Adopting a comprehensive EHR is truly transformational. Soon Novant clinicians will be able to seamlessly share patients’ medical information between physician offices, outpatient centers and hospitals.

Sean Gipson, RN and Le Shropshire, RN, transitional care unit, Presbyterian Orthopaedic Hospital
It's time for your annual checkup. During your visit, your doctor consults a computer in the exam room instead of relying on the traditional paper chart. She references your recent mammogram and asks if you have questions about the medication your cardiologist prescribed last month.

"How," you might wonder, "does my doctor know about my mammogram and the new medication from my visit to the cardiologist? I haven't seen her since then." That little computer in the exam room is the secret. Your doctor can use that computer to access your electronic health record (EHR) and review your comprehensive medical and health information.

Your EHR contains a complete account of your recent health information and the medical history previously contained within your paper chart. Novant Medical Group began implementing Dimensions, this new, patient-centered technology, at its physician clinics in 2011. All of the medical group’s physician clinics are slated to follow by the end of 2013.

Patients, physicians and staff already see the positive results from the electronic health record. Here are just a few of the benefits:

- Enhanced patient safety and a reduction in medical errors
- Better privacy and security of protected patient health information
- Improved convenience and quality of care as there is now a single medical record for a patient
- A smaller environmental footprint due to a reduction in paperwork and printing

An added advantage for patients is MyChart, a free, online tool that allows patients to remotely and securely access their personal medical information. Simple and convenient to use on a personal computer or handheld device, patients who use MyChart can do the following:

- Email their care team directly
- Request prescription renewals
- Schedule appointments online
- View lab test results
- Receive reminders for important health checkups
- Access a library of personalized medical education

With Novant Medical Group’s EHR implementation well under way, work also began on an electronic health record for Novant’s 13 hospitals. The use of technology and computers is common in hospitals, but adopting a comprehensive electronic health record is transformational for healthcare systems. Soon Novant clinicians will be able to share patients’ medical information between physician offices, outpatient centers and hospitals. This sharing of information will improve safety and coordination of care, as well as promote connectivity and communication between hospital caregivers, specialists and primary care providers.

Embarking on the journey to create a shared EHR is the most significant and important investment Novant Health has ever made for its patients, staff and physicians. Our ultimate goal with the electronic health record is simple: “One patient. One record. One remarkable experience.” Together we will successfully implement this exciting technology and transform the face of healthcare for our patients today and for generations to come.
The Patient Centered Medical Home ensures that every patient gets the right care, at the right place and at the right time to support better health.

Kenny Hefner, MD and Amanda Jolly, RN, Medical Associates of Wilkes, a Novant Medical Group practice
For years, nurses and physicians huddled outside the patient’s room or at the nursing station during a change of shifts, updating one another about their patients’ health and medical care. Rarely, if ever, did these conversations include opportunities for the patients or family members to listen in or participate.

Today, that traditional method of exchanging information is being retired as Novant hospitals invite the patient and family members to participate in nurse bedside reporting. This communication model provides a safer method to hand off care from one staff member to another, and allows nurses to spend more time with patients. The model also encourages patients to participate in healthcare conversations about their own health, as well as clarify information and ask questions.

Nurse bedside reporting was just one of many innovative new efforts in 2011 designed to focus on the unique needs of our patients. Examples of other Novant initiatives include the following:

- **Ask Me 3**, a national program that encourages patients to ask their healthcare provider three simple, yet critical questions to improve healthcare literacy.
- **TMC to Home**, a new outpatient effort at Thomasville Medical Center designed to reduce 30-day hospital readmission rates for patients with congestive heart failure, heart attack, pneumonia, chronic obstructive pulmonary disease and/or diabetes, and for those who have difficulty with management of care and medications in the home.
- **Novant’s first chief diversity officer**, Deborah Ashton, PhD, was hired in 2011. A licensed clinical psychologist, Deborah is working with Novant and community leaders to develop strategies to address the diverse needs of our patients and the communities we serve.

Novant Medical Group had 33 clinics earn **Patient Centered Medical Home** certification from the National Committee for Quality Assurance in 2011. The designation signifies these practices have met a series of national standards aimed at improving patients’ health by better coordinating patient care.

In the medical home model, primary care physicians such as Kenny Hefner, MD, Medical Associates of Wilkes, serve as quarterback, leading a team of people who make sure that every patient gets the right care, at the right place and at the right time to support better health. Other aspects of the medical home include same day appointments, expanded hours, reminders of regular checkups and other preventive care steps that actively involve patients in managing their own health.

This approach to care focuses on how to best create and support an effective and trusting relationship between a patient and his or her personal physician, so that the patient will receive the care and support needed to achieve the best possible health.

As we continue to prioritize quality patient care and outreach to our communities, Novant Health staff look for opportunities to provide patients with an increased voice and choice in their healthcare.

For more information on these programs, visit our newsroom: [www.novanthealth.org/AboutUs/Newsroom](http://www.novanthealth.org/AboutUs/Newsroom)
Together with Forsyth Medical Center and Presbyterian Hospital, we’re bringing world-class, comprehensive cardiovascular care to patients across the Carolinas.
Delivering Remarkable Medicine to Our Communities

Novant’s mission and heritage as a not-for-profit organization is “to improve the health of communities, one person at a time.” That mission drives Novant employees and physician partners to seek the highest levels of clinical excellence.

It’s that commitment that prompted Presbyterian Hospital and Forsyth Medical Center to partner with Cleveland Clinic Heart & Vascular Institute. The affiliation combines the unparalleled research and expertise of Cleveland Clinic’s heart program with Novant’s cardiovascular programs to provide world-class, comprehensive cardiovascular care to patients across the Carolinas.

As part of the affiliation, Presbyterian Hospital became one of the first hospitals in the country to offer transcatheter aortic valve replacement (TAVR) for patients with aortic stenosis. This procedure allows physicians to treat the stenosis, or narrowing of the heart valve, without open heart surgery.

Clinical excellence close to home for our patients was a central theme in 2011 as Novant developed new facilities, programs and services:

- Residents in Kernersville, NC, saw their dream of a community hospital become a reality with the opening of Kernersville Medical Center. The new, 50-bed hospital offers inpatient, outpatient, emergency and surgical services.
- On July 31, 2011 the lights went out at Brunswick Community Hospital and came on just several miles down the road at Brunswick Novant Medical Center. This new, 74-bed replacement hospital brought state-of-the-art healthcare services to residents in coastal communities of Brunswick County.
- Prince William Hospital opened a new heart catheterization lab, allowing patients to remain in their community while still having access to the latest diagnostic cardiac services.
- Forsyth Medical Center opened a Women’s Heart Center that focuses on prevention, early diagnosis, research, treatment and public education of heart disease in women. A cardiac counselor meets one-on-one with women to discuss lifestyle strengths and opportunities for improvement. In addition, a series of exams helps evaluate overall cardiac health.
- Presbyterian Hospital launched a Lung Nodule Evaluation Program where radiology, cancer and pulmonary experts work together to provide timely evaluation and treatment of patients with nodules or lesions using the latest evidence-based medicine.
- Technology also played a key role in advancing clinical care for patients in our communities. The tele-neurology program at Brunswick Novant Medical Center, Kernersville Medical Center and Rowan Regional Medical Center brings specially trained neurologists right to the patient’s bedside using video conferencing technology. This means that patients have access to highly advanced care at their own community hospital.

In addition, obstetricians at nine Novant hospitals now use Smartphone technology to improve care for laboring women and their babies. A new fetal monitoring application sends data – including fetal heartbeats, contraction patterns and other diagnostic information – to a physician’s handheld device or tablet for real-time viewing, allowing for faster interventions when there’s a medical emergency.

For more information on these and other programs, link to any of our hospital websites at www.novanthealth.org.

Melony Seay, RN, ob-gyn, Forsyth Medical Center
The employees and physician partners of Novant embrace a culture where the relentless pursuit of high-quality, safe care for patients is our number one priority.

Kim McMahon, RN, outpatient surgery and Diana Whitaker, RN, clinical nursing, Medical Park Hospital
Leading the Way on Quality & Safety

Hospitals and physician clinics earn state and national recognition for efforts to improve healthcare.

The model for patient care at Novant Health is simple and based on three requests from patients:
• Know me as a person
• Make accessing healthcare easy
• Keep me safe

It’s that third element – safety – that seems so basic. Yet without it, we cannot deliver on our promise of a remarkable experience. That’s why Novant Health embraces a culture where every employee prioritizes safety and mourns the human consequences of failure. We are driven to relentlessly pursue an environment of high-quality, safe care for our patients.

That’s what prompted Felicia Staton, an environmental services technician at Presbyterian Hospital Matthews, to take action one afternoon. While cleaning, she noticed that something “didn’t seem right” with a visitor in the waiting room. She politely asked if he needed anything and, when he didn’t answer, she knew something was wrong. Felicia and a coworker called for help and a team of nurses responded to the emergency, quickly transporting the gentleman to the emergency department for lifesaving heart care.

Stories like Felicia’s illustrate the remarkable care Novant employees and physicians provide every day and bring to life the honors and recognitions earned by our hospitals and physician clinics. In 2011, state and national organizations recognized Novant Health facilities and staff for our work to improve safety and deliver remarkable, quality healthcare.

• Forsyth Medical Center and Presbyterian Hospital earned the Society of Thoracic Surgeons’ Three-Star rating, placing both cardiac programs among the highest rated heart surgery centers in the nation.
• Medical Park Hospital, Rowan Regional Medical Center and Thomasville Medical Center were named among top performing hospitals in The Joint Commission’s 2011 national report on quality and safety.
• Presbyterian Hospital was named one of the 50 Best Hospitals in America for 2011 by Becker’s Hospital Review.
• Presbyterian Orthopaedic Hospital and Rowan Regional Medical Center were two of only four hospitals in the Carolinas named to the 2011 national list of “60 Hospitals with Great Orthopedic Programs” published by Becker’s Hospital Review.
• Forsyth Medical Center, Presbyterian Hospital and Rowan Regional Medical Center were among 28 hospitals nationwide recognized by VHA with its Leadership Award for Clinical Excellence for achieving top performance in 100 quality measures and HCAHPS, which is the patient satisfaction measurement tool used by Medicare.
• Novant Medical Group (NMG) clinics in Winston-Salem were also recognized last year for completing a five-year, nationwide quality project with the Centers for Medicare & Medicaid Services. NMG was one of only 10 provider groups in the nation to participate in this project that measured quality improvement in the areas of diabetes, heart failure, coronary artery disease, hypertension and preventive care. The NMG clinics involved with the program consistently achieved 98-100 percent of all quality measures throughout each year of the demonstration, and NMG was consistently the lowest-cost provider among all participating groups.

We’re honored to earn these national distinctions and remain focused on our goal to become the safest and highest quality healthcare organization in America.

Tammie Cooper, senior patient coordinator at MRI & Imaging of Georgia’s West Paces

See for yourself how Novant Health hospitals compare at www.novanthealth.org/qualitysafety
Novant Health provided $567 million in community benefit in 2011, with financial assistance and health programs that serve some of our communities’ most vulnerable citizens.

Jill McNeely, RN, breast health navigator, Rowan Regional Medical Center
Reaching Out to Neighborhoods & Communities

Novant facilities provide $567 million in community benefit to help the uninsured and those in need.

October was a blur for breast health navigator Jill McNeely. When she wasn’t holding the hands of newly diagnosed patients at Rowan Regional Medical Center, she attended community events across the county educating women and persuading them to schedule a mammogram.

"Have you had a mammogram?" she’d say sweetly, as she slid the sign-up clipboard toward her target audience. In just one month, Jill and her team scheduled appointments for 103 women. And for one woman, that mammogram may have saved her life as the Rowan staff discovered that she had breast cancer.

McNeely and her co-workers represent thousands of nurses, physicians and employees who live out the Novant mission every day in our hospitals, clinics and through community outreach programs. In 2011, Novant Health provided $567 million in community benefit. This total includes our financial assistance for the uninsured and hundreds of programs that serve our patients and some of our communities’ most vulnerable citizens.

It’s through a community partnership that Prince William Hospital combats adolescent obesity and fills a need for organized physical education in schools. On Wednesdays, nearly 4,000 Virginia public school children participate in Fitness Wednesdays, which include education on nutrition and healthy lifestyles, along with 15 minutes of aerobic and strength exercises using equipment purchased by the Prince William Health System Foundation.

Throughout 2011, here are a few ways employees and physicians impacted the people we serve in our communities.

• Franklin Regional Medical Center staff taught stress management techniques and exercises to 80 elementary school teachers.

• Forsyth Medical Center and Rowan Regional Medical Center partnered with local high school football programs to provide certified athletic trainers for onsite treatment, annual sports physicals and health education. The program is based on the model developed by Presbyterian Hospital Matthews.

• Forsyth Medical Center continued funding for a mobile health clinic at Winston-Salem State University (WSSU); while Presbyterian Hospital Community Care Cruiser partnered with Charlotte Community Health Clinic to open a specialized clinic for underserved youth. The VWSU clinic has seen nearly 2,000 patients, while the Charlotte partnership has treated more than 4,043 children since opening its doors.

• Staff at Upstate Carolina Medical Center collected more than 1,200 pounds of food to help provide emergency assistance to individuals and families in Cherokee County.

• The cardiovascular navigator at Presbyterian Hospital Huntersville conducted blood pressure screenings at local barber shops, helping to identify patients at risk for heart disease and stroke.

• Thomasville Medical Center partnered with Davidson County and Lexington Communities in Schools to provide students with personal care supplies such as shampoo, soap and combs. The program helps students with personal hygiene, which can positively affect their ability to learn in school.

For more information on how our hospitals and physician practices give back to our communities, visit www.novanthealth.org/giveback.
Paul Wiles and Carl Armato share a passion for inspiring employees and physicians to pursue unparalleled excellence in patient care, quality and safety.

Carl S. Armato, president and CEO
On Dec. 31, 2011, Paul Wiles, Novant Health’s president and chief executive officer, closed the book on his long and devoted career in healthcare by retiring after 41 years of service to the healthcare system. That moment also marked the beginning of a new chapter in Novant’s history with the introduction of Carl Armato, who was named as Paul’s successor.

Paul’s story began in 1971 with a single, community hospital in Winston-Salem, NC, and ended in 2011 with a flourishing health system of 25,000 employees, 13 hospitals and one of the largest medical groups in the nation with 349 clinic sites. But the size of Novant is just one part of Paul’s leadership story. The other, more important element, is what Paul leaves behind – a passion that’s inspiring employees and physicians to pursue unparalleled excellence in patient care, quality and safety.

Paul’s legacy is summed up in Novant’s vision “to deliver the most remarkable patient experience, in every dimension, every time.”

Carl, who joined the health system in 1996 and formerly served as chief operating officer, embraces that passion for the Novant Health vision because it reminds him of a lesson his father taught him as a child when a neighbor was in trouble. His father told him, “Help her.” It taught him early on to ask that one simple, yet powerful question, “How can I help you?” – a question he believes is the spirit of Novant and the heart of the remarkable patient experience.

This philosophy will serve Novant as a powerful influence as we face unprecedented changes within the healthcare industry over the next several years. And it’s these changes that prompted Carl to challenge every employee and physician partner to design a new system of healthcare for our organization, a system where patients and their families...

- Receive the highest quality care and service in an ultra-safe environment
- Are at the center of all discussions and decisions about their healthcare, giving them a voice and a choice in their care
- Can easily access our facilities and services
- Judge the healthcare experience as affordable and bringing them value
- Feel that the care is uniquely tailored to meet their personal needs

Under Carl’s leadership, the health system will fulfill the promise of a remarkable patient experience by continuing to press forward on key initiatives such as the electronic health record, Patient Centered Medical Home in physician practices and transforming care at the bedside and at every place where patients access services.

Our patients and our communities have trusted Novant Health with their healthcare needs for generations. Now, as in the past, Novant employees and physicians will channel their passion for excellence into a new model of healthcare that delivers a remarkable patient experience, in every dimension, every time.

Paul Wiles: Novant Health’s former president and chief executive officer.
Novant Health reported net income of $1 million in 2011, breaking down as follows: a positive operating income of $20 million and investment losses of $19 million.

In 2010, the health system recorded a net income of $168 million, comprised of $65 million of operating income and $93 million in investment income. Investment performance created the most significant difference between the two years, decreasing by $112 million from 2010 to 2011.

Carl Armato, Novant Health’s president and CEO, explained that the health system focuses on four annual goals: financial health, exceeding national benchmarks in the quality of patient care, transforming the way facilities and staff deliver care to improve a patient’s and family’s experience and transitioning to an electronic health record, which is the most complex and expensive project in Novant’s history.

“‘The investment in a single patient record is costly, but it’s also the right thing to do for the patients we serve,’ Carl commented. ‘Our electronic health record will contribute to safety, the quality of care, access to services and improved communication between staff, physicians and patients.’

Carl explained that Novant wants to lead the nation in improving the quality and safety of care. ‘Our patients and communities deserve that aspiration and I’m proud of what our physicians, nurses and staff have accomplished,’ he commented. Novant hospitals participate in the nation’s inpatient quality public reporting program, which includes 35 separate clinical measurements per hospital ranging from heart disease to surgery to pneumonia care.

In 2011, Novant hospitals and their quality measurements ranked in the top 10 percent nationwide, 86 percent of the time. “We’ve maintained a relentless focus and made significant investment in providing quality healthcare,” Carl noted.

The slow economy and high unemployment continued to impact revenue in 2011. Novant facilities provide charity care to uninsured patients who qualify for the health system’s financial assistance programs. That cost rose 5 percent from 2010 to 2011 and, over the last five years, has doubled at Novant facilities. Overall, Novant Health provided $567 million of total community benefit in 2011, which includes charity care, community outreach, support of free medical clinics for the uninsured and poor, unfunded care by government programs and other expenses.

Another factor that lowered the organization’s net income in 2011 was a one-time, non-cash, $44 million adjustment in the system’s financial statements. The adjustment was a re-evaluation of the accounting value of a transaction that occurred several years ago with Health Management Associates.

The federal Medicare program for seniors continues to reduce payments to hospitals and divert those funds to help pay for the health reform law and its insurance expansion. Medicare is implementing annual cuts to hospitals for 10 consecutive years to help pay for insurance expansion. In addition, the state Medicaid programs have decreased reimbursement to healthcare providers over the past few years.
Novant Health Facilities

Novant Health is a not-for-profit integrated group of hospitals and physician clinics, caring for patients and communities in North and South Carolina, Georgia and Virginia. The Novant Medical Group consists of 1,130 physicians in 349 clinic locations. Hospital affiliates include Presbyterian Hospital, Presbyterian Orthopaedic Hospital, Presbyterian Hospital Matthews and Presbyterian Hospital Huntersville in the Charlotte area; Forsyth Medical Center and Medical Park Hospital in Winston-Salem; Kernersville Medical Center in Kernersville; Thomasville Medical Center in Thomasville; Brunswick Novant Medical Center in Bolivia; Rowan Regional Medical Center in Salisbury; Franklin Regional Medical Center in Louisburg; Prince William Hospital in Manassas, VA and Upstate Carolina Medical Center in Gaffney, SC. Other Novant facilities and programs include diagnostic imaging centers, outpatient surgery centers, medical plazas, rehabilitation programs and community health outreach programs.

Summary Balance Sheet
(In 000s) as of December 31, 2011

| Cash and investments | $1,569,120 |
| Property, plant and equipment, net | $1,558,386 |
| Other assets | $836,469 |
| **Total Assets** | **$4,481,951** |

| Current liabilities | $670,595 |
| Long-term debt | $1,531,976 |
| Other liabilities | $402,090 |
| **Net Assets** | **$1,887,290** |

Summary Statement of Revenue and Expenses
(In 000s) as of December 31, 2011

| Operating Revenue | $3,453,129 |
| OPERATING EXPENSES |
| Labor and benefits | $1,797,221 |
| Supplies and other expenses | $1,138,192 |
| Provision for bad debt | $185,579 |
| Depreciation and interest | $267,796 |
| Loss on impairment | $44,118 |
| **Total Operating Expense** | **$3,432,906** |
| Operating income | $20,223 |
| Non-operating expense | $(19,333) |
| **Excess of Revenue Over Expenses** | **$890** |

Service Volume Growth

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<tr>
<th>2009</th>
<th>2010</th>
<th>2011</th>
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<tr>
<td>Licensed beds</td>
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<td>Maintained beds</td>
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<tr>
<td>Newborn deliveries</td>
<td>18,693</td>
<td>18,698</td>
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Net Income
(In 000s)

| 2009 | + $196,754 |
| 2010 | + $157,973 |
| 2011 | + $1,000 |

Net Revenues
(In 000s)

| 2009 | + $3,338,827 |
| 2010 | + $3,392,215 |
| 2011 | + $3,453,129 |
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Corporate office: 2085 Frontis Plaza Boulevard, Winston-Salem, NC 27103 • www.NovantHealth.org