



Sustaining Our Healing Ministry

Fiscal Year 2013
Social Responsibility Report



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Table Of Contents

Message from President/CEO	4		
Profile and Reporting	6	Our Communities	31
<ul style="list-style-type: none"> • Mission, Vision and Values • Horizon 2020 Strategic Plan • Defining Sustainability and Strategic Priorities • Reporting Standards and Scope • Stakeholder Review • Contact • Dignity Health at a Glance 		<ul style="list-style-type: none"> • Preparing for Health Care Reform • Assessing and Planning for Community Health • Investing in Community Health • Exercising Shareholder Leverage • Advocating in the Public Policy Arena • Disclosing Political and Lobbying Expenditures 	
Governance, Management and Ethics	11	Healthier Hospitals Initiative	41
<ul style="list-style-type: none"> • Becoming Dignity Health • Renewing Governance and Management Structure • Governance and Management Practice • Ethics and Compliance 		Our Purchases	43
Results at a Glance	15	<ul style="list-style-type: none"> • Goals, Performance and Challenges • Choosing Environmentally Preferable Products • Promoting Healthier Foods 	
Our Patients	17	Our Buildings	51
<ul style="list-style-type: none"> • Continuously Improving Quality • Advancing Palliative Care • Moving Toward Patient Centered Care • Ensuring Patient Safety 		<ul style="list-style-type: none"> • Goals, Performance and Challenges • Implementing Energy and Water Programs • Designing Sustainable Buildings 	
Our People	24	Environmental Awards	57
<ul style="list-style-type: none"> • Promoting Workplace Diversity • Advancing Labor Relations • Gauging Employee Engagement • Improving Employee Safety 		Our Waste	59
		<ul style="list-style-type: none"> • Goals, Performance and Challenges • Benchmarking 	
		GRI Content Index	69
		Appendix A	77
		<ul style="list-style-type: none"> • Implementing Energy and Water Programs Additional Information 	

Note: This report was created to be read online. Links in the table of contents and content index provide navigation to specific sections of the report. Links throughout the report provide access to additional information.

I believe there is nothing more important than the work we are doing to redefine human health to include a healthy environment, a healthy planet.

Lloyd H Dean
CleanMed 2011



A Message From Dignity Health President/CEO Lloyd H. Dean

This year, we were proud to launch *Hello humankindness* – a powerful idea that reflects our shared heritage and future hopes. As members of the Dignity Health family, we believe that humanity and kindness are at the heart of our healing mission, creating something that this world – not just this industry – needs.

For this reason, Dignity Health has always felt a special obligation toward the communities we serve and the environment we are called to protect. We understand that our health is inextricably connected to the health of our planet, and that the decisions we make as an industry can either harm or benefit the safety and well being of the families in our care. How Dignity Health contributes to the surrounding environment and quality of life will continue to be a key measure of our organization's success.

During FY 2013 we experienced both successes and challenges:

- We delivered \$1.7 billion in charity care, community benefits, and unreimbursed patient care, despite declining revenue from government-sponsored patients.
- We kept our employee indemnity injury rate to 1.48 per 100 FTEs, which is among the lowest rates in our industry.
- Recognizing the public health impacts of climate change, we reduced carbon emissions to 244,000 tons, a 14.1% reduction from the CY 2010 baseline
- The level of change we have experienced as an organization and an industry has impacted employee retention and engagement, but we have made listening to employee concerns a top priority, and have developed and deployed multiple strategies to address them.

As we continue to build a humankindness movement both within Dignity Health and throughout our society, it is imperative that we continue to measure, manage, and report our efforts on these initiatives and others in a manner that allows all of us to see our true impacts on our world and our people. At a time of sweeping change and challenge for the health care industry as a whole, Dignity Health will continue modernizing our health delivery system, making higher quality care easier to access at a lower cost, with a special focus on prevention and public health. This will require us to look out from our hospitals, care centers, and clinics to the communities we serve and consider the effects of the environment on the people we care for.

Despite today's challenges I see this as a time of great hope and opportunity for the future of health care, our communities, and our planet. I want to acknowledge the vibrant, selfless women and men who have devoted their energy and passion to the initiatives described in this report, and look forward to working with all of you to advance our healing ministry in the year to come.

Lloyd H. Dean



President and CEO

We acknowledge our common duty to be stewards of Earth, and we recognize that we must use Earth's resources in ways that are equitable and ecologically sound.

Dignity Health Statement of Common Values



*As seen in the Wall Street Journal
Monday, June 24, 2013*

Learn more at hellohumankindness.org

Whether it's good soil, pure water, or clean air – our health is deeply connected to the health of our planet. Yet the very health care industry that's meant to heal us is a major contributor to environmental harm.

And humankindness is the answer.

By shining the light of humankindness on our own hospitals and care centers, we're helping to create a healthier future for our environment and the people living in it. Today we can say we've transitioned to products free of PVC and DEHP, eliminated the use of mercury, and now power our Marian Regional Medical Center with methane from a nearby landfill.

These actions may win us recognition, but they also create clout to take on bigger challenges. We're now championing the modernization of the Toxic Substances Control Act in Congress to help ensure the chemicals and products we use are safe for humans, animals, and the ecosystem on which we all depend.

I am a woman of faith, and I believe we are called upon to respond when the earthly home we have been blessed with is threatened. Let's join together to protect the world around us. In doing so, we tap into a greater power to heal, to inspire, to love.

And that's something we can all believe in.

Dignity Health Profile And Reporting

Dignity Health, formerly known as Catholic Healthcare West, is a not-for-profit health care system headquartered in San Francisco, California with 39 facilities serving communities in California, Arizona and Nevada. Dignity Health's mission, vision and values drive our commitment to social and environmental responsibility.

Our Mission

Dignity Health is committed to furthering the healing ministry of Jesus. We dedicate our resources to:

- Delivering compassionate, high quality, affordable health services
- Serving and advocating for our sisters and brothers who are poor and disenfranchised
- Partnering with others in the community to improve the quality of life

Our Vision

We aspire to be a vibrant, national health care system known for service, chosen for clinical excellence, standing in partnership with patients, employees, and physicians to improve the health of all communities served.

Our Values

- Dignity
- Collaboration
- Justice
- Excellence
- Stewardship

Defining Sustainability

For Dignity Health sustainability includes providing excellent care in a manner that optimizes patient outcomes, enhances patient and employee safety and minimizes environmental impact. Following is a description of our strategic plan, Horizon 2020, which serves as a roadmap to help us fulfill our mission over this decade. The plan outlines our long-term goals and guides us in setting short and mid-term goals for our various functions.

Our Strategic Priorities: Horizon 2020

Goals	Measurement
Deliver the right care at the right place, cost, and time for every patient	Dignity Health will achieve top decile quality performance at all care sites
Become America's best health system at which to work	Dignity Health is recognized nationally and locally as the best place to work and practice
Become the health care system most valued nationally as a leader, partner, and successful model of reform	Dignity Health will triple the size of the organization and individuals served as measured by a tripling of net revenue

Strategies

Quality	Implement changes and initiatives necessary to raise Dignity Health's clinical quality, patient safety, and service measures to top decile performance nationally
Cost	Implement changes in Dignity Health's clinical and administrative processes that lower Dignity Health's costs below Medicare reimbursement levels
Growth	Grow our healing ministry by expanding access and market share within existing service areas, entering new service areas, and significantly expanding our community based wellness, ambulatory, and non-acute services
Integration	Offer patients the full spectrum of care, from prevention to post acute, through the development of health plan capacity, new partnerships, greater physician alignment, and Accountable Care Organizations. Through clinical integration, build new partnerships among physicians and our hospital systems, improve our outcomes on hospital pay for performance measures, and establish a competitive advantage across our service areas
Connectivity	Develop industry-leading levels of electronic connectivity with and between our physicians, nurses and patients to achieve superior service experiences, higher quality outcomes, and more efficient care delivery and management
Leadership	Strengthen Dignity Health as an organization through new investments in employees and physicians, a more active role in advocacy and public policy, continued development of a culture of innovation and collaboration, and a greater role for foundations in raising community funds to help build and maintain the programs, structures and systems necessary to maintain healthy communities

Reporting Standards and Scope

As the first health care system in the nation to endorse the [Ceres Principles](#), a model code of environmental conduct and commit to public reporting of environmental impacts, Dignity Health issued its first environmental report in 1998. Our sixteenth annual report, for fiscal year July 1, 2012 to June 30, 2013, demonstrates our efforts to implement meaningful programs and recognizes our opportunities for improvement. Because they account for the vast majority of our impacts, our acute care facilities are the primary contributors to this report. In FY 2013 we purchased [U.S. HealthWorks](#), an occupational health medical group based in Valencia, California. U.S. HealthWorks operates as an independent health provider group; its goals, strategies and operations are not included in this report. This report uses the Global Reporting Initiative [Standards for Sustainability Reporting](#) (GRI). We have included a [GRI Content Index](#), based on the G3.1 standard. We plan to transition to the G4 standard with our 2014 report. The [content index](#) indicates where GRI reporting components can be found in the Dignity Health report.

Stakeholder Review

Ceres Stakeholder Team Review: Each year we review a draft of this report with a Ceres Stakeholder Team of coalition representatives and peer reporters and make an effort to integrate feedback from the review in the published version. We use additional suggestions as we prepare future reports. The major recommendations from the FY 2012 Report review and our response follow.

Ceres Stakeholder Team Review:

FY 2011 Stakeholder Input	FY 2012 Dignity Health Response
<u>Goals and Targets:</u> Provide more specifics regarding progress in meeting goals	Discussed additional context, particularly where goals were not met or were achieved well ahead of schedule
<u>Communication:</u> Explain not just what action Dignity Health is taking but why	Used call out boxes to highlight key successes and why they are important
<u>ROI:</u> Highlight return on investment for various initiatives	Included a section that highlights results and, when available, return on investment for a range of initiatives
<u>Collaboration:</u> Participate in ongoing initiatives and forums to overcome barriers and find common solutions	Highlighted several collaborative initiatives ranging from Healthier Hospitals Initiative to partnerships with community based clinics

This report discusses each of the indicators we believe is relevant and material to our organization, including past commitments, current status, and goals for the future. In addition to assessing patient care and employee safety initiatives, these indicators assess the impacts of what we purchase, what we dispose, how we construct and operate our buildings, and how we engage the communities we serve.

Contact

Sister Susan Vickers, RSM is Dignity Health's Vice President for Community Health and the system-wide point of contact for our sustainability report. Sister Susan can be reached at 415.438.5511 or susan.vickers@dignityhealth.org. More information on Dignity Health can be found at www.dignityhealth.org

Dignity Health at a Glance

Statistics	2009	2010	2011	2012	2013
Assets	\$11.1 b	\$11.8 b	\$13.1 b	\$13.5 b	\$15.0 b
Net Revenue	\$9.0 b	\$9.4 b	\$10.6 b	\$9.5 b	\$10.4 b
Annualized Net Income	(\$126 m)	\$485 m	\$961 m	\$134.9 m	\$811.9 m
Annualized Number of Acute Care Facilities	41	40	40	39	39
Acute Care Beds	8,800	8,800	8,800	8,400	8,400
Skilled Nursing Beds	900	900	800	800	600
Physicians	9,800	10,000	10,000	10,000	10,000
Employees	54,000	55,000	55,000	54,000	53,000
% Workforce Unionized	58%	58%	60%	60%	60%
Acute Patient Care Days	1.8 m	1.8 m	1.8 m	1.6 m	1.6 m
Community Benefits & Care of the Poor*	\$1.2 b	\$1.3 b	\$1.4 b	\$1.6 b	\$1.7 b

* Includes traditional charity care, shortfalls from government-funded programs including Medicaid and Medicare and other proactive programs for the poor and the broader community.

For more information regarding Dignity Health's Consolidated Financial Statements [click here](#)

For a listing and map of Dignity Health facilities [click here](#)

Dignity Health manages its operations in a manner demonstrably protective of human health and the environment.

Dignity Health Environmental Policy and Statement of Principles



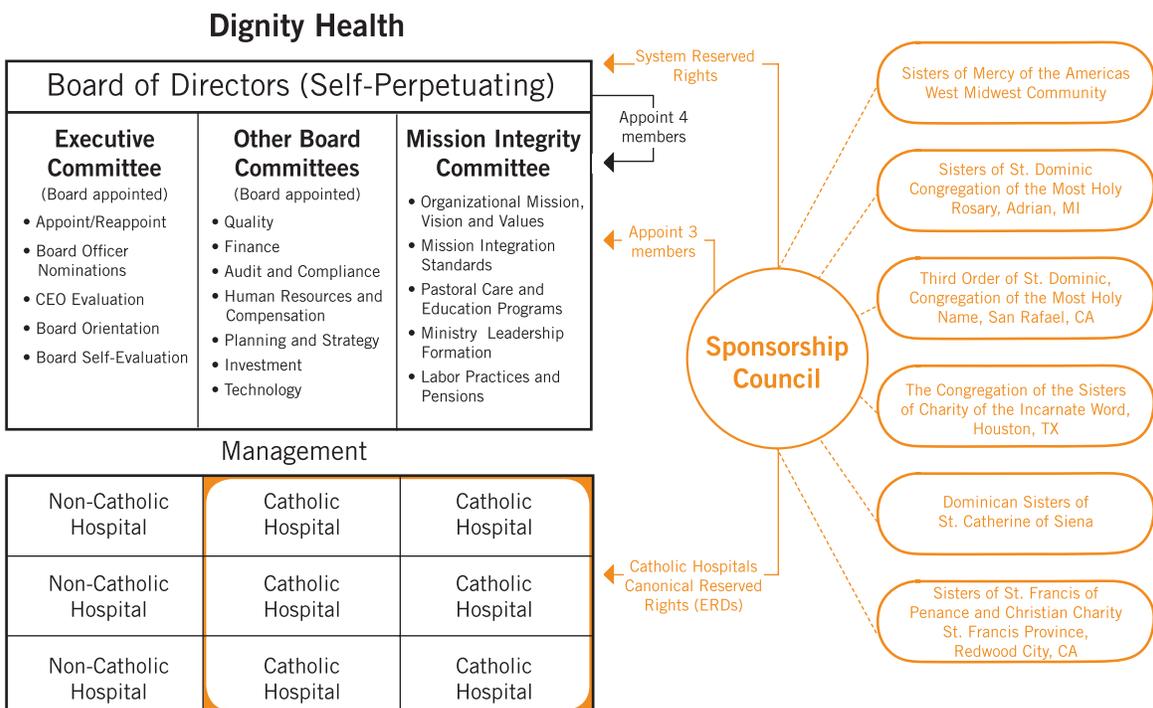
GOVERNANCE, MANAGEMENT AND ETHICS

As health care providers concerned with the spirit as well as the body, we understand our interrelationship with Earth and our responsibility to steward its resources. We ponder and probe the spiritual, economic and ecological issues woven into the very fabric of how we provide health care and how we do business.

Becoming Dignity Health

The past 18 months brought an evolutionary change in organizational identity to our health care system, with a restructure of governance and name change from Catholic Healthcare West to Dignity Health. The board of directors, sponsoring congregations and senior leadership engaged in a thoughtful and extended process of research, study and discernment that resulted in a structure that changed the relationship of the sponsors to the organization and added new components of mission oversight. In dialogue with the Archbishop of San Francisco, and through his consultative work with the bishops in the dioceses in which Dignity Health has facilities, Dignity Health moved from being a formal ministry of the Roman Catholic Church to a system structure that remains faith-based in the Catholic tradition, but not formally tied to the Church. The result is that Dignity Health's Catholic facilities remain Catholic, and its other than Catholic facilities retain their secular identity.

Representatives from the sponsoring congregations of Dignity Health's Catholic facilities form the Sponsorship Council that oversees the Catholic identity of the Catholic facilities in all their dimensions. In addition, a new board committee, Mission Integrity Committee, ensures that the mission and values of Dignity Health are active in all its endeavors. With a majority of members appointed by the board and three members appointed by the Sponsorship Council, the Mission Integrity Committee brings both continuity and fresh attention to the components of mission integration throughout the system.



Renewing Our Governance and Management Structure

The **Board of Directors** includes health care and business leaders, with a range of professional expertise as well as racial, gender and ethnic diversity. Together, they are responsible for approving major decisions affecting our health care ministry such as long-range strategic plans, allocation of capital, joint ventures, and major acquisitions or sales. The Board annually evaluates its performance against established goals.

The **Executive Leadership Team (ELT)** is charged by the Board of Directors to provide leadership and organizational management in the areas of operations, mission integration, finance, and support services, as well as leadership in the strategic direction of the organization.

The **Operations Leadership Council** comprises ten service area leaders who are directly involved with the Executive Leadership Team in goal setting, planning, and decision making. They have responsibility for developing and implementing strategies for improving quality and reducing costs.

Members of Dignity Health's governance and management make conflict of interest declarations on an annual basis.

Governance and Management Practice

The board, in consultation with the executive leadership team, determines the critical issues facing the organization and sets annual, mid-term and longer-term goals for patient care, employee satisfaction, social and financial performance. Achievement of those goals informs management's incentive compensation. Horizon 2020 establishes the long term goals and strategies considered fundamental to the organization's continued viability. The board and management adjust annual targets based on the previous year's performance.

Annually the board reviews long-term goals for patient care and safety as well as financial performance and sets targets for measuring progress. Other goals and indicators included in this report were determined material to Dignity Health's sustainability initiatives by particular departments engaged in and responsible for the function.

- **Environmental Principles and Policies:** In 1996, Dignity Health's Board of Directors issued our first environmental policy based on the Ceres Principles. Key personnel from each of Dignity Health's hospitals received education and training on this policy, and were directed to incorporate these environmental principles into their hospital's day-to-day operations. The system-wide policy is reviewed tri-annually and was last updated in 2013. The Dignity Health board has also issued a mercury elimination policy and a sustainable design policy. A comprehensive chemicals policy was approved in FY 2009 and an environmentally preferable purchasing policy in FY 2010.
- **Precautionary Principle:** Dignity Health has applied the precautionary principle (seeking alternatives when reasonable scientific studies indicate an ingredient or product

could pose significant human health or environmental risks) in many of our actions. Dignity Health has proactively moved to eliminate mercury, phase out PVC in medical supplies, reduce energy use and greenhouse gases, reduce the volume and the toxicity of our waste, and improve the sustainability of our buildings and food supply.

- **Employee Involvement:** Employees are encouraged to identify and correct deficiencies or errors as they see them. To ensure that our staff is qualified to carry out their responsibilities, all hospitals conduct annual competency reviews of all key personnel. Management is responsible to ensure that employees receive the required training and are competent in performance of their duties.

Ethics and Compliance

At Dignity Health, our [Statement of Common Values](#) is the foundation for all our programs in ethics and compliance. Respect for the dignity of the person shapes all we do for patients and our interactions with their families. Our adherence to regulations governing billing, coding, contracting, and research stems from a commitment to stewardship, justice and excellence in our work. Collaboration with others—colleagues, government agencies, vendors, other providers—provides the ground in which our work takes root.

As an organization founded by Catholic religious women, we bring these values to all the work we do, whether it is at the bedside or in the business office. The Catholic tradition of using the gift of reason to think our way through our ethical obligations is strong at Dignity Health. We take our responsibility to ask the right questions and to promote integrity both in patient care and business practices very seriously. Our [Standards for Mission Integration](#) make that responsibility clear. We have begun a program of mission education for leadership in the areas of finance, human resources, supply chain management, philanthropy and revenue cycle services. These leaders complete four 90 minute modules covering the history and values of Dignity Health and the Catholic social tradition on which they are based.

Ethics Committees at each hospital meet regularly to educate and provide consultation services to caregivers, and patients or families who identify an ethical conflict in their care. Although basic ethics education is now the norm in most hospitals, we are sometimes challenged with bringing the techniques of process improvement to the work of the ethics committees.

Consistent with our values, Dignity Health is committed to ethical business practices compliant with all applicable laws and regulations. We have developed extensive compliance and business ethics programs that are designed around the standards for such programs as articulated in the Federal Sentencing Guidelines for Organizations as well as the risks that we face as a provider of health care services. These programs are implemented across the Dignity Health care settings, including hospitals, clinics, home health agencies and other business locations of Dignity Health. Among other things, these programs ensure that employees and physicians are legally eligible and qualified to provide care, that our em-

employees are educated about our program, that they receive periodic training regarding the laws, rules and standards that apply to their individual work, and that there are a variety of mechanisms – including anonymous mechanisms – that allow employees to ask questions or raise concerns about ethical issues or possible non-compliance with the laws or Dignity Health policy. Moreover, the program also includes monitoring and auditing processes designed to measure our compliance, a commitment to promptly remediate non-compliance (including restitution where we have been overpaid) and regular reports to senior management and the Audit & Compliance Committee of Dignity Health’s board on our progress in executing the programs.

Health care is by far the most highly regulated segment of the U.S. economy, and complying with the plethora of constantly changing laws and regulations is a challenge for Dignity Health and most similarly situated providers. However, our processes to ensure that we monitor and implement program changes, and our efforts to continuously assess compliance, have contributed significantly to reducing our risk of non-compliance. Dignity Health is a best practice leader in this context through its use of objective metrics and the fact that a compliance scorecard based on these metrics (which is tied to a hospital president’s participation in the annual incentive program) is used to measure how well each hospital executes the program.

Dignity Health is committed to making all of our business decisions based upon ethical principles, values and integrity. This careful attention to business ethics, in turn, supports the quality of our patient care by providing the right mechanisms for investigating any concerns employees or patients may have and for identifying potential weaknesses in internal systems and management.

Because the health care environment is complex and changing, sometimes there are situations requiring resolution that seem to (or actually) put Dignity Health’s core values in conflict—the closing of a program or the anticipated use of a new technology, for example. At those times, we use a [structured, reflective process](#) for deliberating that allows time to consider the various options in light of our values, and make a decision that supports them.

Patient Care

Achieved a 97% Composite Score in the Hospital Quality Reporting Index
Brought palliative care to our sickest, most vulnerable critical care patients; reduced length of ICU stays by 30 days and saved \$10.2 m

Employees/ Diversity and Inclusion

Achieved an Employee Indemnity Injury Rate—1.48 per 100 FTE
76.1% employees are women; 46.0% are diverse (racially and/or ethnically)
65.2% managers are women; 19.7% are diverse
30.0% executive leadership are women; 40.0% are diverse
39.0% hospital boards are women; 41.0% are diverse
40.0% corporate board are women; 40.0% are diverse

Investing in the Community

Provided \$1.7 b in community benefit and care of the poor
Invested \$2.7 m in chronic disease self-management programs for more than 13,700 community residents; only 5% were either hospitalized or seen in the emergency department six months post-intervention.
Awarded grants totaling \$4.5 m to 216 community based organizations
Invested an additional \$11 m in community organizations
Leveraged over \$190 m in additional capital to non-profit facilities and small businesses

Buildings and Operations

Reduced energy intensity by 2.2% toward our goal of a 20% reduction by CY 2020
Reduced carbon emissions to 244,000 tons, a 14.1% reduction from the CY 2010 baseline
Recycled 16.3 m lbs of waste, resulting in cost savings of \$375,000
Increased use of reprocessed medical devices, resulting in \$8 m in savings and 271,000 pounds of waste diverted
By using reusable sharps and pharmaceutical containers, eliminated 1.4 m lbs of plastic and 65,557 pounds of corrugated packaging, and prevented CO2 emissions equivalent to 42,815 gallons of gasoline

Holding the value of dignity means we show respect for persons, not for anything they do or any rank they hold, but because they reflect the face of God.

Dignity Health Statement of Common Values



OUR PATIENTS

Providing quality, affordable care, accessible to all, is critical to *Dignity Health's* viability – indeed it is critical to the sustainability of the U.S. health system. Our Horizon 2020 vision is to be “A growing and diversified health care ministry distinguished by excellent quality and committed to expanding access to those in need.” We strive to achieve top decile performance in national publicly measured and reported standards of care.

Our Patients

Goals	Baseline	FY 2013 Target/Actual	FY 2014 Target
<u>Quality Care</u> Continuously improve patient care outcomes	FY 2012: 96% average compliance in the publicly reported measures composite	Target: Maintain an average of >96% compliance in all publicly reported measures Actual: Achieved an average compliance of 97% in the publically reported measures composite	Target: Achieve performance of 98% in at least 56% of the HQR publically reported rate-based metrics.
<u>Palliative Care</u> Continuously improve patient outcomes and patient and family experience with Palliative Care	FY 2010: 80% of eligible patients received advance care planning	Target: Achieve advance care planning and quality goals for 90% of patients Actual: Achieved advance care planning and quality goals for 83% of patients	Target: Achieve advance care planning and quality goals for 90% of patients
<u>Patient Experience</u> Continuously improve the patient experience (which addresses needs, feelings and perceptions of the total experience)	FY 2012: 35% of possible VBP points received	Target: Improve by 7% the number of possible VBP points received Actual: Improved by 1% the number of possible VBP points received (36%)	Target: Improve the critically important aspect of communication about medications (e.g. purpose for and side effects of new medications) by 15%
<u>Patient Safety</u> Reduce number of patient hospital acquired conditions	FY 2012: level of hospital acquired conditions (falls, hospital acquired infections, hospital acquired pressure ulcers, adverse drug events, and obstetrical adverse events)	Target: Achieve 40% improvement in each of the 10 areas and 20% reduction in readmissions Actual: Achieved over 40% improvement in 5 areas, good improvement in 3 areas, and 6% reduction in readmissions	Target: Achieve 40% improvement in hospital acquired conditions and 20% reduction in readmissions

Continuously Improving Quality

Dignity Health is a strong advocate for measuring the quality of care delivered at the nation's hospitals and publicly reporting performance. Doing so helps us all deliver better care, and helps patients make informed decisions about the services they receive.

We participate in a number of public measurement and reporting programs. One such program is the Hospital Quality Reporting Initiative (for both inpatient and outpatient hospital based services). The Hospital Quality Reporting Initiative (HQRI) is sponsored by the Centers for Medicare and Medicaid Services (CMS). This program requires hospitals to submit and report quality measures of process, structure, outcome, and patient perspectives on care. These measures are updated on an annual basis. The HQRI program requires hospitals to submit and report data on a total of 57 measures for inpatient care and an additional 25 measures for outpatient care in calendar year 2013 through the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) patient survey.

A subset of the inpatient measures are included in the CMS Value Based Purchasing (VBP) program where a hospital can earn incentives up to 2% (by 2017) of their total reimbursement based on performance. Conversely, poor performance can result in penalties of up to 2%. We are pleased to report that Dignity Health hospitals continue to achieve high levels of performance in these measures with a combined composite score of 97% in FY 2103. As we move into FY 2014 Dignity Health is working toward consistently high levels of performance (e.g. 98%) in the majority of the publically reported measures (e.g. > 56%). This is a higher standard than achieving an average high performance (which requires that only half of the measures are above the 98% level). We set high targets to maintain the quality and further improve the consistency of care we provide to our patients in these important clinical conditions. Performance in all of these measures for each Dignity Health Hospital can be found on the [CMS website for public reporting](#).

Advancing Palliative Care

Dignity Health continues to provide palliative care programs that are dedicated to high quality care for patients with serious illness. Mission-driven and quality-focused, 36 of Dignity Health's facilities have palliative care services that continue to engage physicians, nurses, social workers, chaplains, and other caregivers in providing multi-professional care that seeks to relieve distressing symptoms and to enhance quality of life at any stage of serious illness. From its early focus on end-of-life patients and concerns, palliative care has evolved to address patient and family issues that arise when any serious illness or condition is first diagnosed – sometimes years before a terminal stage of the illness develops. In the ten years of its palliative care services, Dignity Health has tracked quality measures in order to assess the effectiveness of its programs.

Dignity Health set FY 2013 expectations that hospitals achieve top quartile outcome goals for improving care for the seriously ill and dying, including advance care planning objec-

tives oriented toward helping patients establish goals of care. The system mean on a rolling 12-month cumulative basis for advance care planning for eligible patients was 83% compared to the FY 2012 rate of 80.73%. This fell short of the 90% goal for eligible patients by 7 points, although 18 facilities – 7 more than in FY 2012 – met or exceeded the goal. This is evidence that the majority of Dignity Health hospitals (22/36) have implemented processes that have institutionalized advance care planning as part of the culture. Lack of documentation of discussions regarding prognosis and assessment of spiritual care were the primary elements that contributed to the shortfall. Each hospital with a score of less than 90% received a system analysis indicating the factors contributing to the gap between their score and the goal, with recommended actions for improvement in FY 2014. Advocacy for incremental increases in spiritual care staff to provide consistent spiritual care coverage on weekends and evenings is key to this element of advance care planning. Education and advocacy with hospitalists and medical staff regarding the importance of articulating and documenting prognosis in the patient conversation with respect to goals of care is ongoing.

Palliative Integrated Care Bundle (PIC Bundle)

Implementation of the palliative integrated care bundle (PIC Bundle) in intensive care units (ICUs) broadened the consistent influence of palliative care to our sickest, most vulnerable critical care patients. The PIC Bundle seeks to integrate crucial components of palliative care as part of the daily routine of nursing care for critical care patients. The goal is to improve the quality of care by more closely aligning care with a patient's choices and values, thus increasing patient and family satisfaction with the hospital stay, while decreasing lengths of stay and lowering cost.

The PIC Bundle is a set of caregiver activities that, evidence shows, improve communication with patients, families and caregivers and help customize care during the first few days of a patient's admission to critical care. In the first 48 hours nurses identify a patient's decision-maker, clarify patient treatment preferences and carefully manage pain. Families are given information about what to expect in the ICU and in the family meeting that is scheduled on or before the fifth ICU day of a patient's stay. Within 72 hours patients receive psychosocial and spiritual assessments from a social worker and chaplain, respectively. By the fifth day of an ICU stay, the physician and bedside nurse, together with other key caregiving staff, meet with the patient, if able, and the family to discuss diagnosis, prognosis, goals of care and to answer questions. The early identification of patient preferences and goals of care empowers the interdisciplinary team, patient and family to work together in a cohesive and consistent way that is aligned with patient wishes, while providing early and maximum support. This is important for all patients, and becomes especially key when cure is no longer expected.

During FY 2013 the PIC Bundle initiative met and surpassed all metric goals. Overall, Dignity Health reduced length of ICU stays by 30 days and saved \$10.2 million. Compliance with first day activities was 81%, social work assessments 83%, spiritual care assessments 94% and family meetings 79.5%.

Moving Toward Person-and Family-Centered Care

Person-and family-centered care is another part of the quality equation. Ask anyone who has received healthcare services about the quality of the care they received and they are likely to talk about their experience of that care – about the doctors and nurses, about the way they were treated, about whether or not they were kept informed about their condition and their treatment program. For all of us, healthcare is personal.

We recognize that we must partner with, not merely serve, those who seek care. Consequently, Dignity Health provides meaningful venues for patients and their families to provide input. Every hospital has established a Patient and Family Advisory Council (PFAC). These Councils serve as the “patient voice” in hospital decision-making and are comprised of recent patients, their families, staff and leadership. Patients and their families help establish priorities; provide critical insights regarding patient needs and concerns; participate in new program development; encourage patient and family involvement; and strengthen communication between patients, families and caregiver teams.

Dignity Health participates in the national [Hospital Consumer Assessment of Healthcare Providers Survey](#) (HCAHPS) [pronounced “H-caps”]) process that is tied to reimbursement through the VBP program described above. The VBP will withhold payment from hospitals that do not achieve patient experience scores in the range between the 50th and 100th percentile.

The HCAHPS is a survey instrument and data collection methodology for measuring patients’ perceptions of their hospital experience. While many hospitals have collected information on patient satisfaction for their own internal use, until HCAHPS there was no national standard for collecting and publicly reporting information about patient experience of care that allowed valid comparisons to be made across hospitals locally, regionally and nationally.

While Dignity Health continued to improve in the overall assessment (i.e., the percent of patients who rate their overall experience as either a 9 or 10 on a 1-10 scale), nationally these numbers are also increasing. Therefore, despite our improvements in an absolute sense (i.e. 69% rating 9 or 10 to 70% rating 9 or 10) in FY 2013, we have dropped in a relative sense (i.e., going from the 50th percentile to the 47th percentile in FY 2013). Out of the eight HCAHPS composites a few improved (in a relative sense) while others showed a decline resulting in only a very slight (1%) improvement in total VBP points for HCAHPS.

Ensuring Patient Safety

Dignity Health is one of five health systems and one of 26 networks to be awarded a three year contract with the Center for Medicare Services (CMS) Partnership for Patients (PfP) program. The goal is to reduce preventable hospital-acquired conditions (HAC) by 40%, and reduce readmission by 20% by December 2014. Dignity Health received \$8 million to develop, scale, and adopt best practices at each hospital. This commitment also includes collaborating with other systems and the National Content Developer, which is the body that CMS has designated to assist with development of this program. Dignity Health will share best practices and innovative strategies that contribute to achieved successful improvements for patients. Dignity Health has titled the system-wide efforts as the “No Harm Campaign”.

Hospitals will receive funds to utilize at their facility for bedside evaluation of patients and coaching of care providers (termed “Measure-Vention”). Measure-Vention is the act of measuring for compliance to the patient safety program, and then intervening in real-time to correct missed opportunities. There are 10 designated focus areas for the No Harm Campaign, as identified in the following chart:

Designated Focus Areas for the No Harm Campaign

No Harm Campaign Area of Focus	Goal % Improvement	Actual Results	Goal % Improvement
#1 Reduce number of low blood sugar events	40%	59%	Excellent
#2 Reduce number of infections from inserted catheters	40%	49%	Excellent
#3 Reduce the number of central line infections	40%	29%	Good
#4 Reduce the number of falls with injury	40%	22%	Good
#5a Reduce early elective deliveries before 39 weeks	40%	95%	Excellent
#5b Adopt evidence based practices in labor and delivery	40%	36%	Good
#6 Reduce Hospital-Acquired Pressure Ulcers	40%	40%	Excellent
#7 Reduce Surgical Site Infections	40%	5%	Minimal
#8 Prevent Venous Thromboembolism and Pulmonary Embolism	40%	6%	Minimal
#9 Prevent Ventilator Associated Pneumonia	40%	49%	Excellent
#10 Reduce readmissions within 30 Days	40%	6%	Minimal

Dignity Health continues to adopt and measure strict adherence to safe evidence based practices that directly improve patient outcomes. One particular area of focus is the presenting pregnant patient and management of the labor process. In the past year, extensive efforts by nurses, physicians and leadership across Dignity Health to adopt and standardize the safest of care has resulted in better care for mothers and their newborns. The chart shows the results in such areas as management of high risk deliveries, reduction of early deliveries and strict monitoring of medication. The significant improvement from baselines is at or near 50%.

Perinatal Safety

Area of Focus	Target	Results
Early Elective Deliveries	<5%	<.2%
Safe Use of Oxytocin (High Risk Drug)	>70%	87%
Adherence to Shoulder Dystocia Safe Practices	>70%	86%
Adherence to Obstetrical Hemorrhage Protocol	>70%	89%
Compliance with Hyperbilirubinemia Protocol	>70%	88%



Dignity Health treats employees—the hands and heart of the ministry— justly and respectfully, recognizing that a meaningful and humanizing work environment gives people a voice in matters affecting their work; respects and promotes their personal health and professional growth; and provides a just wage.

Dignity Health Statement of Common Values



OUR PEOPLE

Our employees are the reason our healing ministry continues to succeed. The care and compassion delivered by the more than 53,000 women and men of Dignity Health have established this organization as among the best in the nation. Dignity Health is committed to providing our employees with the tools and resources they need to grow. We cultivate a rewarding work environment that encourages career growth, supports continuing education, and promotes a healthy work/life balance. We are creating tools to assist Dignity Health reach the desired goals of Horizon 2020 through reviewing and evaluating our processes and refining them to align with core organizational capabilities. We have identified pivotal roles within the organization, established a talent assessment process and created a curriculum and development program to enhance key competencies.

2020 Goal	FY 2013 Targets/Actual	FY 2014 Targets
Identify, develop and retain top talent in roles designated as pivotal in support of core organizational capabilities	<p>Target: Deploy an employee engagement survey to individuals in pivotal positions</p> <p>Actual: Deployed survey; established baseline</p>	<p>Target: 1% increase from baseline on bi-annual survey of pivotal employee engagement</p> <p>Target: Establish succession plans for 50% of leaders eligible for retirement</p>

Promoting Workplace Diversity

Dignity Health is an Equal Opportunity Employer. We recognize the importance and value of a diverse workforce in enabling us to sustain our mission and core values, be representative of the communities we serve, and meet our future objectives. We have programs in place which identify diverse candidates for internal positions, both currently available and for future placement. Additionally we employ an array of recruitment and sourcing methodologies to ensure that we attract diverse candidates for all open positions.

On an annual basis we sponsor the Dignity Health Fellowship program which was founded to expose high potential diverse students to work experiences within the health care environment, while providing us with a pool of diverse future Dignity Health leaders.

Workforce Snapshot

Employed	53,417
Benefited	45,559
Active	43,755
Men	10,634
Not Specified	2
Women	33,119
Inactive	1,804
Men	278
Women	1,526
Non-Benefited	7,858
Men	2,044
Not Specified	1
Women	5,813
Grand Total	53,417
Non-Union	23,279
Men	6,144
Not Specified	3
Women	17,132
Union	30,138
Men	6,812
Women	23,326
Grand Total	53,417
Leadership	1,628
Key Executives	57
Men	34
Women	23
Sys Directors/Hosp VPs	245
Men	122
Women	123
Sys & Hosp Managers	1,326
Men	408
Not Specified	1
Women	917
Non-Leadership	51,789
Men	12,392
Not Specified	2
Women	39,395
Grand Total	53,417

Diverse Ethnicity	24,781
Employed	24,781
Benefited	21,212
Active	20,389
Inactive	823
Non-Benefited	3,569
White	28,636
Employed	28,636
Benefited	24,374
Active	23,366
Inactive	981
Non-Benefited	4,289
Grand Total	53,417
Diverse Ethnicity	24,871
Union	8,689
Non-Union	16,092
White	28,636
Union	14,590
Non-Union	14,046
Grand Total	53,417
Leadership	1,628
Key Executives	57
Diverse Ethnicity	8
White	49
Sys Directors/Hosp VPs	245
Diverse Ethnicity	30
White	215
Sys & Hosp Managers	1,326
Diverse Ethnicity	286
White	1,040
Non-Leadership	51,789
Diverse Ethnicity	24,457
White	27,332
Grand Total	53,417

Advancing Inclusion and Diversity

Minority Representation	2009	2010	2011	2012	2013
Corporate Board	5	5	5	4	4
	26%	28%	28%	50%	40%
Hospital Boards	134	143	143	121	121
	44%	44.4%	44.9%	43.8%	41.2%
Corporate Officers	6	6	6	6	6
	60%	60%	67%	66%	66%
Executive Leadership	3	4	4	4	4
	30%	40%	40%	40%	40%
Managers	472	461	405	396	321
	20%	19%	18.3%	19%	19.7%

Female Representation	2009	2010	2011	2012	2013
Corporate Board	9	9	9	4	4
	47%	50%	50%	50%	40%
Hospital Boards	128	134	131	109	115
	41.8%	41.6%	39.5%	39.5%	39.1%
Corporate Officers	4	4	4	5	5
	40%	40%	44%	55%	55%
Executive Leadership	2	3	3	3	3
	20%	30%	30%	30%	30%
Managers*	1541	1607	1430	1314	1063
	65%	65%	64.6%	64%	65.2%

**Based on Dignity Health's Key Employees Program*

Advancing Labor Relations

Dignity Health respects the right of its employees to be represented and considers itself to have a positive, collaborative working relationship with the unions that represent its employees. In fact, nearly 60% of Dignity Health's workforce is represented. More specifically, in California and Nevada over 32,000 (nearly 70%) of Dignity Health's employees are represented by 11 different labor unions. The vast majority are represented by SEIU (predominantly service and technical employees) and CNA (registered nurses). Dignity Health has included language in our collective bargaining agreements to conduct regular system and local union/management meetings for the purpose of sharing information, resolving issues, and building collaborative working relationships. These meetings include specific collaborative projects, for example, employee safety, education, and wellness.

Gauging Employee Engagement

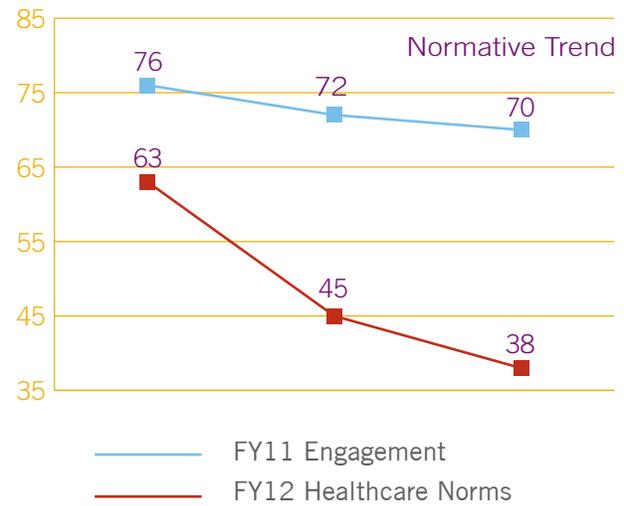
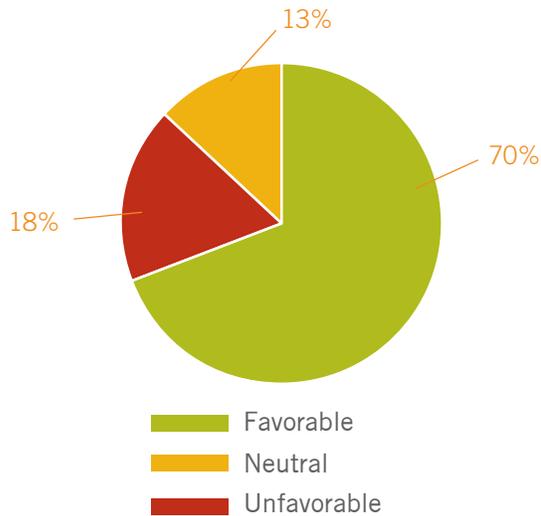
In FY 2013, Dignity Health revised its employee engagement survey to update questions and refresh its approach to measuring employee engagement and mission alignment. With a series of eighteen questions, this year's survey provides new baseline data in the areas of individual alignment, team performance, leadership, mission and values, culture and engagement.

With a 63% participation rate (a drop from the FY 2011 high of 73%), Dignity Health for the first time conducted this all facility survey 100% on-line. The outcomes indicate that Dignity Health employee engagement has fallen six points from 76 in the last fall survey in 2011 to 70, which indicates a decline in engagement from the 63rd percentile to the 38th percentile for NewMeasures data base of similar clients. In a time of rapid organizational and health care ministry change, a drop in engagement is not surprising, but the extent of this decrease is cause for attention.

Mission alignment at a score of 75 across the system also dropped from the FY 2011 score of 78, and the FY 2012 score of 76. NewMeasures notes that while mission and values remain a strength, the move of a significant number of responses from "favorable" to "neutral" on mission and values questions calls for reinforcement of the importance of mission and values in Dignity Health's work.

The two primary drivers to increase employee engagement are: (1) Leadership encourages new ideas and moves quickly to act on them; and (2) We reward the right people for the right work. Since the survey, Dignity Health has hired a new Chief Human Resources Officer, and emphasis on leadership development and accountability are among his top priorities for the year. For example, developing leadership competency expectations in listening and manager-report mutual accountability are part of a system-wide initiative to improve the patient experience. This addresses the capacity and skill of leadership to act on new ideas and communicate clearly about such actions. Human resources and mission leaders will continue to reference these drivers and correlations with business outcomes in our planning of strategic initiatives in the year to come.

Engagement Index FY 2013



Scores and Rank by Question *

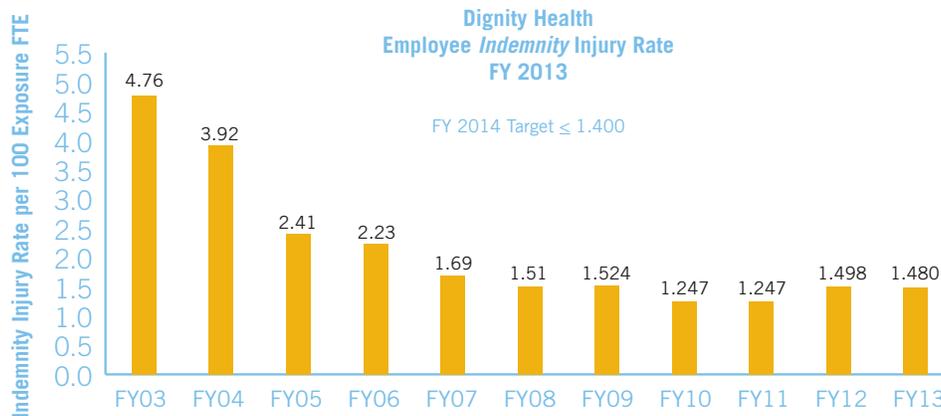
	Rank	Score
Individual Alignment		
1. My leaders help me understand how the work I do contributes to Horizon 2020.	16	55
2. My leaders help me understand how the work I do contributes to the patient experience.	4	74
3. I am encouraged to demonstrate spiritual values through my work and encounters with others.	15	58
Team Performance		
4. We bring the right people together to solve the right problems.	12	66
5. I have access to the right people and resources to do my job effectively.	7	73
6. I trust the members of my work group to complete their work on time and to quality standards.	5	74
7. In my team, people strive to listen to each other's ideas and concerns.	9	70
Leadership		
8. My manager helps me prepare for changes at Dignity Health that will affect me.	10	70
9. My manager has regular conversations with me about my performance.	13	65
Mission and Values		
10. We are accomplishing our healing mission through our work at Dignity Health.	8	72
11. We serve and advocate for the poor and disenfranchised.	3	75
12. We consistently demonstrate our core value of Dignity by how we listen to our patients, their families and each other	1	77
Culture		
13. We reward the right people for the right work.	18	50
14. I am able to maintain a healthy balance between my work life and my home life.	6	74
15. Leadership at Dignity Health encourages new ideas and moves quickly to act upon them.	17	54
Engagement Outcomes		
16. I feel valued as an employee of [INSERT LOCATION].	14	64
17. I would recommend this organization, Dignity Health, to a friend as a great place to work.	11	69
18. I would recommend a Dignity Health location as a great place for friends and family to receive care.	2	75



*Score indicates the percentage of employees who responded "Favorable"
Rank numbers responses from highest to lowest scores

Improving Employee Safety

Strong focus on employee safety and commitment to injury prevention initiatives are essential to maintaining a successful workers' compensation program. The Dignity Health workers' compensation program has performed well in achieving established goals since FY 2003, going from an indemnity injury rate of 4.76 injuries per 100 FTE to 1.480 in FY 2013.



A Safety Bundle was implemented several years ago to improve workplace safety and to prevent incidents of injuries from recurring. The Safety Bundle is comprised of two elements:

- 1) Perform an injury cause analysis (utilizing the Root Cause Analysis (RCA) process) within 45 days of all new indemnity injuries; and
- 2) Conduct a monthly executive safety walk around using a process designed to identify and correct potential workplace hazards.

The Safety Bundle is a valuable tool that is now being utilized throughout the system. The Root Cause Analysis process provides the engagement of both the employee and manager to identify the cause of how and why the injury occurred, and to determine a solution for the prevention of future incidents. The Safety Walk Around checklist allows facilities to monitor potential workplace safety hazards and respond to any necessary injury prevention action.

FY 2013 Results	FY 2014 Goals and Initiatives
<p><u>Indemnity Injury Rate:</u> Goal: 1.400 per 100 FTE Actual: 1.480 per 100 FTE</p> <p><u>Safety Bundle Implementation:</u> Goal: 70% of hospitals that meet criteria will complete the Safety Bundle Actual: 100% of hospitals that met criteria completed the Safety Bundle</p>	<p><u>Indemnity Injury Rate:</u> Goal: 1.400 per 100 FTE</p> <p><u>Safety Promotion Program:</u> Goal: 70% of the hospitals that meet criteria will complete the Safety Bundle</p> <p><u>Safety Walk Around:</u> Goal: 70% of hospitals conduct monthly executive safety walk around</p>

The American ideal of blind justice is balanced at Dignity Health by a biblical sense of justice that is concerned with righting imbalances of power and that expresses a preferential option for the poor.

Dignity Health Statement of Common Values



OUR COMMUNITIES

Dignity Health's mission mandates and compels partnering with others to promote the broader health of the community. In response we have developed a comprehensive approach to community health promotion that addresses not only the pressing health concerns in communities, but also the underlying causes for health problems.

Moving toward a Reformed Health System

The Affordable Care Act created the National Prevention Council and called for the development of a National Prevention Strategy to realize the benefits of prevention for the health of all Americans. "The National Prevention Strategy is critical to the prevention focus of the Affordable Care Act and builds on the law's efforts to lower health care costs, improve the quality of care, and provide coverage options for the uninsured."¹ The overarching goals of the strategy are to empower people, ensure healthy and safe community environments, promote clinical and community preventive services, and eliminate health disparities – goals that mirror our own.

At Dignity Health the community health focus has been strategically planned to not only help reach the national goals but also to contribute to the achievement of system goals as set forth in the Horizon 2020 strategic plan, a plan that moves our system toward a transformed healthcare environment. System initiatives have focused in several key areas to improve community health and simultaneously contribute to the aim of reducing healthcare costs.

- Improving access to healthcare service by optimizing partnerships with community health centers and related care providers to ensure better access to higher quality, lower cost, more appropriate and coordinated care for vulnerable patient populations
- Offering evidence-based chronic disease self-management programs that empower community residents to take care of themselves effectively

These efforts have required a collaborative approach that optimizes the assets of the community and helps create a path for integrated delivery models in our service areas.

Assessing Community Health

Dignity Health, in partnership with Thomson Reuters, pioneered the Community Need Index (CNI) in 2005, which pinpoints the level of community need for every zip code in the United States. In 2011, Dignity Health launched an [online mapping tool](#) that allows individuals and organizations nationwide to access their scores and show where vital community resources are located.

¹ National Prevention Council, National Prevention Strategy, 2010.

The CNI is helping to build coalitions between hospitals, health departments, clinics, health associations, and neighborhood centers. With continued strategic use of the CNI to address the underlying causes of health disparity, health care costs can be controlled, and quality of life can be positively affected.

Setting Community Health Priorities

At the local level, each hospital assesses its community's health assets and needs on a triennial basis and then develops and annually updates a community benefit plan that addresses unmet health priorities identified in collaboration with community stakeholders. The community health priorities are integrated into the hospital's strategic planning and budgeting processes to assure adequate resources are devoted to planning, developing, managing and reporting community benefit initiatives. [Click here](#) to see each hospital's current community benefit plan.

Community benefit programs take into consideration the socioeconomic barriers that often lead to poor health and offer programs that evidence supports can have a measurable effect. In Dignity Health communities, 100 percent of the community health needs assessments identified chronic disease as an unmet health need. A system-wide community benefit initiative focuses on improving health and avoiding hospitalizations. In 2013 special attention went to teaching evidence-based self-management techniques to community residents with chronic care needs. Being proactive with this chronic care education helps individuals better manage their own conditions and measurably reduces the need for health care services. Over the course of the year Dignity Health hospitals invested \$2.7 million in chronic disease self-management programs and more than 13,700 community residents participated in them. Among the participants only 5% were either hospitalized or seen in the emergency department six months post-intervention. Most participants report increased confidence in management of their conditions and improved quality of life.

As we move more deeply into health reform our continued investment in chronic disease self-management programs will remain vitally important. In addition to sustaining this effort, we will also work in partnership with our communities in support of a healthcare continuum .



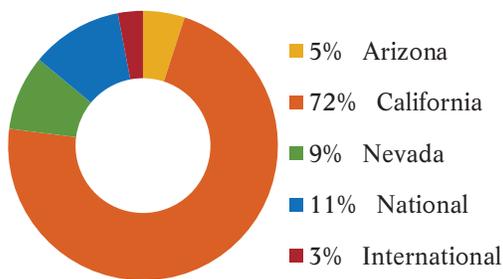
The work of Dignity Health in the area of population health management has been acknowledged by the U.S. Department of Health and Human Services / White House Office of Health and Faith Partnerships. Nearly 40 non-profit and faith-based health systems engaged in an 18-month learning collaborative, which studied how these health systems and hospitals - driven by their common mission of community benefit - can fulfill their promise by integrating the community as a critical partner and place of health and healing. The expectation is not only that health outcomes will improve, and the overall health and economic viability of our communities as a result, but so will the bottom line. A [monograph](#) outlining a challenge for the healthcare sector and case studies from leading health systems in the country was broadly disseminated in July 2013 in conjunction with the American Hospital Association's leadership meeting.

Investing in the Community

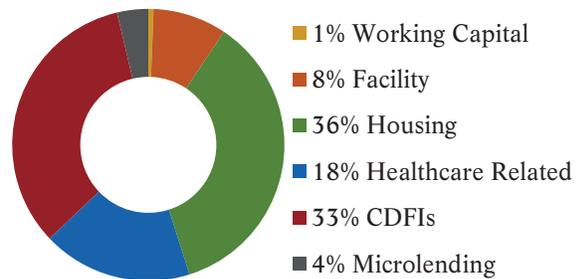
Dignity Health promotes the overall health of communities by providing capital, in the form of below market rate loans, to institutions or projects that promote safe housing, economic development, healthcare and supportive services to those in need. The FY 2013 Allocation was \$80 million for loans and \$10 million for guarantees.

FY 2013		Since Inception in 1990	
Outstanding and Approved Loans (\$ Millions)	Number of Organizations	Total Loans (\$ Millions)	Number of Organizations
\$44.4	58	\$138	232

Investment by Region
6/30/2013

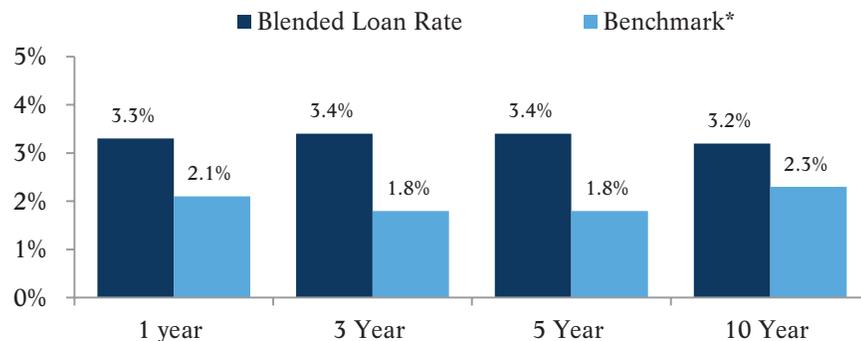


Allocation by Purpose
6/30/2013



Community Investment Program outperformed benchmark by

+170 bps



*Benchmark is rolling three-year average of the Consumer Price Index (CPI).

Sample Community Investments

Arizona Community Foundation

Dignity Health provided a \$5 million loan to the Arizona Community Foundation (ACF) to provide lending capital for the construction and expansion of health clinics and social service organizations in Arizona. The Arizona Community Foundation awards millions of dollars in grants and scholarships every year, funded from investment earnings on its pooled funds from statewide affiliates. The ACF will match Dignity Health's \$5 million investment in order to fully leverage social impact opportunities.



By working with ACF in the Arizona marketplace, Dignity Health can maximize its influence in one of its largest service areas. Dignity Health and ACF share a goal of expanded access to care for the uninsured, at-risk and underinsured populations. The ACF's Community Impact Loan Fund is focused on supporting healthcare organizations that coordinate a full spectrum of care for at-risk populations.

Dientes

Dientes was founded in 1992 by local dentists who wanted to provide care for the underserved HIV-infected population in Santa Cruz County. Dientes currently cares for approximately 7,500 patients per year, almost half of which are children. Dignity Health provided Dientes with a \$1 million loan to be used for the construction of a 3,600 square-foot pediatric wing. With the loan from Dignity Health, Dientes expects to double the number of children they serve annually. In addition, Dientes estimates that they will save local emergency rooms close to \$750,000 per year by treating preventable dental conditions and keeping uninsured patients out of the ER. According to Dientes Executive Director Laura Marcus, "With healthcare reform coming to California, the healthcare system needs to look at ways to increase capacity and reduce costs, and this partnership achieves both of those things for our organizations."



Santa Cruz Women's Health Center

The Santa Cruz Women's Health Center (SCWHC) is a private, nonprofit primary care center operated by and for women. SCWHC is coordinating efforts with Dignity's Dominican Hospital and other local providers to ensure continuity of care for low-income women and children in the preparation for the increased demand for primary care resulting from healthcare reform. The new clinic will allow SCWHC to expand services to 1,600 low-income children that are currently served by Dignity Health's Dominican Hospital pediatrics clinic. Executive Director Leslie Conner believes that "...partnering with Dignity Health will help to ensure good health and patient satisfaction to those in need, while also controlling costs by keeping patients healthy and out of the hospital. Now local residents, regardless of circumstance, can access services in our new primary care clinic."



Community Grants

Partnering with Community Organizations

Dignity Health’s hospitals fund the Community Grants program. Grant funds of up to \$50,000 are awarded to nonprofit organizations in Dignity Health’s service areas whose programs align with our hospitals’ Community Health Assessment strategic priorities. Grantees must provide services to underserved populations through a focus on access to jobs, housing, food, education, and health care.

2013 Grants		Since Inception in 1990	
Total Contributions (\$ Millions)	Number of Projects	Total Contributions (\$ Millions)	Number of Projects
\$4.5	216	\$47	2,793

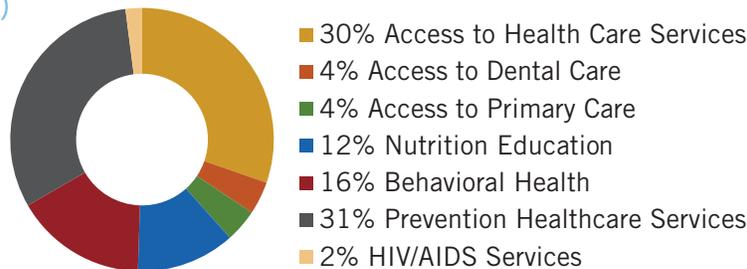
Sample Community Grant

St. Joseph’s Hospital and Medical Center

For over 13 years, St. Joseph’s Hospital has awarded grants to Arizona organizations that have demonstrated a commitment to building holistic healthcare networks. These “Share and Care” partnerships were started to foster a seamless transition for individuals, from the hospital back to the community. Within the last 13 years, there have been 8 Communities of Care, with 15 - 18 organizations in each Community funded by grants from St. Joseph’s Hospital. The mission has evolved to completely change the way community organizations collaborate with St. Joseph Hospital.

The Smooth Way Home program is one example of such a partnership. The program was developed to ensure that premature babies survive their first year at home. Smooth Way Home assembled an interdisciplinary team that guides families through the transition from hospital to home up to their first birthday. According to St. Joseph’s Director of Community Health Integration Marisue Garganta, “We have been able to provide community sustainability, impact, and ministry integration at its highest level. I work with over 130 community organizations at any given time, and they are always in awe at the commitment to community that St. Joseph’s has demonstrated for over 118 years.”

Grant Purposes (\$ Thousands)



Exercising Shareholder Leverage

Dignity Health advances its mission through both public policy and shareholder advocacy. In collaboration with the members of the Interfaith Center on Corporate Responsibility (ICCR), we address corporate responsibility issues that impact the health of individuals, communities and our planet. ICCR is the pioneer coalition of active shareowners who view the management of their investments as a catalyst for promoting justice and sustainability. During the 2013 proxy season Dignity Health engaged 24 companies on corporate governance, social and environmental issues.

2013 Priorities:

Continue to integrate mission imperatives into investment decisions and use shareholder rights to address corporate impacts on community health.

Promote the assessment, disclosure and reduction of greenhouse gas emissions that contribute to climate change and the public health risks it poses.

Advocate for corporate policies and initiatives to promote optimal nutrition and sustainable food systems.

Advance corporate disclosure of the chemical content of products and adoption of less toxic alternatives.

2013 Proxy Season

91%

Success Rate

Benchmark 80%

24

Engagements

16

Ongoing Dialogues

8

4 will return to proxy in 2014

Shareholder

3 withdrawn due to company action to address issue

Proposals

1 withdrawn for tactical reasons

Filed

Advocating in the Public Policy Arena

Dignity Health remained focused on and successfully addressed the following priorities specifically designed to support Dignity Health's mission, vision, values and the strategic imperatives presented in Horizon 2020:

- **Health Care Reform:** Advancing and influencing the implementation of health care reform by advocating for the transformation of health care delivery across the continuum, promoting true improvement in quality while advancing financing and insurance reform in a way that sustains our ability to address the needs of the vulnerable and underserved.
- **Fiscal Solvency:** Protecting the viability of compassionate, high-quality, affordable care by advocating for adequate and fair reimbursement, advancing and protecting the availability of Medicaid provider fees and working toward balanced technology and privacy and security standards to support the implementation of health information technology.
- **Foundational Expectations:** Supporting Dignity Health's commitment to address the unmet needs of the communities we serve by promoting access to care for all, advocating on behalf of the poor and disenfranchised, and advancing community and environmental health.

The following public policy and advocacy efforts were developed to advance Horizon 2020 imperatives addressing quality, cost, growth, integration, connectivity, and leadership.

QUALITY

- + Advance standardized, efficient quality measures; advocate to contain the explosion of publicly reported quality measures
- + Ensure alignment of quality measures between programs such as Hospital Acquired Conditions (HAC) and Value-Based Purchasing (VPB)
- + Encourage appropriate incentive structures for high-quality, coordinated, patient-centered care under CMS' payment bundling and Shared Savings programs
- + Influence development and implementation of Readmission regulations
- + Advocate for care coordination throughout the spectrum of care, including prevention and chronic disease management

COST

- + Protect government funding for health care programs
- + Prevent attempts to eliminate Medicaid provider fees
- + Influence development and implementation of worker and patient safety laws
- + Protect viability of not-for-profit health care
- + Address changing medical liability coverage issues
- + Support hospital and physician alignment to improve the medical malpractice litigation climate
- + Protect providers from additional underfunded programs by advocating for fair and competitive negotiated rates as state health insurance exchanges are implemented

GROWTH

- + Evaluate and support implementation of ACA provisions
- + Influence the development of state health insurance exchanges and ensure the newly eligible have meaningful coverage options and Dignity Health affiliated plans are eligible to participate
- + Protect the coverage expansion included in ACA
- + Support the viability of community clinics and medical foundations

INTEGRATION

- + Advocate for elimination of the ban on the corporate practice of medicine
- + Address legal barriers to clinical integration
- + Evaluate opportunities to participate in the Medicare Shared Savings Program, including supporting local implementation efforts to create Accountable Care Organizations
- + Support engagement in Centers for Medicare and Medicaid Innovation (CMMI) demonstration projects

CONNECTIVITY

- + Influence establishment of Health Information Exchanges (HIE)
- + Encourage development of attainable IT and connectivity standards
- + Support data integration efforts to facilitate the electronic extraction of quality measures
- + Prevent attempts to eliminate Electronic Health Records (EHR) incentive funding
- + Ensure patient connectivity while safeguarding privacy and security

LEADERSHIP

- + Share positive health reform outcomes to educate the public about what is achievable
- + Advocate for solutions to physician, nursing and allied health workforce shortages
- + Foster shared interest and common ground with business, labor, and community partners
- + Address health disparities and promote cultural competency
- + Champion social and eco-justice issues

**Testimony of Dignity Health Before
The US Senate Committee On Environment And Public Works**

**Susan Vickers, RSM
VP Community Health**

“Strengthening Public Health Protections by Addressing Toxic Chemical Threats”

July 31, 2013

Dignity Health’s mission is to deliver compassionate, high quality affordable care in the communities we serve, with particular focus on the needs of the poor, vulnerable, and disenfranchised. Because we are committed to preventing the diseases that are disabling patients and driving up the costs of care for families across the nation, we are deeply concerned that our current law—the Toxic Substance Control Act (TSCA)—is woefully inadequate to protect the public from hazardous chemicals.

We support the committee’s leadership and welcome the much-needed bi-partisan dialogue S. 1009—the Chemical Safety Improvement Act (CSIA)—has generated about the need to fix our current system. However we believe that S. 1009, as currently written, falls well short of strengthening public health protections and addressing toxic chemical threats. Let me address three of the significant shortcomings in the legislation.

First, vulnerable populations should be adequately defined and explicitly protected.

Second, all chemicals should be assessed based on adequate information to determine the extent to which they pose risks to human health or the environment.

Third, there must be a clear and direct path to get dangerous chemicals out of the marketplace.

Dignity Health urges the Committee to work together to strengthen what is currently the most viable vehicle for TSCA reform—the Chemical Safety Improvement Act—so that it provides the strongest protections to human health and the environment.

Disclosing Political Contributions and Lobbying

As a nonprofit organization, Dignity Health is prohibited by US law from contributing to candidates' political campaigns. Within certain restrictions, we are allowed to advocate for/against issues that affect our mission and operations. Annually, the Dignity Health Board of Directors Strategy and Planning Committee approves public policy and advocacy priorities. Occasionally, Dignity Health makes contributions to initiative/issue campaigns that align with our priorities. The Executive Leadership Team reviews and approves those expenditures. Dignity Health and related entities made a total of \$1,054,678 in contributions used for lobbying purposes to the following organizations in FY 2012. FY 2013 expenditures will not be available until later in 2014.

Political Contributions and Lobbying

Lobbying Firm or Other Organization	Amount Paid Related to Lobbying Activities >\$1000	Purpose
Alliance of Catholic Healthcare	\$164,889	Portion of membership dues used for lobbying activities
American Hospital Association	\$73,339	Portion of membership dues used for lobbying activities
California Association for Health Services at Home	\$1,307	Portion of membership dues used for lobbying activities
California Hospice & Palliative Care Association	\$1,151	Portion of membership dues used for lobbying activities
Catholic Health Association	\$68,420	Portion of membership dues used for lobbying activities
Hospital Association of Southern California	\$296,275	Portion of membership dues used for lobbying activities
National Association for Home Care & Hospice	\$3,021	Portion of membership dues used for lobbying activities
National Hospice and Palliative Care Organization	\$1,730	Portion of membership dues used for lobbying activities
American Med Rehab Providers Association	\$1,100	Portion of membership dues used for lobbying activities
Arizona Hospital And Healthcare Association	\$35,758	Portion of membership dues used for lobbying activities
Californians To Protect Schools, Universities And Public Safety	\$100,000	In support of initiative to protect schools, universities and public safety
Central City Association Of LA	\$4,000	Portion of membership dues used for lobbying activities
Ferraro	\$41,000	Government relations
Goodman Schwartz Llc	\$2,750	Advocacy/lobbying efforts
Greater Phoenix Chamber Of Commerce	\$1,245	Portion of membership dues used for lobbying activities
Griffen Crowley Group	\$55,000	State issues lobbying
Innovative Federal Strategies	\$38,001	Federal appropriations lobbying
National Foundation For Trauma Care	\$1,320	Portion of membership dues used for lobbying activities
Nevada Hospital Association	\$13,249	Portion of membership dues used for lobbying activities
Private Essential Access Community Hospitals Inc. (Peach, Inc.)	\$102,400	Healthcare initiatives
Safety Net Hospitals For Pharmaceuticals Access	\$5,060	Portion of membership dues used for lobbying activities
San Franciscans United For Pension & Heath Reform	\$25,000	Support for Prop C - Pension & Health Reform
Society Of Thoracic Surgeons	\$7,705	Portion of membership dues used for lobbying activities
Trauma Center Association Of America	\$1,160	Portion of membership dues used for lobbying activities
Valley Interfaith	\$3,000	Political organization, citizen lobby work
Visiting Nurse Association Of America	\$2,226	Portion of membership dues used for lobbying activities

Healthier Hospitals Initiative



Twelve of the largest, most influential U.S. health systems, comprising over 490 hospitals with more than \$20 billion in purchasing power, worked with Health Care Without Harm (HCWH), the Center for Health Design and Practice Greenhealth to create HHI as a guide for hospitals to reduce energy and waste, choose

safer and less toxic products, and purchase and serve healthier foods. By creating this collaborative setting which engages all stakeholder groups HHI assists healthcare organizations affect widespread, meaningful change. In an effort to demonstrate our commitment to a healthier future, Dignity Health has committed to the following HHI challenges:

Less Waste: HHI's Less Waste challenge supports a 15% recycling rate compared to total waste. Dignity Health's FY 2013 recycling rate is 26%.

Safer Chemicals: Dignity Health has accepted the Safer Chemicals challenge to purchase 90% Green Seal or EcoLogo certified cleaning products. In FY 2012, 38% of dollars spent on cleaning products was spent on green cleaners/no chemical cleaning and in FY 2013 46%.

Healthy Food: This challenge entails achieving local and/or sustainable food purchases of 15% of total food dollar purchases in 3 years. In FY 2012 35% of Dignity Health's food dollars was spent on sustainable foods. Our goal is to increase our spend on sustainable foods by 20%

Smarter Purchasing: HHI's Smarter Purchasing challenge calls for increasing expenditure of reprocessed FDA-eligible single use devices by 50%. In FY 2013, Dignity Health spent \$6,995,901 on reprocessed SUDs, a 53.5% increase over the FY 2010 spend.



Dignity Health seeks to purchase products and services that are inherently safer to human and environmental health and that address environmental impacts throughout their lifecycle.

Dignity Health Environmentally Responsible Purchasing Policy



OUR PURCHASES

The sheer volume of the products we purchase each year makes environmentally responsible purchasing a critical sustainability issue. Dignity Health is committed to purchasing products and services that are inherently safer to human and environmental health and that address environmental impacts throughout their lifecycle. Dignity Health’s environmentally preferable purchasing policy is implemented through our Supply & Service Resource Management (SSRM) department.

The SSRM team has reached beyond Dignity Health to influence the purchasing policies of Premier, a hospital group purchasing organization (GPO) in which Dignity Health holds membership. We are working with Premier to implement Practice Greenhealth’s [Standardized Environmental Questions for Medical Products](#) (Version 1.0), which can be used to guide the identification, selection and procurement of environmentally preferable medical products.

Currently we are working to increase the use of reusable products, reduce the use of hazardous chemicals, green the operating room and promote food systems that are ecologically sound, economically viable and socially responsible.

Our Purchases

Goals	Baseline	FY 2013 Target/ Actual	FY 2014 Target
Increase use of reusable products through the Stryker Sustainability Solutions Reprocessing System	FY 2008 Cost avoidance: \$2 m Waste diversion: 13,635 lbs	Target: Cost avoidance: \$ 8.18 m Waste diversion: 230,000 lbs Actual: Cost avoidance: \$8.0 m Waste diversion: 271,000 lbs	Target: Cost avoidance: \$6.6m Waste diversion: 230,000 lbs Note: Decreased cost avoidance reflects volume and lower negotiated pricing for the original equipment manufacturers.
Support and promote food systems that are ecologically sound, economically viable and socially responsible	FY 2012 spend on locally sourced food products	Target: 20% increase in spend on locally sourced food products over FY 2012 Actual: Data unavailable due to vendor change.	Target: 20% increase in spend on locally sourced food products over FY 2012

Performance and Challenges

Reprocessing: Dignity Health has contracted with Stryker Sustainability Solutions, Inc., an independent third-party reprocessor of single-use medical devices (SUDs). This company reprocesses selected items, such as electro-physiology catheters, orthopedic burrs, bits and blades, trocars, arthroscopic instruments, making them safe for repeated use. We have been working diligently to assure a responsible approach to reprocessing, which conserves resources without placing our patients at risk. In FY 2013 Dignity Health eliminated 271,474 lbs of medical waste from the waste stream at a fiscal cost avoidance of \$8,014,391, exceeding both our waste diversion and cost avoidance goals. We have set our target for FY 2014 to a level we believe is achievable.

Reprocessing In Dignity Health Laboratories: Reprocessing of cuvettes for Dignity Health medical laboratories represents an excellent opportunity for reducing the cost of laboratory operations and reducing the impact to the environment. Reprocessing protects the environment by eliminating the need for disposing of millions of individual pieces of biohazardous nonbiodegradable plastics each year. The quality of cuvettes and rotors that undergo L.E.S.S reprocessing is well established and accepted by the laboratory community. L.E.S.S., Inc. is a Premier reprocessing vendor that employs a method that allows the same cuvettes to be decontaminated, thoroughly cleaned, quality inspected and reused from 10 to 100 times. The reprocessing of cuvettes resulted in the following benefits in FY 2013:

- Saving \$35,903 in the purchase of cuvettes
- Eliminating the need for the disposal of 142,784 cuvettes as biohazardous waste
- Protecting the environment by eliminating the need for burying millions of non-biodegradable plastic in landfills

Choosing Environmentally Preferable Products:

- **Quiet Kit:** Dignity Health has partnered with Medline to create the Quiet Kit™. The Quiet Kit is offered to patients to help improve the patient experience and promote quietness during their stay. The Quiet Kit contains Eye Mask, Lip Balm, Ear Plugs, Quiet Card Door Hanger, Sudoku/Crossword Puzzles, Questions for My Care Team Journal, and Pencil. The Quiet Kit box is made from 100% recycled materials.



- **Flexiport Blood Pressure Cuff Standardization:** All Dignity Health facilities have transitioned to the disposable branded Flexiport Blood Pressure (BP) cuff. By standardizing purchasing practices of BP cuffs throughout the service areas, we were able achieve a savings of 30,581 lbs from the landfill. This equates to (in weight):



- 1,529.1 Car Tires
- 174.7 Humans
- 8.0 Cars
- 3.1 Elephants

- **Eco-Friendly Patient Belonging Bag Standardization:** Dignity Health will be standardizing to the branded environmentally friendly patient belonging bag called “My Belongings”. The 100% compostable My Belongings bags are made from plant-based materials that are re-usable, safe, and naturally decompose into a nitrogen rich soil amendment. Standardizing to this bag will divert 79,200 lbs. from the landfill if composted.

BetterBag 



Reprocessing Single Use Devices

Benefits

	Reprocessing Spend	Cost Avoidance	Waste Avoidance (lbs)
FY 2010	\$4,121,192	\$5,437,495	162,650
FY 2011	\$4,244,643	\$5,376,690	198,080
FY 2012	\$6,603,267	\$8,357,382	240,709
FY 2013	\$6,995,901	\$8,014,391	271,000
Total	\$21,965,003	\$27,185,958	872,439

Reprocessing single-use devices (SUDs) allows Dignity Health to better utilize limited resources.

In FY 2013, Dignity Health saved over \$8 million and eliminated more than 271,000 pounds of medical waste by reprocessing SUDs. **Over the last four years, Dignity Health has saved more than \$27 million and eliminated more than 872,000 pounds of medical waste from our nation's landfills.**

Essential Members of the Team

- Corporate Supply Chain Management Team
- Executive Sponsor
- Physician Champion
- Hospital Staff
- Reprocessing Partner

Challenge

Rising costs and shrinking reimbursements have presented a challenge not only to Dignity Health, but to the healthcare industry as a whole – one of the largest contributors to landfill waste in the United States. Hospitals and healthcare networks across the nation are pursuing initiatives to reduce their environmental impact. To implement a successful reprocessing program, it is critical that all staff members – including surgeons – are educated about the benefits, science, safety, and technology of reprocessing.

Strategy

Reprocessing single-use devices is an environmental practice that not only radically reduces medical waste, but also reduces the supply costs for Dignity Health hospitals – all without capital investment. Today, reprocessing is a mandatory practice that enables our health system to continue delivering the highest quality patient care. Dignity Health partnered with a third party company that only reprocesses single use devices that meet rigid FDA regulatory requirements for safety and performance equivalent to counterpart devices produced by the original manufacturer.

Promoting a Sustainable Food System: In 2006, the Dignity Health Food and Nutrition Services Vision Statement was approved by the Food and Nutrition Services Council. This vision statement serves as a framework for Food & Nutrition Managers in addressing the many issues that relate to the environmental and social issues around food supplies. Starting in FY 2008 we required that the Food & Nutrition Council establish annual goals including targets to improve and enhance Dignity Health's environmental/sustainability efforts. In FY 2009 100% of Dignity Health F&N Managers completed the Green Guide to Health care self-certification questionnaire to provide Dignity Health with a good baseline on Environmental/Sustainable Food Service programs. The results of the assessment revealed the need for focused education. In response, we continually educate Dignity Health Food & Nutrition Managers on various environmental/sustainable initiatives, concerns and programs available.

All of our facilities have food management programs wherein food waste is reduced through tracking patient census numbers, asking patients their food preferences, purchasing and preparing in proper amounts, and minimizing leftovers and waste. Excess food, if any, is generally donated to local organizations such as senior homes or homeless shelters. In support of the Healthier Hospitals Initiative's Food Challenge, our FY 2013 goal was to increase the percentage of local and/or sustainable food purchases by 20 percent annually or 15 percent of total. A change in vendors foiled our ability to track data. We are maintaining the same goal for FY 2014. Additionally, SSRM is exploring a system-wide vending contract which will allow Dignity Health to incorporate healthier vending options.

Community Gardens

To grow and share food with others in a garden is to enter a holy country.

Fred Bahnson, *Soil and Sacrament: A Spiritual Memoir of Food and Faith*

Across Dignity Health, we have great examples of on-site community gardens that support a healthy food system — one that is local, environmentally sustainable, improves nutritional quality, and supports human dignity and health. Vegetable and herb gardens on hospital grounds not only provide healthy foods but also much-needed, thriving green spaces. They foster a sense of community and pride in our hospitals, offer a place of respite for patients and staff and create opportunities for community members (patients, grateful families, students, seniors or others) to be involved. Hospital gardens can also serve as demonstration gardens to educate the community about organic growing methods, integrated pest management and the incredible variety of foods that can be cultivated in a small urban space. Two great examples of this concept at Dignity Health are the Joanne Wheeler Memorial Garden at Dominican Hospital and the Jerry Roek Garden at St. Joseph's Medical Center.

Dignity Health Food & Nutrition Services Vision Statement

Dignity Health recognizes that food production and distribution systems have wide ranging impacts on the quality of ecosystems and their communities, and so Dignity Health recognizes that healthy food is defined not only by nutritional quality, but equally by a food system which is economically viable, environmentally sustainable and which supports human dignity and justice, and so Dignity Health aspires to develop a healthy food system.

We will work within our system to develop policies, procedures, supply contracts and education for staff, patients, and suppliers.

- As a health care system, we understand our role in health promotion and will effectively communicate and model healthy food choices and programs across our organization and local/national communities.
- We will work to promote and source from producers and processors who uphold the dignity of family farmers, workers and their communities and support sustainable and humane agriculture systems.
- We will encourage labeling that tells where a food is from and how it was produced.
- We will work within our system and with our suppliers and distributors to maximize locally sourced foods that are free of unnecessary hormones, pesticides, antibiotics and which protect biodiversity.
- We will work with our suppliers to promote sustainable food transportation systems and will source, when appropriate, local foods and those which minimize inherent transportation impacts.
- We will ensure that food waste is minimized and beneficially reused, and we will support the use of food packaging and products which are ecologically protective of our environment.

Together these will promote health and protect quality of life.

Dignity Health recognizes that realizing this vision statement will require attention and sustained efforts touching every aspect of our nutritional services:

- Vending
- Dairy Purchasing
- Catering
- Education and Communication
- Model Programs
- Food Waste
- Dishware
- Produce
- Meat and Poultry Purchasing
- Local Sourcing

Dignity Health Food & Nutrition Council

Annually, the Dignity Health Food & Nutrition Council will adopt strategic goals consistent with the Food & Nutrition Services Vision Statement. These goals will be communicated to all Dignity Health Food & Nutrition Managers. The Council will monitor the progress that each facility makes towards the annual goals and include the results in the annual council report

Recognizing the relationship between human health, environmental quality, and building related activities, Dignity Health seeks toemphasize human health as a fundamental evaluative criterion for building design, construction, and operational strategies.

Capital Construction Project Development Policy



OUR BUILDINGS

Dignity Health’s Corporate Real Estate Department (CRE) is comprised of: Design & Construction, Energy & Facilities, and Real Estate Services all working collaboratively to: 1) ensure limited capital resources are efficiently utilized and yield the best possible outcomes through the planning, design, and construction of Dignity Health facilities; 2) align energy efficiency, energy procurement services, and renewable energy sources to increase energy efficiency, decrease energy costs, and reduce greenhouse gas emissions in new and existing buildings; and 3) assist with site selection, conduct due diligence for property acquisitions and dispositions, and oversee design and construction of medical office buildings, incorporating economically viable energy efficiency and renewable energy opportunities in addition to other sustainable alternatives.

Our Buildings

Goals	Baseline	FY 2013 Target/Actual	FY 2014 Target
Assess, reduce, and report GHG emissions	Baseline: CY 2010 GHG emissions of 284K tons of carbon	Target: Continue to progress toward CY 2020 goal of a 40% reduction from baseline Actual: Reduced carbon emissions to 244K tons, a 14.1% reduction from the CY 2010 baseline	Target: Continued reduction of GHG emissions resulting in a 40% reduction from baseline by CY 2020
Develop and achieve CY 2020 Energy Efficiency and Renewable Goals	Baseline: CY 2010 energy intensity of 150kBtu’s/sq. ft./year	Target: Reduce year over year energy intensity by 2.2% Actual: Reduced energy intensity by 2.2%	Target: Continued reduction of energy intensity by 2.2%/year resulting in a 20% reduction from the baseline by CY 2020
Reduce water consumption	FY 2013 water consumption	Target: Collect, trend, and report water consumption for each hospital Actual: Data Collected at all hospitals for FY 2013 and analysis underway	Target: Continue collection, and establish water consumption goals for all hospitals in FY 2014, report on progress towards meeting goals in FY 2015

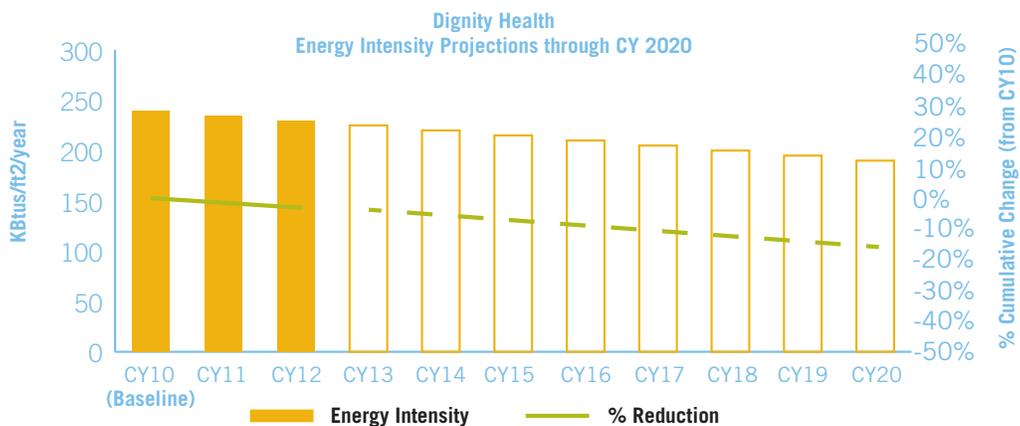
Dignity Health achieved a number of milestones in FY 2013 including: 1) continued decrease in system wide energy consumption; 2) reported and had verified GHG emissions for the third consecutive year; 3) collected and reported construction waste diverted from the landfill; and 4) improved tracking of sustainable efforts across the system. We continue to evaluate energy and water conservation and renewable energy opportunities on projects across the system. With rising energy costs, applicable rebates and incentives, and the need to replace equipment nearing the end of its serviceable life, selecting equipment with higher efficiency ratings is of primary importance. Over the next several years, emphasis will be placed on the CY 2020 Energy Efficiency and Renewable Goals, developing water consumption trends for all facilities, and establishing water conservation goals.

Dignity Health's 2020 Energy Efficiency and Renewable Goals

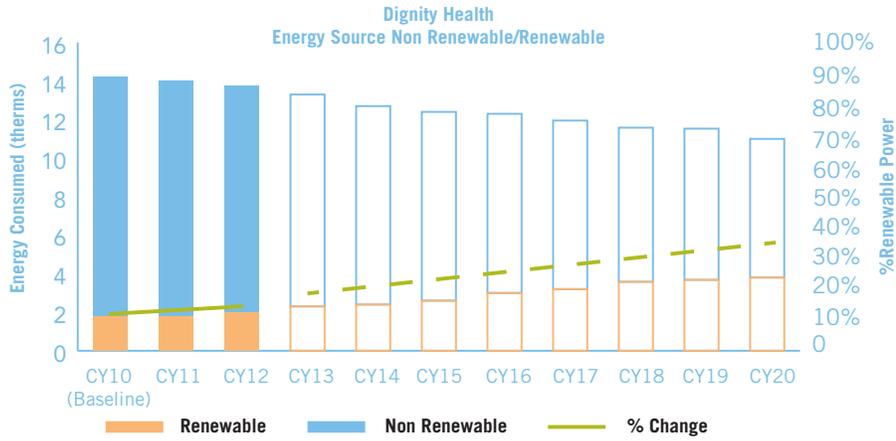
Cognizant of the public health impacts of climate change, Dignity Health developed 2020 Energy Efficiency and Renewable Goals in mid-2011 which include energy efficiency and renewable targets for new construction, existing buildings, and for acquired buildings. Results are reported in comparison to calendar year 2010 on a quarterly basis to track progress and allow for any necessary changes to the implementation schedule.

Dignity Health's Energy Efficiency and Renewable Goals:

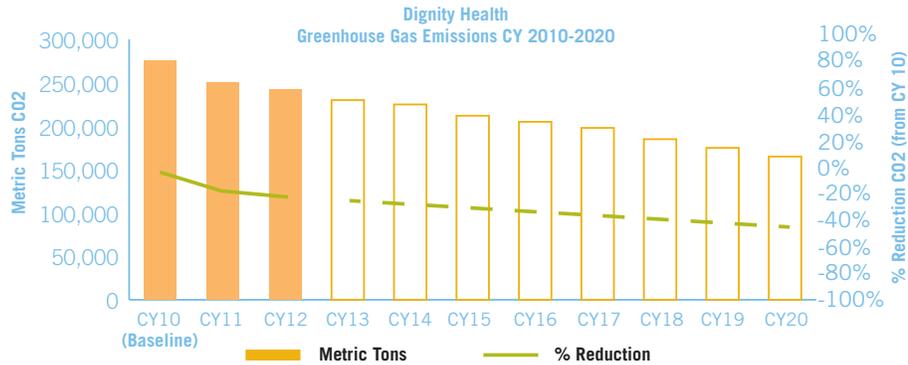
Goal #1 - *Reduce energy intensity in existing buildings by 2.2% annually and 20.0% in aggregate by CY 2020.*



Goal #2 - Increase use of renewable energy sources to 35% of total annual consumption by CY 2020.



Goal #3 - Reduce greenhouse gas emissions by 40% by 2020 :

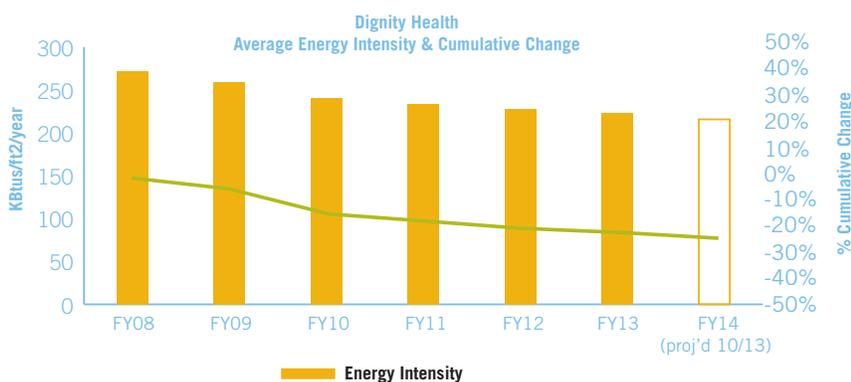


Historical Energy Use:

Dignity Health has been engaged in a variety of energy conservation programs aimed at reducing electric and natural gas consumption for many years. The reduction of electric and natural gas consumption has a direct impact on carbon emissions and demonstrates Dignity Health's continued commitment toward environmental sustainability. Despite continual energy challenges associated with aging equipment, new clinical and informational technology requirements, (with higher electrical demands and heat loads), and higher ventilation rates with changing building codes, Dignity Health continues to achieve year over year reductions in energy consumption.

Over the past 10 years, Dignity Health has been tracking electric and natural gas consumption at each hospital, normalizing for climate zone, building type, and clinical service lines. This data is used to compare each hospital's energy consumption to hospital averages published by the Commercial Building Energy Consumption survey (CBECS). Comparing each hospital's energy consumption to nationally recognized benchmarks provides a target to strive for potential project scope of energy conservation opportunities and estimated reductions to be expected from conservation programs. This information is used to prioritize conservation programs.

The chart trends Dignity Health's average energy intensity (kBtu's/ft²/year) over the past five years and projected energy intensity for FY 2014 based on energy conservation projects underway :



Energy intensity has decreased 2.2% from FY 2012 to FY 2013 for a four year (FY 2009 - FY 2013) cumulative decrease of 14.0%. Energy conservation programs underway are expected to further decrease energy intensity through FY 2014 and beyond.

Implementing Dignity Health's Energy and Water Programs

Click the following links for additional information.

[Operational Energy Efficiency Program](#)

[Capital Energy Conservation Program](#)

[Renewable Energy Program](#)

[Tracking and Reporting Greenhouse Gases](#)

[Water Use](#)

Designing Sustainable Buildings

Recognizing the relationship between human health, environmental quality, and building related activities, Dignity Health developed sustainable design guidelines to maximize opportunities for integrative, cost-effective adoption of green design and construction strategies; emphasize human health as a fundamental evaluative criterion for building design, construction, and operational strategies; and utilize innovative approaches and techniques for green design and construction. The design guidelines concentrate on sustainable building and facility actions that are practical and cost-effective during the planning, design and construction of construction projects.

Sustainability Goals

- Minimize life-cycle costs through resource selection management
- Reduce resource consumption: energy, water, land, and materials
- Reduce resource waste: energy, water, and materials
- Increase equipment and systems efficiency
- Incorporate facility design to limit source and waste reduction
- Create healthy environment for building occupants by improving indoor air, light, noise, temperature, and humidity

Design Guidelines Goals

- Maximize opportunities for integrative, cost-effective adoption of green design and construction strategies
- Emphasize human health as a fundamental evaluative criterion for building design, construction, and operational strategies
- Utilize innovative approaches and techniques for green design and construction

The design guidelines concentrate on sustainable building and facility actions that are practical and cost-effective during the planning, design and construction of a capital construction project. The key elements are: *Integrated Design, Sustainable Sites, Water Efficiency, Energy & Atmosphere, Material & Resources, and Environmental Quality.*

FY 2013 Major Capital Construction Projects

Click the following links for information about major capital construction projects.

[Design Phase](#)

[Pharos Sustainable Materials Evaluation](#)

[Construction Recycling](#)

Dignity Health Environmental Initiatives

2013	Introduced the eco-friendly BP Cuff
2012	Introduced the dye-free patient care products
2011	Verified Dignity Health's greenhouse gas emissions
2010	Adopted Environmentally Preferable Purchasing Policy, initiated Greening the OR Program, and Sponsored Healthier Hospitals Initiative
2009	Adopted Comprehensive Chemicals Policy and transitioned to The Climate Registry
2008	Joined Global Health & Safety Initiative, incorporated Green Guide for Health Care into System Design Guidelines
2007	Began compiling greenhouse gas emissions data system-wide
2006	Initiated system e-waste program; endorsed HCWH healthy food pledge
2005	Transitioned to PVC/DEHP-free IV products, required environmental reporting in corporate contracts and joined CA Climate Action Registry
2004	Introduced reusable sharps containers and adopted PACs/Digital X-ray Enterprise
2003	Introduced micro-fiber mop system, began auditing hazardous storage practices system-wide and developed Sustainable Building Design Guidelines
2002	Joined H2E/Practice Greenhealth, adopted Mercury elimination policy and introduced water saver technology
2001	Instituted Environmentally Preferred Purchasing program
2000	Initiated linen management programs and introduced reusable pulse oximetry sensors
1999	Conducted energy audits and initiated fluorescent lighting retrofits
1998	Began reprocessing single-use medical devices
1997	Joined Health Care Without Harm & pledged to reduce volume and toxicity of waste stream
1996	Endorsed Ceres Principles and committed to annual public reporting



Practice Greenhealth
(H2E) Environmental
Excellence Award
Recipient

Environmental Awards



Dignity Health and 12 facilities were the recipients of the 2013 Environmental Excellence Awards from Practice Greenhealth. The Environmental Excellence Award winners are innovative and progressive, finding imaginative ways to take their environmental programs to the next level. The Practice Greenhealth Environmental Excellence Awards were presented in Boston, at the CleanMed Conference & Exposition, the premier national environmental conference for leaders in health care sustainability. The award winning facilities include

SYSTEM FOR CHANGE

Dignity Health, San Francisco, CA

ENVIRONMENTAL LEADERSHIP CIRCLE (sustained)

Dominican Hospital, Santa Cruz, CA

Sequoia Hospital, Redwood City, CA

St. Joseph's Medical Center, Stockton, CA

PARTNER FOR CHANGE

California Hospital Medical Center, Los Angeles, CA

Chandler Regional Medical Center, Chandler, AZ

Community Hospital of San Bernardino, San Bernardino, CA

Mercy Gilbert Medical Center, Gilbert, AZ

Northridge Hospital Medical Center, Northridge, CA

St. Bernardine Medical Center, San Bernardino, CA

MAKING MEDICINE MERCURY FREE

California Hospital Medical Center, Los Angeles, CA

St. Rose Dominican Hospitals - Rose de Lima Campus, Las Vegas, NV

St. Rose Dominican Hospitals – San Martin Campus, Las Vegas, NV

St. Rose Dominican Hospitals – Siena Campus, Las Vegas, NV

Dignity Health prefers products and services that address environmental impacts throughout the lifecycle.

Dignity Health Environmentally Preferable Purchasing Policy



OUR WASTE

A hospital's waste stream includes solid, medical, and hazardous wastes. If improperly handled, this waste poses a threat to human and environmental health. Waste minimization and management is a critical aspect of our sustainability initiatives. The following section provides a summary of our goals, performance, and many of our waste related activities.

Our Waste

Goals	Baseline	FY 2013 Target/Actual	FY 2014 Target
Reduce the volume of land filled waste stream	FY 2000: Averaged 18.5 pounds/adjusted patient day	Target: 15 lbs/APD Actual: 16.8 lbs/APD	Target: 15 lbs/APD
Responsibly manage the disposal of e-waste	62% of facilities compliant with Arrow contract or other disposal firm with similar environmental credentials	Target: 100% compliance Actual: 100% compliance	Target: 100% compliance

Performance and Challenges

In conjunction with our efforts to reduce, reuse and recycle materials, we manage our waste streams to ensure that all waste is properly captured, recycled, and treated or disposed. Such material, including medical, hazardous, and non-hazardous waste, originates from a myriad of activities that we conduct in the course of providing health care services.

In FY 2013, Dignity Health generated 15.3 pounds of non-hazardous waste per adjusted patient day (#/apd) compared to 14.3#/apd last year, and 1.5#/apd of medical waste compared to 1.5#/apd last year, for a total of 16.8#/apd of total waste that is disposed of via landfill. This represents an increase from our lowest years (2004-2006), where we had

achieved our goal of 15 #/apd. Our FY 2013 performance is a 9% decrease from our baseline year 2000 numbers, but is also a 6% increase from our FY 2012 performance.

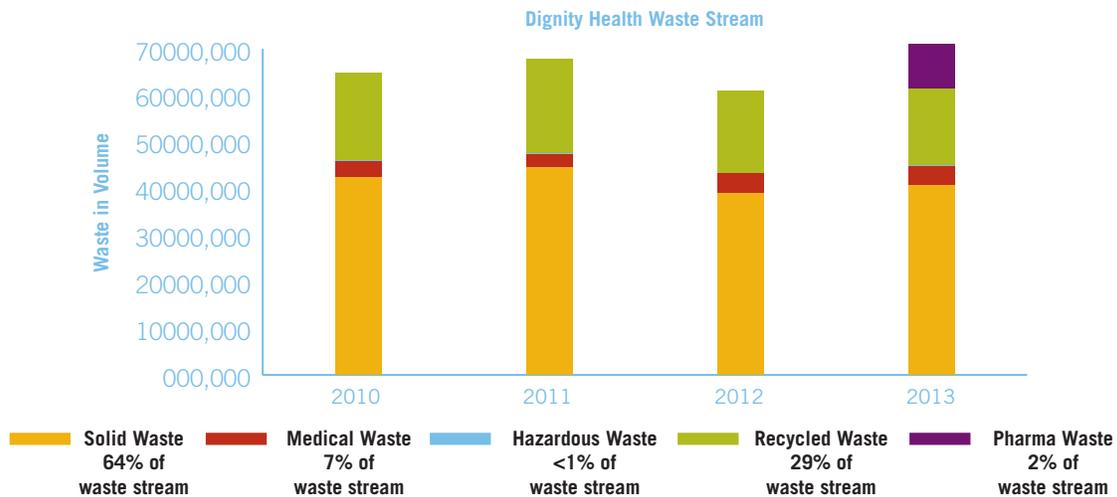
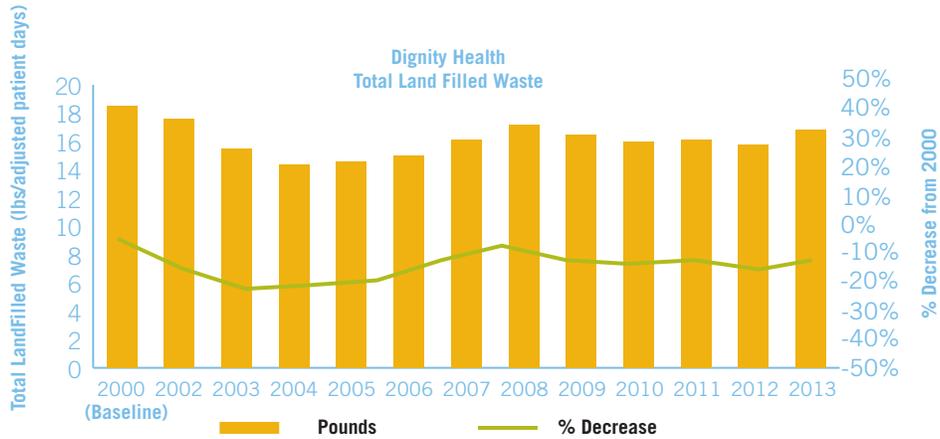
Some of the challenge in meeting our goal is the result of our few but large facilities in Arizona and Nevada, states that do not have the benefit of the recycling infrastructure our California facilities have. That being said, Chandler Regional Medical Center (Chandler, AZ), and Mercy Gilbert Medical Center (Gilbert, AZ) did achieve waste volumes under our 15#/apd goal, proving that progress can be made. In addition, some of our California facilities produced a disproportionate amount of waste. One of our goals for the coming year is to continue to work with these large facilities to bring their waste numbers in line with other Dignity Health facilities and our goals.

Another factor to be considered in comparing this year's numbers to the past is the recent implementation of Stericycle's Integrated Waste Stream Solutions (IWSS) program. Stericycle, a long time vendor of waste management services to Dignity Health, performed comprehensive waste stream analysis for each facility, identified compliance deficiencies and waste diversion opportunities, and provided a single source for tracking solid waste and waste diversion data. As a result of the baseline analysis each facility has a better understanding of current waste management performance. While we have no doubt that this program will ultimately move us closer to our goal of 15#/apd, the first year of implementation has actually resulted in our numbers going up, primarily due to process changes, vendor transitions, and (in some cases) long needed facility cleanouts. The program has provided over \$375,000 in annual savings as a result of operational efficiencies and reduction/redirection efforts.

Electronic waste is another key concern. Dignity Health has established a comprehensive electronics management program to address improved procurement and end-of-life management practices, which protect data and comply with federal, state, and local regulations. We have established a standard for purchasing only the most environmentally sound computers, and implemented a contract with Arrow, an E-steward certified vendor, to serve as our single source for electronic equipment disposal. Efforts continue to fully implement both programs.

The following charts provide our normalized and total waste profiles for the past several years. Besides the land filled waste discussed above, other components of our waste stream are hazardous waste and recycled materials. For the first time this year we have also included data for pharmaceutical waste. Recent changes to pharmaceutical waste regulations have required many changes to our practices for handling out dated and unusable medications. This entire waste stream is now managed separately from all other forms of waste.

The first chart shows our waste volumes, normalized using “adjusted patient days”, which is the industry standard for defining workload in hospital facilities. The second chart shows the total (non-normalized) amount of waste we generate and how those wastes are distributed.



**2013 is the first year in which pharmaceutical waste was tracked independently; in previous years it was recorded in either medical or hazardous waste*

Benchmarking Against our Industry

In FY 2013, Practice Greenhealth (PGH) issued its fifth Sustainability Benchmark Report which presents current data and builds on the past four years of data to identify sustainability trends in health care. The report provides statistics on 198 environmentally engaged and award winning hospitals likely to be among top performing facilities in the nation. Statistics from these 198 facilities are compared to Dignity Health’s performance.

Performance of 198 Practice Greenhealth Facilities Versus Dignity Health

	Recycling Rate	Solid Waste	Medical Waste
Practice Greenhealth Facilities	31.0%	14.0#/apd	2.3#/apd
Dignity Health	27.0%	15.3#/apd	1.5#/apd

Compared to PGH’s 198 top performing facilities, Dignity Health lags behind the trend setters. While our performance in minimizing production of medical waste is excellent, beating the benchmarked facilities by 0.8 #/apd, we nonetheless trail in minimization of solid waste by 1.3 #/apd and in recycling percentage by 4 percentage points.

Medical Waste

“Medical waste” refers to materials generated as a result of patient diagnosis, treatment, or immunization of human beings or animals. “Infectious waste” refers to that portion of medical waste that could transmit infectious diseases. Dignity Health hospitals reduce medical waste through a variety of programs. The most successful programs involve improving training and implementing procedures to ensure non-medical waste is properly segregated from true medical waste.

Sterilization renders 98% of all medical waste nonhazardous. Medical waste with higher biological hazards, such as pathological waste, is required by law to be incinerated. Dignity Health uses only the best commercial incineration vendors and does not operate any of its own incineration facilities. Some of our methods of reducing medical waste include:

- **Reprocessing:** Dignity Health has contracted with Stryker Sustainability Solutions, Inc., an independent third-party reprocessor of surgical instruments which are known in the industry as single-use medical devices (SUDs). This company safely reprocesses items labeled for single use, making them safe for repeated use. We have been working diligently to assure a responsible approach to reprocessing, which conserves resources

without placing our patients at risk. In FY 2013 Dignity Health logged in over 271,000 lbs of medical waste diversion through our reprocessing programs and realized a cost avoidance of \$8 million.



- **Reusable Sharps and Pharmaceutical Containers:** Dignity Health seeks to enhance patient and employee safety and to reduce the amount of sharps produced by moving to needleless technology where possible. Dignity Health utilizes a reusable sharps containers management program known as Bio Systems, which is designed to increase safety, ensure compliance and mitigate the impact of sharps container disposal on the environment. Reusable containers for outdated or unusable pharmaceuticals are also being put into use. Full containers are picked up at each facility by a Bio Systems technician and replaced with empty ones. The full containers are taken to Stericycle's medical waste transfer station where they are opened by a robotic mechanism and the contents emptied for processing as medical waste. The emptied containers are then washed and sanitized before being sent back to the hospital for reuse. The containers are designed to be simple and easy to use. Each container can be re-used at least 600 times.

Use of the reusable containers eliminates the need for millions of single use disposable containers to be manufactured and disposed. In addition, they significantly reduce the medical waste stream by removing the weight and volume of the single-use container. In CY 2013, through this program alone Dignity Health eliminated 712 tons of plastic from being manufactured and disposed of in landfills. 33 tons of corrugated packaging containers were also eliminated. The use of reusable containers prevented CO2 emissions equal to 42,000 gallons of gasoline during C Y2013. The average cost savings by hospital is approximately 15% per year of sharps container purchasing, disposal and management. Presently, 32 Dignity Health member hospitals and 35 associated clinics utilize the Bio Systems reusable sharps management service. Approximately 24 of our hospitals are using a similar type of container for disposing of pharmaceutical wastes.

Dignity Health Carbon Savings for CY 2013

Congratulations! By using the Stericycle Sharps Management Service, your organization is making significant reductions to its carbon footprint. Your annual carbon emission savings include:

Pounds of CO2 emissions prevented:

831,477

Pounds of plastic kept out of landfills:

1,423,970

Pounds of cardboard kept out of landfills:

65,557

CO2 emissions prevented equal to not burning this many gallons of gasoline:

42,815

CO2 emissions prevented equal to not using this many tanks of propane gas for barbeques:

15,727



Hazardous Waste

Hazardous waste volumes typically average less than 1000 pounds per facility, largely from day to day laboratory activities and periodic “clean up” of old facilities or laboratory closets. This volume is the equivalent of about three to four 55-gallon drums of hazardous waste per facility per year. This waste consists primarily of small amounts of chemicals used in our hospital laboratories, such as gluteraldehyde, formaldehyde, and stains and dyes used in medical analyses. In addition, we continue to generate small amounts of asbestos from remodeling projects at our older facilities. In previous years many pharmaceutical wastes were included in hazardous waste disposal totals. As discussed above, pharmaceutical wastes are now tracked separately, resulting in a decrease in hazardous waste totals reported.

- **Chemical Waste Reduction:** We are still working to achieve reductions through substitution of some hazardous materials with non-hazardous substances (where such alternatives exist), and innovative recycling of formalin, xylene, and other laboratory chemicals. Asbestos waste will continue to be generated at a similar volume in the future as ongoing remodeling of older facilities continues.
- **Universal Wastes:** Batteries and fluorescent tubes are known in California as “Universal Waste”, and are a subset of hazardous waste. These wastes are banned from landfill disposal. All of our California facilities (and some of those in Nevada and Arizona, even though it is not required) collect these wastes and ensure proper disposal.
- **Mercury:** Removal of mercury from all our facilities has been a goal of Dignity Health for several years. We have removed all significant mercury from our facilities, and instituted purchasing policies to ensure no new mercury is introduced. While we expect to find trace amounts of mercury in the future, we consider this goal to be essentially achieved.

What is electronic waste and why what we do with it matters

Electronics – from our tablets and smartphones to our computers, from copiers and printers to networking gear – carry with them many reasons they shouldn't be simply tossed. Both what's in them as well as what's on them requires special handling. What's on them is data, likely sensitive data that must be appropriately erased with an audit trail to prove it. What's in them – namely the compounds from which they are manufactured – presents the many important environmental concerns that warrant safe handling, including:

- Toxins
- Rare Earth Elements
- Conflict Minerals
- Reusable materials
- Toxins

Electronics contain various toxic compounds that present environmental and worker safety risks if not handled appropriately. If thrown into landfills, these toxins poison the soil and water. If incinerated, these toxins become hazardous gases. Without adequate protection, handling these materials can harm workers.

Rare Earth Elements

Some of what makes electronics function the way they do – what makes cell phones vibrate, for example, the special magnets used in disk drives, compounds used in lasers and medical imaging – result from the properties associated with a group of elements from the periodic table of elements known as the “rare earth” elements or materials. These “rare earths” are not so much rare as they are difficult and dirty to extract. Indeed, they're relatively plentiful in the earth's crust, but today they are sourced almost exclusively from China. Already China has announced that its supplies are running out. Already mining has resumed in the United States, and already the projected demand is outpacing the projected supply. Making the supply of rare earth elements even more problematic is that fact that we're only now figuring out ways to reclaim them. This means that it's imperative to continue to use what we have as long as it functions and not simply dump today's electronics in favor of the next new thing. If there's a compelling reason to adopt new technology, make sure usable technology finds a new home and isn't forced prematurely into the waste stream.

What is electronic waste and why what we do with it matters (cont.)

Conflict Minerals

Common in today's electronics are four minerals that, when sourced in the Democratic Republic of Congo (DRC), may be associated with heinous crimes including murder and rape. Documenting the source of gold, tungsten, tantalum and tin is now part of the legislative reform passed in August 2012. As part of Dodd-Frank, suppliers are required to **identify the sources** of these minerals that may be originating in the DRC or adjoining countries. Keeping the lineage of the materials in tact will help suppliers identify ethical sources.

Reusable Materials

Pretty much everything used to make electronics can be reclaimed and put back into new manufacture – from plastic to copper to lead and glass. When equipment truly cannot be used further and its salvageable parts have been harvested, appropriate recycling sends materials back into the manufacturing stream.

Make IT Last

From an energy perspective, the greatest energy expenditure associated with an electronic asset comes in its manufacture, where the energy expended out-strips the energy used in the course of the asset's life. For that reason, it's imperative to make every attempt to extend the usable life. Assets can be repaired, refurbished and upgraded. If the upgraded asset isn't what's needed in the organization, the asset can be sold or donated, often extending the asset life by as much as four or five years.

What Arrow Does

Arrow does everything it can to protect people, the planet and the organizations that trust Arrow with their assets. All data-bearing assets are treated with the highest security, ensuring no data is ever discoverable on any asset Arrow processes. Arrow does everything possible to extend the life of assets – repairing, refurbishing, and upgrading them so that they can be redeployed back into an organization, resold or donated. For equipment that can't be fixed, Arrow harvests serviceable parts to repair other equipment. When nothing usable is left, Arrow de-manufactures each assets to as near a commodity state as possible before sending segregated materials to specialized, thoroughly vetted and certified downstream recycling partners to return every recoverable commodity to the manufacturing stream. Mercury handlers reclaim the mercury – no mercury containing device is ever shredded. Leaded glass heads to the lead smelter. Plastic to the plastic recycler. No electronic waste is ever sent to landfill, nothing is ever incinerated (except certain highly sensitive data mandated by government security policy), and no non-functioning equipment is ever shipped abroad. Beyond this, Arrow facilitates technology donations on behalf of our customers.

Recycle & Reuse Diversions

Recycle		Reuse			
E-Waste Recycling		Merchandise Sale		Replacement	
Units	Weight	Units	Weight	Units	Weight
20,580	202,759.67	6,482	94,222.10	0	0.00

E-Waste Metals

Steel	Aluminum	Copper	Brass	Br w/Au	Stainless
99,955.69	10,755.82	4,799.47	336.98	120.63	686.33
Elect Brds	Plastic	CRT	Glass	Bulb	Battery
13,676.34	52,472.14	17,133.66	1.62	1.91	237.91

Carbon Offset & Landfill Credit

Demand Reduction	Recycle	Reuse	Units
Energy	325,027.47	18,862,569.00	Kwh
Crude	921.76	52,885.71	Barrel (55 gal)
Landfill Space	1,104.68	188.44	Cubic Yards

Environmental, Landfill Natural Resource Reductions

Less CO ₂	1,234.74	Tons
Air contamination prevented	79,345.00	Tons
Landfill diversion	296,981.77	Pounds
Virgin Materials	286,040.69	Pounds
Water pollution prevented	280,087.14	Gallons

Green Benefits of Recycle & Reuse

Energy Savings



Electricity to power 3,489 houses/yr

Greenhouse Gas Reduction



Removing 346 cars from road/yr

Hazardous Waste Reduction

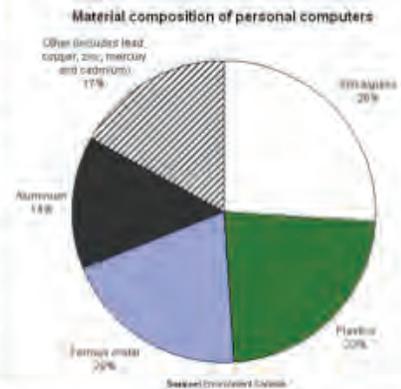


Weight of 1,765 bricks

E-Waste Soluble Recycling

Toxic Metals	Kilograms	Pounds
Mercury (nng)		
Arsimony	2.61167	5.74566
Arsenic	-	-
Barium	0.67618	1.48759
Beryllium	-	-
Cadmium	-	-
Chromium	-	-
Cobalt	-	-
Copper	2.18983	4.81762
Lead	0.94293	2.07444
Molybdenum	-	-
Nickel	0.35980	0.79156
Selenium	-	-
Silver	-	-
Thallium	-	-
Vanadium	-	-
Zinc	1.34616	2.96154
Tin		
Gold		
Platinum		
Aluminum		
Palladium		
Iron		
Total	8.1266	17.8784

E-Waste Units	
Bulk Item	554
Desktop	3,498
Handheld	41
Hard Disk	8,954
Laptop	314
Miscellaneous	1,831
Monitor	1,420
Part	2,707
Printer	960
Server	185
Tower	116
Total	20,580



E-Waste Toxic Components and Their Damage to Human Health

Toxic Materials	Birth Defects	Brain Damage	Heart, Liver, Lung & Spleen Damage	Kidney Damage	Nervous/Reproductive System Damage	Skeletal System Damage
Barium		X	X			
Cadmium	X		X	X	X	X
Lead	X	X		X	X	
Lithium	X	X	X	X	X	
Mercury	X	X	X			
Nickel	X		X	X	X	
Palladium	X	X	X			
Rhodium			X			
Silver	X	X	X	X	X	

Without safe recycling, most of these toxic components will end up in land fill — poisoning the soil and water.



Value Recovery

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G3.1 Content Index - GRI Application Level B

Application Level B

STANDARD DISCLOSURES PART I: Profile Disclosures

REPORT FULLY ON THE BELOW SELECTION OF PROFILE DISCLOSURES OR PROVIDE A REASON FOR OMISSION

1. Strategy and Analysis

Profile	Description	Cross-reference/Direct answer
1.1	Statement from the most senior decision-maker of the organization.	CEO Message
1.2	Description of key impacts, risks, and opportunities.	CEO Message

2. Organizational Profile

Profile	Description	Cross-reference/Direct answer
2.1	Name of the organization.	Profile and Reporting
2.2	Primary brands, products, and/or services.	Profile and Reporting
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Governance, Management and Ethics
2.4	Location of organization's headquarters.	Profile and Reporting
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Profile and Reporting
2.6	Nature of ownership and legal form.	Governance, Management and Ethics
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Profile and Reporting
2.8	Scale of the reporting organization.	Profile and Reporting
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	CEO Message; Governance, Management and Ethics
2.10	Awards received in the reporting period.	Environmental Awards

3. Report Parameters

Profile	Description	Cross-reference/Direct answer
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Profile and Reporting
3.2	Date of most recent previous report (if any).	Profile and Reporting
3.3	Reporting cycle (annual, biennial, etc.)	Profile and Reporting
3.4	Contact point for questions regarding the report or its contents.	Profile and Reporting
3.5	Process for defining report content.	Profile and Reporting
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Profile and Reporting

3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Profile and Reporting
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Profile and Reporting
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Profile and Reporting
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	None
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Profile and Reporting; Governance, Management and Ethics
3.12	Table identifying the location of the Standard Disclosures in the report	GRI Content Index
3.13	Policy and current practice with regard to seeking external assurance for the report.	Profile and Reporting
4. Governance, Commitments, and Engagement		
Profile	Description	Cross-reference/Direct answer
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Governance, Management and Ethics
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Governance, Management and Ethics
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Governance, Management and Ethics
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Governance, Management and Ethics; Our People
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Governance, Management and Ethics
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Governance, Management and Ethics
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Governance, Management and Ethics
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Profile and Reporting; Governance, Management and Ethics
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Governance, Management and Ethics
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Governance, Management and Ethics

4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Governance, Management and Ethics
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Our Communities; Healthier Hospitals Initiative
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Our Communities; Healthier Hospitals Initiative
4.14	List of stakeholder groups engaged by the organization.	Our Communities
4.15	Basis for identification and selection of stakeholders with whom to engage.	Our Communities
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Our Communities
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Our Communities

STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)

REPORT ON THE DISCLOSURES ON MANAGEMENT APPROACH FOR EACH CATEGORY. YOU SHOULD BE ABLE TO DISCLOSE THIS INFORMATION ON THE ASPECT LEVEL FOR EACH PERFORMANCE INDICATOR THAT YOU HAVE REPORTED FULLY ON.

G3 DMA	Description	
DMA EC	Disclosure on Management Approach EC	Cross-reference/Direct answer
Aspects	Economic performance	Profile and Reporting
	Market presence	Profile and Reporting
	Indirect economic impacts	Our Communities
DMA EN	Disclosure on Management Approach EN	Cross-reference/Direct answer
Aspects	Materials	Our Purchases
	Energy	Our Buildings
	Water	Our Buildings
	Biodiversity	No facilities being developed in areas of high biodiversity
	Emissions, effluents and waste	Our Buildings, Our Waste
	Products and services	Our Patients, Our Purchases
	Compliance	Our Waste
	Transport	Our Communities
	Overall	Our Purchases, Our Buildings, Our Waste

DMA LA	Disclosure on Management Approach LA	Cross-reference/Direct answer
Aspects	Employment	Our People; Government, Management, and Ethics
	Labor/management relations	Our People
	Occupational health and safety	Our People
	Training and education	Our People
	Diversity and equal opportunity	Our People; Government, Management, and Ethics
	Equal remuneration for women and men	Our People; Government, Management, and Ethics
DMA HR	Disclosure on Management Approach HR	Cross-reference/Direct answer
Aspects	Investment and procurement practices	Our People; Our Purchases; Our Communities
	Non-discrimination	Our People
	Freedom of association and collective bargaining	Our People
	Child labor	Requirements included in vendor contracts
	Prevention of forced and compulsory labor	Requirements included in vendor contracts
	Security practices	Requirements included in vendor contracts
	Indigenous rights	Requirements included in vendor contracts
	Assessment	Our People
Remediation	Our People	
DMA SO	Disclosure on Management Approach SO	Cross-reference/Direct answer
Aspects	Local communities	Our Communities
	Corruption	Our Communities
	Public policy	Our Communities
	Anti-competitive behavior	Our Communities
	Compliance	Our Communities
DMA PR	Disclosure on Management Approach PR	Cross-reference/Direct answer
Aspects	Customer health and safety	Our Patients; Our Purchases
	Product and service labeling	Our Patients; Our Purchases
	Marketing communications	Our Patients
	Customer privacy	Our Patients
	Compliance	Our Patients

STANDARD DISCLOSURES PART III: Performance Indicators

REPORT FULLY ON AT LEAST 20 CORE OR ADDITIONAL PERFORMANCE INDICATORS - AT LEAST 1 FROM EACH CATEGORY (ECONOMIC, ENVIRONMENT, LABOR PRACTICES & DECENT WORK, HUMAN RIGHTS, SOCIETY, PRODUCT RESPONSIBILITY)

Economic

Performance Indicator	Description	Cross-reference/Direct answer
	Economic Performance	
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Profile and Reporting; Our Communities
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Our Buildings
EC3	Coverage of the organization's defined benefit plan obligations.	Profile and Reporting/Consolidated Financial Statements
EC4	Significant financial assistance received from government.	Our Communities
	Market presence	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Our Purchases
	Indirect economic impacts	
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Our Communities
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Our Communities

Environmental

Performance Indicator	Description	Cross-reference/Direct answer
	Materials	
EN2	Percentage of materials used that are recycled input materials.	Our Waste
	Energy	
EN3	Direct energy consumption by primary energy source.	Our Buildings
EN5	Energy saved due to conservation and efficiency improvements.	Our Buildings
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Our Buildings
	Water	
EN8	Total water withdrawal by source.	Our Buildings

	Biodiversity	
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	None
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	None
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	None
	Emissions, effluents and waste	
EN16	Total direct and indirect greenhouse gas emissions by weight.	Our Buildings
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Our Buildings
EN22	Total weight of waste by type and disposal method.	Our Waste
EN23	Total number and volume of significant spills.	Our Waste
	Products and services	
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Our Purchases
	Compliance	
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Our Waste (none)

Social: Labor Practices and Decent Work

Performance Indicator	Description	Cross-reference/Direct answer
	Employment	
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Our People
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Our People
	Labor/management relations	
LA4	Percentage of employees covered by collective bargaining agreements.	Our People
	Occupational health and safety	
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Our People
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Our People
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Our People

	Training and Education	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Our People
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	100%
	Diversity and equal opportunity	
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Our People; Governance, Management and Ethics
	Equal remuneration for women and men	
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	1 to 1 Ratio

Social: Human Rights

Performance Indicator	Description	Cross-reference/Direct answer
	Security practices	
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	All security personnel trained to respect the rights and dignity of all our patients and visitors
	Indigenous rights	
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	None

Social: Product Responsibility

Performance Indicator	Description	Cross-reference/Direct answer
	Customer health and safety	
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Our Purchases
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Our Patients
	Product and service labeling	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Our Patients
	Marketing communications	
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Our Patients
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	None

Social: Labor Practices and Decent Work

Performance Indicator	Description	Cross-reference/Direct answer
	Local communities	
S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Our Communities
S09	Operations with significant potential or actual negative impacts on local communities.	Our Communities
S010	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Our Communities
	Corruption	
S04	Actions taken in response to incidents of corruption.	None
	Public policy	
S05	Public policy positions and participation in public policy development and lobbying.	Our Communities
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Our Communities
	Anti-competitive behavior	
S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	None

Appendix A

Implementing Dignity Health's Energy and Water Programs

Click the following links for additional information.

[Operational Energy Efficiency Program](#)

[Capital Energy Conservation Program](#)

[Renewable Energy Program](#)

[Tracking and Reporting Greenhouse Gases](#)

[Water Use](#)

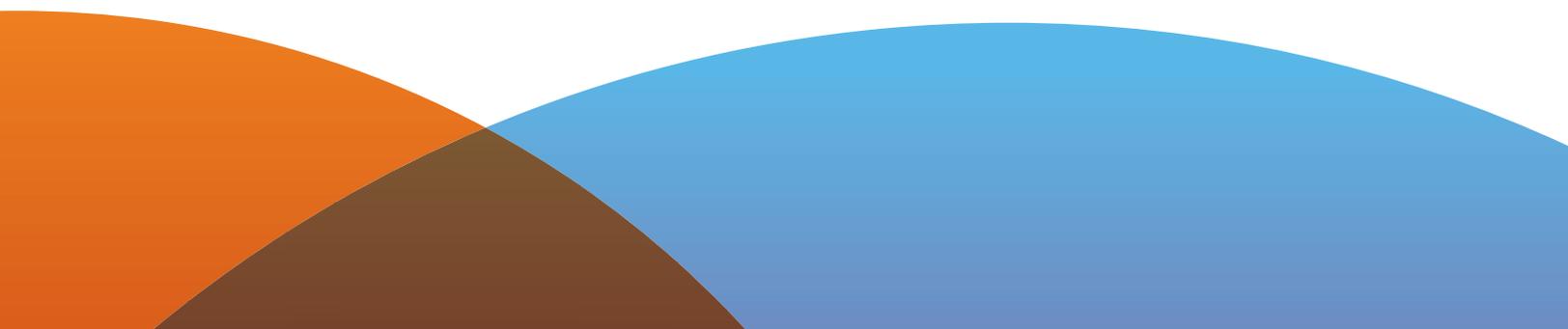
Click the following links for information about major capital construction projects.

[Design Phase](#)

[Pharos Sustainable Materials Evaluation](#)

[Construction Recycling](#)

Dignity Health's energy strategy begins with an operational energy efficiency program focused on improving the energy efficiency of existing mechanical, electrical, and plumbing equipment and building systems. Hospitals with equipment and systems operating outside the original design intent participate in an operational energy program through one of



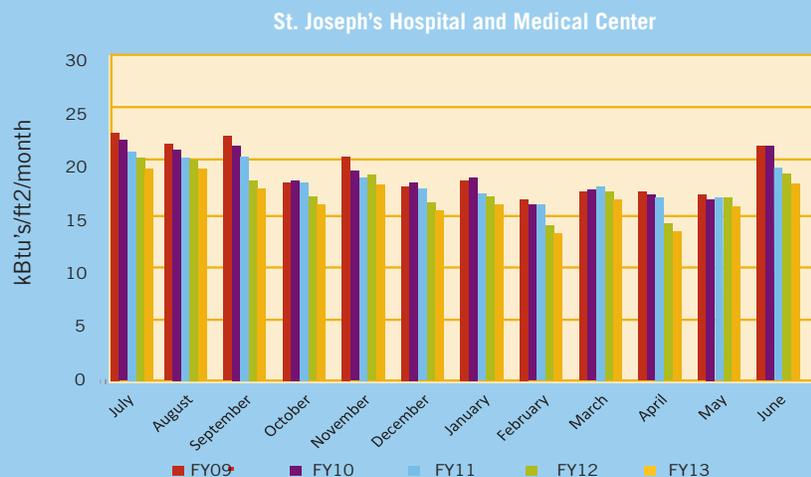
[< Back to Our Buildings](#)

Dignity Health’s energy service providers. This program is focused on retro commissioning of existing equipment and systems with the intent to maximize energy efficiency. Typical operational energy efficiency measures identified include airside and waterside reset strategies, functionality of two and three way valves, leaking steam traps, functionality and coverage of building automation systems, chiller and boiler operational strategies, and correcting simultaneous heating and cooling issues. Energy reductions have ranged between 5% and 22% of the hospital’s total energy consumption at the 23 hospitals where operational energy efficiency programs have been implemented.

Operational Energy Efficiency Program

In collaboration with Dignity Health Corporate Real Estate, St. Joseph’s Hospital Medical Center, Phoenix, AZ has participated in various operational energy efficiency programs. The 24-month program identified and corrected simultaneous heating and cooling issues, expanded the building automation system with new controls, balanced supply air, and improved chiller water plant staging. Subsequent to completing the 24 month program, St. Joseph’s Hospital and Medical Center is operating 14.2% below the energy benchmark.

The chart below depicts monthly energy intensity per square foot (electric & natural gas) over a 5 year period.



Energy cost savings and environmental benefits are as follows:

- Annual cost savings - \$511K • Electric reduction – 7,062 MWh's
- Natural gas reduction – 902K therms • CO2 reduction – 8,856 metric tons
- Equivalency – 1,681 automobiles driven 15K miles per year @ 25 MPG

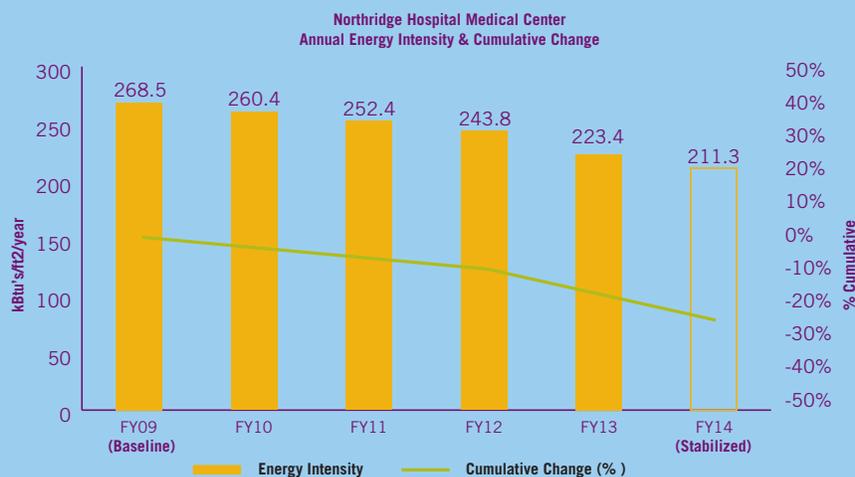
Capital Energy Conservation Program

The second phase of Dignity Health’s energy strategy is to evaluate existing mechanical, electrical, and plumbing equipment at, or near the end, of its serviceable life. This evaluation process consists of annual infrastructure assessments completed by each hospital documenting condition of equipment. Cost/benefit analysis is conducted on each piece of equipment and projects are evaluated for potential rebates and incentives. This program provides two significant benefits: 1) reduces energy consumption and carbon emissions while minimizing unplanned downtime and 2) minimizes the need for rental equipment while equipment is replaced. Typical conservation measures identified in this phase include, but are not limited to, chillers, cooling towers, boilers, air handling units, motors, pumps, and building automation systems .

Capital Energy Conservation Program

Northridge Hospital Medical Center located in Northridge, California has completed a comprehensive modernization of mechanical and electrical infrastructure nearing the end of its useful life. The four year program started in FY 2010 and is expected to reduce annual energy consumption by 21.3%.

The chart below depicts annual energy intensity per square foot (electric & natural gas) over a 5 year period and projected FY 2014 energy intensity.



Energy cost savings and environmental benefits are as follows:

- Annual cost savings - \$355K • Electric reduction – 2,222 MWh's
- Natural gas reduction – 73K therms • CO2 reduction – 1,113 metric tons
- Equivalency – 212 automobiles driven 15K miles per year @ 25 MPG

Renewable Energy Program

The third phase of Dignity Health's energy strategy is renewable technologies. While not materially reducing energy consumption, renewable projects reduce greenhouse gases and energy costs. A typical utility owned power plant produces electricity, electricity is transmitted via high voltage power lines, and voltage is transformed down to a useable voltage for end use customers. Along this path, heat from the utility owned power plant is lost, line losses occur across transmission lines, and additional losses occur at each of the transformers. Renewable energy projects, such as cogeneration, produce energy on-site, reduce line losses, and capture heat rejected from the engine and the exhaust. Dignity Health has 11 cogeneration engines, one landfill gas generation plant, and one photovoltaic system.

Renewable projects are considered after operational energy programs are implemented to reduce the potential of oversizing the system. Renewable projects include cogeneration projects where waste heat recovery is $\geq 70\%$, solar hot water, photovoltaic (traditional and hybrid), fuel cell projects, and geothermal. Dignity Health continues to evaluate the economics of renewable projects on a case by case basis and has six photovoltaic projects, three cogeneration systems, five fuel cell projects, and two solar hot water projects. Two photovoltaic and one landfill gas cogeneration system are under contract and expected to be operational by June 2014.

Renewable Energy Project

In collaboration with Dignity Health Corporate Real Estate, Marian Regional Medical Center will be expanding the landfill gas fueled cogeneration system. The cogeneration system will add a 1.4MW engine and replace the existing 1.15MW engine with a second 1.4MW engine. Electrical output will increase from 1.15MW to 2.8MW and waste heat recovery from engine exhaust stacks, jackets, and intercoolers will be added to supplement the hospital's steam and space heating requirements. The project is currently in design and expected to be fully operational by June 2014. Below is a photograph taken of cogeneration engine #1.



Tracking and Reporting Greenhouse Gases

Dignity Health has reported carbon dioxide emissions since calendar year 2006. Beginning with calendar year 2006 through calendar year 2009, Dignity Health reported carbon dioxide emissions through the California Climate Action Registry. Dignity Health transitioned its carbon dioxide reports to The Climate Registry in calendar year 2009. The Climate Registry is a broader greenhouse gas registry serving all of North America. Dignity Health has successfully had emissions verified and publicly reported for calendar years 2010 - 2012.

During calendar year 2010, Dignity Health reported production of 284K metric tons of carbon dioxide attributed from the following sources:

- Direct emissions from mobile source combustion
- Direct emissions from stationary combustion
- Indirect emissions from electricity use and imported steam, district heating and cooling
- Direct process emissions

In CY 2012 (the latest year for which certified data was available at the time of report publishing), Dignity Health reported production of 244K metric tons of carbon dioxide, a 14.1% decrease since our baseline year of 2010.

Water Use

Beginning in FY 2013, Dignity Health partnered with ECOVA to collect, organize, pay all utility bills, and make information available from a single web portal. This will speed the data collection efforts and make information timelier given the large number of water meters at each facility. The water consumption data has been difficult for both Dignity Health and ECOVA to compile and attribute to the correct facility. We have started developing water conservation goals and expect to publicize these goals in FY 2014 and begin reporting on these goals in FY 2015 once water consumption trends can be established for each facility.

Representative water consumption samples compiled from 28 of 37 hospitals indicate that consumption has decreased year over year for a cumulative reduction of 7.4% from FY 2008 through FY 2013 although a full analysis of historical water consumption at all hospitals is not yet available. Dignity Health hospitals consume between 25 and 35 million gallons of water per year per hospital with a significant percentage of this water lost through evaporation and drift in cooling towers and for irrigation.

Dignity Health hospitals have reduced water usage through retrofitting existing plumbing fixtures, improved landscaping choices, repairs to steam traps, and implementing water saving technology in the x-ray film developing and kitchen processes. Several examples of projects completed include: 1) St. Joseph's Hospital in Phoenix, Arizona installed 5 waterless urinals as a test pilot and over the last two years has expanded this to 76 which has

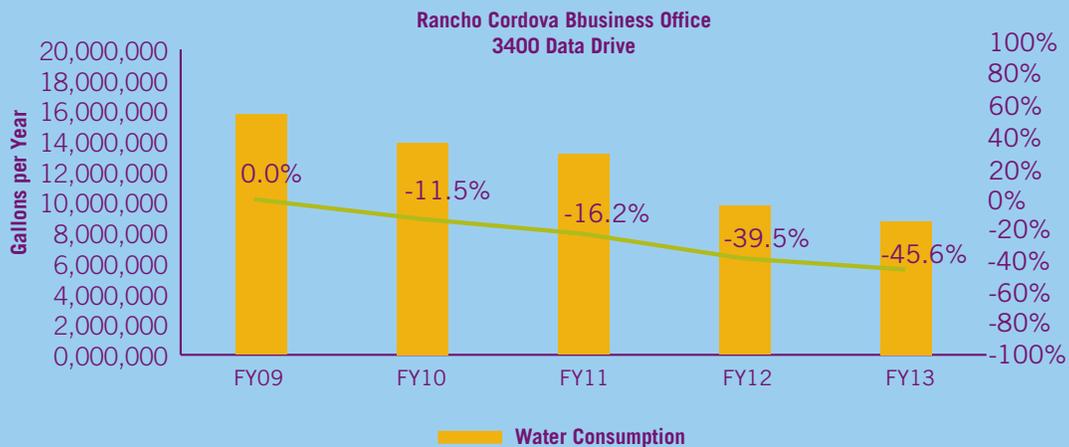
[< Back to Our Buildings](#)

reduced water consumption by approximately 1.8M gallons/year; 2) Glendale Memorial Hospital and Health Center modernized the cooling towers minimizing water losses from drift and blow down, reducing water consumption by 5.4M gallons/year; and 3) Northridge Hospital Medical Center is underway modernizing the cooling towers to reduce water losses from drift and blow down, which is projected to reduce water consumption by 4.8M gallons/year. Facilities located in areas such as natural deserts are designed to meet state and local low water use requirements.

Water Conservation Project

Dignity Health’s Business Office located in Rancho Cordova, California completed several water conservation projects including adding low flow urinals and aerators in each bathroom, modernizing cooling towers to reduce water lost through drift and evaporation, and adjusting water schedules for landscaping.

The chart below depicts the water consumption over a 5 year period.



Water savings highlights are as follows:

- Project cost – \$17,860
- Rebates/Incentives – \$12,280
- Net cost – \$5,580
- Annual savings – \$8,860
- Simple payback – 7.6 months
- Annual water savings – 7.1M Gallons

Design Phase

In FY 2013, several major capital construction projects progressed through the design phase and some began construction. Review of the sustainable design guidelines and incorporation of the sustainable elements were completed and data was captured. Below are some highlights of what these projects are targeting in each key area:

- Innovation in Design
- Sustainable Sites
- Water Efficiency
- Energy & Atmosphere
- Material & Resources
- Environmental Quality

St. Rose Siena Patient Tower & Garage Addition

St. Rose Dominican Hospital Siena Campus located in Henderson, Nevada includes a new five-story patient tower addition (205,698 SF), central plant (6,000 SF) and remodel of existing space (20,568 SF) which adds 111 inpatient beds. A 4-story parking garage with 195,000 SF is also included. Below are several highlights of sustainable elements incorporated into the design of this project:

Sustainable Sites - Heat Island Effect

12% of parking spaces will be covered with the completion of the new parking garage. 25% of hardscape areas will be shaded by trees or covered parking. Gravel areas will have an SRI of 29 or better and proposed roofing material has an SRI of 73.

Water Efficiency - Low Flow Fixtures

The project team is pursuing a minimum 30% overall improvement on water efficiency above the amount required by the Energy Policy Act of 1992.

Energy & Atmosphere - Energy Goals

The project team was given the goal to meet 170 kBtu's/sf/yr for the new Siena Tower project. Through extensive planning with an energy technologies consultant and utilizing the eQUEST energy model, the project design currently projects the energy use for the new tower addition at 161 kBtu's/sf/yr. LED's are currently being pursued as an additional energy savings which could save up to \$25,000 annually on electricity.

Materials & Resources - Sustainably Sourced Materials

The project is currently targeting a minimum of 20% sustainably sourced materials. The following materials utilized contain recycled content: steel, concrete, flooring, acoustical ceiling tile, insulation, doors, furniture, millwork, and fabrics.

Chandler Regional Patient Tower

Chandler Regional Medical Center located in Chandler, Arizona includes a five-story bed tower and basement addition (202,000 SF) with 96 beds and expansion of Emergency Room and Surgery Department. Below are several highlights of sustainable elements incorporated into the design of this project:

Sustainable Sites - Alternative Transportation

New bicycle racks will be added to increase the current space for bicycle parking. Proposed reserved parking spaces identified for carpool/vanpool and for low-emitting or alternative fuel vehicles.

Water Efficiency - Water Use Reduction

Project is targeting a minimum 20% reduction in building water use than the water use baseline from the Energy Policy Act of 1992.

Energy & Atmosphere - Energy Goals

The project team has maximized efforts to maintain an energy efficient central plant, incorporate economizer modes and heat/cool recapturing elements, specify energy efficient lighting and automate control solutions, and specify insulated glazing with low-e coating. The E-Quest energy model projects an energy savings of 17% above ASHRAE 90.1 2004 minimum standards. This translates to building energy use of 183 kBtu's/sf/yr.

Materials & Resources - Sustainably Sourced Materials

The project is currently targeting a minimum of 20% recycled content materials, a minimum of 10% regionally produced materials, and a minimum of 10% of all wood products to be sustainably harvested.

Environmental Quality - Low-Emitting Materials

The project team has specified low-emitting materials such as interior adhesives and sealants, interior wall and ceiling finishes, interior flooring, composite wood, agrifiber, and batt insulation, and exterior applied products.

St. Joseph's Westgate Medical Facility

St. Joseph's Westgate Medical Facility located in Glendale, Arizona is a new 60,000 SF free standing ED containing 12 treatment bays, 12 universal care beds and 24 inpatient beds as well as Ambulatory Imaging and Surgery functions. The project began construction in FY 2013. Below are several highlights of sustainable elements incorporated into this project:

Sustainable Sites - Light Pollution Reduction

The exterior lighting shall be designed so that all site and building mounted luminaires produce a maximum initial luminance value no greater than 0.20 horizontal and vertical foot-candles at the site boundary and no greater than 0.01 horizontal foot-candles 15 feet beyond the site. All of the non-emergency interior luminaires with a direct line of sight to any exterior openings will be reduced to 50% power between 11 pm and 5 am.

Water Efficiency - Water Use Reduction

The project is targeting a minimum 30% reduction in building water use by incorporating low-flow fixtures and by adding water meters to each end use of the water system. It can then be determined how much water is being used for irrigation, boiler makeup, and general plumbing fixtures as well as detect leaks or abnormalities. The landscape irrigation system will be monitored by the central control system which will capture distribution, flow rate, and other data to verify proper function. Based on 24 beds and 100% occupancy, water usage target is 175 gallons of water per bed per day (typical is 250 gallons of water per bed per day).

Energy & Atmosphere - Energy Goals

The project team has maximized energy efficiency with the HVAC system. The air handlers are sized and zoned to maximize turndown. The facility is projected to consume 166 kBtu/sf/yr of energy which is 30% better than the ASHRAE 90.1-2007 baseline and exceeds the Dignity Health 2020 goal of at least 15% below ASHRAE.

Materials & Resources - Waste Diversion

The project is currently diverting construction waste from the landfill and has a target of 80% diversion.

Environmental Quality - Controllability of Systems Lighting & Temperature

The project will provide individual lighting controls for 90% (minimum) of the FTE staff (measured at peak periods). In patient areas the project will provide individual lighting controls for 90% (minimum) of patients readily accessible from the patient bed. Individual temperature and ventilation controls for at least 50% of the occupants will be provided.

[< Back to Our Buildings](#)

St. Joseph's North Stockton Medical Group Primary Care Clinic

St. Joseph's North Stockton Medical Group Primary Care Clinic located in Stockton, California is a build to suit clinic that can accommodate 10 physicians with a blood draw station. Below are several highlights of sustainable elements incorporated into the design of this project:

Water Efficiency - Water Use Reduction

The project is targeting the CALGreen code requirement of a minimum 20% reduction in plumbing fixture water use. Urinals are specified at .125 gallons per flush, an additional reduction beyond the CALGreen code requirement.

Energy & Atmosphere – Mechanical Systems

The project will maximize the potential energy savings of the existing (shell) mechanical units through the addition of integrated economizers with power exhaust and demand control ventilation. The coolant specified for the existing mechanical units has no ozone-depleting potential.

Materials & Resources – Recycled Content

The project is targeting the use of many materials containing recycled content. The following materials to be used contain over 40% recycled content: water-resistant gypsum board, acoustical ceilings, glazed decorative metal partitions, and carpet.

Environmental Quality – Indoor Air Quality

The following specified materials for the project have indoor air quality third-party certifications such as Greenguard, Greenguard Gold, FloorScore, Cradle to Cradle, and/or CRI Green Label Plus, meeting LEED and California Section 01350 indoor air quality standards: solid plastic countertops, glazing for decorative metal partitions, acoustical ceilings, resilient flooring and base, carpet, window shades, porcelain tile, and fiber-reinforced plastic wall panels.

Pharos Sustainable Materials Evaluation

New major capital construction projects are required to use the Pharos sustainable materials database during the Design Phase for material evaluation. In FY 2013 a few projects were able to use the Pharos site to review criteria for certain products such as carpet, insulation, particleboard, paint, and roofing materials. The Pharos site does not have a robust selection of products for a healthcare environment, but there was enough information to establish some benchmarks. The project teams were able to use the Pharos site as a tool to create product criteria and then expand their search for comparable product selections.

[< Back to Our Buildings](#)

Through the Pharos evaluation, the St. Rose Dominican Hospital Siena Campus project team was able to target a minimum of 20% sustainably sourced materials which include the following:

- Recycled content in steel, concrete, flooring, acoustical ceiling tile, insulation, doors, furniture, millwork and fabrics
- Reused equipment from existing departments
- Regionally produced materials such as concrete and landscaping rock
- Certified wood in doors, millwork and furniture

Central Business Office Expansion – Prospect Park

In FY 2013, the implementation to expand the Rancho Cordova CBO to a second location for additional administrative office space was completed. As with any other construction project, sustainable elements were evaluated and incorporated into the design and construction of this project. Most notable for this project was the incorporation of refurbished workstations. Corporate Real Estate worked with RSI, Reconditioned Systems Inc., to produce the 500 workstations through RSI's green process. Below are highlights.

Refurbished Workstations

Implementation of the palliative integrated care bundle (PIC Bundle) in intensive care units Dignity Health acquired 101,400 SF of additional office space for a second Central Billing Office located in Rancho Cordova, California. Tenant improvements were completed and employees moved in to the new location in September 2012.

Through sustainable design measures a furniture manufacturer refurbished 704 workstations through a “green” process at 1/3 the cost of new furniture using the following processes:

- Exterior metal from the used units is removed, stripped, and refinished for a “like new” appearance
- The wall panels are fitted with new insulation and new fabric
- Any exterior metal that is scratched or dented is removed and recycled locally
- Tops are custom cut new for every project



Construction Recycling

Throughout FY 2013, Corporate Real Estate continued documenting the efforts of recycling construction materials from major capital construction projects. Construction recycling programs are taking place on all locations where major construction projects are underway. This includes projects located at; 1) Chandler Regional Medical Center, 2) Mercy General Hospital, 3) Mercy Medical Center Redding, 4) Sequoia Hospital, 5) St. Joseph's Westgate Hospital, and 6) St. Rose Dominican Siena Campus. These represent the largest construction projects in terms of dollars and scope and projects having the greatest impact to construction waste recycling. Portions of materials such as concrete, metal, wood, paper and cardboard, wallboard, and drywall that can be recycled are diverted from the landfill. Corporate Real Estate was able to capture a full year of recycling efforts for FY 2013 and will continue to promote future construction materials recycling

Impact of Construction Materials Recycling

Construction of the Pavilion at Sequoia Hospital located in Redwood City, CA began in April 2006 with completion expected in January 2014. The construction project includes a new 4-story hospital tower with 2 CORs, 6 general ORs, special procedures and 104 med/surg beds.

The Sequoia Hospital construction team recorded construction materials recycled from July 2012 through June 2013. The amount of materials recycled for this 12 month period was 569 tons equating to 77% of total waste materials collected. Monthly recycling efforts met the LEED 2009 Healthcare Materials & Resources achieved 75% material recycled equating to 2 LEED points.

