

# NH

*Experiencing*  
remarkable



2018 annual report

**NH** NOVANT<sup>®</sup>  
HEALTH

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# *Experience* is everything



Novant Health exists to make our communities healthier, one person at a time. But that means not only delivering excellence in medical care — it means delivering a truly remarkable healthcare experience.

Remarkable healthcare means making a doctor's appointment is simple and navigating hospital hallways is easy. It's a nurse who asks questions and listens — closely — to the patient's answers, and a care team that shares information to ensure smooth handoffs. It's a doctor who uses leading-edge treatments and highest quality standards to deliver top-notch care. Remarkable healthcare isn't an event — it's an experience.

In 2018, Novant Health continued to invest time, talent and resources into enhancing the healthcare experience. In some cases, we lifted barriers. For example, we recognized that the stigma surrounding mental illness and substance misuse disorder sometimes keeps people away from treatment. We deployed resources to reduce stigma and remove barriers to care. Part of those efforts included changing the very language our team uses to discuss those conditions.

We added locations and services to make care customized and close to home. We're helping cancer patients manage side effects through Novant Health Integrative Medicine, a Charlotte center that pairs cancer treatments with acupuncture, exercise and other complementary care. In Brunswick County, we launched services to provide enhanced recovery after surgery, which reduces the need for pain medications; in the greater Winston-Salem market's Guilford County, we expanded endocrine and orthopedics care; and in Virginia, we piloted a program to screen diabetic patients for preventable blindness.

In the opening of our newest hospital, we incorporated "remarkable experience" into the very building. We designed Novant Health Mint Hill Medical Center with provider input, following a blueprint we established with hospitals such as Novant Health Clemmons Medical Center and Novant Health UVA Health System Haymarket Medical Center. At Mint Hill, we chose everything with experience in mind, from cellphone charging stations to the paint colors on the walls.

At Novant Health, we believe experience is everything. I know that because of my own story — that of someone with a chronic health condition, type 1 diabetes. In 2018 I wrote a book, *A Future With Hope: An Inspiring Guide to Overcoming Diabetes*. My hope is that sharing my story will improve the experience of others affected by a healthcare challenge.

I'm proud of all our team has done to transform the healthcare experience. There's so much to celebrate. And so much more to come.

A handwritten signature in black ink that reads "Carl S. Armato". The signature is fluid and cursive.

Carl S. Armato  
President and CEO, Novant Health

# *Building* a hospital, *adding* doctors, *growing* services



## **P**atient rooms painted in colors found in nature, with windows

looking out onto trees. Doorways designed differently to quickly move mothers in labor. Photographs and paintings created by local artists.

In October 2018, we built on our previous experience and created our newest hospital, Novant Health Mint Hill Medical Center, by asking team members who are involved in direct patient care to weigh in on design decisions. The result? Everything from the hallway layout to the grounds outside was created with the patient in mind.

The opening of Mint Hill Medical Center embodied our goal for growth: to extend a remarkable experience to communities that need us.

We positioned the Mint Hill Medical Center emergency room and imaging area immediately next to each other to streamline care. For women giving birth, we created larger rooms to better accommodate visitors, and widened doorways so beds could be quickly wheeled out if emergency surgery is needed.

We took steps to ease patients' anxiety, adding soothing music and pictures of nature scenes on the ceilings of the imaging rooms. We held a call for local artists, and the result is a medical center filled with more than 300 pieces of original, local art. A "history hallway" further highlights the hospital's ties with the community by featuring exhibits from Mint Hill's early days of medical care.



Outside, visitors, patients and team members can rest in rocking chairs or stroll the healing garden with a fountain donated by a local family. We even plan to provide parking for golf carts — because the hospital’s next door neighbor is an active 55-and-up neighborhood where residents can use golf carts and walking paths to connect to our facility. A helipad allows us to transport patients for additional care.

In addition to opening a new comprehensive hospital, we forged new alliances to deliver excellent care where it’s most needed. We partnered with GoHealth Urgent Care, one of the nation’s fastest-growing urgent care companies, to create a large network of urgent care centers across North Carolina, giving communities ready access to high quality, patient-focused care when the unexpected happens.

We continue to be proud of our longstanding physician partner model, which expanded even further in 2018 as we welcomed new physician experts. Remarkable care is only possible with the superior medical services these remarkable physicians provide.

Novant Health Medical Group, one of the nation’s largest medical groups, in 2018 grew by an average of a clinic a week, and added physicians and services across the region. As the medical group grew in locations and providers, it also grew in ease of access. We completed more than 10,000 e-visits with our patients, saw more than 300,000 appointments made through MyChart for the year and, each month, scheduled more than 4,300 appointments through open scheduling.

As we expand services, providers and locations, we’ll grow with a single goal: to ensure that more people experience remarkable healthcare. •

## Renovating a hospital, transforming an experience

Sherrie Carroll has seen a lot during the 20 years she’s worked at Novant Health UVA Health System Prince William Medical Center. But nothing beats the looks she now sees on visitors’ faces as they enter the hospital’s gleaming new lobby.

“People are just amazed,” said Carroll, guest services representative. “It’s very open. The whole front of the façade is glass. The furnishings are nice. The artwork is absolutely beautiful.”

The soothing comfort and bright, modern feel to the lobby is the result of a sweeping facility upgrade at Prince William that was aimed at dramatically improving the patient and visitor experience. The project is part of our commitment to growing not only in size — but in ways that delight our patients and team. It’s a renovation that embodies the imperative to anticipate and respond to the needs of patients and communities.

The Prince William Medical Center renovation means that patients can customize the comfort of their rooms, thanks to an upgrade that lets them control their room temperature. Friends and family have a better experience when they visit because parking is closer and more accessible. We renovated the interfaith room of reflection, created a new gift shop and planted a healing garden right outside the new entrance. But perhaps the biggest improvement was to create separate public and private corridors so that patients are no longer transported through a public lobby on their way to treatment.

“To me that is the best thing that happened,” Carroll said. “Now there’s a private area for patient transport and staff, and the public area is now very beautiful, inviting and open.”

Touches like a charging station for cellphones, additional seating and floor-to-ceiling windows are all appreciated by guests and team members alike, said Nathan Hellem, guest services representative. “The patients, guests and visitors love the player piano. It gives the hospital a completely different atmosphere. We have even had a few virtuoso guests sit down and play us a tune,” he said. The transformed lobby is so inviting, he said, that at least one visitor told him, “I never want to leave!”



# The *healthcare* experience we all want

**G**etting a doctor's appointment should be simple. Receiving advanced treatments close to home ought to be the rule, not the exception. And every patient should be treated with courtesy and compassion.

At Novant Health, these are a few of our core beliefs. And in 2018, they and our strategic imperative to employ technology, innovation and business intelligence guided enhancements to what patients and their families experience when they walk through our doors.

We launched Novant Health Community Voice, an electronic advisory council, and thousands of our patients and family members now give feedback on how we're doing. Patients told us what they like — things like smartphone-friendly waiting rooms, lobbies without TVs and being personally greeted. As a result, we made changes in our facilities. Patients said they want easy access to advanced care. So we made it possible for patients to schedule their own appointments with specialists by going online.

Sometimes, making the patient experience better means bringing healthcare to new places — like sports fields. We brought providers to athletic fields to check kids for concussions and attend to injuries, bringing treatment right where it's most needed.

The experience Novant Health offers starts with our youngest patients. In 2018, we were proud to add Novant Health Brunswick Medical Center and Novant Health

Huntersville Medical Center to our growing list of hospitals with Baby-Friendly status and receive recertification for Novant Health UVA Health System Culpeper Medical Center. It's a designation that ensures babies get the strongest possible start. We strengthened pediatric care by adding pediatricians and pediatric specialists throughout the system.

We recognized the right thing to do for our patients was to provide leading-edge screening and treatments. As a result, we brought much-needed neurology services to the North Carolina Triad and high-risk genetic cancer screening to Novant Health UVA Health System Haymarket Medical Center.

We invested more in outpatient opioid use disorder programs in Manassas, Virginia, and in Matthews, Salisbury and Winston-Salem, North Carolina, and our inpatient medical detox program at Novant Health UVA Health System Prince William Medical Center. We opened a new senior care clinic in Matthews, North Carolina, and expanded end-of-life care by offering Novant Health Hospice as a department of Novant Health Rowan Medical Center.

A remarkable healthcare experience means operational excellence on the part of our team. That quality, along with convenience and compassion, is what Novant Health offers patients, now more than ever. •

## A scary diagnosis — but a bright future



When 10-year-old Sammy Rowland complained about severe headaches in spring of 2018, his family knew something was wrong. But just how wrong only became clear after Sammy got a scan. They heard the most traumatic news they could imagine: “Your child has a brain tumor.”

That’s when they were referred to Charlotte-based Erin Kiehna, MD, Novant Health’s first pediatric neurosurgeon.

“Dr. Kiehna was always positive and reassuring and kept us all calm,” said Joey Rowland, Sammy’s father. Kiehna assured the family that Sammy was in good hands.

“I can take out the tumor,” Kiehna told Sammy, an avid baseball player, “and you will be well enough to play in your Little League All-Star game at the end of the month.”

Using an advanced, minimally invasive approach, Kiehna slid a delicate instrument down the brain’s natural pathways and removed the tumor without damaging the brain. “We were able to preserve his memory function, his speech, his visual fibers,” she said. “Sammy had his surgery on a Friday and he was back home on a Monday.”

Joey said the family’s experience with the whole Novant Health team was “unmatched.” Today Sammy is back to his old self — and back at bat.



# Experiencing work as a mission



**G**rowth. Meaning. A future. They're what all of us want, out of our jobs — and our lives. We took extraordinary steps in 2018 to help team members have more of all three.

We did it because if team members have a great work experience, they're better able to experience their work as it's meant to be: a mission. Novant Health in 2018 achieved its strategic imperative to have a high-performing, change-ready and resilient team by investing in our people and their experience.

Novant Health took a stand on economic mobility, adjusting the minimum wage for 5,000 team members in North Carolina, raising it from \$11 to \$12.50 per hour, which equates to a \$4 million investment in the team. This is the second time in two years we've done this, and it goes well beyond the state-mandated minimum hourly rate. Virginia team members received a wage adjustment a year earlier.

We also launched a pilot program in Winston-Salem to address the intertwined problems of food insecurity and uncontrolled diabetes. Novant Health provides enrolled team members with fresh, healthy food, diet coaching and connection with community resources.

In focus groups, our team members confirmed that time and money are barriers to career mobility. This led to the creation of a program to help certified nursing assistants (CNAs) become registered nurses. This CNA-to-RN program, piloting in Charlotte with the help of the ONE Charlotte Health Alliance, provides upfront scholarships for tuition and fees for up to two years of nursing school and a flexible schedule to help them take classes.

This scholarship program builds on initiatives such as our nurse residency program, which eases the transition from books to bedside and prepares nurses for new challenges.

Team members have to know that their unique experiences, perspectives and voices are valued. We created a traveling exhibit, #IamNovantHealth, telling the stories of team members through words, photos and videos to share the importance of diversity and inclusion.

We're proud of the new ways in which we're building an even better experience for our team — allowing all of us to better focus on our mission. •



## 'You're not by yourself'



JoAnna Jones graduated with her bachelor's of nursing degree in 2018, but she quickly found that the RN reality is different from the classroom.

"It's overwhelming to be on the floor your first week," said Jones. "I just felt in over my head."

But just as quickly, Novant Health's nurse residency program came to the rescue. Jones and other fellow grads in the program are shepherded for a year with the help of a mentor, classes and rotations through different units. Jones started at Novant Health Kernersville Medical Center's emergency department, then moved to Novant Health Thomasville Medical Center, and will finish her rotation at Novant Health Forsyth Medical Center. Jones said she's found the extra layer of support invaluable in building her resiliency.

"You're not by yourself. You have all these people you can talk to," she said. "I didn't realize how needed the support was." Whether she found herself explaining at-home burn care to one patient or giving a blood transfusion to another, Jones said she has new confidence because of the program.

The residency program "is very important, not just for helping you find where you're best, but also making you more well-rounded," she said. "Novant Health is working really hard to take an interest in your career development. They want you to be happy and practicing at the top of your license. It makes you a better nurse."



# Embracing OUR communities

**W**hat does the community experience when children grow up healthy, adults prevent disease and control chronic conditions, and neighbors are helped in times of crisis? The answer is simple: health and wholeness.

We met our strategic imperative of improving health in 2018 by developing a system of care that focuses on keeping our communities healthy. Our pursuit of the region's well-being took many forms — from free immunizations for children in need to helping communities reeling from Hurricane Florence.

Our team brought water and helped clean up a Greensboro community after a tornado in April. Seniors across our markets experienced the Novant Health commitment to care through drives that collect clothing and household items. Newborns in Brunswick County benefited from the community baby shower we held for moms in need. People with undiagnosed conditions in Virginia, the Winston-Salem area and elsewhere received potentially lifesaving screenings free of charge.

Novant Health in Charlotte joined former Carolina Panthers Steve Smith through his Smith Family Wellness Center and nonprofit Project 658 to provide free back-to-school physicals and immunizations for those without easy access to such services — part of

our commitment to erasing healthcare disparities.

That commitment grew in 2018 through our partnership with another health system and the Mecklenburg County Health Department through ONE Charlotte Health Alliance, which provides support in education, jobs, health and justice for excluded communities. We launched mobile primary care units to deliver much-needed care and created plans to launch mobile food pharmacies. In the Winston-Salem area, Novant Health partnered with another local health system to open Highland Avenue Primary Care, which offers primary care and 24/7 behavioral health urgent care to underserved patient populations in Winston-Salem.

Perhaps the event that best capsulized Novant Health's dedication to giving back was Hurricane Florence, which slammed the Carolinas coast in September, destroying homes and taking lives. Team members at Novant Health Brunswick Medical Center stayed at the hospital around-the-clock, serving patients, while others worked in makeshift clinics set up in schools. The Novant Health team in all our communities sent money and goods to storm-hit communities. Through it all, team members demonstrated selfless compassion for our friends, neighbors, and all we serve. •

## Delivering hope and healing in the heart of the storm



When Hurricane Florence barreled into the North Carolina coast, lifelong resident Daryl Turlington knew his community was facing something almost unprecedented.

"Florence was the worst I've ever seen," the Novant Health Brunswick Medical Center physician assistant said. "There

was widespread destruction. The difference between Florence and other hurricanes is how long Florence stuck around, which limited our recovery efforts."

Turlington wanted to help, and quickly realized evacuees at a temporary shelter located at Wilmington's John T. Hoggard High School were in deep need. Some evacuees had fled without medication they needed. Some elderly patients with

chronic obstructive pulmonary disease struggled to breathe. Others were dehydrated and needed fluid.

Hurricane Florence brought out the best in Novant Health team members. They gave tens of thousands of dollars, sent supplies, volunteered to serve outside our facilities and met each crisis with compassion.

Leslie Bortle, a Brunswick emergency room nurse whose own family was sheltering in a hotel, served at a shelter set up at West Brunswick High School, where hundreds of people had taken refuge. Many evacuees required special medical care, and Bortle and other Novant Health team members were there.

The spirit Novant Health team members exhibited during the storm is the same one that inspires our team each day, as we seek to make communities healthier, one person at a time.



# Investing in the future of our communities

**F**or 2018, Novant Health reported a net income of \$94 million on operating revenues of nearly \$5 billion. The not-for-profit health system also reported \$883.7 million in total community benefit, including \$154.7 million in financial assistance to members in the communities we serve.

Novant Health's community benefit includes hundreds of programs, such as unreimbursed health services to individuals with Medicaid and Medicare coverage; community health education; support groups; partnerships with other organizations to provide outreach services; community events and screenings; and participation in medical research and academic health programs.

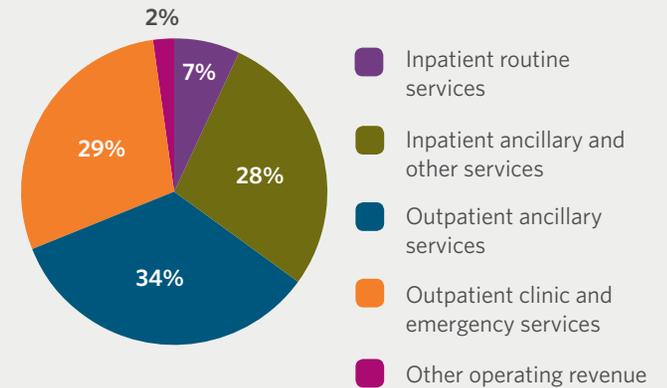
Novant Health Mint Hill Medical Center opened in October 2018, fully embraced by the city of Mint Hill. Improved access to community care meant 60 babies were born in their hometown, more than 6,600 patients received care close to home, and more than 330 team members brought remarkable healthcare to Mint Hill.

In 2018, capital investments totaled \$390.8 million and, in addition to ongoing investments

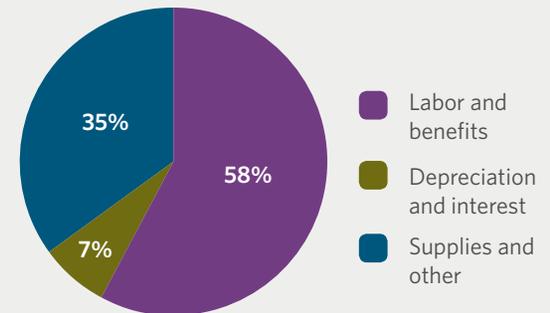
in technology and the completion of Mint Hill Medical Center, key projects included:

- The opening of Novant Health Brunswick Endoscopy Center, Brunswick County's first freestanding outpatient endoscopy center.
- Continued construction to add 48 beds to Novant Health Huntersville Medical Center, scheduled to open summer 2019.
- The opening of Winston-Salem's 68-bed Novant Health Rehabilitation Hospital in partnership with Encompass Health, formerly known as HealthSouth.
- Continued construction on the John M. and Claudia W. Belk Heart & Vascular Institute and Edward I. and Agnes B. Weisiger Cancer Institute in Charlotte, scheduled to open in 2020.
- Partnering with GoHealth Urgent Care to open at least 15 Novant Health-GoHealth Urgent Cares in North Carolina.
- Opening, on average, one new Novant Health Medical Group clinic per week. •

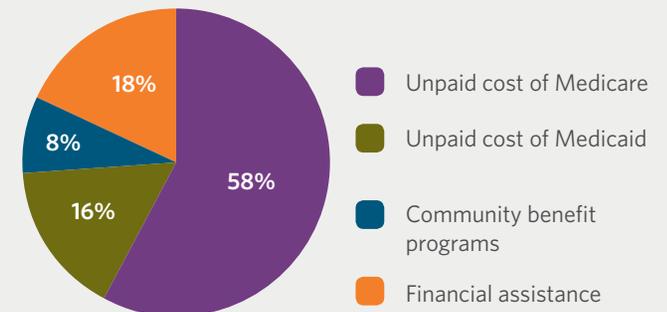
## Sources of revenue



## Distribution of expenses



## Community benefits



## Summary of balance sheet

(in 000s) as of Dec. 31, 2018

Cash and investments	\$2,870,982
Other current assets	805,393
Property, plant and equipment, net	2,173,021
Other assets	673,161
<b>Total assets</b>	<b>\$ 6,522,557</b>
Current liabilities	\$1,039,269
Long-term debt	1,060,877
Other liabilities	383,511
<b>Total liabilities</b>	<b>\$2,483,657</b>
<b>Net assets</b>	
Unrestricted	\$3,961,367
Restricted	77,533
<b>Total net assets</b>	<b>\$4,038,900</b>
<b>Total liabilities and net assets</b>	<b>\$6,522,557</b>

## Summary statement of revenue and expenses

(in 000s) for the year ended Dec. 31, 2018

<b>Operating revenue</b>	<b>\$4,985,876</b>
<b>Operating expenses</b>	
Labor and benefits	\$2,736,346
Supplies and other expenses	1,657,375
Depreciation and interest	319,952
<b>Total operating expenses</b>	<b>\$4,713,673</b>
Operating income	\$ 272,203
Nonoperating income	(178,191)
<b>Excess of revenues over expenses</b>	<b>\$94,012</b>

## Service volume growth

	2018	2017	2016
Licensed beds	2,683	2,717	2,697
Maintained beds	1,974	1,884	1,890
Inpatient discharges	130,474	126,326	122,662
Adjusted patient days	1,288,445	1,250,454	1,213,052
ER visits	544,825	538,911	539,085
Surgeries	140,643	133,953	132,611
Physician office visits	5,062,818	4,739,636	4,425,334
Newborn deliveries	20,385	19,994	19,685
Employees	30,238	28,092	26,532



# Our *leadership*

## Novant Health executive team

**Carl S. Armato**  
President and CEO

**Tanya S. Blackmon**  
Executive vice president and  
chief diversity, inclusion and equity officer

**Jesse J. Cureton**  
Executive vice president and chief consumer officer

**Frank E. Emory Jr.**  
Executive vice president and chief legal officer

**Eric Eskioglu, MD**  
Executive vice president and chief medical officer

**Fred M. Hargett**  
Executive vice president and chief financial officer

**Jeffery T. Lindsay**  
Executive vice president and chief operating officer

**Denise B. Mihal**  
Executive vice president and chief nursing  
and clinical operations officer

**Pamela A. Oliver, MD**  
Executive vice president and president of  
Novant Health Physician Network

**Janet M. Smith-Hill**  
Executive vice president and chief  
human resources officer

**Angela J. Yochem**  
Executive vice president and chief  
digital and technology officer

## Novant Health board of trustees

**Chairman**  
**G. Patrick Phillips**  
Bank of America (retired)

**Vice chairman**  
**Robert M. Barr, MD**  
Mecklenburg Radiology Associates, PA

**Secretary treasurer**  
**Laura A. Schulte**  
Wells Fargo (retired)

**President**  
**Carl S. Armato**  
Novant Health

**Deborah M. Ally**  
United Way of Gaston County

**James F. Amos**  
U.S. Marine Corps (retired general)

**Alvaro G. de Molina**  
Bank of America (retired)

**Joia M. Johnson**  
Hanesbrands Inc.  
(Ex-officio, nonvoting member)

**Christine P. Katziff**  
Bank of America

**Viola A. Lyles**  
Mayor, city of Charlotte

**Ian A. McDonald**  
BAE Systems (retired)

**Daniel W. Murphy, MD**  
Gastroenterology Associates of the Piedmont

**R. Lee Myers**  
Myers Law Firm  
(Ex-officio, nonvoting member)

**T. David Neill**  
Bob Neill Inc.

**David R. Plyler**  
Forsyth County Board of Commissioners

**Larry D. Stone**  
Lowe's Companies (retired)

