
HeRO Playbook 2026

Safety, quality
and the remarkable
patient experience



HeRO Playbook 2026

I'm honored to share the 2026 HeRO Playbook — an updated guide that reflects the remarkable work we are doing together to strengthen safety, quality, health equity and the overall experience of those we serve at Novant Health.

Healthcare continues to evolve at a rapid pace, and our focus on excellence, accountability and continuous improvement has never been more important. The HeRO Playbook supports our advancement

toward high reliability and reinforces the standards and behaviors that ensure we deliver safe, equitable and compassionate care — every patient, every time.

The principles in this playbook come to life through you. Thank you for living Our Cause and for the dedication you bring each day to improving outcomes, building trust and delivering remarkable care across our communities.

Carl S. Armato
President and CEO, Novant Health

As chair of the Novant Health board of trustees, I want to express my sincere appreciation for the role each of you plays in advancing Our Cause.

The HeRO Playbook reflects the deep responsibility we carry to the patients and communities who place their trust in us. Your teamwork and shared commitment bring its principles to life — ensuring the care we provide is safe, equitable and consistently high quality.

Thank you for strengthening a culture rooted in reliability, accountability and compassion. Your dedication continues to inspire confidence and drive meaningful impact across Novant Health.

Christine P. Katziff
Chair, Novant Health board of trustees

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From the
patient

“The doctor was very professional and caring. The staff was efficient, and the facility was exceptionally clean and comfortable. Considering this was a new procedure for me, you all made me feel cared for and safe.”



HeRO Playbook overview

INTRODUCTION

Welcome to the Novant Health HeRO Playbook! This playbook serves as the unifying framework for safety, quality, care variation and patient experience within our organization. Our goal is to foster a culture of continuous improvement and learning as we progress on our high reliability (HRO) journey. We aim to empower our leaders, physicians, advanced practice providers (APPs), nurses and all clinical staff to actively monitor and optimize the care we deliver, building on Novant Health’s long-standing history of clinical excellence.

WHAT IS A HIGH RELIABILITY ORGANIZATION (HRO)?

Our playbook is called the "HeRO Playbook" to honor our clinical teams, who deliver outstanding care around the clock. The name also plays on the concept of a high reliability organization (HRO). HRO, a concept derived from safety and quality science, emphasizes the importance of managing change and complexity in complicated systems, like healthcare, while maintaining high reliability in environments that present potential hazards. Although this concept originated in industries such as nuclear power and aviation, it is crucial that healthcare embraces these principles to prevent harm and maximize quality.

This playbook includes:

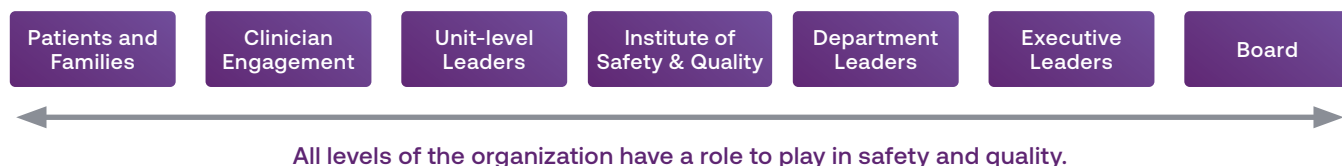
- Current safety, quality, health equity and patient experience priorities with annual and long-term goals
- Practical tools that the organization uses to promote safety, quality, health equity and patient experience
- Data tools that give insight and benchmark our performance against like healthcare systems
- Health equity initiatives and the importance of data in ensuring that all our patients have equal access to care and comparable outcomes
- Current initiatives to reduce clinical variation in the care we provide
- Insight into the teams that support this work

STRATEGIC DIRECTION

The first Novant Health HeRO Playbook was created in 2024 to help our clinical team members unite around a shared vision for safety, quality, health equity and patient experience, while recognizing the exceptional care our teams already provide. The HeRO Playbook is not just “another new program;” it is a framework designed to enhance the work we are already doing as an organization. It serves as the foundation for our clinical care strategies and a tool to foster organizational understanding.



Healthcare is rapidly evolving, and we believe that having a unified approach to continuous improvement and organizational learning will enable us to collectively prioritize what is best for our patients, both now and in the future. Our goal is to shift from a project-based approach to safety and quality to one of “whole system quality,” where every part of our organization understands its role in consistently delivering safe, high-quality care to our patients.



STRATEGIC PARTNERSHIPS

As an organization, it is crucial to leverage both internal and external resources to enhance the clinical care we provide. These resources include data management platforms and analytic engines that help optimize patient care, meet regulatory requirements and navigate the complexities of payor expectations and value-based contracts. Additionally, these platforms enable us to standardize data schemas, ensuring consistency when sharing information across the system. To further support our efforts, we have established strategic partnerships with several external organizations to deliver best-in-class clinical care.



A word about safety and quality metrics

Through the HeRO Playbook, you will notice a focus on a variety of safety and quality metrics. One of the challenges of developing these metrics and working within the science of quality improvement is how to best measure the care we provide.

We have all heard the expression that “medicine is both an art and a science.” The art and science (not to mention philosophy) of medicine can make attempts to quantitate the care we provide a challenge. Biological systems are extremely complicated; they do not care about quality programs, metrics or the complexity of the modern healthcare landscape. We recognize that quality metrics are imperfect and may point to an issue we should focus on even if there is not an ideal way to measure that process or outcome.

Our focus must always be on the patient and not “improving a number.” Understand that quality metrics are one view to benchmark our care against other healthcare systems and to discover true clinical opportunities.



ANNUAL GOALS

Each year, our organization sets key safety and quality goals, which are presented to the Novant Health board of trustees. These goals are developed by the Novant Health Institute of Safety & Quality in collaboration with various stakeholders, including clinical team members and leaders. Ideas for these goals are derived from existing clinical tools and focus on identifying opportunities for clinical improvement and reducing care variation.



The annual goals presented to the board of trustees do not encompass all the projects that our physicians, APPs, nurses, clinical leaders and other staff work on throughout the year. These efforts are continuously adjusted to meet new challenges and improve the quality of care we provide. The board of trustees approves these annual goals for our acute care facilities, ambulatory clinics and ambulatory surgery centers.

Acute care

The Vizient Quality & Accountability (Q&A) score is a benchmark that compares hundreds of hospitals nationwide based on data from the Vizient Clinical Database (CDB). The Q&A score is made up of six performance domains that include mortality, safety, effectiveness, efficiency, patient experience and care variation.

Over the past few years, Novant Health acute care facilities have consistently ranked among the top, with 82% of our facilities earning 4- or 5-star ratings, compared to just 30% of similar facilities in the Vizient CDB. In 2026, we will continue to focus on improving our Q&A scores while maintaining our top-tier performance.

Ambulatory

The quality goals for our ambulatory sites and clinics are developed annually through discussions with clinical leaders within Novant Health Medical Group (NHMG) and the Quality Operations Team (QOT). Metrics are selected based on opportunities to improve care, outcomes and cost, with some targets determined by payors and value-based contracts. Quality improvement is a priority across all ambulatory sites, regardless of medical specialty.

Traditionally, these metrics have been managed by the Novant Health Community Health & Wellness Institute (CHAWI), which has excelled in driving best-in-class performance. However, the organization recognizes that the development and improvement of ambulatory metrics cannot rest solely with one institute — everyone plays a role in enhancing the care and outcomes of our patients.

Our specialty clinical institutes have identified specific ambulatory quality opportunities to focus on this year (see page 15). For our annual incentive metrics, we will focus on 10 key metrics and 5 care variation opportunities.

Ambulatory surgery centers

Our ambulatory surgery centers continue to perform outstanding work, and their role in the healthcare landscape is growing as more surgical procedures shift from acute care facilities to the ambulatory setting. We measure quality in these centers using metrics set by the Centers for Medicare & Medicaid Services (CMS) and other sources, in collaboration with our Novant Health Surgical Institute leadership.

This year, our dashboard will include 14 specific care sites focusing on 13 metrics based on what procedures are performed at each location.

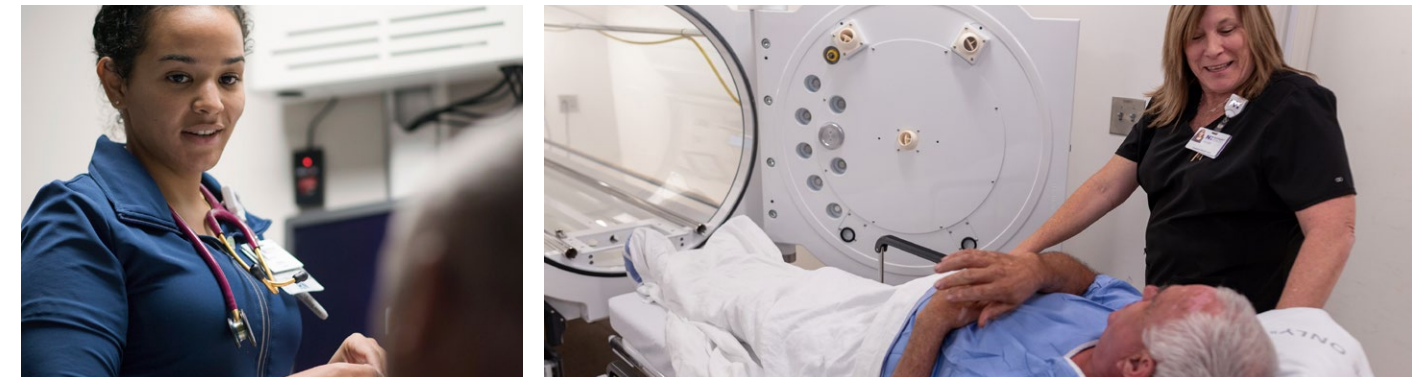
LONG-TERM GOALS

In addition to our annual goals, our organization also sets long-term goals, which span three years. These goals focus on larger, broader projects that require more time to analyze data, implement interventions and maximize outcomes. The objective of these three-year cycles is to identify a clinical care opportunity, develop a plan for improvement in Year 1, achieve target performance in Year 2 and maintain that performance in Year 3.

In previous years, our long-term goals have focused on areas such as opioid prescribing, hospital-acquired infections, sepsis and congestive heart failure. Our most recent safety and quality long-term goal focused on efficiency and capacity management and flow.

From the patient

“As someone who is visually impaired, I never felt uncomfortable, overlooked or disrespected. The staff thoughtfully described everything during my visit and procedure, making me feel safe and supported throughout. I sincerely thank the entire team for their excellent care.”



Diagnostic excellence — 2026 initiative

In 2026, we are excited to introduce a new initiative: Diagnostic excellence.

National organizations, including the CDC and the Agency for Healthcare Research and Quality (AHRQ), have identified diagnostic errors as a persistent challenge across U.S. healthcare. These errors, ranging from missed or delayed diagnoses to unnecessary testing and overdiagnosis, can significantly impact patient outcomes. In response, these organizations have issued guidelines to strengthen diagnostic stewardship and improve diagnostic accuracy.

Our goal is to ensure that the *right diagnostic studies* are performed at the *right time*, enabling timely diagnoses, appropriate treatment and clear, effective communication with patients and care teams. This work is a critical patient safety priority and aligns seamlessly with our **First Do No Harm** mission.

DIAGNOSTIC EXCELLENCE PURPOSE STATEMENT

To ensure the best possible outcomes for patients, we prioritize performing the right diagnostic studies, enabling patient-centered decision-making and clear, effective communication with patients and their care teams.

We believe this initiative will further advance our mission of reducing harm and delivering best in class care. A systemwide Diagnostic Excellence Council has been established to lead this work, with local teams playing a key role in adopting and operationalizing these efforts.

From the patient

“Exceptional staff — courteous, knowledgeable, and inspired great confidence. I felt a true team collaboration focused on precise results. It was a comforting experience to see such a caring group working together to keep me safe.”



HeRO safety management system

At Novant Health, we aim to create a culture of safety for our patients and team members.

Our safety focus is to create an environment in which our patients are safe and free from harm when they are in our care. It also builds a work environment that promotes open communication and timely feedback about patient and team member safety as well as care experience, which is guided by the expectation of First, Do No Harm.

Novant Health has made a commitment to zero preventable harm. Not only can we reduce errors, but we also have an obligation to prevent harm from reaching our patients and team members.



SAFETY AND EXPERIENCE AMBASSADOR/PATIENT SAFETY COACH

Safety and Experience Ambassadors (acute) and Patient Safety Coaches (NHMG) are team members who are specially trained to coach, mentor, assist and collaborate with peers, as well as observe peers’ work behaviors and provide real-time feedback about practice and compliance with Novant Health’s safety behaviors to prevent events of harm to our patients.

SAFETY CULTURE SURVEY

We conduct a systemwide safety survey of our team members at regular intervals and use the results to improve our culture of safety.

FIRST, DO NO HARM: SAFETY BEHAVIORS AND ERROR PREVENTION TOOLS

First, Do No Harm program utilizes our five safety behaviors and error prevention tools, including:

1. **Practice with a questioning attitude.**
Stop, reflect and resolve in the face of uncertainty.
2. **Communicate clearly.**
Use SBAR-Q to share information.
Communicate using three-way repeat backs and read backs.
Use phonetic and numeric clarifications.
3. **Know and comply with Red Rules.**
Practice 100% compliance with Red Rules.
4. **Self-check: Focus on task.**
Use the STAR technique.
5. **Support each other.**
Cross-check and assist.
Use 5:1 feedback to encourage safe behavior.
Speak up using ARCC: “I have a concern.”



PATIENT SAFETY ORGANIZATION (PSO)

Novant Health is a member of the Press Ganey PSO, which is officially listed with the Agency for Healthcare Research and Quality (AHRQ). The PSO is a legally protected, confidential forum for members to learn from each other, gain insights based on aggregate analysis of safety event and root cause data, and share tested, practical strategies with peers.

It is the first and only PSO guided by Press Ganey’s proven and proprietary:

- Safety Event Classification (SEC) taxonomy
- Serious Safety Event Rate (SSER) harm measures
- In-depth HRO-based cause analysis methodologies



The PSO and PSO community facilitate learning among healthcare peers, as well as safety experts. The Press Ganey PSO uses high reliability science as the framework and provides four primary learning forums for members:

- Safety Event Classification Advisory Panel
- Cause Analysis Grand Rounds
- Safe Tables
- High Reliability Learning Series

SAFETY ‘FAIR AND JUST’ CULTURE

Novant Health is committed to fostering a transparent, fair and nonpunitive environment for reporting and learning from errors, unsafe acts, near misses and adverse events. While recognizing that mistakes can occur despite best efforts, the organization applies a consistent and systematic approach to reviewing incidents — balancing accountability with a focus on learning and improvement. Team members are encouraged to report all events through the event reporting system to support a culture of safety and continuous improvement.

DAILY SAFETY HUDDLES

Daily safety huddles occur to maintain situational awareness of issues affecting the safety and quality of patient care and to give direction about priority and responsibility for problem identification and resolution. These huddles establish urgency and accountability to prioritize work by:

- Looking back at significant safety or quality issues from the last 24 hours.
- Looking ahead to identify potential high-risk, out-of-norm activities or safety/quality issues anticipated in the next 24 hours.
- Identifying threats to success and follow-up.



e-RL – EVENT REPORTING SYSTEM

Events are entered into e-RL, our safety reporting system to:

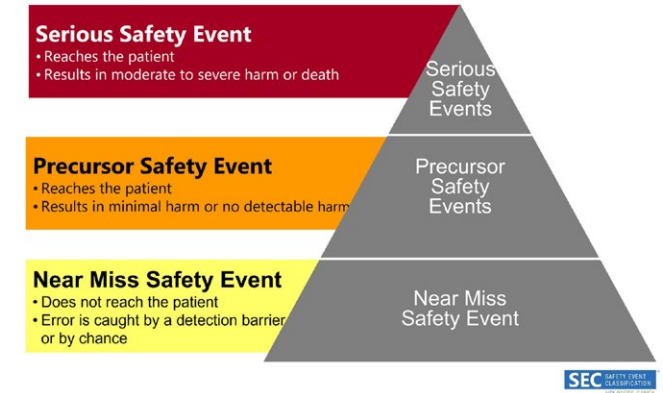
- Identify potential issues that could result in injury to patients.
- Promote quality patient care and ensure resolution when events occur.
- Track and trend safety event types to inform safety initiatives such as but not limited to:
 - Surgical and procedural
 - Falls
 - Maternal/childbirth
 - Medication
 - Monitoring/surveillance
 - Workplace violence (physical, verbal and emotional)

SAFETY EVENT CLASSIFICATION (SEC)

SSE (serious safety event) / PSE (precursor safety event) / NME (near-miss event)

SEC is an outcome-based event classification system that:

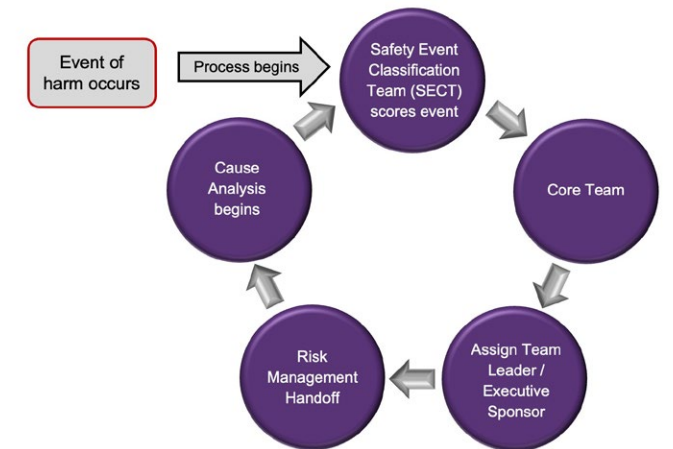
1. Determines if there were deviations in care from generally accepted practices (gap).
2. Establishes if there was a direct cause-and-effect relationship between deviations and the outcome.
3. Classifies the event according to the level of patient harm resulting from the event.



CAUSE ANALYSIS

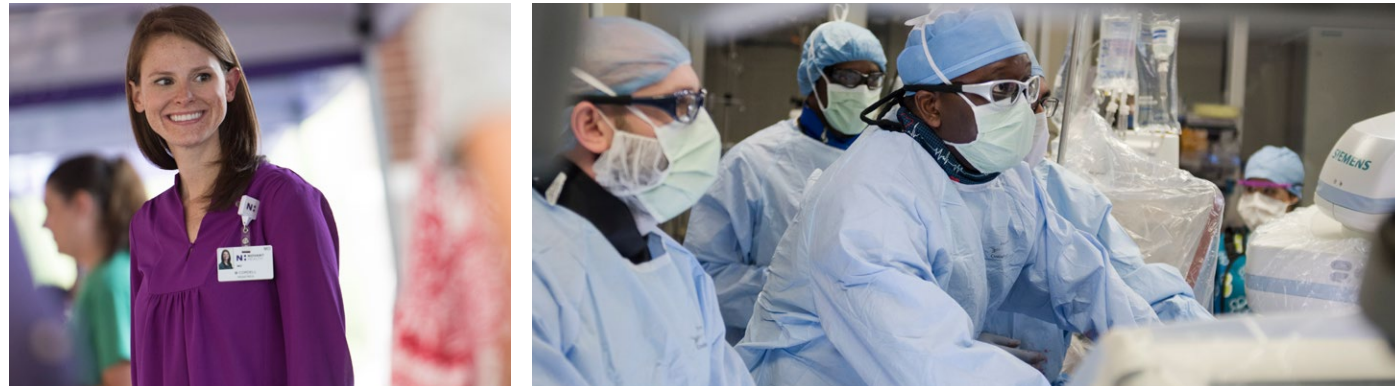
A cause analysis (e.g., apparent cause analysis, root cause analysis) is a structured process to identify causal factors that resulted in an event of harm and develop corrective actions to prevent recurrence. Cause analyses identify deviations in processes and system failures that contributed to the event.

The cause analysis purpose is to determine what happened, why it happened and to implement effective action plans.



From the patient

“As a former safety and compliance officer within a hospital network, I pay close attention to patients’ rights, quality care management and risk mitigation. Novant Health checks all the boxes, and I would highly recommend it to others.”



HeRO quality management system

The Novant Health HeRO quality management system (QMS) is designed to enable clinical and operational leaders and teams to continuously improve the care that they provide. The principles of high reliability organizing are embedded into the QMS.

QUALITY MANAGEMENT SYSTEM – LEARNING SYSTEMS

The quality management system promotes learning through:

- High reliability organizing principles
- Prioritization and focus
- Utilization of data and insights
- Rigorous application of improvement methodologies
- Diverse expertise

High reliability organizing framework and guiding principles

The HRO framework has three pillars:

1. Leadership commitment
2. Culture of safety
3. Process improvement

PRINCIPLES OF HIGH RELIABILITY

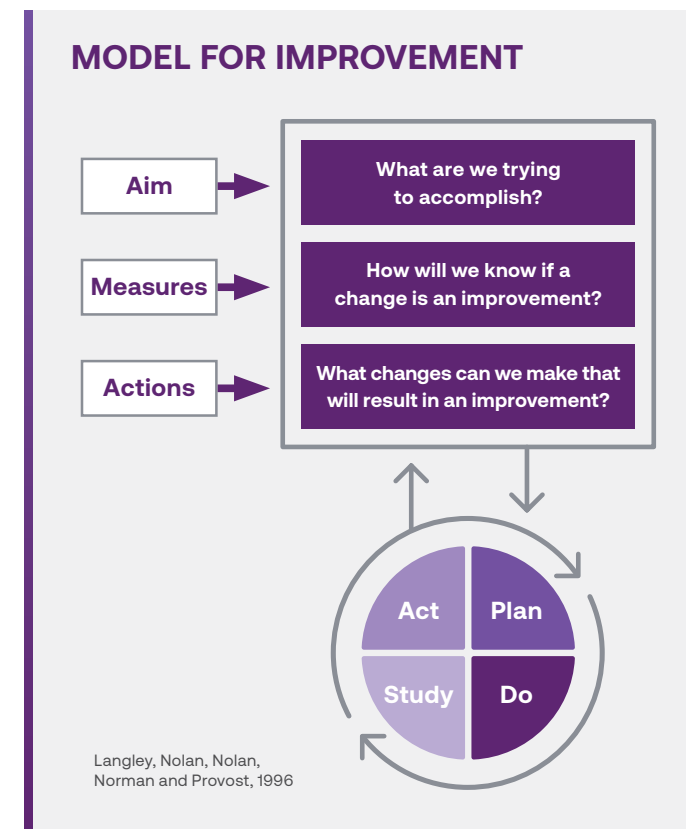
1 Preoccupation with failure	2 Sensitivity to operations	3 Reluctance to simplify	4 Commitment to resilience	5 Deference to expertise
Small problems or errors could indicate a larger problem.	Get ahead of potential events by finding and fixing problems.	Know as much as possible about the complex environment and resist assumptions.	Develop the ability to detect and contain errors and bounce back from adversity.	Remove power gradients and allow those on the front lines with the most expertise to make decisions.

Managing the Unexpected: Karl E. Weick & Kathleen M. Sutcliffe

PERFORMANCE IMPROVEMENT STRUCTURE

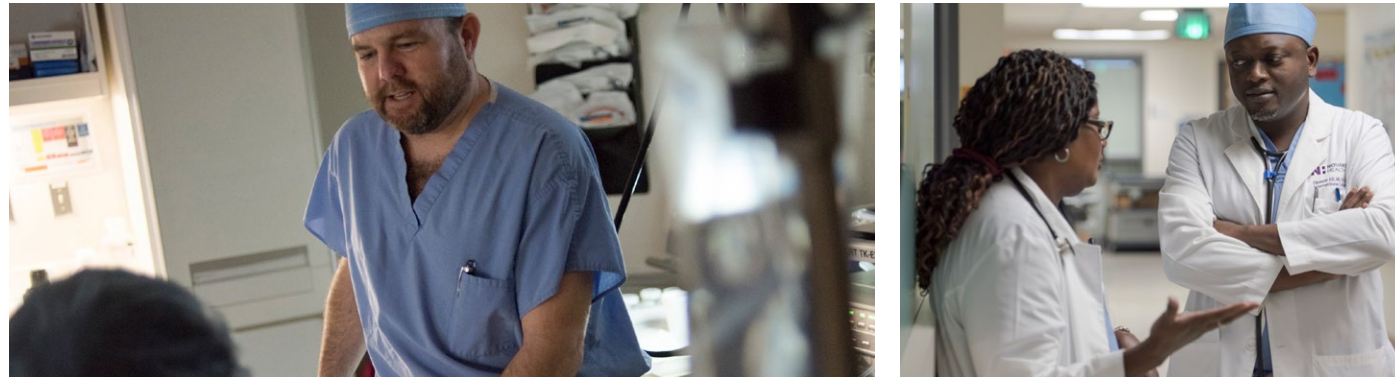
Other performance improvement tools may be used as needed when consistent with the PDSA approach. These tools may include RCA-PDSA, LEAN, 5S, Gemba Walks, statistical analysis, flowcharting, value streams and group facilitation techniques.

Each Novant Health facility uses a coordinated, interconnected governance structure to oversee quality, safety and performance improvement. Frontline shared governance, nursing councils and interdisciplinary teams identify issues, surface risks and drive daily improvements. Their insights flow into facility-level committees focused on clinical excellence and regulatory oversight, which partner closely with the medical staff and executive team. This creates a clear, consistent pathway for information to move from the bedside to leadership and ultimately to the board, ensuring every facility maintains strong oversight, rapid escalation and a unified, high-reliability approach to delivering safe, high-quality care.



From the patient

"I am truly grateful to be with Novant Health. It feels like a blessing — being surrounded by so many experienced and efficient medical professionals makes a person feel safe and secure."



HeRO institutes

Corroborating quality work within primary care, institute partners will work on ambulatory quality initiatives to drive value in the way that Novant Health cares for patients beyond the acute care setting.

The NHMG Quality Improvement team partnered with institute leaders to use data points to develop opportunities of improvement as measurable quality metrics. This work aims to improve outcomes across the continuum of care, reduce cost and improve the overall patient and clinician experience. This is another demonstration of how institute leaders continue to commit to a culture of safety and quality, by focusing on process improvement within the work that they are doing to help patients thrive.

2026 SAFETY AND QUALITY | INSTITUTE AMBULATORY GOALS

<p>Heart and Vascular Statin prescription at discharge after acute myocardial infarction</p>	<p>Children's Chlamydia screening in sexually active females age 16-24</p>
<p>Psychiatry Metabolic screening for patients prescribed antipsychotic medications</p>	<p>Cancer Referrals to palliative/symptom management for new patients with acute leukemia age ≥ 75</p>
<p>Women's Postpartum depression screening</p>	<p>Surgery Implement PCN de-labeling process through surgical navigation</p>
<p>Orthopedics Ortho/NHICS/palliative co-management for patients > age 85 with hip fracture at NHFMC</p>	<p>Neurosciences Statin prescription at discharge after acute stroke</p>

From the patient

"Now I'm able to do things with my son again — he has his dad back, and you can see a different look in his eyes. That's something for which I will be grateful for the rest of my life."



HeRO clinical variation reduction program (Precision)

Precision is Novant Health's program that addresses unwarranted care variation to improve patient outcomes and reduce healthcare costs. Precision seeks to embed patient-centered and evidence-based care standards across the health system and to optimize efficient care delivery.



Reducing unwarranted clinical variation

Unwarranted variations are differences in practice patterns that cannot be explained by the type or severity of patient illness or by patient choice. Precision addresses unwarranted variation through partnerships with clinical and operational teams to develop guidelines and best practices, analyze performance data, draft and adopt evidence-based care standards, and enhance workflows.

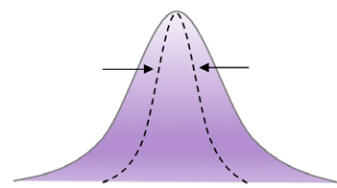
The program is multidisciplinary and includes representatives such as physicians, nursing, sourcing, pharmacy, finance and data analytics.

Precision strategy

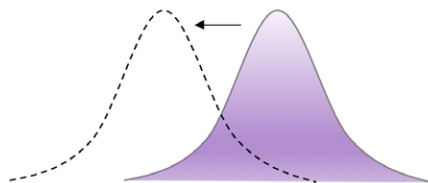
The Precision system strategy includes both vertical and horizontal approaches. Vertical approaches focus on reducing variation within populations of patients by specific condition, disease or procedure type. Horizontal approaches focus on reducing variation across many patient conditions in areas such as medications, supplies, operation processes and other therapeutics.

REDUCING UNWARRANTED CLINICAL VARIATION

Unwarranted variation: differences that cannot be explained by type or severity of patient illness or by patient personal preference

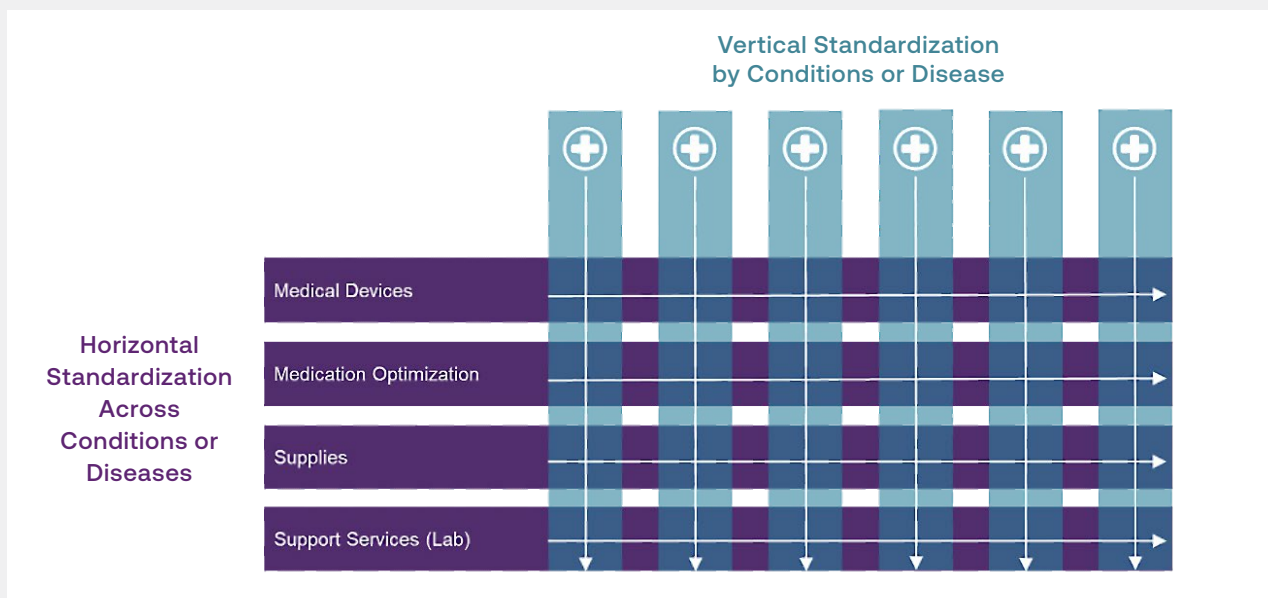


Narrowing the Curve
Changes in clinical practice to reduce unwarranted variation, narrowing the curve toward best practice



Shifting the Curve
Entire practices move toward best practice

SYSTEM STRATEGY: TWO-PRONGED APPROACH



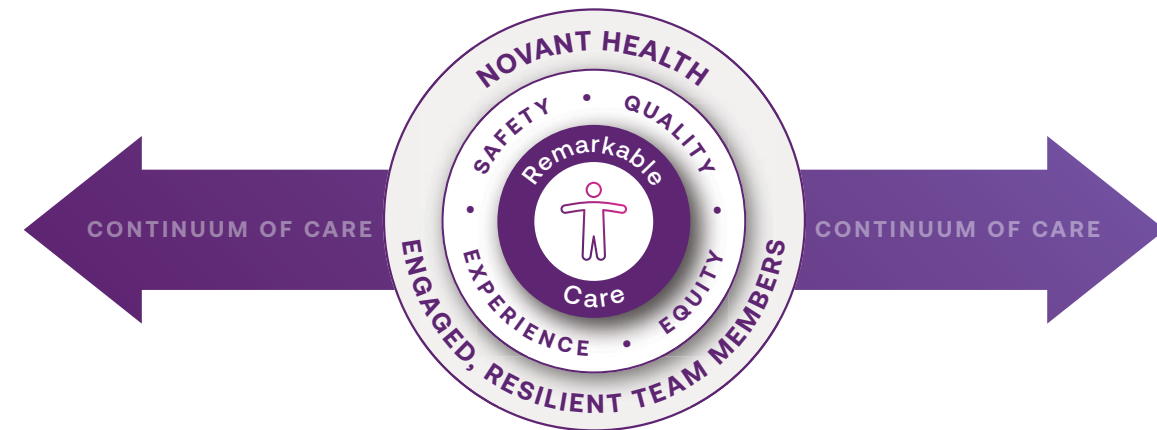
From the patient

“The doctors called me by my preferred name, checked in to see how I was doing emotionally and gave me a full picture of everything to expect moving forward. The surgery process went smoothly, and all test results came back with good results.”



HeRO patient experience system

Novant Health’s vision for patient experience is *at every interaction, patients and teammates should be met with compassion and connection.*



In 2026, we will continue to build on our strong foundation of working together as teams to provide safe, reliable, compassionate care. When patients tell us our teams work well together to care for them, they are expressing they feel cared for, supported and confident in their experience. In turn, they are more loyal to Novant Health as their healthcare provider and trust us with their care.

We create remarkable experiences for our patients and their loved ones, by remaining focused on consistent and effective communication, personalized care and treating people with dignity and respect.

SPARK STANDARD BEHAVIORS

SPARK behaviors are essential to how we interact with each other, with patients and guests. They are designed to help us promote a culture of compassion, connection and excellence.



- Support** Safe Environments
- Personify** a Passion for Service
- Acknowledge** and Anticipate Needs
- Remain** Reliable and Consistent
- Kindle** Positive Experiences

CARE IMPERATIVES

The care imperatives are a set of evidence-based best practices that help us deliver safe, high-quality, personalized care. You can learn more about each of these practices on the office of patient experience's SharePoint site on I-Connect.

Nurse Bedside Report

Personalized Care Goals

Purposeful Rounding

Teach Back

No Pass Zone

From the patient *“Throughout the entire process I felt like everyone was on board to support me, even as I went to different offices and facilities. I met new team members, but within minutes felt as if they had been caring for me the whole time.”*

CLINICIAN COMMUNICATION PROGRAM

Compassion and intentional communication lead to better patient outcomes, decreased malpractice risk, and improved job satisfaction and resilience. Our communication program provides learning and development opportunities for Novant Health clinicians to better understand patient feedback and how to respond to patients with empathy.

Through focused educational opportunities and personalized coaching, clinicians have an increased understanding of the overlap in the science of taking care of patients clinically and art of demonstrating compassion to them.

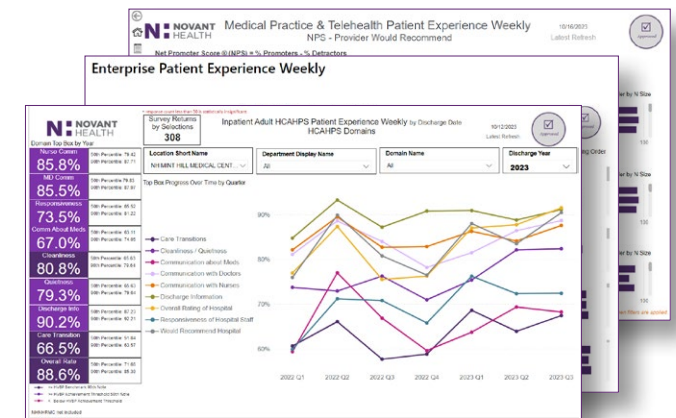
From the patient *“My doctor is one of the best physicians I've ever had. She took time with me explaining things, was humorous and so very caring. You don't meet many doctors these days who take the time with you, so you don't feel like a number. She stands out and I would recommend her.”*



EXPERIENCE FEEDBACK SYSTEM

The Novant Health experience system is designed to ensure our actions align with the voices of our patients. While the kind of relationships we promise are only created by listening to one patient at a time, there is much we can learn from our patients by hearing the sum of their voices with survey instruments. Our patient survey modalities include mail, email and text surveys in near real time.

Patient experience performance reports are available on both our survey vendor portal (Press Ganey) and internal Microsoft Teams dashboards.



PENELOPE: OUR NOVANT HEALTH PATIENT

Meet Penelope — our Novant Health patient who helps us humanize our patient experience data by bringing us the patient’s voice and perspective through storytelling.

Penelope highlights the stories behind our patient experience data. In her monthly communications to the organization, she shares both positive and not-so-positive experiences at Novant Health along with discussion questions to engage our team. She also shares a monthly dashboard highlighting our performance on improving patient experiences across the organization.



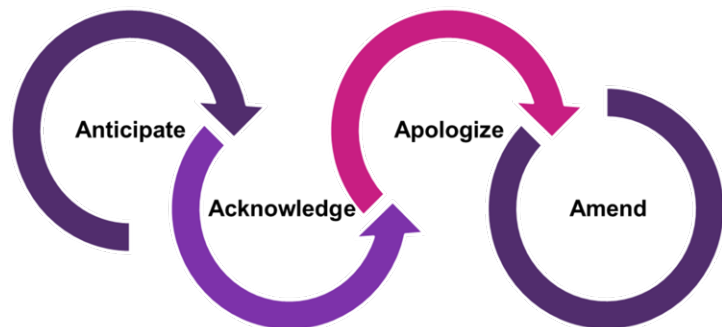


REMARKABLE RECOGNITION PROGRAM

A healthy work environment starts with recognizing team members for the value they bring to our organization. What gets rewarded gets repeated and that’s why the office of patient experience celebrates remarkable patient experiences through our systemwide Remarkable Light award, our quarterly recognition that celebrates our top performing teams and our Sparky nominations that award team members caught “being the SPARK” with custom sneakers.

REAL-TIME SERVICE RECOVERY

There are times when our patients/guests experience lapses in service in their care. When this happens, our teams are empowered to immediately work to resolve the issue and restore trust by addressing service breakdowns in real time. We use the Novant Health 4A service recovery model: anticipate, acknowledge, apologize and amend.



COMPLAINT AND GRIEVANCE MANAGEMENT

When we are not successful in our service recovery efforts, a patient or patient’s representative may issue a formal complaint or grievance. These can be shared at any time by a patient/care partner without compromising the patient’s care or subjecting the patient to retaliation. It is important to be able to distinguish a complaint from a grievance, as outlined below. When a grievance is filed, documentation in the e-RL platform is required to ensure we adhere to regulatory requirements.

Complaints	Grievances
<p>A complaint is a concern made by a patient or patient’s representative that usually can be resolved promptly by team members present or is a nonclinical care concern. Complaints do not require a written response.</p>	<p>A grievance is a written (fax, email, letter, MyChart) or verbal concern made by a patient or patient representative related to the patient’s clinical or quality of care. Grievances require a written response within seven days.</p>

CHOICES AND CHAMPIONS PROGRAM

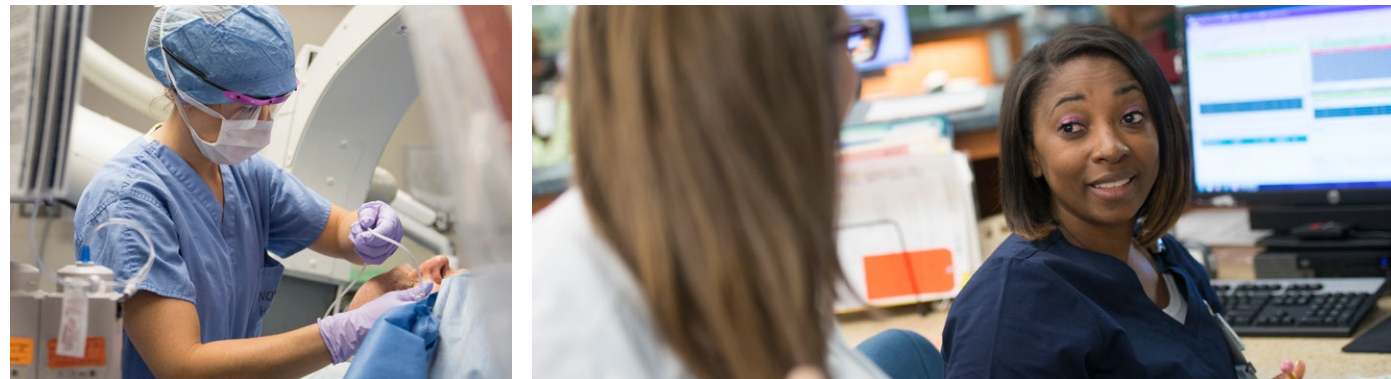
Advance care planning (ACP) ensures patients’, team members’ and community members’ healthcare wishes are understood and honored throughout their care journey.

Novant Health’s Choices and Champions program helps close this gap by providing free education, resources and support to encourage meaningful conversations and identify medical decision makers. We offer workshops, guidance, documentation support, and assistance with goals of care discussions.

For more information on ACP, contact the team at **844-677-5134** or **ChoicesandChampions@NovantHealth.org** or visit our website: **NovantHealth.org/ChoicesandChampions**

From the patient

“My weekly call from Nurse Cynthia has been so helpful and meaningful. Now I am more motivated to eat better foods, walk daily, cut out unhealthy snacks and drink more water..”

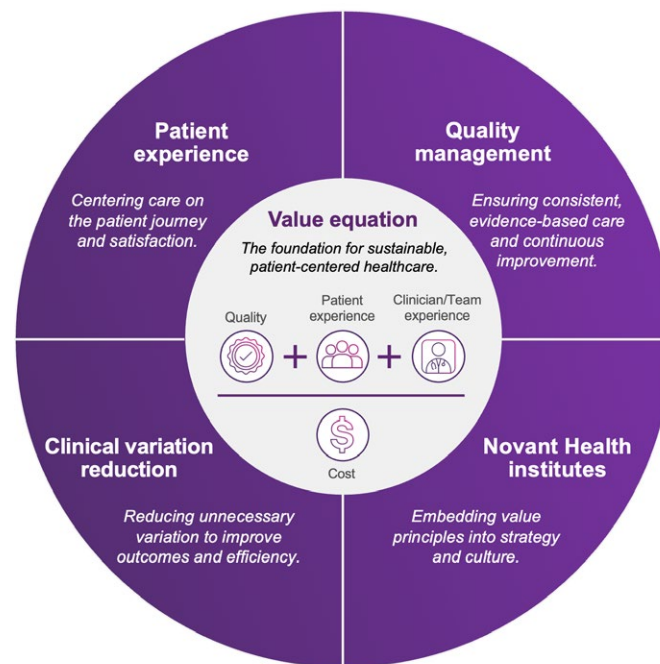


HeRO population health and value-based care

Achieving success in value-based care directly supports the Novant Health Cause to create a healthier future and bring remarkable experiences to life.

At Novant Health, value-based care (VBC) is defined as delivering safe, quality outcomes through healthy, supported care teams, when and where the patient prefers and in a cost-effective manner.

We believe value is provided when our team supports patients on comprehensive wellness, prevention, closing care gaps and chronic care management.



Integrating quality, experience, and efficiency to deliver remarkable care.

OUR VALUE-BASED CARE GOALS

Novant Health sees value-based care (VBC) as a way to fulfill the “quintuple aim” of healthcare: delivering high-quality outcomes in an equitable manner to all members of our community through engaged and supported care teams while being good stewards of the healthcare dollars. Success in those five areas ensures a remarkable patient experience.



GUIDING PRINCIPLES

Payor-oriented	Provider-oriented	Patient-oriented
Drives affordable care	Improves care management	Advances health equity
Creates growth in attributed lives	Promotes collaboration across all venues of care	Patient-centered
Optimizes value-based contracts	Supports team wellness	Improves health outcomes
Data-driven analytics		

Novant Health’s VBC guiding principles keep us focused and guide our operational initiatives that drive success in meeting our VBC goals.

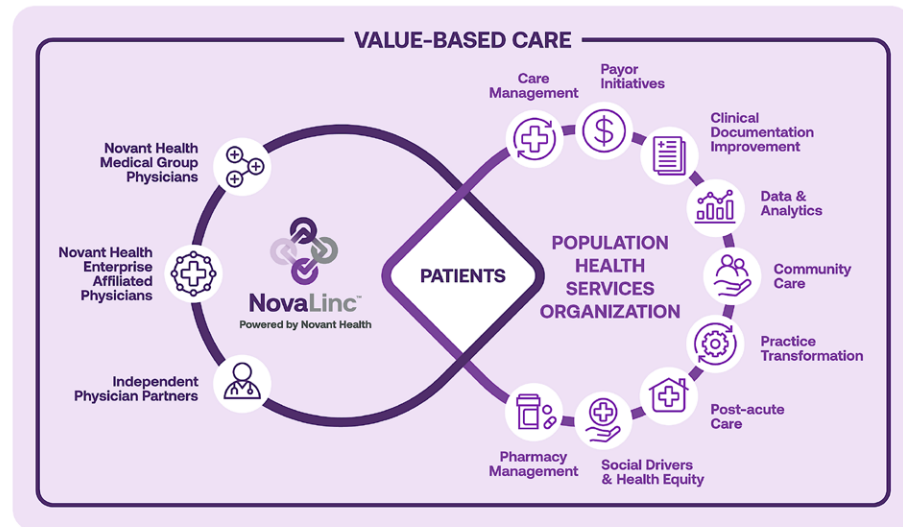
ACO PERFORMANCE (MSSP)

ACO Name	# of Beneficiaries	Total Savings	Quality Score
Physician Quality Partners, LLC (New Hanover)	18,094	\$2.97M	98.69%
Novant Health Accountable Care Organization, LLC (Novant Health)	52,536	\$22.89M	94.52%

Second year in a row
PQP 1st in the country for quality

CLINICALLY INTEGRATED NETWORK (CIN)

A clinically integrated network (CIN) is a physician-led entity that allows Novant Health and independent physicians to collaborate and deliver coordinated, high-quality, cost-effective care to the communities served. Both employed and independent CIN practices must meet participation criteria, ensuring a commitment to quality care, and members can earn payor incentives for achieving set quality performance goals. A CIN is a key vehicle for driving value-based care, focusing on improving patient outcomes through shared infrastructure for population health services and data-driven care coordination.



POPULATION HEALTH SERVICE ORGANIZATION (PHSO)

The PHSO is a key platform for Novant Health and independent physicians to deliver value to the communities we serve. It provides the infrastructure necessary to reshape and drive patient-centered wellness and engagement while efficiently managing our population of patients. The PHSO will strategically integrate clinicians, hospitals, payors and services across the continuum of patient care to improve health outcomes and reduce fragmented patient care.

- **Care management:** Expanding care teams to include clinical pharmacist practitioners, nurse managers and specialists to enhance patient-centered care and ensure highest quality outcomes.
- **Payor initiatives:** Creating opportunities with our payor partners to improve quality and decrease cost of care for patient populations through reporting tools and analytics.
- **Clinical documentation improvement:** Leveraging people, processes and technology to ensure accuracy and completeness of patient medical records.
- **Data and analytics:** Secures accurate data sources to analyze patient activity and identify opportunities to improve clinical outcomes and reduce cost through point-of-care solutions.
- **Community care:** Keenly focused on patient transitions across venues of care, including skilled nursing facilities, outpatient rehabilitation centers and home care, ensuring a safe and high-quality experience.
- **Practice transformation:** Dedicated group of value-based consultants supporting clinicians and their clinics in their journey to value using innovative care models.
- **Social drivers and health equity:** Leveraging integrated mental health clinicians, community health workers and social workers, driving better health outcomes.
- **Pharmacy management:** Partnering with MedVenta Health Solutions to support patient medication adherence, compliance and improve chronic disease management.

From the patient

“My experience with the medical screening program at my church was rewarding. The staff were friendly, knowledgeable and committed to helping me understand my free test results. It truly is a life-changing and life-saving program.”



HeRO health equity

We remain relentlessly focused on transforming healthcare so that every patient, team member and community member may attain the highest level of wellness and health.

The office of health equity and community health is committed to transforming healthcare for all. Health equity for all patients is nonnegotiable and operates at the intersection of patient experience, safety and quality. We deploy evidence-based interventions and leverage robust community partnerships to eliminate gaps in care and achieve consistent high-quality outcomes for all. Through inclusive, adaptable systems and culturally responsive care, we ensure every individual receives seamless, personalized services regardless of income or ZIP code.

THE NOVANT HEALTH DEFINITION OF HEALTH EQUITY

“The attainment of the highest level of health for all people.”

Achieving health equity requires that we:

- Embed belonging in all that we do.
- Honor each person as a human being with the right to healthcare and wellness.
- Build community partnerships and presence to understand and address unique needs of all communities.
- Commit to provide access to care, demonstrate compassion and promote well-being.



HEALTH EQUITY GOVERNANCE AND ACTIVITIES

Novant Health’s Health Equity Governance Council (HEGC) is led by the chief health equity officer, the chief safety and quality officer, and the vice president of patient experience. The HEGC convenes senior leaders across the system to align strategies, approve definitions, select key performance indicators and champion prioritized initiatives to advance health equity and community health. The HEGC is mindful of the shared impact across health equity, safety, quality and patient experience.

Workstreams are comprised of senior leaders and multidisciplinary team members to execute on strategically aligned workplans. Current workstreams focus on key topics including patient experience, clinical gap closure, data and housing. Data serves in a structural capacity to provide support across all the workstreams. Initiatives, achievements and health equity best practices are shared throughout the organization.

The following business areas participate in HEGC:

- Foundation
- Health informatics
- Case management
- Value-based care
- Digital products and services
- Clinical insights and reporting informatics
- Communications (PR and marketing)
- Safety and quality
- Legal
- Institutes
- Finance
- Patient experience/patient support
- Strategic and business planning
- Acute/facility leadership or market presidents
- External affairs/government relations
- Human resources (belonging)
- Physician Network Services (formerly NHMG)
- Supply chain
- Community engagement
- Business development and sales
- Care Connections
- Regulatory and compliance

CULTURALLY AND LINGUISTICALLY APPROPRIATE SERVICES

Advancing health equity in patient care includes aligning strategies to improve and sustain culturally and linguistically appropriate services (CLAS) for all patient populations. CLAS is recognized by the Centers for Medicare and Medicaid Services Office and is integral to patient safety and quality.

The Novant Health CLAS workplan monitors emerging markets and growth for all populations and is dedicated to cultural responsiveness, language and education. Enterprise partnerships and community voice councils ensure our ability to provide personalized care for all patients.

Workplan objectives:

- Improve the safety and quality of clinical care provided to all individuals to increase the likelihood that all patients experience the highest level of health and wellness.
- Provide effective, equitable, understandable and respectful quality care and services that are responsive to all cultural health beliefs and practices, preferred languages, health literacy levels and communication needs.



Transcultural nursing further honors patients’ cultural values, beliefs and practices. Population shifts validate the need for identifying potential barriers to care and proactively find effective ways to overcome them. Nurses, as the largest segment of the healthcare workforce, are uniquely positioned to make significant impact on care delivery

DELIVERING CONSISTENT, HIGH-QUALITY CARE

The OHECH’s annual goals are informed by benchmarks and community data, prioritize areas of support by urgent need and demonstrate our ability to deliver measurable impact. Partnerships with Novant Health institutes and community organizations ensure our strategic plans are built for long-term sustainability.

As we remain deeply focused on consistent, high-quality care for all, the OHECH is positioned to improve the health and well-being of communities with high social and medical complexity and low access to care. Patients benefit from care pathways that are informed by their clinical teams and personalized to address their unique needs. We remain steadfast in our commitment to provide care for every individual with the same rigor, respect and compassion, regardless of demographic characteristics.

We actively identify and address clinical gaps across all populations. Our metrics aim to identify the individualized care needed to maintain excellence in care and improve outcomes for all patients. Clinical and social interventions reflect our intent and ability to address clinical gaps across demographics.



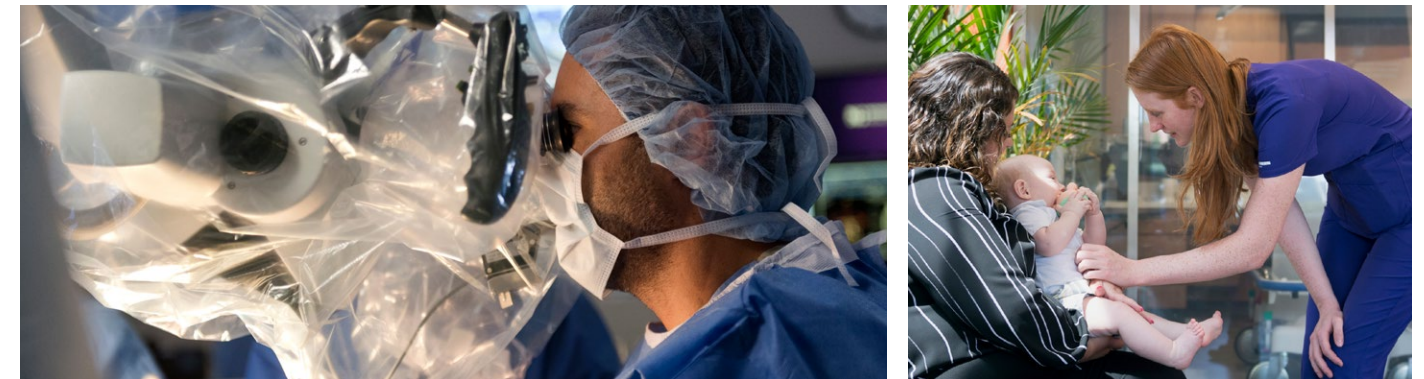
COMMUNITY HEALTH SERVICES

Community health teams extend strategic efforts to eliminate care gaps and provide culturally and linguistically appropriate clinical care throughout communities served by Novant Health. The community health team serves as a change agent to identify and address the most pressing health and social drivers of health (SDoH) needs in our communities by honoring community voice, increasing access, building capacity through trusted partnerships, and demonstrating impact.

- As required to maintain tax-exempt status under the Affordable Care Act, each Novant Health facility is required to conduct a Community Health Needs Assessment (CHNA) and adopt a Community Health Implementation Plan (CHIP) every three years. The CHNA assesses needs among vulnerable communities, and the CHIP outlines plans to meaningfully address those needs. Progress toward those plans, conducted by community health services team programming, community engagement charitable contributions and other community-benefit providing teams, is reported annually to the Internal Revenue Service.
- Community clinical care gaps, identified in the CHNA, mirror gaps experienced by patients and potentially impact Novant Health’s quality and safety rankings. Strategies to address these gaps are outlined in each facility’s CHIP and aligned to quality and safety goals.
- SDoH factors affect 80% of a person’s health. Patient assessments indicating barriers with food, housing and transportation informed the 2025-2027 CHNA priorities and strategic plans. Community health workers and social work interns play a pivotal role across many acute and ambulatory settings, connecting patients to community resources to address these and other social needs.

From the patient

“Everyone was wonderful. I felt safe and confident throughout the procedure, thanks to my doctor’s support and expertise. I’m very happy with my experience.”



HeRO regulatory and accreditation

Novant Health strives for a constant state of compliance with regulatory, accreditation and certification requirements that leads to continuous survey and outside agency review readiness.

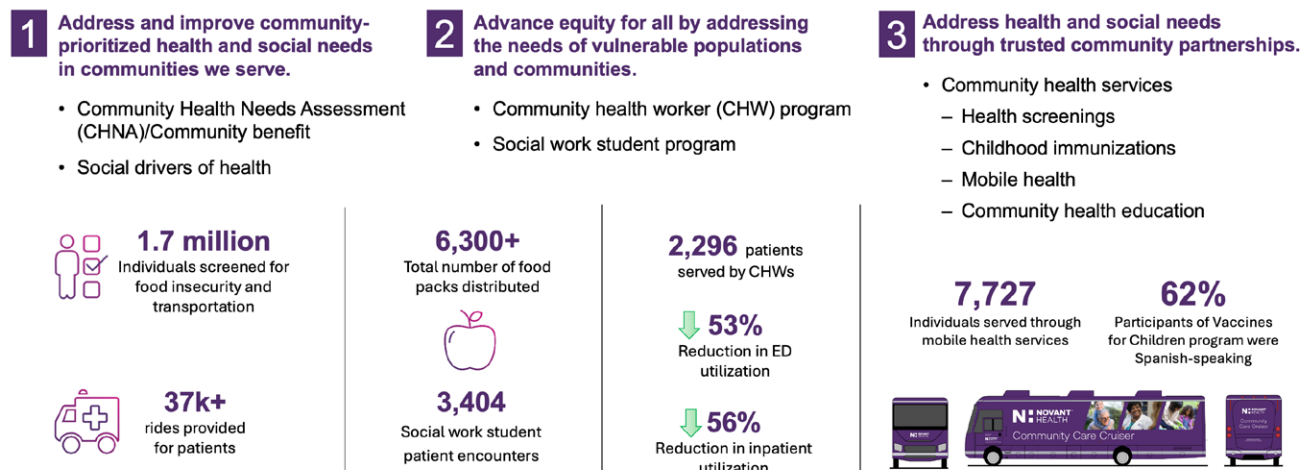
NOVANT HEALTH CONTINUOUS ACCREDITATION AND REGULATORY READINESS

Leaders and designated teams support the selection of indicators using data to track compliance for key issues and targeted improvement efforts. This philosophy empowers and motivates leaders to maintain continuous readiness for an unannounced survey or inspection, but ultimately readiness for every patient.

The accreditation and regulatory division:

- Identifies applicable accreditation standards/regulations and simplifies the link between the standard/regulations and organization’s practice
- Assesses organizational readiness and vulnerabilities by strategies such as mock surveys, parity studies, document reviews and complaint/event-related reviews
- Collaborates with leadership in establishing accountability for organizational compliance with standards/regulations

COMMUNITY HEALTH TO CREATE ACCESS AND COMMUNITY BENEFIT



- Manages accreditation and regulatory processes (action plans, policies, self-assessments, risk assessments, documentation compliance efforts, etc.)
- Coordinates the development and implementation of Novant Health’s policy and procedure processes and electronic document quality control. The site is utilized for accreditation and regulatory communications and education specifically targeted to support leaders and their competencies. Each facility also has a channel for facility-specific targeted communications.

REGULATORY OVERSIGHT COMMITTEES (FACILITY-BASED)

The regulatory oversight committees (ROC) are function-based facility teams that work together at the facility level guiding education and compliance related for regulatory processes and requirements. The team is comprised of facility-focused functional team leaders (such as environment of care, patient care, medication management, infection prevention, etc.) who regularly review new and revised accreditation standards, federal and state regulations, sentinel event alerts, and key accreditation and regulatory compliance issues as assigned.

ROC team members help formulate action plans to ensure compliance and refer issues as needed for system solutions. ROC teams participate in the systemwide coordinated review of standards, issues gap analysis and develop continuous readiness plans.

REGULATORY OVERSIGHT LEADERS (EXECUTIVES AND SENIOR LEADERS)

The system executives and senior leaders participate in the Novant Health system regulatory oversight leaders (ROL) committee. These monthly, hourlong gatherings provide the forum for consistent communication of accreditation and regulatory changes, and expectations and updates on key issues in a brief executive summary manner.

The ROL committee provides oversight and direction for system gap analysis, solutions for improvements and issue resolution, with the aim of improving regulatory awareness and compliance across all Novant Health entities.

Novant Health supports the benefits brought to healthcare from regulatory and accreditation agencies and processes. A continuous state of compliance with regulatory, accreditation and certification requirements, leads to safer processes for patients, visitors and team members.

2025 Safety & Quality Symposium



INSTITUTE OF SAFETY & QUALITY SYMPOSIUM

On Dec. 4, 2025, the Novant Health Institute of Safety & Quality hosted its 5th Annual Safety and Quality Symposium. The symposium provided an opportunity to celebrate achievements from the past year, learn from one another and strategize on how to advance our journey toward high reliability.



This year’s theme was “Curiosity and Creativity.” We were honored to welcome writer, animator, author and director Matthew Luhn, who spoke about the power of storytelling and how it can be incorporated into our work in healthcare. In addition, Novant Health President and CEO Carl Armato shared his personal story and what inspired him to pursue a career in healthcare.

The symposium featured presentations from our chief safety and quality officer, the Novant Health Foundation and teams across the organization showcasing safety and quality improvement initiatives. More than 30 posters were presented during the poster walk, highlighting exceptional patient-centered work.

With more than 400 attendees, the symposium continues to strengthen our culture of continuous improvement and serves as a powerful springboard for the year ahead.



