It was a year unlike any other. Despite the changes taking shape in health care, a softening Houston economy and the unpredictability of Mother Nature, Memorial Hermann continued to fulfill our mission of advancing the health of the residents of the expanding Greater Houston communities. Together, we marked another year of impressive outcomes, growth and improvements in patient experiences, and we are proud to share some of our achievements with you in this annual report.

For the patients who entrust us with their care, the employees and physicians who choose to serve our community, the members who select our plans for their coverage, and the residents of Greater Houston who turn to us in times of need, our commitment to providing safe, high-quality care has never wavered. Just as we have done for the past 110 years, Memorial Hermann continues to deliver on our reputation of being a healthcare leader.

In 2017, we continued our journey toward building healthier communities with the unveiling of a new hospital in Cypress, as well as the opening of a number of convenience care and urgent care facilities spanning Greater Houston. We also helped expand our
community’s access to primary care through the launch of innovative platforms like Everyday Well, which puts patients in control of their own healthcare experiences. Our continued dedication to improving coordination, efficiency and effectiveness of healthcare is creating a more positive experience for patients as they move through the full continuum of care.

While it was humbling to be recognized by the *Houston Chronicle*, the *Houston Business Journal* and *Forbes* magazine as a top workplace in the region and the country, Memorial Hermann’s true character was demonstrated during Harvey when our employees made tremendous sacrifices to ensure that we were able to continue providing care during the worst natural disaster to strike our region. Their response was nothing short of inspiring and reinforced that Memorial Hermann has been and will always be here for the Greater Houston area.

For the 2017 report, we are including a high-level overview of the numerous accomplishments of the System as well as highlights of our growth, expansion of access to care and noteworthy achievements. We hope you find this information helpful as we provide insight into the far-reaching impact of our work.

With the guidance of our Board and the dedication of our employees and affiliated physician partners, we are pleased to celebrate another year of unwavering commitment to our community.

CHUCK STOKES  
President and CEO  
Memorial Hermann  
Health System

DEBORAH CANNON  
Board Chair  
Memorial Hermann  
Health System
FY2017 By the Numbers

- 2.1 Million Patient encounters
- 171,000+ Surgeries
- 1.48 Million Diagnostic and therapeutic visits
- 892,000+ Inpatient days
- 165,000+ Inpatient admissions
- 2,200 Research studies
- 24,700+ Babies delivered
- 255 MHMG Employed Physicians
- 110 Years Serving the Community
- 3,700+ Life Flight missions
- $31 Million Centers for Medicare and Medicaid shared savings program results
- 26,000+ Employees

110 Years
$5.06 Billion Total operating revenue

300+ Memorial Hermann care delivery sites

6,400+ Active medical staff

635,000+ Emergency Center visits

4,000+ Licensed beds

63,000+ Health plan members

$482 Million Community benefit contribution

$16.8 Million Foundation total dollars raised

6,409 Individual donors to Memorial Hermann Foundation

*Numbers reflect data from July 1, 2016 to June 30, 2017.
Memorial Hermann Cypress Hospital opened its doors in 2017. The 32-acre, master-planned campus includes an 81-bed hospital with state-of-the-art operating rooms, an intensive care unit and neonatal intensive care unit.

Memorial Hermann Northeast Hospital broke ground on a new patient care tower in 2017. The $70 million, 123,000 square-foot, five-story tower will feature 90 patient rooms, with the ability to add another 30 beds in the future. Upon completion, the tower will be accompanied by additional surface parking as well as renovations to the east entrance of the hospital.

Vibra Healthcare, LLC, Memorial Hermann Health System, and Medistar Corporation announced the development of VibraLife of Katy, a new VibraLife post-acute and residential care community. Scheduled to open in 2018, the new state-of-the-art facility will occupy 58,000 square feet and provide a total of 104 beds, including a 70-bed transitional care rehabilitation center, an 18-bed assisted living center, and a 16-bed secured memory care unit. Designed and operated by Vibra, VibraLife of Katy will provide high-quality care to patients following an injury or illness and will offer a full range of services — medical, rehabilitative and social — to both patients and senior residents.
Memorial Hermann embarked on a **$650 million expansion and renovation** of its Texas Medical Center Campus in 2015. The project includes a new patient care tower and second building with parking and infrastructure capabilities. In recognition of the generosity of Susan and Fayez Sarofim, the **17-story patient care tower will be named the Susan and Fayez Sarofim Pavilion**. Their **$25 million** contribution is the largest gift Memorial Hermann has ever received.

Construction continued through 2017 at the flagship hospital of the Memorial Hermann Health System with the installation of vertical structural steel pieces for the patient care tower. **Completion of the largest demolition phase of the project also occurred in 2017**, providing space for the new patient care tower and building footprints.

Preparation for this demolition began in 2014 and included the **construction of a new hyperbaric and wound care suite, Gamma Knife suite, skybridge to Garage 4 and loading dock**, as well as additional construction and relocation projects, and the delivery and installation of six new generators.

**Emerus hospitals in Tomball and Sugar Land** began operating under the trusted name of Memorial Hermann as the result of a **joint venture partnership between Memorial Hermann and Emerus Holdings Inc.**, the nation’s first and largest operator of micro-hospitals. As part of the transaction, the joint venture partnership has the option to open additional healthcare facilities in the future, which would significantly improve access to high-quality care in communities throughout the Greater Houston area.

Broader access to high-quality, convenient care continued with the opening of **two new Convenient Care Centers** and **three Urgent Care facilities**. Convenient Care Centers in Spring and Greater Heights provide access to adult and pediatric primary care through Memorial Hermann Medical Group as well as specialty physicians, sports medicine and rehabilitation, outpatient imaging and lab services, and 24-hour emergency services. Urgent care clinics in Fulshear, Tanglewood and Benders Landing offer residents on-demand health care, providing walk-in care seven days a week for a variety of illnesses and minor injuries.

** Houston-area employers gained access to a comprehensive suite of services aimed at creating a healthier workforce with the addition of three new Memorial Hermann clinics dedicated exclusively to occupational medicine. In addition to work-related injury assessments and treatments, clinics in Cypress, Katy and Wharton offer an array of services to ensure medical needs of workers are met, including physicals, disability evaluations, biometric screenings and immunizations.**
Memorial Hermann ranked **fourth on Forbes magazine’s annual list of America’s Best Employers**, earning a top spot alongside several nationally recognized brands. Memorial Hermann achieved the prestigious recognition following an in-depth survey by the research firm Statista, which measured employee satisfaction by gathering opinions from more than **30,000 workers** from a multitude of industries across the United States.

Memorial Hermann was named one of the city’s **Best Places to Work for the 13th consecutive year in the Houston Business Journal’s** annual workplace survey, placing No. 4 among Houston’s largest employers. The Best Places to Work program honors remarkable organizations in the Greater Houston area. Winners are determined by employee responses to an online survey with questions focused on categories designed to measure employee engagement and other workplace factors.

For the **eighth consecutive year**, Memorial Hermann was recognized as a **Top Workplace in Houston**, as published in a special report by the **Houston Chronicle**. The System ranked **No. 19 among large companies** and was the **highest ranking healthcare provider** in the category. The annual rankings recognize the top 150 workplaces in the Houston area based on employee surveys.

Memorial Hermann earned a spot on the list of the country’s **“Most Wired” health systems**, achieving the **recognition for the 13th consecutive year**, based on a survey of hospitals across the nation. The list, compiled from a survey conducted by Health & Hospitals Network in partnership with the American Hospital Association, annually recognizes hospitals and other healthcare facilities that are successfully using technology to improve patient care, better manage population health and become more efficient.

The Joint Commission recognized Memorial Hermann as a **2017 Pioneers in Quality™ Expert Contributor for the System’s commitment to adopting electronic clinical quality measures (eCQM)**. The honor was given for sharing eCQM knowledge and utilization practices with other accredited hospitals.
TIRR Memorial Hermann* Hospital held the No. 2 spot for the third consecutive year as one of the country’s top rehabilitation hospitals, according to U.S. News & World Report’s Best Hospital rankings for 2017–2018. TIRR Memorial Hermann has been included in the prestigious rankings since the report’s inception in 1989. In addition, specific service lines were also honored, including cardiology and heart surgery, neurology and neurosurgery at Memorial Hermann-Texas Medical Center; and pediatric neurology and neurosurgery at Children’s Memorial Hermann Hospital. Memorial Hermann Southeast Hospital, Memorial Hermann Greater Heights Hospital, Memorial Hermann Southwest Hospital and Memorial Hermann The Woodlands Medical Center received Chest Pain Center accreditation from The Joint Commission. This accreditation demonstrates an integrated and systematic approach to clinical care of a heart attack and encourages emergency medical services to transport a patient to a certified center.

*TIRR is a registered trademark of TIRR Foundation.
Eight Memorial Hermann hospitals across the Greater Houston area received elite recognition from the American Heart Association (AHA)/American Stroke Association (ASA) for their commitment to providing high-quality stroke care. Each of the hospitals received an AHA/ASA Get With The Guidelines® award recognizing their dedication to providing the most appropriate treatment for stroke patients according to nationally recognized guidelines based on the latest scientific evidence.

Memorial Hermann Greater Heights Hospital, Memorial Hermann Memorial City Medical Center, Memorial Hermann Southwest Hospital and Memorial Hermann-Texas Medical Center received the highest honor, the Get With The Guidelines®-Stroke Gold Plus-Target: Stroke Honor Roll Elite Plus award, which recognizes their adherence to all seven of the stroke achievement measures established by the AHA/ASA for two or more consecutive years. Memorial Hermann Katy Hospital and Memorial Hermann Southeast Hospital received the Gold Plus-Target: Stroke Honor Roll Elite, Memorial Hermann The Woodlands Medical Center received the Gold Plus-Target: Stroke Honor Roll, and Memorial Hermann Pearland Hospital received the Silver Plus.

The American College of Surgeons National Surgical Quality Improvement Program (ACS NSQIP®) recognized Memorial Hermann Katy Hospital, Memorial Hermann Southeast Hospital, Memorial Hermann Sugar Land Hospital, and Memorial Hermann The Woodlands Medical Center as four of 66 ACS NSQIP participating hospitals that achieved meritorious outcomes for surgical patient care.

Six Memorial Hermann facilities, including Memorial Hermann Heart & Vascular Institute-Texas Medical Center, Memorial Hermann Katy Hospital, Memorial Hermann Northeast Hospital, Memorial Hermann Southeast Hospital, Memorial Hermann Sugar Land Hospital and Memorial Hermann The Woodlands Medical Center, were honored by the American Heart Association with Mission: Lifeline Awards for the treatment of patients who suffer severe heart attacks.

The Quality Texas Foundation awarded Memorial Hermann Katy Hospital the Texas Award for Performance Excellence (TAPE). The prestigious award recognizes strong dedication to quality and high performance and brings the campus one step closer to achieving the Malcolm Baldrige National Quality Award.
Memorial Hermann Northeast Hospital, Memorial Hermann Greater Heights Hospital, Memorial Hermann Pearland Hospital, Memorial Hermann Southeast Hospital, and Memorial Hermann Southwest Hospital received the 2017 International Board Certified Lactation Consultant® Care Award from the International Board of Lactation Consultant Examiners® and the International Lactation Consultant Association®. The global award recognizes facilities that hire certified lactation consultants, promote and support breastfeeding, and have a lactation program available to patients five days a week.

Memorial Hermann Memorial City Medical Center was named one of the nation’s 100 Top Hospitals® by Truven Health Analytics®, a leading provider of information and solutions that support healthcare cost and quality improvement.

The International Association of Healthcare Security and Safety (IAHSS) honored Memorial Hermann’s Security Department with the Program of Distinction award, one of only 44 healthcare security departments to receive this honor and the only one in the state of Texas. The award recognizes outstanding, qualifying healthcare security and safety departments based on the percentage of team members who have received the appropriate level of IAHSS certification.

A Memorial Hermann program designed to improve the quality of life for patients with chronic illnesses was named a finalist for the International Hospital Federation’s Excellence award for Quality & Safety and Patient-centered Care. The award recognizes organizations around the world that have initiated projects or activities that have demonstrated excellence, outstanding achievement and proven results at a hospital, institution or unit level. Projects are scored on innovation, impact on quality, efficiency and health outcomes, as well as scalability. Memorial Hermann’s collaborative Supportive Medicine Program was honored as a finalist among more than 130 entries representing two dozen countries.
Memorial Hermann Memorial City Medical Center received international recognition as a **Baby-Friendly® Designated birth facility by Baby-Friendly USA, Inc.** The hospital is just one of five Houston-area facilities, including Children’s Memorial Hermann Hospital and Memorial Hermann The Woodlands Medical Center that have received the designation. The prestigious recognition is given to hospitals and birthing centers that offer an optimal level of care for breastfeeding mothers and their babies, delivering the information, confidence and skills needed to successfully initiate and continue breastfeeding.

Memorial Hermann Sugar Land Hospital was **re-designated as a Texas Ten Step facility by the Texas Department of State Health Services.** The program encourages breastfeeding as the preferred feeding method for newborns and infants. Memorial Hermann Sugar Land has been designated a Texas Ten Step facility since 2011.

Memorial Hermann Greater Heights Hospital joined an elite group of facilities nationwide that received **Magnet® recognition for excellence in nursing services** by the American Nurses Credentialing Center’s Magnet Recognition Program®. The designation is one of the highest levels of recognition a hospital can receive. Memorial Hermann The Woodlands Medical Center, Memorial Hermann Memorial City Medical Center, and Memorial Hermann-Texas Medical Center are also Magnet-recognized facilities in Texas.

Children’s Memorial Hermann Hospital received official designation from the Texas Department of State Health Services as **one of only four Level IV Neonatal Intensive Care Units in the state**, a distinguished accreditation bestowed on programs capable of treating the most critically ill neonatal babies.

Memorial Hermann Southwest Hospital received the **first state-designated Level III Neonatal Intensive Care Unit** in Southeast Texas and Memorial Hermann The Woodlands Medical Center was the **first designated Level III Neonatal Intensive Care Unit** in Montgomery County. Memorial Hermann Katy Hospital also received official **Level III designation**.
As the Official Healthcare Provider for the Houston Super Bowl Host Committee, and all events surrounding Super Bowl LI, Memorial Hermann demonstrated how it has been advancing health and providing exceptional patient care experiences for more than 110 years. From the planning as a Host Committee member to working the Super Bowl LI game, Memorial Hermann scored points with the players, fans, visitors and the Houston community through its support of Super Bowl LI.

The Disorders of Consciousness (DOC) program at TIRR Memorial Hermann focuses on patients in a vegetative or minimally conscious state. Although these patients are often not ready to begin a traditional rehabilitation program, they can significantly benefit from a program that specializes in treating DOC. The program is one of only a handful of programs of its kind in the country and was featured in the Houston Chronicle’s four-part series titled “Alive Inside.” The articles shared the stories of DOC patients and explored how the therapists and affiliated physicians at TIRR Memorial Hermann are pushing the boundaries of rehabilitation.

In November, the System celebrated the 20th anniversary of the joining of Hermann Hospital with Memorial Healthcare System’s community hospitals. The merger gave patients access to an advanced network of acute care hospitals and outpatient facilities and established the Memorial Hermann Health System as a cornerstone of the healthcare community and the largest not-for-profit care network in Southeast Texas.

Memorial Hermann The Woodlands Hospital officially changed its name to Memorial Hermann The Woodlands Medical Center to underscore the advancement in medicine and services now available in Montgomery County and surrounding areas. Memorial Hermann The Woodlands has been serving the community for more than three decades and has consistently expanded as the needs of the community have evolved and increased.

Memorial Hermann Red Duke Trauma Institute is leading the coalition in Southeast Texas to teach others how to stop uncontrolled bleeding as part of the national Stop the Bleed campaign. Red Duke Trauma Institute partnered with Houston’s other adult and pediatric Level I trauma centers to offer a course called “Bleeding Control for the Injured” to school nurses from the Houston Independent School District, the largest school district in the state. More than 300 of the district’s school nurses were trained during three days of educational hands-on sessions.
Memorial Hermann launched *Everyday Well*, an innovative new care delivery platform aimed at providing Houstonians with the improved ability to manage their health and wellness through enhanced access to the System’s network of primary care physicians along with a suite of online tools and services that deliver the utmost in convenience for patients to live well and be well every day.

Memorial Hermann’s Women Leaders partnered with Dress for Success Houston (DFSH) for its annual Send One Suit donation drive. Employees throughout the System donated thousands of women’s suits and professional attire, including shoes, handbags, scarves, business portfolios and new pantyhose to benefit local Houston women. According to DFSH co-founder and President Nancy Levicki, it was the largest single donation by a DFSH partner. Employees also donated their paid time off to support the drive, which allowed for the purchase of additional full professional suits and accessories.

**The System launched Memorial Hermann Find My Way**, a digital wayfinding application aimed at improving the patient experience while reducing late and missed appointments. The application currently features navigation for Memorial Hermann Memorial City Medical Center, with plans to expand to other locations. The beacon, blue dot technology guides a patients or visitors from their starting location to their final destination by providing door-to-door directions for hospital departments, physician offices, parking and other points of interest.
Children’s Memorial Hermann Hospital and Memorial Hermann Life Flight® unveiled a new look for one of the signature red Life Flight helicopters. The redesigned helicopter sports a bright green exterior and features the Children’s Memorial Hermann logo. The green helicopter was integrated into the existing Life Flight fleet and operates alongside the other five red aircrafts. The new look symbolizes the commitment of Children’s Memorial Hermann, the first pediatric hospital in the community to provide hospital-based ground and air ambulance transportation for critically ill newborns, children and high-risk obstetric patients.

Memorial Hermann formed a partnership with the March of Dimes®, a foundation dedicated to preventing infant mortality, premature births and birth defects through funding, education and lifesaving research. Through the partnership, Children’s Memorial Hermann Hospital, McGovern Medical School at UTHealth and the March of Dimes established the Perinatal Safety Center, an innovative concept designed to serve as a blueprint for industry-leading patient safety initiatives. The center is focused on establishing a foundation for developing best practices at hospitals that can be applied across the nation.
A historic storm named Harvey posed an unprecedented threat to the Texas Gulf Coast. Harvey made landfall on the Texas coast as a Category 4 Hurricane. The storm lasted from August 17 to September 3 and, in all, more than a trillion gallons of water fell on Harris County.

Despite the devastation across the Greater Houston area, Harvey was no match for the commitment and resolve of the employees and affiliated physicians of Memorial Hermann.

**Emergency Center visits:** 9,624

**Surgeries:** 748

**Babies delivered:** 564

**Admissions:** 2,589

**Working staff:** 5,073

**Patient meals:** 42,000

**Café meals served and provided free to employees, families and first responders:** 150,000
Clinical teams and medical providers administered compassionate care even while the storm raged on, floodwaters were rising and evacuations were underway.

2,700+ Employees displaced from their homes

2,100+ Employees needed transportation

825+ Employees needed housing

Memorial Hermann established a relief fund to provide financial assistance to employees who were affected by the storm in an effort to help them begin their journey of rebuilding their lives.

$6 Million+ Harvey relief fund for employees

$255,000+ Grants given to employees needing immediate assistance

$1.6 Million+ Pay advances given
Our Mission
Memorial Hermann Health System is a not-for-profit, community-owned, health care system with spiritual values, dedicated to providing high-quality health services in order to improve the health of the people in Southeast Texas.

Our Vision
Memorial Hermann will be the preeminent health system in the U.S. 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 Values
Accountable
Collaborative
Compassionate
Empowered
Innovative
Respectful
Results-Oriented
Safety-Focused
Care Delivery Sites