



HOMEGROWN

HEALTHCARE

ANNUAL REPORT 2019



Mercy Medical Center
MercyCare Community Physicians

Care for our community, provided by our community
Thank you to these local leaders who help anchor
Mercy's care to community needs.

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**Founded in response to community needs, Mercy has
been rooted in eastern Iowa for nearly 120 years.**

Growing with community needs, today Mercy is one of few remaining independent healthcare systems. This means decisions about how to best serve our neighbors are made right here at home, for eastern Iowans by eastern Iowans.

This report of our 2019 fiscal year reflects the focus and direction of Mercy Medical Center and MercyCare Community Physicians, which continues to be on healthcare needs of our local communities as it was when Mercy was founded by the Sisters of Mercy in 1900.

While healthcare continues to face significant change, Mercy is proudly navigating and transforming itself to ensure we are resolute in meeting the needs of patients here in Iowa, in areas of quality, addressing charitable needs among our local populations, and the latest advancements in healthcare.

Ultimately, it is extraordinary people delivering exceptional care; it is what makes Mercy different and what drives the certainty of *The Mercy Touch*® when our community needs it most. Thank you for reading this report and allowing Mercy the honor of caring for you.

A handwritten signature in blue ink that reads "Sincerely, Tim". The signature is written in a cursive, personal style.

Timothy L. Charles
President and CEO

By the numbers



Number of Employees

Mercy Medical Center	2,615
MercyCare Community Physicians	533
TOTAL	3,148

Hospital's Economic Impact*

Income Impact on Linn County	\$241,797,665
Employee Support of Retail Sales	\$85,688,438
Employee Support Through Sales Tax (6%)	\$5,141,306

*Iowa Hospital Association's 2019 Economic Impact of the Health Sector – Linn County

Financial Overview

Salaries/benefit payroll taxes	\$202,766,000
Supplies/other	\$152,896,000
Depreciation	\$26,539,000
Professional fees	\$3,926,000
Interest	\$5,292,000
TOTAL	\$391,419,000

Community Expenditures

(Including care of the uninsured and underinsured)

Costs in excess of Medicare reimbursement (Costs of providing the services less the amounts received from Medicare)	\$20,160,000
Costs in excess of Medicaid reimbursement (Costs of providing the services less the amounts received from Medicaid)	\$12,090,000
Other community benefit (Includes subsidized health services, care provided at a loss, financial contributions to nonprofit organizations)	\$4,144,000
Free service (To patients who meet Mercy's free-service guidelines)	\$4,770,000
Physician education	\$978,000
Property taxes and medical district assessment	\$1,273,000
TOTAL	\$42,142,000

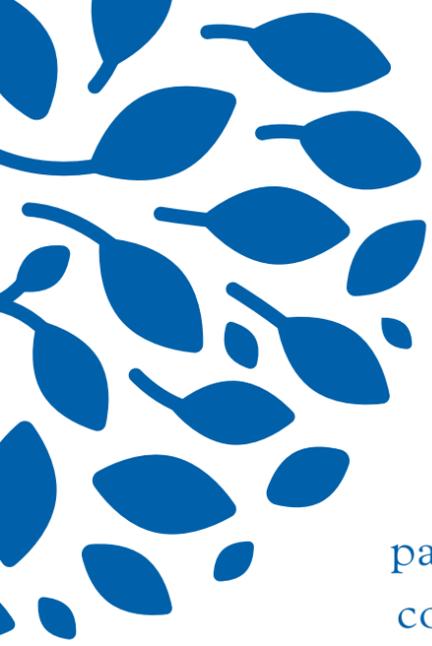
Medical Overview

Outpatient Visits	478,313
Inpatient Discharges	10,375
MercyCare Visits	250,387
MercyCare Urgent Care Visits	89,375
Emergency Visits	53,783
Pediatric Clinic Visits	26,140
Hall Radiation Center Treatments	10,915
Women's Center Mammographies	20,264
Surgery Cases	13,331
Births	811

Mercy Foundation Overview: Designated Gifts to Mercy

Hall-Perrine Cancer Center Patient Care	\$736,811
Mercy Medical Center Charity Care	\$500,000
Mercy Medical Center Population Health	\$500,000
Dennis and Donna Oldorf Hospice House of Mercy	\$215,826
Family Caregivers Center of Mercy	\$133,760
Hospice of Mercy	\$105,500
Cardiothoracic and Vascular Clinic	\$91,552
Scholarships/Educational Training/Student Loan Repayment	\$77,436
Mercy Medical Center Patient Care	\$78,532
Dementia Planning Initiative	\$65,385
Patient and Waiting Room TVs	\$36,781
Employee Emergency Fund	\$30,000
Stryker Beds - Emergency Department	\$29,610
Birthplace	\$15,380
Anti-Human Trafficking	\$13,659
Nurse Residency Program	\$9,900
The Retreat & Refresh Stroke Camp	\$9,295
Hallmar Patient Care	\$7,498
Lipsky Lecture Series	\$6,343
In-Kind Artwork/Contributions	\$5,493
Staff Magnet Certifications	\$5,388
Sleep Sacks	\$5,000
Orthopedic Discharge Program	\$4,888
The Campbell F. Watts, MD, and Doris J. Watts Medical Library & Patient Resource Center	\$1,751
Pediatrics	\$1,358
TOTAL	\$2,687,146





Mercy's fiscal year milestones

The milestones highlighted within the following pages reflect Mercy's response to the needs of our community. These activities demonstrate Mercy's leadership and innovation in providing excellent healthcare, provided by compassionate caregivers.



SUMMER

- Recipient of 2018 Linn County Worksite Wellness award for wellness programming
- First Iowa hospital to create an anti-human trafficking staff position, assisting 58 people through June 2019
- Evolved care for people living with dementia by embracing aspects of well-being; welcomed dementia experts for community conversations

FALL

- **Together in Song, a chorus for those living with dementia and other chronic conditions, along with family caregivers, held its first concert, coordinated through the Family Caregivers Center of Mercy**
- Standard & Poor's affirmed Mercy's "A" level credit rating with stable outlook
- MercyCare Tama named Best of the Best in Health Care in Tama County for the 8th consecutive year
- Launched a Health and Financial Wellness Education Series to help employees become better health and financial wellness consumers
- Received Better Business Bureau's Business of Excellence Award

- Acquired three new da Vinci® Surgical Systems for more minimally invasive surgical options



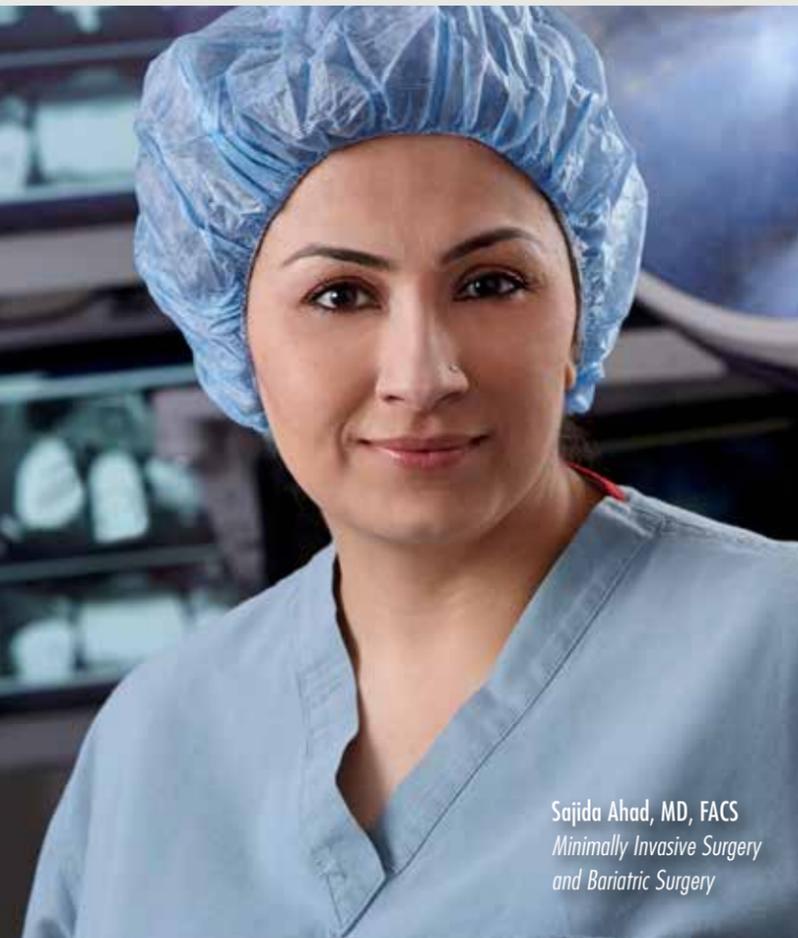
DID YOU KNOW?
 Mercy has nearly 1 million visits to its facilities each year.

A veteran's ceremony at the Dennis and Donna Oldorf Hospice House of Mercy honors the selfless service of veterans.



- Equipped 100% of Birthplace rooms with advanced Level II Neonatal Intensive Care Unit technology, keeping families together, even if a higher level of care is needed for baby

- Celebrated one year of providing open heart surgery to patients



Sajida Ahad, MD, FACS
Minimally Invasive Surgery
and Bariatric Surgery

- Bariatric surgery celebrated its 100th procedure – representing 100 exciting steps forward in pursuit of better health

WINTER

- Launched CE Direct continuing education in support of employees' professional development
- Among the first hospitals in the Midwest to put the Pediatric HAL[®] robotic simulator to work in training healthcare professionals
- Outpatient Psychiatry introduced transcranial magnetic stimulation therapy for treatment-resistant depression, giving new hope to patients with major depressive disorder
- Achieved reaccreditation by The Joint Commission as a symbol of excellence
- Mercy Neurosurgery Clinic opened, providing back/spine and brain surgery to patients

SPRING

- Named one of the nation's 100 Top Hospitals for 7th consecutive year
- Six Mercy nurses named among 100 Great Iowa Nurses
- Mercy's Inpatient Rehabilitation Unit remodeled, adding to its already outstanding care



- Nursing shared governance meetings kicked off, giving nurses more opportunity to participate in decision-making and further strengthening Mercy's culture of safe, quality care
- Construction work began on a spacious new bronchoscopy lab in the Non-Invasive Cardiology and Lung Center
- Mercy Gastrointestinal Clinic opened a new space inside the 8th & 8th Medical Park

BY THE END OF FISCAL YEAR 2019

- Welcomed 42 new healthcare providers
- Celebrated the above-and-beyond efforts of 63 employees through Moments of Mercy awards honoring *The Mercy Touch*[®]
- Connected 50 families in two local school systems to counselors through the children's mental health urgent care program
- Provided 203 facial scans to area high schools and businesses to identify sun-damaged skin



Quality care right here at home

This section provides a transparent look into Mercy's quality of care. We understand that, to patients, quality is determined by the success of the outcome and whether he or she had a good experience while receiving care. With that criteria, we share illustrations of Mercy's ability to deliver quality and meet national standards at a local level.

While there are hundreds of measures available to evaluate quality, we will focus on areas aligned to the Institute for Healthcare Improvement's Quadruple Aim and its four central points: *improving the patient's experience, the clinician's experience, the health of populations, and reducing the cost of healthcare.*



In fiscal year 2019, Mercy Cedar Rapids received a **five-star quality rating** (*the best possible*) from the Centers for Medicare & Medicaid Services.

HOSPITAL COMPARE

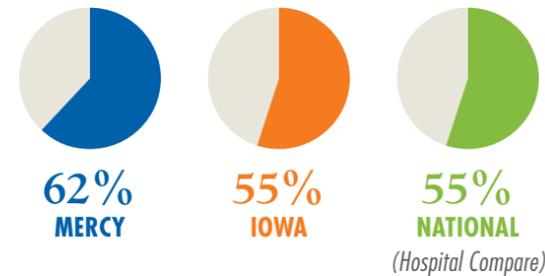
Medicare's Hospital Compare reports on timely and effective care in key areas of quality so patients can learn how often Mercy and other hospitals perform recommended care for people with specific conditions. Quality data in this section (the most up-to-date information available at the time of publishing) proves Mercy's outstanding care and can be found online at [medicare.gov/hospitalcompare](https://www.medicare.gov/hospitalcompare).

SEPSIS

Sepsis is a serious infection complication that can cause organ damage and even death if not identified and treated quickly. Mercy's sepsis care is better than state and national averages.

Percentage of patients who received appropriate care for severe sepsis and septic shock

(Higher percentages are better, October 2017 through September 2018)



HEART ATTACK

When arteries become blocked and prevent the flow of blood and oxygen, the heart muscle may slow or stop beating. Time is muscle, and Mercy is faster than the national average when it comes to administering an ECG to identify a heart attack.

Average (median) number of minutes before outpatients with chest pain or possible heart attack got an ECG

(A lower number of minutes is better, October 2017 through September 2018)

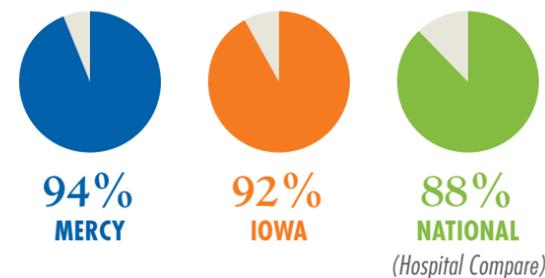


COLONOSCOPY

According to the Iowa Cancer Consortium, Iowa is tied for the second-highest state in the country when it comes to colorectal cancer rates. A colonoscopy is a simple test that can detect cancer and pre-cancerous tissue early. Mercy outperforms state and national benchmarks for colonoscopy best practices.

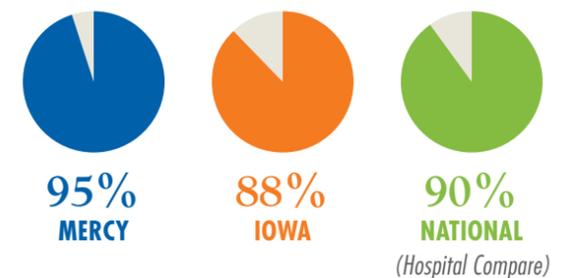
Percentage of patients receiving appropriate recommendation for follow-up screening colonoscopy

(Higher percentages are better, January through December 2017)



Percentage of patients with history of polyps receiving follow-up colonoscopy in the appropriate timeframe

(Lower percentages are better, January through December 2017)

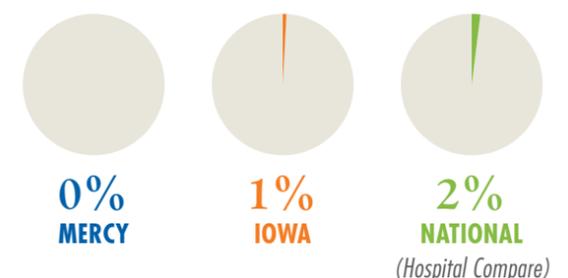


PREGNANCY AND DELIVERY

Mercy Birthplace follows best practices and strategies that foster the best care for both mom and baby. One of those best practices is to avoid elective deliveries (inducing labor prior to 39 weeks gestation without medical necessity). Birthplace outperforms Iowa and the U.S. when it comes to discouraging elective early deliveries.

Percentage of mothers whose deliveries were scheduled too early (1-2 weeks), when a scheduled delivery wasn't medically necessary

(Lower percentages are better, January to December 2017)

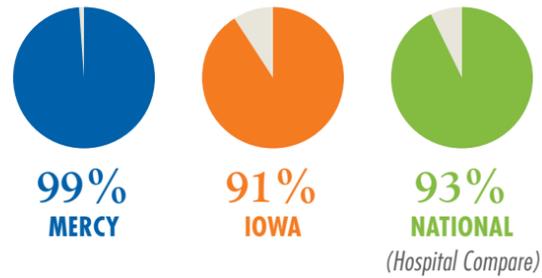


PREVENTATIVE

Part of Mercy's mission is to enhance the health of the communities it serves, and preventative treatments like influenza vaccination is one way to help achieve that goal. Mercy's rates of vaccination are higher than those across the nation.

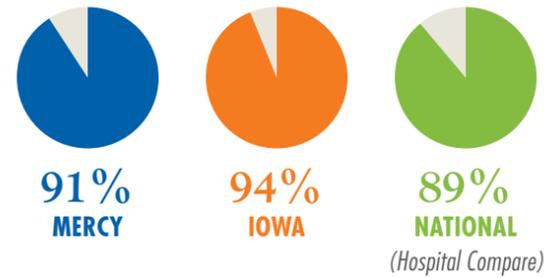
Patients assessed and given influenza vaccination

(Higher percentages are better, October 2017 through March 2018)



Healthcare workers given influenza vaccination

(Higher percentages are better, October 2017 through March 2018)

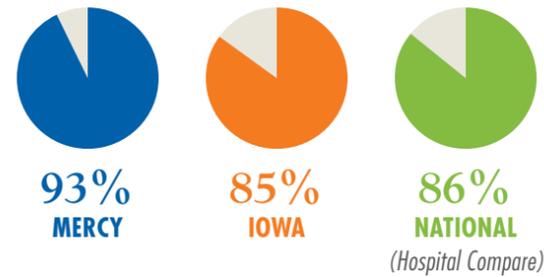


CANCER

Because every tumor is unique, one radiation technology can't treat them all. That's why Mercy's Hall-Perrine Cancer Center offers four different radiation therapies to help give cancer patients the best possible outcome. Appropriate administration of external-beam radiation therapy reduces side effects and limits exposure to healthy tissue — Mercy's rates are significantly better than state and national norms.

Percentage of patients receiving appropriate radiation therapy for cancer that has spread to the bone

(Higher percentages are better, January through December 2017)

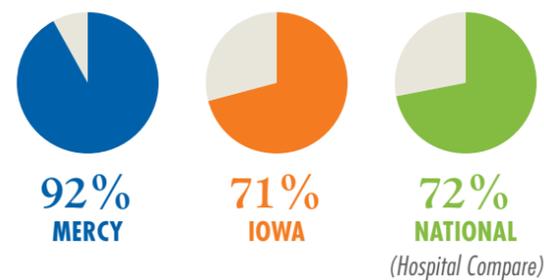


STROKE

With stroke, time lost is brain lost. Identifying and treating stroke efficiently and safely is critical. Mercy's ability to outperform state and national averages support why Mercy has earned Stroke Certification from The Joint Commission.

Percentage of patients who came to the emergency department with stroke symptoms who received brain scan results within 45 minutes of arrival

(Higher percentages are better, January through December 2017)



EMERGENCY DEPARTMENT

Mercy Medical Center's Emergency Department is fully equipped with state-of-the-art technology to handle the most serious of healthcare emergencies as a Level III Trauma Center. Mercy's emergency teams get patients the quality treatment they need quicker than norms across the state and country.

Average (median) time patients spent in the emergency department before they were admitted to the hospital as an inpatient

(A lower number of minutes is better, October 2017 through September 2018)



Average (median) time patients spent in the emergency department after the doctor decided to admit them as an inpatient before leaving the emergency department for their inpatient room

(A lower number of minutes is better, October 2017 through September 2018)



Average (median) time patients spent in the emergency department before leaving from the visit

(A lower number of minutes is better, October 2017 through September 2018)





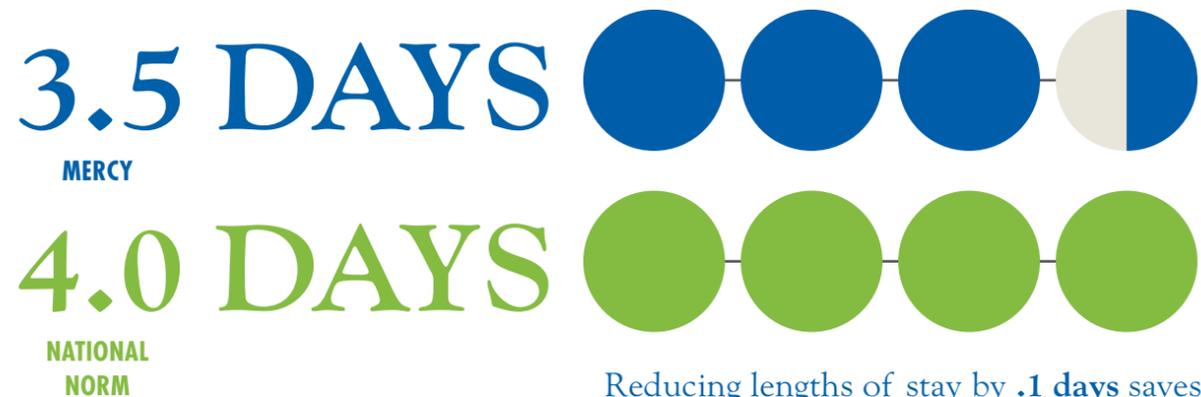
C.C. Lee, MD, FACS
 Cardiothoracic Surgery,
 Open Heart Surgery,
 and Vascular Surgery

FASTER RECOVERY MEANS A SHORTER HOSPITAL STAY

Mercy follows evidence-based protocols to provide the highest level of care so patients recover quickly. Through seamless care coordination, patients get timely healthcare and coordinated access to outpatient services for continued care, if needed, upon discharge.

Reducing lengths of hospital stays

(Average lengths of stay for July 2018 through June 2019)¹

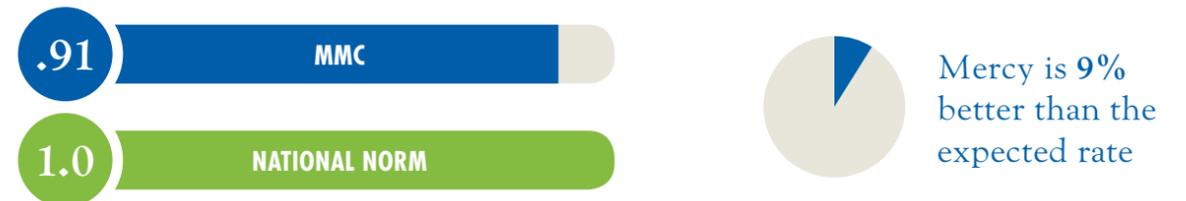


Reducing lengths of stay by **.1 days** saves an estimated **\$1,200,000** in staffing and other associated costs at Mercy.

SURPASSING STANDARDS FOR PATIENTS ADMITTED TO MERCY BY REDUCING COMPLICATIONS, MORTALITY AND READMISSION

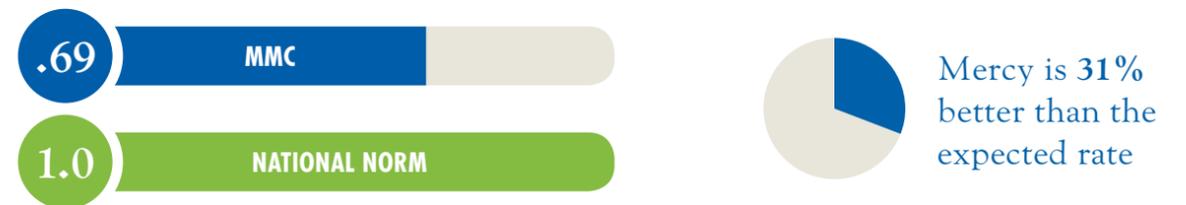
Complications: Reducing risks for complications for hospitals patients

(Risk-Adjusted complications index for July 2018 through June 2019)¹



Mortality: Reducing mortality of patients in the hospital

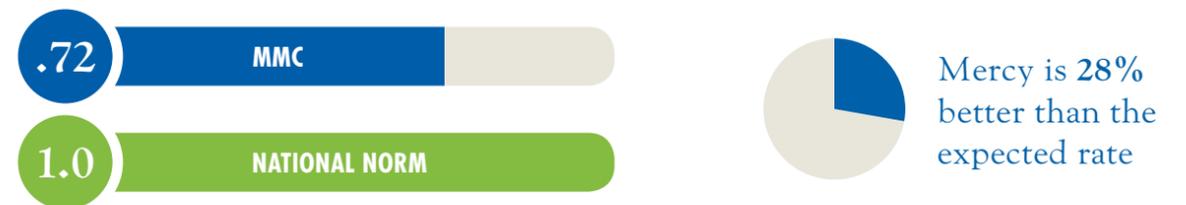
(Risk-Adjusted mortality index for July 2018 through June 2019)¹



Readmission: Reducing readmission after a hospital stay

(Risk-Adjusted readmission index for July 2018 through June 2019)¹

Some patients may experience problems soon after they are discharged and need to be admitted to the hospital again. Many of these events can be prevented if hospitals follow best practices for treating patients, which helps avoid unnecessary hospitalizations and reduce costs.



¹Quantros



Keeping Mercy patients safe by reducing patient falls

Patients in any hospital are, of course, healing from illness and often have less strength than normal as well as other conditions that put them at greater risk for falls. This can delay discharge, or even require further treatments depending on the type and severity of injuries. This past year, Mercy has increased its focus on preventing falls and fall-related injuries through some specific interventions.

NEW CHAIR ALARMS FOR ALL INPATIENT ROOMS

If a patient is at a moderate or high risk of a fall and sitting somewhere other than their bed, one intervention added by Mercy is a new chair alarm. It plugs into the nurse call system for an alarm that is audible both from the device itself and directly to Mercy staff, including the patient's location. This allows staff to immediately assess the patient's needs and provide necessary support to ensure the patient is safe.

PURPOSEFUL ROUNDING WITH COMPASSION

Mercy caregivers recognize that one of the best interventions for reducing falls is making frequent visits into patient rooms, called purposeful rounding. Our promise is to physically round at least every two hours with the goal of engaging patients and their care partners in ways that improve the overall patient experience, leading to safe, high-quality care.

Physicians Working Together for Safe Opioid Prescribing

In recent years, opioids have been making headlines for their addictive qualities, leading to a myriad of health concerns including and up to overdose. In fact, the opioid crisis was named a national public health emergency in 2017. The risks are real, but we also know that, in well-controlled dosages, pharmaceutical opioids can be helpful, especially during end-of-life care and in managing pain for certain chronic or serious conditions.



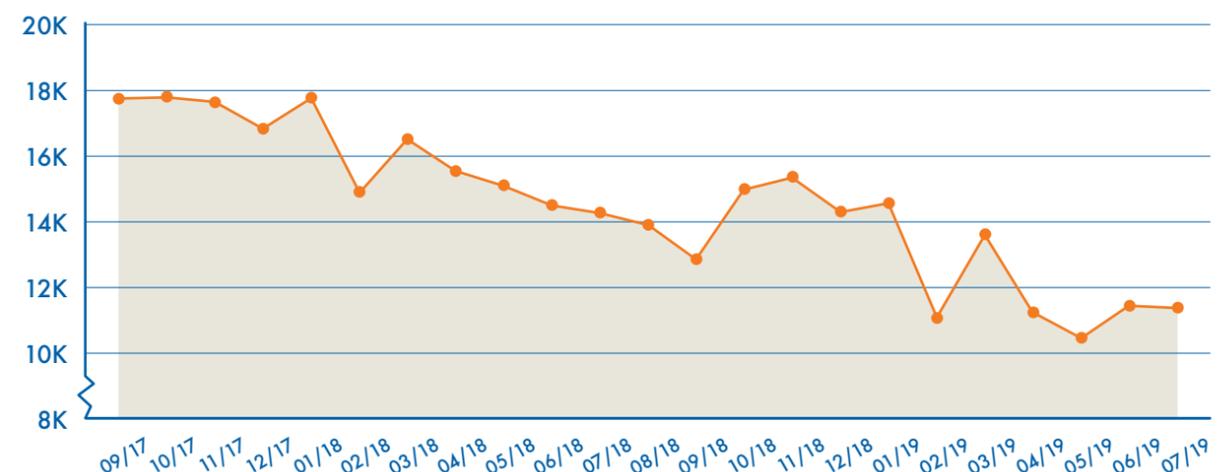
MERCY HAS BEEN WORKING TO ENSURE SAFE OPIOID PRESCRIBING, WITH A FOCUS ON DECREASING THE NUMBER OF PRESCRIBED OPIOIDS. THIS WORK CULMINATED THIS YEAR WITH A 36% DECREASE IN DISPENSED OPIOIDS SINCE 2017.

This change has been possible due to several initiatives, including the following interventions:

- Exploring the prescribing of more non-opioid alternatives.
- The use of electronic medical record technology to alert and guide providers during the prescription process.
- The launching of an “early recovery after surgery” program that decreases the use of opioids (*linked to longer hospital recovery times*) in conjunction with inpatient surgical procedures.
- Controls put in place to help healthcare providers verify the best dosage per case.
- Implementation of additional checks and education for patients during the provider consultation period, and additional measures of reporting for better visibility to prescribing practices.

Mercy has safely decreased opioid prescriptions 36% since 2017

(For patients discharged with opioid prescriptions between September 1, 2017, and July 31, 2019)



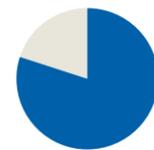
Safer Care and Quality Patient Experiences Start with Communication

Mercy recognizes the value in compassionately communicating with patients in ways they understand. Better communication provides safer, more reliable care and creates a better overall patient experience, especially when done in the presence of our patients and their care partners.

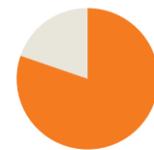
One of the key initiatives in fiscal year 2019 included the recalibration and systemization of communication at the bedside during the inpatient nurse handoff to ensure clear communication.

This year's work resulted in strong increases in the HCAHPS* domain of Communication with Nurses, which is one of the key drivers for the overall patient experience.

Percentage of Patients Who Indicated Mercy "Always' Communicated"



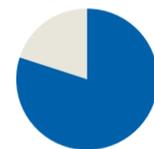
80.2%
MERCY FY19



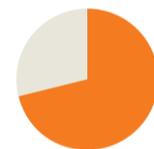
80.3%
STATE AVERAGE

Percentage of Patients Who Would Rate the Hospital a 9 or 10

(On a Scale of 1-10)



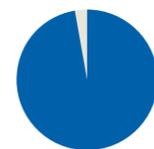
80%
MERCY FY19



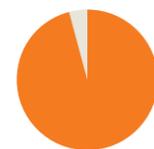
71.3%
STATE AVERAGE

Percentage of Patients Who Would Recommend the Hospital

("Probably Yes" or "Definitely Yes")

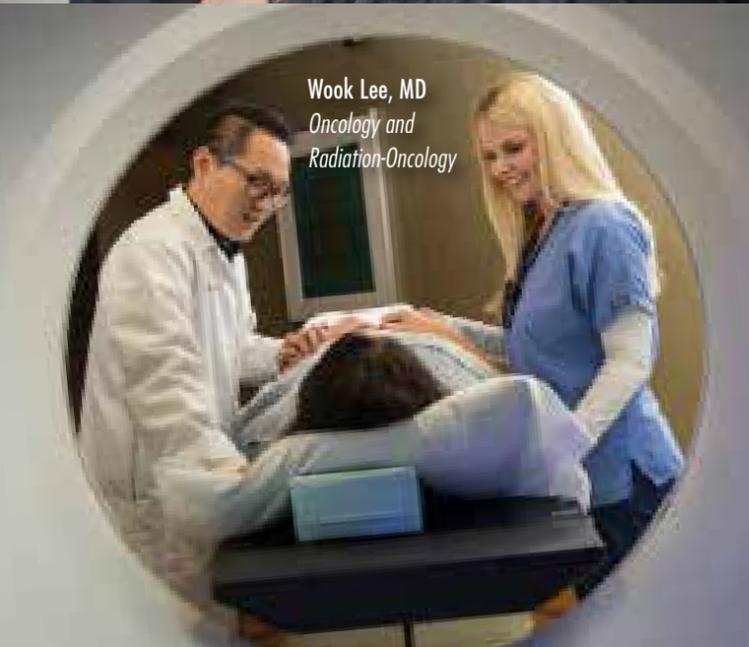


97.4%
MERCY FY19



95.9%
STATE AVERAGE

*HCAHPS stands for Hospital Consumer Assessment of Healthcare Providers & Systems and is a patient satisfaction survey required by CMS (the Centers for Medicare and Medicaid Services) for all hospitals in the United States.



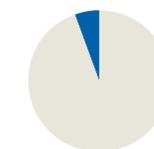
Providing Care at a Lower Cost

In today's healthcare environment, it is critical that quality hospitals can provide exceptional care while efficiently keeping costs low. Therein lies the true value to patients and the best use of hospital resources. The nation's largest insurance provider, Medicare, is interested in understanding how much it is paying to hospitals across the country for the care provided to its beneficiaries. To determine how well hospitals are doing at keeping costs low, the measure "Medicare Spending Per Beneficiary" (MSPB) is used.

MSPB shows whether Medicare spends more, less, or about the same for an episode of care at a specific hospital compared to all hospitals nationally. A lower ratio means that Medicare spent less per patient.

NOT ONLY HAS MERCY DECREASED ITS RATIOS SINCE 2015, BUT THE MOST RECENTLY REPORTED RATIO, .88, IS 5.4% LOWER THAN THE STATE AVERAGE AND 11% LOWER THAN THE NATIONAL AVERAGE.

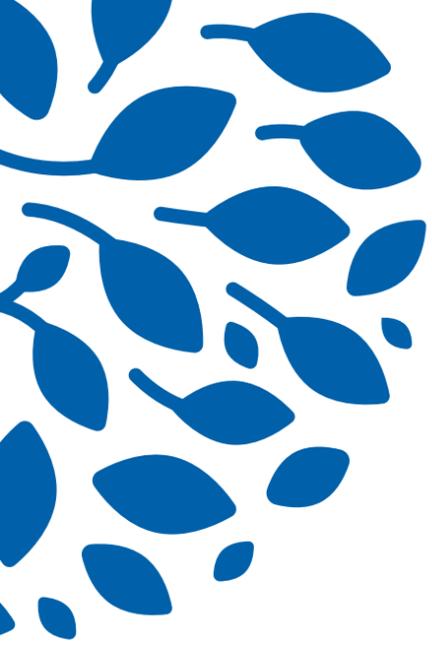
Local, quality care at a more effective cost.



MERCY IS
5.4%
LOWER
THAN STATE
AVERAGE



MERCY IS
11%
LOWER
THAN NATIONAL
AVERAGE



Healthcare with *heart*

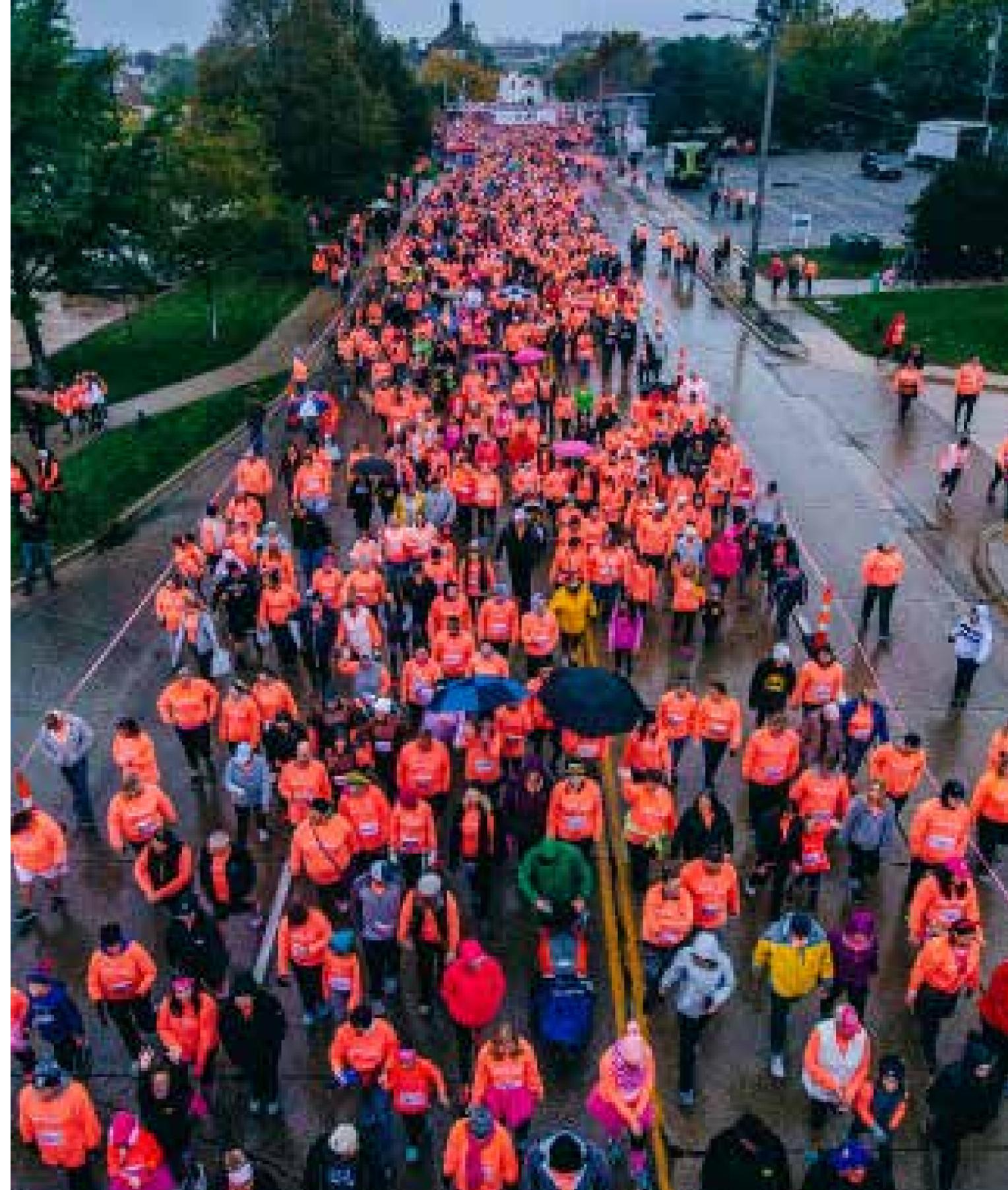
True to our roots of meeting the needs of eastern Iowans, the following section provides a snapshot of life-improving activities at work and Mercy's leadership in addressing charitable needs to cultivate a thriving community.

As in years past, Mercy continued its commitment to partnering with area organizations – HACAP, American Heart Association, JDRF, McKinley Middle School and local shelters, to name a few – to improve health and lives throughout our community.

● The Family Caregivers Center of Mercy received the American Hospital Association's Hospital Award for Volunteer Excellence in community service



Kathy Good, Director
Family Caregivers Center of Mercy



● The *Especially for You*® Race Against Breast Cancer marked its 28th year with nearly 15,200 registrants from 455 cities in 31 states, raising more than \$452,000 to support services for breast and female cancers

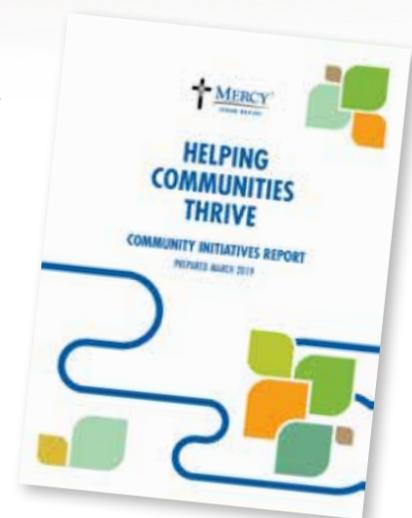
950 community volunteers donated 175,513 hours of service at Mercy



DID YOU KNOW?
 Mercy provides \$4.3 million in subsidized health services, care provided at a loss and financial contributions to nonprofit organizations.

This year, Mercy published its first annual Community Initiatives Report, a snapshot beyond reportable resources to illustrate Mercy's leadership in supporting the community.

To see the full report, visit mercy.org/communityreport.



Launched grant program for rural first responders to build upon emergency care, providing six organizations with donations for equipment or training



- Raised \$129,664.11 for three local nonprofits through the organization's annual Commitment to Community fundraising campaign
- Donated 12 automated external defibrillators (AEDs) to local nonprofits, including three rural first-responder organizations
- Senior Health Insurance Information Program (SHIIP) volunteers saved Medicare beneficiaries \$1,105,968
- Mercy Auxiliary pledged \$164,000 for hospital projects and granted \$4,000 in scholarships to Mount Mercy University nursing students

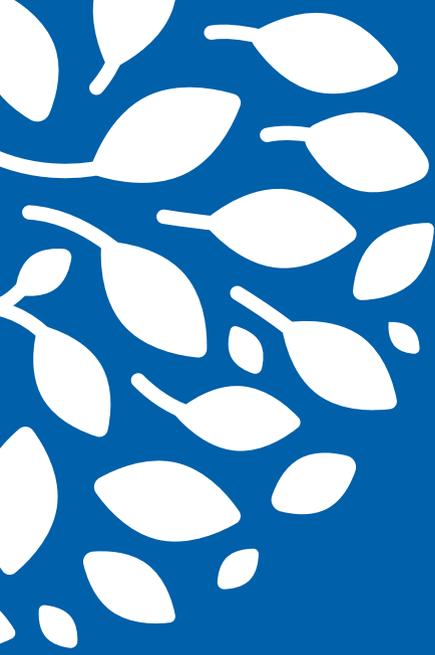
MedQUARTER
 Regional Medical District.

- Mercy contributes \$125,000 annually to the MedQuarter Regional Medical District. The MedQuarter is a revitalization partnership committed to promoting a dynamic, urban medical community to improve quality of life and advocate for new businesses and jobs in a defined medical district.

DID YOU KNOW?
 Mercy provides more than \$4 million in free services, to patients who meet free service guidelines.

BY THE END OF FISCAL YEAR 2019

- Family Caregivers Center of Mercy – 4,488 visits
- Parish nurses conducted 2,385 visits
- Providers cared for 3,720 patients at a community free-health clinic
- The annual Cancer Survivor's Day celebration hosted 95 community members
- Anti-Human Trafficking program assisted 58 survivors, trained 89 school nurses in Cedar Rapids, and trained 40+ hospitals/ 2,000+ medical personnel in Iowa.



Thank you for reading this report.

We invite you to support making a difference
in our community through a gift to the Mercy Foundation.

Join our commitment to give back;
visit www.mercycare.org/donate to make a gift.



701 10th Street SE | Cedar Rapids, IA 52403 | (319) 398.6011

www.mercycare.org