OUR NAME IS OUR PROMISE
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

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.
Dear Friends…

Too often in the world today, promises are made and broken easily – testing our trust. At Covenant Health, we believe that the promises we have made must be kept, and our name should be synonymous with integrity, compassion and high quality care.

The spirit of this is captured in our tagline, “Our Name is Our Promise.”

This is not new – Covenant Health Systems was founded over 30 years ago with a vision of partnering with religious congregations to maintain and expand access to high quality, Catholic, not-for-profit healthcare. As one of the first lay Public Juridic Persons of Pontifical Right (PJP), we are steadfast in our mission, rooted in our faith and driven by our passion for our patients, residents and the communities we serve. Today, we are honored to represent our foundresses, along with 20 other religious congregations and dioceses, in providing for the healthcare needs of our communities – especially for those who are most vulnerable among us.

As we reflect on and celebrate all that’s been accomplished throughout our history, our commitment to our covenant with our patients, residents, employees and communities is as strong as ever. While this must never change, we understand that other aspects of our organization must continually evolve to ensure our future success. We are confident in our ability to do this, together.

In 2017, we focused on further fulfilling our ongoing covenant by treating all in our care with respect and compassion, by fostering teamwork among our employees, by doing what we say we are going to do and by doing our very best. We are excited to share stories, updates and facts about our organization that highlight how we are living this out and how we will continue to deliver on these promises in the years ahead. As always, we appreciate your support for Covenant Health and its member facilities, and we sincerely thank you for the trust you’ve placed in us.

With sincere appreciation,

Louise Trottier  
Board Chair  
Covenant Health Systems and Covenant Health, Inc.

David R. Lincoln  
President/CEO  
Covenant Health Systems and Covenant Health, Inc.
OUR PROMISE

TO OUR LEGACY

TO OUR PATIENTS

TO OUR PROVIDERS

TO OUR EMPLOYEES

TO OUR COMMUNITIES
OUR PROMISE TO OUR LEGACY

Honoring and Advancing Catholic Health Care

The unique qualities of Catholic health care go beyond our not-for-profit status. All Catholic health and elder care facilities are committed to meeting the needs of the underserved. Many are in urban areas, where they were founded by religious communities to care for the poor. In fact, some of Covenant Health’s skilled nursing facilities were founded as poorhouses and orphanages before converting to long-term care facilities to better serve the changing needs of the community.

Guided by this legacy, we have remained in our communities at a time when others have moved to more affluent suburbs, and we have refocused our services to be culturally sensitive to the needs of new populations that are now turning to us for care. As always, we are committed to serving every member of our community regardless of his or her religious faith. We provide pastoral care and mission-related services. Our pain management and palliative care programs are innovative in our industry but originate in our Catholic tradition of care with compassion.

Our boards, leadership teams and employees take pride in honoring our mission of Catholic health care, and together, we will continue to advance these tenets as we evolve and grow to meet the needs of our communities, families, friends and neighbors both now and for generations to come.

"Health care is an essential safeguard of human life and dignity and there is an obligation for society to ensure that every person be able to realize this right."

Joseph Louis Cardinal Bernardin

Mary Immaculate Hosts Tea with the Grey Nuns to Celebrate Mission Week

Nearly 100 employees attended a Mission Week tea with the Grey Nuns.

Youville Place Celebrates 20TH Anniversary

Pictured left to right: Joanne Scianna, COO; Sister June Ketterer, SGM; Nicole Breslin, President/CEO; Sister Jeanne Poor, SGM; and Joanne Parsons, former President/CEO
OUR PROMISE TO OUR PATIENTS AND RESIDENTS

Covenant is Building a System of Care to Better Coordinate and Improve Healthcare Delivery

Let’s face it, health care isn’t always as user-friendly and easy to navigate as it should be – we want to change this. If you or a loved one have ever dealt with a serious health issue, you know how easy it is to become overwhelmed by the sheer number of appointments, medical records and next steps you will encounter along the way. We believe our patients want and deserve better than this.

In 2017, Covenant Health continued its efforts to build a “system of care” that will improve the way care is coordinated and delivered. Our new system of care will offer a wide array of inpatient and outpatient services centered around our patients’ needs and preferences.

Many of our new initiatives will be achieved with the implementation of the CareLink (Epic) electronic health record. This new technology will help us achieve better health outcomes for patients by engaging our clinicians in the active practice of collaboration and development of best practices. It will also encourage patients to become true partners in managing their health.

We believe this focus on building a comprehensive system of care will make health care better by ensuring the people we serve have access to the very best care when they need it, where they want it and how they would like it to be delivered.

“We believe our patients want and deserve better than this.”

Michael Kelley, MD
Chief Medical Officer, Behavioral Health
St. Mary’s Health System
Lewiston, Maine

Pamela Beahm, MD
Pediatrician, St. Joseph Hospital Pediatrics Sky Meadows Office
Nashua, NH
Covenant’s Skilled Nursing Facilities Deploy New Technology to Improve Care and Reduce Disruptions for Residents

In Fall 2017, four of Covenant Health’s skilled nursing facilities introduced TripleCare, an innovative telemedicine technology platform that reduces strain on residents by minimizing unnecessary trips to the hospital. TripleCare allows nurses to connect seamlessly with physicians 24/7 to discern if a resident’s immediate healthcare needs can be addressed at the facility or if he or she should be transported to the hospital.

This technology is used in non-life-threatening situations, like when a resident suffers a minor fall or is beginning to show symptoms of an illness. TripleCare is also helpful when caring for residents who are frail or suffering from dementia because it minimizes transitions and hospitalizations that increase confusion and potential exposure to illnesses and infections.

TripleCare’s virtual bedside visits equip facility employees to provide better, more responsive care to residents on evenings, weekends and holidays when physicians aren’t typically on site—and when hospital transfers most often occur. Since launching TripleCare, facilities 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 telemedicine option in Maine. The post-acute facilities utilizing this technology include St. Mary’s d’Youville Pavilion-Lewiston; Mary Immaculate-Lawrence; St. Joseph Manor-Brockton; and Maristhill-Waltham.
OUR PROMISE TO OUR PROVIDERS

Providers Lead the Way to Better Patient Care through the Integrated Medical Group

In 2017, Covenant Health’s Integrated Medical Group (IMG) elevated the role of physicians in leadership and launched an exciting effort to improve patient care and experience. IMG is working diligently to deploy new technology that will strengthen care coordination from the office setting through our acute care hospitals. With CareLink technology, IMG will have the tools needed to improve communication between providers and patients, provide secure access to medical records, as well as improve convenience when patients are scheduling or changing appointments.

Another strength of the new technology is its ability to manage the flow of patients at IMG offices. This should reduce delays for patients and improve the efficiency of providers and staff – resulting in more time to tend to our patients’ personal needs as well as their clinical needs.

“CareLink provides **patients access** to their own electronic health record to help them take **better care** of themselves and allows the healthcare team access to information across their care continuum.”

- William Wood, MD, Vice President of Medical Affairs
  St. Joseph Healthcare (Bangor, ME)
OUR PROMISE TO OUR EMPLOYEES

Our Employees are the Heart of Covenant Health

We are proud of the exceptional care our Covenant family delivers to our patients and residents every day, and we are committed to ensuring all our employees, nurses and physicians have the support and resources they need to deliver on our promise to patients and the communities we serve. Not only do members of the Covenant family provide exceptional care to our patients, they are proud of our legacy and are committed to helping us achieve our mission and vision for the future.

As the heart of our organization, the care we provide and the work done in the community would not be possible without these dedicated professionals. We are honored that these hard-working men and women choose to pursue their calling at Covenant Health, and we sincerely appreciate the excellent care and million little (often unnoticed) things the members of the Covenant Health family do each day.
OUR PROMISE TO OUR COMMUNITIES

Covenant Health Invests in Communities

Covenant Health’s service area includes communities from Maine to Pennsylvania, each with their own unique socioeconomic and health needs. Our mission and Catholic legacy calls us to partner with other community organizations, schools, businesses and public officials to meet the needs of the communities we serve. Together, we are making an even greater impact than we could alone.

In 2017, Covenant Health invested $38,706,000 in outreach, education, programs, sponsorships, charity care, loss on Medicaid and grants to address issues ranging from literacy, food insecurity, homelessness and more.

Education

Congratulations to St. Mary’s Health System Fall 2017 Medical Assistant candidates! As part of the medical assistant training program, 20 candidates completed 140 hours of classroom time and 160 hours of clinical time. In Spring 2018, many students took their national certification exams, and all candidates are guaranteed an interview with St. Mary’s for a medical assisting role. Thank you to the managers and the community partners in Lewiston-Auburn who make the program a great success!

In partnership with Lazarus House Ministries, a not-for-profit organization working to break the cycle of poverty through a hand up rather than a hand out, Mary Immaculate staff trained interns from their culinary arts program. Through hands on learning, students spent their intern hours in working side by side with staff in the MI kitchen preparing meals for the residents. The interns developed culinary job skills and a better understanding of business etiquette and expectations as an employee.
Food Insecurity

Many of the communities we serve suffer from poverty and hunger. Covenant Health works with community partners to address these challenges.

St. Mary’s Nutrition Center made several exciting changes for the Good Food Bus (mobile farmer’s market) that translated into positive growth and success on the ground in 2017. Most notably were improvements to the mobile market set-up, staff structure and schedule. Exchanging the 30-foot school bus for a truck and trailer, hiring a Coordinator and Assistant Coordinator, and including more stops allowed us to bring more good food to more people and more easily.

13 unique stops, up from 9 the previous season
2,700 transactions
42% of transactions were from communities at risk for food insecurity
$22,000 worth of local food purchased from farmers
40% increase of sales from 2016
2X as many Anchor Meals (healthy dinner meal bags) sold

St. Mary’s Villa spearheaded a Little Pantry Project in 2016 and it continues today. Each week the Pantry is stocked full of nonperishable food items and is available to our immediate community. It provides a nourishing meal or two to get any family by until payday. It is heavily utilized and has been a well-received outreach to our community.

St. Joseph Healthcare in Bangor partnered with the Eastern Area Agency on Aging and the Good Shepherd Food Pantry to provide food to patients identified with food insecurity. The employees of St. Joseph Healthcare provided hours of service to start and maintain the St. Joseph Closet, St. Joseph Food Pantry and St. Joseph Cupboard which benefit patients, employees and the community.

Youville Place residents and staff prepared 200 bag lunches for a local homeless shelter. Each bag contained a sandwich, drink, fruit and cookies.
In Nashua, one of St. Joseph Hospital’s most touching community giving programs is the Community Christmas Basket project. This annual giving project began 58 years ago with the St. Joseph School of Nursing. In 2017, St. Joseph staff employees and volunteers donated hundreds of gifts, including bicycles, clothes, toys and food items to 61 area families, which included 100 adults and 161 children during Christmas. Approximately 50 volunteers delivered baskets to families in their homes.

Residents and staff at St. Mary’s Health Care Center in Worcester have a deep love and appreciation of God’s precious animals, especially dogs. They sponsor a periodic collection of food and monetary donations, blankets and other supplies for the Animal Rescue League and share a weekly post of animals in need via social media.

For additional stories and information about the ways Covenant Health is giving back to the communities it serves, please see our annual stewardship report. The report will be available on our website, covenanthealth.net, in Late Spring 2018.
Our Name is Our Promise

Covenant Health Strengthens the Patient/Provider Relationship through MyChart

Covenant Health is implementing CareLink, a highly-secure electronic health record system, at all three of its community hospitals. CareLink will expand opportunities for engagement between patients and their providers by providing a way for patients and their families to more closely partner with their provider and play a more active role in managing their care. In addition, CareLink, which is based on Epic – the gold standard in electronic health record systems – will help ensure care is delivered in a consistent and seamless way, no matter where a patient enters the health system. The result will be safer, more reliable and more patient-centered care.

Our patients will benefit from MyChart, CareLink’s patient-facing online portal. MyChart equips providers and clinical staff to track a patient’s history in a single record - from his or her first visit through every phase of care. MyChart also provides patients with easy access to their own health records and a collection of tools to help them better manage their health.

With MyChart, patients will be able 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 excited by the many benefits the launch of CareLink and MyChart will provide our patients and caregivers, and we believe it is a major step forward in our effort to build a system of care designed to meet the needs of future generations.

By Spring 2018, all three hospitals in the Covenant Health system will go live with CareLink and MyChart.
Historic $10 Million Donation from Albert Lepage Foundation Paves the Way to a Better Experience for Patients and Their Families

In October 2017, we announced that the Albert Lepage Foundation had generously committed a $10 million gift to establish the Albert Lepage Center for Patient Experience at St. Mary’s in Lewiston, Maine. This donation was the largest in St. Mary’s history. The Center for Patient Experience will provide enhancements that result in a more welcoming, accessible and comfortable experience every time a patient visits the hospital.

We believe the experience we provide our patients is just as important as the quality of care we provide. Based on this belief, we are continually looking for ways to improve, such as the upcoming launch of MyChart, a secure online patient portal that will allow our patients to interact with their provider and schedule appointments more easily. The Center for Patient Experience is sure to advance our efforts even further.

Mr. Lepage has been a longtime supporter of St. Mary’s. We sincerely appreciate the generosity of his foundation, The Albert Lepage Foundation, and are confident this investment will help us positively transform the patient experience in new and exciting ways.

“The Androscoggin County community has greatly benefited from St. Mary’s expertise and compassion. I’m confident the new center will position St. Mary’s to lead the industry in ensuring a patient’s experience is exceptional.”

- Albert Lepage
Lesley Adkison, 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  
Sr. Director of Operations  
Child Family and Community Services  
BAMSI

John Isaacson (Past Chair)  
Chief Executive Officer  
Lee Management Company

Thomas Kelly  
Retired CEO  
HealthSmart

David R. Lincoln, FACHE  
President/CEO  
Covenant Health

James F. Loftus, IV  
President/CEO  
101.1 More FM/WBEB – Philadelphia

William Lucy  
Senior Vice President Commercial Services  
Katahdin Trust Company

Dan Mingle, MD, MS  
President/CEO  
Mingle Analytics

Thomas Mortimer  
President/CEO  
Haverhill Bank

John Oliverio, Vice Chair  
President/CEO  
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
## SYSTEM FINANCIALS  | Fiscal Year-End 12.31.17

### Utilization

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<thead>
<tr>
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<th>2017</th>
<th>2016</th>
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<tbody>
<tr>
<td>Nursing Home Days</td>
<td>413,278</td>
<td>370,872</td>
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<tr>
<td>Hospital Adjusted Discharges</td>
<td>55,674</td>
<td>53,887</td>
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<tr>
<td>Hospital Patient Days</td>
<td>73,181</td>
<td>72,013</td>
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### Financial Activities (in thousands)

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<tr>
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<tbody>
<tr>
<td>Total Operating Revenue</td>
<td>$670,060</td>
<td>$645,389</td>
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<tr>
<td><strong>Expenses</strong></td>
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<tr>
<td>Salaries &amp; Benefits</td>
<td>$386,423</td>
<td>$375,658</td>
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<tr>
<td>Supplies &amp; Other</td>
<td>$234,869</td>
<td>$221,837</td>
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<tr>
<td>Provider Taxes</td>
<td>$21,353</td>
<td>$18,652</td>
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<tr>
<td>Depreciation &amp; Interest</td>
<td>$33,198</td>
<td>$34,335</td>
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<tr>
<td>Total Operating Expenses</td>
<td>$675,843</td>
<td>$650,482</td>
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<td>Operating Margin</td>
<td>($5,783)</td>
<td>($5,093)</td>
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<tr>
<td>Non-operating Gains (Losses)</td>
<td>$44,372</td>
<td>$23,881</td>
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<tr>
<td>Excess of Revenues Over Expenses</td>
<td>$38,589</td>
<td>$18,788</td>
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### Financial Ratios

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<th>2017</th>
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<tbody>
<tr>
<td>Operating Margins</td>
<td>-0.9%</td>
<td>-0.8%</td>
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<tr>
<td>Excess Margin</td>
<td>5.8%</td>
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<tr>
<td>Days Cash on Hand</td>
<td>243</td>
<td>229</td>
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<tr>
<td>Debt Service Coverage</td>
<td>2.4</td>
<td>2.1</td>
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<tr>
<td>Debt Capitalization</td>
<td>34.9%</td>
<td>30.7%</td>
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<tr>
<td>Charity Care</td>
<td>1.5%</td>
<td>1.2%</td>
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<tr>
<td>Support for the Broader Community</td>
<td>1.0%</td>
<td>1.0%</td>
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<tr>
<td>Unpaid Cost of Medicaid</td>
<td>3.2%</td>
<td>3.3%</td>
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SPONSORED/MEMBER

Fanny Allen Corporation
Burlington, VT

Maristhill Nursing and Rehabilitation Center
Waltham, MA

Mary Immaculate Health/Care Services
Lawrence, MA

Mount St. Rita Health Centre
Cumberland, RI

Penacook Place
Haverhill, MA

St. André Health Care Facility
Biddeford, ME

St. Joseph Healthcare
Bangor, ME

St. Joseph Hospital
Nashua, NH

St. Joseph Manor Health Care
Brockton, MA

St. Mary Health Care Center
Worcester, MA

St. Mary’s Health System
Lewiston, ME

St. Mary’s Villa
Elmhurst Township, PA

Youville Assisted Living Residences
Cambridge and Lexington, MA

MANAGED/MANAGEMENT SERVICES

Bangor Nursing & Rehabilitation Center
Bangor, ME

Campion Health Center
Weston, MA

St. Joseph Rehabilitation and Residence
Portland, ME

AFFILIATED

Bethany Health Care Center
Framingham, MA

Elizabeth Seton Residence
Wellesley, MA

Fall River Jewish Home
Fall River, MA

Holy Cross Health Center
Manchester, NH

Marillac Residence
Wellesley, MA

Mason Wright Senior Living Center
Springfield, MA

Matulaitis Rehabilitation & Skilled Care
Putnam, CT

Notre Dame du Lac
Worcester, MA

Notre Dame Long Term Care
Worcester, MA

Regina Cleri Residence
Boston, MA

Salemhaven, Inc.
Salem, NH

Sancta Maria Nursing Facility
Cambridge, MA
CONGREGATIONS WHO HAVE TRUSTED THEIR MISSION TO COVENANT HEALTH

Daughters of Mary of the Immaculate Conception  
New Britain, CT

Missionary Sisters of the Society of Mary  
Waltham, MA

Poor Sisters of Jesus Crucified and the Sorrowful Mother  
Brockton, MA

Religious Hospitallers of St. Joseph  
Colchester, VT

Servants of the Immaculate Heart of Mary - Good Shepherd  
Saco, ME

Sisters of Charity-Halifax  
Halifax, Nova Scotia, Canada

Sisters of Charity of Montreal “Grey Nuns”  
Lexington, MA

Sisters of Charity of St. Hyacinthe  
St. Hyacinthe, Quebec, Canada

Sisters of Holy Cross  
Manchester, NH

Sisters of Mercy-Northeast Community  
Cumberland, RI

Sisters of Notre Dame de Namur  
Ipswich, MA

Sisters of St. Felix of Cantalice, Felician Sisters of North America  
Beaver Falls, PA

Sisters of St. Joseph of Boston  
Brighton, MA

DIOCESE WHERE COVENANT HEALTH SPONSORED ORGANIZATIONS PROVIDE SERVICES

Roman Catholic Archdiocese of Boston  
Boston, MA

Roman Catholic Diocese of Burlington  
Burlington, VT

Roman Catholic Diocese of Manchester  
Manchester, NH

Roman Catholic Diocese of Portland  
Portland, ME

Roman Catholic Diocese of Providence  
Providence, RI

Roman Catholic Diocese of Scranton  
Scranton, PA

Roman Catholic Diocese of Worcester  
Worcester, MA
OUR NAME IS OUR PROMISE