healthcare coverage as original Medicare, plus enhanced benefits, such as urgent care and emergency coverage, prescription drugs, vision and hearing benefits. Memorial Hermann Advantage plans limit out-of-pocket expenses, and costs are billed at a lower level than in traditional Medicare plans. An added benefit the plans provides is incremental dental and health coverage options not typically available through Medicare or other Medicare Advantage plans.

To provide consumers with the broadest possible range of affordability, plan types are segmented into four categories – Bronze, Silver, Gold and Platinum – based on the percentage the plan pays of the overall cost of providing essential health benefits to members. The core benefits of each plan type – HMO, PPO and Medicare Advantage – are the same under each category. However, premiums, coinsurance, and copays vary.

Across the health insurance marketplace, Bronze plans cover 60 percent of the overall cost, while plan members pay approximately 40 percent. Silver plans cover 70 percent of the overall cost, while plan members pay approximately 30 percent. Gold plans cover 80 percent of the overall cost, while plan members pay approximately 20 percent. And Platinum plans cover 90 percent of the overall cost, while plan members pay approximately 10 percent.

The evolution of health care, prompted by the passage of the Affordable Care Act, is moving communities toward a new model of care delivery – one that is aimed at adding value through the provision of high-quality care with superior outcomes at a lower cost. Achieving population health – as the Memorial Hermann Health System aspires to do in partnership with MHMD and the Memorial Hermann Health Insurance Company and Health Plan – requires taking a more comprehensive, more integrated, and less fragmented approach to delivering care.
Wesley’s Story

Born with malformations in the brain, three-month-old Wesley Robertson suffered up to 50 epileptic seizures a day. Wesley’s seizures would come and go, with some lasting only 30 seconds and others lasting in excess of a minute. A team of dedicated physicians at Children’s Memorial Hermann Hospital, including Dr. Manish Shah, McGovern Medical School at UTHealth pediatric neurosurgeon affiliated with Memorial Hermann Mischer Neuroscience Institute at the Texas Medical Center, performed a delicate eight-hour procedure to disable half of Wesley’s brain with the malformations. The hemispherectomy was completed on the young patient with the goal of reducing the number of seizures he experienced per day and improving his quality of life. Since the surgery, Wesley has not had a single seizure. In addition, Dr. Shah doesn’t expect Wesley to have any lasting deficits from the epilepsy. Today, he is a happy child full of energy and exploration, with a bright future ahead of him.
Together, We Create – and Inspire – a Community Centered on Health

With 16 hospitals and numerous specialty programs and services, Memorial Hermann Health System is a steward of the community’s health. This is true not only for the health of the adults and children who seek medical care at a Memorial Hermann facility, but also for the many residents who may benefit from programs and services aimed at improving the overall health of the community and increasing residents’ access to health care.

As the largest not-for-profit health system in Southeast Texas, Memorial Hermann is dedicated to creating – and inspiring – a community centered on the health of individuals and families in the Greater Houston area.
Investing in Improved Access to Care

Through its subsidiary, the Memorial Hermann Community Benefit Corporation, Memorial Hermann invests annually more than $451 million in opportunities to bring Houstonians broader access to important resources that support health.

This long-standing commitment to providing uncompensated care and community benefits includes funding and implementing various programs. Many of these programs are operated in partnership with other healthcare providers, government agencies, business leaders and community stakeholders, and all are aimed at serving the long-term needs of at-risk and underserved populations.

Health centers for Schools

Memorial Hermann Health Centers for Schools provides a growing roster of clinics where uninsured and underinsured children in the Houston region can access medical, mental health, nutritional, and dental care. Launched in 1996, the program now has 10 school clinics in five districts, serving 70 schools.

Clinics are staffed and open year-round, Monday through Friday, during school hours. They offer clinic services that include well-child annuals and sports physicals, immunizations, care for chronic diseases (such as asthma, obesity, and high cholesterol), illness and injury visits, mental health therapy, social service referrals, and nutritional guidance, as well as specific care to meet student needs. Mobile dental vans offer periodic oral examinations, diagnostic X-rays, fluoride treatments, oral hygiene instructions, sealants, composite fillings, extractions, crowns and pulpotomies.

Success in school starts with healthy learners. That’s why the Memorial Hermann Community Benefit Corporation added three new health centers and a third mobile dental van to better serve the community in 2015.

Community Resources

One of the ways the Memorial Hermann Community Benefit Corporation is working to lower the number of patients seeking primary care services in the ER is through its ER Navigation Program.

Launched in 2008 and now in place at eight Memorial Hermann emergency centers, ER Navigation places a certified community health worker (CHW) onsite in emergency rooms to educate patients on the importance of finding and consistently using services at the same medical home rather than relying on emergency rooms for primary care. The CHWs provide further assistance to the most vulnerable of populations by connecting food-insecure patients with area food pantries.

The Nurse Health Line - 713.338.7979 - and Neighborhood Health Centers also deliver key community resources to broaden access to care. Memorial Hermann established the Nurse Health Line in 2014 as a free telephone advice service for residents who are worried by health symptoms and are unsure of what to do or where to go. In its first year, experienced bilingual nurses answered more than 23,502 calls. In 2015, that number grew exponentially to 54,261 calls.

Neighborhood Health Centers, located in Northeast and Northwest Houston, help to bridge the gap for individuals and families who may have some disposable income, but not enough to afford private health insurance. Originally designed to serve as a medical home for uninsured working families, today the Neighborhood Health Centers provide uninsured, Medicaid, and Medicare populations with preventive, acute, and chronic care, seven days a week, with extended weekday hours. In 2015, these facilities welcomed more than 500 patient visits per month.

Mental Health

According to statistical data from the online County Health Rankings & Roadmaps 2015, 17 percent of Texans and 20 percent of Harris County residents are uninsured. This lack of coverage - coupled with a shortage of psychiatric physicians - means that many mental health illnesses go untreated, and many patients who do seek treatment go to emergency room physicians and clinical staff untrained in psychiatry.

To help bridge this gap in services, Memorial Hermann Behavioral Health Services delivers a broad array of mental health programs staffed by professionals who have the expertise necessary to deliver the appropriate level of care and ongoing support for patients inside Memorial Hermann’s acute care facilities and in the community.

The Psychiatric Response Team provides mental health expertise to all acute care hospitals in the System, overseeing a wide range of tasks - including, but not limited to, evaluating and stabilizing patients, arranging for their transfer, and developing aftercare plans for them. On average, this group provides services and expert consultative advice to the care of approximately 650 patients per month. Of that volume, usually about 66 percent of the patients are either uninsured or have Medicare or Medicaid and 33 percent have commercial insurance.

The Psych Response Case Management Program targets “super-utilizers” of hospitals and emergency rooms. Since the program’s launch, readmission rates for program enrollees have seen a 54 percent volume reduction in emergency room use for mental health problems.

In 2015, Memorial Hermann opened its third and most centrally located Mental Health Crisis Clinic in the Meyerland area. This followed the opening of its first two clinics in Humble and Spring Branch after identifying these areas as having the highest clusters of untreated mental health issues. Designed in response to each community’s significant gap in mental and behavioral health services, these facilities operate as “urgent care” for the mentally ill and for individuals in crisis situations.

This past year, Memorial Hermann documented increases in patient visits and improvements in medication compliance and discharge planning. By relying on a multi-disciplinary team, patients are better managing their medical conditions and behavioral issues either at home or through the resources of the community - rather than in the emergency room. In 2015, more than 1,900 patients were assessed through the crisis clinic program.
IN THE COMMUNITY

IN THE COMMUNITY

drug development, and clinical trials for patients with brain cancer at The University of Texas MD Anderson Cancer Center.

United Way of Greater Houston

Memorial Hermann’s annual United Way campaign brings together employees from across the System to support an organization devoted to building stronger communities through education and assistance programs. For the fourth consecutive year, Memorial Hermann employees raised more than $1 million in funds for the United Way of Greater Houston.

A Proactive Approach to Advancing Health

Initiatives aimed at disease prevention, health promotion, and wellness can dramatically reduce the risk of future health problems. Research supports that statement, and Memorial Hermann embraces it by providing a variety of preventive programs and services to the community, including:

• April Pools Day, an annual event featuring water safety demonstrations, information booths, games, story time, giveaways and guest talks aimed at drowning prevention.
• Cancer screenings, free events held throughout the year to check for oral, head, and neck cancers, which claim the lives of approximately 13,000 people every year.
• Screenings for skin cancer, the most common form of cancer, held in May during Skin Cancer Detection and Prevention Month.
• Colorectal cancer screenings, held during National Colorectal Cancer Awareness Month, to look for signs of this devastating disease that can be treated when detected early and – in some cases – prevented through regular screening.
• Lung cancer screenings, which offer low-dose CT scans – the only screening test studied and shown to reduce the risk of dying from lung cancer in high-risk populations.
• Outpatient tobacco cessation programs, providing education, counseling, and information about various resources to help people quit smoking.

Focus on Prevention

FOCUS ON PREVENTION

Cancer screenings

head
ear
nose
throat
skin
lungs
colorectal

Community Partners

In 2015, Memorial Hermann provided program and in-kind support to a large spectrum of organizations, each of which is a proven leader in the Houston community committed to resolving some of the area’s most pressing social issues. Among them are:

• Gateway to Care, which works with more than 190 leaders in health care, government and the business sector to share a common thread of striving to bring healthcare resources and services to underserved and vulnerable communities in the Texas Gulf Coast region.
• Children at Risk, which serves as a catalyst for change to improve the quality of life for children through strategic research, public policy, analysis, education, collaboration, and advocacy.
• Interfaith Community Clinic, a volunteer-based healthcare center whose primary goal is to provide medical and dental care, mental health counseling, and social services support to uninsured individuals in the North Houston community and Conroe.

Encouraging a Healthier Community

At Memorial Hermann, raising awareness of critical health initiatives in the Greater Houston area through community outreach is an integral part of our work to inspire a healthier – and stronger – community.

American Heart Association Heart and Stroke Walk

For years, the Memorial Hermann Health System has proudly supported the American Heart Association’s Houston Heart and Stroke Walk. In 2015, Memorial Hermann was the No. 1 fundraising company in the Houston area in support of the walk, with 4,564 team members raising more than $400,000 in contributions.

BP MS150

The BP MS150 is an annual, two-day, 150-mile biking event designed to raise critical funds for research aimed at finding a cure for multiple sclerosis, a chronic disease of the central nervous system that affects thousands of people each year. In 2015 – despite the severe weather that led to the cancellation of the first day of the event – more than 100 riders from Memorial Hermann participated, raising close to $110,000.

Run for the Rose

At just age 27, Dr. Marnie Rose was in the first year of her pediatric medical residency at Children’s Memorial Hermann Hospital when she was diagnosed with a rare form of brain cancer. A year following her death, the first Run for the Rose was held benefiting pediatric health initiatives. In 2015, approximately 5,500 people – including 80 brain cancer survivors – participated in the 13th annual event. The 5K run raised the most money in its history, with $610,000 benefiting a range of programs at Children’s Memorial Hermann Hospital as well as immunotherapy research, new

In 2015, Memorial Hermann provided program and in-kind support to a large
Mike Matson has a lot to be thankful for. In November 2015, just around Thanksgiving, Dr. Matthew Mays, affiliated orthopedic surgeon with Memorial Hermann, performed surgery on Mike to repair a torn patellar tendon in his leg. His injury, commonly referred to as “jumper’s knee,” was the result of overuse and training.

As the Rice University Rowing Club coach, Mike leads an active lifestyle and is anxious to return to training after his knee fully heals. His aspirations extend beyond rowing the waterway of Buffalo Bayou; his three-man team, the American Oarsmen, plans to compete in the 2016 Talisker Whisky Atlantic Challenge, a rowing race spanning 3,000 miles across the Atlantic Ocean. With specialized outpatient rehabilitation, Mike’s knee is healing quickly and ready for a race of a lifetime.

Mike’s Story
Together, We Make Advancing Health Possible

Much of the progress the Memorial Hermann Health System makes in advancing health is due to the support of its donors. Through their generosity, Memorial Hermann is able to recruit leading physicians and medical experts; purchase critical, cutting-edge equipment; and build and expand world-renowned programs and facilities.

While large gifts play a crucial role in achieving strategic plans, the importance of smaller gifts cannot be understated. Every contribution—both large and small—is significant and appreciated.

The generosity and dedication of all contributors allow Memorial Hermann to pursue the highest level of care across virtually every medical specialty and bring greater access to healthcare expertise and resources in the Greater Houston area.
A Patient’s Unwavering Pursuit of Heart Health Leads to a Transformational Gift

Tim Cobb’s transformational hike to a healthy heart is a story 63 years in the making. It begins in 1952, when he was born with aortic stenosis, a narrowing of the aortic valve opening that reduces the heart’s ability to properly regulate blood flow.

Before Tim could walk, he was under the regular care of a cardiologist. Growing up, he remained as active as his condition would allow, running in races as a teenager and hiking throughout the majestic mountains of Colorado.

But at age 28 – after multiple catheterizations and other procedures to alleviate pressure to the heart – Tim underwent his first open heart surgery to replace his failing aortic valve. At 36, the valve was replaced again in a second open heart surgery.

When he was 48, the second valve failed, and in a routine exam his cardiologist identified an aneurysm on his ascending aorta. A third open heart surgery posed tremendous risks, but the risks of performing the repairs far outweighed the risks of foregoing the procedure.

Tim ultimately underwent the procedure. His surgical case was so complex, he died on the operating table, and eight minutes passed before he was revived. Despite the complications, Tim miraculously made a full recovery and went another 14 years before hitting his next major bump in the road.
In December 2013, during his usual morning hike, Tim began experiencing problems. Soon, a trip around the block would leave him winded and sick to his stomach. After a visit to the cardiologist, he was quickly admitted to a Colorado hospital, where 17 pounds of fluid were removed from his lungs.

**Transplant was Unavoidable**

His heart was once again wearing out. So his Colorado-based heart team referred him to the leading physicians of the Center for Advanced Heart Failure at the Memorial Hermann Heart & Vascular Institute, who immediately added him to the transplant list.

Under the care of McGovern Medical School at UHealth physicians Dr. Igor Gregoric, chief and program director of the Surgical Division of the Center for Advanced Heart Failure, and Dr. Biswajit Kar, chief and program director of the Medical Division of the Center, Tim spent a total of 37 days in the hospital waiting for a donor match.

“My doctors – and the entire care team at Memorial Hermann, from the people who cleaned my room to the nurses who administered my medications – practically became my second family,” explained Tim. “When the news came that a match was available, everyone came by to give me their vote of confidence. There was an incredible sense of joy and pure happiness that words cannot describe.”

Months after his stay, Tim – together with his wife, Mary – donated $1 million in support of the Center for Advanced Heart Failure at Memorial Hermann Heart & Vascular Institute. “It was the least I could do after how much the team helped me. I would do anything to support the group, and I knew this gift would go to a good cause.”

The Cobbs’ generous contribution has the potential to significantly broaden the capabilities of the Center for Advanced Heart Failure. A gift of this magnitude allows incredible growth on a number of levels – from recruitment of a world-class physician and the continuation of critical research to the purchase of leading-edge technologies and advanced equipment. It is transformational, to say the very least.

Today, Tim remains under the care of Dr. Kar. He is also back to hiking every day and is able to achieve distances of six to seven miles. At his 18-month checkup in December 2015, he said, “Physically, I feel unbelievable. There are a new set of rules I have to live by – with medications and whatnot – but that is an easy tradeoff for a better quality of life.

“I’ve had four surgeries, but remarkably, the transplant proved to be the easiest of all of my operations in terms of recovery. I feel incredible.”

**Memorial Hermann Foundation: 2015 Accomplishments**

The Memorial Hermann Foundation is the fundraising arm of the Memorial Hermann Health System. Philanthropic support is a crucial source of funding that helps ensure Memorial Hermann’s ongoing commitment to providing critical programs and services to meet the community’s growing healthcare needs.

In 2015, the Memorial Hermann Foundation hosted its annual Circle of Life Gala at the Hilton Americas Hotel. The sold-out event, chaired by Houston Rockets owner Leslie Alexander and the Houston Rockets, raised more than $3.3 million for Memorial Hermann orthopedics and sports medicine programs. The basketball theme and participation of players and coaches made a spirited evening for the more than 1,800 guests in attendance.

These fiscal year 2015 numbers are evidence of the important role the Foundation plays in making certain the communities served by Memorial Hermann have access to high-quality, patient-centered care – both today and tomorrow.

26 days following his transplant, Tim was discharged from inpatient care at Memorial Hermann. He credits the care team, his wife and family members for helping him recover. According to Tim, his medical journey would not have been possible without the support of his loved ones.
Together, We Advance Health

One of the largest not-for-profit health systems in the nation, Memorial Hermann Health System is an integrated system with an exceptional medical staff and more than 24,000 employees. The System serves Southeast Texas and the Greater Houston community with more than 250 care delivery sites, including 16 hospitals, a Level I trauma center, an academic medical center affiliated with McGovern Medical School at UTHealth, and numerous specialty programs and services.

Memorial Hermann has been a trusted healthcare resource for more than a century. As Houston’s only full-service, clinically integrated health system, Memorial Hermann continues to identify and meet our region’s healthcare needs.

Our Vision

Memorial Hermann will be the preeminent health system in the United States by advancing the health of those we serve through trusted partnerships with physicians, employees and others to deliver the best possible health solutions while relentlessly pursuing quality and value.

Our Brand Promise

We advance health.

Memorial Hermann Health System 2015 Board of Directors

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Deborah M. Cannou
Clarence P. Cavazot, Jr.
Robert G. Croyle
William H. Easter, III

Jason B.Few
William F. Galtney, Jr.
Roland García, Jr.
J. Kevin Giglio, M.D.
David J. Graham
Ralph D. McBride
Scott B. McClelland
Scott J. McLean

Gasper Mir, III
James R. Montague
Melinda H. Perrin
James J. Post
Stephen H. Pouns
George W. Stroke, III
Willoughby C. Williams, Jr
Dan Wolferman, ex officio

Care Delivery Sites

[Map showing various care delivery sites in the Houston area.]
Remembering Dr. Red Duke

In 2015, we lost a true Texas legend.

In August, renowned surgeon James H. “Red” Duke, Jr., M.D., passed away at the age of 86. He was a dedicated physician, educator, innovator and member of the Memorial Hermann family. He saved countless lives and taught thousands of medical students. His impact on the medical community extends far beyond the Greater Houston area. And his legacy will remain for generations to come.

Dr. Duke, the former John B. Holmes Professor of Clinical Sciences at McGovern Medical School at UTHealth and founder of Memorial Hermann Life Flight®, was a dedicated physician known for his extraordinary efforts to train medical students and surgeons, educate the public about health issues and improve outcomes for injured patients.

Dr. Duke was one of our country’s great physicians. He was a friend, a colleague, a role model and a mentor to a generation of doctors who benefited immensely from his guidance. His contributions, dedication and service to health care have made a lasting impact on medicine, education and the medical community.

As one of UTHealth’s first faculty members at its Medical School, he established the trauma service at our flagship facility, Memorial Hermann-Texas Medical Center. In 1976, he was instrumental in developing Life Flight, the state’s first lifesaving air ambulance service and signature program of Memorial Hermann. As medical director of Life Flight for nearly four decades, Dr. Duke set the gold standard for flight programs across the country.

Dr. Duke was a permanent fixture among the Memorial Hermann-Texas Medical Center Campus hallways. He always made time for his patients, their families, his colleagues and students. His talent and expertise, personable bedside manner and one-of-a-kind personality will not be duplicated.

Without a doubt, Dr. Duke leaves behind an amazing legacy for the entire Memorial Hermann organization and our UTHealth partners. From the red boot prints painted at the foot of every trauma bed, to the launch of every Life Flight mission; from the classroom to the operating room, Dr. Duke will be remembered. We will honor and celebrate the life of a true Lone Star legend today, tomorrow and forever.