



COVENANT
HEALTH

United in SERVICE

ANNUAL REPORT 2021



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

Our Judeo-Christian tradition compels us to promote Gospel values in all of our endeavors. We commit to honor these core values:

Compassion

We show respect, caring and sensitivity towards all, honoring the dignity of each person, especially the poor, vulnerable and suffering.

Integrity

We promote justice and ethical behavior and responsibly steward our human, financial and environmental resources.

Collaboration

We work in partnership, dialogue and shared purpose to create healthy communities.

Excellence

We deliver all services with the highest level of quality, while seeking creative innovation.

OUR HERITAGE

Covenant Health, influenced by the Spirit of St. Marguerite d'Youville and that of all related sponsors, was founded by the "Grey Nuns," the Sisters of Charity of Montreal, and is committed, as an innovative Catholic health organization, to advancing the healing ministry of Jesus.




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Dear Friends,

Thank you for your support and confidence in Covenant Health and our family of health care organizations. The focus for our 2021 Annual Report is on unity - we are United in Service to Our Communities. This was the vision of our foundresses and is a responsibility we take most seriously.

While there were many challenging moments over the past 12 months, there were even more moments of compassion, collaboration, hope, selfless service and inspiration. We continue to be strong and resilient as a team and health system. COVID-19 has proven that we can successfully navigate challenges while remaining focused on our mission and offer creative solutions that support our patients, residents, workforce and communities.

EXAMPLES OF THIS WORK INCLUDE:

Strengthening Our Organizations' and Communities' Collective Response to COVID-19:

We worked harder than ever to make 2021 a turning point in the global COVID-19 pandemic. In addition to continuing enhanced infection prevention and masking protocols designed to keep our patients, residents and team members safe, we launched numerous community vaccine clinics and complied with CMS vaccine requirements for our workforce. We also continued to invest in and strengthen virtual care options as our organizations applied lessons learned in 2020 to ensure we were responding to surges as quickly and effectively as possible.

Expanding Our Ministry to Support Our Mission: In 2021, we formalized an enhanced clinical affiliation with MaineHealth that has already resulted in expanded specialty care for St. Mary's Health System patients in Lewiston, Maine. We also welcomed Bangor Nursing and Rehabilitation Center as a full member, and with St. Joseph Healthcare, we now provide residents of Bangor, Maine with a full continuum of care. We also entered into discussions with Day Kimball Healthcare, a health system in Putnam, Connecticut, focused on Day Kimball becoming a member of Covenant Health. In response to a critical statewide need, we opened a new senior behavioral health unit to serve residents in the Nashua, New Hampshire area. All of these initiatives seek to expand access to health care in areas of need.

Advancing Our Journey to Excellence in Order to Become a High Reliability Organization: We continued to make progress on our multi-year Journey to Excellence, which includes strategic initiatives and investments designed to improve the quality, safety and experience we provide patients, residents and our workforce. Through our Journey to Excellence, we will become a high reliability organization, with predictable and repeatable outcomes that support consistent high quality care while catching and correcting errors before they happen.

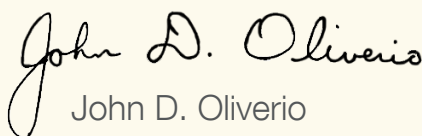
Investing in Our Associates as They Are What Help Us Stand Apart: We continued our focus on workforce development and retention to ensure we are the Employer of Choice in each of our markets. We enhanced our robust benefit offering and implemented pay scale adjustments so we will remain competitive in an increasingly tight labor market. Our Learning and Leadership Academy is committed to career and leadership development and our newly formed DEI Task Force is developing strategies and tactics to support our commitment to diversity, equity and inclusion on all levels of our organizations.

This annual report provides highlights of what we have accomplished together, and it is our sincere hope you find it informative and inspiring. As we look to 2022 and beyond, we are more confident than ever our health system and team are strong, and our brightest days lie ahead of us.

With gratitude,



Stephen J. Grubbs, MBA
President/CEO

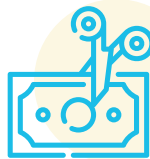


John D. Oliverio
Board Chair

Uniting Our Resources & Expertise to Protect and Improve Access to Care in Our Communities

Covenant Health is fueled by the vision of our foundresses who understood that smaller health care organizations would thrive by uniting to navigate future challenges.

Their foresight, combined with wise leadership and responsible stewardship, has allowed us to do just that. Over time, the health care industry has become significantly more complex; financial pressures and competition have increased and health care delivery has evolved. Over the past several years, as part of our broader Journey to Excellence, Covenant Health has focused on continuous improvement and growth to:



Create economies of scale that will allow us to keep costs lower for patients



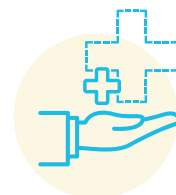
Generate additional opportunities for our team members to learn, grow and advance



Protect and improve access to high-quality care



Elevate our clinical expertise and operational knowledge



Expand the continuum of services available to patients

As we have grown, we've remained committed to preserving and improving health care in communities at-risk or underserved—an important component of our foundresses' vision.

Expanding Access to Advanced Specialty Care Through an Enhanced Clinical Affiliation Between St. Mary's and MaineHealth

St. Mary's Health System has been part of the Lewiston-Auburn community for more than 130 years and is deeply committed to ensuring that patients have access to a full array of high-quality services close to home. However, the community's smaller size makes it more challenging to recruit and support some specialty services that patients need to stay well and manage their complex health conditions. For many years, this meant that patients often had to travel significant distances to receive the care they need.

In September 2021, St. Mary's Health System announced its enhanced clinical affiliation with MaineHealth, expanding a longstanding partnership that has benefited the community in numerous ways over the years. The enhanced affiliation results in many benefits, including:

- » Ensuring patients have access to a broader array of advanced specialty care close to home
- » Reducing the need to travel outside of the community for specialty care
- » Making the community more attractive to businesses looking to invest or relocate to the area
- » Strengthening St. Mary's ability to recruit and retain top talent to the community



It's an honor to become a part of Covenant Health's family. We look forward to continuing to provide the compassionate and comprehensive care to our residents that has consistently earned us above-average ratings for quality and staffing from the Centers for Medicaid and Medicare Services (CMS). ”

Nichi Farnham

President of Bangor Nursing & Rehabilitation Center's community-led board of directors

Preserving and Strengthening Care for Seniors Through the Acquisition of Bangor Nursing & Rehabilitation Center

Bangor Nursing & Rehabilitation Center (BNRC) has been trusted by generations of Bangor residents for providing long-term care and rehabilitation services for aging loved ones. In addition to a longstanding relationship with the community, BNRC has also maintained a long and fruitful relationship with St. Joseph Hospital, one of Covenant Health's three acute care hospitals.

In 2013, Covenant Health was engaged to provide management services for BNRC. Following nearly a decade of successful partnership, we were deeply honored when BNRC's community-led board of directors expressed interest in becoming a full member of the Covenant Health family of organizations.

Their vision became a reality in December 2021, and as a result, this 60-bed center now has access to a deeper pool of operational resources, clinical expertise and best practices developed across Covenant Health's post-acute and assisted living communities and three hospitals. In partnership with St. Joseph Healthcare, this also offers Bangor residents an expanded continuum of care.

2021 HIGHLIGHTS & ACCOMPLISHMENTS



Preserving & Enhancing Care in Connecticut by Exploring a Potential Affiliation with Day Kimball Healthcare

In November 2021, Covenant Health and Day Kimball Healthcare, located in Putnam, Connecticut, entered into an affiliation agreement aimed at Day Kimball Healthcare becoming a full member of Covenant Health. Day Kimball is a fully integrated health system comprised of Day Kimball Hospital, Day Kimball Medical Group and four ambulatory health care centers. Although the signing of the affiliation agreement marked an exciting milestone in the partnership journey, due diligence and regulatory review is likely to continue well into 2022.

Once approved by regulators, Day Kimball Hospital will become the fourth acute care hospital in the Covenant family of organizations. As part of Covenant Health, Day Kimball will be able to access a deeper pool of resources and expertise, including access to capital for investment in an updated IT infrastructure and a new state-of-the-art electronic health record system. This additional support, along with economies of scale that will result from the acquisition, will allow Day Kimball to focus fully on its mission and meeting the needs of the local community.

Our proposed affiliation with Day Kimball reflects Covenant Health's deep commitment to preserving and enhancing health care in communities that are underserved and/or at-risk. While it is still too early in the process to extend a heartfelt welcome to the Day Kimball team, we hope to do so at some point in 2022.

Photo: Stephen Grubbs, President/CEO of Covenant Health, Janice Thurlow, Chairman of the Day Kimball Healthcare Board of Directors and R. Kyle Kramer, CEO of Day Kimball Healthcare sign affiliation agreement at Day Kimball Hospital in Putnam, on Tuesday, November 16, 2021.



Uniting Technology & Compassion to Strengthen Care

During the past year, Covenant Health has continued to invest heavily in upgrading and maximizing our technology and IT infrastructure to better serve our patients and residents, as well as make day-to-day tasks both easier and more efficient for our team members and providers. While these investments are not new to Covenant Health, they have taken on more importance due to the COVID-19 pandemic. Ensuring our team members and providers have access to their computers and files while working remotely has been a major focus of the past two years. Based on the progress we've achieved thus far, we feel confident our people have the tools, technology and resources they need to be connected, efficient and effective.

In 2021, Covenant Health made investments and improvements in several key technology areas, including:

Epic® and MyChart®: These systems are in use at all our acute care hospitals and ambulatory practices. We continuously look for ways to make these connected platforms easier to navigate. In 2021, we began a collaborative effort with Bon Secours-Mercy Health to build our New Epic platform which will help meet our future needs. MyChart® provides patients with highly secure access to their records, as well as a collection of tools to better self-manage their health and stay connected with providers. As functionality becomes available, we are integrating these into our current MyChart® build.

Systemwide Communication Tools: We continued our phased system-wide deployment of the Microsoft 365® suite of tools to help our team members collaborate and stay connected through email, Teams and more. Microsoft 365 helps to level the playing field between our hospitals and community organizations as it provides a seamless and more consistent way to engage in two-way conversation with staff. We also deployed Webex™ as our systemwide video conferencing tool. Its enhanced connectivity and reliability have facilitated our now standard remote meeting operations.

UKG/Kronos Implementation: We implemented UKG/Kronos as our standard payroll and timekeeping tools at all our post-acute care facilities. This technology has significantly helped to streamline many of the Employee Experience functions for employees and supervisors alike.

Leveraging Technology to Support Our COVID-19 Vaccine Clinics and Vaccination Efforts

In 2021, we were able to create cross-community COVID-19 vaccine clinics with guidance from our COVID Vaccine Committee and in partnership with Bon Secours-Mercy Health. Covenant Health's IT team was able to expand functionality and deploy protocols to guide the capturing of important information regarding a patient's vaccine status. The data gathered also ensures Covenant Health is appropriately reimbursed for the services it delivers in these free community clinics. The work required to support the vaccine clinics was necessary to meet our patients' needs right where they are.

Uniting Our Expertise to Advance Quality, Safety & Patient Experience

At Covenant Health, we believe everyone deserves to be treated with genuine care and respect.

We also want our patients to feel comfortable and confident knowing they will always receive safe, high-quality care and an exceptional experience when they choose us. These goals are at the heart of Covenant Health's multi-year Journey to Excellence, and by uniting all of our services, we are already beginning to see this vision take shape.

Quality, Safety and Patient Experience at Our Hospitals

As part of our Journey to Excellence, we've focused heavily on implementing best practices that will improve the patient experience and quality – reducing the potential for mistakes and miscommunication. While our nursing staff was a major focus of this work, we believe quality and patient experience are the responsibilities of every member of our team. Our focus for 2021 was on a key set of best practices that have been shown to greatly improve communication, the leading cause of dissatisfaction and errors in health care. These best practices also improve the experience for our team members as they enable deeper, more meaningful connection with patients, colleagues and leadership, as well as strengthen overall trust and confidence in both the care we deliver and the direction of our organizations.



COLOR-CODED SCRUBS

When a patient is in the hospital, the number of different caregivers and staff who enter their room can become confusing and even overwhelming. While all of our team members wear ID badges, it can be difficult for a patient to differentiate a nurse or physical therapist from a member of our environmental services team. In 2021, we made identifying our team members even easier by color coding scrubs by role. An added benefit of this change is the increased pride our team members feel in their chosen profession.



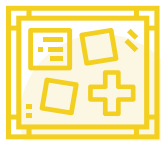
NURSE LEADER ROUNDING

In addition to regular rounding by our frontline nurses, our nursing leadership team has increased the regularity of patient rounding focused on proactively identifying and addressing patient concerns and questions. By identifying issues earlier, we are able to practice proactive service recovery, put our patients' minds at ease and increase the confidence our patients feel in the care we deliver. Our nurses also feel more supported by nursing leadership.



NURSING BEDSIDE SHIFT REPORT

Research shows when patients are engaged in their health care, it can lead to measurable improvements in safety, quality and satisfaction. To promote stronger engagement, Covenant Health hospitals have implemented bedside shift reporting. Nurse shift changes require the successful transfer of information between nurses to prevent adverse events and medical errors. Patients and families can also play a role in making sure these transitions in care are safe and effective. Traditionally, shift reporting has taken place at nurses' stations – away from the patient's bedside. Bedside shift reporting allows a patient and/or their family members to be part of the transfer of information. This allows our nurses to be fully informed prior to assuming a patient's care. It also provides off-going nurses with the confidence their patients will receive great care from the on-coming nurse.



PATIENT WHITEBOARDS

Patient whiteboards are proven to improve communication not only with patients, but also between caregivers who are coming in and out of patient rooms throughout the day. In 2021, our hospitals recommitted to consistent use of whiteboards to keep patients and staff informed on key details, including, caregiver names, upcoming procedures and appointments, and pain levels.



AIDET®

AIDET® is a communication framework for health care professionals to use with patients and each other in a way that decreases patient anxiety, increases patient compliance, and improves clinical outcomes. By practicing AIDET in every interaction with patients, we can clearly define expectations, keep patients and colleagues better informed and improve safety, quality and the patient experience. The acronym AIDET stands for five communication behaviors:

Acknowledge: Greet the patient by name. Make eye contact, smile and acknowledge family or friends in the room.

Introduce: Introduce yourself with your name, skill set, professional certification and experience.

Duration: Give an accurate time expectation for tests, physician arrival and identify next steps. When this is not possible, give a time in which you will update the patient on progress.

Explanation: Explain step-by-step what to expect next, answer questions and let the patient know how to contact you, such as a nurse call button.

Thank You: Thank the patient and/or family. You might express gratitude to them for choosing your hospital or for their communication and cooperation. Also thank family members for being there to support the patient.

United in Our Commitment to Provide a Robust Network of Community-Centered Care Through Our Integrated Medical Group

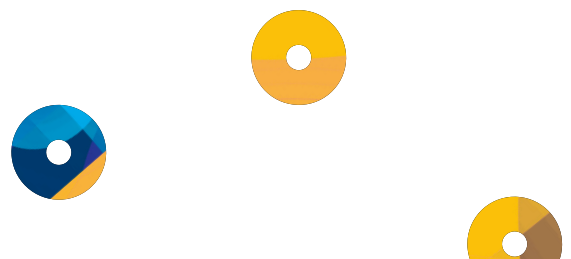
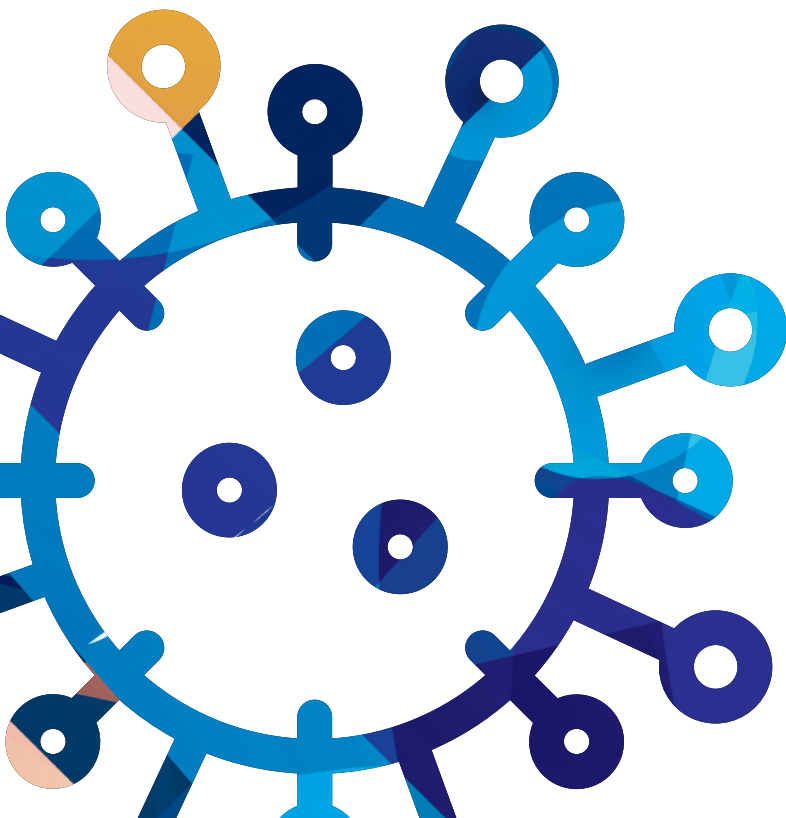
Our network of community providers and practices, the Integrated Medical Group, IMG, plays a critical role in Covenant Health's efforts to provide communities a full continuum of primary and specialty care options. Over the years, this network has grown substantially and it will continue to grow as the shift from inpatient to outpatient services continues. Like our hospitals, IMG was not immune to the challenges that resulted from the global pandemic, and like our hospitals, IMG providers and practices successfully managed them.

Evolving and Adapting to a “New Normal”

Recognizing that COVID-19 is likely to be with us long-term, IMG practices and providers have focused on fully integrating and operationalizing changes that occurred in 2020.

This includes expanding provider competencies related to virtual care delivery, fully integrating virtual care options into practices to ensure the best patient experience possible. This is critical as patient expectations have evolved at an unprecedented pace due to the pandemic and virtual care delivery has evolved seemingly overnight.

Staffing in practices also grew more challenging as a result of the “great resignation,” vaccine requirements and increased competition for talent. Many practices had to adapt their operations with fewer staff. In some cases, we focused on maximizing developing technology to improve efficiencies. We developed a Patient Access Strategy to balance provider supply and demand. This included scheduling optimization allowing patients to obtain appointments via a telephone management strategy that makes efficient use of staff time without sacrificing the quality of service. Digital communications and telehealth options gave patients additional ways to interact with their health care team.



The Impact of Pandemic on Longstanding Practice Staffing Challenges

Providers and staff were important in our efforts to promote COVID-19 vaccines for patients as well as staff. They served as our frontline of communication as we worked to educate our communities on ever-changing regulations and recommendations. This is not easy work. Amid the raging COVID-19 pandemic, providers are under greater stress than any other time in living memory. Even as the pandemic eases, a provider burnout epidemic continues, resulting in providers retiring early or leaving the health care industry altogether.

We recognize that burnout and exhaustion is common for health care workers and have renewed our commitment to focus on enhanced professional and leadership development opportunities, as well as expanding mentoring and coaching for our staff. After a year of pandemic turmoil, medical practices have utilized bonuses to attract and retain top talent.

Evolving Care Delivery to Reflect Our Current and Future Reality

The economic impact of COVID-19 on health care continues to reveal itself through reductions in patient volume and revenue, and in higher practice costs. Practice payer mixes have also changed during COVID-19. At the end of 2021, many practices reported that they had not yet recovered their pre-pandemic patient volumes. COVID-related safety concerns often fed patient hesitancy to seek care.

COVID-19 has taught us the value of fortitude and flexibility. We have learned to adapt and succeed. We have embraced innovations such as telehealth visits, which have helped to keep patients engaged in their care throughout the pandemic, as well as helped to ensure practices continue to generate the revenue needed to remain financially viable. Despite the uncertainty, patient demand for telehealth is expected to increase in 2022.

94,485

**Panelized
Patients**

39,374

**New Patients
Received Care**

80

**New Physicians and
APPs Joined the System**

16,288

**Complete Medicare
Annual Wellness Visits**

377,774

**Patient
Visits**

37,594

**Virtual Visits
Conducted**

United in Our Commitment to Exceptional Senior Care

While 2021 continued to be challenging for our organizations that provide senior living and long-term care, the introduction of the vaccine was truly transformative. While 2020 was marked by pain and determination, 2021 was marked by hope, perseverance and determination.

In 2021, we were thrilled to see the vast majority of our residents and staff receive the vaccine, greatly reducing the number of new COVID-19 infections and significantly reducing the severity of illness and hospitalizations among those who got COVID-19. The vaccine also allowed us to begin reopening our doors to families, volunteers and students who enrich our residents' lives and provide encouragement and support to our workforce. We learned a great deal during 2020 and remain focused on fully applying what we learned into our day-to-day operations. As a result, we've been able to mitigate much of the impact of COVID-19 on our residents and staff. We've leveraged enhanced infection prevention, testing protocols and the vaccine to achieve a dramatic reduction in COVID-19 cases in our facilities.

We are deeply proud of our staff who have consistently gone above and beyond throughout the pandemic. They continue to step up and do whatever is necessary to ensure residents receive the best care possible. We are also proud of the very high compliance rate we achieved for staff vaccination. Those who dedicate their lives to serving seniors have proven they can overcome every challenge and accomplish anything they set their minds to when they remain focused on our residents and our mission.



United in Support of Our Workforce

Ensuring Covenant Health Organizations Are the Preferred Employers for Health Care Professionals

At Covenant Health, we understand that our greatest asset and strength is our workforce. We also recognize the past several years have been some of the most challenging and exhausting in recent history. This has resulted in nearly 15% of the health care workforce nationally deciding to retire or leave the profession. As a result, day-to-day staffing challenges have intensified and competition for talent has soared.

We have taken numerous steps to ensure our team members and providers have the leadership and support they need to stay productive, healthy and resilient. We also know we must remain competitive with wages and benefits. This has grown increasingly challenging as salaries for contract labor from staffing agencies have grown 200-300% in just two years.

In 2021, we committed to investing approximately \$20 million to ensure our associates receive a fair, competitive wage.

This investment came after a market review of all employees and job classifications to ensure our wage scales reflect the rapidly changing market for talent. Wage adjustments were rolled out toward the end of 2021. To ensure we remain competitive in an increasingly challenging labor market, Covenant Health organizations will continue to closely monitor wages and adjust accordingly.



United with Our Communities to Improve Health

Throughout 2021, Covenant Health collaborated closely with local, state and federal government officials and elected leaders – as well as other community health care providers – to ensure our communities had access to the care and services they need. The pandemic highlighted the need for increased mental health services, a need we were able to fill in several communities.

Enhancing Mental Health Treatment Options

A Safe, Welcoming and State-of-the-Art Space for Inpatient Mental Health Treatment

In October, leaders from St. Mary's Health System in Lewiston, Maine, were excited and honored to welcome U.S. Senator Susan Collins to the system's new state-of-the-art inpatient mental health unit. The completion of the Carlton and Lucille Sedgely Adult Behavioral Unit, located on the fourth floor of the C-wing of St. Mary's Hospital, is a major step forward in the care and treatment of community members who are battling opioid use disorder, depression, anxiety, bipolar disorder, schizophrenia and other mental health challenges. The new unit was part of a much larger, three-part renovation that was also completed in 2021. The phases included:



PHASE 1

Renovation of the child and adolescent behavioral health unit



PHASE 2

Construction of an infusion center building for oncology and rheumatology



PHASE 3

Development of a new adult behavioral health unit

St. Mary's also offers the community's only emergency department designed to meet the urgent needs of adults who are experiencing a mental health crisis. As the pandemic continues to take its toll, St. Mary's and other providers across the nation have seen an increase in patients experiencing mental health emergencies. The advancements made by St. Mary's will help, heal and bless Lewiston-Auburn residents for many generations to come.



Expanding Inpatient & Outpatient Mental Health Services for Seniors in Nashua

In January, St. Joseph Hospital opened a senior behavioral health unit for those 65 and older experiencing behavioral and emotional health challenges. The 24-bed inpatient unit is staffed by a team of physicians, nurses and a variety of other disciplines with specialized training in geriatric mental health. The goal of the unit is to provide a highly specialized, coordinated and comprehensive approach to care for seniors, as their needs are often different than younger patients. Key to the unit's treatment philosophy is an emphasis on providing the tools, resources and coping skills patients and their families need to promote healing and healthy functioning on an ongoing basis.

The unit's staff receive extensive training to understand how chronic health conditions, medications, life-changing circumstances, losses and the physical consequences of aging all add stress on the ability to cope and often result in a seriously diminished quality of life. Anyone 65 or older experiencing difficulty with symptoms such as depression, anxiety, loss of coping ability, cognitive changes or severe changes in behavior patterns may benefit from the services offered in the Senior Behavioral Health Unit.





As our country continues to confront the public health crisis caused by the pandemic, the completion of this impressive treatment facility at St. Mary's could not come at a more critical time. Mainers battling opioid addiction and mental health disorders—which have only been exacerbated by the pandemic—will soon have access to the high-quality, compassionate care they need to achieve recovery and healing. ”

– U.S. Senator Susan Collins



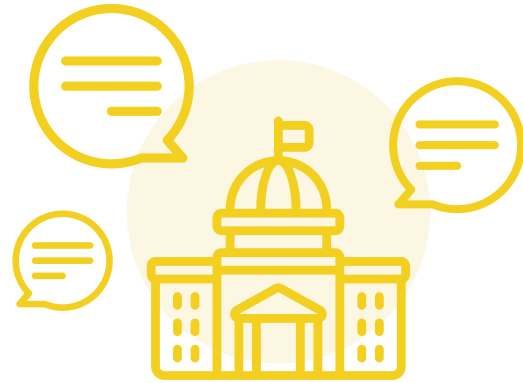
Partnering with Community Mental Health Providers to Address a Need in Nashua

In August 2021, St. Joseph Hospital and Greater Nashua Mental Health, GNMH, both located in Nashua, New Hampshire, entered into a professional relationship to provide behavioral health services to pediatric patients at St. Joseph Hospital. This announcement came only a few months after St. Joseph Hospital opened its new inpatient behavioral unit to support older adults. These two groups are among the most vulnerable populations with regard to mental health issues.

The agreement, while in its early stages, will ultimately allow behavioral health clinicians for GNMH to work alongside St. Joseph Hospital pediatric providers at three practice locations in Nashua and Milford, New Hampshire. GNMH behavioral health professionals will be available in each practice to provide a mix of services and support to both St. Joseph Hospital Pediatrics providers as well as their patients, including:

- 1 **Medication management**
- 2 **Care management to help identify appropriate behavioral health and community support services**
- 3 **Psychiatrist consultations**

This new, innovative partnership will strengthen and enrich both organizations, helping to ensure patients get the care they need, when and where they need it most.



Helping Elected Leaders Keep a Pulse on the Impact of COVID-19

The challenges of the pandemic underscored our need for continual conversations with local, state and federal officials. Early in 2021, leadership from our three hospitals began reaching out to key officials to educate them about the impact of COVID-19 on patients, the communities they serve and hospital operations and finances.

The officials valued the proactive outreach, and these early discussions quickly blossomed into greater collaboration and idea sharing focused on strengthening care – not just during the pandemic, but for the long-term.

As a result, these elected leaders advocated for Covenant Health and other community hospitals to receive more funding and support aimed at overcoming significant losses generated from the temporary shutdown of outpatient clinics and elective surgeries – two significant sources of revenue for our hospitals and health systems. These conversations also resulted in legislative visits to our facilities, including our new Senior Behavioral Health Unit in Nashua, New Hampshire and the Behavioral Health Unit at St. Mary's in Lewiston, Maine.

We are grateful for the support these elected leaders have shown us and we look forward to even deeper conversation and collaboration in the years ahead.



Our 2021 Financials

When the global COVID-19 pandemic began in 2019, it impacted nearly every aspect of our health system, including patient volumes and revenue. Covenant Health leadership moved quickly to ensure our team members and providers had the supplies and support they needed to continue providing safe, high-quality care to patients. We also made difficult but necessary changes to our operations to ensure we were maximizing our resources and minimizing the losses that nearly every health care provider experienced early on.

While we still faced challenges in 2021, we are pleased to share that we remain financially strong, and we are even more confident in our ability to continue improving our finances in 2022. In 2021, we continued to see patient volumes begin to increase back to pre-pandemic levels, and our operating revenue continued to stabilize and improve.

We could not have navigated this season of dramatic change without the hard work and dedication of our people, as well as wise financial stewardship at every level of our organization. We are deeply proud of and grateful for their contributions, in addition to their willingness to remain flexible and stay laser focused on caring for our patients and residents.

Based on all we have experienced together, we are fully confident our team can overcome the most difficult of challenges. We will continue our Journey to Excellence and invest in our people and technology and practice wise shared stewardship.

Utilization

2021

2020

Nursing Home Days	322,097	330,220
Hospital Adjusted Discharges	44,879	44,322
Hospital Patient Days	75,373	64,937

Financial Activities (in thousands)

Total Operating Revenue	\$783,912	\$718,606
EXPENSES		
Salaries & Benefits	\$428,861	\$399,740
Supplies & Other	\$308,099	\$262,847
Provider Taxes	\$22,305	\$21,906
Depreciation & Interest	\$34,951	\$40,195
Total Operating Expenses	\$794,216	\$724,688
Operating Margin	(\$10,304)	(\$6,082)
Non-operating Gains (Losses)	\$32,464	\$13,453
Excess of Revenues Over Expenses	\$22,160	\$7,371
Cost of Pandemic Care Net of COVID Grants	\$76,172	\$147,940

Financial Ratios

Operating Margin	-1%	-1%
Excess Margin	3%	1%
Debt Service Coverage	6.1	1.70
Debt to Capitalization	35%	37%
Total Charity Care	13%	13%

Board of Directors AS OF JUNE 2021



**Lesley Adkison,
PhD, MSN, RN-BC**
Nursing Practice
Innovation Leader,
Newton-Wellesley
Hospital



Mark Anthoine
President/Managing
Partner
BGA Financial



**Kenneth Arnold,
Vice Chair**
Retired Senior Vice
President, General
Counsel & Secretary,
Lifespan Corporation



**Aisha Barlatier-
Bonny, MSW**
Senior Vice President of
Behavioral Health and
Community Services
Brockton Area Multi-
Services, Inc. (BAMSI)



**Bruce Bonnell, MD,
MBA, MPH**
Medical Director for
Geriatric Acute and
Post-Acute Care, Holy
Redeemer Hospital



**Kathryn Connerton,
JD, MBA**
President/CEO of
Ascension Lourdes



**Stephen Grubbs,
MBA**
President/CEO,
Covenant Health, Inc.



**Catherine
Lovecchio, PhD, RN**
Associate Dean of
Undergraduate Nursing
at Villanova University



William Lucy
Senior Vice President
Commercial Services
Katahdin Trust Company



Thomas Mortimer
President & Chief
Executive Officer
Haverhill Bank



**Cherie Noe,
MD, MPH**
Chief of Geriatrics at
Mount Auburn Hospital



**Sister Catherine
O'Connor, CSB**
Congregational Leader,
Sisters of St. Brigid



**John Oliverio,
Board Chair**
Retired President & Chief
Executive Officer
Wheaton Franciscan
Healthcare



**Gino Pazzaglini,
MSW, LFACHE**
Retired Catholic Health
System President/CEO



**Louise Trottier,
Past Chair**
Retired Senior Vice
President of Retail
Banking, TD Bank

Board Committees

Audit Committee

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John Oliverio
William Lucy
Thomas Mortimer
Stephen Grubbs (Staff)

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John Oliverio, Chair
Louise Trottier
Kenneth Arnold
Stephen Grubbs
Mark Anthoine

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Louise Trottier, Immediate Past Chair
Kenneth Arnold, Vice Chair
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Mark Anthoine

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Kathryn Connerton
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William Wood, MD

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Stephen Grubbs
John Oliverio
Gerard Foley, President PJP
Kenneth Arnold
Gino Pazzaglini

Our Leadership Team

Stephen J. Grubbs, MBA

President/CEO

Susan I. Belanger, PhD, MA, RN, HEC-C, NEA-BC

Senior Vice President of Mission Integration & Ethics

Karen A. Bowling, MBA

Senior Vice President & Chief Information Officer

J. Bradford Coffey, Esq.

Senior Vice President & President, Covenant Health Foundation

John M. Emerson

Senior Vice President, Integrated Medical Group

Gerard J. Foley, Esq., FACHE

President of Covenant Health Systems & Senior Vice President and President of Post-Acute Care

Stephen W. Forney, MBA, CPA, FACHE

Chief Financial Officer

Steven C. Jorgensen

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

Timothy J. Juergensen

Vice President & Chief Employee Experience Officer

John A. Jurczyk, FACHE

Senior Vice President & President, St. Joseph Hospital

John D. Newman, Esq.,

Senior Vice President & General Counsel

Mary B. Prybylo, RN, MSN, FACHE

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

Karen R. Sullivan

Vice President Marketing & Communications

Douglas C. Waite, MD

Senior Vice President & Chief Medical Officer

Our Organizations

Sponsored/Member Organizations

Bangor Nursing & Rehabilitation Center
BANGOR, MAINE

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
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 House Assisted Living Residences
CAMBRIDGE, MASSACHUSETTS

Youville Place Assisted Living Residences
LEXINGTON, MASSACHUSETTS

Affiliated Organizations

Fall River Jewish Home
FALL RIVER, MASSACHUSETTS

Regina Cleri Residence
BOSTON, MASSACHUSETTS

Salemhaven, Inc.
SALEM, NEW HAMPSHIRE

Campion Health and Wellness Center
WESTON, MASSACHUSETTS

Organization Covenant Health Provides Management Services

Medical Missionaries of Mary
SOMERVILLE, MASSACHUSETTS

Our Congregations & Dioceses

Congregations Who Have Trusted Their Mission to Covenant Health

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

BIDDEFORD, MAINE

Sisters of Charity of Montreal "Grey Nuns"

LEXINGTON, MASSACHUSETTS

Sisters of Charity of St. Hyacinthe

QUEBEC, CANADA

Sisters of Mercy-Northeast Community

CUMBERLAND, RHODE ISLAND

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

BEAVER FALLS, PENNSYLVANIA

Dioceses in Which 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



**COVENANT
HEALTH**

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