

John Muir Health 2015 Annual Report



JOHN MUIR
HEALTH

OUR MISSION

**WE ARE DEDICATED TO
IMPROVING THE HEALTH
OF THE COMMUNITIES
WE SERVE WITH QUALITY
AND COMPASSION.**

HOSPITALS

John Muir Medical Center
2540 East Street, Concord, CA 94520

John Muir Medical Center
1601 Ygnacio Valley Road, Walnut Creek, CA 94598

John Muir Health Behavioral Health Center
2740 Grant Street, Concord, CA 94520

PARTNER HOSPITAL

San Ramon Regional Medical Center
6001 Norris Canyon Road, San Ramon 94583

URGENT CARE CENTERS

Urgent Care Center, Brentwood
Urgent Care Center, Concord
Urgent Care Center, Pleasanton
Urgent Care Center, San Ramon
Urgent Care Center, Walnut Creek

OUTPATIENT CENTERS

Outpatient Center, Brentwood
Outpatient Center, Concord
Outpatient Center, Pleasanton
Outpatient Center, Rossmoor/Tice Valley
Outpatient Center, Walnut Creek

OUTPATIENT SURGERY CENTERS

Aspen Surgery Center
Brentwood Surgery Center

A MESSAGE FROM OUR PRESIDENT AND CEO



John Muir Health's mission is to improve the health of the communities we serve with quality and compassion. It's a responsibility that our physicians, nurses, staff and volunteers embrace, and that we work every day to achieve.

I am very proud that those efforts were recognized again in 2015 as John Muir Health received numerous awards for quality from trusted organizations such as The Joint Commission, Healthgrades, U.S. News & World Report, California Association of Physician Groups, American Heart Association and many more. These awards provide validation of the exceptional care and experience we provide, but it is even more gratifying to visit with and hear from grateful patients about their experiences at John Muir Health. Hearing their stories inspires us to take the steps necessary to ensure that we can continue to provide the care that our community expects and deserves for generations to come.

To that end, this past year, we made great strides in achieving what we call Vision 2022, our roadmap for the future, by focusing on growth and the expansion of our footprint. This growth allows us to enhance our future as an independent, community-based, not-for-profit health system.

We are growing quickly in new areas like the Tri-Valley where we opened our Pleasanton Outpatient Center in collaboration with our partners at San Ramon Regional Medical Center and Tenet Healthcare. Similar to our other outpatient centers, it offers a wide range of care services in one convenient

location. We have also strengthened our innovative partnerships with premier health organizations including UCSF Health and Stanford Children's Health. These partnerships are creating more options for patients to stay close to home for their care while also expanding our services to patients in new locations.

As part of our mission, we also believe that it is our responsibility to help create and maintain healthy communities in the areas we serve by investing all revenue back into our programs and services, including our community benefit programs. In 2015, we invested more than \$109 million in our community benefit activities with approximately 89 percent of those dollars specifically targeted toward individuals and families who experience social and economic barriers to improving their health. We are committed to continuing to use our resources wisely by investing in partnerships with organizations that help to increase access to much needed services in our community.

John Muir Health belongs to the community and, together, we have a very strong future. We will continue to draw upon the amazing spirit and resolve of our patients, support from our community, and the skills of our remarkably talented physicians, nurses, staff and volunteers, to deliver on our mission. Thank you for helping to make the care we provide possible.

Sincerely,

Calvin (Cal) K. Knight
PRESIDENT AND CEO
JOHN MUIR HEALTH

JOHN MUIR HEALTH is a community-based, not-for-profit, integrated system of doctors, hospitals, patient care centers and community benefit programs and partnerships. We are committed to providing the highest-quality health care to our patients every day through the exceptional work of our dedicated physicians, nurses, staff and volunteers.

2015 JOHN MUIR HEALTH BOARD OF DIRECTORS

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VICE CHAIR

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TREASURER

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John Muir Health operates on the energy, passion and dedication of nearly 9,000 physicians, nurses, staff and volunteers. Every day and night, our highly skilled and motivated team works toward one universal goal: to provide John Muir Health patients with the best possible health care. The drive to succeed, set higher standards and exceed expectations is at the heart of a unique culture of excellence that is shared among all who work to further the mission of John Muir Health.

While not everyone at John Muir Health interacts directly with patients, every individual, from accounting to quality management, knows that he or she plays an important role in providing all of our patients with an exceptional care experience. And, quite often, the business of caring doesn't stop when the day or work shift is over. Many of our physicians, nurses and staff generously volunteer their time to assist with national and international medical missions, disaster relief efforts, local causes and some of our own community benefit programs.

John Muir Health
Mobile Health Clinic
Celebrates 15 Years of
Service to the Community

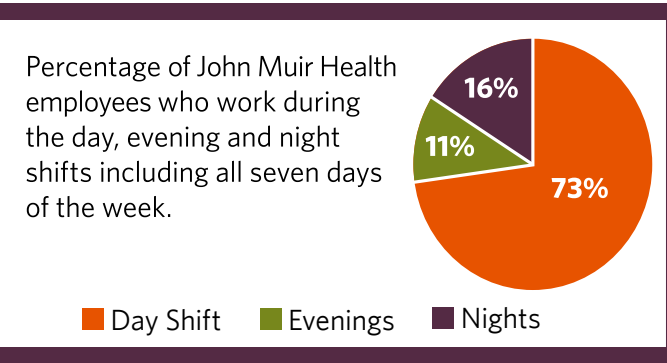
20 EMPLOYEE/STAFF VOLUNTEERS
40 PHYSICIAN VOLUNTEERS

Lawren Hicks, M.D. is one of 40 John Muir Health affiliated physicians who volunteer to treat patients in the Mobile Health Clinic. In addition to his work as a practicing Family Medicine physician and Medical Director of John Muir Health's Senior Services program, Dr. Hicks has been a volunteer physician since the Mobile Health Clinic program started in 2001.



After more than 85 years of change, success and tremendous growth, John Muir Health remains locally managed and governed.

Organizational decisions are made by executive leaders and board members who are local community residents and rely on John Muir Health for their own health care needs. What also remains true today is our absolute commitment to our mission. We are dedicated to constantly improving John Muir Health as a community resource, as well as the health of everyone we serve.



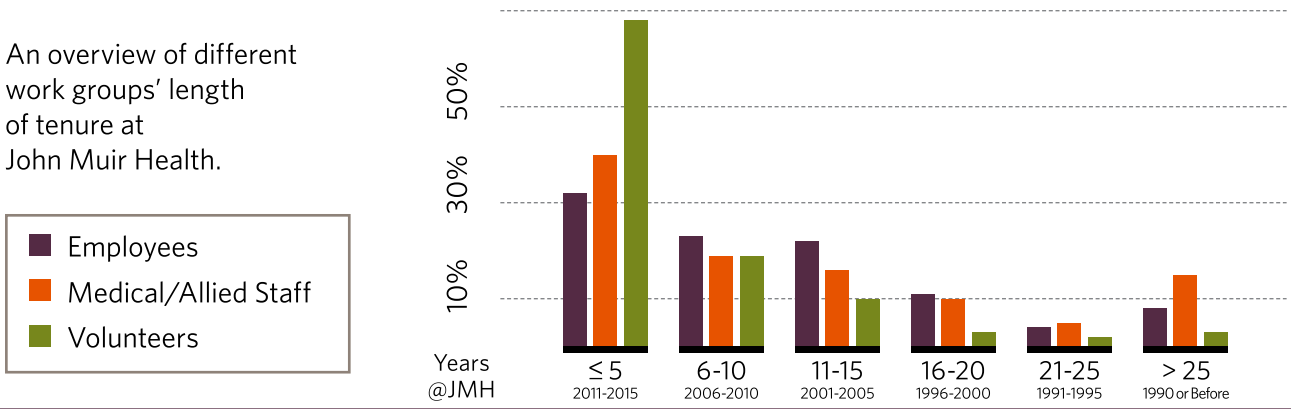
John Muir Health Volunteers in 2015

| | |
|----------------|--|
| 1,600 | Total number of volunteers |
| 170,000 | Total number of hours contributed by volunteers |
| 41,094 | Most number of total hours* contributed by an individual volunteer |
| 15 | Age of youngest volunteer |
| 93 | Age of oldest volunteer |

*Equivalent to almost 20 years of service in a full-time position, 8 hours per day, Monday through Friday.

YEARS OF SERVICE AT JOHN MUIR HEALTH

An overview of different work groups' length of tenure at John Muir Health.





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Increasing Access to Care

One of our top priorities is to make it faster, easier and more convenient for patients throughout Northern California to access our high quality care. We are doing this in a number of ways, including:

OPENING MORE LOCATIONS In 2015 we opened a new Outpatient Center in Pleasanton, which, along with our other outpatient centers in Brentwood, Concord and Walnut Creek, offers multiple health services such as urgent care, family medicine, medical imaging, lab services and more, all in one convenient location.

PARTNERING WITH OTHER REPUTABLE HEALTH CARE ORGANIZATIONS like UCSF Health, Stanford Children's Health, and San Ramon Regional Medical Center/Tenet Healthcare. Partnering with these premier organizations allows us to expand our capabilities, increase access to services and better serve our patients.

ONLINE ACCESS for patients to make appointments, view medical records, refill prescriptions, get an online diagnosis or securely message a physician using MyJohnMuirHealth on a desktop, tablet or smartphone.

Pioneering New Technology and Procedures

We pride ourselves on being at the forefront of the latest innovations in medical technology.

In cardiovascular services, John Muir Health was among the first hospitals in the Bay Area to successfully perform minimally invasive heart procedures such as TAVR and MitraClip that can replace or repair valves in the heart without opening the chest cavity. Intended for patients who cannot tolerate traditional open-heart surgery, these minimally invasive procedures significantly reduce patients' length of stay in the hospital, as well as physical recovery times. We have now performed more than 180 TAVR procedures, and launched our MitraClip program last June.

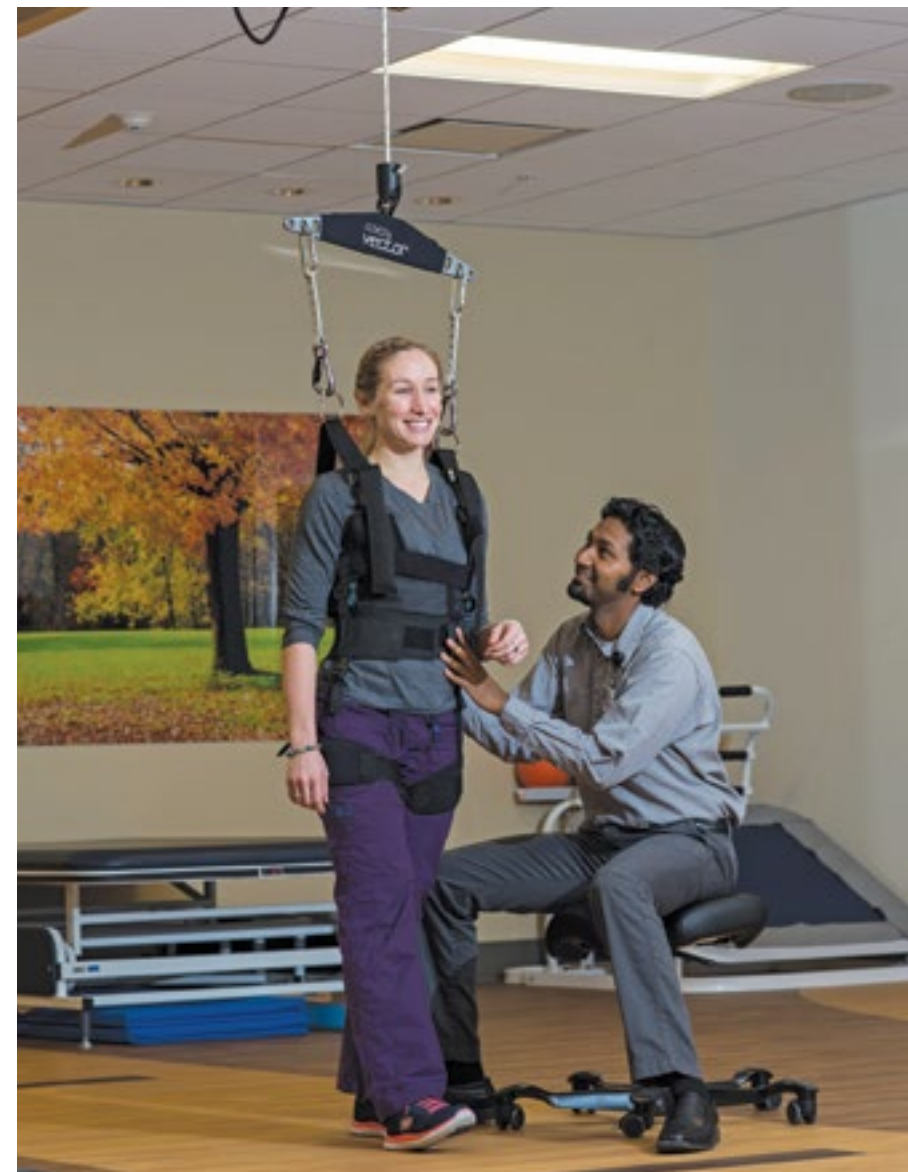
Last year in cancer services, we were also among few hospitals to offer digital breast tomosynthesis (DBT) also known as 3-D mammography for breast cancer screenings. 3-D mammography is the newest, most advanced screening technology available. Compared to prior technology, 3-D mammography has shown a 41% increase in the detection of invasive breast cancers. John Muir Health is currently the only accredited breast health center in the East Bay to offer 3-D mammography.

Conducting Research and Clinical Trials

John Muir Health actively participates in important national clinical research and clinical trials, and conducts many different types of studies on disease prevention, early detection, intervention and treatment. Our physicians are engaged in a wide variety of clinical research studies across different therapeutic areas.

John Muir Health patients who qualify to participate can benefit greatly from new medications, medical devices, technologies and procedures that are being tested to detect, prevent and treat different types of cancer, heart disease, diabetes and other life-threatening illnesses.

Improving health involves much more than a visit to the doctor or having a medical procedure. At John Muir Health, we look at each patient's entire continuum of care, including recovery, rehabilitation and follow-up. We contribute to the overall health of our patients and our community by offering health education classes, behavioral health services, health screenings for early disease detection, conducting clinical research and providing innovative tools and resources for our patients to manage their health, get well and stay healthy.



NEW John Muir Health Rehabilitation Center

In October, 2015, John Muir Health opened a new, 7,000 sq. ft. inpatient rehabilitation center at John Muir Medical Center, Walnut Creek.

Physical rehabilitation is an essential part of the recovery process for patients who need to regain strength, mobility and motor skills before they can be safely discharged. The new facility is especially beneficial for patients recovering from stroke, brain or spinal cord injuries who require an intense level of rehabilitation.

The expansive, state-of-the-art facility was designed with input from John Muir Health clinicians, and includes highly sophisticated technology like the Bioness Vector Gait and Safety System®. To promote independent movement, the patient is secured in a full-body harness, which is connected by a winch to a robotic trolley that moves along a ceiling-mounted track. The harness and winch enable the patient to move, walk, and even fall without risk of injury, while the robotic trolley automatically records patient movement data.

John Muir Health is currently one of very few hospitals in the nation to have this Vector technology, and the only one in the East Bay.

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As a community-based, not-for-profit health system, one of John Muir Health’s most important priorities is to help create and maintain healthy communities throughout the region we serve. This is part of our mission, and a critical part of the vision for John Muir Health. We are proud of our partnerships that help promote health to those who are most vulnerable. As we develop our community benefit plan, we actively listen, and then we build and support alliances with other organizations and providers. In this way, we open the door for greater community health improvement.

NEW Family Medicine
Residency Program

John Muir Health has launched its first medical training program in affiliation with UCSF. The new Family Medicine Residency Program addresses two of the toughest challenges in health care today: the shortage of primary care doctors and gaps in access to health care.

Dr. Jeremy Fish, Dr. Catalina Triana and Dr. Kishore Nath have developed a three-year residency program that trains medical school graduates to become family medicine physicians and serve vulnerable patients in our community. Residents have the ultimate learning experience of training alongside established John Muir Health family medicine physicians. The first class of residents will start July 1, 2017.

“In addition to putting their medical knowledge and skills into practice, these young doctors learn through experience how to effectively observe, listen and speak to patients of all ages and from diverse backgrounds,” says Dr. Catalina Triana (right) with UCSF medical student Griselda Velasquez (far right.)



Our Community Commitment

John Muir Health is a resource that belongs to everyone in the communities we serve. We recognize the great responsibility that comes with our important role as a health care system, and we will continue to seek out opportunities and partnerships to improve health in the communities we serve.

In 2015, John Muir Health invested more than \$109 million in improving the health of our communities and increasing access to health care. Approximately 89 percent of this amount was directed to individuals and families who face social and economic barriers to improving their health. Our investments support community-based health initiatives and connect community partners with our physicians, nurses, staff and volunteers to help meet the community’s health care needs.

Programs that are supporting our community include:

COMMUNITIES

John Muir/Mt. Diablo Community Health Fund

ADULTS

- Complex Community Care Coordination
- Contra Costa Cares
- Every Woman Counts
- La Clínica Specialty Care Program
- Lung Cancer Screening Program
- Mobile Health Clinic
- Monument Impact Positive Minds in Action Program
- Operation Access
- Putnam Clubhouse
- Respite Care Shelter for the Homeless

SENIORS

- Caring Hands Volunteer Caregivers & Transportation
- Fall Prevention Program of Contra Costa County
- Monument Community Senior Services Outreach Program

YOUTH

- Beyond Violence
- Community Nurse Program
- Healthy and Active Before 5
- Mobile Dental Clinic

THANK YOU to our partners in this important work, and to the remarkable physicians, nurses, staff and volunteers who are dedicated to improving the health of our communities with quality and compassion.



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WE SERVE WITH **QUALITY** AND **COMPASSION**



U.S. News & World Report 2015 Top Hospitals

John Muir Health's Walnut Creek and Concord medical centers were once again ranked among the nation's top hospitals by U.S. News & World Report in its 2015 annual list of America's Best Hospitals. John Muir Medical Center, Walnut Creek was listed at #2 out of 42 hospitals in the San Francisco-Oakland area and John Muir Medical Center, Concord was listed at #4. Of the nearly 440 acute care hospitals ranked in California, our Walnut Creek and Concord facilities were listed at #8 and #14, respectively, at the state level.



Magnet® Recognition for Nursing Excellence

The American Nurses Credentialing Center (ANCC), a subsidiary of the American Nurses Association, has honored John Muir Health with Magnet® recognition status for excellence in nursing care at both hospitals. Magnet® designation is the highest award a health care organization can receive for nursing excellence and quality patient outcomes. John Muir Medical Center, Concord and John Muir Medical Center, Walnut Creek are two of only 30 hospitals in California and 441 worldwide to have Magnet® recognition status.



The Joint Commission's Gold Seal of Approval™

John Muir Health has earned The Joint Commission's Gold Seal of Approval™ for accreditation by demonstrating compliance with The Joint Commission's national standards for health care quality and safety in hospitals. The accreditation award recognizes our dedication to continuous compliance with The Joint Commission's state-of-the-art standards.



California Association of Physician Groups (CAPG) 5-Star Top Ranking

In 2015, John Muir Health's Physician Network achieved the highest possible "elite" ranking in CAPG's annual Standards of Excellence™ survey. The annual survey evaluates physician groups and networks based upon how well-equipped and organized they are to deliver a high-quality patient experience, coordinate care and provide for population health programs, while at the same time improving the overall affordability of health care services. Achieving this top ranking demonstrates John Muir Health's commitment to providing patients with the highest quality and most cost-effective care.



The American College of Radiology

John Muir Health's Radiation Oncology programs at its Concord and Walnut Creek medical centers have received accreditation from The American College of Radiology (ACR), the nation's oldest and most widely recognized radiation oncology and medical imaging accrediting body. This recognition places John Muir Health in the company of 200 radiation oncology facilities in the United States that are ACR accredited or in the accreditation review process, and the only hospitals in the East Bay to be recognized.

We are proud of the awards and accolades we received in 2015 from highly respected health care and accreditation organizations, as well as our consistently high patient satisfaction ratings. But we know that in order to remain ranked among the nation's finest health care organizations, it is essential for us to keep challenging ourselves and think every day about how we can continue to provide the best possible care and experience for our patients and the community. Wherever we find success, we know there is further opportunity to excel.



Why Magnet® Matters

In the early 1980's the term "Magnet" was developed by the American Academy of Nursing to describe hospitals that could attract and retain nurses. The Magnet® Recognition Program was developed by the American Nurses Credentialing Center (ANCC), based primarily on the research conducted by the American Academy of Nursing, to recognize organizations that demonstrate nursing excellence.

Magnet® status recognizes health care organizations for quality patient care, nursing leadership and innovations in professional nursing practice. It is the highest honor awarded by the ANCC and is recognized nationally as the "gold standard" of nursing excellence.

To achieve Magnet® Recognition, an organization must pass a rigorous and lengthy process that includes an application, written documentation demonstrating quality patient care and outcomes and an on-site assessment. Re-certification is required every 4 years in order to maintain Magnet® status.

Hospitals with Magnet® Designation

| | |
|------------|---------------------|
| 441 | Total worldwide |
| 434 | United States |
| 30 | State of California |
| 8* | Northern California |

Outside the U.S. only Canada, Lebanon, Saudi Arabia and Australia have hospitals with Magnet® Designation. * Includes John Muir Medical Center, Concord and John Muir Medical Center, Walnut Creek.

See more of our honors and distinctions online at johnmuirhealth.com/about-john-muir-health/awards-recognition.

JOHN MUIR HEALTH FOUNDATION

Donor funding helped support the 2015 opening of John Muir Health’s pediatric intensive care unit (PICU), the first and only unit of its kind in Contra Costa County to specifically treat critically ill or injured children ages 0-18.



John Muir Health Foundation is an independent, 501(c)(3) nonprofit organization that raises and stewards charitable funds to support all patient care services, programs and facilities of John Muir Health.

As a community-based, not-for-profit health care organization, John Muir Health invests all revenue back into its health services and into the local community through numerous outreach and health improvement programs and partnerships.

Today’s increasing demand for high quality, innovative care continues to create patient and program needs that philanthropic gifts can readily support. Donor contributions provide essential funding for patient care services, clinical research, lifesaving medical equipment, health education programs and health care services for those in need.

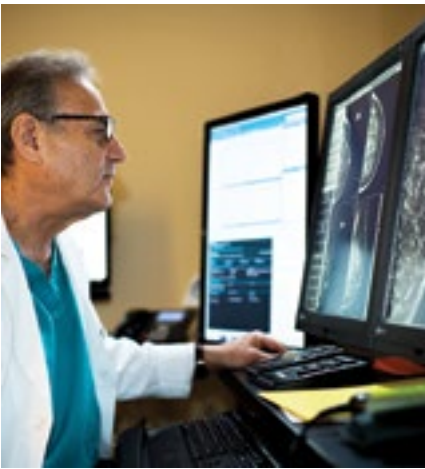
Give health. It’s a priceless gift that can help so many patients, families, and our entire community.

- GIVE HEALTH** That’s what you can do when you make a gift in support of John Muir Health.
- GIVE LIFE** by supporting our neonatal and pediatric intensive care units, birth center, emergency services, trauma center, cancer services, cardiovascular services, or any other program of your choice.
- GIVE HOPE** by ensuring that patients, families and our community continue to receive high-quality, compassionate care now—and for generations to come.

To find out more about John Muir Health Foundation, or to make a gift online, visit our website at: givehealthjmh.org

INTRODUCING THE JOHN MUIR HEALTH FUND

As of January 1, 2017 the Foundation’s general unrestricted fund will have a new name: The John Muir Health Fund. Formerly known as “Where the Need is Greatest”, the purpose of this fund will remain the same—to ensure a readily available source of funds that may be used when and where unforeseen or urgent needs arise throughout the John Muir Health system. All gifts to The John Muir Health Fund will continue to support projects that further the mission and strategic objectives of John Muir Health.



With the help of donor support, breakthrough technologies are helping to prevent, detect and treat cancers earlier, faster and more precisely than ever before.

GIFTS IN SUPPORT OF JOHN MUIR HEALTH HELP TO

RESCUE stroke, heart attack and trauma victims by supporting John Muir Health as the only designated Trauma Center for Contra Costa County.

WELCOME 3,000 babies born at John Muir Health each year and provide highly specialized care for multiples, premature or critically ill infants.

EDUCATE teens, new parents, seniors and our community about health, nutrition, safety and wellness by funding free classes, programs and services.

PREVENT or minimize invasive treatments for cancer, diabetes, heart disease and other serious conditions with early detection screenings and new, non-invasive surgical procedures.

DELIVER health care to underserved populations via John Muir Health’s Mobile Health Clinic and Mobile Dental Clinic.

BUILD the future by helping to fund clinical research, innovative technologies and breakthrough advances in medical procedures and treatments.



On November 7, 2015, John Muir Health Foundation held its second annual *Celebrate John Muir Health!* gala event, Reaching New Heights, which raised a record \$1.4 million to benefit John Muir Health’s comprehensive cancer services program.

Gala proceeds have been used to support the new John Muir Health Breast Health Center, which now conveniently centralizes all breast health services in one location at John Muir Medical Center, Walnut Creek. Funds raised at the gala were also used to purchase advanced, lifesaving technology with the addition of three new 3-D mammography screening units and two new surgical robots.



2015 FINANCIAL SUMMARY

In 2015, we saw positive results from our operations and fundraising. As a community-based, not-for-profit and locally governed health care organization, John Muir Health remains true to its mission of improving the health of the communities it serves with quality and compassion. We continue to use our resources wisely by investing in our people, patients and programs, including the many health services that benefit our greater community.

WHERE OUR INCOME CAME FROM

| | 2015 (in thousands) | 2014 (in thousands) | Change |
|--|------------------------|------------------------|-----------|
| Patients, Insurance Companies, Medicare and MediCal | \$1,457,083 | \$1,314,432 | \$142,651 |
| Less: Services Provided to Patients who could not Pay | (47,693) | (44,764) | (2,929) |
| From Other Health-Related Services, including Foundation Fundraising | 158,297 | 220,914 | (62,617) |
| TOTAL OPERATING INCOME | 1,567,687 | 1,490,582 | |

WHERE IT WENT

| | | | |
|--|------------------|------------------|---------|
| Salaries and Benefits | 760,047 | 725,691 | 34,356 |
| Paid to Others Who Provide Goods and Services for Patient Care | 531,874 | 506,163 | 25,711 |
| Depreciation | 82,148 | 75,416 | 6,732 |
| Interest Paid on Borrowed Funds | 21,421 | 22,723 | (1,302) |
| Other | 98,016 | 93,701 | 4,315 |
| TOTAL OPERATING EXPENSES | 1,493,506 | 1,423,694 | |
| Funds Remaining to be Used for Future Programs and Services | 74,181 | 66,888 | |



ON THE COVER: Bryan Turner, a mental health counselor who works with adolescents at John Muir Health’s Behavioral Health Center, holds artwork created by patients as part of the center’s art therapy program. The hearts symbolize various healing stages of behavioral health patients as they become empowered to regain balance and quality in their lives.

We listen.
We explain.
We work together
as a team.

