

REPORT TO THE COMMUNITY 2018

Partnering with Purpose

CENTRACARE Health





FROM OUR COVER

The story of George Beck

A boy, a team and a success

Nothing inspires people to do their best — to go the extra mile — like a child who needs them. When their soon-to-be-adopted son was 20 weeks in utero, Sara and Dennis Beck of Kimball learned from perinatologists that he would face considerable medical challenges.

"We didn't know everything about his condition, including whether or not he had a cleft palate, but figured we'd learn more about it after he was born," Sara said. "We wanted to adopt him no matter what."

"We quickly learned to place our trust in CentraCare and the various specialists we saw. They made our world so much better the first year." — *Sarah Beck, George's mom*

In January 2012, George was born with DiGeorge syndrome, a disorder caused when a small part of chromosome 22 is missing.

It affects the development of several body systems and may cause congenital heart problems, specific facial features, cleft lip and/or palate, developmental delays and a compromised immune system.

Unlike other disorders that might require the dedicated care of just one or two disciplines, George required care from numerous specialties at CentraCare. The collaborative manner in which these areas worked together — along with the partnership created between the hospital and George's family — were critical factors in a successful outcome.

Since many of George's challenges stemmed from his cleft palate, he was referred to the Cleft Center, where coordinated efforts ensured he received care from multiple specialists including pediatric cardiologists, audiologists, ear, nose and throat specialists, speech and language pathologists, pediatric dentists, plastic surgeons for repair of facial deformities, occupational and physical therapists and dietitians.

"We quickly learned to place our trust in CentraCare and the various specialists we saw," Sara said. "They made our world so much better the first year." It's all led to great success, with George living as close to a normal life as possible.

"The communication between different departments at CentraCare has been so smooth," Sara said.



"They've also gone the extra mile to facilitate services in the community, such as the speech therapist connecting with the school speech teacher to ensure collaboration."

George's development has also been aided by having a younger brother, James.

"They pushed each other to learn to walk faster and do other things kids do more quickly," Sara said. "We're blessed to have both of them encouraging each other."

In addition to the high-quality care George has received from so many areas of CentraCare, he's also been a beneficiary of the CentraCare Health Foundation. The Foundation has helped George's

family apply for additional resources to help cover costs not covered by insurance.

"When you've never dealt with any of this, you don't understand how the system works," Sara said. "All of the staff at CentraCare has made sure that George could receive the best care possible."

That care helped George to go to kindergarten with his brother last year. He runs and bikes around the yard like any other 6-year-old.

"George is the most happy-go-lucky and relaxed kid I've ever met," Sara said. "With all that he's been through, he can teach us a lot with his attitude."

WELCOME



MISSION

We work to improve the health of every patient, every day.

VISION

We will be the leader in Minnesota for quality, safety, service and value.

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At CentraCare Health, we are passionate about providing health care that truly benefits our communities.

As a care-delivery organization, we are also called upon to help educate people about good health and how to maintain it. That's our commitment to the community.

But we can't do it alone. That's why CentraCare partners with numerous organizations to make an even greater impact on people around us. Together, we're part of something bigger.

You will read some inspiring stories in the pages ahead that focus on one thing: **partnering with purpose**.

It starts with our team — amazing caregivers who are also your neighbors, friends and even your family. Every day, we strive to deliver exceptional care and serve you.

I hope you enjoy this annual report which recaps our year — and highlights the many ways we partner to improve the health of our communities.

Thank you for letting us care for you.

A handwritten signature in black ink, appearing to read "Ken Holmen MD". The signature is fluid and cursive, with "Ken Holmen" on the first line and "MD" on the second line to the right.

Ken Holmen, MD
President & CEO, CentraCare

COMMUNITY PARTNERSHIPS

Education partnerships ensure future of healthy communities

Providing ongoing quality health care to our communities requires CentraCare Health to have highly educated and well-trained staff. As the 15th largest employer in the region, CentraCare cannot be successful without its educational partners. Through collaboration with St. Cloud State University and St. Cloud Technical & Community College as well as other institutions of higher learning in Minnesota, we work together to build the health care workforce to ensure our ability to meet the needs of our communities into the future.



Through our combined efforts, area schools educate and train students in the health care field with CentraCare providing the required clinical experience. After graduation, many of these students find jobs in the area which helps us to maintain our workforce. Whether it is the phlebotomist who draws your blood for a laboratory test, a radiology tech who takes your X-ray, surgical technicians, nurses or information technology professionals, all are part of the small army of people needed to maintain our ability to serve our family, friends and neighbors.

Working together, we have built strong, healthy communities, but the future remains challenging. We are committed to working with our educational partners to build the workforce we will need to ensure our future success and continue to build healthy, vibrant and welcoming communities for decades to come.

We all contribute to the overall economic and physical well-being of our community — **for any of us to succeed, all must be successful.**

CENTRAL MINNESOTA CHILD ADVOCACY CENTER

One in 10
children will be
abused by their
18th birthday.



90%
of abuse is committed
by someone the child
knows and loves.



400 +
Children
have been served
in the first two years.

Partnering to help victims of child abuse

CentraCare Health is partnering with law enforcement, child protection, county attorneys, advocates, mental health and medical professionals to ensure children receive the proper care and support during and after a child abuse investigation.

What's unique about this? All assessment and support for the child now happens at ONE location. In the past, children were shuffled from agency to agency and had to relive the trauma as they retold their story of abuse. Now, these professionals come together at the Central Minnesota Child Advocacy Center to listen as the child tells his or her story to trusted professionals.

In the first two years, more than 400 physically, sexually or emotionally abused children (66 under age 3) were served at the center at no cost to the family.

Thanks to the generosity of the community and our Employee Giving Campaign, CentraCare Health Foundation has provided funding for the Child Advocacy Center since it opened in September 2016. Additional community support is needed.

To support the center and help victims of child abuse, visit centracare.com/foundation.

Correctional Care: a new approach to making a difference

CentraCare Health has partnered with Stearns and Benton county officials to provide health care for incarcerated individuals. The program provides coordinated, cost-effective care to inmates at the jail facilities and in a clinic, upon release.

This innovative correctional-medical partnership includes CentraCare, correctional facilities, local law enforcement, social services, public health, probation, community-based mental health, Veterans Affairs and the National Alliance on Mental Illness organization.

In the St. Cloud area, this collaborative group coordinates care with the goal of reducing re-offense and making an impact on individuals with mental health concerns.

The CentraCare Correctional Care program has served approximately 1,000 inmates in Benton County and 2,854 inmates in Stearns County this past year. After being released from jail, 164 inmates sought care at CentraCare's Coordinated Care Clinic. The clinic has expanded its hours and is now open five days per week.



Medical Director David Frenz, MD, a primary care physician with special expertise in addiction care and behavioral medicine.

"CentraCare is pleased to provide medical care, integrated behavioral health, medication therapy management, social services and more for patients who are incarcerated. Correctional Care is a natural extension of our comprehensive, community-based medical services."

— David Frenz, MD

CARRIS HEALTH — A new health care organization for West Central Minnesota

There's something exciting about creating a new and different approach to delivering health care — and that's exactly what's happening in Southwest and West Central Minnesota with the creation of Carris Health, a wholly owned subsidiary of CentraCare Health.

In January 2018, CentraCare formed a partnership with ACMC Health and Rice Memorial Hospital to provide people in rural communities better access to high quality care, regardless of where they live. The goal of Carris Health is to provide care close to home

through integration and collaboration between health care organizations while reducing the cost of care.

Under this new model, Carris Health will give other health care organizations in the region an opportunity to connect to a larger health care system while recognizing the importance of local leadership and governance.

Ultimately, patients will receive the best care possible — close to home.

CarrisHealth
CENTRACARE

FOUNDATION



Partnering with Purpose is something we do every day at the CentraCare Health Foundation. Whether it's with individuals, families, businesses or organizations, we continue to partner to improve health and well-being in Central Minnesota.

Thanks to the support of generous donors, our Foundation raised more than \$10 million this past year. In addition, our gift planning program reported \$12 million in gifts from people who designated CentraCare Health Foundation or other charities in their estate plan.

This year, our Foundation also distributed more than \$12 million to CentraCare grants, programs and services and to other area partners who help us enhance community health and well-being.

In this report, you see just a few of the stories which demonstrate how community support impacts those we serve. The Beck family benefited from Foundation funds during their time of need. Scholarships provide opportunity for future nurses. Other funds provide care for victims of child abuse and incarcerated individuals. You also will learn about the Roeder family who after the loss of their son, Jackson, chose to help others who suffer from mental illness. These partnerships make a BIG difference in the lives of those we serve.

A handwritten signature in blue ink that reads "Brad Konkler".

Brad Konkler
Vice President, Philanthropy & Community Health

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CENTRACARE HEALTH FOUNDATION FINANCIALS

Summary of Operations for Fiscal Year 2018

REVENUE & SUPPORT (in thousands)

Contributions, net*	\$8,639
Investment Income, net	\$3,523
Special Events	\$1,402
Planned Giving Expectations**	\$400
Total Revenue	\$13,964

EXPENSES (in thousands)

Grants, Programs, Services	\$12,151
Special Events	\$701
Administrative	\$768
Fundraising	\$1,257
Total Expenses	\$14,877

Net Assets at the end of the year: \$56,312,000

* St. Cloud Hospital, CentraCare Health – Long Prairie, CentraCare Health – Sauk Centre and St. Benedict's Senior Community covered a portion of the Foundation's administrative expenses.

** Some planned gifts are revocable and may not materialize.

Keeping Jackson's legacy alive

Jackson Roeder embraced his passion for architecture, art and adventure — in spite of his mental illness.

The challenge Jackson and his family faced during his 14-year journey with mental illness is that it is not always accepted like other medical conditions.

His parents, Scott and Reyne, were by his side helping him navigate the care he needed.

After nearly two years without any indication of a problem, Jackson's family was shocked by his passing at age 25. At his memorial service, his parents heard touching stories of how Jackson had helped many others in their times of need. These stories instilled a new passion for Jackson's family to continue his legacy by raising money for mental health and bringing this illness out of the shadows.

The Roeder family has partnered with CentraCare Health Foundation to establish the Jackson Roeder Memorial Fund.

The fund will support:

- Mental health-related programs for children and adolescents
- Education for physicians and educators on bullying and early diagnosis of ADD and ADHD
- Suicide prevention training for physicians and caregivers



Donations to the Jackson Roeder Memorial Fund can be made at centracare.com/foundation.

Zero Suicide Initiative

"This project is a collaboration with community members and state and federal organizations."

— Zach Bork
Executive Director, CentraCare Behavioral Health Services

CentraCare strives to prevent suicides

Access to mental health is key to creating a healthy community.

CentraCare's primary care clinics are participating in an effort to reduce the suicide rate — always striving for zero — through new training and protocols to be developed with the support of the Zero Suicide Academy.[®]

Behavioral Health will use the Zero Suicide model to improve universal screening and follow-up with patients who have depression.



Jackson Roeder

There's no reason to feel shame or discomfort when discussing mental health, or seeking support.

There is hope.

— Scott Roeder

The model provides system-wide processes to develop suicide awareness. Tools are provided to staff to help identify at-risk individuals and connect them with appropriate resources.

Many pieces of the Zero Suicide model already have been incorporated into our system. We use a comprehensive suicide risk assessment in all of our outpatient and inpatient behavioral health settings. We also have protocols around follow-up appointments and phone calls. Partnering with the Zero Suicide Academy[®] strengthens our Integrated Behavioral Health Program, which offers same-day mental health services at primary care sites.



CENTRACARE FINANCIALS (in millions)

STATEMENT OF OPERATIONS

	Fiscal Year Ended June 30, 2018	Fiscal Year Ended June 30, 2017
Total Revenue:	\$1,498	\$1,265
Total Expenses:	\$1,473	\$1,223
Net Operating Income:	\$25	\$42
Operating Margin:	1.7%	3.3%
Annual Capital Expenditures:	\$103	\$126

BALANCE SHEET

Assets

Current Assets:	\$408	\$353
Restricted Assets:	\$655	\$592
Property, Plant & Equipment:	\$918	\$754
Other Assets:	\$109	\$32
Total Assets:	\$2,090	\$1,731

Liabilities

Current Liabilities:	\$255	\$190
Long-Term Debt:	\$532	\$477
Other Liabilities:	\$142	\$80
Total Liabilities:	\$929	\$747
Net Assets:	\$1,161	\$984
Total Liabilities & Net Assets:	\$2,090	\$1,731

*Includes 6 months of Carris Health operations since acquisitions/affiliation date of Jan. 1, 2018.

CONTRIBUTIONS TO COMMUNITY BENEFIT

As a not-for-profit health care provider, CentraCare Health provides a broad spectrum of benefits to the communities we serve. These funds account for a measurable portion of CentraCare's cost and help promote healthy lifestyle, community development, health education and affordable access to care. In 2018, CentraCare invested over \$198 million in community benefit activities to improve the health and well-being of patients in our service area.

CONTRIBUTIONS IN MILLIONS	2018	2017
Medicaid & Other Public Programs	\$82.5	\$69.0
Education/Research	\$4.1	\$5.0
Charity Care	\$3.6	\$4.4
Subsidized Health Services	\$6.0	\$7.7
Cash & In-kind Donations	\$2.1	\$2.5
Other Community Benefit	\$0.6	\$0.2



Total Value of Community Contributions
\$198,943,741

ADDITIONAL COMMUNITY BENEFIT



Cost in excess
of Medicare
payments



Other care
provided without
compensation



Discounts offered
to uninsured
patients



Taxes
and fees

*Includes 6 months of Carris Health operations since acquisitions/affiliation date of Jan. 1, 2018.



HIGHLIGHTS OF FISCAL YEAR 2018

JULY 1, 2017 TO JUNE 30, 2018

► JULY 2017

Monticello opens Geriatric Behavioral Health Unit. The innovative model partners geriatricians, psychiatrists, nurses and patients' families to care for older adults with complex mental health conditions.

CentraCare honored for use of technology. St. Cloud Hospital was named one of the nation's "2017 Most Wired Hospitals" by *Hospitals & Health Networks* magazine.

Clinics receive awards for exceptional care. Fourteen clinic sites received awards from the Minnesota Health Action Group's Minnesota Bridges to Excellence program.

► AUGUST 2017

U.S. News & World Report - Top Ranking. St. Cloud Hospital was ranked as one of 48 hospitals in the nation with top ratings in surgical procedures and chronic conditions.

Long Prairie's Meadow Place opens. The complex features assisted-living apartments and memory care efficiency studios.

Melrose hospital opens. The hospital includes state-of-the-art operating rooms; emergency department; private patient rooms; dedicated labor, delivery and recovery suites; and universal rooms.

► SEPTEMBER 2017

Lifestyle Health opens. Lifestyle Health brings together conventional and holistic medicine in one location within the YMCA in St. Cloud to help people feel their best.

St. Cloud Hospital receives national recognition. St. Cloud Hospital earned The Joint Commission's Gold Seal of Approval™ for Disease-Specific Care Certification in Total Hip and Total Knee Replacement Surgery.

► OCTOBER 2017

Anesthesia Associates joins CentraCare.

Long Prairie medical campus opens. The campus includes state-of-the-art operating rooms; emergency department; private patient rooms; dedicated labor, delivery and recovery suites.

► NOVEMBER 2017

First quickClinic opens in Waite Park. Offering convenient, walk-in care for a variety of conditions. Additional quickClinic locations include Foley, Sauk Centre and Sartell.

► JANUARY 2018

Carris Health is formed. Rice Memorial Hospital, ACMC Health and CentraCare collaborate to form a new subsidiary to serve West Central and Southwest Minnesota.

► MAY 2018

St. Cloud Hospital achieves Magnet® recognition. Receiving Magnet recognition for the fourth time, St. Cloud Hospital is one of only 49 hospitals worldwide to achieve this.

St. Cloud Hospital among best in Midwest for heart surgery according to *Consumer Reports*.



FACTS about CentraCare



115,000: Hours of service provided by our 1,804 volunteers.



900+: Number of physicians and advanced practice providers employed by CentraCare Health.



1,049: Stroke patients cared for by CentraCare Neurosciences Stroke Center — more than any other Minnesota hospital.



954: Number of times medical helicopters landed at St. Cloud Hospital, transporting the critically ill from across the state to our Level II Trauma Center.

CENTRACARE HAS
SERVED MORE THAN
775,000
PATIENTS THIS YEAR.

CENTRACARE HAD
87,000+
PATIENT VISITS
TO ITS EMERGENCY ROOMS
IN 2017.

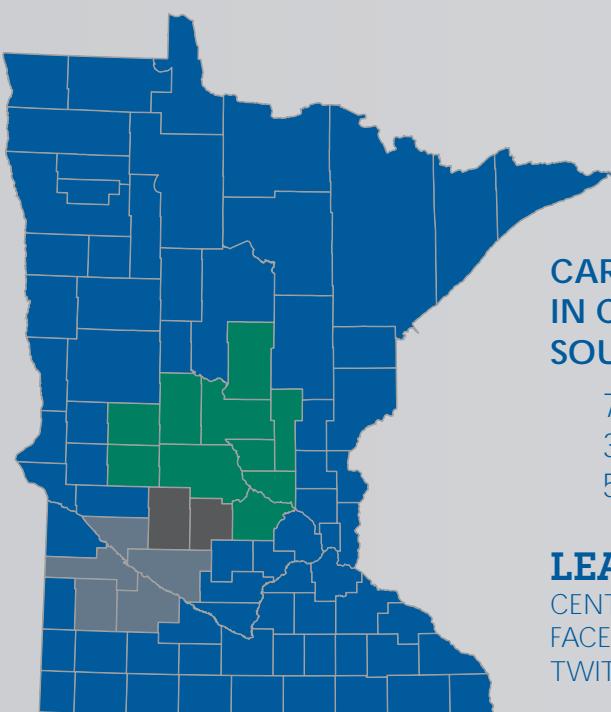
CENTRACARE IS CENTRAL
MINNESOTA'S LARGEST
EMPLOYER WITH
12,700+
EMPLOYEES.

CENTRACARE'S ECONOMIC IMPACT
ON THE REGION IS ESTIMATED AT
\$1.9+ billion.

CENTRACARE Health

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CARING FOR COMMUNITIES IN CENTRAL AND SOUTHWEST MINNESOTA

- 7 Hospitals
- 39 Clinics
- 5 Outpatient Surgery Centers

LEARN MORE

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- CentraCare/Carris Health Combined
- Carris Health, a subsidiary of CentraCare Health