Dear Community Members,

2015 may be described as the year of change at St. James Mercy Hospital (SJMH). We separated our operations from Trinity Health on April 30 and began as “independent” SJMH, keeping the name and spirit of our founding Father, but forging ahead on a new path.

To start the year, I made a series of predictions in The Evening Tribune, nearly all of which came true: we attracted new partners that began operating in Hornell, we applied for new funding sources from the state which we expect will help us build a new facility, and we aligned our operations with the needs of the community.

The size of our hospital now reflects the needs of today’s Hornell. We’re smaller because patients no longer need to stay for several days at a time and because we have found ways where we can partner with regional entities like UR Medicine, Jones Memorial Hospital, and Noyes Memorial Hospital to provide a full range of services. UR Medicine has played a large part in our success in this transition. While we continue to discuss affiliation options with them, UR Medicine has provided us with significant resources, including Chief Medical Officer Raymond Mayewski, MD, and recruited new physicians to the area, including surgeon J. Talaricco, MD.

UR Medicine also has helped us with administrative guidance, sharing the best practices they have learned through decades of providing top-notch care.

We also had several significant accomplishments take place since our “day 1” as the new SJMH.

• We achieved joint commission accreditation for another three years.
• We submitted a Transformation Plan to New York State and secured continued support for operations.
• We were awarded our full capital request of $55 million to fund our new facility and to implement an electronic medical record system.
• Loyola Recovery Foundation began treating addiction patients in September.
• Oak Orchard began providing family medicine and pediatric care in December.

Over the summer, the community began to take notice of the changes at SJMH and started using the hospital more. This increase in patients has helped demonstrate to the state and to our partners that SJMH is on the right path to sustainability.

I’m so thankful of the support from our employees, the community, our boards of directors and our donors. With your help, we have come a long way. While 2015 was the year of change, I predict 2016 will be the year of success.

Sincerely,

Jennifer L. Sullivan
President and CEO

Vision

Inspired by our Mission and committed to our Core Values, St. James Mercy Hospital will achieve excellence in all we do; creating a system that empowers communities and individuals to achieve optimal health and quality of life.

| 101,000 | Outpatient Visits |
| 13,000  | People Treated in the E.R. |
| 1,000   | People Admitted to SJMH |

Mission

St. James Mercy Hospital is a community of persons committed to be a transforming, healing presence within the communities we serve.

To effect this Mission:

• We treat all persons whom we serve and with whom we work with respect and compassion, calling forth their best human potential;
• We provide a full range of services that support healthy communities, including quality medical care and holistic approaches to healing body, spirit and mind;
• We continually seek ways to assure access to services to persons most in need;
• We identify and develop leaders; and
• We advocate for public policies and initiatives, particularly those in the area of healthcare, that ensure quality of life for all.
SJMH Highlights January 1–April 30, 2015

With Appreciation to Our Sponsors, the Sisters of Mercy, and Trinity Health

Highlights

• Earned 4 Star rating of the Hospital from CMS
• Set the stage for a successful transition to an independent organization
• Finalized the ending of the relationship with Trinity Health
• Attracted other healthcare providers to Hornell
• Continued communications with Fresenius for the transition of dialysis services and with Post Acute Partners for the transition of long-term care services

St. James Mercy Hospital Auxiliary Funds Equipment for Physical Therapy and Emergency Department
February 9, 2015, Hornell, NY

St. James Mercy Hospital (SJMH) Auxiliary has allocated $6,100 for St. James Mercy Foundation to fund new equipment in the Emergency Department and for Physical Therapy. The purchases include wall-mounted computer stations and a large paraffin bath system.

The SJMH chief nursing officer said the new equipment will enhance the delivery of outpatient care. “The enhanced computer capabilities in the ED will allow immediate and more accurate transmission of orders to the pharmacy, lab and radiology. The paraffin bath system for PT will expand our ability to treat patients with sports injuries, arthritis, rheumatism and other joint conditions.”

Lynne Freeland, Auxiliary co-chair, commended the diligent work of the Auxiliary members. “Our dedicated Auxiliary volunteers support St. James Mercy through fundraising activities, special events, and the Aquinas Gift Shops. All dollars raised go directly to strengthen healthcare services in our community.”

For more information about the Hospital Auxiliary call (607)324-8240.

2015 Board of Directors from January 1-April 30, 2015
(pre-spin off from Trinity Health)

St. James Mercy Hospital
Mary Fran Wegman, RSM, Chair
John Weyand, Vice Chair/Treasurer
Phil Loree, Secretary
Pat Prinzing, RSM
Robert Donius
Rhonda Peterson, MD
Adrian Ashdown, MD
Susan Gray, PhD
Maninder Virdee
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Bev Gilbert
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Larry Vetter, Secretary
Mike Davidson, Treasurer
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Medical Staff Officers
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Adrian Ashdown, MD, Vice President
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2015 Board of Directors from May 1–December 31, 2015
(post-spin off from Trinity Health)

St. James Mercy Hospital
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Susan Gray, PhD, Vice Chair
Phil Loree, Secretary
Peter Wall, Treasurer
Shawn Hogan
Robert Donius
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Jim Nicoloff
Bev Gilbert
Nancy Bartell
Kathy Dessena
Lynne Freeland
Ellie Morey
Terry Pullman
Jennifer Sullivan, President/CEO

Medical Staff Officers
Rhonda Peterson, MD, President
Adrian Ashdown, MD, Vice President
Uzma Mehr, MD, Secretary

SJMH Senior Management Team
Jennifer L. Sullivan, President and CEO
Neva Bossard, Chief Nursing Officer
Patricia Dagon, Vice President, Continuing Care
Stan Konopko, Chief Financial Officer
Raymond Mayewski, MD, Chief Medical Officer

SJMH Highlights May 1–December 31, 2015
Setting the Foundation for a Collaborative Future with Regional Partners

Highlights

• Re-organized operations to meet the needs of the community
• Earned re-accreditation from the Joint Commission
• Signed agreements with UR Medicine to provide resources to SJMH, including a Chief Medical Officer, and began exploring a formal affiliation
• Confirmed critical state funding for transformation efforts and solidified a grant to upgrade emergency room equipment
• Restored 24/7 surgery
• Transitioned addiction services to Loyola Recovery Foundation and pediatric and family medicine services to Oak Orchard Health
• Attracted new providers, including Tamera Paczos, MD, in pathology, and Bryan Wickes, in physical therapy
• Continued communications with UR Medicine for additional services
• Continued to improve patient safety

City of Hornell Donates to St. James Mercy Hospital

Mayor Shawn Hogan presented a check for $10,000 to St. James Mercy Hospital on behalf of the City of Hornell Community Development Office. The funds will be used to purchase equipment in support of the provision of quality healthcare services in Hornell and the surrounding communities.

From left to right: Board Treasurer Peter Wall, SJMH President & CEO Jennifer L. Sullivan, board member Shawn Hogan, board Vice Chair Susan Gray and board chair John Weyand
SJMH Highlights May 1–December 31, 2015
Setting the Foundation for a Collaborative Future with Regional Partners

Pediatric Health Fair

SJMH partnered with Hornell Rotary for 14th Annual Blood Screening
Screening serves as an inexpensive way for community members with high-deductible health care plans to monitor their health, or it can be an early warning system in identifying potential health problems.

Veterans Day Field of Honor
In honor and in memory of all our local veterans, a field of American flags was set up outside of SJMH.

St. James Mercy Hospital Donates to Humane Society
Mary McInerney (left), Environmental Services Coordinator and Laura Vetter (center), Community Services Supervisor at SJMH deliver much needed paper towels to Brittany Starace (right) at the Hornell Humane Society. When SJMH received five cartons of paper towels that were damaged in shipment and deemed to be unusable in hospital dispensing machines, the paper towels were donated to the local Humane Society.

Core Values
As a transforming healthcare organization, it is vitally important that we meet both our challenges and opportunities in the context of – and in accordance with – our Core Values:

Reverence For Each Person
We believe that each person is a manifestation of the sacredness of human life.

Community
We demonstrate our connectedness to each other through inclusive and compassionate relationships.

Justice
We advocate for a society in which all can realize their full potential and achieve the common good.

Commitment To Those Who Are Poor
We give priority to those whom society ignores.

Stewardship
We care for and strengthen the hospital and all resources entrusted to us.

Courage
We dare to take the risks our mission demands of us.

Integrity
We keep our word and are faithful to who we say we are.
SJMH Highlights May 1–December 31, 2015
Setting the Foundation for a Collaborative Future with Regional Partners

Community Benefit
In 2015, SJMH contributed $2,608,381* in community benefit:

* This figure does not include: unpaid costs of Medicare $2,135,323; bad debt expense $932,496.

Making a Contribution Beyond the Scope of Healthcare

SJMH has a direct impact on the local economy and demonstrates the ripple effect of the dollars the healthcare sector brings into Hornell and surrounding communities. SJMH contributed significantly to the area’s economic health, providing an estimated annual economic impact of $80 million in 2015. Dollars earned by our employees are spent on groceries, clothing, mortgage payments, rent and other goods and services.

New York hospitals generate significant tax dollars and stimulate the local economy, and SJMH is no exception, providing $9.5 million in taxes in 2015.

SJMH Relies on State & Federal Funding
66% Reimbursement from Medicaid and Medicare
A large portion of hospital reimbursement is tied to underpayments from Medicaid and Medicare. Medicaid only pays 76 cents for each dollar of care and Medicare only pays 97 cents.

Improving Quality
 Hospitals across New York State are participating in a national initiative – Partnership for Patients (PFP) – aimed at improving quality of care and making healthcare safer by reducing hospital-acquired conditions and readmissions. NYS Partnership for Patients was recognized as one of the nation’s highest performing programs, and it was highlighted by a U.S. Department of Health and Human Services report in 2014.

St. James Mercy Hospital
2015 Unaudited Financial Statements
(dollar amount in thousands)

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*Audited
12th Annual “Friends Fore Mercy” Golf Tournament Raises Over $30,000 for St. James Mercy Foundation

The 12th annual “Friends Fore Mercy” golf tournament to benefit St. James Mercy Foundation raised $30,894 at the event held Friday, September 11, at Twin Hickory Golf Club in Hornell. Twenty-seven teams and 38 sponsors participated in this year’s tournament, as well as 24 volunteers from the hospital and community. The Foundation provides resources to benefit St. James Mercy Hospital, and all proceeds from the golf tournament will directly benefit the transformation of healthcare services in Hornell.

St. James Mercy Hospital
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