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Hendrick Health

Anniversary Report Fiscal Year 2024

Reporting Period: 9/1/2023 – 8/31/2024

Submission Date: December 23, 2024

Certificate of Public Advantage ("COPA")

Anniversary Report for Fiscal Year 2024

This Anniversary Report for FY2024 (“COPA Anniversary Report”) is submitted pursuant to the revised Terms and Conditions of Compliance (effective October 1, 2023) governing the Certificate of Public Advantage (“COPA”) issued to Hendrick Medical Center *d/b/a* Hendrick Health on October 2, 2020 (“COPA Approval Date”) with respect to the purchase agreement of substantially all of the assets used in the operation of Abilene Regional Medical Center (“ARMC”, subsequently to be known as “HMC-S”) (collectively, the “Merger”). The underlying transaction closed on October 26, 2020 (the “Transaction Closing Date”). Information related to Hendrick Medical Center and Hendrick Medical Center South are collectively referred to herein as “Hendrick Health”. The revised Terms and Conditions of Compliance require Hendrick Health to submit an annual report each year by December 31.

This COPA Anniversary Report reflects the performance of HMC and HMC-S (formerly ARMC) for fiscal year 2024, the period of September 1, 2023 to August 31, 2024. Where applicable, this Report includes information or refers to information provided in the Baseline Performance Report that was submitted to HHSC on January 15, 2021, and reflects the pre-Merger baseline period of FY2018 – FY2020 (the “Baseline Performance Report”).

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I. Abbreviation Key

Abbreviation	Full Name
ARMC	Abilene Regional Medical Center
CDM	Charge Description Master
CMS	Centers for Medicare & Medicaid Services
COPA	Certificate of Public Advantage
HH	Hendrick Health
HMC	Hendrick Medical Center
HMC-S	Hendrick Medical Center South (formerly ARMC)
HHSC	Texas Health and Human Services Commission

II. COPA Anniversary Report for FY2024

A. Summary of Requirements

As required by Texas Health and Safety Code § 314A.103, Texas Admin. Code § 567.34, and the revised COPA Terms and Conditions of Compliance, Hendrick Health must submit quarterly and annual reports regarding the Merger.

This Report and the associated attachments are based directly on the requirements listed in the guidance documents published by HHSC: “Certificate of Public Advantage Terms and Conditions of Compliance for Hendrick Health System” effective October 1, 2023.

B. Description of Process

Hendrick Health’s senior management team, assisted by outside consultants and counsel, worked closely with relevant department heads to collect, analyze, and prepare for submission the information and data detailed in the HHSC guidance documents. Leaders of each department gathered the required information and validated the summaries and responses included in this Report to ensure accuracy and completeness to the fullest extent possible.

Hendrick Health Leadership

Name	Position
Brad D. Holland, FACHE	President and Chief Executive Officer
Robert Wiley, M.D.	Hendrick Health Vice President, Chief Medical Officer and Chief Quality Officer
Jeremy Walker	Hendrick Health Vice President, Chief Financial Officer
Bradley Benham, Esq.	Hendrick Health Vice President, Foundation
Susan Greenwood, BSN, RN, FACHE	Hendrick Health Vice President, Chief Nursing Officer
Christie Eckhardt, JD	Hendrick Health Vice President, General Counsel
Susan Wade, FACHE	Hendrick Health Vice President, Abilene Market Chief Operating Officer
Kirk Canada, PT, ScD, DPT	Hendrick Health Vice President, Chief Operating Officer
Courtney Head	Hendrick Health Vice President, Human Resources
Brian Bessent, FACHE	Hendrick Health Vice President, Chief Strategy and Experience Officer
Judy LaFrance, MSN, RN, NE-BC	Chief Administrative Officer, Hendrick Medical Center South
Heater Ray, DNP, RN, CNRN	Hendrick Health Assistant Vice President, Abilene Market Chief Nursing Officer
Jesiree Driskell	Hendrick Health Assistant Vice President, Strategic Communication and Digital Experience
Chris Ford, FACHE	Hendrick Health Assistant Vice President, Support Services
Tave Kelly	Hendrick Health Assistant Vice President, Revenue Cycle
Adam Wood	Hendrick Health Assistant Vice President, Material Management
Mark Edwards	Hendrick Health Assistant Vice President, Information Technology
Mark Huffington	Hendrick Health Assistance Vice President, Analytics
Treva Broderick	Hendrick Health Assistant Vice President, Clinical Services
Tim Riley	System Integration Consultant

III. Terms and Conditions for COPA-Approved Health System

A. *Mandatory Annual Reporting Terms*

1. Information about the extent of the benefits attributable to the issuance of the COPA.

[This Item contains proprietary, competitively sensitive information redacted from the public version.]

- Since the Transaction closed in October 2020, Hendrick Health has improved healthcare quality and access while utilizing efficiencies to keep healthcare costs down, despite tremendous challenges caused by the COVID-19 pandemic, inflationary pressures, and other matters. Hendrick Health believes its larger, post-Merger combined medical staff has led to better planning and improvement in system-wide mechanisms for quality of care. Additionally, the consolidation of services has increased the availability of and patient access to such services, and Hendrick Health has thoughtfully evaluated clinical services across HMC and HMC-S for clinical optimization and/or expansion opportunities.
- Specifically, Hendrick Health achieved these benefits through the following actions in FY2024:
 - Improved healthcare quality and patient outcomes:

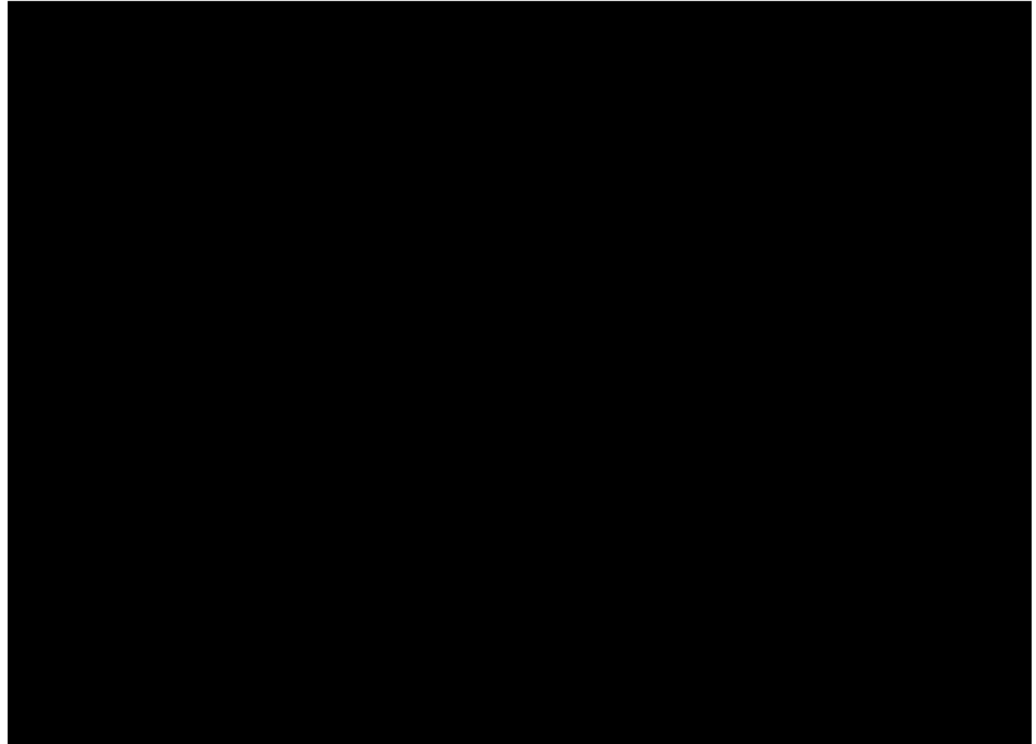
- Institution of quality improvement measures through system-wide goals for the following five specific quality measures: (1) inpatient 30-day readmission reduction: observed rate \leq peer in 5 of 6 measures¹; (2) HAC reduction domain 2 HAI SIRs – Achieve ≤ 1.00 in each of 4 of 5 underlying measures²; (3) SUR – central line and foley usage reduction – Achieve ≤ 1.10 in 1 of 2 measures; and (4) HCAHPS Care Transition – understood purpose of medications $\geq 64\%$ (CMS 85th percentile).



Each fiscal year, Hendrick Health selects quality goals that represent top priorities for the organization based on physician feedback and opportunities to improve. Other metrics are still monitored for continuous improvement through Hendrick Health’s Quality Council and Physician Performance Improvement Committee under the traditional QAPI model.

Note, these internal performance improvement results may vary from similar publicly reported data.

¹ Underlying measures include: Acute Myocardial Infarction (“AMI”); Chronic Obstructive Pulmonary Disease (“COPD”); Heart Failure (“HF”); Pneumonia; Coronary Artery Bypass Graft (“CABG”) Surgery; and Elective Primary Total Hip Arthroplasty and/or Total Knee Arthroplasty (“THA”/“TKA”).

² Underlying measures include: Central Line Associated Bloodstream Infection (“CLABSI”), 1.00 or less; Catheter-Associated Urinary Tract Infection (“CAUTI”), 1.00 or less; Surgical Site Infection (SSI), 1.00 or less; Methicillin-Resistant Staphylococcus Aureus Bacteremia (“MRSA”), 1.00 or less; and Clostridium Difficile Infection (“CDI”), 1.00 or less.

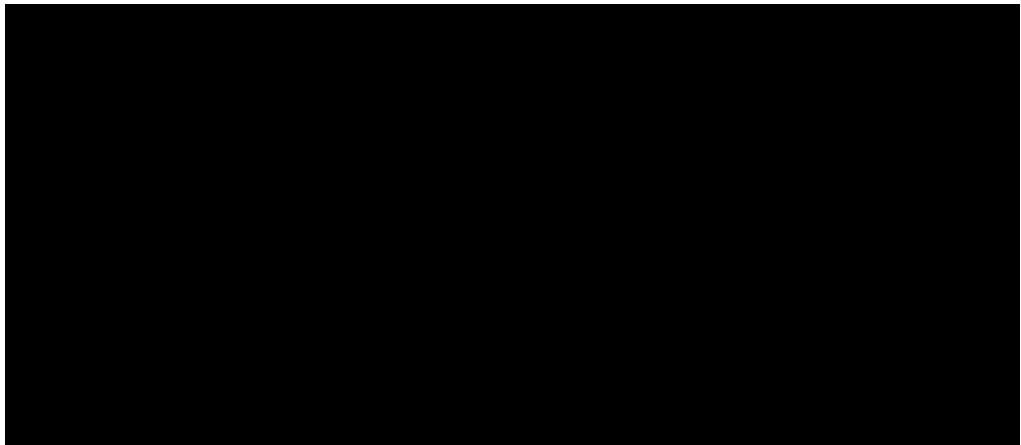


- In establishing and working toward the goals in these key areas, Hendrick Health continues to work collaboratively across HMC and HMC-S to drive quality improvement performance for the system. Hendrick Health tracks these quality measures internally to develop strategies and understand current performance.
- Continued standardization of care between HMC and HMC-S, through policies and protocols for the increased patient volume, including evidence-based protocols and treatment plans throughout the system. 

- Continued operation of various system-wide committees, including the Evidence-Based Medicine Committee, Patient Safety Committee, Performance Improvement Committee and Physician Review Committee, Readmission Committee, and Executive Patient Experience Committee, which are tasked with reviewing and improving quality of care procedures. The system-wide Quality Council focused on quality of care concerns, performance improvement projects, and data from regulatory-required and high-impact monitoring.
- Hendrick Health continued to face capacity limits at various times during FY2024. Regional transfer challenges have improved at both campuses as capacity can be relieved by transferring patients from one campus to the other, as needed. Having two campuses allows Hendrick Health to meet community need for access to high-quality healthcare and decreases the need to transfer patients out

of the region. If there is an issue at one campus, there are resources available at the other campus. Uniform oversight of both campuses has led to efficient staffing, directing patients to the correct venue of care, and an overall benefit to patients in the community.

- Continued operation of the combined Quality Committee across HMC and HMC-S, with the resulting committee including members from both campuses. Hendrick Health also continued operation of the unified Medical Executive Committees (“MEC”) and Medical Advisory Committee (“MAC”) across the system. A single governing body focuses on coordination of services through the alignment of culture, protocols, and oversight of the medical staff.
- Continued efforts to streamline and enhance the physician credentialing/reappointment process with the Ongoing Professional Practice Evaluation (“OPPE”)/Focused Professional Practice Evaluation (“FPPE”) process, a detailed evaluation of practitioners’ professional performance, which has led to a better assessment of physician quality metrics and monitoring of care.
- Upgraded technology and replaced older equipment. For example, Hendrick Health:
 - Completed installation of the Hillrom Nurse Call System at HMC-S.
 - Installed a new wireless network at HMC-S to provide better wireless coverage for use of mobile and biomed devices within the hospital.
 - Continued with implementation of a new timekeeping and nurse scheduling platform at HMC-S. The mobile scheduling capability was completed in December 2023.
 - Replaced digital authentication method used at HMC-S, allowing for quicker access to Citrix and the EMR platform.
 - Added Capnostream and pulse oximetry monitors in various places at HMC and HMC-S.
 - Upgraded pulmonary function testing software, which allows for signature and dictation remotely by pulmonologists, integration with Hendrick Health’s EMR platforms, and communication to regional clinics via electronic fax.
 - Completed a conversion of clinical PC operating systems for Windows to iGel at HMC-S. This will provide better response times for mobile computer stations and a better configuration for Hendrick Health’s virtual desktop environment.
 - Installed a new CT scanner at HMC-S.

- Became the first hospital in Central West Texas to utilize the Impella RP Flex with SmartAssist, one of the world’s smallest heart pumps. The technology provides temporary right heart mechanical circulatory support and gives cardiologists an additional advanced care option for patients experiencing acute right heart failure.
 - Installed a new C-arm for use in the HMC-S operating room. This will assist surgeons in cases that require live X-ray.
 - Completed major renovations to Hendrick Center for Rehabilitation, which included state-of-the-art equipment (vehicle transfer simulator, ZeroG robotic body-weight support system, and Barihab treatment table to assist the bariatric patient population).
 - Began offering new diagnostic capabilities for patients suffering from chronic angina caused by coronary microvascular dysfunction (“CMD”). The Coroventis CoroFlow Cardiovascular System is an advanced platform to measure physiological indices. It is capable of calculating and displaying hemodynamic measurements in both epicardial vessels and coronary microvasculature. This new technology at Hendrick Health will ensure patients are properly diagnosed for the best course of treatment.
- The Risk/Safety “on call team” continued efforts to field calls 24/7 regarding patient safety and risk management issues with a view toward standardizing the organizational approach to safety matters between HMC and HMC-S. This includes standardizing the system’s approach to end of life decision-making consistent with Texas law, rules, and regulations.
 - Continued efforts towards clinical and administrative leadership consolidation, allowing for enhanced coordination of services, including the sharing of best practices, standardization of protocols, and centralized decision making.



[REDACTED]

- Hendrick Health’s lung nodule program is meeting its goal of increasing early detection of lung cancer and to increase the number of overall diagnoses, both of which increases a patient’s survival rate. Hendrick Health has seen a 150% increase in early stage diagnoses (IIIa or less) from 22 in 2021 to 55 in 2023. The number of stage I diagnoses has increased from seven to 30 from 2021 to 2023.

[REDACTED]

o Increased access to care by expanding service delivery:

- Hendrick Health continued improving its centralized transfer center to coordinate transfer requests from surrounding rural hospitals. This unified process and single transfer line has improved access to more local care for patients and hospitals in Hendrick Health’s service area. The centralized transfer center allows Hendrick Health to accept more patient transfers, which enables patients to receive care quicker and closer to home than they would have previously received.

[REDACTED]

[REDACTED]

- Prior to the Merger, legacy ARMC’s inpatient census had significantly declined in recent years due to lack of available resources, both in capital and staffing. Hendrick Health has increased staffing and resources available to HMC-S.
- Hendrick Health developed and implemented a leased ambulance model with a local transport company to transport patients more efficiently within the Hendrick Health system in Abilene (including HMC, HMC-S, Hendrick Medical Plaza, Hendrick Hospice Care, and personal residences in Abilene). Transports commenced at the end of Q2 FY2023, are available from 11:00 a.m. to 11:00 p.m., seven days per week, and supports patient access. A coordinator based out of the Hendrick Medical Plaza assists with patient transfers.
- Hendrick Health previously established transportation services through the Lyft ride share program to ensure patients have access to the hospital, physician visits, or other medical appointments after leaving the hospital. Hendrick Health is increasing the use of ride share options, when needed.

- Hendrick Health worked with the City of Abilene to review options to better support patient access to HMC-S. The Abilene CityLink program created “ZipZone”, which is an on-demand public ridesharing service where riders may request a trip with the zone that transports individuals as directly as possible, without transfer, to their destination. Potential transportation options will be communicated to Hendrick Health’s patient population.
- For patients in the acute care setting without an established primary care provider, Hendrick Health’s Case Management Department distributes information to assist patients with obtaining a primary care provider. The information provides a one call number that will allow patients to get an appointment with the first available primary care provider. Hendrick Health maintains a working relationship with the local Federally Qualified Health Center (“FQHC”) to have appointments set aside for hospital discharges needing to be seen in a timely manner post-discharge. Patients may also be referred to the Medical Care Mission.
- Hendrick Health continued to offer inpatient diabetes education for new-onset diabetics at both campuses. Additionally, this program has continued to identify pre-diabetes patients in Hendrick Health’s surgical population and educate those patients about the condition/management of the same. In November 2023, the Hendrick Diabetes Center hosted its annual free Diabetes Expo. Hendrick Health presented physician speakers (endocrinologist and podiatrist), along with certified diabetes educators and other healthcare providers with interactive booths for attendees to visit. Hendrick Health also established a weight loss class on the topics of healthy eating and exercise. This class is provided free of charge, based on referral. Hendrick Health also provided various community educational programming for a number of groups. Hendrick Health makes efforts to notify the patients of community programming in this regard and provider outreach for education regarding Hendrick Health services is ongoing.
- To address chronic heart failure patients, Hendrick Health added a new nurse navigator to see all inpatients and follow up with them after discharge to ensure compliance with follow-up appointments, provide education, and serve as a resource.
- Hendrick Health previously established and continues automatic consults for Hendrick pharmacy and pulmonary rehabilitation for patients admitted with Chronic Obstructive Pulmonary Disease (“COPD”). Hendrick Health’s outpatient pharmacy provides quarterly education to pulmonary rehab staff on inhalers and other respiratory medications that are specifically utilized for patients with lung disease.
- Hendrick Health continued operation of hospital-based clinical pharmacy services as a “one department/two campus” approach, which increased the

availability of these services at HMC-S to 24 hours a day, 7 days a week. Hendrick Health added an outpatient pharmacy inside HMC-S, purchased an additional delivery vehicle, and recruited pharmacy couriers for delivery of medication. Hendrick Health's MedAssist program provides a supply of medication to those patients who are identified by case management as unfunded or under insured. Pharmacists continue to be an integral part of the team at numerous Hendrick Health locations, including cardiology, pulmonary rehab, and heart failure clinics. Pharmacy staff also provide education sessions to the community at senior living centers and churches.

- Hendrick Health implemented its Trauma Acute Care Surgery ("TACS") team for unreferred patients who present to the emergency department for surgical consultation, all trauma patients, inpatient surgical service, and consults. Consultations may be directed to the TACS team or the general surgeon of choice. In addition, the TACS team will staff a follow-up clinic.
- Hendrick Health opened an additional outpatient laboratory in Abilene, providing enhanced access to patients.
- Hendrick Health continues to provide the latest in advanced medical procedures for stroke patients and has added another treatment using Penumbra's mechanical thrombectomy system to offer quick and efficient removal of blood clots in the brain.
- The HMC-S Critical Care Unit ("CCU") launched the sustained low-efficiency dialysis ("SLED") program. The treatment allows providers to dialyze sicker patients in the HMC-S CCU.
- Hendrick Health became the first site in Texas to implant a new first-of-its-kind dissolvable stent for patients suffering with chronic limb-threatening ischemia below the knee. This condition can be painful and is a severe form of peripheral artery disease that occurs when arteries become clogged with plaque preventing blood flow and oxygen from reaching the lower legs and feet.
- Hendrick Health began offering a breakthrough treatment for OSA for those patients in the region who have not been successful using the CPAP system. Unlike the common CPAP treatment which involves the patient wearing a mask during sleep that is connected via a hose to a bedside unit that blows pressured air, the Inspire system uses a device surgically implanted under the skin. This small device works with a patient's natural breathing process to treat OSA. Gentle stimulation moves the tongue forward and opens the airway without disturbing sleep, allowing oxygen to flow naturally. The patient turns the implant on and off with a small, handheld remote.
- In August 2024, Hendrick Center for Rehabilitation ("HCR") completed major renovations, including: patient rooms, nurses' stations, dining area, secured

outdoor balcony, and expanded rehab gym space. The 31-bed hospital also added state-of-the art equipment, including a vehicle transfer simulator, ZeroG robotic body-weight support system, and Barihab treatment table to assist the bariatric patient population. The renovation allows for a more functional therapy treatment area with the opportunity to serve a wider range of patient diagnoses.

- Hendrick Health enrolled approximately 160 patients in over 25 research programs.
 - Hendrick Health increased rural access in a number of ways in FY2024. Hendrick Health focused efforts on improved nurse staffing, resulting in a 37% decrease in declined transfer requests systemwide. This translated to [REDACTED] more accepted patient transfers from rural facilities – a 19% increase over FY2023. Efforts to increase access at HMC-S resulted in a 50% increase in accepted patient transfers at that campus. Overall inpatient admissions at HMC and HMC-S from outside the City of Abilene rose by nine percent [REDACTED]. Hendrick Health continued to expand access to continuing medical education (“CME”) and other educational opportunities, reaching nearly 450 regional medical office staff with Hendrick Health sponsored courses through the Practice Management Institute. Regional providers were invited to participate in Hendrick Health’s 29th Annual Physician Symposium (a two-day CME event) and enjoy continued access to Hendrick Health’s enduring CME portal. Hendrick Health continues to support rural access to specialty care by maintaining outreach clinics at 14 sites throughout the service area where nearly 5,000 patients were seen by Hendrick Health specialty providers in their local communities. Rural hospital administrators were also invited to participate in multiple nurse leadership and CEO networking gatherings hosted by Hendrick Health.
- Cost savings through coordination of resources and decision-making, resulting in improved efficiency and elimination of waste:
 - Hendrick Health’s Value Analysis Teams (“VATs”), which include clinical representatives from both HMC and HMC-S, continue to identify supply chain opportunities across the organization in order to streamline any duplicative, inefficient, and/or inconsistent purchases.
 - Hendrick Health has evaluated purchased services contracts to identify potential alignment opportunities, which would enable the combined organization to operate more efficiently and achieve cost savings. Hendrick Health recognized cost savings from bulk discounts, contract conversions, and contract alignment.
- [REDACTED]
- Hendrick Health also undertook the following additional steps to reduce costs

and improve efficiency:


- Regular joint Leadership Council meetings to manage and oversee integration activities, including minimizing costs and realizing efficiencies.
- Routine meetings of department directors with their counterparts to understand priorities and integration challenges, followed by meetings with their legacy teams to ensure alignment on integration matters.
- Regular executive leadership meetings to discuss post-Merger integration priorities and initiatives, including how to reduce costs and improve efficiency.
- Prioritization of organizational leaders spending time at both campuses to promote process standardization and teambuilding to improve efficiency.
- Routine meetings of the Joint Pharmacy and Therapeutics (“P&T”) Oversight Committee, including representatives from both HMC and HMC-S.
- Regular Joint Abilene Operations Meetings and Joint Abilene Executive Staff Meetings began in order to streamline leadership reporting, communication, and responsibilities across both campuses.
- Regular meetings of the OR/Surgical Committee at HMC-S to evaluate metrics and efficiencies related to surgical services.
- Engagement of a firm to provide a new Policy and Procedure Coordinator to streamline all written policies across the market and to develop a newly revised joint Policy Review Committee.
- Regular operating reviews for all departments in the Abilene market. Department leadership analyzes efficiencies, expenses compared to budget, and adjusts when necessary to ensure good stewardship of financial and operational resources.
- The Hendrick Service Center at the Mall of Abilene allows for the relocation of valuable space to expand clinical services for patients. Hendrick Service Center also enables consolidation of departments for improved operations and efficiencies.
- These items are meant to outline continued efforts to integrate and streamline operations and quality assurance across the health system. Hendrick Health is unable to quantify dollar amounts or quantities associated with these items.



- Hendrick Health has been able to achieve these improvements to healthcare quality and access while minimizing costs through increased efficiencies, the coordination of services, and the reduction in duplication of resources. Hendrick Health is committed to reinvesting these savings in its operations and community, with the goal of improving the overall patient experience and patient care. During fiscal year 2024, Hendrick Health invested a total of approximately \$43.4 million in capital and infrastructure expenditures at the two campuses.

2. If applicable, information about the hospital's actions taken: (A) in furtherance of any commitments made by the parties to the merger; and (B) to comply with terms imposed by HHSC as a condition for approval of the merger agreement.

[This Item contains proprietary, competitively sensitive information redacted from the public version.]

- Hendrick Health has remained committed to reinvesting cost savings from the Merger in its operations and community, which it has accomplished through the following actions in FY2024:
 - Capital expenditures: Hendrick Health invested approximately \$43.4 million in capital expenditures across both HMC and HMC-S. 
 - Additional clinical staffing at HMC-S and investment in staff across the organization: Hendrick Health has worked to increase the clinical staffing available at HMC-S through the continuation of a clinical labor float pool and hiring of additional clinical employees. Hendrick Health hosted a Career Advancement Fair to provide information about career paths within healthcare, education routes for different fields, and opportunities for growth within the organization. Further, Hendrick Health continues to invest in its workforce with multiple tuition-based programs to help with the cost of continuing education.
 - Additional examples of reinvestment in the health system include upgrades to equipment/facilities, addition of new technologies, and expansion of service offerings.
- Furthermore, since the Transaction closed in October 2020, as required by Texas Health and Safety

Code § 314A.103, Texas Admin. Code § 567 et seq., and the COPA Terms and Conditions of Compliance, Hendrick Health submitted the Baseline report, annual reports, and quarterly reports regarding the Merger. This Report is responsive to the required annual reporting terms.

- Hendrick Health also complied with the annual hearing requirement through its COPA public hearing held Friday, September 27, 2024 from 9:30 to 10:30 a.m. at Hendrick Medical Center’s Auxiliary Conference Center. Written testimonials were accepted online at hendrickexpandsaccess.com or by mail to Hendrick Medical Center.

3. A description of the activities conducted by the hospital under the merger agreement.

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- Since the Transaction closed in October 2020, Hendrick Health has improved healthcare quality and access while utilizing efficiencies to keep healthcare costs down, despite tremendous challenges caused by the COVID-19 pandemic, inflationary pressures, and other matters. Hendrick Health believes its larger, post-Merger combined medical staff has led to better planning and improvement in system-wide mechanisms for quality of care. Additionally, the consolidation of services has increased the availability of and patient access to such services, and Hendrick Health has thoughtfully evaluated clinical services across HMC and HMC-S for clinical optimization and/or expansion opportunities.
- Specifically, Hendrick Health achieved these benefits through the following actions in FY2024:
 - Improved healthcare quality and patient outcomes:
 - Institution of quality improvement measures through system-wide goals for the following five specific quality measures: (1) inpatient 30-day readmission reduction: observed rate \leq peer in 5 of 6 measures⁴; (2) HAC reduction domain 2 HAI SIRs – Achieve ≤ 1.00 in each of 4 of 5 underlying measures⁵; (3) SUR – central line and foley usage reduction – Achieve ≤ 1.10 in 1 of 2 measures; and (4) HCAHPS Care Transition – understood purpose of medications $\geq 64\%$ (CMS 85th percentile).

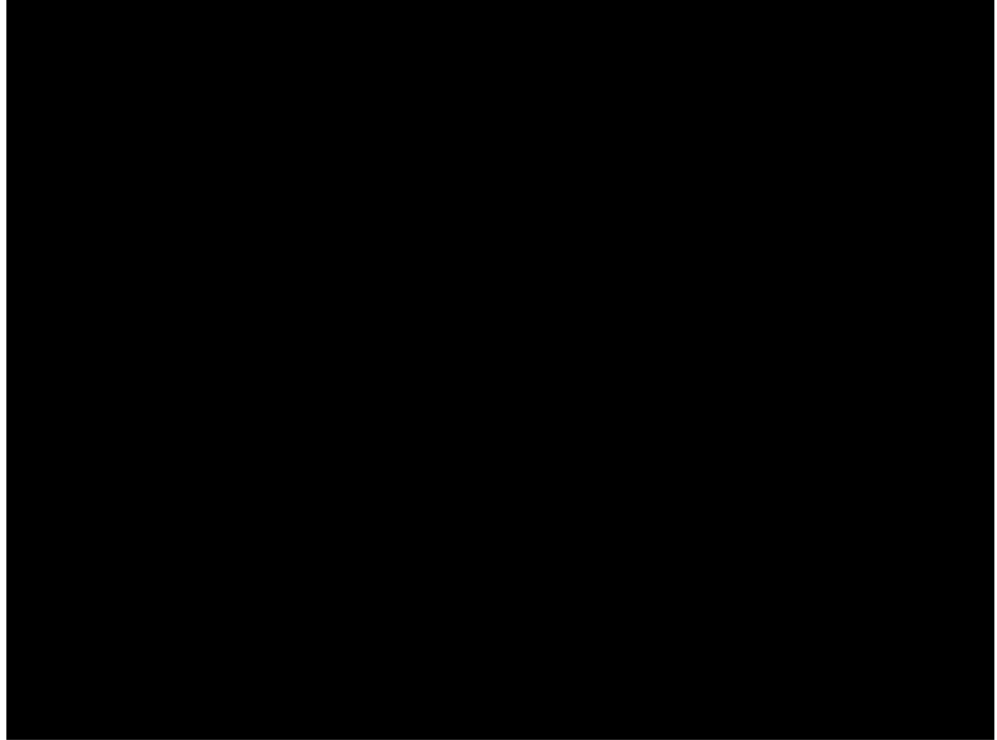
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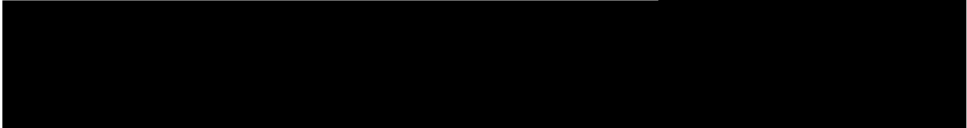
⁴ Underlying measures include: Acute Myocardial Infarction (“AMI”); Chronic Obstructive Pulmonary Disease (“COPD”); Heart Failure (“HF”); Pneumonia; Coronary Artery Bypass Graft (“CABG”) Surgery; and Elective Primary Total Hip Arthroplasty and/or Total Knee Arthroplasty (“THA”/“TKA”).

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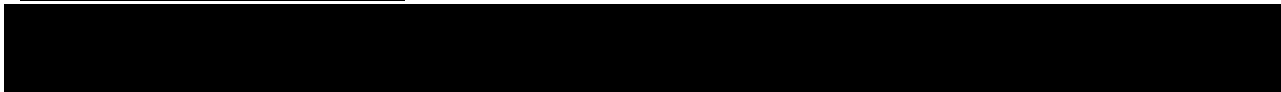
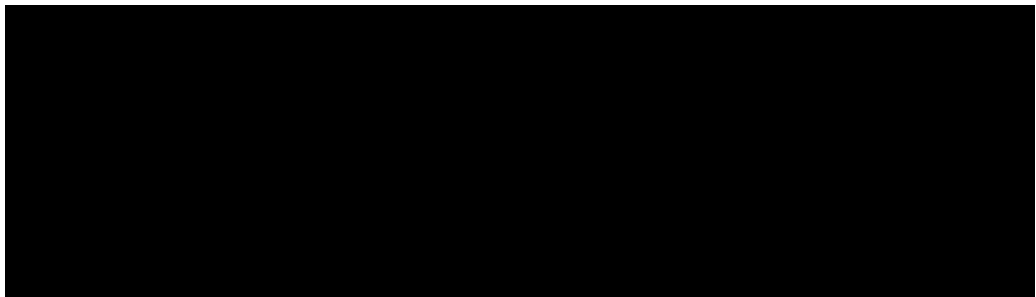
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- Continued operation of various system-wide committees, including the Evidence-Based Medicine Committee, Patient Safety Committee, Performance Improvement Committee and Physician Review Committee, Readmission Committee, and Executive Patient Experience Committee, which are tasked with reviewing and improving quality of care procedures. The system-wide Quality Council focused on quality of care concerns, performance improvement projects, and data from regulatory-required and high-impact monitoring.
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- Continued efforts to streamline and enhance the physician credentialing/reappointment process with the Ongoing Professional Practice Evaluation (“OPPE”)/Focused Professional Practice Evaluation (“FPPE”) process, a detailed evaluation of practitioners’ professional performance, which has led to a better assessment of physician quality metrics and monitoring of care.
- Upgraded technology and replaced older equipment. For example, Hendrick Health:
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 - Installed a new wireless network at HMC-S to provide better wireless coverage for use of mobile and biomed devices within the hospital.
 - Continued with implementation of a new timekeeping and nurse scheduling platform at HMC-S. The mobile scheduling capability was completed in December 2023.
 - Replaced digital authentication method used at HMC-S, allowing for quicker access to Citrix and the EMR platform.
 - Added Capnostream and pulse oximetry monitors in various places at HMC and HMC-S.
 - Upgraded pulmonary function testing software, which allows for signature and dictation remotely by pulmonologists, integration with Hendrick Health’s EMR platforms, and communication to regional clinics via electronic fax.
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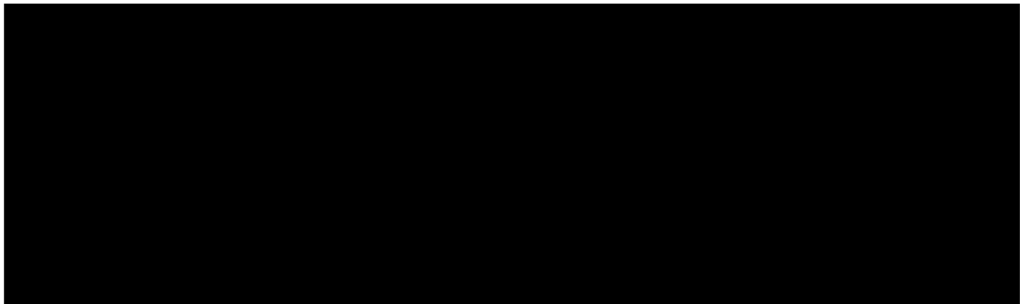
computer stations and a better configuration for Hendrick Health's virtual desktop environment.

- Installed a new CT scanner at HMC-S.
 - Became the first hospital in Central West Texas to utilize the Impella RP Flex with SmartAssist, one of the world's smallest heart pumps. The technology provides temporary right heart mechanical circulatory support and gives cardiologists an additional advanced care option for patients experiencing acute right heart failure.
 - Installed a new C-arm for use in the HMC-S operating room. This will assist surgeons in cases that require live X-ray.
 - Completed major renovations to Hendrick Center for Rehabilitation, which included state-of-the-art equipment (vehicle transfer simulator, ZeroG robotic body-weight support system, and Barihab treatment table to assist the bariatric patient population).
 - Began offering new diagnostic capabilities for patients suffering from chronic angina caused by coronary microvascular dysfunction ("CMD"). The Coroventis CoroFlow Cardiovascular System is an advanced platform to measure physiological indices. It is capable of calculating and displaying hemodynamic measurements in both epicardial vessels and coronary microvasculature. This new technology at Hendrick Health will ensure patients are properly diagnosed for the best course of treatment.
- The Risk/Safety "on call team" continued efforts to field calls 24/7 regarding patient safety and risk management issues with a view toward standardizing the organizational approach to safety matters between HMC and HMC-S. This includes standardizing the system's approach to end of life decision-making consistent with Texas law, rules, and regulations.
 - Continued efforts towards clinical and administrative leadership consolidation, allowing for enhanced coordination of services, including the sharing of best practices, standardization of protocols, and centralized decision making.



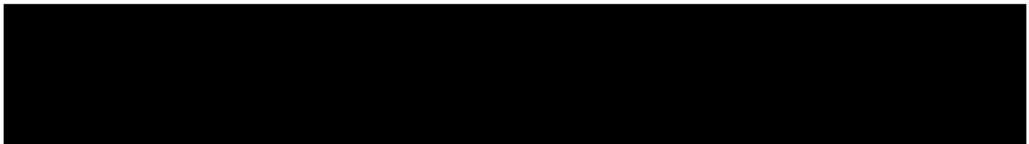


- Hendrick Health’s lung nodule program is meeting its goal of increasing early detection of lung cancer and to increase the number of overall diagnoses, both of which increases a patient’s survival rate. Hendrick Health has seen a 150% increase in early stage diagnoses (IIIa or less) from 22 in 2021 to 55 in 2023. The number of stage I diagnoses has increased from seven to 30 from 2021 to 2023.



- Increased access to care by expanding service delivery:

- Hendrick Health continued improving its centralized transfer center to coordinate transfer requests from surrounding rural hospitals. This unified process and single transfer line has improved access to more local care for patients and hospitals in Hendrick Health’s service area. The centralized transfer center allows Hendrick Health to accept more patient transfers, which enables patients to receive care quicker and closer to home than they would have previously received.



- Prior to the Merger, legacy ARMC’s inpatient census had significantly declined in recent years due to lack of available resources, both in capital and staffing. Hendrick Health has increased staffing and resources available to HMC-S.
- Hendrick Health developed and implemented a leased ambulance model with a local transport company to transport patients more efficiently within the Hendrick Health system in Abilene (including HMC, HMC-S, Hendrick Medical Plaza, Hendrick Hospice Care, and personal residences in Abilene). Transports commenced at the end of Q2 FY2023, are available from 11:00 a.m. to 11:00 p.m., seven days per week, and supports patient access. A coordinator based out of the Hendrick Medical Plaza assists with patient transfers.


- Hendrick Health previously established transportation services through the Lyft ride share program to ensure patients have access to the hospital, physician visits, or other medical appointments after leaving the hospital. Hendrick Health is increasing the use of ride share options, when needed.
- Hendrick Health worked with the City of Abilene to review options to better support patient access to HMC-S. The Abilene CityLink program created “ZipZone”, which is an on-demand public ridesharing service where riders may request a trip with the zone that transports individuals as directly as possible, without transfer, to their destination. Potential transportation options will be communicated to Hendrick Health’s patient population.
- For patients in the acute care setting without an established primary care provider, Hendrick Health’s Case Management Department distributes information to assist patients with obtaining a primary care provider. The information provides a one call number that will allow patients to get an appointment with the first available primary care provider. Hendrick Health maintains a working relationship with the local Federally Qualified Health Center (“FQHC”) to have appointments set aside for hospital discharges needing to be seen in a timely manner post-discharge. Patients may also be referred to the Medical Care Mission.
- Hendrick Health continued to offer inpatient diabetes education for new-onset diabetics at both campuses. Additionally, this program has continued to identify pre-diabetes patients in Hendrick Health’s surgical population and educate those patients about the condition/management of the same. In November 2023, the Hendrick Diabetes Center hosted its annual free Diabetes Expo. Hendrick Health presented physician speakers (endocrinologist and podiatrist), along with certified diabetes educators and other healthcare providers with interactive booths for attendees to visit. Hendrick Health also established a weight loss class on the topics of healthy eating and exercise. This class is provided free of charge, based on referral. Hendrick Health also provided various community educational programming for a number of groups. Hendrick Health makes efforts to notify the patients of community programming in this regard and provider outreach for education regarding Hendrick Health services is ongoing.
- To address chronic heart failure patients, Hendrick Health added a new nurse navigator to see all inpatients and follow up with them after discharge to ensure compliance with follow-up appointments, provide education, and serve as a resource.
- Hendrick Health previously established and continues automatic consults for Hendrick pharmacy and pulmonary rehabilitation for patients admitted with Chronic Obstructive Pulmonary Disease (“COPD”). Hendrick Health’s outpatient pharmacy provides quarterly education to pulmonary rehab staff on inhalers and

other respiratory medications that are specifically utilized for patients with lung disease.

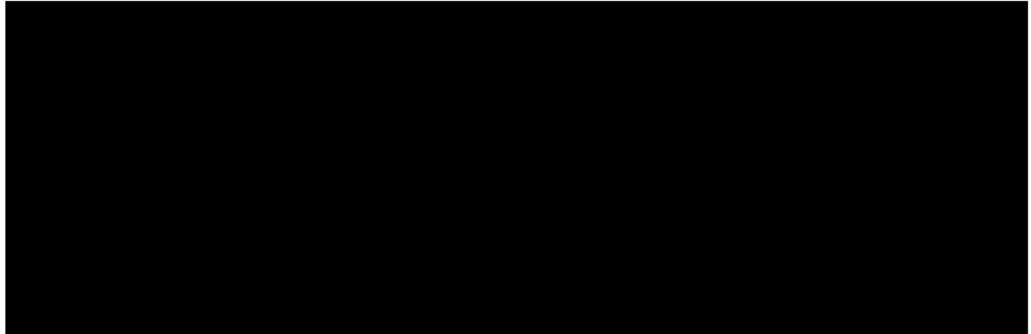
- Hendrick Health continued operation of hospital-based clinical pharmacy services as a “one department/two campus” approach, which increased the availability of these services at HMC-S to 24 hours a day, 7 days a week. Hendrick Health added an outpatient pharmacy inside HMC-S, purchased an additional delivery vehicle, and recruited pharmacy couriers for delivery of medication. Hendrick Health’s MedAssist program provides a supply of medication to those patients who are identified by case management as unfunded or under insured. Pharmacists continue to be an integral part of the team at numerous Hendrick Health locations, including cardiology, pulmonary rehab, and heart failure clinics. Pharmacy staff also provide education sessions to the community at senior living centers and churches.
- Hendrick Health implemented its Trauma Acute Care Surgery (“TACS”) team for unreferred patients who present to the emergency department for surgical consultation, all trauma patients, inpatient surgical service, and consults. Consultations may be directed to the TACS team or the general surgeon of choice. In addition, the TACS team will staff a follow-up clinic.
- Hendrick Health opened an additional outpatient laboratory in Abilene, providing enhanced access to patients.
- Hendrick Health continues to provide the latest in advanced medical procedures for stroke patients and has added another treatment using Penumbra’s mechanical thrombectomy system to offer quick and efficient removal of blood clots in the brain.
- The HMC-S Critical Care Unit (“CCU”) launched the sustained low-efficiency dialysis (“SLED”) program. The treatment allows providers to dialyze sicker patients in the HMC-S CCU.
- Hendrick Health became the first site in Texas to implant a new first-of-its-kind dissolvable stent for patients suffering with chronic limb-threatening ischemia below the knee. This condition can be painful and is a severe form of peripheral artery disease that occurs when arteries become clogged with plaque preventing blood flow and oxygen from reaching the lower legs and feet.
- Hendrick Health began offering a breakthrough treatment for OSA for those patients in the region who have not been successful using the CPAP system. Unlike the common CPAP treatment which involves the patient wearing a mask during sleep that is connected via a hose to a bedside unit that blows pressured air, the Inspire system uses a device surgically implanted under the skin. This small device works with a patient’s natural breathing process to treat OSA. Gentle stimulation moves the tongue forward and opens the airway without

disturbing sleep, allowing oxygen to flow naturally. The patient turns the implant on and off with a small, handheld remote.

- In August 2024, Hendrick Center for Rehabilitation (“HCR”) completed major renovations, including: patient rooms, nurses’ stations, dining area, secured outdoor balcony, and expanded rehab gym space. The 31-bed hospital also added state-of-the art equipment, including a vehicle transfer simulator, ZeroG robotic body-weight support system, and Barihab treatment table to assist the bariatric patient population. The renovation allows for a more functional therapy treatment area with the opportunity to serve a wider range of patient diagnoses.
 - Hendrick Health enrolled approximately 160 patients in over 25 research programs.
 - Hendrick Health increased rural access in a number of ways in FY2024. Hendrick Health focused efforts on improved nurse staffing, resulting in a 37% decrease in declined transfer requests systemwide. This translated to [REDACTED] more accepted patient transfers from rural facilities – a 19% increase over FY2023. Efforts to increase access at HMC-S resulted in a 50% increase in accepted patient transfers at that campus. Overall inpatient admissions at HMC and HMC-S from outside the City of Abilene rose by nine percent [REDACTED]. Hendrick Health continued to expand access to continuing medical education (“CME”) and other educational opportunities, reaching nearly 450 regional medical office staff with Hendrick Health sponsored courses through the Practice Management Institute. Regional providers were invited to participate in Hendrick Health’s 29th Annual Physician Symposium (a two-day CME event) and enjoy continued access to Hendrick Health’s enduring CME portal. Hendrick Health continues to support rural access to specialty care by maintaining outreach clinics at 14 sites throughout the service area where nearly 5,000 patients were seen by Hendrick Health specialty providers in their local communities. Rural hospital administrators were also invited to participate in multiple nurse leadership and CEO networking gatherings hosted by Hendrick Health.
- Cost savings through coordination of resources and decision-making, resulting in improved efficiency and elimination of waste:
- Hendrick Health’s Value Analysis Teams (“VATs”), which include clinical representatives from both HMC and HMC-S, continue to identify supply chain opportunities across the organization in order to streamline any duplicative, inefficient, and/or inconsistent purchases.
 - Hendrick Health has evaluated purchased services contracts to identify potential alignment opportunities, which would enable the combined organization to operate more efficiently and achieve cost savings. Hendrick Health recognized cost savings from bulk discounts, contract conversions, and contract alignment.

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- Hendrick Health also undertook the following additional steps to reduce costs and improve efficiency:
 - Regular joint Leadership Council meetings to manage and oversee integration activities, including minimizing costs and realizing efficiencies.
 - Routine meetings of department directors with their counterparts to understand priorities and integration challenges, followed by meetings with their legacy teams to ensure alignment on integration matters.
 - Regular executive leadership meetings to discuss post-Merger integration priorities and initiatives, including how to reduce costs and improve efficiency.
 - Prioritization of organizational leaders spending time at both campuses to promote process standardization and teambuilding to improve efficiency.
 - Routine meetings of the Joint Pharmacy and Therapeutics (“P&T”) Oversight Committee, including representatives from both HMC and HMC-S.
 - Regular Joint Abilene Operations Meetings and Joint Abilene Executive Staff Meetings began in order to streamline leadership reporting, communication, and responsibilities across both campuses.
 - Regular meetings of the OR/Surgical Committee at HMC-S to evaluate metrics and efficiencies related to surgical services.
 - Engagement of a firm to provide a new Policy and Procedure Coordinator to streamline all written policies across the market and to develop a newly revised joint Policy Review Committee.
 - Regular operating reviews for all departments in the Abilene market. Department leadership analyzes efficiencies, expenses compared to budget, and adjusts when necessary to ensure good stewardship of financial and operational resources.
 - The Hendrick Service Center at the Mall of Abilene allows for the relocation of valuable space to expand clinical services for patients. Hendrick Service Center also enables consolidation of departments for improved operations and efficiencies.

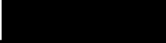
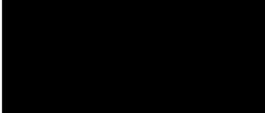
- These items are meant to outline continued efforts to integrate and streamline operations and quality assurance across the health system. Hendrick Health is unable to quantify dollar amounts or quantities associated with these items.



- Hendrick Health has been able to achieve these improvements to healthcare quality and access while minimizing costs through increased efficiencies, the coordination of services, and the reduction in duplication of resources. Hendrick Health is committed to reinvesting these savings in its operations and community, with the goal of improving the overall patient experience and patient care. During fiscal year 2024, Hendrick Health invested a total of approximately \$43.4 million in capital and infrastructure expenditures at the two campuses.

4. Information relating to the price, cost, quality of, and access to health care for the population served by the hospital.

[This Item contains proprietary, competitively sensitive information redacted from the public version.]

- Pricing/Cost: During FY2024, Hendrick Health contracted with 17 healthcare payers. 
 Additionally, the Charity Care policy for Hendrick Health was extended post-Merger to encompass both HMC and HMC-S. The policy was revised, effective November 23, 2021 and included as an attachment to the Q1 FY2022 report. During FY2024, Hendrick Health enrolled a total of 17,960⁷ patients in charity care. Combined, HMC and HMC-S incurred approximately \$134.2 million⁸ in charity care during this period. In addition to charity care, Hendrick Health provided approximately \$74.2 million in uninsured patient discounts during FY2024.⁹
- Quality: Since the Transaction Closing Date, Hendrick Health has dealt with a number of challenges, including the COVID-19 pandemic, inflationary pressures, etc. Hendrick Health has been able to improve the quality of healthcare as evidenced by the various quality metrics cited in the quarterly

⁷ As noted in the Q4 FY2024 quarterly Performance Report, Hendrick Health revised Q2 FY24 and Q3 FY24 volume figures to account for reclassification of patients.

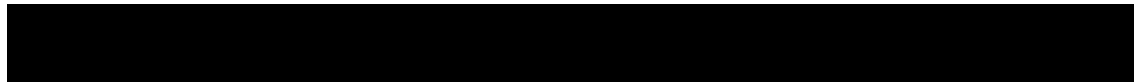
⁸ As noted in the Q4 FY2024 quarterly Performance Report, Hendrick Health revised Q3 FY24 charity care amount to account for reclassification of patients.

⁹ This figure has been updated to account for reclassification of patients.

reports, which have either remained constant or, taken holistically, have improved. Specifically, both HMC and HMC-S maintained consistent patient satisfaction ratings. HMC's Leapfrog Safety Grade remained consistent with a "B" in the Spring 2024 and Fall 2024 releases, while HMC-S remained consistent with a "C". As noted in prior reports, a portion of data used for the Leapfrog Safety Grades pre-dates the Merger. In addition, Hendrick Health's emergency department average (median) wait time was below the national benchmark for each quarterly CMS data release in FY2024.

- Access: As previously reported in quarterly reports, HMC and legacy ARMC (HMC-S) experienced significant declines in both inpatient and outpatient patient volumes in 2020, largely as a result of the COVID-19 pandemic, followed by gradual increases toward historical rates. Total inpatient admissions and outpatient registrations for FY2024 were up in comparison to FY2023. Hendrick Health increased access to healthcare services for patients in its communities, including rural communities, through the following initiatives to expand service delivery:

- Continued use of a centralized patient transfer center allowing for the acceptance of more patient transfers to Hendrick Health.



- Implemented the Trauma Acute Care Surgery ("TACS") team for unreferred patients who present to the emergency department for surgical consultation, all trauma patients, inpatient surgical service, and consults.
- Added Capnostream and pulse oximetry monitors in various places at HMC and HMC-S.
- Implemented new diagnostic capabilities of the Coroventis CoroFlow Vascular System for patients suffering from chronic angina caused by coronary microvascular dysfunction ("CMD").
- Began utilizing the Impella RP Flex with SmartAssist, one of the world's smallest heart pumps.
- Added a new C-arm and mobile digital radiology machine at HMC-S.
- Opened an additional outpatient laboratory in Abilene, providing enhanced access to patients.
- Added treatment for stroke patients using Penumbra's mechanical thrombectomy system to offer quick and efficient removal of blood clots in the brain.
- Launched the sustained low-efficiency dialysis ("SLED") program at HMC-S, allowing providers to dialyze sicker patients in the HMC-S Critical Care Unit ("CCU").
- Installed a new CT scanner at HMC-S.
- Became the first in Texas to implant a dissolvable stent below the knee.
- Added breakthrough treatment for obstructive sleep apnea ("OSA") for patients in the

region who have not been successful using the continuous positive airway pressure (“CPAP”) system.

- Renovated Hendrick Center for Rehabilitation (“HCR”) to include, among other things, state-of-the-art equipment (vehicle transfer simulator, ZeroG robotic body-weight support system, and Barihab treatment table for assistance with bariatric patients).

5. Any other information required by HHSC to ensure compliance with Health and Safety Code Chapter 314A and 26 TAC Chapter 567, including information relating to compliance with these terms and conditions.

- The Merger has not reduced competition among physicians, allied health professionals, other health providers, or any other persons providing goods and services with the hospitals. HMC and HMC-S face competition from a number of hospitals and health systems in their primary and secondary service areas. Post-Merger, Hendrick Health continues to compete with large and significant health systems throughout the region, most of which are gaining strength. The robust competition for inpatient hospital services will continue from at least 24 other hospitals. Likewise, Hendrick Health also faces competition from freestanding emergency departments, urgent care centers, ambulatory surgery centers, rural health clinics, and other healthcare providers located in Taylor County and the surrounding counties.
- Hendrick Health has made significant efforts to bring additional jobs to the area. Post-Merger, Hendrick Health posted job openings for roles covering both clinical and non-clinical positions across the organization, which indicates significant demand for talent within the combined Hendrick Health system. Hendrick Health has used various resources to recruit medical providers to the community, including multiple online recruitment platforms to disseminate job postings for physician and nursing positions. Hendrick Health also partnered with recruitment firms and circulated open job positions through email blasts to current employees. In addition, Hendrick Health hired more than 1,300 new employees in FY2024. Other workforce-related investments include:
 - Hendrick Health previously launched its service excellence training program to provide employees with tools to continuously deliver high quality healthcare and patient experience. Hendrick Health later rolled out the next phase with commitments to excellence highlighted each week in the daily safety huddle and other meetings.
 - To emphasize employee wellness, Hendrick Health is now offering Tava Health as a benefit to its employees. As part of this benefit, Nomi Health will completely cover the cost of 12 counseling sessions per year for full- and part-time Hendrick Health employees.
 - In October 2023, Hendrick Health’s Workforce Development and HR recruitment teams hosted a Career Advancement Fair to provide information about career paths within healthcare, education routes for different fields, and opportunities for growth within the organization. To help employees reach their full potential, Hendrick Health offers multiple tuition-based programs to help with the cost of continuing education.

- Hendrick Health, with other community healthcare leaders, provides advanced opportunities for aspiring healthcare workers in Abilene. Abilene high school students have the opportunity to become a licensed vocational nurse (“LVN”) through completion of coursework and clinicals at a Hendrick Health location.
- Hendrick Health’s Racial & Ethnic Diversity Committee continued working toward its goals of ensuring promotion of diversity, equity, and inclusion amongst employees and for leadership to be representative of the overall employee population. The committee raised money for a scholarship to advance diversity in healthcare, development of a mentorship program, and continued research and education on diversity best practices, etc.
- In support of the community and other areas in service-related endeavors, Hendrick Health supports employee mission trips through paid time off. During calendar year 2024, Hendrick Health granted over 1,000 hours in paid time off for employees on mission trips, including locally in Texas and internationally. Hendrick Health also supports other medical missions conducted by local organizations.
- Patient choice is being preserved through the patient choice policy for Hendrick Health, which was extended post-Merger to encompass both HMC and HMC-S. The policy continues to conform with CMS mandated patient choice requirements.

B. Additional Annual Reporting Requirements

6. An explanation of the incorporation and integration of the medical record systems of each hospital.

- Before the Transaction, HMC and HMC-S (legacy ARMC) operated on separate EMR and ERP systems, from different vendors. As reported in prior Performance Reports, HMC and HMC-S completed the planned migration to Allscripts Acute EMR platform (now Altera Digital Health) with a go-live date of June 1, 2021, providing the organization with a single hospital EMR system across both campuses. The single EMR has allowed for physicians to document and see results in one system and for patients to access one portal, providing greater connected care between facilities.

7. Findings from service area assessments that describe maintaining or improving the quality, efficiency, and accessibility of health care services offered to the public.

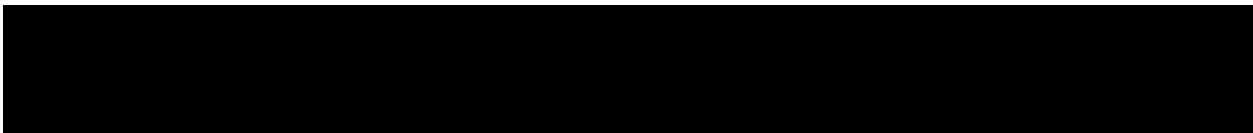
- Hendrick Health did not create any service area assessment responsive to this item. Any updates or findings from responsive service area assessments will be reported on in future submissions. Hendrick Health uses its Community Health Needs Assessment (“CHNA”) to better understand the needs of the community and address the same through community-based services/programs. The CHNA includes a combination of quantitative and qualitative research designed to evaluate the perspective and opinions of community stakeholders and healthcare consumers. In 2022, Hendrick Health completed a new CHNA. The CHNA identified top community health-related needs or service gaps and categorized them into three priorities:
 - Priority 1 – Access to appropriate care. Community needs addressed include:
 - Affordable prescription drugs
 - Hospital and healthcare staff shortages
 - Coordination of patient care between the hospital and other clinics, doctors, or other health service providers
 - Transportation services for people needing to go to doctor’s appointments or the hospital
 - Education and referrals for financial support and community affordable healthcare services and programs
 - Primary care services such as family doctor or other provider of routine care
 - Priority 2 – Awareness, prevention, and screening. Community needs addressed include:
 - Community awareness of available services and programs
 - Women’s health services
 - Chronic disease case management or “navigators”
 - Chronic disease screenings (e.g., heart disease, stroke, high blood pressure)
 - Programs for diabetes prevention, awareness, and care
 - Affordable prescription drugs

- Programs for obesity prevention, awareness, and care
- Priority 3 – Crisis, emergency, and behavioral services (through partnership and collaboration). Community needs addressed include:
 - Mental health services for adults and children
 - Domestic violence and sexual assault prevention, intervention, and care services
 - Healthcare and social services for people experiencing homelessness
 - Emergency care and trauma services, including critical care beds
- The Merger has allowed Hendrick Health to continue its focus on impacting the predominant health needs in the community. Hendrick Health is in the process of implementing strategies to address the 2022 CHNA-identified needs.

8. A report on how any cost savings from allowing both hospitals to reduce costs and eliminate duplicate functions have led to lower prices for health care services or investments to improve the quality of health care services.

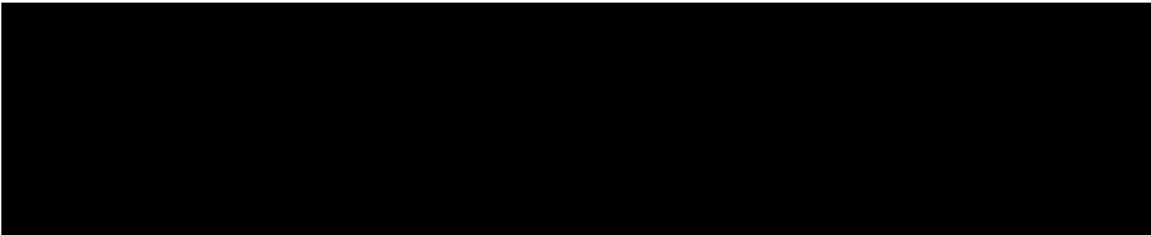
[This Item contains proprietary, competitively sensitive information redacted from the public version.]

- In recent years, Hendrick Health has seen costs continue to rise from materials and supplies to capital investment. Despite these financial pressures, Hendrick Health continues to reinvest cost savings, where possible, in various local initiatives and other matters.



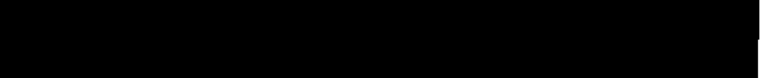
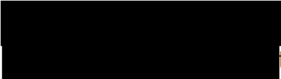
- Other previously reported examples of Hendrick Health efforts to reduce costs include:
 - Regular joint Leadership Council meetings to manage and oversee integration activities, including minimizing costs and realizing efficiencies.
 - Routine meetings of department directors with their counterparts to understand priorities and integration challenges, followed by meetings with their legacy teams to ensure alignment on integration matters.
 - Regular executive leadership meetings to discuss post-Merger integration priorities and initiatives, including how to reduce costs and improve efficiency.
 - Organizational leaders have been prioritizing spending time at both campuses to promote process standardization and teambuilding to improve efficiency.
 - Routine meetings of the Joint Pharmacy and Therapeutics (“P&T”) Oversight Committee continued with representatives from both HMC and HMC-S.
 - Regular Joint Abilene Operations Meetings and Joint Abilene Executive Staff Meetings continued to streamline leadership reporting, communication, and responsibilities across both campuses.

- An OR/Surgical Committee was created at HMC-S. The committee established a process for evaluating metrics and efficiencies related to surgical services. This committee rolls up to the Medical Advisory Committee at HMC-S, which reports to the Medical Executive Committee for the Abilene community, increasing communication and streamlining processes across both campuses under the same medical model.
- Engaged a firm to provide a new Policy and Procedure Coordinator to streamline all written policies across the market and to develop a newly revised joint Policy Review Committee.
- Hendrick Health implemented regular operating reviews for all departments in the Abilene market. Department leadership analyzes efficiencies, expenses compared to budget, and adjusts when necessary to ensure good stewardship of financial and operational resources.
- The new Hendrick Service Center at the Mall of Abilene allows for the relocation of valuable space to expand clinical services for patients. Hendrick Service Center also enables consolidation of departments for improved operations and efficiencies.



- Examples of Hendrick Health investments in FY2024 include:
 - Capital Expenditures: During FY2024, Hendrick Health invested \$43.4 million in capital expenditures across both HMC and HMC-S. Included in this amount are various infrastructure updates, equipment, software, and other property purchases/building renovations.



- Pulse Oximetry/Capnography: Hendrick Health added Capnostream and pulse oximetry monitors in various places at HMC and HMC-S. Remote oximetry monitoring is now available at certain nurses' stations. 
 to upgrade its pulmonary function testing software, which allows for signature and dictation remotely by pulmonologists, integration with Hendrick Health's EMR platforms, and communication to regional clinics via electronic fax.
- Heart pumps: Hendrick Health became the first hospital in Central West Texas to utilize the Impella RP Flex with SmartAssist, one of the world's smallest heart pumps. The technology provides temporary right heart mechanical circulatory support and gives cardiologists an additional advanced care option for patients experiencing acute right heart failure. Hendrick



Health already utilizes a similar technology in the left side of the heart and purchased three RP Flex catheters [REDACTED]

- New Radiology Equipment: [REDACTED] new C-arm for use in the HMC-S operating room. This will assist surgeons in cases that require live X-ray. The technology provides optimum imaging for patients and helps maximize efficiency for physicians and staff. [REDACTED] new mobile digital radiology machine for HMC-S.
- New Outpatient Laboratory Location: In February 2024, Hendrick Health opened an additional outpatient laboratory in Abilene, providing enhanced access to patients. [REDACTED]
[REDACTED]
- Free Colon Screenings: Colorectal cancer is among the leading cause of cancer-related deaths in the United States; however, it is one of the most preventable. To promote early detection, Hendrick Cancer Center offered free assessments and decal immunochemical tests for screening (if criteria was met). [REDACTED]
[REDACTED]
- New CT Scanner: In May 2024, Hendrick Health installed a new CT scanner at HMC-S. [REDACTED]
[REDACTED]
- Hendrick Center for Rehabilitation (“HCR”): HCR completed major renovations, including: patient rooms, nurses’ stations, dining area, secured outdoor balcony, and expanded rehab gym space. The 31-bed hospital also added state-of-the art equipment, including a vehicle transfer simulator, ZeroG robotic body-weight support system, and Barihab treatment table to assist the bariatric patient population. The renovation allows for a more functional therapy treatment area with the opportunity to serve a wider range of patient diagnoses.
[REDACTED]

IV. Annual Public Hearing

Hendrick Health held its third annual public hearing on Friday, September 27, 2024 at Hendrick Medical Center’s Auxiliary Conference Center from 9:30 to 10:30 a.m. Notifications were sent to area news media and posted on Hendrick Health’s website and social media profiles. A public notice was published in the Abilene Reporter-News. Written testimonials were accepted online at hendrickexpandsaccess.com, by email, or by regular mail to Hendrick Medical Center. Copies of written correspondence received are included in **Attachment 1** to this Report. Hendrick Health responds to all patient concerns in a patient-centered way and is in the process of reviewing these comments to determine appropriate responses, as needed.

Jay Hardaway, Hendrick Health Director, Legislative Affairs and Public Policy, presided over the hearing, which had 44 individuals in attendance. Brad Holland, President and CEO of Hendrick Health, presented opening remarks on the history of Hendrick Health and the Merger. Mr. Holland highlighted efforts to deliver high quality care, expand access to care, increase capacity, invest locally, and extend Hendrick Health’s mission in Abilene and surrounding communities. Mr. Holland spoke about challenges in the healthcare industry, particularly for hospitals in Texas and Hendrick Health’s commitments to increased access and quality in the face of such challenges. A total of 12 individuals offered oral comments. Below is a brief summary of the oral comments.

- Ron Fogle, a member of the Hendrick Health Board of Trustees, conveyed the benefit of having a local Board of Trustees and invitation to the community to provide input at meetings. Mr. Fogle believes Hendrick Health offers quality service to the community and region.
- Dr. Rob Wiley, Chief Medical Officer of Hendrick Health, highlighted several areas of integration and increases in access to medical care for the community post-Merger. Dr. Wiley spoke about professional staff recruiting and highlighted five new service lines, including cardiovascular, LPN (HMC-S), LVO/Thrombectomy, Trauma Acute Surgery (“TACS”) Team, and Body and Wellness program. Dr. Wiley explained that the integration of HMC and HMC-S has provided the space and staff to reach the goals highlighted in service line additions. This allows for an increase in quality of care for the region.
- Samantha Baker, former Hendrick Health Nurse Recruiter, explained that she has been inspired to see the collaboration Hendrick Health has coordinated to address the nursing shortage after the COVID-19 pandemic, and believes Hendrick Health is doing an excellent job with recruiting and retention. Ms. Baker believes physicians are actively involved in the region and genuinely invested in its wellbeing.
- Roxanne Schaeen discussed care a family member received at Hendrick Health. Ms. Schaeen did not have a positive experience and provided some details about the encounter. Ms. Schaeen acknowledged that good changes have been made at Hendrick Health but she was unsure if all community members see those changes.
- Joey Light served on an Advisory Board at ARMC before the Merger. Mr. Light stated HMC-S is much better now due to investments in facilities, staff, physicians, and expanded facilities that Hendrick Health has been able to provide. According to Mr. Light, the Merger has been a great advantage to Abilene.

- Sandra Welling was an ICU nurse for 40 years and has been in academics at Hardin Simmons University for 18 years. Ms. Welling has collaborated with Hendrick Health and highlighted various individuals at Hendrick Health who have been critical to the success of strategic programs with Hardin Simmons University. Ms. Welling explained she has complete confidence that she and her family would be treated well at Hendrick Health and looks forward to building future relationships.
- Dr. Andy Russell is an emergency room physician at Hendrick Health. Dr. Russell shared various ways the emergency department has grown since the Merger. This includes being able to serve more patients. Dr. Russell feels strongly that the Merger was essential to providing proper emergency care in the region and he is proud to work at Hendrick Health.
- Christy Biebighauser is a member of the Hendrick Health Patient and Family Advisory Committee (“PFAC”). Ms. Biebighauser’s father, grandfather, and great-grandfather were physicians in Haskell. Her grandfather was an elevator boy at Hendrick Health when it first opened. She is proud to be part of the PFAC, which invites input on ways Hendrick Health can improve. The PFAC allows members to ask tough questions, express frustrations, and give praise. Ms. Biebighauser spoke about PFAC projects, thanked Hendrick Health staff for hearing the input, and believes it is a win for the community.
- Erin Eicke, Senior Nursing Director at Hendrick Health, was preparing to retire but changed her mind when she learned about an open position at Hendrick Health. Ms. Eicke works with operating room surgeons and the executive team. She has been impressed from the beginning, especially with the framed mission statement visible on the walls of Hendrick. Ms. Eicke praised the leadership and is proud of the alignment of the staff and physicians. Ms. Eicke spoke about service expansion and that she is honored to be part of Hendrick Health.
- Precilla Camacho, Senior Nursing Director, has been a nurse at Hendrick Health for ten years. Ms. Camacho expressed her support for the integration of HMC and HMC-S and believes it has allowed the entire community access to high-quality healthcare. Ms. Camacho believes the Merger has minimized the impact of the nursing shortages experienced in the community. In addition to creating internal efficiencies. Ms. Camacho spoke about Hendrick Health’s support of workforce development in the community, including nurses in training programs.
- Emerald Cassidy has volunteered with the Community Foundation and learned about symptoms of a heart attack from a Hendrick Health presentation. As a result, Ms. Cassidy was prepared to apply that knowledge in a real-world scenario.
- Kirk Canada, Chief Operating Officer at Hendrick Health, spoke about Hendrick Health’s commitment to the community to provide high quality care, more access, and strengthen the local workforce. Mr. Candana highlighted Hendrick Health’s financial commitments to invest in more supplies, better equipment, and improved care environments. Enhanced care venues have provided better working conditions for physicians and staff. Mr. Canada highlighted increased demand for patient transfers and Hendrick Health’s ability to provide care close to home.

V. Attachments