



Rich History.  
Unwavering Mission.

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2018 Covenant Health Annual Report



We pause at this milestone to,  
once again, thank the Grey Nuns  
for their confidence in us to bring  
forth their healing ministry.

– *David R. Lincoln*  
*President & CEO*





## A LETTER FROM THE CHAIR OF OUR BOARD OF DIRECTORS

### Dear Friends,

The 35th anniversary of Covenant Health marked important milestones in the life of our organization, our leadership and future. First and foremost, Covenant Health is strong—strong in faith, unwavering in its mission, rooted in its communities and legacy and looking forward to a bright future. Over the past several years, we have made tremendous investments as a health system in our new, state-of-the-art electronic health record system and in our services, organizations and people.

Throughout our history, there have been many moments that have required both faith and sacrifice—and that ultimately fueled Covenant Health's growth and success. We are confident that our recent investments, while challenging in our current fiscal climate, are the right thing to do for patients, residents and for the future of our organization.

Throughout these 35 years, we've been led by David R. Lincoln, Covenant Health's longtime President and CEO. David was integral in the creation of Covenant Health from the Grey Nuns Health System, and he has guided this organization to achieve incredible growth and impact in our communities.

In early 2019 (prior to the printing of this publication), after many wonderful years, David announced his retirement. This has been in the works for some time, and we are deeply grateful for David, his leadership and deep commitment to Covenant Health, its employees, patients, residents and the many others it positively impacts.

We are proud of Covenant Health's legacy, we are confident in the investments we've made and in our future. We also look forward to Stephen J. Grubbs, our interim CFO in 2018, assuming the role of CEO and President of Covenant Health on April 27, 2019. At that time, Gerard J. Foley will serve as President/CEO of our public juridic person, Covenant Health Systems.

On behalf of our Board of Directors, we deeply appreciate the trust you place in us, and we take seriously our role as stewards of this life-changing and life-saving health ministry.

With gratitude and confidence in our future,



**Louise Trottier**

*Board Chair*

*Covenant Health Systems  
and Covenant Health, Inc.*



## A LETTER FROM OUR PRESIDENT & CEO

Dear Friends,

This year's annual report comes on the heels of an incredible year for our health system. In 2018, eight of Covenant Health's thirteen-member organizations celebrated milestone years of service. Together, we commemorated 555 years of compassionate care to the patients, residents, families and communities we've been and are so honored to serve. We also celebrated the 35th anniversary of the establishment of Covenant Health—a major personal and organizational milestone.

As we look back on our rich history, we take pride in our unwavering commitment to our faith, our mission and to the people in our care. It's a responsibility we take seriously and pursue passionately. This commitment drives our innovation, strategy for growth and ongoing investment in our future to ensure we'll always be able to provide exceptional care to those who need us.

Over these past 35 years, we have worked diligently to carry forward the legacy of our original sponsors, the Grey Nuns. It has been an honor, a privilege and a pleasure to be part of this journey. Several years ago, Covenant Health's Board of Directors began working with me on a succession plan that would ensure the advancement of our organization. I know that Steve Grubbs and Gerry Foley are fully committed to the success of Covenant Health and have the skill and experience to serve our organization well. They are also ready to take on new challenges, and I am confident that the future is a bright one.

While I am forever grateful to the many wonderful men and women that I've had the honor of working alongside each and every day for the past 35+ years, I am excited to see what this talented team of servant leaders will be able to achieve. This is a new and exciting day, and I'm honored to have been part of the journey that has brought us to this point.

We have much to celebrate from 2018, and much we want to share. Thank you for the supporting the legacy, mission and work of Covenant Health.

With gratitude and confidence in Covenant Health's future,



**David R. Lincoln, FACHE**

*President/CEO*

*Covenant Health Systems*

*and Covenant Health, Inc.*

# Our Growth

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## Covenant Health Updates Leadership Structure for the Future

Over the past 35 years, Covenant Health has evolved and grown to respond to the needs of the communities and congregations we serve and represent. While Covenant Health is technically only 35 years old, our roots run much deeper. Our organization rests on the legacy of our founders. At the same time, Covenant Health's commitment to its mission remains unwavering—even as we navigate a rapidly changing and increasingly complex and competitive time in healthcare.

With retirement nearing for our longtime President/CEO, we took the opportunity to thoughtfully reexamine our governance and leadership structure. Following much discussion and consideration, the Board of Directors approved several changes, including separating the leadership of our civil corporation (Covenant Health) from that of the public juridic person, Covenant Health Systems. Each will have a strong leader and dedicated focus. This is consistent with the Grey Nuns concern for the ongoing ministry and their decision in the 1990s to transfer responsibility for their ministry to qualified and capable lay leaders. The creation of the Public Juridic Person of Pontifical Right or PJP safeguards the organization's Catholic identity and ensures that its mission will continue to be thoughtfully executed.

### Covenant Health, Inc.

Responsible for the day-to-day management and operation of Covenant's hospitals, physician practices, senior care organizations (post-acute and assisted livings), rehabilitation services and more.

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**Stephen J. Grubbs**

*President & CEO*

### Covenant Health Systems (PJP)

- Public Juridic Person of Pontifical Right
- Oversees our Catholic identity and sponsorship of healthcare organizations and ensures their ministry is carried out according to Catholic principles.
- Presents an annual stewardship report that outlines, in significant detail, all we've accomplished to carry out our responsibilities as a ministry of the church.

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**Gerard J. Foley**

*President & CEO*



## Stephen J. Grubbs, MBA

**Prior to being appointed President and CEO of Covenant Health, Mr. Grubbs served as Covenant's Senior Vice President and Interim Chief Financial Officer in 2018. During that time, he had the opportunity to work closely with our administrative, clinical and medical staff—developing a deep appreciation of the needs of the communities we serve.**

Mr. Grubbs brings to this position 30 years of healthcare experience. He served as President/CEO of Bay Medical Center Sacred Heart Health System in Panama City, Florida, the area's regional referral center and Level II trauma center. Here, his accomplishments included developing and opening a free-standing emergency room; rebuilding hospital relationships with partners, community stakeholders and elected officials; and advancing the start-up of a clinically integrated network.

Mr. Grubbs also has served as CEO for Paris Regional Medical Center in Paris, Texas, a 368 licensed bed full-service hospital as well as CEO of Regional Hospital of Jackson, Tennessee, part of the Community Health Systems, Inc. (CHS) network. Prior to these appointments, Mr. Grubbs worked with CHS for 14 years serving as CEO or CFO at hospitals in Tennessee and Pennsylvania. Mr. Grubbs earned his undergraduate degree in accounting from the University of Kentucky and his MBA from Bethel University.

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## Gerard J. Foley, Esq., FACHE

**Mr. Foley serves as Covenant Health's Senior Vice President with oversight for Human Resources and President for Post-Acute Care and recently was appointed President/CEO of Covenant Health Systems, our ministerial Public Juridic Person of Pontifical Right (PJP).** Mr. Foley brings to this position deep Catholic roots and personal experiences, and a long association with Covenant Health. Prior to joining the corporate office, Mr. Foley served as President/CEO of Mary Immaculate Health/Care Services for five and a half years. His previous experience also includes tenure as CEO of Kindred Hospital Boston North Shore and as Executive Vice President and Chief Operating Officer of Lawrence General Hospital. He holds a Juris Doctor from Suffolk University Law School, a Master of Public Health from Yale University School of Medicine and a Bachelor of Arts in Philosophy from the College of the Holy Cross.

In addition to his Covenant work, in 2018, Mr. Foley assumed leadership for the Northeastern USA Lieutenancy of the Equestrian Order of the Holy Sepulchre of Jerusalem. The Order of the Holy Sepulchre is a Roman Catholic Order under the Holy See with the main aim to strengthen among its members the practice of Christian life, and supporting Christians living in the Holy Land by sustaining and aiding the charitable, cultural and social works and institutions of the Catholic Church in the Holy Land. Mr. Foley also serves on Boards of parish and professional organizations.



## Three Seasoned Executives Join the Covenant Health Leadership Team

Over the past year, Covenant Health welcomed three seasoned executives to its leadership team. This included the addition of two highly skilled and knowledgeable presidents to lead St. Joseph Hospital in Nashua, New Hampshire and St. Mary's Health System in Lewiston, Maine as well as the addition of a Chief Medical Officer for Covenant Health System.

These positions were filled after extensive searches focused on finding leaders who offered significant knowledge and experience and who share in our deep commitment to advancing Covenant's Catholic legacy and mission to the communities we serve.



## Steven C. Jorgensen

**Senior Vice President, Covenant Health and President, St. Mary's Health System**

Prior to joining Covenant Health, Mr. Jorgensen enjoyed a diverse career with the world-renowned Mayo Clinic, where he served as head of Human Resources, as well as Administrator for various departments and Chair of Clinical Operations at Mayo's location in Jacksonville. His professional accomplishments also include tenure as Chief Operating Officer and Vice President of Business Development at Essentia Health. He holds a Bachelor of Arts in Business Administration from the University of Minnesota-Duluth and Master of Industrial Relations from the University of Minnesota.

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## John A. Jurczyk, FACHE

**Senior Vice President, Covenant Health and President, St. Joseph Hospital**

Prior to his appointment to St. Joseph Hospital, Mr. Jurczyk served as President of Good Samaritan Medical Center, a Steward Family Hospital in Brockton, Massachusetts. There, he led the hospital to achieve designation by the Massachusetts Department of Public Health as the first and only Level III Trauma Center in Massachusetts EMS Region V. Mr. Jurczyk holds a Bachelor of Science in Pharmacy from the University of Connecticut and a Master of Business Administration in Healthcare Management from Bryant University. He completed his residency in Pharmacy Practice at Rhode Island Hospital. Mr. Jurczyk became a Fellow in the American College of Healthcare Executives in 2012.

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## Douglas C. Waite, MD

**Senior Vice President and Chief Medical Officer**

Prior to joining Covenant Health, Dr. Waite was CMO at St. Vincent Hospital, a member of Tenet Healthcare, in Worcester, Massachusetts. During his tenure, he improved efficiency and compliance for medical staff and reduced surgical site infection rates. Dr. Waite is an accomplished infectious disease and public health lecturer. He is also deeply committed to community service. Dr. Waite graduated from Rutgers Medical School in Newark, New Jersey. He completed his residency in internal medicine and his fellowship in infectious diseases at the University of Massachusetts Medical Center in Worcester, Massachusetts.

# In 2018,

Eight Covenant Health organizations celebrated significant milestones, which together represent 555 years of care, compassion and unwavering commitment to the communities they serve.



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May God continue to guide you as you look forward to developing the evolving Charism, Mission and culture of Covenant while at the same time keeping your eye on the fast approaching changes taking place in the field of healthcare.

- Sr. Jeanne Poor

**150**  
YEARS OF CARE

Mary Immaculate Health/Care Services

FOUNDED IN 1868 • Lawrence, Massachusetts

**130**  
YEARS OF CARE

St. Mary's Health System

FOUNDED IN 1889 • Lewiston, Maine

**110**  
YEARS OF CARE

St. Joseph Hospital

FOUNDED IN 1908 • Nashua, New Hampshire

**70**  
YEARS OF CARE

St. Joseph Healthcare

FOUNDED IN 1947 • Bangor, Maine

**35**  
YEARS OF CARE

Covenant Health

FOUNDED IN 1983 • Tewksbury, Massachusetts

**20**  
YEARS OF CARE

Youville Place

FOUNDED IN 1997 • Lexington, Massachusetts

**20**  
YEARS OF CARE

Youville House

FOUNDED IN 1998 • Cambridge, Massachusetts

**20**  
YEARS OF CARE

St. Mary's Health Care Center

FOUNDED IN 1998 • Worcester, Massachusetts

**555** Combined  
Years of Care

# Highlights and Successes from 2018

## System Progress Toward Integrated Health Care Delivery in 2018

Health systems across the country, including Covenant Health, are on an exciting but challenging journey to improve outcomes and increase efficiency as payment models evolve from fee-for-service to focus more on value and outcomes. Today, Covenant Health receives most of its reimbursement based on the procedure it performs—a set fee for a particular service. This traditional model of fee-for-service reimbursement has, at times, limited innovation and resulted in poorly coordinated, overly complex and increasingly expensive care across the industry.

Over the course of our history, we've acted boldly and with unwavering commitment to our mission. And today, we are making the investments and changes that we need to thrive as an organization and meet the challenges of the future. The move

towards value-based reimbursement provides an opportunity for providers to innovate, but this innovation requires significant financial investment in technology and continuous improvement in efficiency and outcomes.

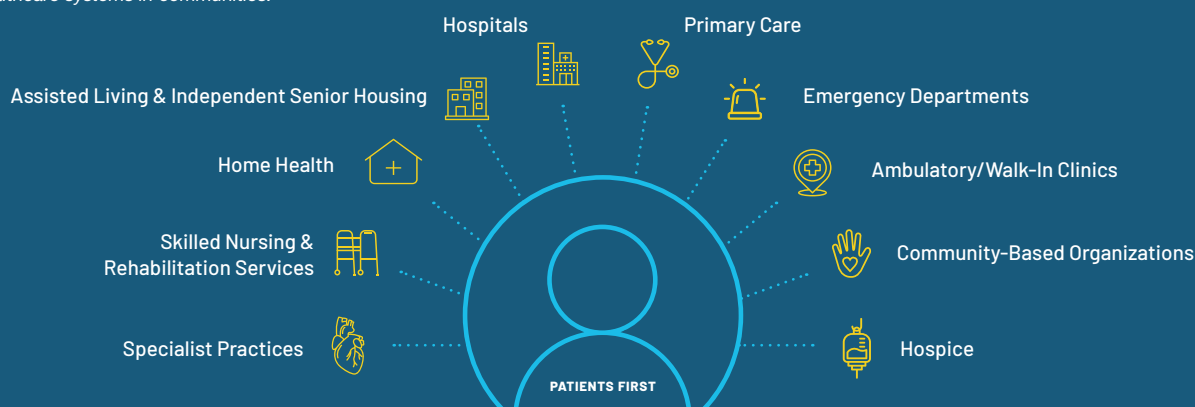
To do this, we must identify potential health issues sooner, better coordinate care across several different services and between providers and minimize unnecessary variability and costs at the provider level.

Covenant Health has built a significant network of services and providers across our communities, and we continue to make progress toward our goal of delivering care that is more patient-centered, coordinated and effective—and ultimately less expensive.

### Integrated Health Care Delivery Overview

#### Electronic Health Record Follows the Patient Throughout their Care Journey

*Covenant Health continues to strengthen and grow the care continuum and its integrated healthcare systems in communities.*



# Covenant Health Successfully Goes Live with CareLink, a State-of-the-Art Electronic Health Record System – Transforming Care Delivery and Patient Access

Covenant Health successfully deployed its state-of-the-art health record system, CareLink, at each of its three hospitals during 2018. CareLink is based on Epic, the gold standard in electronic health record systems, and it provides an easy-to-use patient portal called MyChart. MyChart provides patients with highly secure access to their patient records and a collection of tools to better manage their health and communicate with their provider.

This was a huge undertaking, and we sincerely appreciate the efforts of leadership, physicians and employees at these hospitals for their commitment to making CareLink the best it can be, and we are deeply proud of this shared accomplishment.

CareLink and MyChart represent more than an electronic health record system, they represent Covenant Health's commitment to continued improvement and evolution in pursuit of better health for our patients and the communities we serve. St. Joseph Hospital, St. Joseph Healthcare System and St. Mary's Health System each include a continuum of inpatient and outpatient services designed to meet patients' needs. CareLink captures and provides access to important health information about patients regardless of where they enter the system. *(See graphic on page 14.)*

We believe investing in CareLink was the right thing to do for our patients and caregivers, and while it challenges us to continue to innovate and find efficiencies, we will be better positioned to deliver on our mission and evolve to meet the health care needs of generations to come.

## Benefits of CareLink Include:



**Better care coordination across providers and care delivery points**



**Streamlined processes and easier documentation for caregivers**



**Safer, more reliable patient care**



**Patients take a more active role in managing their care**

## MyChart Allows Patients To:



**View privacy-protected medical information including test results, medications, immunization records, allergies, after-visit summaries and care instructions**



**Communicate with care teams via secure email**



**Request prescription refills**



**View, manage and schedule appointments**



## We Are the Passion Behind Our Promise

The Covenant Health family is made up of nearly 6,550 employees and 400 providers who are deeply committed to and passionate about delivering the highest quality care with compassion and excellence.

While there is much change in healthcare today, our commitment to the men and women who serve our patients and residents is unwavering and as strong as ever. In 2018, we focused heavily on implementing several new initiatives that we believe will provide meaningful support for members of the Covenant Health family and will strengthen our workforce.

# New Common Benefit Package Solidifies Covenant Health's Investment in Employees and Generates Cost Savings

2018 represented the first full year of common benefit offerings for employees systemwide. As part of the rollout process, we surveyed employees during the summer to find out what was working and identify areas for improvement. We learned that the cost of health insurance was a primary concern for many. As a Catholic healthcare ministry, we take seriously our commitment to our employees and for the second consecutive year, Covenant Health paid insurance premium increases rather than passing them on to employees.

***Covenant Health's common benefit package includes health, prescription, dental and vision insurance coverage, as well as short- and long-term disability, life insurance, retirement savings and employee assistance programs.***



## Covenant Health Benefits from Engaged Physician Recruitment

With the shortage of physicians and other healthcare workers growing, competition to attract and retain great physicians and employees is at an all-time high. To ensure Covenant Health remains competitive as we strive to attract the very best talent, during 2018, we:

Streamlined the hiring process

Developed a new provider recruitment website

Implemented a Physician Referral Incentive Program

**We are deeply encouraged by what we are seeing as a result of these focused efforts and look forward to welcoming several new providers in 2019.**

## Investing in the Next Generation of Healthcare Professionals

One of the greatest challenges in healthcare today is addressing the growing shortage of skilled caregivers throughout the U.S., particularly in rural and underserved communities. If left unchecked, the growing shortage could create healthcare deserts, long delays in accessing needed care, even greater competition for talent and higher costs. Covenant Health, as a Catholic Health Ministry, has a long and fruitful legacy of training the next generation of caregivers.

Today, Covenant Health supports education and training efforts at many of its organizations, including:

**ST. MARY'S HEALTH SYSTEM** Lewiston, Maine

**ST. JOSEPH HOSPITAL** Nashua, New Hampshire

**MARY IMMACULATE HEALTH/CARE SERVICES** Lawrence, Massachusetts

**ST. ANDRÉ HEALTH CARE** Biddeford, Maine

These investments not only equip the next generation of caregivers with the skills and knowledge they need, they also give Covenant Health the opportunity to promote our Catholic mission and commitment to the poor and underserved, as well as identify and attract the very best new talent.



Senior nursing students at St. Mary's Regional Medical Center

## SYSTEMWIDE IMPACT

As part of an internship, clinical rotation or residency, students receive practical, hands-on training and experience to allow for a robust learning opportunity and career preparation. Across Covenant Health, it is estimated that we provided training opportunities to:

47

Physician Assistants

10

Medical Assistants

19

Medical Students

8

Physical Therapy Students

1

Nurse Practitioner

51

Bachelor-level Students

192

Nursing Students

34

Medical Imaging Students

# \$1 Million +

Invested to provide training opportunities for the next generation of caregivers in 2018 by Covenant Health.

I, personally, have been blown away by the experiences I have had at St. Mary's, from learning how to suture from renowned surgeons to playing critical roles in deliveries, to having enlightening and informative discussions in the ICU with internists.

-Medical Student at St. Mary's

My experiences here have undoubtedly shaped my future as a provider of care, giver of comfort and practitioner of medicine.

-Medical Student at St. Mary's

## Transforming Senior Care

Covenant Health owns a total of 11 post-acute organizations in communities throughout the Northeast. This number represents nearly 1,500+ residents who, for any number of reasons, may need more intensive residential rehabilitation services, skilled nursing, short-term rehabilitation, respite care, adult day health services, assisted living and/or independent living.

The care delivered by Covenant Health's post-acute organizations is among the best in the industry, as evidenced by our strong Centers for Medicare and Medicaid Services (CMS) Star ratings.

CMS Star Ratings encompass many different aspects of care, including: patient safety, care quality

and cleanliness. In 2018, Covenant Health developed and launched a quality dashboard designed to track performance by location, ensure accountability and drive continued improvement in key areas.

Covenant Health is committed to ensuring the continued health and success of these facilities as they serve some of our most vulnerable elderly friends, loved ones and neighbors. Leadership and staff at these organizations are passionate about meeting the physical, mental and spiritual health needs of residents—a primary reason for their success.

**The care delivered by Covenant Health's post-acute organizations is among the best in the industry, as evidenced by our strong CMS Star ratings.**





## St. Mary's Villa Launches Telemedicine Services—Providing Timely and Convenient Access to Physician Care

In 2018, Covenant Health expanded telemedicine services to St. Mary's Villa in Elmhurst Township, Penn., increasing the number of organizations using the technology to five. Curvavi Health, formerly known as TripleCare, is an innovative telemedicine technology platform that makes life easier and safer for patients by minimizing unnecessary trips to the hospital.

This innovative telemedicine platform allows nurses to consult with a physician using secure software and a tablet equipped with video to discern if a resident's non-life threatening issue can be addressed at the bedside or if a trip to the emergency room is necessary. It is especially helpful when caring for residents who are frail or suffering from memory

issues because it minimizes disorienting transitions and the risk of exposure to illnesses.

Since partnering with Curvavi Health, our senior care organizations have reported a significant decrease in transfers to the hospital—a win for caregivers, residents and their family members. Covenant Health was the first to implement this innovative technology in Maine.

The other post-acute facilities utilizing this technology include St. Mary's d'Youville Pavilion-Lewiston, Maine; Mary Immaculate Health/Care Services-Lawrence, Mass.; St. Joseph Manor-Brockton, Mass.; and Maristhill-Waltham, Mass.



## Creating Healthier Lives by Addressing Food Insecurity

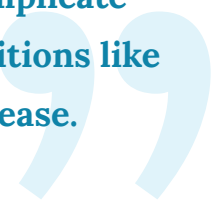
Access to nutritious food is a significant determinant of a person's overall health and well-being. And yet, too many people in our communities go to bed hungry and wake not knowing where they will find their next meal. As part of our Catholic Mission and legacy, Covenant Health has worked diligently to meet the needs of our most vulnerable community members, including preparing and providing nutritious meals or working with community partners to extend access to needed nutrition.

The consequences of poverty and food insecurity can be significant. Without access to regular meals, many types of medication and treatment become less effective and physical strength declines. Inexpensive food may be readily available, but may also be unhealthy and can complicate the treatment of conditions like diabetes and heart disease.

Covenant Health has numerous programs and outreach efforts across its hospitals and post-acute facilities that aim to connect vulnerable people with the food and/or resources they need to get and stay well.

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**Inexpensive food may be readily available, but may also be unhealthy and can complicate the treatment of conditions like diabetes and heart disease.**



## St. Joseph Hospital Partners to Bring Care to Underserved Communities

One of Covenant Health's core values is collaboration. We believe we can expand the reach and impact of our health system through strategic partnerships with community organizations to improve the health and well-being of the people in the communities we serve. In 2018, St. Joseph Hospital and Rivier University, a Catholic university located in Nashua, launched a new mobile clinic to provide much-needed health care services to underserved areas of Nashua. The mobile clinic can provide health screening and counseling services for chronic illnesses, such as obesity, diabetes, cardiovascular disease, high cholesterol and substance abuse.

The mobile unit was purchased and outfitted by St. Joseph Hospital through the support of

donors, and both organizations will help staff the unit to ensure it can serve as many people in the community as possible. Mobile clinics are a proven way to reach people who may not get care because they can't afford it or can't get to a doctor's office. Services are free of charge, and once established, St. Joseph Hospital hopes to gradually expand access to the mobile clinic to surrounding communities.

As a community-led Catholic health ministry, we see this as an important next step toward ensuring everyone in our community has access to high quality care. We also see this as a model and example for other communities looking to solve the healthcare access gap.



# STRATEGIC PLAN PYRAMID

## PATIENTS & RESIDENTS

### MISSION

We are a Catholic health ministry, providing healing and care for the whole person, in service to all in our communities.

### VISION

We will be a growing Catholic, integrated, community-centered health partner.

### VALUES

COMPASSION  
INTEGRITY

COLLABORATION  
EXCELLENCE

### COVENANT MANAGEMENT METHOD

### OUR GOALS

#### PEOPLE

- » We attract, develop & retain superior teams
- » Best place to work/ high engagement

#### QUALITY

- We are a premier provider of care achieving the quadruple aim:
- » Patient experience
  - » Provider engagement
  - » Population health
  - » Affordable healthcare

#### PERFORMANCE

- » We relentlessly pursue operational excellence
- » We promote a culture of fiscal responsibility

#### GROWTH & TRANSFORMATION

- » We offer innovative, relevant consumer experiences
- » We provide seamless integrated care

### EXPANDING THE MINISTRY

The Catholic identity of Covenant Health will serve as our foundation and compass to guide and grow our Mission and ministry of healing and health.

# 2018 Leadership



**David R. Lincoln,  
FACHE**

President &  
Chief Executive Officer  
*Retired as of April 26,  
2019*



**Katherine L.  
Bechtold, RN, MHA,  
NE-BC**

Senior Vice President &  
Chief Nursing Officer



**Susan I. Belanger,  
Ph.D., MA, RN,  
NEA-BC**

Senior Vice President,  
Mission Integration

*Appointed SVP of  
Mission in 2019*



**Karen Bowling, MBA**

Senior Vice President &  
Chief Information Officer



**J. Bradford Coffey**

Senior Vice President  
& President, Covenant  
Health Foundation



**John M. Emerson**

Senior Vice President,  
Integrated Medical  
Group



**Gerard J. Foley,  
Esq., FACHE**

Senior Vice President,  
Post-Acute Care

*Appointed President of  
the PJP in 2019*



**Stephen J. Grubbs**

Interim Senior Vice  
President & Chief  
Financial Officer

*Appointed President &  
CEO of Covenant Health  
in April, 2019*



**Steven C.  
Jorgensen**

Senior Vice President  
& President St. Mary's  
Health System



**John A. Jurczyk,  
FACHE**

Senior Vice President  
& President St. Joseph  
Hospital



**John Newman,  
Esq.**

Senior Vice President,  
General Counsel



**Mary Prybylo,  
RN, MSN**

Senior Vice President  
& President St. Joseph  
Healthcare/St. Joseph  
Hospital



**Jason VanDiver**

Senior Vice  
President, Strategy  
& Marketing



**Douglas Waite, MD**

Senior Vice President &  
Chief Medical Officer



# Board of Directors

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## **Lesley Adkinson, PhD, RN**

Nursing Practice Innovation Leader  
Newton-Wellesley Hospital

## **Kenneth E. Arnold**

Retired Senior Vice President, General Counsel and Secretary  
Lifespan Corporation

## **Bruce Bonnell, MD, MPH**

Geriatric Internist  
Chief of Geriatric Medicine  
Spaulding Hospital for Continuing Medical Care

## **Aisha Bonny, MSW**

Senior Director of Operations  
Child Family and Community Services  
Brockton Area Multi-Services, Inc. (BAMSI)

## **John Isaacson (Past Chair)**

Chief Executive Officer  
Lee Management Company

## **Thomas Kelly**

Retired CEO  
HealthSmart

## **David R. Lincoln, FACHE**

President & Chief Executive Officer  
Covenant Health

## **James F. Loftus, IV**

President & Chief Executive Officer  
101.1 More FM/WBEB-Philadelphia

## **William Lucy**

Senior Vice President Commercial Services  
Katahdin Trust Company

## **Dan Mingle, MD, MS**

President & Chief Executive Officer  
Mingle Analytics

## **Thomas Mortimer**

President & Chief Executive Officer  
Haverhill Bank

## **John Oliverio, Vice Chair**

President & Chief Executive Officer  
Wheaton Franciscan Healthcare

## **John M. Pallone**

Founder and Principal  
Shaheen, Pallone & Associates, P.C.

## **Louise Trottier, Board Chair**

Retired Senior Vice President of Retail Banking  
TD Bank

# 2018 System Financials

## Utilization

	2018	2017
Nursing Home Days	411,165	413,278
Hospital Adjusted Discharges	52,027	55,674
Hospital Patient Days	73,465	73,181

## Financial Activities (in thousands)

Total Operating Revenue	\$666,029	\$670,060
Expenses		
Salaries & Benefits	\$409,720	\$384,878
Supplies & Other	\$260,353	\$234,869
Provider Taxes	\$20,813	\$21,353
Depreciation & Interest	\$36,018	\$33,198
Total Operating Expenses	\$726,904	\$674,298
Operating Margin	(\$60,875)	(\$4,238)
Non-operating Gains (Losses)	(\$13,941)	\$44,372
Excess of Revenues Over Expenses	(\$75,722)	\$38,589

## Financial Ratios

Operating Margins	-9.1%	-0.9%
Excess Margin	-11.4%	5.8%
Days Cash on Hand	181	243
Debt Service Coverage	-0.2	2.4
Debt Capitalization	34.2%	34.9%
Charity Care	1.2%	1.5%
Support for the Broader Community	0.9%	1.0%



## A Note About Our 2018 Financials and Our Future

Our 2018 losses are due, in large part, to our investment in CareLink (Epic). During 2018, we completed the successful implementation and a subsequent upgrade of this powerful electronic health record system in our acute care hospitals. This came at a cost, however. In 2017, we decided to delay the initial CareLink implementation because we discovered unanticipated infrastructure deficiencies which required remediation adding considerable expense to the project. The delays also necessitated the hiring of additional temporary labor to backfill patient care positions during our staff training period.

Operational losses are never acceptable. With the completion of CareLink implementation in 2018, we are now positioned to realize significant operational and financial improvements going forward.

### OUR PATH FORWARD FOR 2019 INCLUDES:

- **A focus** on the optimization of the CareLink to maximize the administrative and financial capabilities of this robust tool and boost the efficiencies of care delivery
- **A commitment** to ensuring open access to our providers and services to drive increased revenue and volume as well as enhance patient experience
- **Improved care** coordination systemwide and streamlined revenue cycle operations

We continue to diligently pursue opportunities for expense reduction while maintaining our standards of quality as we provide exceptional patient care. We evaluate the results of our efforts monthly and are confident that this effort will ensure our financial security for generations to come.

# Our Organizations

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## SPONSORED/MEMBER

**Fanny Allen Corporation**  
Burlington, Vermont

**Maristhill Nursing and Rehabilitation Center**  
Waltham, Massachusetts

**Mary Immaculate Health/Care Services**  
Lawrence, Massachusetts

**Mount St. Rita Health Centre**  
Cumberland, Rhode Island

**Penacook Place**  
Haverhill, Massachusetts

**St. André Health Care Facility**  
Biddeford, Maine

**St. Joseph Healthcare**  
Bangor, Maine

**St. Joseph Hospital**  
Nashua, New Hampshire

**St. Joseph Manor Health Care**  
Brockton, Massachusetts

**St. Mary Health Care Center**  
Worcester, Massachusetts

**St. Mary's Health System**  
Lewiston, Maine

**St. Mary's Villa**  
Elmhurst Township, Pennsylvania

**Youville Assisted Living Residences**  
Cambridge and Lexington, Massachusetts

## MANAGED/MANAGEMENT SERVICES

**Bangor Nursing & Rehabilitation Center**  
Bangor, Maine

**Campion Health Center\***  
Weston, Massachusetts

**St. Joseph Rehabilitation and Residence**  
Portland, Maine

## AFFILIATED

**Fall River Jewish Home**  
Fall River, Massachusetts

**Holy Cross Health Center**  
Manchester, New Hampshire

**Regina Cleri Residence**  
Boston, Massachusetts

**Salemhaven, Inc.**  
Salem, New Hampshire

*\*Managed in 2018. Will become an affiliate in 2019.*

# HOSPITAL DAY

BABY  
SHOW





Beginning in 1983, these wise and fearless women realized that to ensure the future of their mission, things needed to change. With grace and courage, they let go of what they held most dear – their healthcare ministries – and entrusted the future to lay leadership.

– *David R. Lincoln*  
*President & CEO*

# Congregations Who Have Trusted Their Mission to Covenant Health

## **Daughters of Mary of the Immaculate Conception**

New Britain, Connecticut

## **Marist Missionary Sisters**

Waltham, Massachusetts

## **Medical Missionaries of Mary**

Somerville, Massachusetts

## **Missionary Sisters of the Society of Mary**

Waltham, Massachusetts

## **Poor Sisters of Jesus Crucified and the Sorrowful Mother**

Brockton, Massachusetts

## **Religious Hospitallers of St. Joseph**

Colchester, Vermont

## **Servants of the Immaculate Heart of Mary - Good Shepherd Sisters of Quebec**

Saco, Maine

## **Sisters of Charity of Montreal "Grey Nuns"**

Lexington, Massachusetts

## **Sisters of Charity of St. Hyacinthe**

St. Hyacinthe, Quebec, Canada

## **Sisters of Holy Cross**

Manchester, New Hampshire

## **Sisters of Mercy-Northeast Community**

Cumberland, Rhode Island

## **Sisters of St. Felix of Cantalice, Felician Sisters of North America**

Beaver Falls, Pennsylvania

## **Sisters of St. Joseph of Boston**

Brighton, Massachusetts

## **Society of Jesus**

Weston, Massachusetts

# Dioceses Where Covenant Health Sponsored Organizations Provide Services

## **Roman Catholic Archdiocese of Boston**

Boston, Massachusetts

## **Roman Catholic Diocese of Burlington**

Burlington, Vermont

## **Roman Catholic Diocese of Manchester**

Manchester, New Hampshire

## **Roman Catholic Diocese of Portland**

Portland, Maine

## **Roman Catholic Diocese of Providence**

Providence, Rhode Island

## **Roman Catholic Diocese of Scranton**

Scranton, Pennsylvania

## **Roman Catholic Diocese of Worcester**

Worcester, Massachusetts



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“We have come to Rome, some 120 persons to reaffirm our commitment to the values of the Catholic Health Ministry and as a continuation of the charism of St. Marguerite d’Youville...”



— *David R. Lincoln at the Vatican in 1997*

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“Just as St. Marguerite d’Youville espoused in terms of meeting the needs of her time, we’re organized to meet the needs of our time.”

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