

2016-17 Annual Report



VCUHealth™



A 40-person interdisciplinary team successfully delivered the first sextuplets in VCU Medical Center history in May 2017. The delivery epitomized our mission to be ready for anything that comes through our doors — and included coordination among experts in areas such as maternal-fetal medicine, labor and delivery, nursing, anesthesia, respiratory, neonatal medicine, social work, nutrition and cardiology.

VISION

BY DESIGN





Our vision — *a carefully designed vision* — drove our work in 2016-17. It includes the essentials: a deep commitment to our safety-net mission; unrivaled passion for quality, safety, education and research; dedication to providing the most advanced medical care; and engagement in improving the health of our community.

It also includes a drive to take it to the next level. To do that, we've added expert leaders to our team. We expanded our health care offerings. And we are implementing a strategic master facility plan that will change the face of patient care in the region.

A handwritten signature in black ink that reads "Michael Rao".

Michael Rao, Ph.D., president, VCU and VCU Health System

A handwritten signature in black ink that reads "Marsha D. Rappley, M.D.". The signature is written in a cursive style.

Marsha D. Rappley, M.D., vice president for VCU Health Sciences and CEO, VCU Health System

A handwritten signature in black ink that reads "Deborah W. Davis".

Deborah Davis, vice president for clinical services and CEO, VCU Hospitals and Clinics





DESIGNING OUR PATH

Throughout the year, we put our energy into expanding the vision for VCU Health. Marsha D. Rappley, M.D., our CEO and vice president for VCU Health Sciences, worked with teams across VCU Health to design this vision:

We are VCU Health System and VCU Health Sciences Schools, a powerful melding of faculty, staff, students and residents engaged in academic excellence and service.

Our vision is guided by these six tiers:

1. We strengthen our safety net and expand beyond: We provide the highest level of advanced medical care to the greatest complexity of disease or social circumstances, thereby becoming the safest and finest health system in the nation.
2. We push discovery of the extraordinary into the realm of the ordinary, improving the lives of the people who need us.
3. We inspire our students and residents, and they inspire us. Together we each move to the next level of professional commitment through the power of our shared mission.
4. We build the diverse workforce, teaching force and research base that our patients and our nation deserves.
5. We lead the shaping of powerful partnerships between communities, universities, academic health centers and organizations across the nation, thereby shaping the health of the nation.
6. We care for each other, so that we can sustain the contributions of our talent, energy, and commitment, thereby best serving those who need us.

MORE ONLINE:

Check out the new VCU Health website and read about our mission and vision at vcuhealth.org/our-story.

“This vision is crucial to sustaining our mission at VCU Health. It gives us purpose, transforming even the most routine work into something with meaning. We thrive on helping others achieve a better life through our service, education and research.”

— MARSHA D. RAPPLEY, M.D.

In support of our six tiers, we are focusing on these pathways:

GROWING and enlarging our sphere of impact, our mission will thrive well into the future, reaching outside our walls

ALIGNING our health system, health sciences schools, university, community and national organizations

CREATING the highest value experience for our patients, students and residents by listening to and learning from what they tell us

INCLUDING a workforce that is relevant to our patients, students and teams; calling out cultural competency and inclusion because they are needed to meet our mission

BUILDING infrastructure that supports our patients, students, staff and faculty and creating spaces that inspire confidence, comfort, learning, discovery and well-being

DEEPENING operational excellence and organizational effectiveness to reflect the deepening excellence of our people

DESIGNING innovation through the lens of large populations with a focus on every individual we touch; engaging people from all aspects of health care and society

BUILDING THE FUTURE

Buildings will go up; buildings will come down. And patients will be at the center of it all as we transform the landscape of our medical campus and downtown Richmond, Virginia.

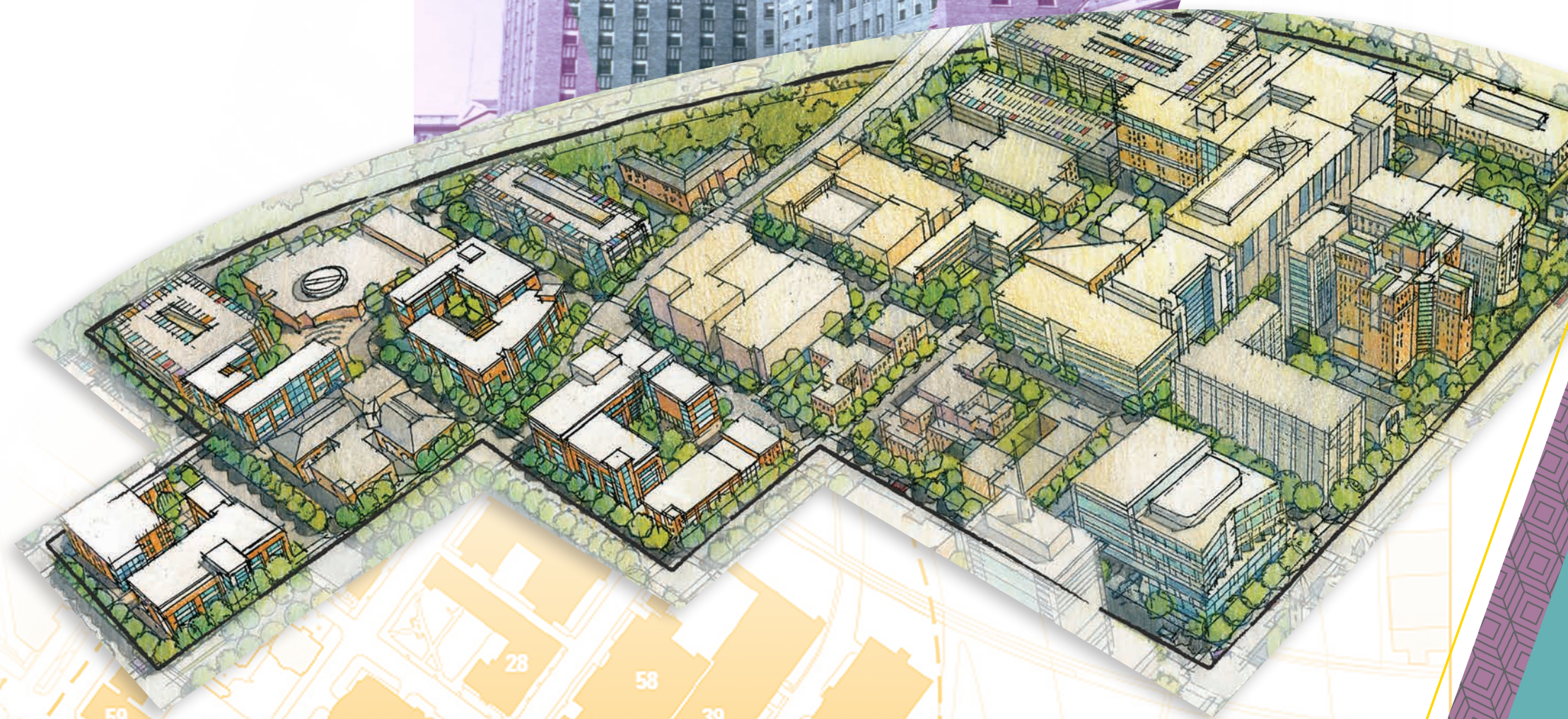
In 2016-17, we hosted site planning and input sessions as we drafted the blueprint of our 10-year Strategic Master Facility Plan. The plan calls for improving patient spaces and locations. Key changes include building an adult outpatient facility and an inpatient tower with two wings. It also calls for

repurposing North Hospital, which was commissioned in 1956.

Already underway is a new School of Allied Health Professions building. We broke ground in April 2017 on the \$87.3 million, 154,000-square-foot facility that will bring all 11 of the school's units under one roof. The building will feature cutting-edge learning laboratories designed for human simulation, diagnostic technology, rehabilitation and counseling education.

MORE ONLINE:

Read more about the strategic master facility plan at annualreports.vcu.edu/vcuhealth.



GROWING OUR TEAM

We added significant expertise to our team in 2016-17, welcoming seven new members to our leadership through national

searches that, in some cases, led to promotions within our team that recognized unparalleled talent and dedication.

MORE ONLINE:

Learn more about Buckley, Davis, Hancock, Linda Hines, Nkanta Hines, Johnson and Wesolowski at annualreports.vcu.edu/vcuhealth.



Peter Buckley, M.D., joined us in January 2017 as executive vice president for medical affairs and dean of the VCU School of Medicine. Buckley oversees the 600 physician-faculty group practices of the academic health sciences center. He previously served as dean of the Medical College of Georgia and executive vice president for medical affairs and integration.



Deborah Davis was promoted to CEO of VCU Hospitals and Clinics and vice president for clinical services in October 2016. Davis previously served nine years as our chief operating officer. In that role she oversaw the successful move into our new Critical Care Hospital, the design and move into the Children's Pavilion and the implementation of the STAR Service Initiative.



Melinda Hancock joined us in June 2016 as chief financial officer and senior executive vice president. She previously served as a partner with the health care practice of Dixon Hughes Goodman LLP and as chief financial officer and senior vice president for Bon Secours Virginia.



Linda Hines was promoted to CEO of Virginia Premier Health Plan in September 2016. Hines previously served as COO of Virginia Premier, overseeing the business line, strategic plan execution and leadership team to ensure Virginia Premier delivered exemplary customer service and maintained a strong culture of quality and innovation.



Nkanta "Nick" Hines joined us in July 2016 as chief of staff for Marsha D. Rappley, M.D. Hines previously served as lead operational officer of the American Board of Internal Medicine. At VCU Health, he plays a key role in logistics, planning and communicating with all members of the executive leadership team.



John Johnson, M.D., was named chief medical officer of Virginia Premier Health Plan in June 2017. Johnson joined us from Georgia, where he previously served as senior medical director for WellCare. At VCU Health, Johnson leads medical and behavioral health management and clinical quality-related activities for all product lines.



Paul Wesolowski was promoted to COO for VCU Health System Hospitals in March 2017. Wesolowski previously served as our vice president of professional services. Under his leadership since 2012, we established a joint venture with Sheltering Arms for a new rehabilitation hospital.

EXPANDING OUR FOOTPRINT

We grew in 2016-17, adding to our services and locations.

Jackson Center

Outpatient psychology and psychiatry moved to this downtown building in October 2016 from the Nelson Clinic and West Hospital. The Jackson Center, on North Second Street, offers a convenient location, free parking close by, enhanced privacy and rooms for group meetings and classes.

Sheltering Arms

VCU Health System, in partnership with Sheltering Arms, agreed to build a 114-bed destination rehabilitation hospital in Goochland County. The joint venture between VCU Health and Sheltering Arms received state approval

in March 2017. The estimated cost for the land and initial building is \$95 million. The hospital, which will be located on a 25-acre site in West Creek Medical Park, is expected to open in 2020 with the groundbreaking in 2018.

South Hill Campus

In August 2016, we celebrated the topping-out of VCU Health Community Memorial Hospital's new \$82 million, 166,000-square-foot facility, the first part of our new South Hill Campus. The new hospital opened in November 2017.

Scheduled to open on the campus in early 2018, a new medical office building will bring under one roof 10 outpatient clinics that have been spread throughout South Hill, providing patients with streamlined access

to care. The building will also house cardiac rehabilitation, patient education services and administrative offices.

Stony Point 9109

This \$14 million, 60,000-square-foot medical office building opened in November 2016 across from Stony Point Fashion Park.

Clinics for dermatology, otolaryngology, audiology, bariatric and gastrointestinal surgery, and reproductive medicine moved to the building to better support patient care, improve staff efficiencies and enhance the patient experience.



STONY POINT 9109

OPENING OF STONY POINT 9109



RENDERING OF THE NEW SHELTERING ARMS HOSPITAL

SOUTH HILL CAMPUS

JACKSON CENTER (BACKGROUND)

MORE ONLINE:

Read about the Jackson Center, Sheltering Arms, South Hill and Stony Point at annualreports.vcu.edu/vcuhealth.



195,730

Virginia Premier Health Plan
members in Virginia

DEEPENING OUR IMPACT

For the first time, our HMO, Virginia Premier Health Plan, began offering a product for anyone in our service area who is eligible for both Medicare and full Medicaid: Virginia Premier Elite.

The product launched in January 2017 and builds on Medicare's standard set of benefits, giving members access to dental, vision, hearing, physical therapy services and more.

Members are also connected with a care manager who helps them access all care

and coverage options offered by Medicare, Medicaid and Virginia Premier's network of over 10,000 providers. Many of these services come at no cost to the member.

By coordinating the often-overlapping coverage provided by Medicare and Medicaid, Virginia Premier Elite will eliminate needless duplication and simplify health care for both members and providers.

MORE ONLINE.

Read more about the launch of Virginia Premier Elite at annualreports.vcu.edu/vcuhealth.

LEADERSHIP

SENIOR LEADERSHIP



MICHAEL RAO, PH.D.
President, VCU and VCU Health System

MARSHA D. RAPPLEY, M.D.
Vice president for VCU Health Sciences
and CEO, VCU Health System

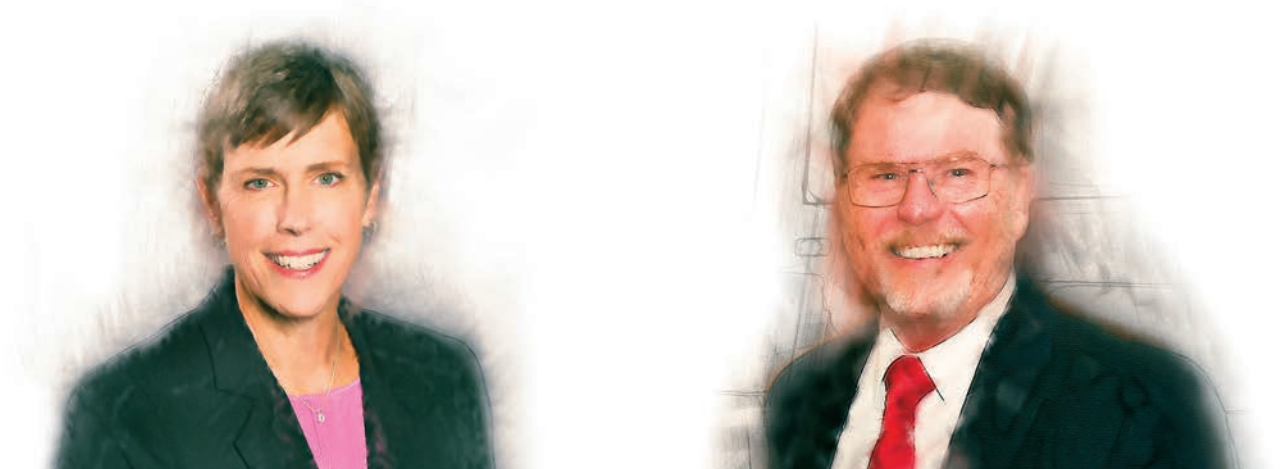
DEBORAH DAVIS
Vice president for clinical services
and CEO, VCU Hospitals and Clinics



PETER BUCKLEY, M.D.
Dean, VCU School of Medicine and executive vice
president for medical affairs, VCU Health System

JOHN D. WARD, M.D.
President, MCV Physicians, VCU Health System

LINDA HINES
CEO, Virginia Premier Health Plan



JEAN GIDDENS, PH.D., R.N., FAAN
Dean, VCU School of Nursing

DAVID C. SARRETT, D.M.D.
Dean, VCU School of Dentistry



CECIL B. DRAIN, PH.D., CRNA, FAAN, FASAHP
Dean, VCU School of Allied Health Professions

JOSEPH T. DIPIRO, PH.D.
Dean, VCU School of Pharmacy

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BY THE NUMBERS

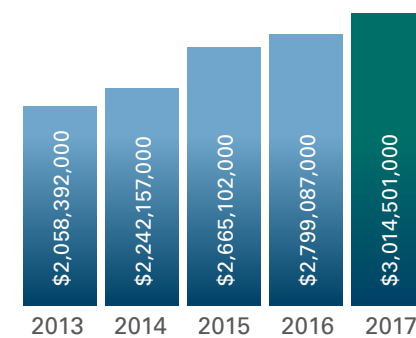


VCU HEALTH SYSTEM FINANCIAL STATEMENT*

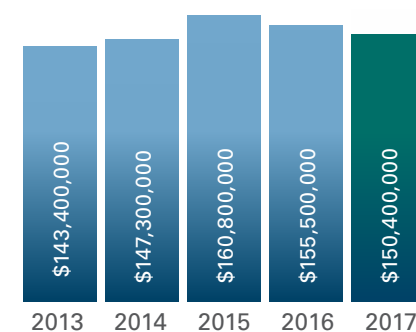
	Fiscal year 2017**
Total operating revenue	\$3,014,501,000
Net income/(loss)	\$313,483,000
Nonoperating revenues and expenses	\$108,357,000
Salaries, wages and benefits	\$1,118,494,000
Supplies	\$398,954,000
Purchased services and other expenses	\$293,640,000
Depreciation and amortization	\$90,286,000
Medical claims expense	\$908,001,000
Sponsored research awards	\$150,400,000

* Includes VCU Medical Center, Children's Hospital of Richmond at VCU, Community Memorial Hospital, MCV Physicians practice plan, Virginia Premier Health Plan, University Health Services and UHS professional education programs
 ** The fiscal year ending June 30, 2017

TOTAL OPERATING REVENUE



SPONSORED RESEARCH AWARDS



VCU HEALTH SYSTEM VOLUME

	Fiscal year 2017
Inpatient discharges	37,938
Adjusted discharges	66,094
Emergency Department visits	93,354
Outpatient clinic visits	714,669
Total surgeries	23,924
Virginia Premier member months	2,349,883

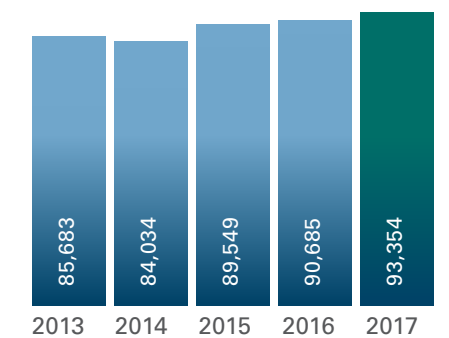
S&P RATING

AA- Outlook: Stable

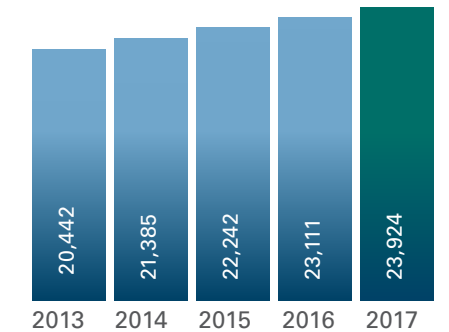
MOODY'S RATING

Aa3 Outlook: Stable

EMERGENCY DEPARTMENT VISITS



TOTAL SURGERIES





TRAUMA CARE

Fiscal year 2017

4,205

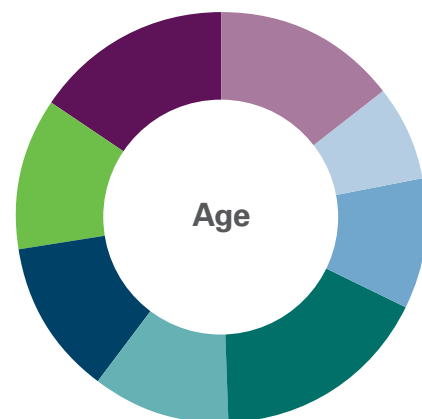
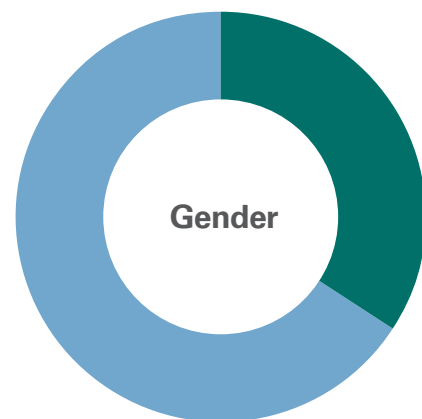
total admissions (including pediatrics and burn)

1,320

cases transferred to VCU Medical Center

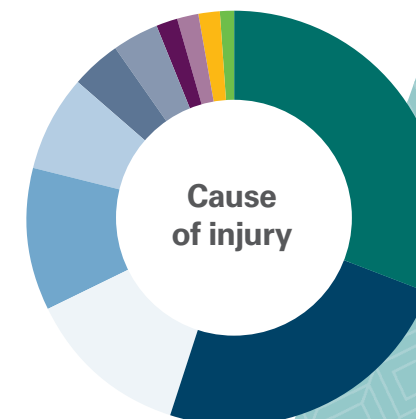
614

pediatric trauma patients treated



- 34% Female
- 66% Male
- 15% 14 or younger
- 8% 15-19
- 10% 20-24
- 17% 25-34
- 11% 35-44
- 12% 45-54
- 12% 55-64
- 15% 65 or older

- Motor vehicle collisions 1,318
- Falls 1,026
- Other 494
- Burns 475
- Gunshot wounds 312
- Motorcycle collisions 167
- Pedestrians struck by moving vehicles 152
- Bicycles 80
- Stab wounds 70
- All-terrain vehicles 65
- Assaults 46



VCU Medical Center is the only comprehensive Level I trauma center in Virginia that is verified in adult, pediatric and burn trauma care.

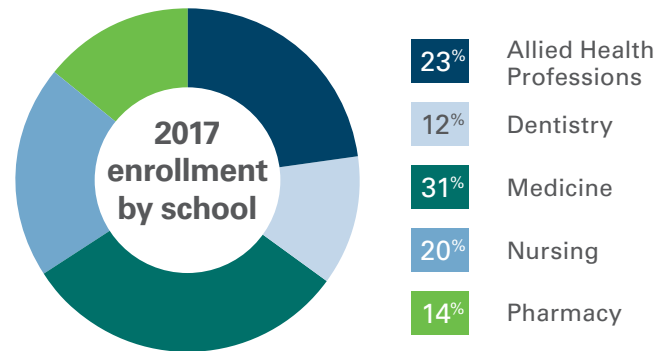


We received the 2017 DeWitt C. Baldwin Jr. Award in recognition of an exemplary residency program that fosters a respectful, supportive environment for medical education and patient care.

HEALTH SCIENCES SCHOOLS ENROLLMENT

Includes on-campus and off-campus enrollments
Source: Office of Planning and Decision Support

753
current residents
(July 2017)



	Fall 2013	Fall 2014	Fall 2015	Fall 2016	Fall 2017
Allied Health Professions	1,023	985	935	954	956
Dentistry	490	492	487	511	501
Medicine	1,292	1,271	1,301	1,275	1,283
Nursing	909	877	879	853	837
Pharmacy	605	605	608	594	571
Total	4,319	4,230	4,210	4,187	4,148

Vision by Design provides pathways to preserve, sustain, and advance our mission, and elevates us to be among the premier academic health systems in the nation.





VCUHealth™

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