

2007
ANNUAL
REPORT

yale new haven health system



BRIDGEPORT HOSPITAL • GREENWICH HOSPITAL • YALE-NEW HAVEN HOSPITAL



YALE NEW HAVEN HEALTH

A Message from the President and CEO

Yale New Haven Health System (YNHHS) was formed 12 years ago to enhance the competitiveness of the Yale-New Haven, Bridgeport and Greenwich delivery networks through more effective managed care contracting and expense management. It has successfully achieved its original goals – and much more.

Through the Yale-New Haven, Bridgeport and Greenwich delivery networks, Yale New Haven Health System provides infrastructure and resources to support the provision of comprehensive, cost effective and advanced patient care. We do this guided by our values of service excellence, compassion, integrity, fairness and leadership.

The System and its delivery networks organize their operating plans according to four strategic dimensions: patient care safety, quality and operations improvement, provider of choice, and employer of choice – all while assuring positive financial performance so that we can continue to thrive and invest in patient care service and delivery.



While we define our goals as a system, we respect the importance of having the delivery networks accomplish their goals in a manner that fits their organization's culture and respects the specific needs of the individual communities they serve.

We are delighted that YNHHS was once again the state's leading health care system in fiscal year 2007. Our accomplishments would not have been possible without the dedication, hard work and talents of our management team, physician colleagues, employees and our extraordinarily supportive board members of the Health System and our delivery networks. Our success is measured by the depth and breadth of our clinical programs, the increasing number of patients who seek care in our delivery networks and the attractiveness of our Health System and delivery networks as outstanding employers.

Thank you for all you do to help our Health System and its delivery networks meet and exceed the needs of our patients and their loved ones.

A handwritten signature in black ink that reads "Marna P. Borgstrom". The signature is written in a cursive style and is followed by a horizontal line.

Marna P. Borgstrom
President and CEO

yale new haven health system

BRIDGEPORT HOSPITAL • GREENWICH HOSPITAL • YALE-NEW HAVEN HOSPITAL

Yale New Haven Health System formed in 1995 to enhance the quality of health care and scope of services available to residents of Connecticut, eastern New York, southwestern Rhode Island and beyond. YNHHS includes three corporate members, Yale-New Haven Hospital, Bridgeport Hospital and Greenwich Hospital, and has contractual relationships with Bristol Hospital and the Westerly Hospital in Rhode Island.

Yale New Haven Health System is Connecticut's leading health care system, with more than 12,000 employees. YNHHS – through Yale-New Haven, Bridgeport and Greenwich hospitals and their affiliated organizations – provides comprehensive, cost effective, advanced patient care characterized by safety, quality and service. YNHHS and Yale School of Medicine have a formal affiliation agreement to support patient care, medical education and clinical research.

Yale New Haven Health offers patients a full range of health care services, from primary care to the most complex care available anywhere in the world. Inpatient and ambulatory clinical services include: primary and preventive care, specialty, acute and sub-acute care, coordination of post-hospital care, including rehabilitative, long-term and home care.

YNHHS' vision is to remain the preferred, comprehensive health system recognized for excellence in advanced patient care, safety, clinical quality, service and cost effectiveness.



Yale New Haven Health 2007 Performance Highlights



PATIENT CARE SAFETY AND QUALITY – This year, all three System hospitals ranked in the top 10th percentile nationally – and each hospital reached the top

10 percent on many individual measures – for Centers for Medicare and Medicaid Services (CMS) core measures related to care for heart failure, acute myocardial infarction, pneumonia and surgical infection prevention. YNHHS added a new quality page to the System website to report this data, along with other quality and safety information. All three hospitals implemented rapid response teams, developed programs for medication reconciliation, worked to decrease catheter-related bloodstream infections, and implemented interventions to reduce surgical site infections. By standardizing procedures, System hospitals achieved 86 to 93 percent compliance with ventilator-associated pneumonia prevention over the year.

YNHHS participated in the Institute for Healthcare Improvement's "Five Million Lives Campaign" to protect patients in U.S. hospitals from medical harm by adopting six clinical care improvements. YNHHS also participated in the national Surgical Care Improvement Project (SCIP), reporting data and outcomes on surgical care; and achieved antibiotic prophylaxis compliance above the 90th percentile – and well above the national average (77th percentile). Several System-wide groups collaborated on preventing hospital-acquired infections through initiatives related to hand hygiene, contact precautions, respiratory infections, etc. The System focused on preventing hospital-acquired infections related to hand hygiene, contact precautions, prevention of methicillin-resistant staphylococcus aureus (MRSA), respiratory infections and catheter-associated urinary tract infections;

YNHHS achieved contact precaution performance between 88 and 96 percent, well above the target of 79 percent.

CLINICAL AND INFORMATION TECHNOLOGY – For the fourth time, all three YNHHS hospitals were named among the nation's "Most Wired" hospitals by the American Hospital Association's *Hospitals & Health Networks* magazine's annual survey. YNHHS enhanced its electronic balanced scorecard with a new nursing unit scorecard, which provides managers with current and historic performance on more than 30 operational metrics and comparisons of the performance of different nursing units. YNHHS implemented two measures related to computer security: a System-wide computer incidence response team, with common policies and methodologies for responding to computer incidents; and a laptop encryption system in case employees' work laptops are lost or stolen.

YNHHS published the first supply chain dashboards, which provide performance metrics related to supply chain costs that directly affect operating performance and results such as total supply cost, supply expense per adjusted patient day and supply expense per adjusted patient discharge. This year, YNHHS extended its supply chain agreement to the Westerly Hospital, reducing its operating expenses by nearly \$500,000.

INSTITUTE FOR EXCELLENCE – The Institute for Excellence (IFE) expanded the breadth and depth of its offerings, introducing new curriculum content and programs in the areas of performance feedback and evaluation and respectful workplaces. The IFE further developed curricula in healthcare operations and finance, interviewing and selection, building teams and managing service excellence, all of which are components of the YNHHS Management Academy. The IFE also continued its flagship leadership development programs: "Aspiring Manager," "New

Manager" and "21st Century Leadership." More than 3,117 managers and clinical leaders attended more than 2,103 IFE class hours. In addition, the IFE website was expanded to include information on all training programs and class schedules, as well as the IFE's services, tools and resources for System employees.

HUMAN RESOURCES – YNHHS adopted new guiding principles for its compensation and performance management philosophy this year and administered pay programs using four market-based salary structures for employees throughout the System in exempt, allied health, nursing and other non-exempt positions. YNHHS implemented standardized workers' compensation claims processes, and renewed efforts to identify modified duty assignments, reduce lost time and accelerate return-to-work. YNHHS implemented a comprehensive management and succession planning process to ensure continuity of leadership through a process of identifying and developing leadership talent for emerging leadership roles. An automated pension administration system was implemented across the System to better recognize employees' service credit and maintain accurate earnings and benefit data using a single platform. YNHHS welcomed seven employees into the Quarter Century Club, bringing the number of employees who have worked at the Health Services Corporation (or previously, at a System hospital) for 25 years or more to 60.

CLINICAL SERVICES – This year, YNHHS hospitals explored the concept of collaborative oncology initiatives, including coordinated tumor board conferences, developing cancer quality monitoring indicators, web-based and Intranet-accessible oncologist databases and shared clinical trials. As a result, YNHHS created the Yale-New Haven Cancer Network to provide Yale-New Haven oncology expertise to community providers. Bristol Hospital became the first provider to join the new network, with an affiliation



agreement with YNHHS that will allow Bristol Hospital access to clinical resources, clinical research and other support service from Yale-New Haven Hospital and Yale Cancer Center (YCC).

In addition, the System-wide group devoted to enhancing stroke care at each delivery network built on the success of last year's collaboration, shared best practices and exchanged information and ideas to improve stroke-related services. The Yale-New Haven Pediatric Subspecialty Center at Greenwich Hospital expanded its services through agreements for weekly sessions conducted by a Yale-New Haven Children's Hospital pediatric hematologist/oncologist as well as child development center experts from the Yale Child Study Center.

EMERGENCY PREPAREDNESS –

YNHHS remained a nationally known Center of Excellence for Bioterrorism Preparedness and Response. The Center has been involved in training more than 60,000 healthcare workers around the country. YNHHS was selected by the U.S. Department of Defense to collaborate on developing a coordinated response for civilian medical workers and military medical workers to provide a joint response to domestic disasters and establish a center for civilian and military medical response. In collaboration with the federal Department of Health and Human Services, the Center

offered education and training programs to outside organizations. YNHHS convened several multidisciplinary work groups, and System hospital staff members strategized on preparedness activities for a possible influenza pandemic. This year the Center added more than \$1 million in new grant revenue, for a total of more than \$6.1 million in external funding. This has prompted YNHHS to establish a System-wide grants support service within the Center and the Office of Emergency Preparedness. This service will provide the health system and delivery networks with capacity for the development of proposals and project management support for federal and other grant programs.

FINANCIAL ASSISTANCE AND

TRANSPARENCY – To help the growing number of uninsured or underinsured patients, YNHHS updated the eligibility criteria for patients who fell below 250 percent of the federal poverty level and received free care. YNHHS offers discounted, at-cost care to patients between 250 percent and 400 percent of the federal poverty guidelines. Additionally, YNHHS offers financial assistance to any patients whose hospital bills exceed 10 percent of their household income. In response to consumer demand, YNHHS has focused on efforts to provide prices to patients who request fees prior to their services,

and initiated on-line bill review and bill payment capabilities at Bridgeport and Yale-New Haven hospitals. System hospitals have expanded health credit card options for patients, and YNHHS has actively worked with payors to review and critique information pertaining to cost and quality on payor websites.

**REVENUE ENHANCEMENT/
ECONOMIES OF SCALE –**

YNHHS' revenue cycle accomplishments were higher than anticipated, and generated revenue of \$29.7 million – which helped offset some less favorable revenue trends. This was accomplished by reducing managed care denials, implementing charge/pricing strategies, monitoring/enforcing managed care contract compliance, improving medical record documentation and identifying, contracting, billing and collecting for high cost implantable items. The corporate supply chain initiative achieved an overall supply cost reduction of over \$7.1 million by standardizing products and services; special contracting efforts in the operating room supplies, a continued focus on cardiac implants and stents, and renegotiating the pharmacy distribution agreement. In addition, YNHHS generated additional, non-supply chain cost savings of more than \$3.5 million, with major savings in the areas of treasury, reimbursement and emergency preparedness initiatives.

Yale New Haven Health Profile Fiscal Year 2007	Yale-New Haven	Bridgeport	Greenwich	System
Total Licensed Beds	944	425	174	1,543
Average Daily Census	733	286	134	--
Inpatient Discharges	51,505	19,673	12,779	83,957
Outpatient Visits	671,138	265,134	419,387	1,355,659
Total Assets	\$666 million	\$405 million	\$149 million	\$1.220 billion
Net Revenue	\$1.005 billion	\$325 million	\$259 million	\$1.589 billion
Medical Staff	2,435	717	515	3,657
Employees*	7,548	2,581	1,967	12,666

(as of 12/31/07, unaudited)
* Total YNHHS employees includes 570 Health Services Corporation employees

yale new haven health system

BRIDGEPORT HOSPITAL • GREENWICH HOSPITAL • YALE-NEW HAVEN HOSPITAL

Bridgeport Hospital, founded in 1878, is a 425-bed community teaching hospital serving almost 20,000 inpatients and 260,000 outpatients a year. More than 500 physicians represent 70 specialties and subspecialties. Bridgeport Hospital is the site of the Dr. Andrew J. & Henrietta Panettieri Burn Center, the only dedicated burn center in Connecticut. Other key services include the Heart Institute, the Norma F. Pfriem Cancer Institute, the P.T. Barnum Pediatric Center, the Women's Care Center and the Ahlbin Centers for Rehabilitation Medicine. Bridgeport Hospital is a major affiliate of Yale School of Medicine and operates its own School of Nursing. In addition to Bridgeport Hospital, the Bridgeport network, a member of YNHHS since 1996, includes Mill Hill Medical Consultants and Bridgeport Hospital Foundation.

Greenwich Hospital, founded in 1903, is a 176-bed community teaching hospital that has evolved into a progressive medical center, averaging over 12,000 inpatient discharges and 400,000 outpatient visits a year. The hospital represents all medical specialties and offers a wide range of medical, surgical, diagnostic and wellness programs. Greenwich Hospital, a member of YNHHS since 1998, also serves communities in Fairfield County and Westchester County, New York, through the Greenwich Physicians Association.

Yale-New Haven Hospital (YNHH) is a 944-bed tertiary referral medical center, which includes the 201-bed Yale-New Haven Children's Hospital and the 72-bed Yale-New Haven Psychiatric Hospital. Founded in 1826 as the first hospital in Connecticut and the fourth voluntary hospital in the nation, it serves as the primary teaching hospital for Yale School of Medicine. Yale-New Haven provides services for more than 50,000 inpatients and over half a million outpatient visits a year, relying on the skills of approximately 7,000 employees, including 1,700 registered nurses, 2,600 university and community physicians and more than 500 resident physicians, practicing more than 100 medical specialties. YNHH is affiliated with the nationally designated Yale Cancer Center. Yale-New Haven also includes the Yale-New Haven Shoreline Medical Center, Temple outpatient services, Temple Recovery Care Center and York Enterprises.



Bridgeport Hospital
267 Grant Street
Bridgeport
CT 06610
203-384-3000
www.bridgeporthospital.org



Greenwich Hospital
5 Perryridge Road
Greenwich
CT 06830-4697
203-863-3000
www.greenhosp.org



Yale-New Haven Hospital
20 York Street
New Haven
CT 06510-3202
203-688-4242
www.ynhh.org



YNHHS Departments and Services

BUDGETING develops and monitors the hospitals' operating, cash and capital budgets, ensuring that all budgets reflect realistic and achievable assumptions relating to volume, revenue, expense, cash and capital needs.

CALL CENTER offers consumer health information, physician referrals, appointment scheduling, program registration and general information about each hospital.

CORPORATE COMPLIANCE ensures a consistent approach towards ethical issues and values; regulatory compliance with several external regulatory organizations; and ethical employee behavior through the YNHHS Code of Conduct.

CORPORATE FINANCE provides infrastructure services such as financial reporting, accounting, accounts payable, payroll and tax compliance.

DECISION SUPPORT maintains an integrated clinical, financial and operational information system which helps YNHHS management understand and evaluate resource utilization in a timely and accurate manner.

FINANCIAL PLANNING helps evaluate resource requests; allocates resources; monitors budgeted vs. actual resources; and implements corrective action plans.

GOVERNMENT AFFAIRS monitors health legislation at the state and federal levels, and serves as liaison to all elected officials to help them better understand the challenges facing health care providers.

HUMAN RESOURCES provides a comprehensive approach to a variety of services including recruitment, benefits and human resource information systems.

INFORMATION TECHNOLOGY maintains a comprehensive information infrastructure to serve the needs of patients, physicians and staff.

INTERNAL AUDIT assists management in identifying operational and financial risks to the organization and recommends strategies to mitigate those risks.

INSTITUTE FOR EXCELLENCE provides System-wide training and education programs in performance improvement, change management, leadership development and management effectiveness.

LEGAL SERVICES consults with the hospitals and provides legal advice and litigation defense for Yale New Haven Health System.

MANAGED CARE develops managed care payor strategy, negotiates provider agreements with payors, and provides ongoing contract implementation and contract management support.

MARKETING provides patients and the public with health information to help them better manage their health problems, find an appropriate physician, and access the System hospitals.

MATERIALS MANAGEMENT identifies and procures supplies and products that create efficiencies.

OFFICE OF EMERGENCY PREPAREDNESS coordinates emergency preparedness activities and provides emergency preparedness leadership and services to healthcare organizations around the state and across the nation.

PERFORMANCE MANAGEMENT supports managers and clinical leaders in improving performance in both clinical and non-clinical areas.

PLANNING AND BUSINESS DEVELOPMENT identifies and assesses the impact of market changes, industry trends and emerging technologies to manage the business and strategic planning process.

REIMBURSEMENT coordinates charge master schedules and Medicaid and Medicare reimbursements; pursues governmental payment appeals; coordinates Certificate of Need reimbursement components and regulatory filings to OHCA and other governmental agencies.

SYSTEM BUSINESS OFFICE handles patient billing and account follow up; patient admitting and registration; financial assistance administration; collection and account recovery, accounts receivable, medical records and coding, credit balances and partial pay accounts.



Yale New Haven Health Leadership

as of September 30, 2007

BOARD MEMBERS

James M. Allwin*
 Marna P. Borgstrom, *President & CEO*
 Charles E. Bradley
 Joseph R. Crespo
 Michael H. Flynn
 Robert A. Haversat
 John A. Klein
 Marvin K. Lender, *Vice Chair*
 Richard C. Levin
 Arthur C. Martinez
 F. Patrick McFadden, Jr., *Vice Chair*
 Julia M. McNamara, *Chair*
 Daniel J. Miglio
 Ronald B. Noran
 James A. Thomas
 *deceased

SENIOR MANAGEMENT

President and CEO
 Marna P. Borgstrom
EVP & CEO, Greenwich Hospital
 Frank A. Corvino
EVP & CEO, Bridgeport Hospital
 Robert J. Trefry
EVP, Strategy and System Development
 Gayle L. Capozzalo
EVP & COO, Yale-New Haven Hospital
 Richard D'Aquila
EVP, Corporate and Financial Services
 James M. Staten
Sr. VP, Information Systems and CIO
 Mark L. Andersen
Sr. VP, Human Resources
 Edward J. Dowling
Sr. VP, Payor Relations
 William S. Gedge
Sr. VP, Medical Affairs
 Peter N. Herbert, M.D.

Vice Presidents
 Stephen Allegretto
 Eugene J. Colucci
 Barbara Delano
 Quinton J. Friesen
 Joseph E. Janell
 Nancy Levitt-Rosenthal
 Patrick McCabe
 Michael Pepe, Ph.D.
 Carolyn Salsgiver
 David Wurcel

CONTACT INFORMATION

Yale New Haven Health
 789 Howard Avenue
 New Haven, CT 06519
 203-688-4608
www.yalenewhavenhealth.org

YALE-NEW HAVEN NETWORK

Yale-New Haven Hospital
 Yale-New Haven Children's Hospital
 Yale-New Haven Psychiatric Hospital
 Yale-New Haven Ambulatory Services Corp.
 Yale-New Haven Shoreline Medical Center

BOARD MEMBERS

Robert J. Alpern, M.D.
 Marna P. Borgstrom, *President and CEO*
 Bishop Theodore L. Brooks
 Joseph R. Crespo, *Chair*
 Michael H. Flynn
 Robert A. Haversat
 Peter N. Herbert, M.D.
 Betty Ruth Hollander
 John L. Lahey
 Marvin K. Lender
 Richard C. Levin
 Linda Koch Lorimer
 Julia M. McNamara, *Vice Chair*
 Kathrine Neville
 Peyton R. Patterson
 Elsa L. Stone, M.D.
 James A. Thomas
 Kevin F. Walsh

SENIOR MANAGEMENT

President and CEO
 Marna P. Borgstrom

Executive Vice President and COO
 Richard D'Aquila

Senior Vice Presidents
 Mark L. Andersen
 Edward J. Dowling
 Sue Fitzsimons, R.N., Ph.D.
 Peter N. Hebert, M.D.
 Vincent Petrini
 Norman G. Roth
 James M. Staten

Vice Presidents
 Michael Apkon, M.D.
 William Aselyne, Esq.
 Marjorie Guglin, R.N.
 Thomas Leary
 Patrick Luddy
 Stephen M. Merz
 John Skelly

BRIDGEPORT NETWORK

Bridgeport Hospital
 Bridgeport Hospital Foundation, Inc.
 Ahlbin Centers for Rehabilitation
 Medicine, Inc.

BOARD MEMBERS

Gayle L. Capozzalo
 George P. Carter, *Vice Chair*
 Richard M. Freedman, M.D., *Vice Chair*
 Janet M. Hansen, *Vice Chair*
 Richard M. Hoyt
 William G. Hulcher, M.D.
 Peter F. Hurst, *Vice Chair*
 John A. Klein
 Philip M. LaMastra, M.D.
 Amarjit Lamba, M.D.
 Ronald B. Noren, Esq., *Chair*
 Jeffrey P. Pino
 Meredith B. Reuben, *Vice Chair*
 Howard L. Taubin, M.D.
 Robert J. Trefry
 Nicholas A. Viner, M.D., *Vice Chair*
 Charles E. Welch
 Robert A. Werner

SENIOR MANAGEMENT

President and CEO
 Robert J. Trefry

Executive Vice President and COO
 Hope Juckel-Regan, R.N.

Senior Vice Presidents
 Joseph E. Janell
 Mary Ellen Kosturko, R.N.
 Patrick McCabe
 Bruce M. McDonald, M.D.
 Carolyn Salsgiver
 Christine C. Winn

Vice President
 Michael Ivy, M.D.

President of the Foundation
 Stephen M. Jakab

GREENWICH NETWORK

Greenwich Hospital
 Greenwich Health Services, Inc.

BOARD MEMBERS

Alan W. Breed
 Nancy C. Brown
 Gayle L. Capozzalo
 Frank A. Corvino
 S. Wear Culvahouse, M.D.
 Elizabeth G. Galt
 Bruno J. Gioffre
 Peter B. Griffin
 Shirlee Hilton
 Barbara Khouri
 Donald J. Kirk
 Arthur C. Martinez, *Chair*
 James M. McTaggart
 Barbara B. Miller
 Jack Mitchell
 Bruce Molinelli, M.D.
 Margaret D. Moore
 Daniel L. Mosley, Esq., *Vice Chair*
 Richard T. O'Connell, Jr.
 Richard R. Pivrotto*
 Nancy Raquet
 Frederick E. Siefert, M.D.
 John L. Townsend, III
 David W. Wallace
 Bruce L. Warwick

Emeritus
 Mrs. Chandler Bates, Jr.
 Marshall Clark
 Richard G. McClung, Esq.
 William J. Oppenheim
 Mrs. Langdon Van Norden
 John H.T. Wilson
 *deceased

SENIOR MANAGEMENT

President and CEO
 Frank A. Corvino

Executive Vice President and COO
 Quinton J. Friesen

Senior Vice Presidents
 Eugene J. Colucci
 Patricia Grant, R.N.
 Nancy Levitt-Rosenthal
 A. Michael Marino, M.D.

Vice Presidents
 Christine Beechner
 George Pawlush

Deborah A. Hodys
 Spike Lipschutz, M.D.