Celebrating 20 Years of Serving Our Communities

2016 Annual Report
Celebrating 20 Years of Serving Our Communities

Continuing THE Legacy
From the President and CEO

As Covenant Health’s new President and CEO, I am honored to extend greetings to you during the 20th anniversary year of our health system. I joined Covenant Health in 2007 not only because it was an exciting opportunity for leadership and personal growth, but more importantly, because of the quality of the health system and the dedication of the employees and physicians who work together to provide excellent care for our patients.

One of my goals is to collaborate with employees throughout the system to create a culture that people want to be a part of because they know they are valued and understand how they connect to the mission and vision of Covenant Health. As I have traveled to our member organizations and met with employees and physicians, I have emphasized three imperatives that comprise my leadership pledge to them and my vision for Covenant Health:

1. The patient always come first. Our patients are the reason for our organization’s existence and it is our highest honor to care for them.
2. We are committed to excellence. Our patients deserve nothing less. That is what I expect of myself and everyone who works at Covenant Health, whether they are providing direct patient care or working in support areas of our operations.
3. First and best choice - Covenant Health will strive to be the organization that our communities instinctively seek out when they need health care. We will continually work to be the best in every aspect of the care we provide, as well as the best choice for physicians and employees.

In the pages of this report, you will learn more about our Covenant Health board, our executive leadership team, and about the innovative programs, services and accomplishments of our health system during the past year. In our 20th year of bringing health system facilities and medical professionals together to provide better care for our communities, we are indeed continuing Covenant’s “legacy of excellence,” and we are fulfilling our mission of improving the quality of life through better health for Tennesseans.

Jim VanderSteeg

From the Chairman of the Board

“Continuing the Legacy” is indeed an appropriate theme for this year’s Report to the Community. While our health system is celebrating 20 years of service and accomplishment in 2016, our member hospitals have legacies that are much longer, and which represent even more years of better health for those we serve.

When Covenant Health was established in 1996, it was because leaders of the two founding organizations – Fort Sanders Health System and Methodist Healthcare System of Oak Ridge – believed they could care for their communities more effectively together than either system could alone. And they were right. Covenant Health is recognized for excellence in many areas – our quality of care, the integrity of our operations, our financial strength and reinvestment in the communities where our facilities are located, and the expertise and dedication of our physicians, employees and volunteers. Covenant Health is a strong community asset that has improved the quality of life in our region.

It is a good place to be - but it is only the beginning. Following the transition of Tony Spezia to CEO Emeritus earlier this year, we welcomed Jim VanderSteeg as Covenant’s new president and CEO. He and his new executive leadership team are looking ahead to new horizons. There will be new goals and aspirations, new levels of quality achievements and medical outcomes, and new undertakings that will continue to make Covenant Health a “beacon on the hill” - the first and best choice for healthcare services in our communities and our region. The building blocks for that future are already being placed, and the legacy will continue.

The Covenant Health board of directors also is a community asset, made up of leaders and physicians who donate their time and knowledge, and have a heartfelt dedication to the health system’s mission. The healthcare industry continues to grow more challenging, so we are using a deliberate approach to match core competencies and leadership skills of prospective members with the needs of the organization. In this way, the board also will continue the outstanding legacy of Covenant Health.

Our Covenant team is committed to serving our friends and neighbors with excellence and to remaining your preferred source for health care. We are truly grateful for the privilege of serving the people of Tennessee.

Larry D. Mauldin
Covenant Health Board of Directors

Edwin Anderson  Retired Administrator  Cumberland Medical Center  Crossville
Terry Birmingham, M.D.  General Surgery  Knox County Medical Center  Chief of Staff
Patrick Birmingham  Publisher  Knoxville News Sentinel
Gerald Boyd  Vice President, Business Development  Stoller Newport News Nuclear (SN3)  Oak Ridge

Mitchell Dickson, M.D.  Anesthesiology  Parkwest Medical Center
Pam Fmaler  East Tennessee Region President  First Tennessee
James J. Fitzsimmons  President  James J & Associates  Vonore
Jim Johnson, Jr.  Retired Healthcare Administrator  Kingston

Eddie Maness  President, Owner  Prestige Cleaners, Inc./Prestige Tuxedo
Timothy B. Matthews  President and CEO  Jewelry Television
Larry Maudin  Retired-President and CEO  SunTrust Bank of East Tennessee
Joseph Metcalf, M.D.  General and Vascular Surgery  Methodist Medical Center of Oak Ridge

Carl B. Storms  Concrete Materials, Inc.  Morristown
Joseph E. Suttor  Senior Partner  Concrete Materials, Inc.  Morristown
Richard H. Swanson  Senior Partner  Swanson and Cowan, LLP  Morristown
James Tamontana, M.D.  Radiology  Methodist Medical Center of Oak Ridge  Chief of Staff

Covenant Health Board members and administrative leaders serve our communities through strategic planning and successful operation of these member organizations:

Hospitals
Claiborne Medical Center
Cumberland Medical Center
Fort Loudoun Medical Center
Fort Sanders Regional Medical Center
LeConte Medical Center
Methodist Medical Center of Oak Ridge
Morristown-Hamblen Healthcare System
Parkwest Medical Center
Peninsula Hospital
Roane Medical Center

Outpatient and Specialty Care
Covenant HomeCare and Hospice
Covenant and Methodist Therapy Centers
Fort Sanders West Diagnostic Center
Fort Sanders West Outpatient Surgery Center
Morristown Regional Diagnostic Center
Patricia Neal Rehabilitation Center
Peninsula Outpatient Centers
Thompson Cancer Survival Centers
Covenant Breast Centers
Covenant Joint Centers
Covenant Sleep Centers
Claiborne Nursing Home
Fort Sanders Sever Nursing Home

Physician Services
Covenant Medical Group, Inc.
Covenant Health is also a partner in joint ventures with physicians that provide surgical and other services.

Other Programs and Services
Fortress Corporation
Fort Sanders Health and Fitness Center
Nanny’s
Covenant Staffing Services
Tennessee Wesleyan University – Fort Sanders Nursing

Foundations
Fort Sanders Foundation
Claiborne Healthcare Foundation
Dr. Robert F. Thomas Foundation
Methodist Medical Center Foundation
Morristown-Hamblen Hospital Foundation
Thompson Cancer Survival Center Foundation

Celebrating 20 Years of Serving Our Communities

Covenant Health Board of Directors

Willard Campbell, M.D.  General and Vascular Surgery  Parkwest Medical Center  Chief of Staff
Michael Casey, M.D.  Orthopedic Surgeon  Fort Sanders Regional Medical Center
William C. “Cliff” Cole  Podiatry  LeConte Medical Center  Chief of Staff

Michael Kropilak, M.D.  General and Vascular Surgery  Fort Sanders Regional Medical Center  Chief of Staff
Amber Krupacs  Executive Vice President and CFO  Clayton Homes, Inc.
Andrew MacLellan, M.D.  Orthopedics  Parkwest Medical Center  Chief of Staff

Alvin Nance  CEO, Development and Property Management  Laker Wood Housing Partners
Paul Naylor, M.D.  Orthopedics  Parkwest Medical Center  Chief of Staff
Roger D. Osborne  President and CEO  PNFP Capital Markets, Inc.

Jim VanderStoeg  President and CEO  Covenant Health
David Vertes  President and CEO  Citizens National Bank  Sevierville

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20 Years of Investing in Our Communities

2007 - Covenant Health breaks ground for LeConte Medical Center, a replacement hospital for Fort Sanders Sevier Medical Center. The 200,000-square-foot facility will feature a hospital, women's center, professional building and cancer center, at an estimated cost of $110 million. International music star and Sevier County native Dolly Parton pledges $500,000 toward the new facility, including proceeds from a benefit concert in Sevierville.

2008 - Roane Medical Center, a 105-bed hospital located in Harriman, Tennessee, affiliates with Covenant Health, becoming the sixth acute-care hospital in the organization.

2010 - Morristown-Hamblen Healthcare System merges with Covenant Health, making the 167-bed facility the seventh acute care hospital member of Covenant.

2011 - The Center for Advanced Medicine, a $78 million expansion project, opens at Fort Sanders Regional Medical Center. The Center includes physician offices and other outpatient services.

2013 - Five years after joining Covenant Health, Roane Medical Center opens a new $76 million hospital in Harriman. The hospital features expanded surgical and imaging services, emergency facilities and patient amenities.

2014 - Cumberland Medical Center and Claiborne County Hospital (now Claiborne Medical Center) join Covenant Health.

2016 - Cumberland Medical Center opens a new $6.3 million emergency department featuring additional rooms and services. (See photo and details on p. 12.)

Achievements in Clinical Care and Community Service

2000 - Covenant Health receives the highest award for community health improvement from VHA, Inc., a national network of not-for-profit healthcare organizations.

2005 - Covenant Health inaugurates the Covenant Health Knoxville Marathon and Covenant Kids Run in partnership with the Knoxville Track Club, to encourage fitness and active lifestyles. The event draws thousands of runners from throughout the U.S. every year.

2010 - Covenant Health is named among the Top 51 best-performing health systems in the nation based on clinical quality and efficiency, patient safety and use of evidence-based practices, among other criteria.

2011 - Covenant Health receives the Knoxville Chamber’s Pinnacle “Impact Award” for significantly enhancing the quality of life in East Tennessee.

2012 - Covenant Health is #22 in a national ranking which measures health system integration and effectiveness.

2015 - Covenant Health is named in the top quintile among the nation’s top-performing health systems based on patient safety, length of stay, readmission rates, adherence to clinical standards of care and patient satisfaction, among other criteria.

2016 - Covenant Health is named among America’s Best Employers by Forbes Magazine.
Introducing Covenant Health’s Executive Leadership Team

“Continuing the Legacy” is the theme of the 2016 annual report, recognizing both the 20th anniversary of Covenant Health and an executive leadership transition for the health system. In November 2015, Anthony L. (Tony) Spezia announced that he would transition from president and CEO of Covenant Health to CEO Emeritus. Jim VanderSteeg was named as his successor, effective April 1, 2016.

Spezia served as president and CEO of Covenant Health for more than 15 years. During that time he oversaw the health system’s geographic expansion; the addition of new member hospitals; investment of more $1.2 billion in facilities, technology and services, and growth in the number of employees and affiliated physicians. To celebrate his “legacy of excellence,” nearly 600 people gathered for a memorable tribute celebration at the Knoxville Convention Center.

Spezia now focuses his efforts on the healthcare industry, legislative issues and public policy initiatives. At the Legacy of Excellence celebration, he said, “I thank the Lord for giving me the opportunity to lead Covenant Health. It is an organization that not only provides nearly 10,000 jobs, but it also makes a positive difference every day in the lives of the thousands of patients and their families who entrust their care to us. No one can ask for more meaningful work.”

Jim VanderSteeg joined Covenant Health in 2007 after nearly 20 years in administrative and executive leadership roles at Baptist Memorial Healthcare Corp., a healthcare delivery system with 13 hospitals in Tennessee and Mississippi. He is “continuing the legacy,” focusing on the health system’s vision of putting the patient first, the highest standards of excellence and assuring that Covenant Health is the first and best choice for healthcare services in our communities.

With VanderSteeg as CEO, Covenant’s new Executive Leadership Team includes:

- **John Geppi**, who continues to serve as the organization’s executive vice president and chief financial officer. Geppi has been with Covenant Health since 2000. He has been named to a national list of “Hospital and Health System CFOs to Know” and was named the area’s CFO of the Year by Financial Executives International and the Greater Knoxville Business Journal in 2012.
- **Mike Belbeck**, executive vice president of operations, who previously served as president and chief administrative officer of Methodist Medical Center of Oak Ridge. He joined Covenant Health in 2007.
- **Luke Johnson**, joined the health system in April 2016 as executive vice president, physician enterprise/ambulatory services. Johnson has leadership responsibilities for Thompson Cancer Survival Center, ambulatory retail and urgent care services, physician engagement and alignment strategies, and Covenant Medical Group, along with all other employed physician enterprises.

Financial and Patient Care Highlights

### Financial Summary – FY 2015 (in 000s)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Total Operating Revenue</td>
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<td>Total Assets</td>
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<tr>
<td>Total Liabilities</td>
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<td>Net Assets</td>
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### Patient Care Summary

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<th>2014</th>
<th>2015</th>
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<tr>
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<tr>
<td>Inpatient Surgeries</td>
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<td>16,908</td>
<td>16,585</td>
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<tr>
<td>Outpatient Surgeries</td>
<td>27,042</td>
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<td>ED Visits</td>
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<td>Outpatient Visits</td>
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<tr>
<td>Physician Office Visits</td>
<td>489,056</td>
<td>499,881</td>
<td>548,210</td>
</tr>
</tbody>
</table>

### Summary of Covenant Health Investments in Facilities and Technology

Covenant Health has made an unprecedented cumulative investment in new facilities and equipment, medical information and clinical technology, with more planned...

![Graphic of investment growth]
Covenant Health Named Among “America’s Best Employers”

Covenant Health was one of only 44 hospitals and health systems named to the Forbes 2016 list of “America’s Best Employers.” This year’s list includes a total of 750 large and mid-size U.S. businesses of all types. In the list of 250 mid-size companies, Covenant was listed seventh among hospitals and health organizations and 50th in the overall list. It was the only healthcare organization in East Tennessee to be included in the list.

Forbes partnered with statistics firm Statista to compile data from a survey of more than 30,000 U.S. employees. Survey participants were asked if they would recommend their employer to a potential new hire, and they were asked to share their views about other companies in their industry.

“Covenant Health has a broad-based approach to being an employer of choice,” said Debi Welch, senior vice president of human resources. “We are nationally recognized for organizational ethics and offer many opportunities for leadership development and professional advancement. In addition, our employee recognition programs celebrate individual performance, team collaboration and best practices. These attributes help create an outstanding work environment.”

“If there is one factor that is essential to Covenant’s success, it is our employees,” noted Jim VanderSteeg, president and CEO. “Their expertise and dedication to the patients we serve are key to accomplishing our health system’s mission of improving the quality of life in our communities.”

New Nurse Residency Program Supports School-to-Work Transition for Recent Grads

Program Receives $15,000 Grant in First Year of Operation

Covenant Health has implemented a nurse residency program to support newly graduated nurses as they transition into new responsibilities in a fast-paced hospital environment.

Covenant has adopted the Vizient/AACN Nurse Residency Program™ used by more than 200 hospitals and health systems nationwide. The program emphasizes evidence-based practices and is designed to empower new nurses with increased competence, more confident decision making, stronger leadership and critical-thinking skills, and greater work satisfaction.

Hospitals that have implemented the program have seen reductions in nursing turnover and a positive impact on patient safety and quality of care.

“It is so important for new nursing graduates to have a group of peers and mentors who assist them in enhancing their skills and becoming comfortable with the challenges of practice,” said Janice McKinley, chief nursing officer for Covenant Health. “It’s a pleasure to be part of an organization that values advanced learning for nurses. The positive clinical outcomes will help not only our participating nurses, but also our patients.”

The new initiative recently received a $15,000 grant from The Promise of Nursing for Tennessee Nursing School Grant Program administered by the Foundation of the National Student Nurses’ Association. Funds for the grant program were contributed by several hospitals and healthcare agencies in the Tennessee area, by Johnson & Johnson, and by national companies with an interest in supporting nursing education, and were raised at a gala event sponsored by Johnson & Johnson.

Nurse residency program coordinator Sara Meadows said the first class of 135 represented not only all area nursing schools, but also included nurses who moved to Tennessee from other states because they wanted to participate in a residency program.

Covenant Health Partners with LMU in New Medical Student Program

Covenant Health has launched a medical student program in partnership with DeBusk College of Osteopathic Medicine at Lincoln Memorial University in Harrogate, Tennessee.

The medical student program will provide clinical experiences for aspiring physicians and mid-level providers. Students will be assigned to one of several participating Covenant Health hospitals for their clinical training. They may also participate in elective experiences at other Covenant facilities in specialty areas such as primary care, neurology, perinatology, radiology and orthopedics.

Working under the direct supervision of physicians, students will interview and examine patients, review clinical information, make hospital rounds, participate in interdisciplinary team meetings, practice appropriate documentation and perform procedures.

“We celebrate a true partnership between two organizations – Covenant Health and LMU – that share a vision for excellence and a passion for quality,” said Jim VanderSteeg, Covenant’s president and CEO. “We share a culture of teaching and learning, and our organizations are built on a promise of service to the community.”

“There is a shortage of medical professionals in the area, and the medical student program will help address that need. Through this innovative partnership, we get a chance to be part of the future of education,” said Autry O.V. “Pete” DeBusk, chairman, LMU Board of Trustees.

Convenient Care for Downtown Knoxville

Knoxvillians who work or live downtown now have a convenient location to receive medical care when they need it. In 2016 Covenant Health opened Convenient Care Downtown to meet the immediate medical needs of downtown employees and visitors.

Located in the Phoenix Building at 418 S. Gay St., Convenient Care Downtown offers treatment for minor illnesses and injuries. Sports and camp physicals are available, as well as flu shots and new-hire drug screenings. No appointment is needed and most insurance plans are accepted.

“We have long served this important community through Fort Sanders Regional Medical Center. With our new clinic on Gay Street, we are able to offer quality walk-in care for people who live, work, and visit downtown,” said Covenant Health President Jim VanderSteeg.

VanderSteeg joined Phoenix Building owner Eddie Mannis and representatives from the City of Knoxville and the Knoxville Chamber at a ribbon cutting and open house to celebrate the clinic’s opening.

Covenant Health Solutions

Covenant Health works with local businesses and organizations to develop strategies and programs for improving their employees’ health.

2016 Summary:

• 10 business clients, comprising approximately 750 employees
• Worksite clinics at Jewelry Television and Sevier County Wellness Clinic
• Services offered: biometric screenings, health risk assessments and personal health report, aggregate health analysis, newsletters, educational and diabetes classes, weight loss programs, health coaching
Clinical Accomplishments

Covenant Health serves a 23-county region in Tennessee, making the health system’s services available to a large number of communities throughout our region.

In addition to its nine acute care hospitals, Covenant Health provides services including Covenant HomeCare; inpatient and outpatient behavioral care through Peninsula, a Division of Parkwest Medical Center; a comprehensive systemwide cancer network; and rehabilitation/therapy services.

Fort Sanders Regional Medical Center is the hub of Covenant’s stroke hospital network. The medical center is an accredited Stroke Center of Excellence and also is home to the Patricia Neal Rehabilitation Center. These programs and others assure that all aspects of a patient’s healthcare needs can be met in Knoxville and surrounding communities, and patients do not have to leave the area to find specialized services.

Major service lines include cardiology, inpatient medicine, neuro/stroke, oncology and orthopedics/spine services. Each service line has active leadership and participation from our medical staff, and we cooperatively focus on patient-centered, quality care and the development of new programs and initiatives to serve our communities.

Service Line Summary

Cardiac – Covenant Health was the first area health system to pioneer TAVR (pronounced “T av-R”), a minimally invasive treatment for a life-threatening heart condition called aortic stenosis. The program continues to improve patient outcomes and decrease length of hospital stay for TAVR patients. The cardiac service line also is implementing new technologies such as mitraclip (a type of non-surgical heart valve repair) and subcutaneous implantable defibrillators (heart-rhythm defibrillators that are implanted under the skin) at selected facilities.

Inpatient Medicine – Covenant Health has aggressive initiatives underway throughout the system to exceed national standards for eliminating infections that can be acquired in healthcare settings. Covenant’s goal is “zero harm” and the highest standards of patient safety.

Neuro/Stroke – Covenant Health has increased the appropriate use of tPA (“clot-busting” medication) for stroke patients in emergency rooms at hospitals throughout the surrounding area (both Covenant and non-Covenant facilities). “Code Stroke” rapid response teams are in place throughout the health system to assure that patients receive the fastest evaluations and advanced treatment when a stroke occurs.

Oncology – Many Covenant Health breast centers now offer 3D mammography (tomosynthesis), which allows the radiologist to better detect smaller cancers, even in women with dense breast tissue. Covenant Health also has implemented low-dose CT lung cancer screening at several facilities. The process uses lower levels of radiation while identifying lung cancer earlier among patients at high risk for the disease. Oncology services also has expanded its nurse navigation program, which assigns an oncology nursing professional to each cancer patient. The nurse navigator provides clinical information and coordination of medical and community resources to support cancer patients and their families.

Orthopedic – Covenant Health facilities have reduced incidences of surgical site infections and post-surgery readmission rates for patients who have hip and knee procedures. This service line also has a special focus on excellence in spine surgery.

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Covenant Health continually seeks feedback from patients regarding their hospital experiences and focuses on patient satisfaction and perception of overall quality of care. More than 95 percent of patients rate their outpatient and outpatient surgery experiences as “very good” or “excellent.” The health system has recently established hospital-based Patient/Family Partnership Councils, bringing former patients and staff members together to determine ways to enhance patients’ overall care experience.

Covenant Health hospitals have been recognized for systemwide achievements in lowering the rate of elective deliveries prior to 39 weeks, in order to give babies better chances for good physical and developmental health.
Celebrating 20 Years of Serving Our Communities


“A rating from S&P Global gives Covenant Health the highest bond rating among healthcare organizations in the East Tennessee area,” said John Geppi, executive vice president and chief financial officer.

A higher bond rating enables Covenant to fund facility expansions or major projects at continued lower interest rates and overall cost of capital, enhancing the health system’s ability to provide excellent care, Geppi said. “The A rating is an affirmation of S&P’s confidence in our financial stability and in the future of Covenant Health.”

Covenant Health has selected Cerner, a worldwide provider of health information technologies, to provide a comprehensive suite of integrated solutions to support Covenant’s clinical, financial and population health management initiatives. The implementation will include initiatives such as an upgraded electronic health record, a revenue cycle platform, clinical support systems and an expanded patient portal.

“This partnership will play a significant role in our ability to provide better and more efficient care. It represents a major investment in the health of our patients and the future of our health system,” said President and CEO Jim VanderSteeg. “Cerner’s IT solutions will enable us to work in an efficient and cost-effective manner, supporting Covenant Health as we continue to improve patient outcomes and population health, and positively impact the quality of life in our communities.”

Covenant HomeCare has earned four-star quality ratings based on outcome measures and patient satisfaction data collected by the Centers for Medicare and Medicaid Services (CMS).

Covenant Hospice has received Level II designation in We Honor Veterans, a national awareness action campaign that encourages partnerships between community hospices, state hospice organizations and VA facilities for veterans’ end-of-life care.

Clairome Medical Center has continued to upgrade facilities in 2016. A major project included the purchase of new pulmonary function equipment for the respiratory department and installation of exterior signage using the hospital’s new logo and Covenant Health branding.

Cumberland Medical Center opened its new $6.3 million emergency department in early October. The hospital also welcomed its first full-time interventional cardiologist, enabling the hospital to offer expanded cardiology services.

Fort Sanders Regional Medical Center’s cardiology department received the 2016 American College of Cardiology Foundation’s NCDR ACTION Registry® - 2016 GWTG™ Gold Plus Performance Achievement Award with Honor Roll status for Elite Stroke Care. The award honors hospitals that have maintained a 90% or better performance of care guidelines for eight consecutive quarters. Fort Sanders has been recertified by The Joint Commission as a Comprehensive Stroke Center. The stroke program’s capabilities and outreach efforts have expanded through the addition of neurohospitalists to the medical staff.

Fort Sanders Regional was recognized in Becker’s Hospital Review as one of the country’s “100 Hospitals and Health Systems with Great Oncology Programs.” Hospital renovations included a new 5,000-square-foot cardiac and pulmonary rehabilitation facility, a new hybrid operating room and in-hospital MRI.

LeConte Medical Center was included on the 2016 list of “100 Great Community Hospitals” in the U.S. compiled by Becker’s Hospital Review. The Becker’s editorial team selected community hospitals around the country based on rankings and awards from a variety of healthcare organizations, including the American Nurses Credentialing Center and the Leapfrog Group.

Methodist Medical Center piloted the health system’s new low-dose CT screenings for those at high risk for lung cancer. Studies have shown that early detection through yearly low-dose CT lung screenings can lower the risk of death from lung cancer by 20 percent among people who are at high risk. Without LDCT screening, lung cancer is usually not found until a person develops symptoms.

Parkwest Medical Center was ranked by THA as number one in the region and second in the state in 2016 for number of joint replacements performed. The medical center also became certified as a NICHE hospital, recognizing its capabilities in providing care for elderly patients.

Peninsula, the behavioral health division of Parkwest Medical Center, received the Optum ACE Award for clinical excellence in 2016. The organization also has designated a staff member as a liaison with Knox Area Rescue Ministries (KARM) to assist with patient transitions and follow-up.

Cumberland Medical Center held a ribbon-cutting ceremony and tours for its new emergency department, which opened in October. The ED includes over 17,000 square feet of new space, 24 additional patient care rooms including two psychiatric specialty rooms, and new equipment and technology. The ceremony also honored the memory of David McKinney, MD, who served the community for many years, including roles as CMC’s chief of staff and medical director of the emergency department. Dr. McKinney’s vision for the new ED helped inspire the plans and design of the new facility.
Celebrating 20 Years of Serving Our Communities

Continuing the Legacy

Covenant Health Knoxville Marathon Celebrates 12th Year

Nearly 8,000 runners took to the streets of Knoxville on April 2 and 3, 2016, for the 12th annual Covenant Health Knoxville Marathon. The two-day event included the Covenant Kids Run and 5k race on Saturday evening and the half-marathon, four-person relay and full marathon on Sunday. Plans are already underway for the 13th marathon in 2017.

“Covenant Health is committed to improving the quality of life in our region through better health. The marathon helps us promote fitness and good health, and has a positive impact on tourism and quality of life in East Tennessee,” said Jim VanderSteeg, Covenant Health president and CEO. “I am proud of our association with Knoxville Track Club and very pleased that we are continuing to host the Covenant Health Knoxville Marathon.”

The 2016 event also included a Fittest Company Challenge and a Corporate Challenge Team of individuals representing 14 area businesses who trained together in pursuit of healthier lifestyles while preparing for marathon events.

Katerpillar Kids Supports Children Grieving Loss of a Loved One

Covenant HomeCare Hospice continues to offer Katerpillar Kids Camp, a free event offered with the support of Variety-The Children’s Charity. Held annually at Camp Wesley Woods in Townsend, the weekend day camp helps children in grades 1-12 express feelings of loss in a supportive environment, while enjoying new friendships, crafts and outdoor activities.

Katerpillar Kids campers have an opportunity to express feelings of loss in a supportive environment, but also have plenty of time for new friendships, outdoor activities and fun.

Covenant Health Provides Ongoing Support for HonorAir Knoxville

Covenant Health is a major sponsor of Knoxville’s HonorAir program, which takes WWII, Korean and Vietnam veterans from East Tennessee (at no charge to them) to Washington, D.C., to visit the memorials built to honor their sacrifice. In spring 2016 the program included the first flight that was solely for Vietnam veterans.

“We began this program in 2007 to honor WWII veterans. In 2011 we began to also honor Korean War veterans. This year, through our continued partnership with Covenant Health, we began to serve Vietnam War veterans,” said Eddie Mannis, a member of Covenant Health’s board of directors, president of Prestige Cleaners, Inc./Prestige Tuxedo, and founder and chairman of HonorAir.

“The Vietnam War is the longest in U.S. history, covering a span of more than 19 years. Over 58,000 Americans lost their lives, and we felt it was time to honor those American heroes.”

“As a Covenant board member, I am pleased that Covenant Health has supported HonorAir from the very first flight in October 2007 and has continued that support through all 23 flights to date,” said Joe Sutter, Covenant Health board member and retired colonel, USAF. “I am proud to live in a community where the public and organizations like Covenant Health value and respect the service and sacrifice of our military.”

In addition to financial support, Covenant Health has provided a staff physician for the majority of the flights, with Mitch Dickson, MD (also a Covenant board member), and Mike Ayres, MD, serving in that role. Covenant Health also has sent a volunteer escort on every HonorAir Knoxville flight.

“Under the leadership of the Drs. Dickson and Ayres, the medical team that travels on each flight is well prepared to meet any needs the veterans may have,” Sutter said.

“It is hard to measure the impact HonorAir has on the veterans,” he added. “It’s not uncommon for a veteran to say that the trip was ‘the best day of my life!’”

Community Outreach

Dogwood Patch Program Encourages Community to Enjoy Local Outdoor Beauty

As the flowering dogwood trees began showing their pink and white blossoms this past spring, Covenant Health announced a new initiative as part of its health and fitness sponsorship of the Dogwood Arts Festival. The health system offered a limited-edition patch for anyone who completed 25 miles on featured Dogwood Trails. Miles had to be completed between April 1 and May 31.

Missy Kane, Covenant’s health promotions coordinator, said the patch program “inspires people of all fitness levels to get moving and enjoy the benefits of a more active lifestyle, along with the natural beauty of East Tennessee.”

More than 300 people qualified to receive a patch during the program’s initial year.

Beauty to Enjoy Local Outdoor Dogwood Patch Program

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Covenant HomeCare Hospice continues to offer Katerpillar Kids Camp, a free event offered with the support of Variety-The Children’s Charity. Held annually at Camp Wesley Woods in Townsend, the weekend day camp helps children in grades 1-12 express feelings of loss in a supportive environment, while enjoying new friendships, crafts and outdoor activities.

Katerpillar Kids campers have an opportunity to express feelings of loss in a supportive environment, but also have plenty of time for new friendships, outdoor activities and fun.

Covenant board member Eddie Mannis, founder and chairman of HonorAir.

Cardiologist and flight physician Mike Ayres, MD, left, and veteran Gus Gocella of Crossville, who helps organize HonorAir participants from the Cumberland Plateau area, prepare for their trip to Washington, D.C.
Philanthropy Builds a Legacy

Throughout the years, fundraising efforts across Covenant Health have brought generous individuals and businesses together to make an impact on the health of our communities. In the last year, there have been many opportunities to celebrate and grow Covenant Health’s legacy of excellence through fundraising:

**SUBWAY® Race Against Cancer**

Thompson Cancer Survival Center was established with the help of many generous donors and has a long tradition of charitable support. The Smothers family and BUDDY’s bar-b-q had great vision in establishing the Race Against Cancer to benefit the center 22 years ago. All funds raised by the race have stayed in East Tennessee to provide cancer screenings, education and outreach to our communities. In 2015 Covenant Health announced the next step for this signature event with the lead corporate sponsorship of SUBWAY®. The partnership with local franchises brings opportunities to expand the reach and success of the race.

“Our decision to sponsor the Race Against Cancer was made much simpler by the outstanding support of the community on this longstanding tradition,” said John Dell, SUBWAY® restaurants development agent for East Tennessee and a local owner. “All Subway restaurants are locally owned and operated so it’s important to us to support organizations that are working to improve the quality of life for members of our community.”

**Hope Center**

The Hope Center’s journey began in 1996 for people who are affected by HIV. Originally based at Fort Sanders Regional Medical Center, the program has adapted to the changing needs of the HIV community. Last year the program transitioned to be a part of Covenant HomeCare with a new medical director and program coordinator. The hope-focused care model created in 1996 continues to be the essence of care for the Center’s services.

The Hope Center provides, at no charge, caring support and assistance to individuals and families living with HIV. Inpatients, outpatients and newly diagnosed individuals have a safe, non-stigmatizing place to feel encouraged and valued.

Hope Center is completely funded through philanthropic donations and grants, and generous volunteers help provide many of its services.

**Hospitality Houses**

Last year 211 guests spent 1,787 nights at two Hospitality Houses for patients and families receiving care at Methodist Medical Center in Oak Ridge. Each house has private suites, a fully stocked kitchen, a shared family room and laundry facilities. The two houses are increasingly at 100% occupancy. An additional house is owned by Methodist but needs renovation in order to become the third Hospitality House, at an estimated cost of $400,000.

Earlier this year, a fundraising campaign began under the leadership of MMC Foundation board member Steve Whitson to raise both financial and in-kind contributions of material and labor. Oak Ridge businesses UT-Battelle and Pro2Serve have committed the lead charitable gifts to the campaign. As a result of their generosity, the third house will be named the UT-Battelle/Pro2Serve House.

Covenant Health’s Office of Philanthropy also supports the Fellowship Center, which provides housing for patients and families receiving care at Covenant locations in downtown Knoxville.

Community Benefit Report

One of the most tangible expressions of the charitable purpose of Covenant Health is providing care to people in need. As a not-for-profit system, Covenant Health provides medically necessary services to people with limited resources. Covenant Health actively participates in the state’s TennCare program, and collaborates with other area providers to identify and support efforts to make community healthcare resources available for those in need.

The Covenant Health Office of Philanthropy coordinates these fundraising efforts across six foundations:
- Fort Sanders Foundation (serving Fort Sanders Regional, Fort Loudoun, Parkway, Roane, and Cumberland Medical Centers; Pennington, Covenant HomeCare/Hospice; Hope Center, and Patricia Neal Rehabilitation Center)
- Methodist Medical Center Foundation
- Morristown-Hamblen Hospital Foundation
- Claiborne Healthcare Foundation
- Dr. Robert F. Thomas Foundation (serving LeConte Medical Center and Sevier County’s health needs)
- Thompson Cancer Survival Center Foundation

**Summary of Community Benefit Totals for Uncompensated Care**

<table>
<thead>
<tr>
<th>2015</th>
<th></th>
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<tbody>
<tr>
<td>Charity Care</td>
<td>$54.1 million</td>
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<tr>
<td>TennCare*</td>
<td>43.4 million</td>
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<tr>
<td>Medicare*</td>
<td>1221 million</td>
</tr>
<tr>
<td>Total Uncompensated Care</td>
<td>$219.6 million</td>
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</tbody>
</table>

*Care which costs more to provide than reimbursements from state and national programs cover. Covenant Health provides community benefit that far exceeds the value of its tax-exempt status.

**2015 Community Benefit by Covenant Health Member Organizations**

| Uncompensated Patient Care | ........................................... | $219,583,000 |
| Health Professions Education | ........................................... | $1,878,000 |
| Subsidized Health Services | ........................................... | 34,357,000 |
| Donations, Medical Missions, and Community Building | .......................................... | 2,064,158 |
| Total Contributions | ........................................... | $257,882,158 |
| Related Employee Contributions to Outreach Programs | ........................................... | 672,883 |

**2015 Total Contributions to the Community**

| ........................................... | $258,555,041 |

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Our Mission
We serve the community by improving the quality of life through better health.

Our Vision
Covenant Health is committed to being the region’s premier healthcare network by providing patient-centered care that inspires clinical and service excellence, making us the first and best choice for our patients, employees, physicians, employers, volunteers and community.

Our Values
In service to God and community, we value:
- Integrity
- Quality
- Service
- Caring
- Developing People
- Using Resources Wisely

Covenant Health complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex.

Covenant Health cumple con las leyes federales de derechos civiles aplicables y no discrimina por motivos de raza, color, nacionalidad, edad, discapacidad o sexo.

Covenant Health
www.covenanthealth.com
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