



A Year of **TRANSFORMATION**

2015-2016 ANNUAL REPORT



Regional Health

Helping Patients and Communities Live Well

COMMITTED TO OUR COMMUNITY



Honorees during the Rapid City Community Conversations 4D/5K Fun Run/Walk held on June 4, 2016, were (left to right): Bruce Long Fox, Rural America Initiatives; Brent Phillips, Regional Health; Jim Scull, Scull Construction; and Bev Warne, SDSU College of Nursing.



Attendees pose for a group photo honoring the Lakota Medicine Wheel colors

Dear Friends:

It is truly incredible to be a part of a team of over 5,000 physicians and caregivers who are dedicated to our purpose of helping patients and communities live well. Working together with the medical community we are transforming health care delivery, service, safety, and quality throughout the Black Hills allowing us to provide over \$51 million in free care for our communities.

Our journey to become the best health care system in America is ambitious and requires the collaboration and teamwork of our physicians and caregivers across every discipline. Throughout the past year, their ingenuity and commitment has led to innovative services and programs that enable us to exceed expectations, as well as receive national recognition of excellence in our performance including recognition from Healthgrades for being amongst the top 5% in the nation for clinical excellence.

Growing partnerships between Regional Health and the city, county, state, civic leaders, not-for-profits, and the business community have allowed us to work collectively toward addressing growing unmet needs such as mental health services, homelessness, and food shortages.

In looking to the future, we are expanding our healing environments to better serve our community. The major capital developments in Custer, Rapid City, and Sturgis are a testament to our vision of becoming the best health care system in America, and we look forward to new opportunities in the Northern Hills.

In some ways, our journey is analogous to a tree that has developed deep roots. It withstands the external forces of nature, grows stronger, is well grounded, and knows its purpose – to bear good fruit. Regional Health is much the same. Our roots run deep throughout the 20+ communities we serve, and we, too, know our purpose of helping patients and communities live well.

In closing, I will reference the great football coach Vince Lombardi, whose words capture and exemplify our vision and journey: “Perfection is not attainable, but if we chase perfection, we can catch excellence.” This applies to all of us in our daily work of caring for patients directly or supporting those who do. Together we can make a real difference in our communities and in the lives of our patients.

I extend my sincerest gratitude to all patients, community members, physicians and caregivers who are on this incredible journey with us.

Sincerely,

A handwritten signature in black ink that reads "Brent R. Phillips". The signature is fluid and cursive, with a long, sweeping tail on the last letter.

Brent R. Phillips
President and CEO



Regional Health's purpose serves as the compass that guides our 5,000 physicians and caregivers by clearly defining what we do. Our vision sets a goal that inspires and empowers our team to be a part of that journey, while our values describe who we are and characterize the behavior that will help us fulfill our purpose.

What we do

PURPOSE: Helping Patients and Communities Live Well

Why we do it

VISION: We aspire to be the best health care system in America

Who we are

VALUES: Compassion | Innovation | Courage | Mutual Respect | Integrity

How we get it done

PRIORITIES:



Patient & Family
EXPERIENCE



Culture of Safety &
Quality CARE



Physician & Caregiver
EMPOWERMENT



Community
STEWARDSHIP



Financial
STEWARDSHIP

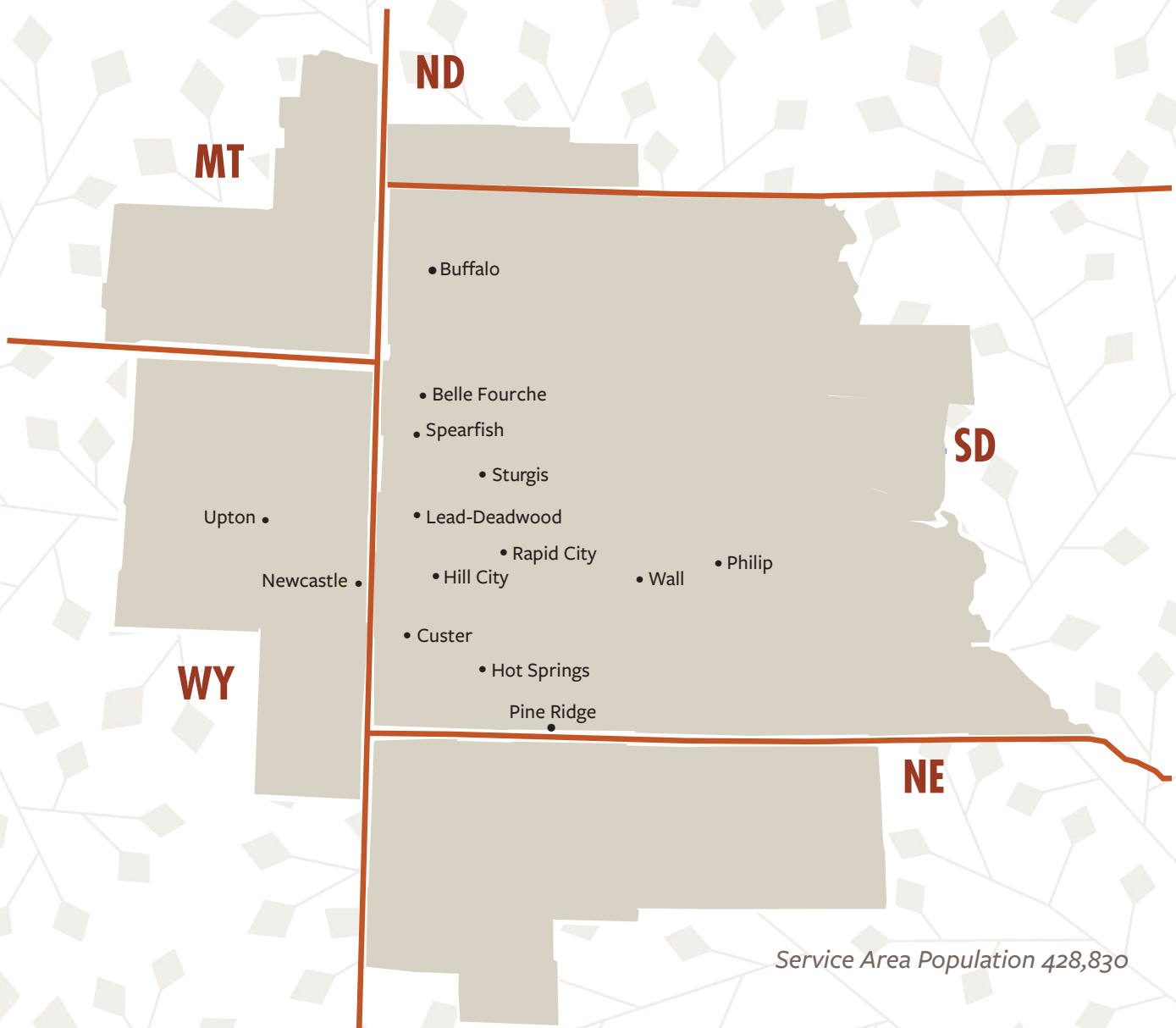


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Largest Health Care System in Western South Dakota



5 Acute Care Hospitals

2 Managed Hospitals

24 Clinics

1 Assisted Living Facility

2 Nursing Homes

3 Urgent Care & Clinics

6 Specialty Treatment Centers

John T. Vucurevich Cancer Care Institute,
Rehabilitation Institute, Behavioral Health
Center, Dialysis Centers (2), Surgery Center

What Our Patients Say About Us



Comments collected from patients through HealthStream®, an anonymous patient satisfaction survey.

CUSTER

MARKET HIGHLIGHT

Throughout Custer and its surrounding Southern Hills areas, you'll find not only some of the most beautiful scenery in the state of South Dakota, but you'll also find a nationally recognized hospital. Custer Regional Hospital was acknowledged for top quartile performance for excellence in quality, patient satisfaction, and outcomes. The Emergency Department was also honored for exceeding industry standards in outpatient satisfaction, receiving the Excellence through Insight Award for earning the highest ratings among HealthStream clients.

“It has been a milestone year for Custer. The recruitment of additional physicians paired with plans for expansion in the upcoming year have enabled us to enhance our already excellent health care provided by Regional Health.”

*~ Pat Walker
Custer Community Health Services
Board President*

“Living and working in a small town such as Custer has really laid the foundation for the greatness we strive for every day,” said Custer Regional Hospital and Market President Veronica Schmidt. “Our sense of community is incredibly strong, especially when our patients end up being our friends, neighbors, and family. It is a great honor that none of us take lightly.”

A health care community is made infinitely stronger through the support of its own people. Multiple projects during the course of the last year were only made possible through that continued support. Through a merger of Custer Community Health Services, Inc., and Regional Health Network, the expansion of a new hospital and clinic was approved in partnership with the City of Custer. Additionally, a partnership with a local grassroots task force, Mammo or Bust, presented Custer Regional Hospital with an opportunity to obtain its first digital mammography unit two years earlier than planned. Since opening in April, 136 women have received a digital mammogram in Custer.

Regional Health emphasizes the importance of education and hands-on learning experiences for community students. With that in mind, Custer Regional Hospital partnered with the Custer School District to create a local Health Occupations Students of America Chapter to support student interest in health care careers.

“We are constantly inspired by these intelligent youngsters, as well as the entire community. They are the fuel to our fire,” said Schmidt.



Excellence in Patient Satisfaction





PATIENT STORY: **PHILL R.**



Phill and his wife moved to Custer from Michigan to enjoy life in the Black Hills. A cowboy at heart, Phill has been the flag bearer at the Custer State Park Buffalo Roundup for the last eight years and says he's thankful to have an opportunity to participate in his ninth next fall. Phill was experiencing chest pains during the most recent Buffalo Roundup and figured it was a respiratory issue.

"During the Buffalo Roundup, I didn't feel very good. When it was over, I packed up my tools and drove to the Custer Clinic, where they told me I was having a heart attack," said Phill.

Joy Falkenburg, M.D., a family medicine physician, saw Phill immediately when he was brought into the Emergency Department.

"There were several times where Phill thought he fell asleep, but he was actually flatlining, or in other words, he died for a short period of time," explained Dr. Falkenburg. The Custer Regional Hospital team stabilized Phill and transferred him to Rapid City Regional Hospital for cardiac intervention.

Phill has since made a full recovery and is grateful to Custer Regional Hospital and Rapid City Regional Hospital providers and caregivers.

"I've got a lot of dancing left to do."

Phill R., Patient

"When I was able to come back and thank everyone for saving my life, that's the most memorable moment. And I'll never forget that," said Phill.

"Isn't this why we do what we do? This is the coolest thing to have a patient come back in and thank us," said Dr. Falkenburg. "I love being a physician for Regional Health. I couldn't dream of a better job. It's what fills my heart up

and is my passion in life. I love my patients and my community."

"I'm thankful to be here and tell this story, and encourage people to step up when they don't feel right," added Phill. "I've got a lot of dancing left to do."

LEAD-DEADWOOD

MARKET HIGHLIGHT

Lead-Deadwood Regional Hospital physicians and caregivers have made impressive leaps and bounds in the past year. Through teamwork, dedication to our community, and continued education, the hospital has excelled in many areas, including Caregiver Engagement and Patient Experience scores in key surveys. These are two focus areas we strive to exceed expectations in every day.

“Regional Health provides good, quality jobs and first class service employees who are known throughout the area as willing to volunteer and support the community.”

*~ Charles Turbiville
City of Deadwood
Mayor*

Lead-Deadwood Regional Hospital has implemented new programs and services to better serve and meet the needs of the community. The Emergency Medical Service (EMS) division was successfully restructured by adding a senior medic program, new life support protocols, and by continuing the recruitment and retention of highly skilled EMS caregivers.

“Our unwavering commitment to our community inspired us to develop the senior medic program,” said Lead-Deadwood Regional Hospital and Market President Mark Schmidt. “This program allows us to expedite our response, saving critical time that patients need in an emergency.”

Our post-secondary student training and shadowing program has increased awareness about health careers in our surrounding communities. Additionally, more patients are regaining their strength through cardiac rehabilitation with a 6.5 percent increase in Phase II and a 33 percent increase in Phase III since the program was implemented.

“Our physicians and caregivers demonstrate their passion for our patients and community daily through continued quality care,” said Schmidt. “It is truly humbling to work with such talented professionals who are committed to helping our patients and communities live well.”



**Excellence in Quality
Excellence in Outcomes
Excellence in Patient Satisfaction
Excellence in Financial Strength**





PATIENT STORY: **CODY H.**



During an ATV excursion while on a family vacation in the Black Hills, Cody sustained a life-threatening head injury. He was lying unconscious on his back, the ATV overturned several feet away, when the Lead-Deadwood Regional Hospital ambulance team arrived.

“When Joe Reiter, one of our senior paramedics, and I received this 911 call, we both knew how critical this case was,” said Operational Manager of the EMS Division Roy Goben. “We were able to stabilize Cody for the flight crew transfer to Rapid City Regional Hospital.”

“It feels really good to feel like myself again.”

Cody H., Patient

Once Cody arrived, he was taken into surgery and spent 23 days in the surgical intensive care unit. He was then transferred to a rehabilitation facility for additional care and today is on the road to a full recovery.

“We are very fortunate overall and I am very grateful for the excellent care I received from the Lead-Deadwood ambulance team and at Rapid City Regional Hospital,” said Cody. “Everything in life is getting good and the future is bright. It feels really good to feel like myself again.”



RAPID CITY

MARKET HIGHLIGHT

Steve Jobs, the late co-founder of Apple, once said, “Ideas are worth nothing, unless executed.” At Regional Health, our patients are top of mind when ideas turn into plans and plans turn into execution.

This idea was prevalent throughout the past year in Rapid City, as physicians and caregivers made many advancements and improvements possible through their ideas, plans, and most importantly, execution.

“Our compassionate care extends far beyond the walls of our healing environments.”

*~ Paulette Davidson
Regional Health Chief Operating Officer*

establish two new youth suicide prevention houses in Pine Ridge to give youths in crisis a place to go for support.

“Our compassionate care extends far beyond the walls of our healing environments,” said Chief Operating Officer Paulette Davidson. “These types of partnerships are a testament to our purpose of helping patients and communities live well.”

The backbone of the health care system is our team of highly trained and talented physicians and caregivers. At Regional Health, we are proud to offer a three-year Family Medicine Residency training program to medical students. In the past year, six physicians graduated from the program; since it was established, 105 physicians have graduated. Approximately 40 percent of graduates practice in South Dakota, with another 24 percent working in neighboring states. Regional Health is honored that 15 of our residency’s graduates have chosen to practice in Rapid City.

At Regional Health, the implementation of additional health care services in a variety of service lines is vital to expansion. The growth of our orthopedics and sports medicine department with the addition of a physical medicine and rehabilitation physician presented an opportunity to launch collaborations with South Dakota School of Mines & Technology and Southern Hills high schools. This, as well as the addition of three new orthopedic surgeons, marks the beginning of an expansion in orthopedics, physical medicine, rehabilitation, and sports medicine expansion in the Rapid City Market.

Youth suicide has reached crisis proportions in South Dakota’s Pine Ridge Indian Reservation. Last year, the Black Hills Habitat for Humanity, Regional Health, Scull Construction, Superior Homes, and Pine Ridge Indian Health Services partnered to do something about it. These businesses, non-profits, and government organizations worked collaboratively to

105

Family Medicine
training program
graduates

17

graduates
currently practice
at Regional
Health

40%

of graduates practice
throughout
South Dakota





PATIENT STORY: **WOOIL N.**



When Wooil was born at 23 weeks gestation and clinging to life, Theresa Wagner, RN, and the Regional Health care team created a trusting and compassionate healing environment for him and his family during his time in the neonatal intensive care unit (NICU) and pediatric intensive care unit (PICU). Wooil spent seven months in the NICU and 15 months in the PICU, where he and his family experienced good times and bad — and Theresa was there through it all.

“We had a moment in the PICU where he was having a particularly rough weekend. Some things happened that were pretty spectacular and made us think, yes, he’s going to be ok and pull through this,” commented Wagner.

**“He’s our
modern-day
miracle.”**

Theresa Wagner, RN

Wooil and his family are from South Korea and moved to South Dakota shortly before he was born. During their time in the NICU and PICU there was not only a language barrier, but challenges posed by adapting to medical terminology. These hurdles were met head on by Theresa and the rest of the care team, who provided the resources and restored the confidence to let the parents be mom and dad.

Wooil is now 4 years old and has a tracheostomy that allows oxygen-rich air to reach his lungs and enables him to be at home with his family. Theresa, Wooil, and his family often plan outings, such as playing at the park, going out to lunch, and playing with other kids his age.

“He’s our modern-day miracle,” said Theresa. “He has had to overcome so many things in his young four years and he is a very intelligent little boy. I see a bright future for him.”

RAPID CITY MARKET HIGHLIGHT



“To continue innovating and evolving with the health care industry, it’s imperative to attract and retain outstanding physicians and caregivers,” said Chief Operating Officer Paulette Davidson. “For this reason, we continue to foster a deep sense of community and inclusivity in our environment that promotes opportunity, and professional and personal growth.”

Adopting the concept of “Farm to Table” and creating partnerships with the Black Hills Food Hub and the Black Hills Farmer’s Market were natural choices for Rapid City Regional Hospital during the past year’s growing season. Our restaurant featured locally grown organic produce as a key component of its food and nutrition options. This concept has been well received by physicians and caregivers, and patients and their families alike. By offering healthier, freshly prepared options, we are practicing our purpose of helping patients and communities live well.

With patient care as our number one priority, Regional Health is proud to have been recognized with the following achievements:

2016-2017 US News and World Report –
One of the top three hospitals in
South Dakota

2016 American Heart Association/
American Stroke Association’s Get with
the Guidelines (GWTG) – Stroke Gold
Plus Quality Achievement Award

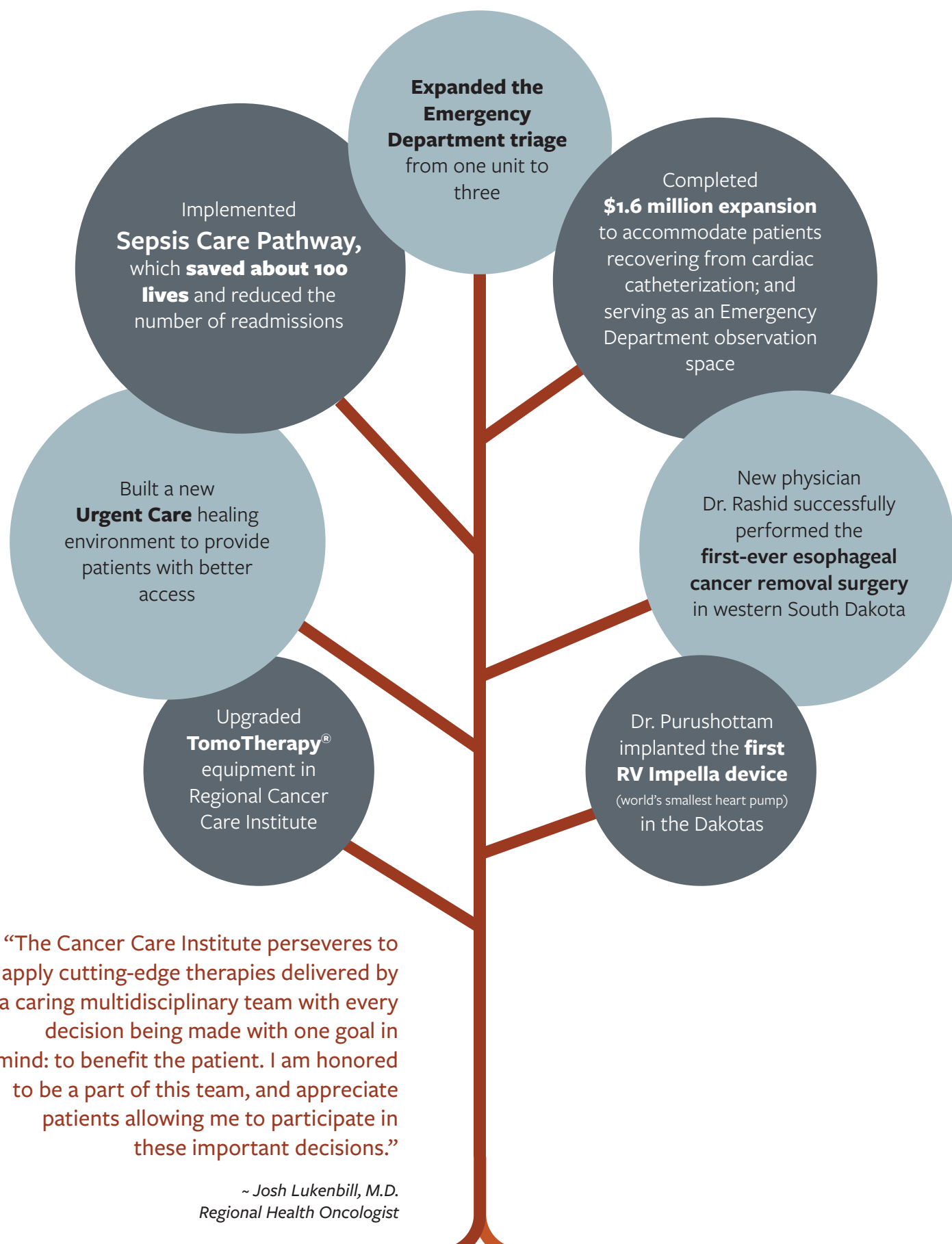
2016 American Heart Association
and the American College of
Cardiology’s NCDR ACTION
Registry–GWTG Platinum
Performance Achievement Award

2016 American Heart Association
Mission Lifeline® Receiving Center
Bronze Plus Recognition Award

Magnet recognized hospital from
the American Nurses Credentialing
Center

Specialty Pharmacy awarded a
three-year accreditation by URAC





SPEARFISH AND BELLE FOURCHE

MARKET HIGHLIGHT

Throughout the Spearfish and Belle Fourche communities, there is no shortage of indoor and outdoor activities. From hiking, biking, and snowmobiling to sporting events at local schools, there are unlimited opportunities to sustain an active and healthy lifestyle. To support our local athletes, Spearfish Regional Hospital signed a five-year contract with Black Hills State University to provide sports medicine services.

“It is comforting for both parents and students that there is a community health care provider that treats them like family and provides them with the highest quality of care.”

*~ Jhett Albers
Black Hills State University
Athletic Director*

Dunk-a-Doc
raised nearly
\$10,280
for local
charities

Friday Nights, Spearfish Regional Hospital sponsored a “Dunk-A-Doc” fundraising booth that featured physicians from all disciplines. Nearly \$10,280 was raised and donated to local charities.

“The transformations made in the last year in and out of our healing environment would not have been possible without the efforts and unwavering support of this community,” said Veitz. “We are so grateful for the local synergy and contributions in making the Spearfish and Belle Fourche areas an outstanding place to live, work, and explore.”

“To further demonstrate our commitment to our community, we expanded our healing environment to include an additional surgery suite, a stage-one recovery area, a C-section suite, and a remodeled stage-two recovery area and pre-op area,” said Spearfish Regional Hospital and Market President Larry W. Veitz. “Our goal is to provide patients and their families with a calm, comfortable atmosphere when they are with us, and that is why these improvements have been instrumental in creating a better experience.”

Expansion of Regional Health’s healing environments has not been the only form of growth in the last year. With the addition of four new physicians, and plans to add more in the next year, the Spearfish market provides innovative services and exceptional technology to meet the needs of its community. Through the hard work of our physicians and caregivers, Spearfish Regional Hospital received a four-star overall hospital rating by the Centers for Medicare and Medicaid Services, and was nationally recognized by iVantage for top quartile performance in financial strength in rural hospitals.

The philanthropic efforts supported by our hospital and community have been instrumental in creating a strong, impactful presence. During the Downtown



**Excellence in Financial
Strength**





PATIENT STORY: **ZANE R.**



The smell of fresh-cut grass, excitement at the pep rallies, and teammates running onto the football field to play under the bright lights — all are tell-tale signs that the boys of fall have returned.

In his first game of the season, Zane, a Belle Fourche High School junior guard, sustained a devastating knee injury.

“I tore my ACL, MCL, PCL (knee ligaments), meniscus, and fractured my kneecap,” said Zane. “I thought my leg snapped in half, so I didn’t look down. I was really scared.”

“I knew I was in the right hands.” Ray Jensen, D.O., a sports medicine-trained orthopedic surgeon, was taking in the game with his family and left the stands to evaluate Zane on the sidelines. “Zane was hit from the outside. He separated three-fourths of the ligaments that connect his upper thigh and shin bones,” explained Dr. Jensen. “This type of injury traditionally is only treated at major centers because of the severity. I thought the chance of seeing this type of injury in Spearfish was pretty rare.”

Zane R., Patient

For a young athlete, the news of a season-ending injury can be disheartening, but Zane, with Dr. Jensen’s help and guidance, chose to focus on developing a plan of action and to move forward. The trusting relationship that developed between patient and surgeon on the sidelines has led to a successful knee reconstruction, putting the teen on the road to recovery over the next 12-18 months.

“This is the first major injury I’ve ever had. I was surprised how bad it hurt, but I knew I was in the right hands,” said Zane. “The recovery has been painful, but Dr. Jensen has always been there through the whole thing. I was very glad Dr. Jensen was at that game.”

STURGIS

MARKET HIGHLIGHT

When most people hear the name “Sturgis,” they instantaneously picture a street lined with glistening motorcycles and an annual rally. But for the residents of Sturgis, they picture a strong community whose health care system will go above and beyond to provide outstanding care.

“The delivery of patient-centered care, and the continuum of services offered by Regional Health are vital components to both the physical and economic health of our Black Hills region.”

*~ Pat Kurtenbach
Sturgis Economic Development Corp.
President*

At Regional Health, our diverse communities throughout the Black Hills provide us opportunities to create healing environments that meet the unique needs of each market. At Sturgis Regional Hospital, the Teammate Program was launched to help new caregivers feel welcome. The success of this program decreased the turnover rate for new caregivers by nearly 10 percent and helped caregivers across different disciplines to connect and grow.

“The skillful and cohesive teamwork demonstrated by our physicians and caregivers who work in a variety of roles is astounding,” said Sturgis Regional Hospital and Market President Mark Schulte. “We are extremely fortunate to have physicians and caregivers who are committed to helping patients enhance their health and well-being, and understand the importance of working together to make that happen.”

That commitment is reflected in Sturgis Regional Hospital reaching the 77th percentile for patient engagement scores and achieving at or above the 75th percentile based on inpatient satisfaction surveys for the nursing team. These improvements have driven down readmission percentages from 10.6 percent in Fiscal Year (FY) 2015 to 8.1 percent in FY2016. Further, the hospital achieved best practice standard times due to our team’s focus on reducing the blood-sugar check to insulin administration times by half.

“I am incredibly proud of our team’s accomplishments in the last year,” said Schulte. “We have a lot of plans for the future of health care in our community and we will continue to work strategically as a team to reach our goals.”

Sturgis Regional Hospital ended the fiscal year with all three direct nursing questions from the inpatient satisfaction surveys at or above the 75th percentile.




**Excellence in Quality
Excellence in Outcomes**





PATIENT STORY: **DIXIE O.** (DAUGHTER OF HOSPICE PATIENT)



When Dixie's mother, Lucy, became terminally ill, her family had plans to make her comfortable at home as long as possible. One morning, when Lucy felt very ill, the family decided to take her to the Emergency Department at Sturgis Regional Hospital, where she was transferred to a hospice suite.

"Every day we were working toward the goal of taking her home with us, and that didn't happen," explained Dixie. "The hospice nurses and staff were amazing. They took care of our mother and they took care of us."

**"I would
recommend
this hospice
to anybody."**

*Dixie O., Daughter
of Hospice Patient*

"It's a great honor to be able to take care of patients in hospice," said Brenda, one of the nurses who cared for Lucy. "We aspire to make our patients and their families as comfortable as possible."

Brenda understands their needs firsthand. She was called to the nursing profession after her daughter became terminally ill and passed away at age 15.

"Before I was a nurse, I was a hair stylist and I was able to do Lucy's hair for many years," said Brenda. "When people are in this situation, I know what it feels like and how important and valuable it is to give them exceptional care."

Dixie noted how thankful her mother was to see Brenda's familiar face.

"My mother got a big smile on her face when she saw Brenda, and I was so grateful for her presence," Dixie said. "Brenda and the rest of the team were compassionate, kind, and completely selfless. I would recommend this hospice to anybody."



Patient & Family Experience

As Walt Disney once said, “You can design and create, and build the most wonderful place in the world. But it takes people to make the dream a reality.” Disney’s passion and imagination is comparable to the unequivocal daily dedication of Regional Health physicians and caregivers to fulfill our purpose of helping patients and communities live well.

In the past year, our Patient Experience team focused on building a solid foundation on which to grow. As an organization, Regional Health aligned with national comparative groups for reporting patient experience data. This enabled Regional Health to create purposeful goals and place additional focus on our strategic planning and educational programs throughout the year.

“The nursing staff, the doctors, the radiology department were all very attentive, and friendly, and compassionate.”

~ Patient

In October 2015, patient- and family-centered care, along with patient experience best practices education known as “Core Four,” was launched at our Leadership Summit. Shortly after, the same education was implemented across the organization.

“Consistency and alignment with our ‘Right Start’ onboarding program, nursing orientation, and other educational trainings at Regional Health was crucial to the foundation-building process,” said Chief Nursing Officer Lori Wightman. “In addition to streamlining our education, we implemented hourly nurse rounding on every inpatient in our facilities to further enhance the quality of care provided.”

A multidisciplinary group of leaders, physicians, and caregivers across the system implemented the Patient Experience Ideas Lab, or PXIL, a group that adopted bold ideas solicited by caregivers and put them into action. The team had great success in many areas: Highlights include increasing the availability of baby changing stations systemwide, installing cell phone charging stations in our busiest waiting rooms, and, most impressively, launching room service at Lead-Deadwood Regional Hospital and in the maternal/child unit at Rapid City Regional Hospital.



“I am continually amazed and inspired by the creativity and ambition of our people,” said Hills Market President Kyle Richards. “Spending time with patients and their families has allowed us to make advancements to their experience throughout our healing environments.”

“Great health care requires a good relationship between you and your physician. And a strong sense of communication.”

~ Greg D., Patient



Patient & Family EXPERIENCE

“Walt Disney had it right. Our people are the reason we are able to succeed and continue to make strides.”

~ *Lori Wightman, DNP, MSN, RN, NEA-BC*
Regional Health Chief Nursing Officer

The thousands of rounds tracked each month help identify opportunities for improvement, as well as reward and recognition at Regional Health. Rounding now occurs in a variety of ways by a number of stakeholders across the system, including ambassadors, executives, caregivers, and physicians, nurse leaders, and infection compliance teams. This best practice, along with a strong emphasis on our hourly inpatient rounding by our nurses, has helped create purpose and provide meaning for our teams, as well as for, patients and their families, and it is expected to continue growing in the coming years.

The foundation built in the last year led to great strides in our patient experience scores, including increases in 18 of the 22 questions asked in our inpatient survey (HCAHPS*). Similar strides were made in response to clinic (CG-CAHPS**) and outpatient surveys, with scores increasing in 10 of 15 questions and 17 of 21 questions, respectively. Our Emergency Department exceeded its goals and completed the year in the top quartile in the country.

“Walt Disney had it right. Our people are the reason we are able to succeed and continue to make strides,” said Wightman. “The significant advancements and momentum systemwide was made possible by our physicians and caregivers. Regional Health is well positioned for the future as we aspire to be the best health care system in America.”

*Hospital Consumer Assessment of Healthcare Providers and Systems

**Clinical and Group Consumer Assessment of Healthcare Providers and Systems

“I greatly appreciated the care that I was given in the Emergency Department.”

~ Patient



Culture of Safety & Quality Care

The safety of our patients and the quality of care they receive is Regional Health's highest priority. Numerous initiatives and programs have been implemented to enable our physicians and caregivers to work as a cohesive team and, as a result, those efforts have been recognized both locally and nationally.

“The unwavering commitment from physicians and caregivers is what provides us with the tools to succeed.

We look forward to continuing our passion for providing quality health care so we can help our patients and communities live well.”

*~ David Klocke, M.D.
Regional Health Chief
Medical Officer*

“The advancements in quality care and patient safety were transformative and required interdisciplinary teamwork and physician leadership,” said Chief Medical Officer David Klocke, M.D. “Our physicians and caregivers recognize that this is the cornerstone of high-caliber health care.”

Physicians, caregivers, and leaders have placed emphasis on improving outcomes for sepsis, one of the nation's most fatal conditions. In 2015, Regional Health implemented Sepsis Care Pathway, which saved about 100 lives and reduced hospital readmissions.

The Clinical Practice Committee (pictured below) is a collaborative, multi-disciplinary group of Health physicians and independent physicians who implement strategies for positive change as it relates to clinical quality, safety, and patient experience.



Back row (pictured left to right): Louis Hogrefe, M.D.; David Klocke, M.D.; Mark Harlow, M.D.; Steven Frost, M.D.; Charles Lewis, D.O.; Amad Zineldine, M.D.; Austin Fagerland, APP; Carson Phillips, M.D.; Christopher Gasbarre, D.O.; Lisa Brown, M.D.

Front row (pictured left to right): Lori Wightman, CNO; Stephanie Lahr, M.D.; Bruce Eaton, M.D.; Matthew Simmons, M.D.; Heidi Strouth, M.D.; Steve Miller, M.D.; Kimberly Kennedy, M.D.; Alexia Gillen, D.O.

Not pictured: Terry Altstiel, M.D.; Awan Saba, M.D.; Dale Bachwich, M.D.; Lee Bailey, M.D.; Paulette Davidson, COO; Jeanne Galbraith, VP Quality Safety Risk Mgmt; Thomas Groeger, M.D.; Kelly Stacy, M.D.; Meghan O'Bryan, M.D.



The strides made at Regional Health to better serve our patients and communities have led to acknowledgment and awards from various organizations around the country. Regional Health received multiple awards from the American Heart Association/American Stroke Association that signify that the system is among the best in the nation in following treatment guidelines proven to increase survival rates and reduce readmission rates for heart attack, heart failure, and stroke patients.

- Get With the Guidelines (GWTG) – Stroke Gold Plus Quality Achievement Award** recognizes the hospital's commitment and success in ensuring stroke patients receive the most appropriate treatment according to nationally recognized, research-based guidelines based on the latest scientific evidence. The goals of these quality measures are speeding recovery and reducing death and disability for stroke patients.
- Mission: Lifeline® Receiving Center Bronze Plus Recognition Award** recognizes implementation of specific quality improvement measures outlined by the American Heart Association for the treatment of patients who suffer severe heart attacks. The program's goal is to save lives by closing the gaps that reduce barriers to prompt treatment for heart attacks, beginning with the 911 call and continuing through hospital care.
- National Cardiovascular Data Registry (NCDR) ACTION - Registry - GWTG Platinum Performance Award** recognizes our commitment and success in implementing a higher standard of care for heart attack patients and signifies that it has reached an aggressive goal of treating these patients to standard levels of care as outlined by clinical guidelines and recommendations. *Regional Health was one of 223 organizations nationwide to receive this honor.*



The American Heart Association and American Stroke Association recognize this hospital for achieving 85% or higher compliance with all Get With the Guidelines Stroke Achievement Measures and 75% or higher compliance with five or more Get With the Guidelines Stroke Quality Measures for two or more consecutive years to improve quality of patient care and outcomes. The American Heart Association and American Stroke Association does not accredit, certify or endorse the hospital listed below.



The American Heart Association recognizes this hospital for achieving 85% or higher composite adherence to all Mission: Lifeline Receiving Center Performance Achievement indicators for at least one consecutive 90-day interval, 75% or higher compliance on all Mission: Lifeline STEMI Receiving Center quality measures, and First Door-to-Device time of 120 minutes or less in at least one achievement quarter, for transfers, to improve the quality of care for STEMI patients.



Regional Health consistently followed the treatment guidelines in ACTION Registry-GWTG™ for eight consecutive quarters in ACTION Registry-GWTG Premier and met a performance standard of 90% for specific performance measures to receive this 2016 award.

Additionally, Rapid City Regional Hospital (RCRH) received the **2017 Distinguished Hospital Award for Clinical Excellence™**, according to a recent Healthgrades report. That means that RCRH is among the nation's safest for patients, based on an analysis of federal data. To find ourselves among the top 5 percent of hospitals nationally for quality and safety demonstrates we are on the right path to becoming the best health care system in America.

Spearfish Regional Hospital was named one of the 100 top rural and community hospitals by Becker's Hospital Review, further demonstrating Regional Health's commitment to quality patient care.





Physician & Caregiver EMPOWERMENT

“Our physicians and caregivers are the heart and soul of Regional Health. It is in supporting their growth and development through recognition and technology that drives our retention and attraction of top talent to make Regional Health the best health care system in America.”

~ Maureen Henson

Regional Health Chief Human Resources Officer

Recruited
22
physicians

Recruited
29
advanced practice
providers

Over
20,000
recognition
eCards sent



Physician & Caregiver Empowerment

Empowerment is enthusiasm characterized by effort, pride, and passion that fosters a mutually committed relationship between employees and organizations and results in the enduring pursuit of organizational and personal goals. In health care settings, physician and caregiver empowerment significantly promotes and sustains operational and financial excellence. At Regional Health, physician and caregiver empowerment is an important focus of our work environment.

Over the last year, based on feedback from our physicians and caregivers from the systemwide engagement survey, we have made great progress in leadership growth and development. The Center for Professional and Leadership Development, established in 2015, has launched classes that support and sponsor leadership coaching, organizational development, training, performance management, and retention efforts.

Attendance in learning instances in leadership development:

- 4,112 caregiver learning instances in Clinical/Professional Development
- 1,326 leader learning instances in Leadership Development (including Emerging Leaders)

The technological advances at Regional Health include the implementation of EPIC, a new Electronic Health Record, or EHR, system slated for launch in October 2017. EPIC will unify multiple medical records systems across our locations and services. The system will enhance patient safety and quality by giving physicians and caregivers a complete picture – medical history, test results, medications, imaging, etc., generated by all of the patient's health care providers – when creating the patient's plan of care. EPIC also opens a new world of convenience for patients, who will navigate a single patient portal with one password and will receive one statement for their care at Regional Health.

At the same time, Regional Health is implementing Workday, a state-of-the-art enterprise resource system that offers cloud-based applications for the core functions of finance, human resources, and supply chain. This modern, unified platform replaces multiple systems and simplifies many functions generating greater effectiveness and efficiency. The distance Learning Management System, iLearn, has been implemented systemwide. These programs will make it easier for physicians and caregivers to better serve our patients and families.

Recruitment of key talent has seen much success with our “100 Nurses in 100 Days” campaign, including virtual career fairs, implementation of a caregiver talent referral program, and the launch of an international recruitment campaign. The Project Search program, in its first year at Regional Health, gives students with disabilities authentic work experience to support and prepare their transition into the workforce. On the physician recruitment front, we have recruited 22 physicians and 29 advanced practice providers (APPs), which include physician assistants and nurse practitioners, in family medicine and key specialties.

“Our physicians and caregivers are the heart and soul of Regional Health,” said Chief Human Resources Officer Maureen Henson. “Supporting their growth and development through recognition and technology will continue to drive the retention and attraction of top talent to make Regional Health the best health care system in America.”

In the area of Total Rewards, Regional Health was recognized by the American Heart Association as a Gold-level Fit-Friendly Worksite for its well-being program, which supports physician and caregiver health and welfare. A new online recognition system was also launched, motivating caregivers to send more than 20,000 “eCards” to colleagues to recognize and celebrate career and life events.

Additionally, leaders have rewarded some 1,600 caregivers for behaviors exemplifying Regional Health's values, resulting in 3,000 individual awards.

“I'm excited to have EPIC in our facility. It will help all our departments communicate more efficiently so we can provide the best care for our patients.”

~Tiffanie Massingale, RN



Community STEWARDSHIP

“I extend our sincerest gratitude for all the community members, caregivers, and volunteers who positively impact our communities every day. When we all come together to work toward common goals, we can achieve more.”

~Tiffany Smith

Regional Health Senior Director
of Community Relations



Rapid City Regional Hospital's Plant Operations Senior Groundskeeper Rich Karsky contacted the Suzie Cappa Art Center, asking their artists to paint a mural to be installed outside the chemotherapy unit windows at the Cancer Care Institute.

\$24,488

20 caregivers assisted
Feeding South Dakota
to raise \$24,488 to
provide meals for
families, children, and
senior adults

771

771 **helmets provided**
to children through
Don't Thump Your
Melon program

\$17,000

\$17,000 raised by
community members
to bring **digital**
mammography
to Custer

136

Since opening in April,
136 **women have**
received a digital
mammogram in
Custer



Community Stewardship

Our communities continually inspire us to care for others outside the walls of our healing environments. At Regional Health, we demonstrate our purpose of helping patients and communities live well through our community stewardship efforts. Our resources, energy, and focus are dedicated to all the communities we serve throughout the Black Hills, and we consistently strive to collaborate and create partnerships that will enable us to improve health and well-being.

“To build connections and relationships through philanthropic efforts is a powerful thing,” said COO Paulette Davidson. “All our residents, physicians, and caregivers throughout our communities make us stronger, and we look forward to building upon that in the future.”

Regional Health’s caregivers and physicians are truly community stewardship champions who continue to recognize additional ways to help patients and communities beyond medicine. In 2015, Rapid City Regional Hospital’s Plant Operations Senior Groundskeeper Rich Karsky contacted the Suzie Cappa Art Center, asking their artists to paint a mural to be installed outside the chemotherapy unit windows at the Cancer Care Institute. Through an inspired idea by an empowered caregiver, coupled with a strong community partnership, a four-panel mural that includes the word “hope” enhances the healing environment and encourages our patients.

Regional Health is playing a significant role in the Rapid City Collective Impact (RCCI), a community-supported initiative launched in July 2015 with a long-term agenda to solve social problems that will improve life and living in Rapid City. Our commitment to doing the right thing was embodied when Regional Health joined its community in a public stand against bigotry and racism. A demonstration planned on our Rapid City campus transformed into a unity rally when Native American and Regional Health leaders recognized the power of solidarity. The sentinel event sparked an important community conversation that became the genesis of RCCI. Regional Health’s involvement in the fiber of the community is vital to our purpose of helping patients and communities live well.

48

48 physicians and caregivers participated in **Lakota Lands Identities Tour**

200

200 physicians, caregivers, and their families participated in the **Regional Health Native American Day Parade**

500

500 physicians, caregivers, and their families attended the **29th Annual Black Hills PowWow**

Philanthropy

Regional Health and the Regional Health Foundation are committed to helping our patients and communities live well. Through the continued effort, support, and generosity of our communities, we have been able to provide patients and their families with the comfort and care they need along with the leading-edge technologies they deserve. We are grateful for the commitment and dedication from our community members, physicians and caregivers, local businesses, and sponsors throughout the Black Hills that have allowed us to purchase special equipment and provide programs and assistance that would otherwise not be affordable.

The funds listed below illustrate a select few areas where sizeable contributions have had a significant impact on our patients and communities:

\$93,000

Nearly \$93,000 was raised during the **Great Black Hills Duck Race**

\$400,000

Tough Enough to Wear Pink fundraiser contributed \$400,000 toward the purchase of a new TomoTherapy® unit to treat cancer

\$80,828

2016 **Children's Miracle Network Radiothon** raised \$80,828.42

\$30,000

\$30,000 was raised to install a real-time, live-streaming video system called **NICVIEW** for parents of hospitalized NICU babies

Total funds donated: \$1,209,981

Funds donated to the Regional Health Foundation have also been used to support the following areas:

Advanced Care Pediatrics
Behavioral Health
Cardiac Services
Children's Helmet Safety Program
Diabetes Services
Dialysis Services
Endoscopy Services
Hospice Services
Labor and Delivery
Nursing Scholarships

Neonatal Intensive Care Unit
Patient and Family Crisis Fund
Pediatrics
Radiology Services
Regional Cancer Care Institute
Regional Rehabilitation Institute
Respiratory Services
Sepsis Education
Stroke Care Education
USD West River Medical Student Scholarships

Future contributions will position us well to continue supporting the Children's Capital Fund, Children's Miracle Network, special projects, and capital improvements.



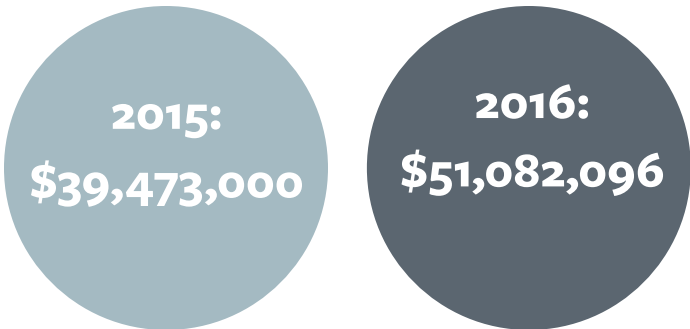
“Investment in the foundation and its support of the highest quality care for our patients and their families is what is needed to make Regional Health the best health care system in America. Please know that contributions make a difference.”

~ Hani Shafai
Regional Health Foundation Chairman

Community Benefit Statistics

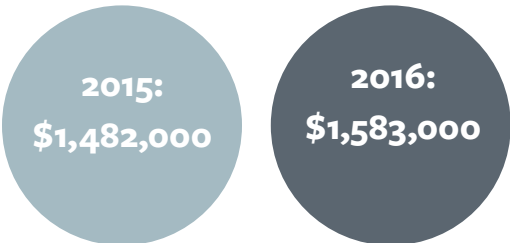
Regional Health’s purpose of helping patients and communities live well takes many forms within its healing environments and beyond its walls. Our community benefit activities involve many partnerships across the Black Hills. Working in collaboration with our neighbors, the positive impact in our communities is magnified. We are grateful for the opportunity to make a difference, and we are committed to investing and growing alongside our communities to advance the future of health care for those we serve.

Amount of Charity Care, Unreimbursed Medicaid & Bad Debt at Cost:

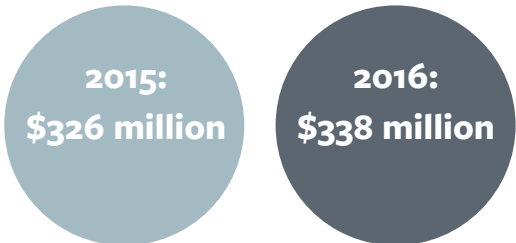


DATA FOR CHARITY CARE AND COMMUNITY BENEFIT NOT FINAL FOR FISCAL YEAR 2016 AT TIME OF PRINT

Regional Health Cost to Operate per Day:



Regional Health Annual Payroll + Benefits:



Regional Health’s economic impact last year based on 4,983 caregivers with an annual payroll of \$338 million:

MORE THAN
\$636 million



We have a strong desire to
make a positive difference
in this place we all call home.

Financial Stewardship

Financial Summary

Regional Health Financials

Financial Summary (in 000's)	FY 2015	FY 2016
Revenue and Expenses		
Net Patient Services Revenue	\$562,749	\$606,494
Other Operating Revenues	\$27,077	\$26,904
Net Operating Revenues	\$589,826	\$633,398
Operating Expenses		
Payroll and Benefits	\$326,809	\$338,556
Medical Supplies	\$98,322	\$112,216
Purchased Services	\$69,908	\$81,726
Other Operating Expenses	\$41,180	\$43,296
Depreciation	\$28,503	\$28,588
Interest	\$4,849	\$3,719
Total Expenses	\$569,571	\$608,101
Net Revenue from Operations	\$20,255	\$25,297
Balance Sheet (in 000's)		
Current Assets	\$146,069	\$157,366
Funds Designated for Building Equipment		
Replacement and Debt Repayment	\$520,985	\$510,852
Other Restricted Use Investments	\$27,393	\$29,194
Land, Building, and Equipment	\$233,608	\$248,674
Other Assets	\$14,754	\$19,408
Total Assets	\$947,809	\$965,494
Current Liability	\$79,609	\$73,598
Long-term Debts	\$141,824	\$133,127
Other Liability	\$37,176	\$55,798
Unrestricted Fund Balance	\$666,546	\$684,142
Restricted Fund Balance	\$17,654	\$18,829
Total Liabilities and Fund Balance	\$942,809	\$965,494



Financial
STEWARDSHIP

Service Data

	FY 2015	FY 2016
Hospital Admissions	21,021	20,304
Patient Days	100,493	97,886
Visits to Emergency Department	75,480	74,907
Surgery Cases	9,336	9,737
Babies Delivered	2,700	2,634
Hospital Beds	534	534
Long-term Care Resident Beds	160	160
Medical Staff Members	434	414
Clinics	24	24
Clinic Visits	267,322	283,435

20+
Communities
in 200-Mile Service Area

4,983
Caregivers

353
Volunteers



“Our materials management team at Regional Health has proven its dedication to achieving great efficiency in our supply chain management enabling us to reduce costs without compromising quality care. Additionally, the systemwide improvements to our processes and procedures in facilities management and laundry services allow us to be exceptional financial stewards in our communities.”

~ Brad Haupt
Regional Health Vice President Supply Chain



Environmental Impact Through Improved Efficiencies

7.4%

or \$354,932
savings on utilities

4

million gallons of
water savings

\$200,000

saved by improving
processes and
continued training on
best practices

4,284 lbs

of linen saved in
one year

At an average
cost of \$11 per lb,
\$3,927 monthly, or

\$47,124

annually has been saved
in Regional Health
Laundry

\$1,336,851

Total Facilities Management
and Construction Savings
Annually

Boards

Regional Health Board of Directors

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Lia Green (Treasurer)

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Ross W. McKie

Brent R. Phillips*

Dusty Pinske

Lisa Seaman

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Heidi Strouth, M.D.*

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Donald Warne, M.D.

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M. Troy Nesbit, M.D.*

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Christopher Gasbarre, D.O.

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Kyle Richards*

Donovin Sprague

Pat Walker

Kyle White

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Jennifer Baloun

Pat Burchill

Steven Calhoon, M.D.

Kevin Eggebraaten

Linden Evans

Susan Hency

Victoria Herr, M.D.

Sharon Lee

Robert Mudge

Jeff Partridge


Brent R. Phillips

Kristen Taggart

Unless otherwise noted, these individuals served on their respective boards for the Fiscal Year 2016.

*Ex-Officio/Non-Voting

+Ex-Officio/Voting

A young girl with long brown hair is swinging on a tire swing made of a black tire hanging from a large tree. She is wearing a light blue and white striped dress. A woman with long blonde hair, wearing a light blue button-down shirt and olive green shorts, stands in the grassy field watching her. The background is filled with lush green trees and a white wooden fence.

“We are very fortunate to have such a wonderful health care system in western South Dakota and eastern Wyoming. All our profits stay within the system and are reinvested to benefit the patients and communities we serve. I extend my sincerest gratitude to not only our communities for their unwavering support, but our physicians and caregivers for the excellent care they provide every day.”

~ Pete Cappa

Regional Health Board of Directors (Chairperson)

Looking Forward

Regional Health's commitment to our patients and the growing communities that we serve has shaped our vision for the future. As we continue our journey to become the best health care system in America, we are reinvesting in our healing environments, technology, and physicians and caregivers to transform the future of health care in the greater Black Hills region.

“Regional Health is preparing for the most significant renovation and expansion projects in its history with new construction, renovation of existing facilities, and infrastructure improvements. We will transform the future of healthcare for patients by creating state-of-the-art healing environments.”

~ Westley Paxton


*Regional Health Vice President of
Facilities Management and Construction*

Major capital developments are now underway in Custer, Rapid City, and Sturgis, positioning Regional Health to be well-prepared to fulfill its purpose of helping patients and communities live well:

- In Custer, construction has begun on a 42,000-square-foot hospital and clinic funded through a private-public partnership. The new healing environment will enhance the patient and family experience and improve patient flow and caregiver efficiency – all within a one-story facility. Completion is expected in June 2018.
- In Rapid City, Regional Health engaged in the most significant renovation and expansion project in its history, with new construction and renovation of Rapid City Regional Hospital, and development of a new state-of-the-art Advanced Orthopedics and Sports Medicine Institute at Buffalo Crossing. The multi-year projects will benefit patient care, thus improving convenience, comfort, and support.
- In Sturgis, a clinic expansion will consolidate all operations into one central caring environment. The project adds over 20,000-square-feet to the existing hospital and replaces about 8,000-square-feet of existing specialty clinic space, offering greater patient access, more convenience, and better coordination of high-quality care. This project is slated for completion in January 2018.

These initiatives are part of Regional Health's systemwide master space planning process that began in 2015.





As Regional Health continues to evolve, our brand must evolve with us. Our brand transformation will emphasize unity and cohesiveness throughout all our healing environments, leading to a consistent brand experience across the system. We are introducing a warm, comforting color palette that reflects the landscape in which we live, which will be integrated into our healing environments and our community campaigns. These campaigns will focus on our patients, physicians, and caregivers. And, finally, a new, simplified Regional Health website will be launched in early 2017 to further enhance the patient experience.

These significant enhancements only begin to tell our story. Today, 38 teams consisting of cross-functional subject matter experts are mapping our future success. Each team is focused on the planning and execution of projects based on Regional Health's strategic priority objectives – the framework of our three-year strategic plan.

From all of us at Regional Health, we are sincerely grateful for your ongoing support and look forward to sharing the benefit of these efforts as we continue our journey with you.



PO Box 6000
Rapid City, SD 57709-9910