Holy Cross Health Strategic Plan
2015–2018

Attract more people, serve everyone

Manage quality, cost and revenue effectively

Improve individual and community health through innovation, alignment and partnership

HC HOLY CROSS HEALTH

A Message from
Kevin J. Sexton, President and CEO, Holy Cross Health

January 2015

Dear Holy Cross Health Employees, Medical and Dental Staff, and Volunteers:

I am pleased to share with you Holy Cross Health's strategic plan for fiscal 2015 through 2018.

The grand opening of Holy Cross Germantown Hospital marks the beginning of a new chapter in our long and successful history of serving as the most trusted health care provider in our community. As in the past, we continue to be guided by our faith-based mission and our focus on anticipating and proactively meeting the diverse health care needs of the communities we serve. We will continue our legacy of success by providing the highest quality of care to our patients, delivering the greatest benefit to our community, performing well fiscally and engaging and retaining an exceptional workforce.

As a Catholic, not-for-profit health system comprised of two hospitals, multiple health centers, and services throughout the community, our goal is to provide integrated, high-quality, sustainable health care services accessible to all.

The health care environment is changing significantly due to insurance coverage expansion throughout the nation, payment reform in the state of Maryland and the aging of the population we serve. The changes to the payment system in Maryland have introduced a new model of how hospitals get paid that is unique in the nation, which will require improvements in hospital efficiency and resource management, and an increased focus on disease prevention and management. We continue to anticipate the future and to respond proactively to changes in the health care environment, and we are proud to play a leading role in the development of improved health care delivery in Maryland.

Holy Cross Health has a long and successful record of setting strategic goals and meeting our planning objectives. In opening Holy Cross Germantown Hospital, we achieved our goal of positioning Holy Cross Health to meet the growing health care needs of northern Montgomery County, including the increased demand for hospital and senior care that is anticipated to result from the aging of the baby boom generation. The opening of the new hospital, the ongoing expansion of Holy Cross Hospital, the opening of a new health center in Germantown in 2015, and the growing services and partnerships offered by the Holy Cross Health Network are tremendous contributions to improving the health of the communities we serve that we can all take great pride in.

I am profoundly appreciative of your continued commitment to Holy Cross Health and the skills, spirit of excellence and service that each and every one of you brings to your patients and colleagues in your valuable and valued role. I look forward to working with you as together we implement this strategic plan and build upon our history of success.

Sincerely,

Kevin J. Sexton
President and Chief Executive Officer

Mission and Core Values

Mission

Our new mission statement combines the national perspective of Trinity Health with the regional imperatives of Holy Cross Health.

We, Holy Cross Health and Trinity Health, serve together in the spirit of the Gospel as a compassionate and transforming healing presence within our communities. We carry out this mission in our communities through our commitment to be the most trusted provider of health care services.

Holy Cross Health's team will achieve this trust through:

- Innovative, high-quality and safe health care services for all in partnership with our physicians and others
- Accessibility of services to our most vulnerable and underserved populations
- Outreach that responds to community health need and improves health status
- Ongoing learning and sharing of new knowledge
- Our friendly, caring spirit

Core Values

- **Reverence:** We honor the sacredness and dignity of every person

- **Commitment to those who are poor:** We stand with and serve those who are poor, especially those most vulnerable

- **Justice:** We foster right relationships to promote the common good, including sustainability of Earth

- **Stewardship:** We honor our heritage and hold ourselves accountable for the human, financial and natural resources entrusted to our care

- **Integrity:** We are faithful to who we say we are

We Are Holy Cross Health

Holy Cross Health is a Catholic, not-for-profit health system that is dedicated to improving access to care and the health of our communities.

Through the earned trust of the people we serve, we have grown from a single hospital into a system of connected hospitals, health centers, community outreach programs, education and support programs, and specialized care centers in locations throughout Montgomery County.

Our abiding mission commitment, backed by solid operations and generous donor contributions, has allowed Holy Cross Health to become the largest safety-net provider in the region, and the only health system in Montgomery County to operate its own health centers for those who face financial barriers to accessing medical care.

Holy Cross Health earns national awards for clinical quality and is the only health care provider in Maryland to have received the Workplace Excellence Seal of Approval Award from the Alliance for Workplace Excellence every year since 1999.

Holy Cross Health includes:

Holy Cross Hospital: One of the largest hospitals in Maryland, and the only four-time winner of The Joint Commission's highest quality award in the Washington, D.C., Metro region and Maryland.

Holy Cross Germantown Hospital: The first new hospital in Montgomery County in 35 years responds to the need for health services in the fastest growing region in the county, and provides training opportunities for future health care workers.

Holy Cross Health Network: Operates three Holy Cross Health Centers; provides extensive community health outreach, education and screening programs; and engages physicians, insurers and community-based organizations in improving care.

Holy Cross Health Foundation: A not-for-profit organization devoted to raising philanthropic funds to support the mission of Holy Cross Health and to improve the health of our communities.

We Are Here

Holy Cross Health Centers in Aspen Hill, Gaithersburg and Silver Spring are primary care medical centers that provide affordably priced health care services to thousands of adults who face financial barriers to accessing care. A center in Germantown will open in 2015.

Holy Cross Radiation Treatment Center provides advanced radiation oncology therapies, including the most innovative new treatments. The center's experienced clinicians work closely with our medical and surgical oncologists.

The Holy Cross Resource Center offers a broad range of classes and activities that promote health and wellness. Offerings include our Medical Adult Day Center, Caregiver Resource Center, our Community Health department's fitness and perinatal classes, and nutrition counseling.

Holy Cross Senior Source is a senior center located in downtown Silver Spring designed for active adults age 55 and older, and offers an array of programs to help seniors get their mind and body fit, maintain their independence, and enhance the quality of their lives.

Holy Cross Health Partners, located in Kensington and at Asbury Methodist Village, are primary care sites owned and operated by Holy Cross Health.

Holy Cross Dialysis Center at Woodmore in Mitchellville, Md., provides dialytic therapy to patients with acute renal failure or end-stage renal disease.

Holy Cross Home Care and Hospice, a member of Trinity Home Health Services affiliated with Holy Cross Hospital, offers an interdisciplinary team of skilled professionals to help patients maintain independence and dignity. We have been providing comprehensive, community-based home health services since 1967.

Sanctuary at Holy Cross is a Trinity Health Senior Living Community affiliated with Holy Cross Health that offers nursing and rehabilitation services, as well as hospice care through the Bayles Center for Hospice and Palliative Care.
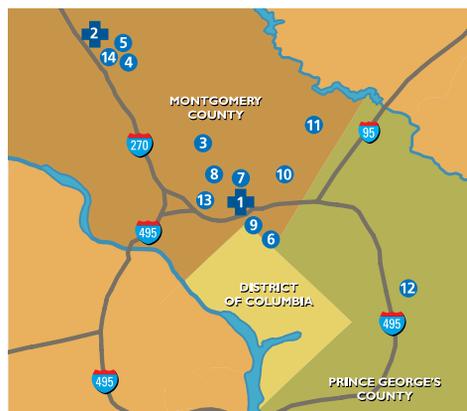
1. Holy Cross Hospital
2. Holy Cross Germantown Hospital
3. Holy Cross Health Center in Aspen Hill
4. Holy Cross Health Center in Gaithersburg
5. Holy Cross Health Center in Germantown (OPENING 2015)
6. Holy Cross Health Center in Silver Spring
7. Holy Cross Resource Center
8. Holy Cross Radiation Treatment Center
9. Holy Cross Senior Source
10. Holy Cross Home Care and Hospice, Trinity Home Health Services
11. Sanctuary at Holy Cross, a Trinity Health Senior Living Community
12. Holy Cross Dialysis Center at Woodmore
13. Holy Cross Health Partners in Kensington
14. Holy Cross Health Partners at Asbury Methodist Village

Vision for 2015–2018

In response to our mission and the significant environmental forces of payment reform, coverage expansion and aging, we have created a vision that is a concise statement of how we see future success.

Working with physicians, other providers and insurers, and staffed by an engaged workforce committed to excellence, Holy Cross Health will develop a sustainable regional health system that is chosen most often by people in our area to effectively provide and manage their care and assist them in improving their health.

This vision is manifested in three strategic principles that are particularly responsive to the incentives created by the new Medicare waiver: attract more people, serve everyone; effectively manage quality, costs and revenue; and improve individual and community health through innovation, alignment and partnership.

Over the next several years, Holy Cross Health will continue to grow by attracting more people. In the past, our primary measure of growth was an increase in inpatient market share. Going forward, we will want more people to choose us as their health care provider, but increased inpatient volume is not our objective. Rather, we will seek to increase the number of people who look to us for care.

However, a growth in number of people we care for cannot be accompanied by a proportional increase in hospital spending. The cap on per capita growth requires that Holy Cross Health become more effective in managing costs and ensuring we capture all of the revenue to which we are entitled. While outstanding performance in cost management is critical, it must be supplemented by improving the ways that care is delivered, and the goals of health care providers must shift to better health. We need better coordination both within the hospital and in the community, and greater health literacy if we are to serve those in need while controlling the aggregate growth in health care spending.

Economic and Demographic Context

When Holy Cross Health entered this strategic plan cycle in 2014, it became necessary to prepare for the changes to health care reimbursement in Maryland brought about by the Affordable Care Act, and the anticipated increase in demand for hospital care by our aging population. The accelerating growth rate of people 65 years and older is continuing as projected, and will drive the need for modest expansion of hospital services.

Since 2014, hundreds of thousands of Marylanders have enrolled in health insurance coverage under the Affordable Care Act, tens of thousands have enrolled in private coverage through Maryland Health Connection, and there has been a nearly 70% net increase in Medicaid enrollment. Additionally, stricter cost control goals in Maryland have brought far more dramatic changes to our payment models than are currently in effect nationally.

Maryland's Medicare waiver has shifted from a requirement to control the growth in spending of Medicare cost per admission, to a requirement to control per capita hospital (inpatient and outpatient) spending for everyone. The rate of annual increase to that dollar amount is determined by the growth rate of the state's economy averaged over the previous ten years. In 2014 that ten year average was 3.58%. The expectation is that by changing the incentive structure so that hospitals are rewarded for caring for populations more efficiently, rather than for the amount of procedures they perform, health care spending will slow while patient care improves.

Achieving these lower spending rates will be extremely challenging. Between 1966 and today, health care as a percent of the Gross Domestic Product has increased from approximately 6% to 18%, growing three times the rate of the economy as a whole. During the past ten years, hospital spending growth has fallen below the current 3.58% target only three times. Meeting this waiver test will require significant improvements in hospital efficiency and use management through internal initiatives and working closely with physicians and other community partners. This is our strategic objective moving forward.

The opening of Holy Cross Germantown Hospital in October 2014, together with the opening of the new patient care building at Holy Cross Hospital in fall 2015, give us ample reason to be optimistic. With our two hospitals and three existing health centers (and a health center in Germantown opening in 2015), Holy Cross Health offers the best, most comprehensive and integrated health coverage in Montgomery County compared to any local health system. This positions us well to serve this growing market effectively and efficiently.

Strategic Principles and Actions

Strategic Principles

Attract more people, serve everyone	Manage quality, cost and revenue effectively	Improve individual and community health through innovation, alignment and partnership

Strategic Actions

Develop our service portfolio and build preference for Holy Cross Health

- Define a geographic focus that leverages our expanded presence in northern Montgomery County and meets the requirements of more integrated care under the state's new payment system
- Select and offer differentiated, responsive hospital services that are highly valued by physicians and patients at Holy Cross Hospital and Holy Cross Germantown Hospital
- Develop a broader range of community-based services that will better manage health
- Build awareness of our capabilities and enhance our public reputation as a trusted partner in our community's health

Improve the health status of our community, particularly those most at risk, by targeting identified community health needs

- Provide health services and care coordination to people who lack insurance

- Address outcome disparities by linking underserved populations to services and self-care programs
- Lead in community health improvement through education, advocacy, innovation and resource commitment

Engage physicians for mutual benefit in activities that attract patients and better manage care

- Provide a high level of service, communication and responsiveness to attract and retain physician partners
- Create a clinical integration structure to facilitate development of best practices and shared economic risk and reward
- Provide opportunities for affiliated physicians to learn and share new knowledge

Improve patient experience, safety, clinical outcomes and resource utilization in partnership with physicians and others

- Enhance results by standardizing best practices and piloting innovation
- Offer service that inspires patients to recommend Holy Cross Health
- Implement care management programs that extend beyond the hospital to both primary care and post-acute care
- Develop payor relationships, especially those that offer shared incentives
- Leverage information technology to improve communication among caregivers to enhance care delivery
- Promote team-based approaches to improve patient outcomes through better coordination and continuity of care
- Engage patients and families in establishing and meeting health, treatment and quality of life goals

Attract, develop and retain a highly-qualified staff exceptionally responsive to our patients' needs

- Differentiate Holy Cross Health as an employer of choice committed to advancing the common good
- Provide development opportunities throughout the workforce
- Develop and reward an engaged workforce aligned with our mission and organizational objectives
- Attract and retain a workforce that reflects and leverages the diversity of our community

Steward our resources to ensure sustainability by effectively managing revenue and expenses

- Establish strategic partnerships to attract patients, reduce costs and diversify revenue
- Build a strong philanthropic base by cultivating a culture of philanthropy
- Improve clinical and operational efficiency, effective labor utilization, and supply management
- Leverage organizational size and scale
- Focus capital investments on strategic priorities

Successfully manage changes in the local and national health care environment

- Maximize our ability to succeed under the new Maryland Medicare waiver and the Affordable Care Act by working to get everyone who is eligible enrolled in a health insurance program and being an aggressive early adopter of the new Maryland reimbursement system
- Engage in shaping and responding to changes in national and state public policy and the local provider market
- Integrate all of the strategic provisions of the plan with the overriding need to manage within this environment and be responsive to our mission

2018: Benchmarks of Success

- More people will identify Holy Cross Health as our community's most trusted health care provider and will choose Holy Cross Health for care. Patient satisfaction scores will increase to market-leading levels.

- Holy Cross Health will be able to demonstrate the value of its approach to care delivery through distinguished clinical and care management outcomes, meaningful relationships with the full continuum of physician care, including primary care, as well as with post-acute providers and others, and below market increases in hospital resource utilization per patient.

- Physicians will demonstrate a greater appreciation for Holy Cross Health's practice environment and approach to physician relationship development through increased satisfaction scores and interdependency with our health system.

- Employee engagement scores and retention rates will increase, reflecting strong employee alignment with our values and organizational objectives. Higher levels of post-secondary degrees and certification will demonstrate Holy Cross Health's successful emphasis on training and development. Our workforce's diversity will reflect that of our community.

- Holy Cross Health will provide leading levels of financial assistance for those unable to afford care. The community will benefit from recognized best practices in improving the health of at-risk populations and increased community benefit investment linked to demonstrated community health needs.

- Holy Cross Health will remain a strong enterprise generating operating margins above the state and local average. An increased percentage of revenue will be generated from non-hospital sources, including philanthropy.

- Holy Cross Health will demonstrate its leadership in shaping public policy.

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**Holy
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2015-2018**

Improve
individual and
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through innovation,
alignment and
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Manage
quality, cost
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effectively

**HC HOLY CROSS
HEALTH**
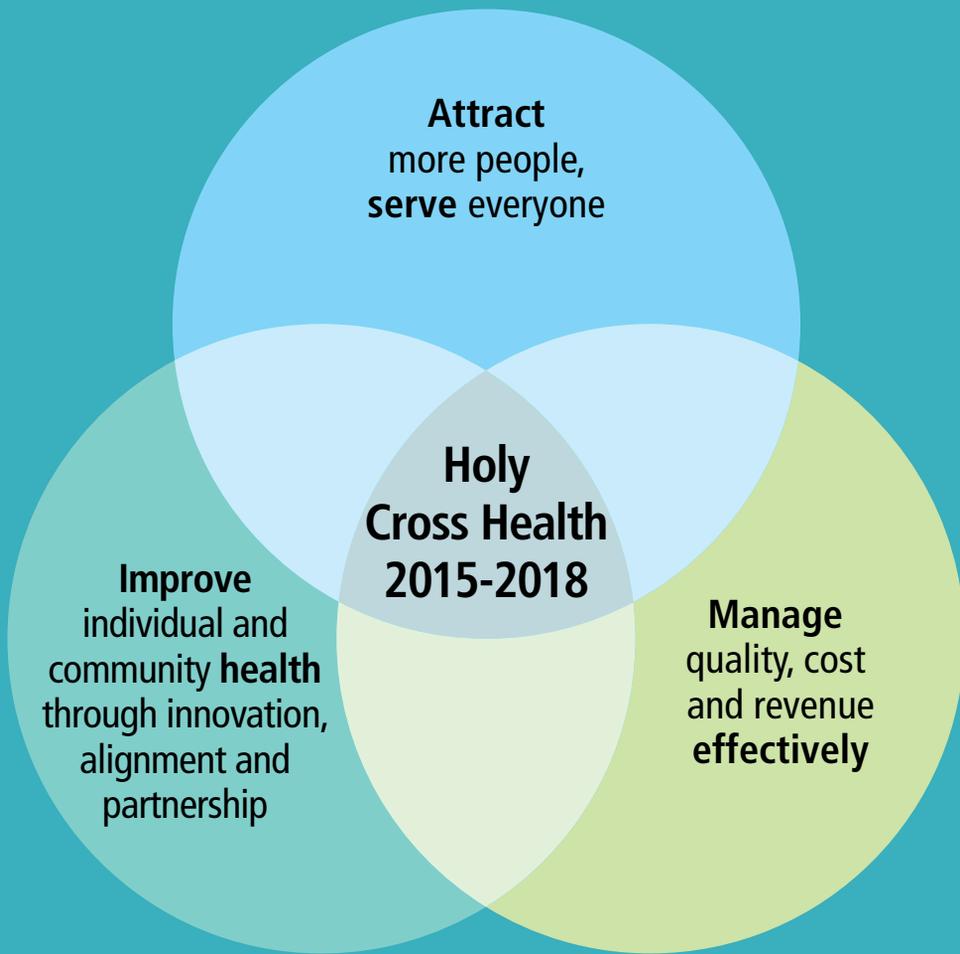
1500 Forest Glen Road,
Silver Spring, MD 20910
301-754-7000
HolyCrossHealth.org