

Fiscal Year 2023

# Annual Report



Advancing health. Personalizing care.

MEMORIAL  
HERMANN®

# Our Mission

We are a nonprofit, values-driven, community-owned health system dedicated to improving health.

# Our Vision

To create healthier communities, now and for generations to come.

# Our Values



## Community

We value diversity and inclusion and commit to being the best health care provider, employer and partner.



## Credibility

We conduct ourselves and our business responsibly and prioritize safety, quality and service when making decisions.



## Compassion

We understand our privileged role in people's lives and care for everyone with kindness and respect.



## Courage

We act bravely to innovate and achieve high-quality experiences and outcomes for patients, consumers, partners and the community.

# Service Commitment

We care for every member of our community by creating compassionate and personalized experiences.

# Our Service Standards



## Safe

We prioritize the physical and psychological safety and well-being of all who enter the Memorial Hermann environment, ensuring every individual feels confident in the high-quality care and service we deliver.



## Personalized

We make every person feel seen and heard by recognizing their unique perspective.



## Efficient

We create high-quality experiences for our patients, visitors and colleagues through process improvement, convenience and collaboration.



## Caring

We nurture relationships by recognizing diversity, building trust and valuing others.

# Brand Promise

Advancing health. Personalizing care.





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# Letter to the Community



As the region's largest nonprofit health system with a more than 116-year history of service, Memorial Hermann Health System is continually evolving to meet the needs of the communities we serve. The past year has been an exciting time for our system as we pursued our goal to create more value for patients and populations; that is, delivering the greatest outcomes at an optimal cost, creating exceptional experiences for our patients and a fulfilling work environment for our workforce and improving health equity in the communities we serve.

We're delighted to present the strides we've made in this Fiscal Year 2023 Annual Report.

## Putting Patients First

As expectations of hospitals and health systems continue to evolve, what remains consistent is our commitment to our vision of creating healthier communities, now and for generations to come. That means finding new ways to improve health outcomes inside and outside the walls of our facilities and transforming how people access care. This year yielded significant achievements on our journey to value: we advanced key initiatives of our HEALTH strategy; we continued to put the patient experience first; and we achieved our operational and financial goals.

Our commitment to our community was recognized through numerous accolades, including the 2023 Foster G. McGaw Prize for Excellence in Community Service sponsored by the Baxter International Foundation, the American Hospital Association and its nonprofit affiliate Health Research & Educational Trust. This prestigious award recognizes our exceptional work in building community health programs and developing innovative partnerships to address social factors that influence health and improve access to high-quality, safe and equitable health care.

## Community Partnerships

We recognize that we can't create healthier communities alone, which is why we've embraced partnerships with other community and business leaders. Our partnership with the Houston Rockets, for example, enables us to reach a wider audience with messages about health, wellness, illness and injury prevention. Together, our organizations refurbished community spaces, like basketball courts, to help improve the health and well-being of our neighborhoods. We also partnered with nearly 140 regional organizations to serve almost 70,000 community members with additional resources beyond just the provision of direct medical care.

Our partnership with the University of Houston, meanwhile, includes our sponsorship of a planned state-of-the-art football operations center and scholarships for the school's student-athletes. We also continue to work closely with our long-time academic partners at UTHealth Houston, with Memorial Hermann-Texas Medical Center serving as the primary teaching hospital of McGovern Medical School at UTHealth Houston. Together—through all of our partnerships—we aim to pioneer new approaches to offer patients industry-leading innovation and breakthroughs to optimize their health and outcomes.

## Employee and Physician Well-Being

Creating a healthy environment for patients includes creating a healthy one for the employees and physicians who care for them. We're dedicated to fostering equity, diversity and inclusion overall and to creating a culture where our workforce feels safe, supported and fulfilled. We've continued to enhance our service framework to create a personalized, rewarding experience for our employees as well as attract and retain new talent that will help us stay at the forefront of health care innovation and patient care.

Achieving these successes would not be possible without the collaboration and contributions of our Memorial Hermann Health System Board, our workforce and affiliated providers and our wonderful partners. We invite you to celebrate the progress we've made this year and join us as we blaze new trails in delivering on the promise we've made to our fellow Houstonians: to advance health and personalize care.

David L. Callender, MD, MBA, FACS, President and CEO, Memorial Hermann Health System

# About Us

## One of the Largest Nonprofit Health Systems in Texas

At Memorial Hermann, more than 6,600 affiliated physicians and 33,000 employees practice the highest standards of safe, evidence-based, quality care to provide a personalized experience for our nearly 2 million annual patient encounters.

As one of the largest nonprofit health systems in Texas, Memorial Hermann has more than 250 care delivery sites, including 17\* hospitals and numerous specialty programs and services, throughout the Greater Houston area. Memorial Hermann-Texas Medical Center is one of the nation's busiest Level I trauma centers and serves as the primary teaching hospital for McGovern Medical School at UTHealth Houston.

Memorial Hermann proudly operates Memorial Hermann Life Flight®, a critical care air medical transport service provided as a community service.

The Memorial Hermann Physician Network, MHMD, is one of the largest, most advanced clinically integrated physician organizations in the country. The Memorial Hermann Accountable Care Organization operates a care delivery model that generates high-quality outcomes at a lower cost, and residents of the Greater Houston area have broader access to health insurance through the Memorial Hermann Health Plan.

For more than 116 years, our focus has been improving the health of our community. At Memorial Hermann, this is our driving force, redefining health care for the individuals and many diverse populations we serve.

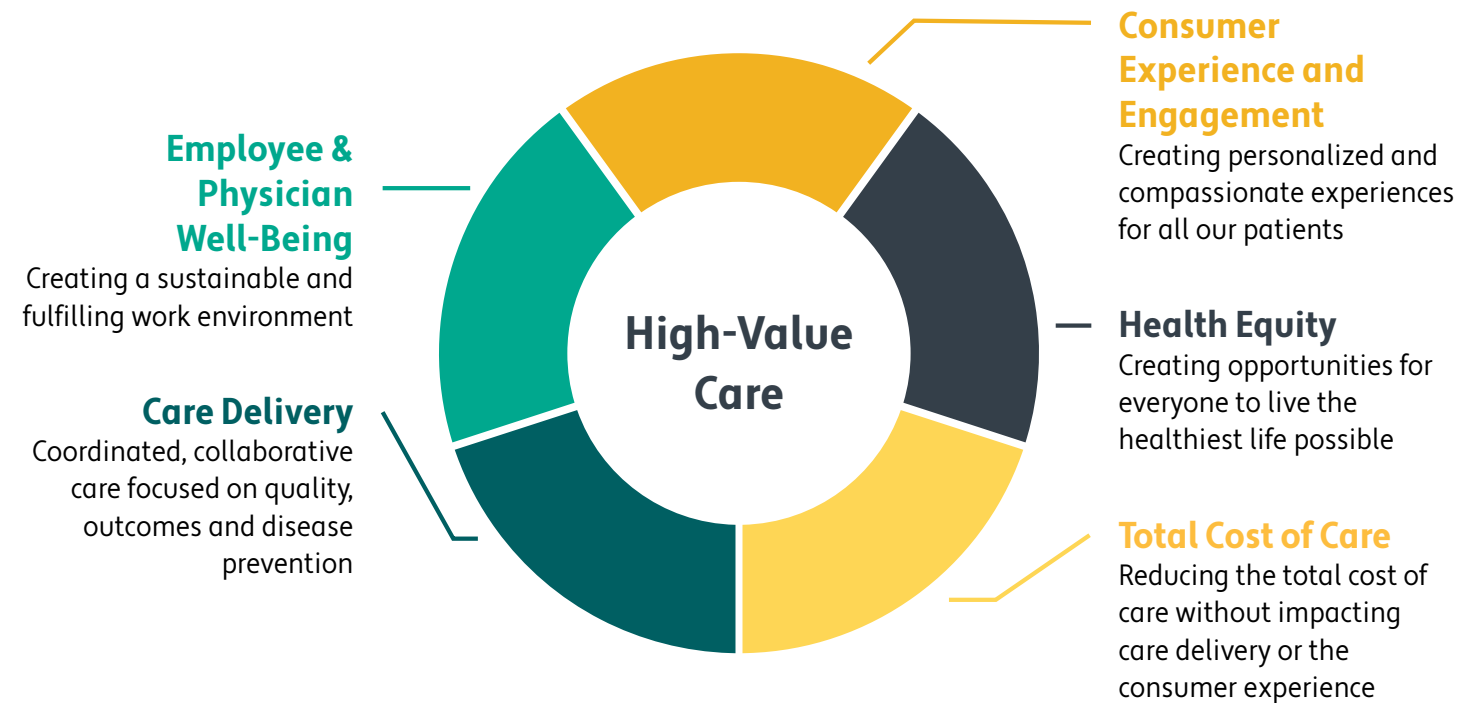
\*Memorial Hermann Health System owns and operates 14 hospitals and has joint ventures with three other hospital facilities, including Memorial Hermann Surgical Hospital First Colony, Memorial Hermann Surgical Hospital Kingwood and Memorial Hermann Rehabilitation Hospital-Katy.



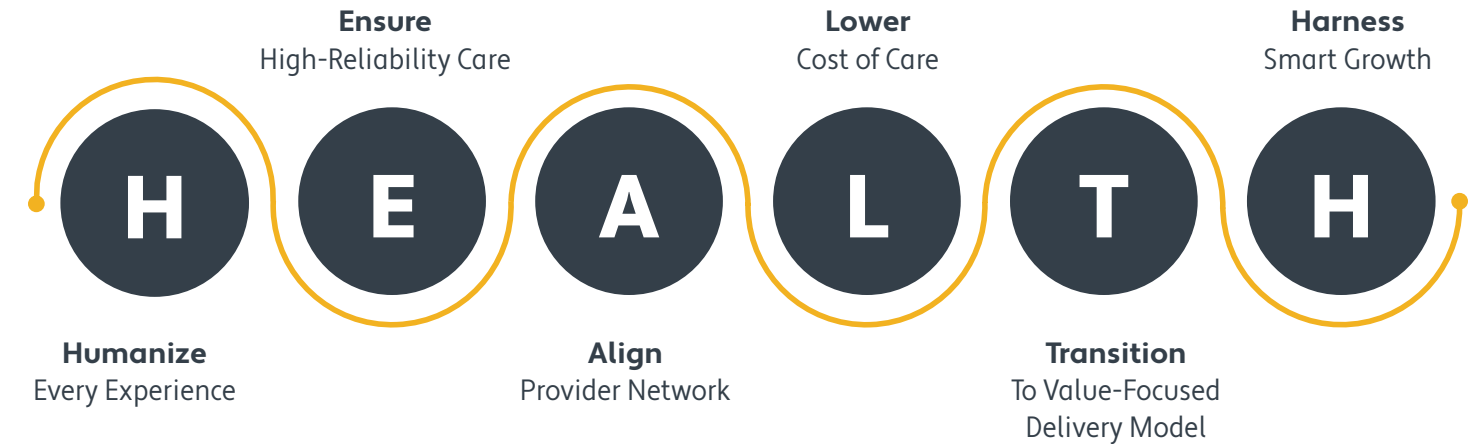
# Transforming for the Future

Memorial Hermann has undertaken an ambitious goal to enable the entire health system to create more value for patients and populations; that is, delivering the greatest outcomes at an optimal cost, creating exceptional experiences for our patients and a fulfilling work environment for our workforce and improving health equity in the communities we serve.

We are also guided on this journey by health care's Quintuple Aim, which is how Memorial Hermann defines high-value care.



## HEALTH Strategy: Our Roadmap to Value

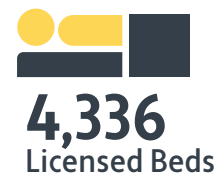
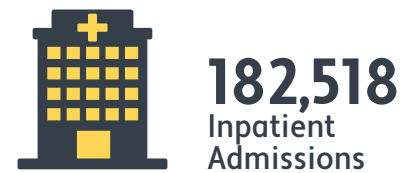


### Strategic Priorities

- Digital Transformation**  
Accelerate our digital transformation to support our transition to value, improve the consumer experience and improve provider engagement.
- Physician Alignment**  
Create innovative alignment opportunities with our providers so we can thrive in both fee-for-service and value-based arrangements.
- Consumer Experience & Access**  
Deliver a differentiated and integrated end-to-end consumer experience with expanded options for access.
- Smart Growth**  
Partner, acquire and build capabilities for growth outside the four walls of clinics and hospitals, while continuing to make smart investments in acute care to meet growing demographics.
- Employee Experience**  
Create a personalized, rewarding experience for our employees and become a talent magnet for next-gen skillsets needed to achieve our strategy.
- Service Lines**  
Become the system of choice for employers, consumers and payers by delivering systemness, high-quality care and a lower cost of care through our Service Lines.
- Quality & Safety**  
Refine our approach of high-reliability care with a greater focus on performance metrics and delivery of exceptional patient outcomes.

FY23 (July 2022 - June 2023)

# By the Numbers



\*4,000+ research studies includes individual site locations; there are ~2,500 unique studies.

# Financial Stewardship

To achieve our vision and be sustainable for the future, Memorial Hermann prioritizes financial and operational excellence. We are committed to being judicious, responsible financial stewards of the resources that have been entrusted to us as a nonprofit system that's dedicated to improving health for all.

## Highlights include:

- In FY23, leading industry financial performance included an operating margin of 4.1% and a cash flow margin of 10.2%.
- Investment income was \$358 million—up \$47 million from FY22.
- We achieved our Clinical Care Redesign objectives focused on reducing variation and cost while improving patient outcomes and realized associated margin improvement savings of \$46 million.
- We achieved our Structuring for the Future goals focused on quality, service and cost and realized associated margin improvement savings of \$139.1 million on a target of \$109.2 million.
- In 2023, Moody's Investor Services upgraded our rating to Aa3 from A1 and revised its outlook to stable from positive. Additionally, S&P Global Ratings affirmed its A+ long-term rating, recognizing our strong operating margin and reduction in contract labor and placing us in the top 10% in the country for nonprofit health care.
- Memorial Hermann's careful management of its resources has allowed the system to make community benefit contributions of more than \$470 million in FY23.



# State of Houston's Health

Houston is the fourth largest and one of the most diverse cities in the U.S. and home to some of the world's preeminent medical institutions, researchers and scientists.

However, there are persistent health disparities that reflect underlying social inequities. Our age, race, ethnicity, educational level and the neighborhoods we live in play a major role in determining our health outcomes.

We are committed to addressing these social determinants of health to ensure that everyone in the Greater Houston region has the opportunity to live the healthiest life possible.

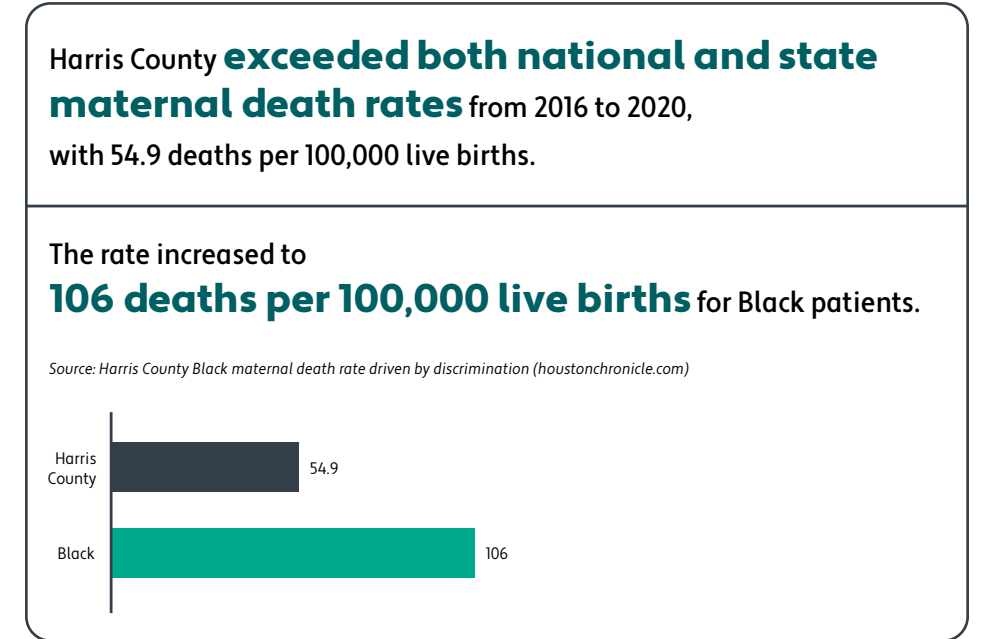
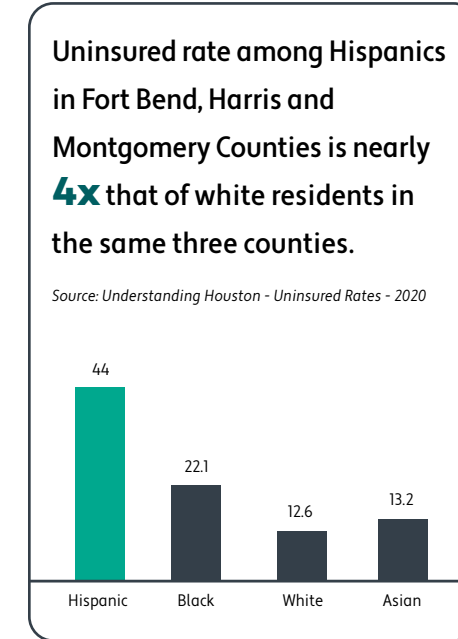
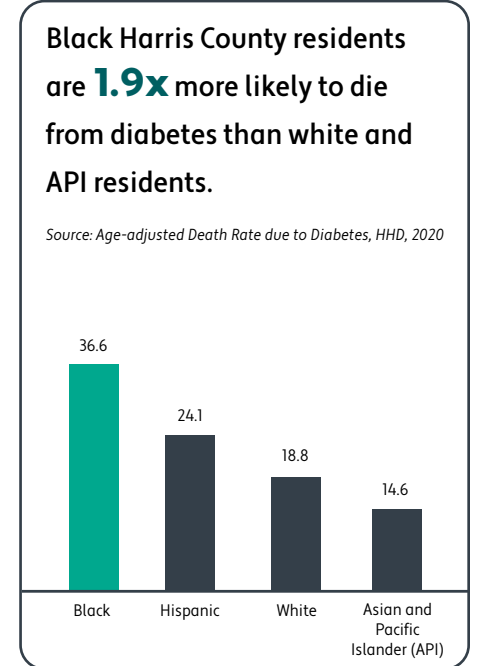
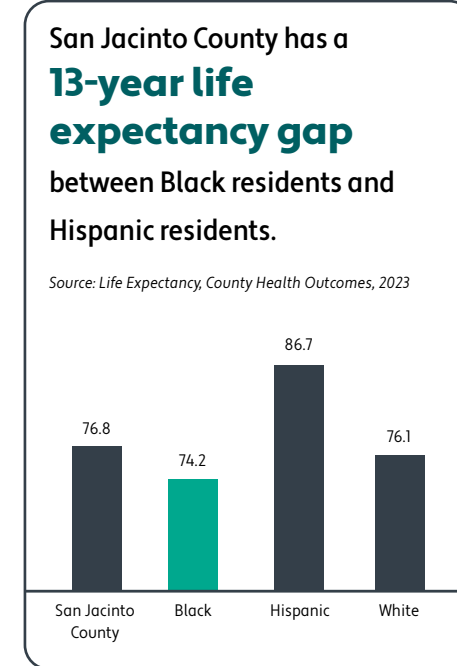
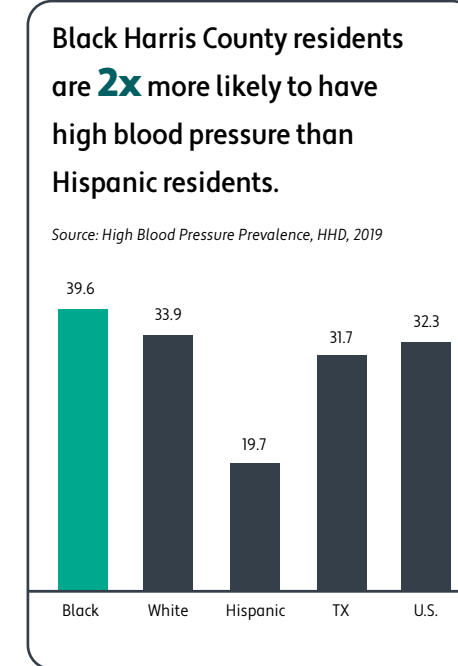
We care for underserved populations by partnering with different health care providers, government agencies, social service agencies and other community stakeholders. And we provide community benefits in the form of financial assistance to uninsured and underinsured individuals who need emergency or medically urgent care, in addition to our ongoing initiatives and programs to support community wellness, address social determinants of health and advance health equity to improve health for everyone in the communities we serve.



# A Closer Look at Health Inequity

**Certain health inequities reflect underlying social inequities:**

- 13.8%** of Harris County residents are food insecure. Source: Houston State of Health (Food Insecurity Rate)
- 16%** of Harris County residents fall at or below the poverty line. Source: U.S. Census Bureau QuickFacts: Harris County, Texas
- 32%** of Harris County residents are Asset Limited, Income Constrained, Employed (ALICE). Source: Houston State of Health (ALICE Households)
- 20%** of Harris County residents lack safe and affordable housing. Source: Houston State of Health (Severe Housing Problems)



# Advancing Equity, Diversity and Inclusion

Memorial Hermann celebrates our unique differences by fostering a culture grounded in Equity, Diversity and Inclusion (EDI). Equity is at the core of our mission and our vision of creating healthier communities now and for generations to come. We recognize its importance in our work as an employer, a health care provider and a community partner and leader, and we implement it every day through data-informed efforts to promote diversity and improve health.

As a major employer in Houston, we are committed to embedding diversity and inclusion in every facet of our operations. Our community efforts are grounded in our commitment to equity and to addressing the social, economic and environmental factors that drive 40% to 50% of individual health outcomes.\*

## Key Engagement Programs

- **Employee Resource Groups**

Our eight Employee Resource Groups (ERGs) provide a forum for employees, physicians and allies who are passionate about their causes. Together these groups work with leadership to promote a culture where all are engaged and feel seen, heard and valued. These groups include: Allies for the Improvement of Disability Experiences (AIDE); Asian-American Alliance for Learning, Inclusion, Growth and Networking (ALIGN); Black Organizational Leadership and Development (BOLD); Emerging Professionals of Memorial Hermann (EMERGE); Hispanic/Latin American Organizational Leadership and Advancement (HOLA); Pride Alliance; Veterans and Employees Together in Service (VETS); and Women United for Equity Network (WUEN – pronounced win).

- **Leadership Training**

Inclusive Leadership Training equips leaders with the knowledge, resources and skills necessary to help promote equity, celebrate diversity and foster inclusion.

- **Community Engagement**

The Community Service Corps offers opportunities for employees to volunteer with community partners who share our passion for advancing health equity by increasing access to high-quality health care, reducing food insecurity, creating employment opportunities and much more.



To learn more, visit [memorialhermann.org/EDI](https://www.memorialhermann.org/EDI)

\*Institute for Clinical Systems Improvement, Going Beyond Clinical Walls: Solving Complex Problems (October 2014)



## Equity, Diversity and Inclusion

# FY23 Accomplishments



1,149 employees engaged across eight Employee Resource Groups (ERGs)



248 EDI champions honored



945 managers attended  
32 Inclusive Leadership Training events



121 EDI Council Members engaged



145 EDI Professional Development Certificates awarded



200 communication posts on the Memorial Hermann internal communication channels for EDI



1,509 learning modules completed



Nine diversity months celebrated



726 employees engaged in five Safe Space Conversations



32 faith-based observances recognized



821 employees attended eight Health Equity Forum events



1,000+ members in the newly launched Community Service Corp





# Awards and Recognition

## Memorial Hermann Awarded the Foster G. McGaw Prize

Memorial Hermann was the 2023 winner of the American Hospital Association’s Foster G. McGaw Prize for Excellence in Community Service, which recognized our leadership and breadth in building programs, services and initiatives that address the health needs of our community.



## Memorial Hermann Again Earns Top Recognition from U.S. News & World Report

TIRR Memorial Hermann Hospital once again ranked No. 2 among the country’s top rehabilitation hospitals in the U.S. News & World Report’s Best Hospital™ rankings for 2022-2023.

- **Children’s Memorial Hermann Hospital** ranked as the No. 4 Best Children’s Hospital™ in Texas and No. 5 in the Southwest Region. Children’s Memorial Hermann Hospital also ranked in the top 50 children’s hospitals in the nation for the following specialties:
  - #27 Neurology and Neurosurgery
  - #35 Cardiology and Heart Surgery
  - #35 Gastroenterology and GI Surgery
  - #49 Orthopedics
- **Memorial Hermann-Texas Medical Center (TMC)** ranked as the No. 3 hospital in the Houston metro area and No. 5 hospital in Texas.
- **Memorial Hermann Greater Heights** ranked as the No. 4 hospital in the Houston metro area and No. 7 hospital in Texas.

- **Memorial Hermann Memorial City** ranked as the No. 5 hospital in the Houston metro area and No. 9 hospital in Texas.

## Memorial Hermann Wins Recognition for Clinical Care Redesign

*Healthcare Innovation* magazine named Memorial Hermann a winner in its annual Innovator Awards Program for our comprehensive work to transform care delivery through our Clinical Care Redesign initiative, which focused on improving the patient care experience and ultimately reducing the cost of care. The redesign has saved the system a total of \$282.3 million so far, including \$46 million in FY23 alone—nearly double our target of \$25 million for the year. In addition, the program has led to an improvement in patient experience and a decrease in readmissions and mortality.

## Memorial Hermann Makes ‘Top Workplaces’ List

Memorial Hermann was recognized as a Top Workplace by the *Houston Chronicle*.



## Dr. Callender Named Among the 100 Most Influential People in Health Care

*Modern Healthcare* magazine named Memorial Hermann President and CEO David L. Callender, MD, one of the 100 Most Influential People in Health Care for 2022.

## More Than 140 Memorial Hermann Nurses Recognized for Excellence

A total of 142 Memorial Hermann nurses were selected to receive Excellence in Nursing awards from the Good Samaritan Foundation.

## Houston Chronicle Recognizes 78 Memorial Hermann Nurses

Every year, the *Houston Chronicle* celebrates National Nurses Week in May by recognizing nurses in the Greater Houston community with the Salute to Nurses award.

## Memorial City Wins National Recognition for Stroke Care

Memorial Hermann Memorial City, west Houston’s only Comprehensive Stroke Center, received two American Heart Association Get With The Guidelines® achievement awards for demonstrating a commitment to following up-to-date, research-based guidelines for the treatment of stroke.

## Colon Cancer Awareness Campaign Wins SCOPY Award

The Service Award for Colorectal Cancer Outreach, Prevention and Year-Round Excellence recognizes outstanding community engagement, education and awareness efforts for colorectal cancer prevention. Memorial Hermann was awarded Best Public Service Announcements Written and Delivered by Gastroenterologists.

## Memorial Hermann-TMC Recognized for Excellent Emergency Management

Memorial Hermann-TMC received the Regional Healthcare Preparedness Coalition Award of Excellence.

## Memorial Hermann | Rockets Orthopedic Hospital Awarded Advanced Total Hip and Total Knee Replacement Certification

Memorial Hermann | Rockets Orthopedic Hospital earned the Joint Commission’s Gold Seal of Approval® for Advanced Total Hip and Knee Replacement Certification by demonstrating continuous compliance with its performance standards.

## Memorial Hermann-TMC Earns Vizient Recognition for Excellence

Memorial Hermann-Texas Medical Center earned national recognition for excellence in delivering high-quality care by Vizient, Inc., the nation’s leading health care performance improvement company. The hospital received the 2022 Bernard A. Birnbaum, MD, Quality Leadership Award, also ranking ninth out of 107 Vizient members for Comprehensive Academic Medical Centers.

## Memorial Hermann Katy Achieves Magnet Recognition

Memorial Hermann Katy was recognized for its nursing professionalism, teamwork and excellence in patient care by the American Nurses Credentialing Center’s (ANCC) Magnet Recognition Program®.

Memorial Hermann Katy is one of eight Magnet hospitals within the Memorial Hermann Health System. The other seven are Memorial Hermann Greater Heights, Memorial Hermann Memorial City, Memorial Hermann Southeast, Memorial Hermann Southwest, Memorial Hermann Sugar Land, Memorial Hermann-Texas Medical Center and Memorial Hermann The Woodlands.

## Memorial Hermann Cypress Expands Weight Loss Program

Memorial Hermann Cypress achieved a new designation status for metabolic and bariatric surgery services as an accredited comprehensive center by the Metabolic and Bariatric Surgery Accreditation and Quality Improvement Program (MBSAQIP).

The hospital joins five other MBSAQIP comprehensive centers in the Memorial Hermann system:

- Memorial Hermann Southeast
- Memorial Hermann-Texas Medical Center
- Memorial Hermann Memorial City
- Memorial Hermann The Woodlands
- Memorial Hermann Sugar Land

# Environmental, Social and Governance Initiatives

We have a broad view of environmental, social and governance initiatives specific to Memorial Hermann that is focused on creating and sustaining healthier communities where everyone can thrive. These communities are internal—our own communities of employees—and external—our patients and neighborhoods across the region.



## Environment

Sustainability is a guiding principle for the planning, design, construction and operations of our facilities. From cooling and lighting systems designed to reduce energy use to optimizing for use of natural building materials whenever possible to standardizing facilities for maximum efficiency in operation and maintenance, we are committed to reducing our environmental footprint.

The American Hospital Association’s American Society for Health Care Engineering has recognized Memorial Hermann for its environmental and sustainability leadership via its Energy to Care award on 55 occasions as a result of energy use reduction across the system’s hospitals and medical office buildings. We’ve reduced our carbon footprint, yielding \$174 million in energy cost savings since 2009 and achieving 123 Energy Star certifications. We’ve done this with innovative solutions, like electric security vehicles, building automation systems and maintaining tree farms on underdeveloped properties. This makes our workplaces healthier for our employees and contributes to the environmental health of the communities we serve.

Memorial Hermann has also been recognized by the U.S. Environmental Protection Agency’s Energy Star® program as an Energy Star Partner of the Year for 11 years. This fiscal year, and in eight previous years, we were also recognized with a Sustained Excellence Award—the highest honor among Energy Star awards.

## Social

As a nonprofit health system with a mission to improve health, we are actively working to address social determinants of health and become part of the solution in improving health equity within the Greater Houston community. Through efforts aimed at expanding access to care, eliminating health inequities and lowering the cost of care, we are leading the way for a more sustainable health delivery model that puts patients and communities at the center of everything we do. Memorial Hermann proudly serves as a member of the Healthcare Anchor Network, a national collaboration of more than 70 leading health systems building more inclusive and sustainable local economies.

Our Community Benefit Corporation works with community partners to improve quality of life in the communities we serve by supporting four complementary pillars: Access to Health Care, Emotional Well-Being, Food as Health and Exercise is Medicine. *You can read more about these efforts on page 18.*

## Supplier Access and Inclusion

Memorial Hermann continues to build an innovative supply chain program that removes barriers and generates additional inclusive supplier opportunities to help strengthen our local economy and address the socioeconomic factors that affect good health and well-being. In FY23, Memorial Hermann launched a Supplier Diversity portal as an additional step in engaging diverse suppliers to share information about their products and services in order to identify ways to work together.

## Governance

Memorial Hermann is a tax-exempt, nonprofit health system and, as such, our system Board of Directors is dedicated to the communities we serve. The Board, comprised of 22 Directors who are community members and serve in a voluntary, unpaid capacity, and the Memorial Hermann President & CEO, ensures that we are

delivering on our mission as a nonprofit, value-driven health system dedicated to improving health. While management has responsibility for Memorial Hermann’s day-to-day operations, the Board has ultimate responsibility for ensuring the delivery of the mission of the organization. Directors hold the organization “in trust” for the public.

The Board of Directors oversees several committees tasked with reviewing integral aspects of Memorial Hermann’s operations.

Our Board members have fiduciary duties with respect to Memorial Hermann including the duties of care and loyalty. They support our commitment to deliver compassionate, patient-centered care that provides high-quality outcomes and ensure that our system’s policies comply with all applicable federal, state and local laws and regulations.

Likewise, all Memorial Hermann employees are required to demonstrate and promote a commitment to ethical and legal behavior that is consistent with Memorial Hermann’s mission, vision, values, service standards and service commitment, as well as to complete annual compliance training.



# Charity Care and Community Benefit

In addition to charity care and workforce training programs, Memorial Hermann’s community benefit programming partners with Houston-area schools, churches and community-based organizations to target social determinants of health, including consistent access to nutritious food, affordability of housing and utilities, support for adults with disabilities and other efforts to improve health outcomes.

Our Neighborhood Health Centers, designed to serve as a “medical home” to uninsured working families, provide preventative, acute and chronic care. They fill a vital gap for the population without insurance who are not eligible for sliding fee scales at Federally Qualified Health Centers.

To prioritize our work in the community, Memorial Hermann conducts Community Health Needs Assessments every three years to help us identify needs in the 12-county region we serve. Following these assessments, implementation plans are developed that target strategies to address the health needs identified.

Funded largely by Memorial Hermann with support by various partners and grants, our work takes us outside of our campuses and into the community.

In FY23, we worked with more than 138 partner organizations to serve 68,698 community members.



In FY23, Memorial Hermann contributed over \$470 million in community benefit.

## Community Contributions by the Numbers

**Financial Assistance and Government Programs:**  
**\$313,563,873**  
Charity care at cost, the unreimbursed cost of Medicaid and means-tested government programs

**Health Professions Education:**  
**\$68,152,135**  
Education and training of medical and allied health professionals, nurses, students, interns, residents and fellows

**Subsidized Health Services:**  
**\$69,543,417**  
Clinical services provided in response to community need despite financial loss incurred, including the Air Ambulance Program, End Stage Renal Disease Program (ESRD) and obstetrics and delivery program

**Research:**  
**\$2,905,338**  
Research dollars serving the community

**Cash and In-Kind Contributions for Community Benefit:**  
**\$16,081,657**  
Contributions to Memorial Hermann affiliates for community benefit programs, community education and targeted initiatives, as well as sponsorship of other organizations

To learn more, visit [memorialhermann.org/giving-back/community-benefit](https://www.memorialhermann.org/giving-back/community-benefit)



Our Community Benefit Corporation (CBC) aims to build and implement sustainable health and wellness programs across four strategic objectives:

### Improve Access to Health Care

- Our **Nurse Health Line**, a free, 24-hour call center that connects Texans with bilingual health care professionals who can answer questions and identify the most appropriate place for care, managed over 160,000 calls in FY23.
- Our **Inpatient and Emergency Room (ER) Navigation Programs**, which educate patients on how to access existing community resources, helped 33,140 patients navigate through community resources after receiving ER and inpatient care this year and yielded a 62% decrease in 12 month pre-/post-ER visits.
- Our **Community Resource Centers** support community members with navigating social service systems while becoming more engaged in their own disease prevention. Through an intake screening tool that addresses food insecurity, transportation, health literacy, access to and understanding of medications, financial strain, housing, employment, education and emotional well-being, community health workers identify the appropriate partners to support each individual client.

### Foster Emotional Well-Being & Health Literacy

- **School-Based Health Centers** operated by Memorial Hermann, provide medical, dental and mental health care to students in more than 80 schools in the region, improving academic outcomes as well as health outcomes. In FY23, our School-Based Health Centers recorded over 15,000 medical visits, and 85% of students with more than four therapy visits realized meaningful and reliable improvement on the Child and Adolescent Functional Assessment Scale (CAFAS), which assesses the degree of impairment in youth with emotional, behavioral, psychiatric or substance use problems.
- More than 85% of our school-based clinic patients returned to class the same day, minimizing the disruption in education.

### Address Food as Health

- Through our **Community Resource Centers**, we have served over 4,000 clients and provided over 41,000 meals. We also helped 1,894 applicants get approved for health insurance and SNAP food assistance.
- Through the Houston Food Bank’s **Food Rx** program, school-based clinic families are educated by our dietitians on including affordable whole foods in their diet to promote health and disease prevention. Families have access to at least 30 pounds of free fruits and vegetables, plus additional whole foods, twice a month.
- We introduced three new food access locations this year and distributed a total of 270,000 pounds of food.

### Promote Exercise is Medicine

- **StepHEALTHY** promotes community gardens, physical activity and social cohesiveness at the neighborhood level. In FY23, we improved the infrastructure of four neighborhood parks and introduced Memorial Hermann wellness outreach programs to promote good health through education and access to physical activity.
- **Walk with a Doc** moves behavior change out of the clinical setting and into an energized walk in the park, with a brief presentation on combatting chronic diseases.



# Memorial Hermann Foundation

## Growing Impact

Memorial Hermann Foundation supporters contributed a remarkable \$27.5 million in FY23. Memorial Hermann Foundation also welcomed 2,660 new donors. Time and again, we are reminded of the extraordinary influence that the generosity of this community has on our collective vision.

The power of philanthropy shone brightly on the system, with eight individuals or organizations contributing gifts exceeding \$1 million each. These transformative gifts are the cornerstone upon which we build a brighter future for health care. A few key areas meaningfully impacted by these gifts:

- **Life Flight**, to replace the current fleet with new state-of-the-art aircraft with extended flight and patient care abilities.
- **TIRR Memorial Hermann**, to renovate and expand patient care areas and implement patient smart beds to enhance patient care.
- **Memorial Hermann Institute for Nursing Excellence**, to create an innovative environment to reimagine care at the bedside, attract and retain top talent, excel in execution and ensure world-class nursing for generations to come.

Every year the **Memorial Hermann Employee Campaign** reflects the remarkable spirit of generosity and unity within our health care family. Their contributions, both in terms of financial support and unwavering dedication to patient care, underscore the deep sense of purpose that defines our Memorial Hermann community. In FY23, contributions through the Memorial Hermann Employee Campaign were impressive, topping \$1.3 million.

**Heroes in Health** serves as an essential driving force for transformative change within the health care landscape. Heroes in Health is a community of compassionate donors who generously contribute \$1,000 or more annually to bolster the work of Memorial Hermann. In FY23, 661 Heroes in Health members contributed over \$12M to Memorial Hermann.

Philanthropy enables us to provide essential funding for a wide range of critical programs, including trauma, Life Flight, community health, women’s health, nursing, Children’s Memorial Hermann Hospital, TIRR Memorial Hermann and our community hospitals. Together, with the generosity of our community, we are forging a stronger, more vibrant future.

To support Memorial Hermann’s world-renowned patient care, go to [memorialhermannfoundation.org](https://www.memorialhermannfoundation.org)



We extend our heartfelt gratitude to the exceptional leaders of the Memorial Hermann Foundation Board of Directors, pictured touring Memorial Hermann Life Flight. The guidance, wisdom and steadfast support of the Memorial Hermann Foundation Board have been instrumental in achieving our goals and strengthening our impact in the communities we serve.



# Excellence in Nursing

We are proud to honor and celebrate our outstanding nursing community whose hard work, compassion and commitment to patient care elevate the standard of excellence at Memorial Hermann.

Eight Memorial Hermann facilities—Memorial Hermann Katy, Memorial Hermann Greater Heights, Memorial Hermann Memorial City, Memorial Hermann Southeast, Memorial Hermann Southwest, Memorial Hermann Sugar Land, Memorial Hermann-Texas Medical Center and Memorial Hermann The Woodlands—have earned or maintained Magnet recognition. The Magnet Recognition Program® is the highest organizational credential granted by the American Nurses Credentialing Center, the largest and most prominent nursing credentialing organization in the United States.

To earn Magnet status, hospitals must excel in several areas. Fewer than 10% of hospitals in the country have achieved Magnet status since the program's inception in 1994. Research demonstrates that Magnet recognition provides specific benefits to health care organizations and their communities, such as:

- Higher patient satisfaction with nurse communication, availability of help and receipt of discharge information,
- Lower risk of 30-day mortality and lower failure to rescue rates, and
- Higher job satisfaction among nurses.

The American Nurses Credentialing Center also recognized three of our hospitals with Pathway to Excellence® awards, which honor health care organizations that demonstrate a commitment to establishing the foundation of a healthy workplace for staff.

A number of Memorial Hermann initiatives help prepare and support nurses in their career, and several of these programs have been enhanced and expanded. The **Memorial Hermann RN Fellowship Program** was created to provide a structured, comprehensive path for licensed, registered nurses to train in a new specialty practice area. Our **Nurse**

**Residency Program**, launched in 2015, equips the next generation of nurses with technical excellence and an understanding of the human dimension of care. The spring 2023 Nurse Residency Program cohort was our largest to date.

The Memorial Hermann Institute for Nursing is dedicated to enhancing the nursing workforce and elevating our nurses' professional practice. Created by nurses, for nurses, the Institute has partnered with key stakeholders across the system to establish the Professional Governance Congress, develop new opportunities to support staff in pursuing further education, pilot new models of care and launch new technology to improve staff training and workflows.

**MEMORIAL  
HERMANN**  
Institute for  
Nursing Excellence

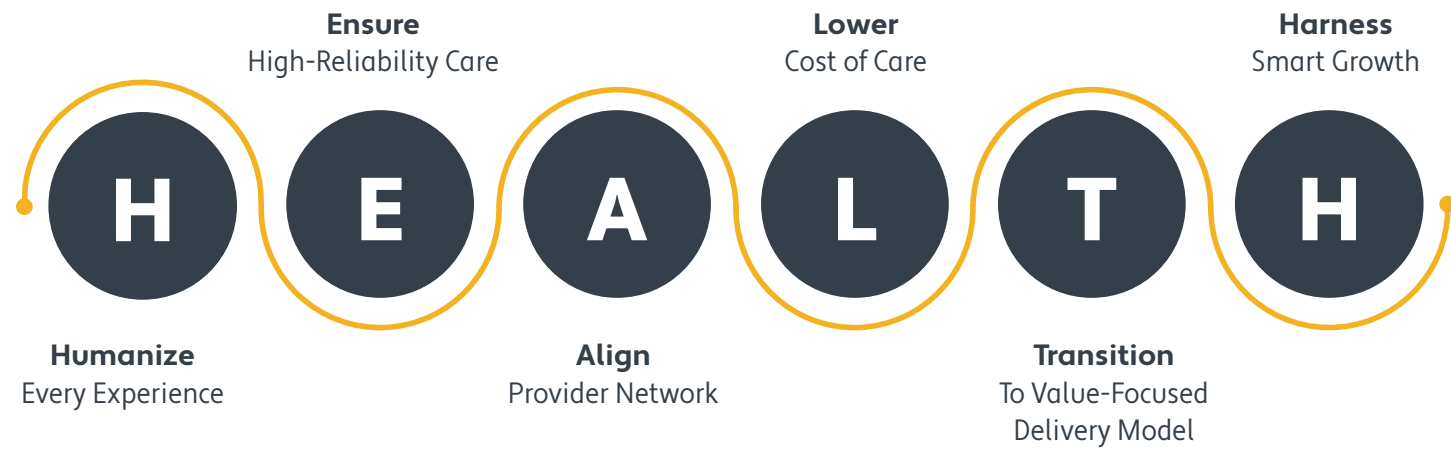
Programming will focus on four key strategic areas, all aimed at creating an environment where our nurses deliver care at the top of their practice:

- Elevate the Nursing Profession
- Accelerate Innovation to the Bedside
- Strengthen the Nursing Workforce
- Excel in Clinical and Operational Outcomes

During the 2023 legislative session, our team collaborated with several higher education institutions, as well as with the Houston Independent School District, to lobby for Senate Bill 25, legislation focused on addressing shortages within the health care workforce. The bill ultimately passed and included several grant opportunities for our nursing leaders.



# Progressing Our HEALTH Strategy



## Humanize Every Experience

We're creating a personalized experience for consumers and continuing to attract and retain our exceptional workforce through engagement and empowerment.

### Well Together

In FY23, we expanded our investment in the health and well-being of our workforce. We're committed to creating a safe, personalized, rewarding experience for our employees as well as for our patients and consumers.

### Supporting Employees

Memorial Hermann Employee Wellness supports all part-time and full-time employees with benefits ranging from counseling to caregiving support, training to tuition reimbursement. Our free programs include personalized support for the logistical and administrative tasks of caregiving, support for mental and emotional resilience, a weight loss and healthy lifestyle program and a full suite of mental wellness services and resources for employees and their covered dependents.

Recognizing that health care work can pose unique challenges, we expanded an internal program called Code Lilac, launched in 2015 by the Memorial Hermann Chaplaincy Department. The program aims to ease emotional trauma for our health care professionals. It includes a peer support offering on 14 campuses and a

systemwide hotline that provides 24/7 confidential emotional support to all members of our workforce.

In FY23, we launched Culture Expo, a reimagined onboarding experience built around our values, service commitment and service standards. And we launched LEAD, an 18-month leadership development program built around our leadership competencies.

### Expanded Benefits

In FY23, to help all our employees achieve their full potential, we introduced new, expanded Learn Well education tuition programs, with a broader range of assistance options for employees. We also launched the Memorial Hermann Institute for Nursing Excellence to accelerate innovation in nursing. The program includes resources to help nurses reduce fatigue and services designed to increase well-being.

### Physician Well-Being

In FY23, we launched the Physician Well-Being Index assessment to help guide our physician well-being teams as they develop new programs and resources for our physicians.

## Supporting a Safe Workplace

Our security team of over 400 dedicated security and law enforcement officers across Memorial Hermann's 17 hospitals and other care sites is committed to prioritizing the safety of our workforce, patients, family members and the communities we serve.



**Security at the CCCs**  
Enhanced security presence at all Convenient Care Centers.



**Armed Security Officers**  
Security officers have increased by 70% (an additional 120+ armed officers)



**Weapons Detection**  
Installed weapons detection systems across five Memorial Hermann Emergency Centers.



**Tasers, Body Worn Cameras & Panic Devices**  
Deployed pilot programs for the use of personal panic devices, body worn cameras and tasers.



**De-escalation Program**  
Deployed customizable de-escalation training programs (TEAMS).



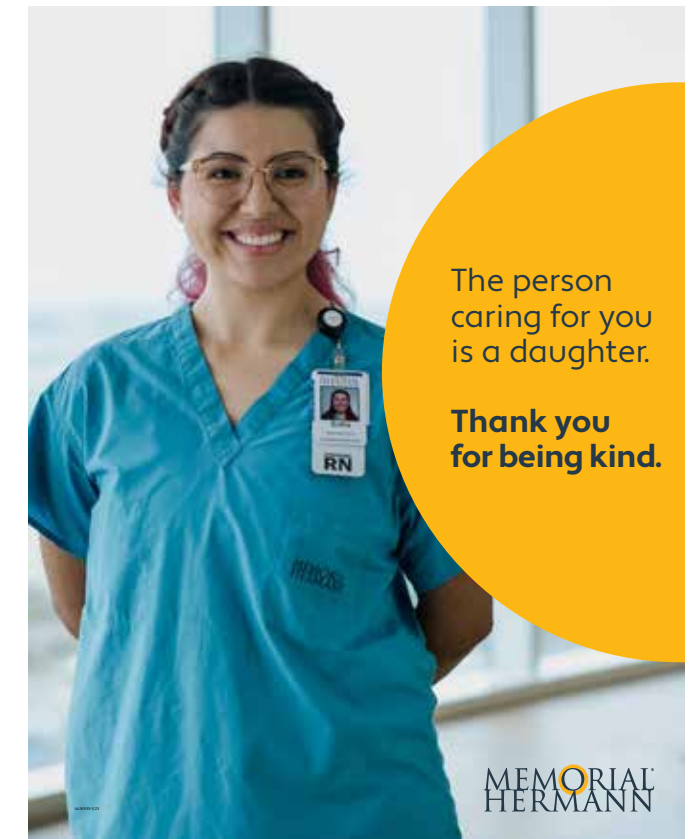
**Internal 911 Support**  
Developed an internal 911 emergency number by dialing 8000 from an internal phone.



**Kindness Campaign**  
Launched the Kindness Campaign to support workforce safety.



**New Training Center**  
Security has a new training center, allowing leadership to train and deploy officers more quickly and efficiently.



The person caring for you is a daughter.

Thank you for being kind.

MEMORIAL HERMANN



The person assisting you is a grandfather.

Thank you for being respectful.

MEMORIAL HERMANN



The International Association for Healthcare Security and Safety Foundation conducts a yearly survey into crime rates at health care facilities across North America. Currently, assaults against health care workers are expected to be 17.7 incidents per 100 beds. Through our ongoing and comprehensive efforts, Memorial Hermann falls below the national average in workplace violence incidents.

### Enhancing Consumer Experience

To help make health care more accessible, we've undertaken new initiatives to boost patient engagement online. Our digital strategy is simple: to empower consumers by making it easy and convenient to manage their own health.

In 2022, we began our digital transformation initiative to provide an intelligent, coordinated and seamless digital experience for our patients and consumers. As part of this effort, our system transitioned to a new bi-directional scheduling platform for our physician partners and many of our facilities. In the first weeks, the time it took to complete the online schedule form fell from seven minutes to two-and-a-half. Physicians and clinic staff reported that the reduction in call volume related to scheduling afforded them more bandwidth to focus on in-office patient care. These improvements led to a 20% reduction in no-show rates for appointments.

We've also transitioned our intake forms process from paper to digital, enabling tens of thousands of patients to electronically complete clinical intake forms before their appointments. Patients are now able to conduct easier searches for their medications, procedures, allergies and immunizations, while medical assistants are able to spend more time focused on patient care.

In May 2023, Memorial Hermann Health System tied for first place in the Consumer and Patient Engagement Vanguard award as part of the AVIAwards for Digital Transformation. The award recognized our improvements to our patient portal app, a program that uses enriched texts to send important messages to providers and interactive voice technology to reach out to patients by phone.

### Promoting Cybersecurity

Cybersecurity is a top priority at Memorial Hermann. Health data breaches hit an all-time high in 2023, driven primarily by a surge in hacking and ransomware attacks, and affecting as many as 116 million individuals, according to *STAT News*.

Memorial Hermann uses the latest in cyber defense software, including an intrusion detection system (IDS) that monitors network traffic for suspicious activity and issues an alert when such activity is discovered. Our cybersecurity analysts perform continuous security monitoring using data collected from IDS alerts, firewalls, network traffic logs and other tools in order to prevent and mitigate threats. We've also teamed up with hospitals across the Texas Medical Center to share cybersecurity best practices and host virtual webinars on the most urgent cybersecurity risks, how cybercriminals manipulate people and how we can thwart their efforts.

Through employee education and the implementation of firewalls, robust data encryption, advanced password standards, multi-factor authentication for publicly accessible systems, regular security audits and other measures, Memorial Hermann's cybersecurity team is working diligently to protect its networks and the sensitive data handled every day.

To learn more, visit [memorialhermann.org/security-information](https://www.memorialhermann.org/security-information)





# Ensure High-Reliability Care

We're constantly looking for new ways to improve clinical and operational processes and standardize protocols to reduce unnecessary variability.

## FY23 Highlights from our Service Lines include:

### 1. Heart and Vascular

- Memorial Hermann Memorial City received Blue Distinction Plus for Cardiac Care—the only program in Houston to receive this designation and one of 5 in Texas.
- Memorial Hermann-TMC achieved TVT Registry 3 Star ranking for Transcatheter Aortic Valve Replacement (TAVR), the highest level ranking.
- The Memorial Hermann Memorial City team implanted the first Onyx Frontier Implant Stent in Houston, a drug-eluting stent (DES) that's engineered to deliver, different by design and optimized for complex percutaneous coronary intervention (PCI).
- Memorial Hermann Northeast completed its 200th transcatheter artery revascularization (TCAR) and Memorial Hermann The Woodlands its 100th TCAR, a procedure used to treat Carotid Artery Disease and prevent future strokes. The Memorial Hermann Health System has now completed over 500 TCARs.
- Memorial Hermann has been recognized for dedication to heart patients by the American College of Cardiology (ACC) in the "Best Hospitals" issue of *U.S. News & World Report*.



- Memorial Hermann Memorial City is the 5th largest enroller globally for the Champion AF Trial for Left Atrial Appendage Occlusion research.
- We launched the robotic cardiac surgery program at Memorial Hermann Memorial City, when Memorial Hermann affiliated surgeons performed the system's first minimally invasive robotic-assisted heart surgery to remove a mass on a patient's heart.
- Memorial Hermann Memorial City was honored with the Healthgrades Cardiac Surgery Excellence Award™ for its superior clinical outcomes in heart bypass surgery and heart valve surgery. It was recognized as No. 3 in Texas for cardiac surgery.
- Memorial Hermann-TMC was named to Healthgrades' list of America's 100 Best Hospitals for Coronary Intervention™ and ranked No. 2 in Texas for coronary intervention.
- The American College of Cardiology (ACC) recognized our system for its dedication to heart patients in the "Best Hospitals" issue of *U.S. News & World Report* as part of our participation in National Cardiovascular Data Registry (NCDR).

### 2. Primary Care

- Memorial Hermann Medical Group (MHMG) opened The Woodlands Primary Care and Endocrinology clinic. With 38 exam rooms, it's the first of its kind to have primary care physicians and endocrinologists practicing in the same location.
- Memorial Hermann partnered with Hamilton Health Box (HHB), a direct-to-employer primary care offering that includes mobile units for employers with dispersed staffing locations, as well as micro clinics located inside office buildings or adjacent to factories or other industrial facilities. Through this new partnership, HHB patients in need of specialized, ongoing or urgent care have access to Memorial Hermann-affiliated providers at five facilities thus far.
- Memorial Hermann and GoHealth have continued to partner in creating a network of more than 30 urgent care centers in the Greater Houston area, with plans to expand.



- Memorial Hermann expanded its partnership with CVS® HealthHUBs™ to include all network primary care physicians. This partnership aims to increase access to hard-to-find behavioral and mental health services for patients in Houston by enabling providers to refer patients to additional local and affordable mental health resources at 13 CVS® HealthHUB™ locations. Services are provided by licensed therapists to treat mild-to-moderate mental health conditions such as depression, anxiety, alcohol misuse and support for stress and life adjustments. MHMG providers referred over 730 patients throughout FY23.
- MHMG relocated and expanded the Imperial Oaks Primary Care Clinic. The expanded clinic increased patient room capacity and added administrative and clinical space.
- MHMG began expansion of the Memorial Hermann Convenient Care Center at Greater Heights Primary Care Clinic, increasing clinic capacity from 12 to 24 exam rooms and dedicating space for onsite Quest lab services and Point of Care testing.

- MHMG completed expansion of the Fairfield Primary Care Clinic. The expanded location now houses 24 exam rooms and an in-house cardiologist for specialty care access, when needed.
- MHMG completed expansion of the Cypress Primary Care Clinic increasing access to high-quality and convenient primary care services in the Cypress community. The clinic more than doubled in size.
- The Primary Care Service Line continued to improve network alignment, with 22% of practices establishing themselves as top quality performers. The Primary Care Service Line successfully achieved the highest in-network utilization rate since the Service Line's inception. Through the team's in depth analysis of opportunities, gaps and barriers; collaborative action planning across the system; and swift movement to educate and engage providers, FY23 in-network utilization increased 2% versus prior year.

### 3. Neuroscience

- Memorial Hermann Southwest became the first hospital in the nation to deploy an integrated robotic surgical suite that provides advanced 3D and 2D intraoperative imaging capabilities and an intuitive surgeon-controlled robotic arm to increase reliability, consistency and surgical precision during minimally invasive spine procedures.
- A new Mischer Neuroscience Associates Neurosurgery clinic opened at Memorial Hermann Katy in September 2023. The hospital also enhanced its neurosurgical spine capabilities with an intraoperative robotic navigation and 3D imaging platform designed to improve patient safety and surgical efficiency.
- Healthgrades awarded Memorial Hermann-TMC with the Neurosciences Excellence Award™, which recognizes hospitals that deliver superior patient outcomes in stroke care and cranial neurosurgery. The



She improved enough in a little over two weeks that she was transferred to TIRR Memorial Hermann in early December to start rehab. Even then, she faced major challenges, both physically and mentally.

*“The fact that she started recovering really quickly set the pace for how well she was going to do overall,” said Dr. Hall.*

“And that’s shockingly well,” said Dr. Hall. “It is really remarkable. She was only at TIRR Memorial Hermann for two and a half weeks, and every day I saw her there was a noticeable improvement. By the time Addison left, her deficits were in the mild to moderate range, and I’m guessing now she’s even better. She did incredibly.”

Addison achieved her goal of getting home by Christmas. By the time winter break was over, she was back in school. “It’s more tiring than it used to be, but it’s good to be there,” she said.

### Patient Story

## Addison Minter

Addison Minter doesn’t remember the crash that almost killed her. In November 2022, the 17-year-old was on her way home to Bridge City, Texas. It had been drizzling all day, and her family’s car hit a slick patch of road and hydroplaned into a retainer wall. Then a bus going 75 mph collided with the stopped car.

Addison’s injuries were so severe that she had to be transported by Memorial Hermann Life Flight to Memorial Hermann-Texas Medical Center, where she was kept in a medically induced coma to protect her brain. She had a skull fracture and a large subdural hematoma—a brain bleed that proves fatal in roughly two out of three cases, according to the *Journal of Neurosurgery*.

Every brain injury is different, and it’s impossible to know in advance how well someone will recover, says Stacey Hall, DO, the medical director of the Pediatric Rehabilitation Program at TIRR Memorial Hermann. Still, Dr. Hall and the team who cared for Addison were astonished by the immense strides the teen made in a short time.

hospital also received the America’s 100 Best Hospitals™ for Stroke Care award for the third year in a row and was recognized as No. 1 in Texas for stroke care.

- *U.S. News & World Report* ranked Memorial Hermann-TMC No. 30 nationally for neurology and neurosurgery, while Memorial Hermann Memorial City, Memorial Hermann Greater Heights, Memorial Hermann The Woodlands, Memorial Hermann Pearland, Memorial Hermann Southeast and Memorial Hermann Southwest were rated high performing.
- Memorial Hermann Cypress received Primary Stroke Center certification from The Joint Commission®, an independent nonprofit that certifies and accredits U.S. health care organizations. With this designation, all 11 Memorial Hermann acute care hospitals are either Primary or Comprehensive Stroke Centers.

### 4. Medicine

- A new patient-centric central access model, the Patient Flow Center (PFC), was launched in FY23 to optimize patient care and support seamless patient service across the system with the goal of providing exceptional patient access and service, physician and staff satisfaction and seamless and efficient referral management capabilities.

### 5. Trauma

- Memorial Hermann Life Flight® increased the direct and indirect training and resources provided to emergency medical services (EMS) partners to help manage high-acuity patients, including airway training with surgical intervention, sepsis care, burn treatment and other concerns.

### 6. Oncology

- All eight Memorial Hermann Cancer Centers were reaccredited this year as an Integrated Network Cancer Program by the American College of Surgeons Commission on Cancer®. Only 25% of US hospitals have this accreditation which certifies that centers meet national standards to ensure cancer patients receive the best care. To maintain accreditation, our centers undergo an onsite review every three years.
- We launched the Gastrointestinal (GI) Cancer Accountable Care Organization (ACO) to align multidisciplinary cancer care. ACOs are groups of doctors and other health care providers who work together to provide patients high-quality service and care at the right time in the right place. This new ACO will improve experience, drive quality, lower cost and improve outcomes for GI cancer patients.





**Patient story**  
**Williadene Brown**

When Williadene Brown was diagnosed with cancer, she had plenty of questions. She just couldn't think of the words to ask them. "It was like a numbness," she recalls.

Brown, 61, discovered she had cancer in October 2021 following a routine mammogram, which led to an ultrasound, then a biopsy.

That was when she got a call from Shernette Sherrill, RN, an oncology nurse navigator at Memorial Hermann Northeast. "She told me all about what to expect, what I'd be going through and how she could help me," Brown says.

*"She's been with me the whole way, advocating for me and supporting me. I could hardly talk at the time, but Shernette was there to talk for me."*

"I don't want any patient to be alone when they're going through treatments," Sherrill says. "I tell them, I'm here for you. Treating each patient like a family member and giving them that encouragement is so important."

For Brown, that support was vital. "I didn't want to burden my family, who were already dealing with so much. Shernette promised she would be there for me—she would walk with me through this journey," Brown says. "And she was. She was there to tell me exactly, step by step, what was going on and what I needed to do. I had many questions, many doubts. She assured me everything would be OK."

Brown completed her final radiation session in March 2023, marking the end of 30 rounds of post-surgery radiation treatment. Sherrill was there with her when she rang the bell.

- The Oncology Nurse Navigation team supported nearly 10,000 cancer patients through their cancer journey, with 100% of surveyed patients saying they were "likely to recommend" the service.
- The Oncology Service Line increased care for acute leukemia patients at Memorial Hermann-TMC by improving the transfer acceptance rate by 55%.

**7. Orthopedics**

- Effective July 2022, Memorial Hermann's entire Orthopedics and Sports Medicine Service Line was rebranded as Memorial Hermann | Rockets Orthopedics. This first-of-its-kind collaboration and branding partnership has attracted local, regional and national media attention.
- Separately, Memorial Hermann Memorial City and Memorial Hermann Rockets Orthopedic Hospital campuses launched a pilot program to enhance the care journey for joint replacement patients through the use of a customer relationship management tool that includes digital elements and a paranavigator who accompanies patients on their journey. Users learn what to expect and how to get ready for the procedure, while the paranavigator monitors their progress via the platform and intervenes if necessary.
- The success of Memorial Hermann Sports Park – Katy, a full-range sports medicine facility on the campus of Memorial Hermann Katy, has prompted us to expand similar offerings to our Cypress and Pearland campuses. Each sports park will offer multidisciplinary care in the community, bringing together physician offices, sports medicine and rehab as well as athlete training and health. We will open three sports park facilities by the end of 2024, with additional campuses to be added over the next few years.

**8. Surgical**

- To help reduce 'start time' delays and improve the experience for surgery patients, we developed a "First Case On-Time Dashboard" for the system. The first case on-time start is one of the commonly measured performance indicators of operating room efficiency. A delay in the first case is likely to cause downstream delays for the rest

**Patient Story**  
**Brian Bremser**

Most people go their whole lives without having the kind of catastrophic medical emergency that puts them in a Memorial Hermann Life Flight® helicopter. Brian Bremser has had two.

In 1979, just three years after Life Flight was founded, 15-year-old Bremser was critically injured in a car wreck, suffering a fractured skull, collapsed lungs and a broken jaw. He was transported to what was then Hermann Hospital (now Memorial Hermann-Texas Medical Center), where he spent six weeks on a ventilator in the pediatric intensive care unit.

Now an insurance agent in his hometown of Wharton, Bremser was transported by Life Flight again after he was seriously injured in a fall from a fishing boat.

When Life Flight celebrated its 46th anniversary in 2022, Bremser returned to the helipad atop Memorial Hermann-TMC to thank the crew who'd saved his life once again.

*"These guys are great," he said. "They got me here, and here I am. For the second time."*



of the day in the operating room. This new dashboard allows us to track known delays and address the causes to improve start time estimates communicated to patients and their families, helping to reduce the stress of the day.

- The Surgical Service Line is collaborating with campuses to develop a systemwide approach to generating referrals to campuses with heartburn/GERD treatment programs. This will allow us to provide more streamlined care so patients can get the help they need more quickly and efficiently.

### 9. Women's

- *Newsweek* named four of our facilities Best Maternity Hospitals for 2023: Memorial Hermann Katy, Memorial Hermann Greater Heights, Memorial Hermann Memorial City and Memorial Hermann-TMC.
- *U.S. News and World Report* named two of our facilities High Performing Hospitals in Maternity Care (Uncomplicated Pregnancy): Memorial Hermann Greater Heights and Memorial Hermann Memorial City.

## Addressing Maternal Mortality and Morbidity

Memorial Hermann is committed to improving the health of the communities we serve, including women and children of all ages. Improving health begins with understanding and addressing the social determinants of health, the non-medical factors, including the economic and social conditions, that can influence health outcomes. One of our key areas of focus is reducing and ultimately eliminating maternal mortality and morbidity.

Black women are more than three times as likely to die from pregnancy-related complications as white women, regardless of their income or education. And, for every pregnancy-related death, there are 70 severe maternal morbidity (SMM) events, or unexpected outcomes of labor and delivery that result in significant short-or-long-term consequences to someone's health.\*

Unfortunately, Harris County has one of the highest rates of maternal morbidity among metropolitan areas in the United States. Further, between 2008 and 2015, Harris County's incidence of maternal morbidity increased 53%, compared with a 15% increase for Texas overall.\*\*

Memorial Hermann Health System cares for more than 25,000 laboring mothers from every ethnic, economic and racial background every year and is committed to reducing and ultimately eliminating these racial and ethnic disparities. In addition to our standalone hospital campuses, Memorial Hermann operates three Community Resource Centers in the Houston area, each staffed by Memorial Hermann community health workers who are equipped to help women navigate concerns impacting their health, including care access, food insecurity and safe housing and transportation. The Centers help connect uninsured and underinsured individuals with vitally important access to primary and preventive care by working closely with Federally Qualified Health Centers, private not-for-profit clinics and Harris Health System.



\*The American College of Obstetricians and Gynecologists <https://www.acog.org/>. Accessed September 8, 2024.  
 \*\*Improving Maternal Health Houston <https://imhhouston.org/awareness/>, accessed September 8, 2024.

- A new value-based agreement with Babyscripts™, the leading virtual care platform for managing obstetrics, will help us overcome barriers to access for underserved populations, reduce maternal health inequities and lower maternal mortality and morbidity rates by enabling OB/GYNs to offer virtual care experiences to pregnant and postpartum patients.
- To highlight our integrated women's services, we've leveraged our community partnerships, including with March of Dimes, to amplify messaging and organize employee training events, optimize website content and resources and launch marketing efforts to raise awareness of maternal health disparities as well as highlight Memorial Hermann's involvement in initiatives to help close the health equity gap.
- Kelsey-Seybold began utilizing Memorial Hermann for women's health care starting at Memorial Hermann-TMC with plans to expand across multiple campuses in FY24.

### 10. Children's

- Children's Memorial Hermann Hospital is the market share leader for both Obstetrics and Neonatal Intensive Care Units in the Houston area.
- Children's Memorial Hermann Hospital in the Texas Medical Center was named a "Best Children's Hospital" 2023-24 by *U.S. News & World Report* and received national rankings in four pediatric subspecialties: Cardiology & Heart Surgery; Gastroenterology & GI Surgery; Neonatology; Neurology & Neurosurgery.
- We partnered with Hazel Health to provide virtual health visits, including mental health, to schools in the Houston area.
- According to the Pediatric Health Information System (PHIS), our Neonatal Intensive Care Units (NICUs) treated patients with the highest acuity and at a lower cost compared against health systems across the country.

To learn more, visit [memorialhermann.org/specialties](https://memorialhermann.org/specialties)





# Align Provider Network

Our goal is to empower patients to take control of their own health. As part of this effort, we're prioritizing transparency and accessibility, with a clear accounting of the costs of care and initiatives to modernize technology and data analytics that will further drive ease of access.

## Modernizing Electronic Health Records

In FY23 we embarked on a transformational, multi-year journey to modernize and streamline our current electronic health record (EHR) systems into one seamless platform, Epic®.

Epic will transform engagement, access and analytics, giving us more efficiency and new capabilities to better serve our patients.

"Epic will help make all of our experiences more coordinated, convenient and streamlined—for our patients and also for the physicians and staff who use it on a regular basis," said Dr. Jamie McCarthy, Executive Vice President and Chief Physician Executive.

"Epic's MyChart® application, for example, will empower patients to take ownership of their own health records and their health journey, helping to better personalize the clinical side of care. It will also make things like scheduling appointments, receiving test results and sharing their medical records with other providers easier than ever."



## Supporting Physicians

Working closely with our physician partners across each of our ten Service Lines, we're continually rethinking how we deliver care and prioritizing the full end-to-end patient experience. That means we don't just treat a heart attack as an isolated episode at the hospital. We invest in that patient's health for the full continuum. Our ultimate goal is to provide the patient with the preventive care they need to help them stay healthy. The results are better outcomes and better health, for all.

Our physician organization, Memorial Hermann Physician Network (MHMD), is partnering with clinically integrated physicians to provide high-quality care that, ultimately, drives patient satisfaction and value. With more than 3,500 doctors throughout the Greater Houston area, MHMD's clinically integrated members participate in payer agreements that have value-based performance incentives based on quality and cost efficiency. Our doctors hold each other accountable to deliver care that is consistent with current scientific evidence and best practices—reporting quality performance and participating in performance feedback in order to achieve and maintain excellence in the practice of medicine.

We know physicians and providers need to be able to track key metrics to drive actionable change. This is one of the key reasons we made the decision to transition our EHR platform to Epic. In the meantime, in collaboration with Cerner®, MHMD created SmartAnalytics and SmartRegistry. SmartAnalytics is an application that houses and organizes information in a range of customizable reports and dashboards to track important metrics. The SmartRegistry application is a comprehensive health management tool that places patients into different registries based on certain health conditions, which helps physicians manage the health of a designated population and provide high-quality patient care, ultimately improving patients' lives by finding conditions early and helping prevent disease.

To learn more, visit [memorialhermann.org/mhmd](http://memorialhermann.org/mhmd)



# Lower Cost of Care

Through initiatives like Structuring for the Future and our Clinical Care Redesign, we're working to reduce the cost of health care without compromising quality or outcomes in order to ensure a sustainable future and the long-term health of our community.

## Structuring for the Future and Clinical Care Redesign

Launched six years ago, the Clinical Care Redesign (CCR) and Structuring for the Future Initiatives have driven significant cost savings. CCR, with a focus on improving patient outcomes and reducing costs, has achieved savings of \$236 million to date. Structuring for the Future's ongoing transformation of the system's service delivery model has enabled a faster transition to value-based care and yielded savings of nearly \$1 billion over six years.

Memorial Hermann's Structuring for the Future initiative emphasizes sustainable growth focused on quality, service and cost. Over a six-year period, we've achieved significant savings by taking a measured approach to reducing average length-of-stay, being mindful of overall supply costs and improving labor productivity. In FY23, we surpassed our Structuring for the Future goals and associated margin improvement.

In addition, the program has led to an improvement in patient satisfaction and a decrease in readmissions and mortality.

In FY23, the CCR pharmacy team generated more than triple its target savings. Through contracting initiatives, the team negotiated lower costs for commonly used drugs such as the blood pressure medication Nicardipine, the anticoagulant Eptifibatide and the painkiller acetaminophen. On the supply chain side, by implementing new instrument and equipment tracking systems, the CCR team saved money while reducing the risk of delays in patient care associated with managing and cleaning the supplies.

## Initiatives That Foster Innovation

At Memorial Hermann, innovation means thinking about how we're delivering care, what challenges our patients and the surrounding communities face, how we can be creative in solving those problems and increasing access and affordability. These initiatives include:

- **iGenerate:** Now in its fifth year, iGenerate is a virtual suggestion box where people working on the frontlines of patient care can submit their best ideas for improving safety, streamlining operations, enhancing revenue and reducing costs. This year's winning patient safety proposals included working with a pharmaceutical partner to provide Chronic Obstructive Pulmonary Disease (COPD) patients with a free 30-day coupon for a prescription inhaler upon discharge and a colored wristband alert system for patients with vaginal packing.
- **Innovation Hub:** In September 2022, we debuted the Innovation Hub, which encourages projects that use a pilot-and-scale model to solve systemwide challenges. The goal is to rapidly identify ways to improve operations at a small scale with the intent of expanding to the broader organization if the pilots are deemed successful.
- **Robust Process Improvement (RPI):** The 10th Annual RPI Expo drew more than 80 teams of participants to showcase new ways of thinking that can improve the way we work. These proposals have tackled a wide range of issues—from reducing Emergency Center throughput time to addressing workforce burnout—and helped us develop new methods to ensure that every patient who comes through our doors receives safe, efficient, high-quality care.

To learn more, visit [memorialhermann.org/strategic-partnerships](https://www.memorialhermann.org/strategic-partnerships)



# Transition to Value-Focused Delivery Model

Our goal is to enable the entire health system to create more value for patients and populations; that is, delivering the greatest outcomes at an optimal cost, creating exceptional experiences for our patients and a fulfilling work environment for our workforce and improving health equity in the communities we serve.

## Strategic Partnerships and Investments

Beginning in 2022, the system has established 21 partnerships/joint ventures with disruptive health care companies and leading-edge organizations to help expand access to urgent care, improve the patient experience and drive population health.

We carefully select partners that we believe can accelerate our journey to value and augment our capacity to achieve high-quality patient care while lowering the total cost of care.

### In FY23, we launched several strategic partnerships and joint ventures, including:

- In July 2022, we launched a joint venture with **GoHealth® Urgent Care**, which operates more than 200 care centers throughout the country, and transitioned nine existing urgent care locations to Memorial Hermann-GoHealth centers, increasing the availability of urgent care throughout our communities. By late summer 2023, Memorial Hermann-GoHealth had opened additional locations to bring the total number of centers serving the Greater Houston area to 24.
- In April 2023, we formed a joint venture with home-based health care provider **AccentCare®**, combining its home health and hospice operations with our own. AccentCare provides hospice, palliative care and other home health services, caring for roughly 210,000 patients and families annually with more than 250 locations in 30 states and in the District of Columbia. Joining forces with AccentCare will greatly expand access to home health and hospice care in Southeast Texas.
- We're working with **Helix**, a leading population genomics company, to launch **genoME™**, a community health research program that offers free genetic screening to provide information on genetic risk for certain health conditions so patients can plan for a healthier future. With an anticipated 100,000 participants, this will be one of the largest population health programs in Texas. The information it provides will give us key insights into the health of the community we serve, enabling us to better personalize patient care and create proactive care plans to address risk factors.
- Children's Memorial Hermann and **Hazel Health**, the national leader in school-based telehealth, partnered in October 2022 to deliver health care to children who otherwise might not receive it, while keeping them in school where they can learn. Through the partnership, Houston-area schools that have agreements with Hazel will be able to offer their students access to health services via virtual sessions while at school or home. Students can then be connected with Children's



Memorial Hermann's affiliated pediatricians or specialists for follow-up. This innovative technology makes care delivery more convenient and accessible for students, furthering our commitment to improving the health and well-being of all Houstonians, at every age.

Our equity investments are driven by the goal of delivering value and solving problems in the health care space.

### In FY23, our investments included:

- **Foodsmart™**, the nation's leading telenutrition company, which helps bring healthier food within reach and empower people to make sustainable changes to eating behavior and health outcomes. Memorial Hermann has long been focused on treating food as an integral component of health. Already, patients at Memorial Hermann are screened for food insecurity and have access to several resources for assistance in getting healthy, nutritious food.
- Our investment in **Wellvana Health** is an investment in value-based care. Wellvana Health transitions providers from traditional fee-for-service payment models to risk-based contracting while keeping improved patient outcomes and the patient experience front and center.
- Memorial Hermann invested in **Monogram Health**, a value-based provider of in-home care for patients living with multiple chronic conditions, including chronic kidney and end-stage renal disease. Monogram's technology-driven clinical services, which include complex case and disease management, are helping transform the way health care is delivered for those with kidney disease and other chronic conditions and have been shown to improve patient outcomes and quality of life while reducing medical costs across the health care continuum, improving access and affordability for all.

To learn more, visit [memorialhermann.org/strategic-partnerships](https://www.memorialhermann.org/strategic-partnerships)



# Harness Smart Growth

Smart growth means thinking creatively about how we innovate, invest and grow in the areas where our communities need us most.

## Creating Meaningful Change in Southwest Houston

At our Memorial Hermann Southwest campus, an initiative is underway to strengthen the care we deliver, revitalize the campus's facilities and renew its purpose in helping the people who need it most.

As part of this effort, we're strengthening the alignment between primary care and specialty care providers and recruiting new providers into the network to expand access to services.

In July 2022, we opened a new Acute Care for Elders (ACE) unit as a direct response to a survey that showed there was a greater senior population in the Southwest community in need of care. Every detail of the ACE unit, from the specialized training for its care teams to the physical design of the unit, down to the colors on the walls and the types of doors and handrails in the rooms, has been developed to deliver the highest quality, most personalized care for patients over 65.

We also deliver more babies at Memorial Hermann Southwest than at all of our other community campuses combined. To better serve our youngest patients and their families, we're in the process of opening a new obstetrics clinic and expanding our specialized obstetric services, including our OB Emergency Center. Often, high-risk patients need continuing care beyond what we can provide in our OB Emergency Center, and this clinic will offer both general and specialized care. Many high-risk patients also need help with transportation and access to healthy food, which we'll provide through our Community Resource Center.

Memorial Hermann helped charter the Southwest Coalition, a group of business leaders and community partners working to transform and eliminate the social, economic and environmental conditions that fuel health inequalities in the Southwest community.

Partnerships are key to the success of these initiatives, including the strong partnership between our Memorial Hermann Southwest campus and Memorial Hermann's Community Benefit Corporation. The campus is home to one of Memorial Hermann's Neighborhood Health Centers, which operates seven days a week and is affordable and accessible to the community we serve. We also recently celebrated five years with a Community Resource Center, which serves patients who are uninsured or underinsured. We provide them with a medical home, help them apply for Medicaid or SNAP food assistance and connect them with other resources. Of the 34,000 pounds of food that our system's Community Resource Centers have distributed this year, a third of that was at Memorial Hermann Southwest.



## Expansions and Improvements

To better meet the needs of the growing communities we serve, major improvement and expansion projects are underway at a number of our facilities. They include the following:

- At **Memorial Hermann Katy**, a \$167 million expansion is progressing on schedule. In April, a new 40-bed medical/surgical acute care unit opened to patients, bringing the hospital's total bed count to 254. Expansion plans also include a third medical plaza, a new parking garage and expansions of the ER and OR. The ER, which serves as the Katy area's only Level III trauma center, will double in size to 40,000 square feet and add additional treatment rooms, including two state-of-the-art trauma rooms, space for more CT scanners, upgraded equipment and more.
- In March, **Memorial Hermann Cypress** broke ground on a \$71.8 million expansion project that includes a professional office building, a parking garage, additional surface parking and Memorial Hermann Sports Park-Cypress. These expansions will bring an additional 185,000 square feet of office space, more than 500 parking spaces and a state-of-the-art sports medicine, performance training and adult fitness center to the Memorial Hermann Cypress campus. Memorial Hermann Sports Park-Cypress will provide a full range of medical care and athletic training for professional athletes, youth athletes and adults with orthopedic injuries. The facility will also have an outdoor turf field to host a variety of community sports leagues, including soccer, football and lacrosse.
- **Memorial Hermann Sugar Land** is expanding its campus with a \$231 million investment that will include a new tower on campus, which will add new medical/surgical beds, new universal beds and a new neonatal intensive care unit. The project will also expand catheterization lab capacity as well as key outpatient areas, including Emergency Center exam rooms, operating rooms, endoscopy suites, CT and X-ray capabilities, key ancillary areas and parking capacity. This spring, the hospital broke ground on a new medical plaza, which will house a variety of medical specialties, including primary care, cardiology, gastroenterology, orthopedics and more.
- **Memorial Hermann Sports Park-Pearland**, a new sports medicine and human performance facility on the campus of Memorial Hermann Pearland, will open this fall. The facility is a collaboration between Memorial Hermann, Athlete Training and Health® (ATH) and affiliated orthopedic specialists. The \$15 million, 50,000-square-foot facility will provide athletes a training and rehabilitation facility and an outdoor turf field that will open as a practice space for local school districts and community sports leagues.
- Progress continues on a \$250 million expansion project at **Memorial Hermann The Woodlands**. Last summer, the centerpiece of the project opened: a new South Tower that adds more than 350,000 square feet and four new patient floors to the campus, bringing the hospital's bed count to more than 500. Work is now underway to renovate and expand nearly 140,000 square feet in other areas of the hospital, including food services, imaging, surgery support, pharmacy services, orthopedic services and TIRR Memorial Hermann-The Woodlands.



To learn more, visit [memorialhermann.org/locations](https://www.memorialhermann.org/locations)







# Memorial Hermann Health System Board of Directors 2024

Members of the Board of Directors represent a broad range of leaders who ensure Memorial Hermann delivers exceptional care, focusing on the interests of our diverse community.

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# Memorial Hermann Foundation Board of Directors 2024

Governed by a board of directors, the Memorial Hermann Foundation supports Memorial Hermann programs, facilities, physicians, research and projects in the community to advance health. The support of individuals, corporations and foundations helps Memorial Hermann’s commitment to quality health care in the communities we serve.

- |                            |                          |
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