THE PAST YEAR WAS ONE OF SIGNIFICANCE IN THE HISTORY OF STORMONT-VAIL HEALTHCARE. WE SAID FAREWELL TO RETIRING PRESIDENT AND CEO MAYNARD OLIVERIUS, A VETERAN LEADER, MENTOR AND HEALTH CARE PROFESSIONAL. NEW LEADERSHIP, SEVERAL EXCITING PATIENT CARE INITIATIVES AND ONE OF THE BEST FINANCIAL PERFORMANCES IN THE ORGANIZATION'S HISTORY PROVIDE MUCH CONTENT FOR THIS ANNUAL REPORT TO THE COMMUNITY.

Many new physicians joined us, including eight physicians with Medical Associates of Manhattan and several specialists. A complete list can be found in this report. All are excellent additions to our team. The Cancer Center, Stormont-Vail MRI Center of Kansas and ExcellENT Surgery Center became hospital departments during the year. We upgraded technology at Stormont-Vail MRI Center of Kansas with the purchase of a new high-field open MRI. We continued focus on patient care safety with our Patient Safety First initiative. Leadership Rounds are the foundation of the initiative. A detailed spreadsheet of follow-up items tracks the progress of action items identified in the Rounds.

Our Trauma program was reverified as a Level II Trauma Center by the American College of Surgeons. The Stormont-Vail Cancer Center received reaccreditation by the Commission on Cancer as a Comprehensive Cancer Program. Most significantly, The Joint Commission surveyed us in September and awarded us three-year reaccreditation shortly thereafter.

We purchased properties that were previously leased, including the Cotton-O’Neil Clinic-North building, the Cotton-O’Neil Cardiovascular and Thoracic Surgery building and the Kansas Orthopedics and Sports Medicine building. We acquired property on the former Topeka State Hospital grounds near Sixth and MacVicar, and purchased the Shawnee County Health Agency building, located just west of the hospital. We selected HOK, a global design, architecture, engineering and planning firm, to lead the development of a master site facility plan for us.

We accomplished all of these things while achieving one of the best financial performances in our history. While our focus is first on patient care, we couldn’t do the great things we do without financial stability.

Looking forward, we will continue to develop programs and strategies that position us for health care reform, including the patient-centered medical home pilot, and working with our payors to move toward more accountability for population health. We also must expand and improve access to primary care. To meet these challenges, we must build upon the strong integrated delivery system that was created 17 years ago when Cotton-O’Neil and Stormont-Vail first joined and became Stormont-Vail Healthcare.

Our success in the future will be accomplished through strong and expanded physician leadership.

With this leadership, we stand poised and ready to adapt our strong health care system to meet the challenges and continue to provide excellent patient care for our community in the coming years.

James S. Haines
Chairman of the Board

Randy Peterson
President and CEO
In December 2011, Maynard Oliverius announced his plans to retire effective mid-year 2012. Oliverius had served Stormont-Vail for 43 years, the last 16 as president and CEO. SueAnn Schultz, 2011 chairwoman of the Board of Stormont-Vail HealthCare made the announcement. “Maynard has provided an exemplary career of service and leadership to the organization and community. During his years as CEO, our commitment to our mission of providing the highest quality and safe care for our patients has resulted in great expansion in services, continued growth and success. Stormont-Vail is positioned as one of the finest and most respected health care systems in the Midwest. We will miss his guidance while honoring his 43 years of service to Stormont-Vail,” said Schultz.

“I have had the career of careers,” said Oliverius. “There is no greater responsibility than caring for those who place
their lives in your trust, and no greater reward than working with a team who honor that trust with skill, compassion and care. I have been privileged to have that career.”

During his 43 years at Stormont-Vail, Oliverius had responsibility at one time or another for every facet of the operation, from supply management to development of relations with 18 regional hospitals, to a merger with the Cotton-O’Neil Clinic in 1995. Following the merger, the organization grew from 72 to 210 doctors serving from 28 locations in northeast Kansas. The staff expanded from 2,300 to 4,100 employees and became the largest non-governmental employer in the region. During Oliverius’ tenure as CEO, Stormont-Vail has been recognized as one of the nation’s Top 100 Integrated Health Networks seven times.

In addition to the merger with Cotton-O’Neil, which also created hundreds of jobs in the community, Oliverius counts among the greatest accomplishments the Level III Neonatal IntensiveCare and helping Stormont-Vail become a Trauma Center verified by the American College of Surgeons. Those clinical accomplishments are unique in the community and brought world-class care to the region.

Oliverius and his wife, Sarah, continue to reside in Topeka and have three grown sons.

**Into the Future**

When faced with the task of identifying a successor for Oliverius, the Stormont-Vail Board of Directors involved someone with extensive knowledge of what it would take to lead the organization into a new era. The Board’s succession committee led the search for a new CEO, and involved Oliverius himself. “Maynard’s history and organizational knowledge will ensure continuity and commitment to our mission as new leadership is established,” said Schultz.

On January 24, 2012, Schultz announced on behalf of the Board of Directors that Randall L. Peterson would become the next president and CEO for Stormont-Vail HealthCare. “Bringing someone to the helm with Randy’s unique set of leadership skills, his knowledge of rural and urban health care in Kansas and a history of building relationships with doctors is perfect for Stormont-Vail,” said Schultz. “He will continue the culture of partnering with doctors led by Maynard for nearly two decades.”

Peterson, who came to the CEO position with nearly 25 years of executive leadership experience, said “I am proud to join and lead the highly experienced team at Stormont-Vail. The Stormont-Vail and Cotton-O’Neil merger was on the forefront of hospital physician integration in America. Stormont-Vail has become a national model for how to partner with physicians. I look forward to building on that reputation.”

Peterson came to Stormont-Vail from Via Christi Health in Wichita. There he served the multi-hospital system with more than 10,000 employees for five years. He was most recently senior vice president of Via Christi Hospitals, which includes the Via Christi Hospital on North St. Francis in Wichita, the largest hospital in Kansas. From December 2010 until September 2011, he served as interim president and CEO for Via Christi Health. Prior to his roles at Via Christi, he was at Salina Regional Health Center for 20 years, nine of which were as president and CEO. There he assisted in the merger of two hospitals and the building of the 17-hospital Sunflower Health Network. In addition to his executive experience, Peterson has a clinical background as a physical therapist.
The Stormont-Vail HealthCare main campus in Topeka grew in 2012. Property additions to the main campus and in the Topeka area included:

- Stormont-Vail HealthCare purchased the Shawnee County Health Agency building, located just north of the hospital parking garage. The agreement allows Shawnee County to stay in the building while plans to determine what will be located in this space are being developed.

- Two pieces of property on the former Topeka State Hospital grounds near Sixth and MacVicar were purchased mid-year.

- Three buildings that were previously being leased – the Cotton-O’Neil Clinic-North building, the Cardiothoracic and Vascular Surgeons building and the Kansas Orthopedic and Sports Medicine building – were purchased.

Marvin Fairbank, director of Contracted Care for more than 30 years, retired in 2012, but not before securing agreements with Coventry and United Healthcare. These agreements added Stormont-Vail and Cotton-O’Neil Clinics into the Coventry and United provider networks, making Stormont-Vail HealthCare in-network for every major health insurance plan in northeast Kansas.

Todd Lutz joined Stormont-Vail in October as the new director of Contracted Care, and immediately began working on agreements with the three managed care companies that are part of KanCare, the state’s managed care Medicaid system that launched Jan. 1, 2013.

Medical Associates of Manhattan, a physician group with eight primary care physicians, three mid-level providers and approximately 62 employees, became part of the Stormont-Vail HealthCare family in July 2012. One of the physicians, Dr. Scott Coonrod, said the decision was good for the clinic and provides a strengthened foundation to maintain and grow the group’s ability to care for patients in the Manhattan community.

In October 2012, Stormont-Vail became sole owner of the ExcellENT Surgery Center. Ownership of the center was previously shared with the Topeka Ear, Nose & Throat (TENT) physician group. The TENT physicians continue to practice in the facility.

On the in-patient side, the North Tower Lobby just inside the main entrance was given a facelift with new artwork, and a large digital monitor was installed. Work continued on 7-South, and the Senior Diagnostic Unit on 6-West was temporarily relocated so the area could be updated.

The Stormont-Vail MRI Center of Kansas also received updating, with new paint and floors, and a new high-field open MRI was installed. The Stormont-Vail WoundCare Center was relocated from the Cotton-O’Neil Diabetes and Endocrinology Center at Sixth and Frazier to the O’Neil Building at 823 S.W. Mulvane.

It was determined that the organization was in need of a master site facility plan. HOK was selected to lead the development of the plan, and work on the plan began in late 2012.
This aerial photo shows property on the former Topeka State Hospital grounds that was purchased in 2012.
The Stormont-Vail employee base grew to a record 4,400 in 2012, with an estimated economic wage impact of $321,871,985.

The transition of the employee retirement plan from a defined benefit (pension) plan to an enhanced 403(b) retirement benefit plan took place in 2012. The defined benefit plan balances were frozen on Oct. 1, 2012. In its place is an enhanced 403(b) benefit with increased employer match and higher employee maximum contribution.

The bi-annual employee engagement survey was conducted Sept. 24 through Oct. 9. More than 79 percent of employees completed the survey, 3 percent higher than the national average for participation. Results from the survey will be available in Jan. 2013. Leaders will use the results to create action plans to address issues raised by the survey results.

**New Physicians Join the Stormont-Vail Team**

Diana Brightbill, M.D., Internal Medicine, Manhattan
Scott Coonrod, M.D., Internal Medicine, Manhattan
Francisco Correa, M.D., Endocrinology
Feras Ghosheh, M.D., Adult Hospitalist
Mehmood Hashmi, M.D., Hematology/Oncology
Sandra Killingsworth, M.D., Internal Medicine, Manhattan
Fouad Medlej, M.D., Pediatric Hospitalist
Palmer Meek, M.D., Internal Medicine, Manhattan
Youmna Othman, M.D., Pediatric Hematology/Oncology
Salah Najm, M.D., Pulmonology/Intensivist
Kevin Nasseri, M.D., Urology
Roger Peck, M.D., Internal Medicine, Manhattan
Roger Reitz, M.D., Internal Medicine, Manhattan
E. Jay Reppert, M.D., Family Medicine, Manhattan
Sarah Sartain, M.D., Emergency Medicine
Jack Shenouda, M.D., Adult Hospitalist
Preeti Singh, M.D., Internal Medicine, Manhattan
Brian Wilson, M.D., Orthopedics

Douglas Rose, M.D., chief medical quality officer (left), and Angela Gamber, RN, MBA, administrative director, Emergency and Trauma
Clinical Quality Measures (CQMs)

Clinical quality measures are tools established by the Centers for Medicare and Medicaid Services that help measure and track the quality of health care services. These measures use a wide variety of data that are associated with a health care provider’s ability to deliver high-quality care or relate to long-term goals for health care quality. Many aspects of patient care are measured, including health outcomes, clinical processes, patient safety, efficient use of health care resources, care coordination, patient engagements, population and public health, and clinical guidelines.

Continuously measuring and reporting these measures helps to ensure that our health care system can deliver effective, safe, efficient, patient-centered, equitable and timely care.
Stormont-Vail’s Performance
Centers for Medicare Services (CMS) Quality Measures

<table>
<thead>
<tr>
<th>Condition</th>
<th>Stormont-Vail's Score</th>
<th>National Average</th>
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<tbody>
<tr>
<td>Heart Attack</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Heart Failure</td>
<td>99.7%</td>
<td></td>
</tr>
<tr>
<td>Pneumonia</td>
<td>98.3%</td>
<td></td>
</tr>
<tr>
<td>Inpatient Surgery</td>
<td>99.1%</td>
<td></td>
</tr>
<tr>
<td>Outpatient Surgery</td>
<td>99.5%</td>
<td></td>
</tr>
</tbody>
</table>

Legend:
- SV Composite Score
- National Average
Stormont-Vail HealthCare Accreditations and Certifications

As part of our ongoing efforts to improve quality, we have achieved the following accreditations and certifications:

- Advanced Primary Stroke Center (The Joint Commission)
- Chest Pain Accreditation (Society of Chest Pain Centers)
- Comprehensive Cancer Program (American College of Surgeons)
- Diabetes Learning Center (American Diabetes Association)
- Digestive Health Center – Quality Endoscopy Unit Program (American Society of Gastrointestinal Endoscopy)
- Echocardiography Lab (Intersocietal Commission for Accreditation-Echocardiogram)
- Heart Failure Accreditation (Society of Chest Pain Centers)
- Laboratory (American Association of Blood Banks)
- Laboratory (College of American Pathologists)
- Laboratory (CA Center, Emporia, Osage, Wamego) (COLA)
- Magnet (American Nurses Credentialing Center)
- Mammography (American College of Radiology)
- Minimally Invasive Gynecology Center – (AAGLL)
- MRI of Kansas (American College of Radiology)
- PET Accreditation (American College of Radiology on Nuclear Medicine)
- Radiation Oncology Accreditation (American College of Radiology)
- Sleep Center (American Academy of Sleep Medicine)
- The Joint Commission
- Total Joint Center – Center of Excellence Hip and Knee (The Joint Commission)
- Trauma – Level II (American College of Surgeons – Committee on Trauma)
- Vascular Lab (Intersocietal Commission for the Accreditation of Vascular Laboratories)

Cotton-O’Neil Clinical Research Center Update

Now in its eighth year, the Cotton-O’Neil Clinical Research Center is participating in more than 150 clinical trials and has enrolled more than 4,000 participants. The Cotton-O’Neil Clinical Research Center is recognized in the research industry as being a center of excellence – one that is represented by more than 60 of our physicians and a staff of more than 30 highly trained research professionals.

Research provides patients the opportunity to access investigational treatments, to engage in close medical observation, and to contribute to medical knowledge about preventing and treating diseases in the future. The Center is currently enrolling research participants in a variety of therapeutic areas including: acute medicine, allergy and immunology, behavioral health, dermatology, diabetes and endocrinology, digestive health, hematology, neurology, oncology, urology, pain management, pediatrics, pulmonology and others.

Anne Martinez, RN, (left), and Sue Legino, RN, Neonatal IntensiveCare.
Satisfaction with Hospital*

74.2% Percentage of patients giving Stormont-Vail HealthCare a ranking of “9” or “10.”

81.2% Percentage of patients likely to recommend Stormont-Vail HealthCare.

Satisfaction with Clinics**

91.4% Percentage of patients satisfied with the overall care provided at a Cotton-O’Neil Clinic.

91.4% Percentage of patients likely to recommend a Cotton-O’Neil Clinic.

*Tornmont-Vail Regional Health Center scores from the HCAHPS survey.
**Cotton-O’Neil Clinic scores from the Medical Practice survey.
Information Technology

We continued to move forward on our journey toward fully integrated comprehensive electronic medical records in 2012. SVCOnnectOne, the internal name for the EPIC information technology system being implemented, was launched in the hospital in May 2011. In July 2012, Computerized Provider Order Management (CPOM) launched, and the physician documentation expansion project took place in December 2012. Cotton-O’Neil Clinics are scheduled to go live with the SVCOnnectOne (EPIC) system in June 2013.
• Stormont-Vail HealthCare provides care to patients regardless of their ability to pay.

• Charges forgiven for patients qualifying for financial assistance in fiscal year 2012 were $35,847,268.

• Stormont-Vail HealthCare also provides some services to patients who are Medicare and Medicaid beneficiaries at payment rates below the cost of care.

• Stormont-Vail HealthCare also benefits the community by supporting many community organizations and events. Many employees volunteer their time for organizations in communities throughout northeast Kansas.

• Ninety Stormont-Vail HealthCare staff members provided information and/or health screenings at 48 events in the community in 2012.
### Stormont-Vail HealthCare by the Numbers

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2010</th>
<th>FY 2011</th>
<th>FY 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inpatient Discharges</td>
<td>19,070</td>
<td>20,136</td>
<td>20,759</td>
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<tr>
<td>Hospital Outpatients</td>
<td>110,117</td>
<td>120,158</td>
<td>121,233</td>
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<tr>
<td>Births</td>
<td>2,048</td>
<td>2,069</td>
<td>1,947</td>
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<tr>
<td>ExpressCare Visits</td>
<td>28,309</td>
<td>29,448</td>
<td>33,351</td>
</tr>
<tr>
<td>Emergency Department Visits</td>
<td>55,689</td>
<td>60,942</td>
<td>62,625</td>
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<tr>
<td>Cotton-O’Neil Physicians</td>
<td>193</td>
<td>203</td>
<td>213</td>
</tr>
<tr>
<td>Surgeries*</td>
<td>14,291</td>
<td>14,925</td>
<td>14,527</td>
</tr>
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<td>19,070</td>
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</table>

*Three sites – Stormont-Vail Regional Health Center, Stormont-Vail Single Day Surgery and ExcellENT Surgery Center*
Klint Paillette, operating room assistant/traction tech-surgery
Heather Morgan, M.D., neonatologist, examined a baby in Neonatal Intensive Care.

Patrick Sheehy, M.D., cardiologist, greets a patient at the Cotton-O’Neill Heart Center.

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St. Michael's Foundation

St. Michael’s Hospital
Community Advisory Council

St. Michael’s Hospital
Auxiliary Executive Committee

St. Michael’s Hospital
Health Innovations Network of Kansas, Inc.

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