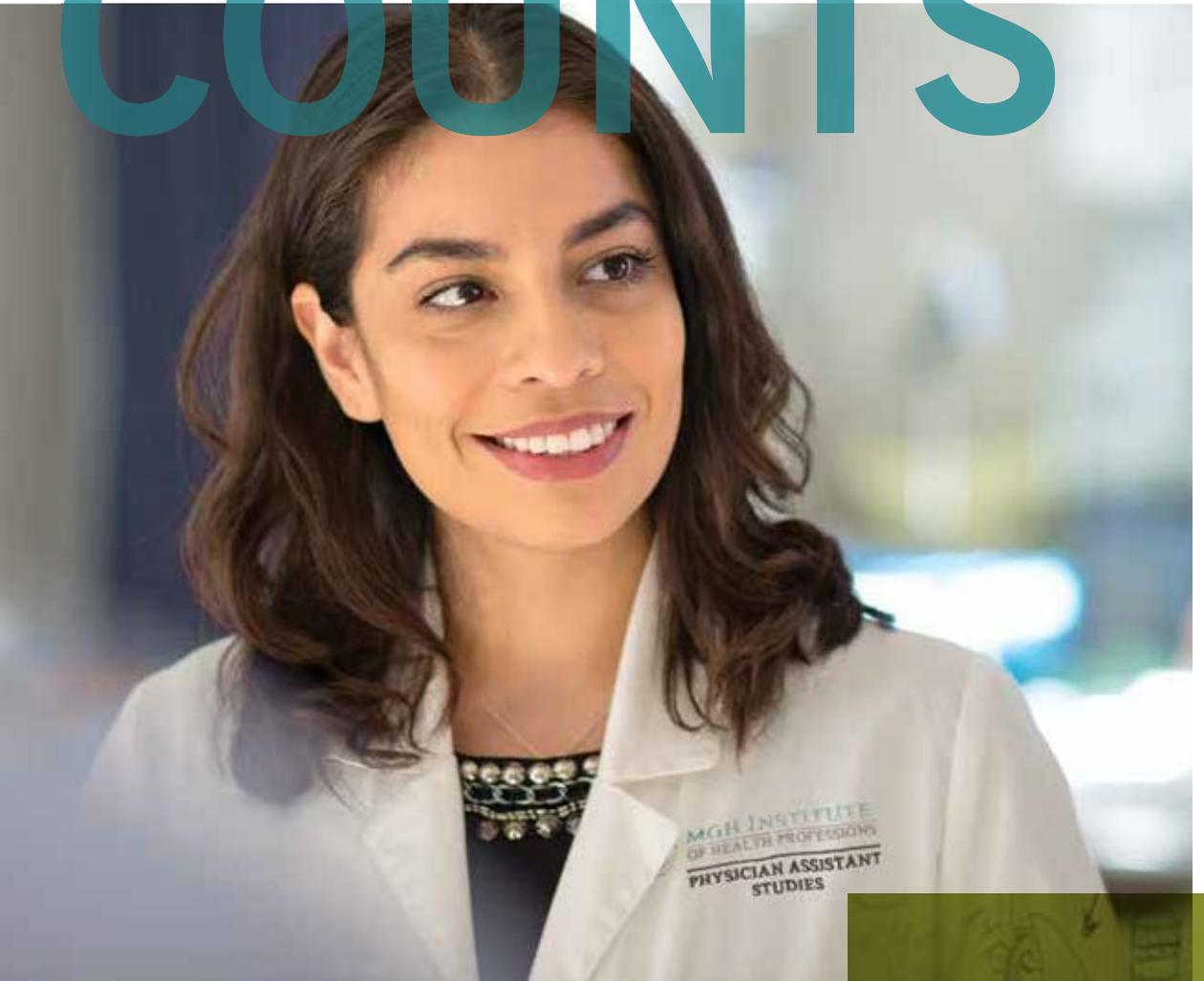


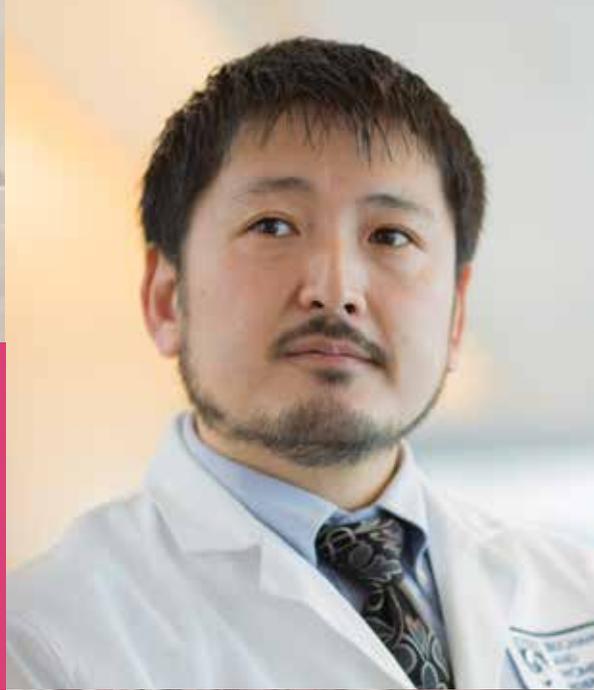
WHAT COUNTS



CHAIRMAN AND CEO LETTER 3



WHAT IT TAKES 17



FINANCIALS 45



WHAT WE DO 5



WHAT DEFINES US 31



What Counts

Our work happens in laboratories, in operating rooms, in physicians' offices, in conference rooms. But the true impact of our work is realized in the moments we make possible in the everyday lives of real people, on the ground, in our communities. It's the person suffering from addiction, who takes a first step toward recovery by admitting that she needs help. A cancer patient who can once again hope for the future. Children with developmental challenges who find exhilaration and meaning on the athletic field. It's thousands of people, every day, whose lives are changed by what we do.

| 2

That is the heart of Partners, and that is what counts – whether we're implementing new technology, discovering novel treatments, or working to make great care more affordable. No matter what we do or what it takes, we never lose sight of what defines us: an unyielding commitment to improving the health and lives of real people in our communities – here in New England and across the world.

PARTNERS TODAY AND TOMORROW

In 2015, Partners HealthCare began its third decade. Anchored by two of the top academic medical centers in the nation – and a network of superb community physicians and community hospitals, two of the country's top specialty hospitals, a respected insurance partner, and a deep commitment to the communities we serve – Partners remains a national model for an integrated academic health system.

3 | Weathering the challenges of our current environment and maintaining and enhancing the excellence for which Partners' institutions are known is our priority now and for the future. All health care providers are facing intense pressure to reduce costs and we are doing our part to respond. That is the reason we have invested in population health management and have embraced new payment models that accommodate a more holistic approach to patient care.

We are now in the midst of our largest ever capital project, which will bring a state-of-the-art administrative and clinical information system to Partners. Coordinating implementation – across more than 68,000 employees – is a complicated, multi-year endeavor that has required hard work and preparation. Once the system is in place and optimized, the potential is enormous: safer patient care, better teamwork, integrated data that will speed up discovery and treatment, a sophisticated portal that will help patients become true partners in their care, and a solid base from which to manage the costs of care.

Better expense management is also the reason behind our decision to build a new administrative facility to house central Partners staff in a single location, rather than carrying increasingly expensive leases in 14 different places. Our Assembly Row building opens in June 2016 and is expected to save more than \$10 million a year once fully occupied. And it will be one of the greenest buildings in the region.



*Partners HealthCare
at Assembly Row*

Cost pressures are not the only constraints we face. State and federal health care reforms are forcing providers to do more to manage care across the continuum and over time, and it's important for that care to be delivered in the most convenient, lowest cost setting. To meet these imperatives, we have had to downsize and consolidate some of our facilities but we remain deeply committed to behavioral health services and caring for vulnerable populations. We have made significant investments – in advanced clinical care, research, teaching, behavioral health, and community health – and need to stay financially strong if we are to maintain those commitments and remain on the leading edge of science and innovation. Promising new sources of revenue include out-of-state and international health care ventures and a renewed focus on commercializing our many scientific discoveries.

| 4

As you thumb through this report you will see inspiring examples of the many activities taking place in every corner of Partners, sometimes one patient at a time, other times for the benefit of large populations or specific communities. In the end, health care remains a very personal activity – the sum of innumerable individual interactions between patients and caregivers. Our talented faculty and workforce are our greatest assets. Technology and facilities are a vital foundation of today's health care but it is the people who work at Partners that make the difference. Together, we are confident we will surmount today's challenges and remain a unique asset to our region, and the world.



Edward Lawrence
Chairman, Board of Directors
Partners HealthCare



Dr. David Torchiana
President and CEO
Partners HealthCare

Partners HealthCare

399 Revolution Drive

WHAT WE DO

IDEAS IN PRACTICE

5 |

At the core of our work is a critical mission: to enhance the lives of our patients through new treatments, innovative approaches, and collaborative care.

What we actually do, every day, encompasses so much more. We take health care far beyond diagnostics and treatments, with approaches that view patients as whole people. We look at underserved areas of research and see opportunity. Most of all, we solve real problems in our communities with new ideas that change everything for people and families.





Joji Suzuki, MD
Psychiatry

Joji Suzuki, MD

THE OPIOID EPIDEMIC

BREAKING THE CYCLE OF ADDICTION ACROSS OUR COMMUNITIES

7 | The devastation of opioid addiction and overdoses continues to shatter lives, tear apart families, and shake communities across New England to their core. This deepening crisis, claiming an average of 1,000 lives each year in Massachusetts alone, has captured the attention of state policymakers: newly enacted legislation, championed by Governor Charlie Baker and legislative leaders, sets prescription limits and establishes screening systems to identify those at high risk for addiction. Yet leaders at all levels acknowledge that more action is needed not only to prevent addiction, but also to expand treatment options and community resources for those suffering from its devastating effects.

We have long recognized this threat to our patients and families, and have made it our priority to create new and enhanced prevention and treatment options in our communities. We're investigating the role physicians play in exposing patients to opioids and how we can better prevent addiction through responsible prescribing. For our patients suffering from addictions, we're developing new treatment protocols and resources that help to loosen the grip of opioids by healing the whole patient – and we extend that healing to families and communities.



With 2.5 million Americans addicted to opioids and heroin, it's a problem no caregiver can ignore.

Prevention at the Point of Care

At Brigham and Women's Hospital (BWH), caregivers are addressing the opioid challenge at its root: by identifying the medical sources of opioid exposure and promoting enhanced monitoring and new prescribing standards for these highly addictive substances.

As a physician in a specialty that focuses on pain management, Christopher Chiodo, MD, Chief of the Foot and Ankle Surgery Service at BWH and Brigham and Women's Faulkner Hospital (BWFH), is keenly aware of the risks associated with opioid pain medications. Wanting to know more about the relationship between addiction and medication prescription, Dr. Chiodo – together with colleagues Eric Bluman, MD, Jeremy Smith, MD, psychiatrist Joji Suzuki,

MD, and Orthopedics research assistant Mike Penna – researched the root causes of opioid addiction by surveying 50 patients at BWFH's Outpatient Addiction Treatment Center on how their addiction developed. The resulting study, "Opioid Addiction Resulting from Legitimate Medical Prescriptions," which Dr. Chiodo presented at the 2015 American Psychiatric Association's annual meeting, reveals that more than half of patients were legitimately prescribed the opioids that led to their addiction. "As physicians who prescribe these types of medications, we need to be aware that we may be the starting point for addiction," says Dr. Chiodo. "We need to monitor these prescriptions more carefully, and we need to be willing to have difficult conversations with our patients."

A Shared Effort for Addiction Treatment

According to Joji Suzuki, MD, Director of the Division of Addiction Psychiatry at BWH, effective substance use disorder treatment can involve both medication and peer support. In 2015, Dr. Suzuki and his team published an important study in the journal *Substance Abuse*, reporting on the feasibility and benefits of Shared Medical Appointments (SMA), a novel approach that combines buprenorphine treatment with group therapy treating 6–10 patients at the same time. According to the study, SMA was responsible for a significant reduction in illicit opioid use, cravings, depression, and pain. Already this work is being taken beyond the research literature: Claudia Rodriguez, MD, at BWFH is currently incorporating SMA into her telehealth-based remote primary care program, expanding the availability of life-saving addiction treatment into rural and other hard-to-reach locations.

Using the Law to Heal, Not Punish

As neighborhoods like Charlestown confront the growing opioid epidemic, they're facing the reality that standard judicial approaches to the problem – focused on arrests and incarceration – are not enough to bring about lasting change. With support from MGH's Center for Community Health Improvement, the Charlestown Substance Abuse Coalition (CSAC) has partnered with the Charlestown Division of the Boston Municipal Court to establish the Charlestown Addiction Recovery Treatment (CHART) program, a specialized court session that offers defendants dealing with chronic substance use disorder problems effective alternatives to prison. When individuals volunteer for CHART, they enroll in a rigorous court-mandated drug treatment program, involving intense supervision, drug testing, substance use disorder counseling, and other social service programs. Known as "drug courts," programs like CHART have been shown to reduce recidivism, decrease the chance of future drug use, and lower enforcement costs overall – not to mention improve the lives of individuals, families, and the community as a whole.

Updated ED Regulations

Scott Weiner, MD, an Emergency Medicine Physician at BWH, has seen far too many patients in the Emergency Department (ED) who have gone from an initial prescription to addiction and overdose. In an attempt to prevent such devastating outcomes, Dr. Weiner is working to improve protocols in opioid prescribing through evidence-based guidelines. Dr. Weiner worked with the Massachusetts Hospital Association to create a new set of ED prescribing guidelines to better standardize care. The resulting guidelines recommend that physicians consult the state prescription drug-monitoring database (PDMP) before prescribing; contact a patient's primary care physician when prescribing opioids to those with chronic pain; and avoid refilling lost or stolen prescriptions.

Massachusetts General Hospital (MGH) Recognized for Excellence in Community Service

MGH has won the 2015 Foster G. McGaw Prize for Excellence in Community Service. The award recognizes many hospital programs, including the achievements of the MGH Substance Use Disorders initiative, which, for years now, has partnered with the community to prevent and reduce substance use through education, policy change, and intervention strategies.



“Helping patients begin their journey of recovery takes both medical programs and sustained support. Our recovery coaches provide this crucial support which is grounded in shared experience and understanding.”

—Sarah E. Wakeman, MD, Medical Director for Substance Use Disorders, at MGH

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Coaching Patients Toward Sustained Recovery

At MGH, the power of peer advocacy is also being tapped to ease patients' path to recovery. Massachusetts-certified recovery coaches – patients' peers who themselves are in recovery from addiction – are a key element of MGH's Substance Use Disorders program. The coaches work as part of multidisciplinary teams that include physicians, nurses, and mental health providers at MGH Health Centers in Chelsea, Revere, Everett, and Charlestown; at Internal Medicine Associates, MGH's largest campus-based primary care practice; and with the MGH inpatient unit's Addictions Consult Team (ACT) and Bridge Clinic, a transitional clinic providing short term medical and psychiatric care.

The coaches' primary goal is to connect with patients wherever they are in their readiness for treatment. Reaching out to patients from hospitalization to their integration back into their communities, the coaches help meet patients' needs as they recover: from working with agencies to secure housing, to dealing with a court issue or finding sustained, community-based social services assistance and treatment. In an important insurer innovation, Neighborhood Health Plan (NHP) and its behavioral health partner Beacon Health Options, are funding one of the recovery coaches. MGH also funds a recovery coach assigned to Boston Health Care for the Homeless, to support the homeless community dealing with opioid addiction.

Putting Lifesaving Overdose Treatment in First Responders' Hands

With 238 opioid related deaths in 2014 in Middlesex County alone, overdose-reversing Narcan treatment has become a critical tool for first responders. At Newton-Wellesley Hospital (NWH), an effort is underway to ensure that the treatment's high cost does not prevent its widespread adoption in the community. After learning about the challenges involved in obtaining the antidote, NWH's Community Benefits Committee, the Pharmacy Director, and the Medical Director of Emergency Medical Services (a NWH ED doctor) mobilized community outreach funds to supply it to them. NWH has now delivered more than 150 doses to paramedics, fire and police departments, homeless shelters, and school nurses across communities, based on their demonstrated need. NWH also offers education for first responders in the proper administration of Narcan to save overdose victims' lives. "While we are happy to collaborate with our community by donating Narcan to help battle this terrible crisis, we know that this is only a stop-gap measure," says Ellen Moloney, Interim President, at NWH. "We want to work with the cities and towns we serve to identify long-term solutions to help the friends, neighbors, and families affected by this serious epidemic."

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PATIENTS AS PARTNERS

INITIATIVES PLACE PATIENTS AT THE CENTER OF THEIR CARE

When it comes to delivering care that makes a difference in our patients' lives, there are no more informed experts than the patients themselves. We work to engage our patients as partners in their care, letting their perspectives guide both their treatment and the broader ways in which we serve all of our patients and communities.

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Measuring Quality of Life

The success of interventions and care is often measured in black-and-white statistics, such as morbidity, infection rates, and readmissions. Now, with the adoption of Patient Reported Outcomes Measures (PROMs) across Partners, successful clinical care is also being measured in terms that matter most to patients: their well-being and quality of life. More than 50 Partners locations are measuring PROMs through structured questionnaires that evaluate patients' own perceptions of their symptoms, functional status, and mental health, using computerized tablets in clinic waiting rooms and at patients' homes.

Applied to more than 20 medical and surgical specialties, the PROMs measurements of symptoms and function include factors most relevant to patients' daily lives – things like activity level and ability to return to work. With 75,000 surveys

collected by the end of 2015 and another 150,000 expected by the end of 2016, the PROMs data is creating benefits that extend from patient to provider. Patients using these measures have discovered a new level of engagement in their care and feel more informed about what to expect.

For physicians, the measures are helping to fine-tune care in ways that matter to patients. The PROMs initiative is a core piece of our organization-wide focus on population health management, with the goal of enhancing outcomes while lowering costs. "PROMs give me an actual measure of whether my treatment selection has been effective," says Neil Wagle, MD, internist and a leader of Partners' Quality, Safety, and Value work. "They let us ask the right questions and, for the first time, quantify symptoms and functional status in order to guide our care."

“We’re taken seriously – it’s rewarding to see the impact we’re making as a group.”

–Jane Maier, BWFH patient and PFAC member

Patient-Family Advisory Councils Bring Patients to the Table

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Since no one knows our quality better than our patients, it is important that they become active participants in quality and safety improvement. In place at every Partners hospital, patient-family advisory councils are being used to make certain this happens and to gather feedback that strengthens our connections with our communities.

Newton-Wellesley Hospital: Navigators Guide Cancer Patients Through Care

In 2015, the NWH Patient-Family Advisory Council celebrated ten years of involving patients in quality improvements across all aspects of care. A focus of the council this past year was to ease the patient’s journey from diagnosis through treatment using nurse navigators at the Vernon Cancer Center. The nurse navigators help ease patients’ anxiety as they await further testing and treatment once they are diagnosed. Organizing care and providing physical and emotional support, the nurse navigators are the bridge between patients and the clinical team that the Council recognized was necessary to optimize patient wellness.

Nantucket Cottage Hospital: A Focus on the Youngest Patients

In 2015, Nantucket Cottage Hospital launched the Pediatric Patient-Family Advisory Council to help assure that the island’s youngest residents are off to the healthiest start. The goal of the Council – which includes both community members and hospital staff – is to promote maternal and pediatric health issues while engaging patients and family members in pediatric hospital care and decision-making. The Council’s first major event, the Be Well Children’s Health Fair hosted in March 2016, provided screenings, pediatric health information, and opportunities for children, parents, and other caregivers to interact with pediatric care providers and services.



Brigham and Women's Faulkner Hospital: Redesigning Care Around Patients

Since the inception of the BWFH Patient-Family Advisory Council (PFAC) in 2008, much work has been done to redesign care around the patient point of view. “We are often consulted before new patient-related documents or program initiatives are rolled out to the hospital at large to provide input on how they will affect patients and families,” says John Downes, PFAC patient co-chair. One of the Council’s most noted projects includes a new patient handbook, “Your Guide to Brigham and Women’s Faulkner Hospital,” to help patients navigate the hospital and its procedures. Recently, the group has played a key part in the rollout of Partners’ integrated health record, Partners eCare, at the hospital, to ensure the system is applied in the most patient-centered ways.



Christine Ogden, RN

Partners eCare Is Enabling Better Care

Three and a half years ago, we set out to further improve the quality, safety, and efficiency of patient care with the launch of Partners eCare, our new electronic health record and administrative system. Today, with every one of our sites either live or engaged in implementation, the system is beginning to achieve its promise of streamlining and enhancing care across our sites. We're also beginning to realize the benefits by collecting and applying our patient data in unprecedented ways to advance patient care. The Partners eCare health record is now being used in approximately 85 percent of Partners patient interactions at Brigham and Women's Hospital, Massachusetts General Hospital, Newton-Wellesley Hospital, Partners HealthCare at Home, many community-based practices of Partners Community Physicians Organization, and affiliated institutions including Dana-Farber Cancer Institute, and Massachusetts Eye and Ear Infirmary.

With 2017 go-live events in the works, building and testing is planned this year at Cooley Dickinson Hospital, Martha's Vineyard Hospital, McLean Hospital, Nantucket Cottage Hospital, North Shore Medical Center, and Spaulding Rehabilitation Hospital locations, and many more

community-based practices. Even as these remaining sites come on board and we continue to upgrade Partners eCare with enhanced user functionality, we are already seeing the system's positive impact on the way we care for our patients through faster and more complete sharing of health information across our sites.

With Partners eCare, Partners HealthCare at Home caregivers no longer have to rely exclusively on patient-provided reports to collect important health information. From lab results to hospitalization data, information from all patient encounters is now at caregivers' fingertips, ensuring they have the full picture they need to deliver the best patient care. For nurses like Christine Ogden, this means a new level of information available to enhance care of patients with complex conditions. To treat one patient with a left ventricular assistive device (LVAD), Ogden uses Partners eCare to quickly access critical medical records and communicate with his physicians and other providers as she monitors and drains the LVAD's insertion point. Partners eCare is reducing the burden on these patients and caregivers by delivering the accurate information needed at the point of care – no matter what the care setting.

From lab results to hospitalization data, information from all patient encounters is now at caregivers' fingertips.

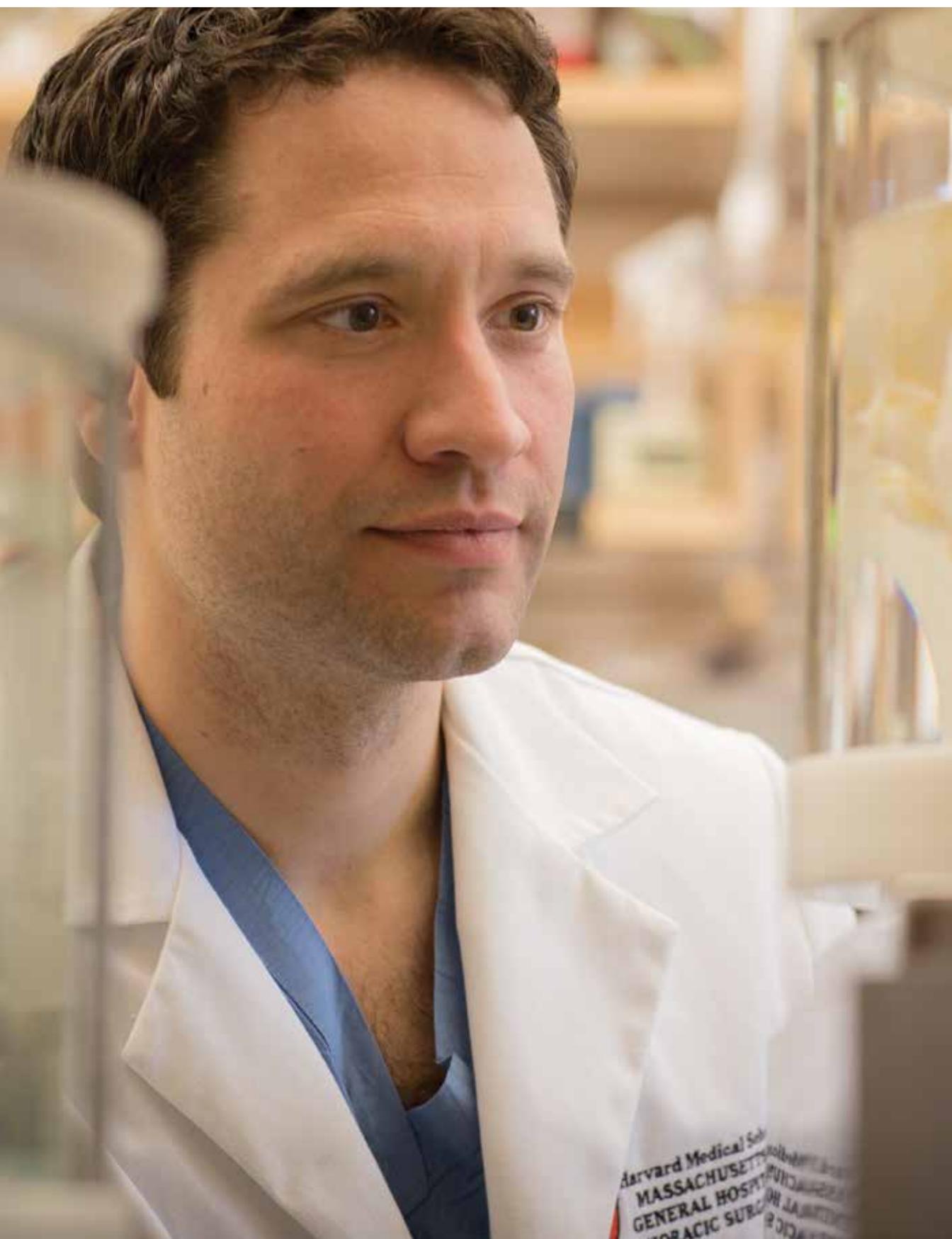
**Bridge to Campus Consultation Service:
Supporting a Healthy Transition to College**

For adolescents and young adults experiencing mental health issues, the transition to college can be full of uncertainty and doubt as families struggle to determine whether students are ready for campus life and students struggle to find the support and services they need to help them gain independence while managing their mental health. Recognizing the growing need for expert guidance around these transitions, McLean's College Mental Health Program (CMHP) has launched the Bridge to Campus Consultation Service. The Bridge to Campus Service is available to both high school students preparing to leave for college, and college students taking a break to address mental health concerns. Each four-session consultation is an opportunity to meet directly with CMHP's experts and receive personalized, specific recommendations to enhance readiness for college life, identify appropriate supports, and effectively manage mental health issues. "With expert guidance and planning, and with the proper resources and strategies in place, students with mental health challenges can be successful in achieving academic goals and personal growth while enjoying a fulfilling college experience," says Stephanie Pinder-Amaker, PhD, Program Director.



**Complete Orthopedic and Spine Care
Puts Patients on Path to Healing**

With the completion and opening of 7 South, the new BWFH inpatient orthopedic and spine care unit, we can now offer the full spectrum of care to patients at a lower cost at one convenient location. The new unit includes the sixth-floor surgery suite, equipped with the most advanced orthopedic and spine equipment, private inpatient rooms, and a physical therapy gym outfitted with rehabilitation equipment. Every aspect of the unit, from the aesthetic design to the comprehensive care offered, was created with the patient's experience in mind.



Harvard Medical School
MASSACHUSETTS
GENERAL HOSPITAL
THORACIC SURGERY



WHAT IT TAKES

A VISION REALIZED

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Achieving excellence for our patients, their families, and communities takes sustained effort. It takes a commitment to reaching our goals in ways that create meaningful change for real people. And it takes an unwavering focus on addressing people's most critical – and often underserved – health needs, even as we work to lower costs.

Every day, we do what it takes to bring the very best care to more people, by reaching out to patients where they are, by better understanding their needs today, and by planning for a healthier tomorrow, together.

Harald Ott, MD





“We have been able to preserve the natural structure of limb tissue, even after removing its original cells, then repopulate it with new cells to recreate a vascular system and musculature.”

—Harald Ott, MD, MGH Research Scholar

PUSHING THE ENVELOPE OF PATIENT-CENTERED RESEARCH

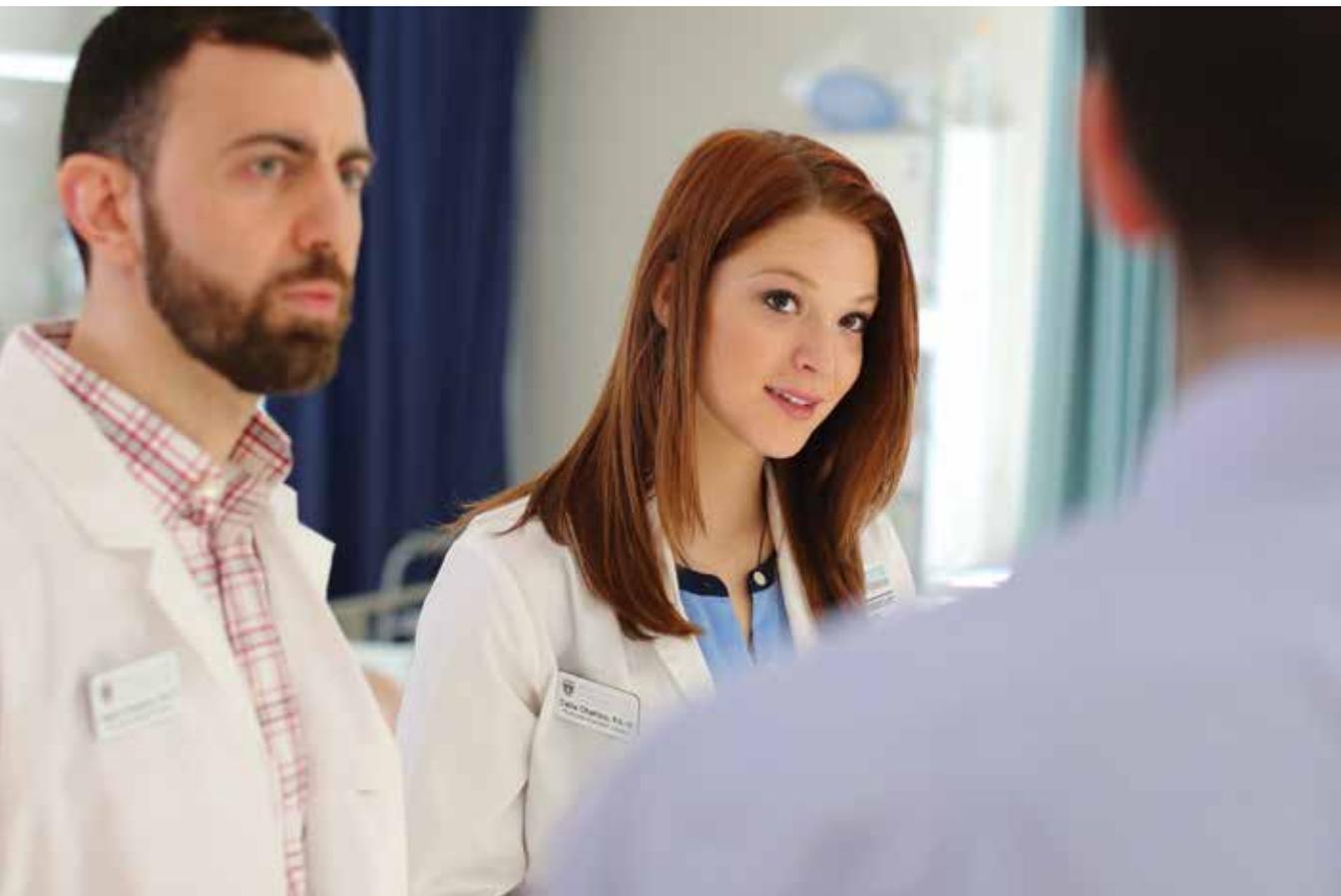
THE MGH RESEARCH INSTITUTE

To translate scientific discoveries into new treatment options for our patients, it takes a commitment to patient-focused research – a commitment that is top-of-mind for the team at the Massachusetts General Hospital (MGH) Research Institute. Founded to promote, support, and guide the largest hospital-based research enterprise in the nation, the Research Institute acts as a gateway for new and productive research partnerships, encouraging laboratory scientists to work collaboratively with clinicians to make discoveries and turn them into treatments, diagnostics, and devices that improve our quality of life. An integral part of the Research Institute’s efforts, the philanthropy-funded MGH Research Scholars program provides crucial unrestricted financial support to forward-thinking researchers who are working to solve the mystery of how the human body works and searching for new ways to treat patients. Among these is Harald Ott, MD, of the MGH Department of Surgery and the Center for Regenerative Medicine, whose research is uncovering the potential of decellularization to revolutionize organ and limb transplantation.

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Although 1.5 million people in the United States have lost a limb, prosthetic technology remains limited, and transplantation is complicated by the risks of long-term immunosuppressive therapy. Dr. Ott’s research takes a different – and promising – approach: he is developing bioartificial limbs through an experimental process that involves engineering rat forelimbs

with functioning vascular and muscle tissue. “As a next step, we will be replicating our success in muscle regeneration with human cells and expanding that to other tissue types, such as bone, cartilage, and connective tissue,” says Dr. Ott. This could allow surgeons to create needed organs on demand, opening a wide array of options for patients in need of organ and limb transplants.



MORE CARE FOR MORE PEOPLE

REACHING PATIENTS WHERE THEY ARE

Whether we're training new clinicians, developing new care spaces in the community, or establishing partnerships around the globe, our goal is the same: to make the highest-quality health care affordable and accessible to patients, wherever they are.

Preparing More Physician Assistants for Practice

Non-physician primary care clinicians such as nurse practitioners (NPs) and physician assistants (PAs) play a vital role in meeting the needs of patients – and since the passage of the Affordable Care Act, more NPs and PAs are needed than ever before. The MGH Institute of Health Professions has expanded its educational offerings to include a new, primary care focused Physician Assistant Studies program, as a complement to its long-standing graduate NP program. This master's-level program's innovative curriculum, developed in collaboration with Brigham and Women's Hospital (BWH) and MGH, reflects current best practices by highlighting the PA's vital role in team-based, patient-centered care. The program is tapping the expertise and resources of the Partners network, with Partners PAs and MDs serving as instructors, and students completing many of their clinical rotations at Partners sites. The inaugural class, which matriculated in May 2015, attracted more than 600 applicants for 40 program openings.

Making Urgent Care Available – When and Where Patients Need It

When people need urgent care, they are increasingly looking for services that are convenient, easily accessible, and affordable. To meet this demand – and reduce the costs associated with emergency department care – Partners has expanded our urgent care network with three new, community-based urgent care centers. Located in Brookline, Newton, and Watertown, these centers offer peace of mind for those who need urgent care for an injury or illness, especially young adult patients who most value fast, easily accessible care but may not have a primary care physician or use a community health center. Partners Urgent Care Centers can help patients requiring more treatment or follow-up care to make a seamless transition into the Partners HealthCare system for both primary care and specialty care.

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Partners has expanded our urgent care network with three new, community-based urgent care centers.

One long-term partnership with Jiahui International Hospital (JIH) in Shanghai, included the design and building of a new hospital, which focuses specifically on women's health.

Global Partnerships Expand Partners' Worldwide Reach

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As the boundaries blur between communities across the globe, we search for new ways to effect sustainable improvement and bring the benefits of our care for people beyond New England. Global partnership is a critical tool in these efforts – and, through Partners HealthCare International (PHI), we are extending our clinical, scientific, teaching, planning, and architectural design expertise for the benefit of patients in communities worldwide. Last year, PHI forged new relationships in Malta, Ivory Coast, and China, focusing on a variety of clinical areas.

One long-term partnership with Jiahui International Hospital (JIH) in Shanghai – involving MGH, BWH, and other member hospitals – included the design and building of a new hospital, which focuses specifically on women's health.

“In our partnership with Jiahui we've involved close to 200 experts from Partners and its member hospitals. We came together as a system to design an innova-

tive health care facility, and now we begin the next important step with our academic medical centers where clinical care can be designed, and research can be integrated with the clinical mission,” says Gilbert H. Mudge, Jr., MD, President and CEO of PHI.

In 2015, the Massachusetts General Hospital Cancer Center (Mass General Cancer Center) and JIH finalized an agreement to co-develop a center of excellence for patient-focused breast cancer care. The program will adopt Mass General Cancer Center's patient-focused multidisciplinary approach to address the needs of Chinese breast cancer patients and their families. Also in 2015, JIH and PHI signed a new memorandum of understanding with BWH to explore a women's health affiliation that would establish obstetrics, gynecology, in vitro fertilization, and integrated women's health programs, along with a neonatal ICU. In one initiative, the women's-health expertise at BWH is helping to elevate and transform the level of women's health care services in China.

New Options Bring Care Home to the Community

A provider shortage is converging with an influx of patients covered by the Affordable Care Act, creating demand that is unmet by supply. In response, we are making primary care more accessible in the community.

Reimagining Primary Care: A Team Approach

Responding to our Boston-area patients' need for access to convenient primary care in the heart of the community, Brigham and Women's Primary Care Associates, Longwood is delivering more care options and better health outcomes. The center, which opened at 800 Huntington Avenue last summer, was designed around the patient-centered medical home (PCMH) model – a team-based approach to multi-disciplinary, coordinated care that includes the availability of nurse practitioners and other non-physician primary care providers – with plans to seek official PCMH designation from the National Committee for Quality Assurance. Board-certified family nurse practitioner Elizabeth Donahue, NP-C, serves as one of the center's primary care providers, expanding Partners' ability to make efficient primary care available to more people in the community. "Nurse practitioners have both the education and experience to deliver primary care in a way that engages patients and results in excellent outcomes," says Donahue.

Convenient Care for Islanders

A new walk-in clinic at Martha's Vineyard Hospital (MVH) will bring Islanders and visitors a more convenient, lower cost option for noncritical care. While some island residents have primary care physicians, many do not, and most visitors defaulted to using the Emergency Department (ED) for all care. The walk-in clinic will also help to manage when there is a surge in patients, such as during flu season, without having to send people to the ED. "All too often patients turn to the ED because they don't have a primary care doctor," says Jeffery Zack, MD, Chief of Emergency Medicine at MVH, "Emergency medicine is here for the sickest of the sick, yet over the past 10, 20 years, we've started to take care of everybody. It isn't the most effective way to deliver quality care." This state-of-the-art facility will open in the summer of 2016.



Cultivating the Next Generation of Primary Care Physicians

Providing high-quality primary care to patients in our communities requires a robust team of primary care physicians. North Shore Medical Center (NSMC) and its affiliated multi-specialty practice, North Shore Physicians Group (NSPG), have developed an internal medicine residency program where residents are assigned to and work side-by-side with a personal NSPG primary care preceptor (mentor), where they are guided and supervised as they directly care for patients. The resident physician/preceptor partnership enables residents not only to understand the important role the primary care physician plays in population health management, but how caring for a patient over time can be a challenging, yet rewarding career path.

“This program helped me fulfill my goal of becoming a primary care physician and helping patients make health a priority throughout their lives.”

—Claudia Luque, MD, primary care physician at NSPG’s primary and specialty care practice in Lynn

Mass General Cancer Center Care Expands to the Community

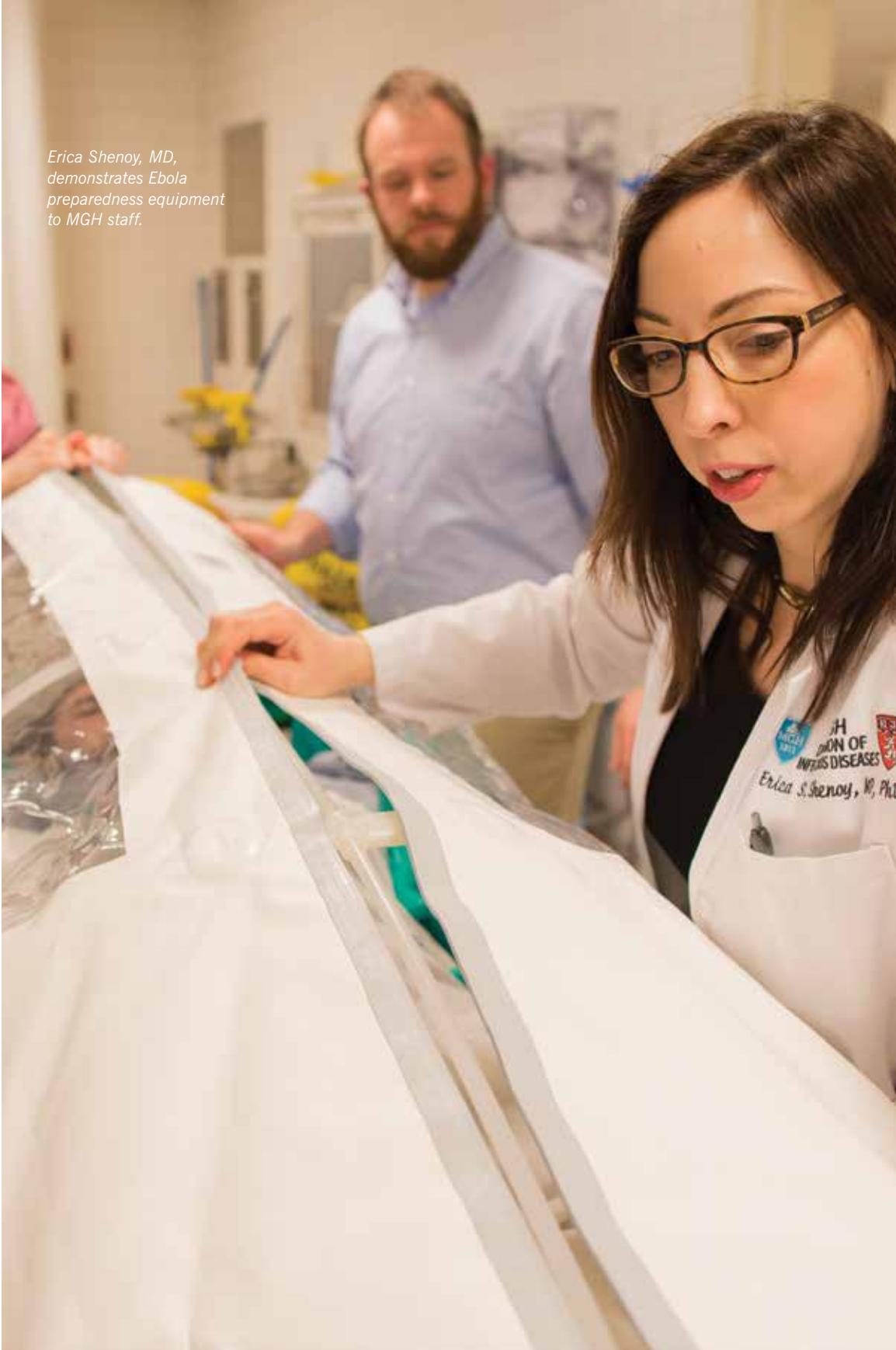
Through a growing network of community-based locations, the Mass General Cancer Center is making cutting-edge cancer care more convenient to patients beyond Boston. Starting in October 2015, an affiliation between Cooley Dickinson Health Care and MGH is bringing the kind of timely, highly coordinated care that a complex disease like cancer requires to patients in the Pioneer Valley, including access to specialists, new protocols, and genetic counseling. This new center has the full spectrum of care under one roof, from oncologists to nutritionists to chaplains – there’s even an expanded pharmacy right across the hall. “At Cooley Dickinson, patients are closer to home, surrounded by family and friends, and in a more comfortable environment,” says Sean Mullally, MD, medical director, Mass General Cancer Center at Cooley Dickinson Hospital and a Mass General Cancer Center physician.

Advanced Cardiac Care, in the Heart of the Community

For cardiac patients, convenient and compassionate care is as vital as having access to the most advanced treatment options. Thanks to the opening of the initial phases of the Elfers Cardiovascular Center at Newton-Wellesley Hospital (NWH), innovative, patient-centered care is now available to patients right in their community. The Center’s Cardiac Device Clinic provides services for patients with implantable devices for arrhythmias or weak heart muscles, such as pacemakers, implantable cardioverter defibrillators, and implantable loop recorders. Also open is the Interventional Radiology/Peripheral Vascular Suite, where specialists are using minimally invasive techniques to insert stents into blood vessels to make repairs, clear blockages, alleviate pain, and reduce blood pressure and clots. In addition, life-threatening aneurysms are being treated in the suite with grafts delivered through a catheter, using advanced imaging technology. Across all areas of the new Elfers Center, NWH’s top-rated Cardiac Rehabilitation and Disease Management Program is helping patients who have suffered a heart attack or other cardiac injury recover something just as valuable as their cardiac health: their sense of strength and security.



*Erica Shenoy, MD,
demonstrates Ebola
preparedness equipment
to MGH staff.*





PLANNING FOR A HEALTHIER TOMORROW

Preparing for a healthier future takes a commitment to providing resources, support, and knowledge that help our communities thrive.

Serving the Community in Times of Crisis

During a public health crisis, the community needs a strong and capable partner to care for the sickest patients while restoring public confidence. At MGH, longtime efforts to build the hospital's capacity to respond to infectious diseases such as Ebola were recognized in 2015 when MGH was designated as an Ebola and Special Pathogens Treatment Center by the U.S. Department of Health and Human Services. One of just nine such regional treatment centers in the country, MGH is now a regional hub with the facilities, plans, and training required to treat Ebola and other highly pathogenic infectious diseases.

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The designation follows a focused Ebola preparedness initiative at MGH, which included developing state-of-the-art Ebola treatment rooms. These rooms feature modifications such as prefab walls to isolate patients, along with a special room for providers to safely don and discard hazardous gear. In addition to these facility enhancements, MGH has established and run coordinated training programs to ensure that all providers at MGH remain skilled and confident in treating the sickest patients.

“To prepare to take care of patients with highly infectious illnesses, we’ve harnessed the strengths of our team of experts in infectious diseases, infection control, emergency management, training, and facilities management,” says Paul Biddinger, MD, Chief of Emergency Preparedness at MGH. “Through this collaboration, we are prepared to support the community throughout public health threats like Ebola.”



Seeing Individual Patients Within Populations

On its surface, “population health management” (PHM) evokes images of impersonal data and population trends, which seems at odds with our goal of delivering care focused on individual needs. In practice, however, the PHM approach can help us meet patients’ unique needs in unprecedented ways. It takes coordinating around patients’ experiences and outcomes to help people lead healthier lives, and lower the costs associated with episodic care.

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iCMP: Helping High-Risk Patients Take Control of Their Health

Through our PHM initiatives, we’re working to target the needs of our most vulnerable patients by closely coordinating their care – even when they’re not with us in our exam rooms and hospitals.

Just one of these initiatives, our Integrated Care Management Program (iCMP), is helping patients better navigate the health care system and make more health-conscious decisions. The program targets medically complex patients – those with multiple conditions and lifestyle risks – with proactive interventions that break the cycle of declining health and increased demand for costly services. The iCMP matches these high-risk patients with nurse care managers, clinical social workers, and other members of a team who can help them better coordinate their everyday needs and care.

iCMP, in collaboration with the Community Health Worker Program at MGH Chelsea Center, is personalizing primary care for approximately 4,000 high-risk, medically complex patients through MGH’s 20 primary care locations. Community health workers, non-clinical members of the MGH team, provide services based on patient needs – from translating information about health conditions into English to coaching patients to take the initiative in managing their own health needs.

For a 74-year-old patient with chronic conditions and progressing dementia seen at the MGH Everett Family Care, the iCMP plan of care helps him manage his health – and even his daily life. The program’s support has included accompanying him to self-care appointments, and even coordinated a bank visit when the patient fell victim to a financial scam. This has lowered this patient’s risk for avoidable – and costly – hospitalization, and has improved the quality of his life.

“By making the right equipment available in the field, we can bring these lessons from the battlefield to the home front, and help save patients from preventable death.”

—David King, MD, trauma surgeon at MGH



A Blueprint for a Healthier Future on the North Shore

In 2015 Partners and NSMC committed to a comprehensive restructuring plan that improves care and coordination across a wide spectrum of health services. The plan realigns the hospital’s practices and facilities to make high-quality care more effective and efficient and improves access to the community-based care that North Shore residents use most.

The plan will help NSMC better manage the complex challenges facing its patients and communities through three key initiatives: consolidating medical, surgical, and behavioral health services on one campus in Salem; converting the former Spaulding Hospital North Shore, on the NSMC Salem campus, to a 120-bed Center of Excellence in Behavioral Health aligned with MGH; and expanding community-based outpatient primary, specialty, urgent care and behavioral health services throughout the North Shore at North Shore Physicians Group offices, and in collaboration with the Lynn Community Health Center and North Shore Community Health Center.

“We are confident that this plan succeeds in delivering the highest quality care to our patients in a comprehensive and thoughtful way. In the new health care environment, it will help us better coordinate care, improve quality, and more effectively contribute to the overall health of our communities,” says Robert G. Norton, President of NSMC.

Lessons in Trauma Management

David King, MD, who completed three tours in Iraq and Afghanistan after surgical training in 2000, is all too familiar with using tourniquets to stop massive blood loss. After the Boston Marathon bombings in 2013, Dr. King began to focus on the fact that the protocols he used on the battlefield can benefit victims of trauma, and that to be effective “we have to redefine who we think of as first responders,” says Dr. King.

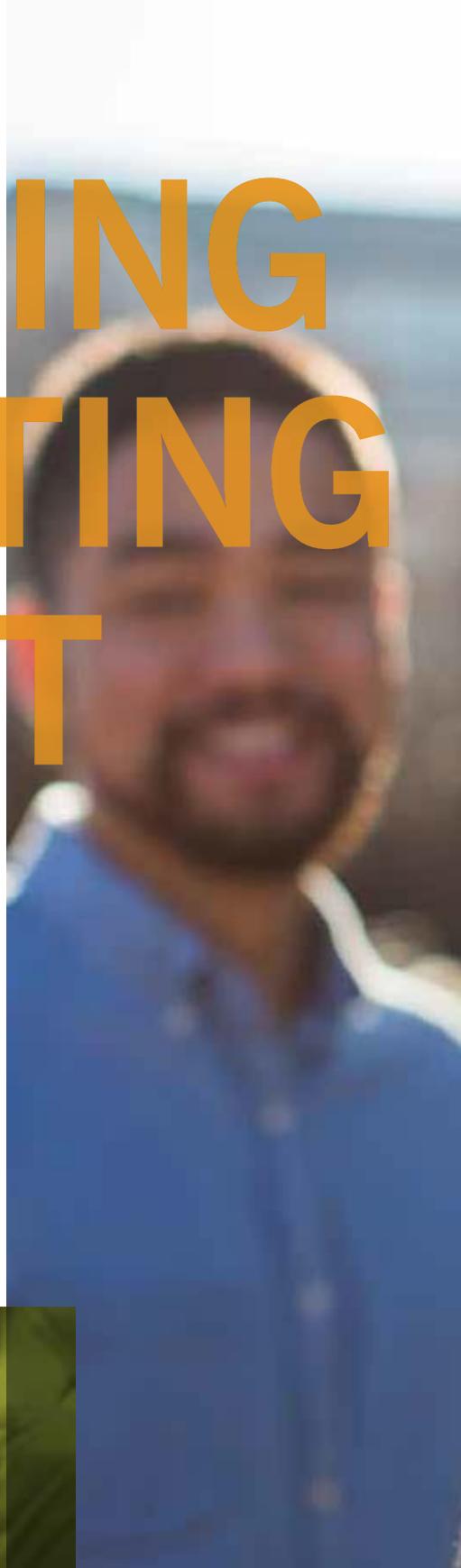
After publishing a paper in the *Journal of Trauma and Acute Care Surgery* with lessons learned from treating marathon victims, Dr. King now works with groups like the Hartford Consensus – medical professionals who recommend national policies for emergency response – to share best practices on tourniquet use after mass casualty events. He trains school nurses, and police officers with tourniquets and training devices. Additionally, he is working in the laboratory to create new technologies that halt internal bleeding.

WHAT DEFINES US

CREATING A LASTING IMPACT

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We help people lead healthier lives by breaking ground with new medical discoveries, by adopting best practices in patient care, by teaching the next generation of caregivers, and by building deeper connections within our communities. This important work is guided by our commitment to the core principles that define us: to support those who are not fully represented in our society; to share our greatest assets and insights with those they can benefit most; and to foster innovation that touches lives in untold – and often unexpected – ways.







*Juliet Ochura, MGH Institute
of Health Professions student*

DEDICATED TO DIVERSITY

REAFFIRMING PARTNERS' COMMITMENT TO INCLUSION

To fulfill our potential, we need to bring everyone to the table. Our ability to reach all of our populations depends on a commitment to diversity that matches the communities we serve.

Educating Diverse Caregivers for a Diverse Population

As our patients represent an increasingly diverse population, we must prepare our caregivers to deliver equitable, culturally-sensitive care that supports all patients – regardless of their background. To this end, the MGH Institute of Health Professions is working to ensure that our organization represents the racial and ethnic diversity of our community by more than doubling its student population from under-represented backgrounds over the past five years. Through targeted outreach to attract diverse prospective students, a holistic approach to admissions, and increased scholarship and academic support, the graduate school has increased its racially and ethnically diverse student population to 21 percent – a number the Institute hopes will continue to grow. “It is imperative that the health care professionals of the future reflect the diverse patient populations they will serve,” says Institute President Janis P. Bellack, PhD. “This diversity enriches student learning and ultimately improves access to quality care as our graduates enter the workforce.”



About Partners Diversity & Inclusion

With a renewed emphasis on diversity and inclusion, Partners has reprioritized and institutionalized our long-held philosophy of embracing differences, promoting fairness, and seeking the best ideas from everyone. Our goal is to focus our entire organization on inclusion and have a workforce that is representative of our patient population, so we can strengthen our relationships with each one of our diverse communities.

Care That Won't Discriminate: Reducing Disparities for the LGBTQ Community

For LGBTQ individuals – who number nearly 231,000 in Massachusetts alone – discrimination is critically linked with emotional health. When faced with psychiatric illness, LGBTQ people and families need access to care that is uninhibited by discrimination, and sensitive to their unique experiences. At McLean Hospital, a new initiative is dedicated to decreasing disparities for LGBTQ people and families in and beyond Massachusetts, through clinical care, research, education, and community-building. The McLean Hospital Initiative for LGBTQ Mental Health provides in-service training and consultations to clinical treatment teams and individual providers, helping them deliver sensitive care with better clinical outcomes for LGBTQ individuals. “Our aim is to engage our caregivers in a meaningful conversation about LGBTQ mental health disparities and treatment, and connect them with McLean’s broader community of consumers, patients, and activists,” says Michael Leslie, MD, Director of the Initiative, who received the Harold Amos Faculty Diversity Award from Harvard Medical School in April 2015 for his work in this field. Dr. Leslie plans to expand McLean’s LGBTQ care specialty with new programs including an outpatient psychotherapy group for LGBTQ people impacted by post-traumatic stress disorder (PTSD).

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LGBTQ individuals number nearly 231,000 in Massachusetts.





Michael Leslie, MD

SHARING BEST PRACTICES WITH OUR COMMUNITIES

To improve more lives, we know that we can't keep our strengths to ourselves. Our commitment to our communities means sharing the very best of Partners, from the talents and knowledge of our teams to the innovations from our laboratories, with those around us.

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Empowering Youth of all Abilities to Achieve on the Field

They come with a wide range of abilities – some in wheelchairs, some visually-impaired, others affected by developmental challenges like autism. But when the patients of Spaulding Rehabilitation and MGH, ranging in age from 6 through 18, gather at Gillette Stadium, they all bring the same passion for soccer and a commitment to doing their best. For more than 10 years, the free clinic, hosted in partnership with the New England Revolution, our regional pro soccer team, has helped hundreds of youth with disabilities discover a sense of achievement through athletics. Participants have the opportunity to meet Revolution players and coaches, who take them through soccer drills on the field at Gillette Stadium. The program also extends its benefits to other groups in the community, supporting youth with disabilities by inviting Partners for Youth with Disabilities, the Easter Seals, the Massachusetts Youth Soccer TOPS Program, and the Special Olympics to participate.

Spaulding Maps Boston's Mobility-Friendly Locations

For those challenged by mobility issues, accessible spaces within a city are critical to quality of life. Recently, as part of their graduation events, residents from the Harvard Medical School Department of Physical Medicine & Rehabilitation at Spaulding, with support from the Spaulding Council on Disability Affairs, held a “mapathon” event to identify and improve inclusive access in and around Boston. Using the free mobile accessibility-tracking applications Parking Mobility and AXS Maps, Spaulding physicians, therapists, and students spent hours reviewing, rating, and mapping the accessibility of businesses, restaurants, and parking spots across the city. With more than 300 businesses and 70 disabled parking spots reviewed, the residents made this event the largest “mapathon” event ever held for AXS. This information is now easily accessible online to help those with disabilities find the accommodations they need to maximize their independence.





Shantel Mercedes,
BWH SSJP student

Strengthening Our Workforce by Mentoring Young Leaders

Our ability to fulfill our mission relies on our access to a strong and capable workforce – and a four-year-old Partners program is helping to ensure the success of a new generation of leaders. Through the Partners HealthCare Community Scholarship Foundation, we are working to support 450 Boston-area public school students as they achieve academic and career success, with an emphasis on health-related careers.

Two Partners programs, the Brigham and Women’s Hospital (BWH) Student Success Jobs Program (SSJP) and the Massachusetts General Hospital (MGH) Youth Scholars Program (YSP), are engaged in focused interventions to improve high school graduation rates, college attendance, and college persistence – ultimately leading to increased numbers of local graduates seeking opportunities within our economy and Partners’ own workforce. The BWH SSJP builds on earlier hospital initiatives, covering elementary through high school, matching students with BWH health care mentors in one of over 60 hospital departments to build their professional skills and career interests. The

MGH YSP provides science, technology, engineering, and math (STEM) programming for students in elementary through high school. Both programs also provide SAT support, college application support, tutoring, and financial help to ease students’ path to college. Both programs have been extremely successful, with 100 percent of BWH SSJP students graduating high school and matriculating into college, most attending four-year degree programs. Additionally, after four classes of college students, the MGH YSP has a four-year college retention rate of 87.5 percent, compared to the 66 percent for similar Boston Public School graduates in 2007.

For 18-year-old Shantel Mercedes, a student at Fenway High in Boston, an SSJP-sponsored internship in BWH’s Watkins Cardiovascular Clinic has provided professional guidance – and led to her career aspirations in nursing. “The wonderful staff treat me like an adult and support me in every way possible,” says Mercedes. “This program has given me a clear view of what I want to do with the rest of my life.”



BEHAVIORAL HEALTH INTEGRATION

CONNECTING MIND AND BODY THROUGHOUT PATIENT CARE

One quarter of Americans suffer from diagnosable mental health disorders, yet up to 80 percent of them are not treated by anyone besides their primary care physicians who may not have the training to meet their needs. “As a result of stigma, many people wouldn’t choose to go see a psychiatrist or mental health provider, even if they got a PCP referral,” says Brent P. Forester, MD, PHM Medical Director for behavioral health integration and a McLean Hospital physician.

In response to these barriers, our commitment to treating the whole patient led us to create a Behavioral Health Integration (BHI) program, part of our population health management initiative, to keep emotional health top-of-mind for our caregivers. From building screening into primary care to using digital applications centered on behavioral health in our

practices, we are taking proactive steps to ensure that mind and body are connected throughout our care. “We are working to normalize behavioral health disorders so they’re just another issue, like diabetes or heart disease, that we address in the course of patient care,” says Dr. Forester.

The BHI program provides real-time access to specialty support and resources.

Primary Care: The First Checkpoint for Behavioral Needs

To help primary care practitioners identify and address depression and other behavioral conditions at the point of care, the BHI program provides real-time access to specialty support and resources.

In one BHI initiative, primary care physicians throughout the Partners system can use a phone consultation to receive guidance from psychiatrists and other specialty mental health providers as they assess and manage patients' behavioral needs.

Eric Weil, MD, an MGH primary care physician and Senior PHM Medical Director, has tapped the program in his own practice. Recently, when a patient with complex conditions including diabetes showed depressive symptoms, Dr. Weil used the program's resources to enhance care from screening through treatment. After identifying depression using a screening questionnaire, Dr. Weil prescribed medication and enrolled the patient in the collaborative care program to manage her symptoms. As part of this program, a team of behavioral health experts, including support specialists, social workers, and psychiatrists, work together alongside the primary care physician to identify the most appropriate treatment for the patient. When the patient saw little improvement after five weeks, Dr. Weil consulted the service by phone to make an adjustment to her medication. As a result, the patient has seen a measurable reduction in both psychological and physical symptoms. "Improving this patient's depression seems to have positively impacted her medical health as well," says Dr. Weil, "and shows the value of behavioral health integration in improving overall health."

Expanding the Role of Social Work for Behavioral Health

Four years ago, North Shore Medical Center's (NSMC) affiliated multi-specialty practice, North Shore Physicians Group (NSPG), shared a single social worker among its 13 primary care practices. Today, the number has grown to nine embedded social workers – with plans to hire more to meet patients' growing need for services. The social workers identify and coordinate any outside service patients may need to be successful, such as housing or qualifying for insurance. More recently the role has expanded to include screening at-risk patients for mental health issues, and keeping conditions such as depression and addiction from escalating.

Supporting Patients With Serious Mental Illness

Neighborhood Health Plan (NHP) has launched a new behavioral health pilot program called Here-for-You, in partnership with Beacon Health Options. The program improves care for patients with serious mental illnesses – such as bipolar or psychotic disorders – by creating and funding Behavioral Health Homes, designed to coordinate patients’ behavioral and medical health needs. It also links members to services that address their most immediate daily needs, including housing, food, and transportation resources.

Caring for Our Caregivers

Fridays are special days for caregivers at NSMC Union Hospital. Wheeling a “Caregivers’ Cart” with teas, snacks, and motivational cards from unit to unit and floor to floor, the manager of patient experience and the hospital’s chaplain offer NSMC care teams recognition, encouragement, and information on self-care strategies such as reiki and meditation. The ritual is just one example of NSMC’s programs designed to support the emotional health needs of the clinicians who, in turn, dedicate themselves to caring for the center’s patients and families.

“Health care professionals are dealing with sicker people and a faster pace than ever before – and they make critical, life-saving decisions every day,” says Cheryl Merrill, RN, NSMC senior vice president of Patient Care Services and chief nursing officer. “Our vision is to create a healthy work environment that enhances the safety and self-care of our staff.”

What We’ve Accomplished: BWH and MGH Recognized

Great patient care has always been our main priority at Partners, which makes it especially gratifying to see our efforts recognized at the national level: Massachusetts General Hospital has once again been named the #1 hospital in the United States, according to U.S. News & World Report’s annual ranking in 2015. At #6, Brigham and Women’s Hospital has reached its highest rating ever, making Partners the only health care group in the nation with two hospitals in the top 10 – a remarkable achievement that speaks to what defines us as an organization.

McLean Hospital and Spaulding Rehabilitation Hospital were also recognized for national excellence, with McLean ranked #4 in the nation in psychiatry and Spaulding ranked #6 for rehabilitation. In the Boston area, four Partners hospitals ranked in the top 10, with MGH and BWH taking the #1 and #2 spots respectively. And, two of Partners community hospitals, North Shore Medical Center and Newton-Wellesley Hospital, earned regional recognition for excellence.



CARE AT YOUR FINGERTIPS

Sometimes the most effective treatment is the one that's most convenient. That's why Partners is using personal health technologies to deliver care beyond our medical facilities and into our patient's daily lives – at home, on their laptops, and even in their pockets.

Innovation in Behavioral Health Care

Mental and behavioral health issues can be difficult to properly diagnose – and even when they are identified, appropriate treatment is often not readily available. David K. Ahern, PhD, of BWH Department of Psychiatry believes that digital health innovations, from patient apps to clinician-facing technologies, can ease the burden for doctors and patients and bring about a transformation in behavioral health care, becoming more accessible and effective. He has initiated a clinical study through BWH Advanced Primary Care to determine the effectiveness of geotracking and voice sensor technology in enhancing care for patients with co-morbid behavioral health conditions. “To bridge the gaps that we know exist in mental and behavioral health care, we can leverage evidence-based technologies that improve care access and quality,” says Dr. Ahern.

Managing Health From Home

Remote monitoring is another way in which Partners is using technology to integrate health care into our patients' daily lives. Developed by Partners Connected Health and supported by the Partners population health management initiative, remote monitoring lets patients and their care providers track important health data between office visits – making patients true collaborators in their care. Programs such as Blood Pressure Connect have proven to be effective in helping patients bring chronic conditions under control and improving their quality of life. “What makes these programs work,” says Joseph Kvedar, MD, Vice President of Partners Connected Health, “is the use of the data feedback loop to educate patients about how their lifestyle affects their illness, empowering them to make healthy changes.”

A COMMITMENT TO LIFE-CHANGING INNOVATION

PARTNERS HEALTHCARE INNOVATION

Innovation takes many shapes across our 452 clinical and research departments, but every one of our initiatives shares one clearly defined purpose: to improve the lives and outcomes of our patients, and the strength and health of their families. Over the past year at Partners, we have focused on advancing innovation through several initiatives designed to uncover new approaches and solutions for the most challenging problems facing patient care.

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The Innovation Fund

Created nine years ago to guide early-stage discoveries by Partners' research into new companies, our Innovation Fund has grown to \$100 million through support from BWH and MGH. The additional capital will allow the fund to accelerate greater numbers of early Partners technologies, and establish direct paths between Partners laboratories and industry to bring those innovations to patient care.

Innovation Grants

The Innovation Discovery Grants program is designed to stimulate new ideas, identify areas of commercially-significant scientific strength, and accelerate the delivery of new innovations to the marketplace for the benefit of patients. Through an annual grantmaking cycle open to Partners employees, faculty, and affiliated institutions, the program encourages new ideas in drugs, devices, diagnostics, health IT, and other products that improve patient health and outcomes.

GeneInsight

To unleash the potential of personalized medicine in understanding and treating disease, Partners created GeneInsight, an IT platform company that streamlines the analysis, interpretation, and reporting of complex genetic test results. GeneInsight recently was acquired by diagnostic information technology company Sunquest to accelerate the use of genomics in diagnosing, treating, and predicting disease. "With this relationship, we're advancing the field of personalized medicine and benefitting patients worldwide," says Anne Klibanski, MD, Partners Chief Academic Officer.



New BWH Building Embraces Innovation

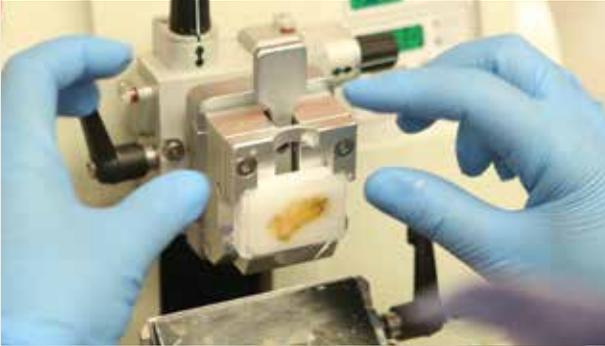
On the campus of BWH a new building is forging connections between two Partners priorities: innovative discovery and patient-centered care. The 12-story Brigham Building for the Future (BBF), which will open this fall, will be home to research labs and ambulatory clinics that will help the hospital bring musculoskeletal, rheumatology, and neuroscience research from bench to bedside. In addition to providing a home for collaboration among clinical groups and labs across BWH's campus, the building itself will house a number of innovative features, including: a state-of-the-art imaging facility; a roof garden to reduce storm water runoff; and a cogeneration plant that will be able to provide 80 percent of the BBF's and Shapiro Center's electricity needs. These environmentally friendly and sustainably-focused elements were designed with LEED Gold certification in mind for the building. "The Brigham Building for the Future will facilitate a pioneering new approach to translational medicine," says Elizabeth Nabel, MD, President of BWH. "By integrating research and patient care in one location, scientists and clinicians will exchange ideas and work together to bring innovations more quickly to the patients who need them most."

World Medical Innovation Forum

A global gathering of more than 1,100 senior health care leaders hosted by Partners, the World Medical Innovation Forum was established to advance collaborative innovation during this period of transformation of health care. The 2016 Forum will gather leading global CEOs, investors, scientists and clinical experts in cancer diagnosis, treatment, and management to highlight the latest innovations, from early detection to immunotherapy. It coincides with a pivot point in cancer innovation, with increased attention from the highest levels of industry and government on the potential for disruptive cancer treatments.



FINANCIAL OVERVIEW



The most notable milestone for Partners HealthCare in 2015 was Dr. David Torchiana's transition into the role of President and Chief Executive Officer. Fiscal year 2015 will also be remembered for the implementation of Partners eCare, an integrated, electronic health and administrative information system at Brigham and Women's Hospital, Brigham and Women's Faulkner Hospital, Brigham and Women's Physicians Organization, and Partners HealthCare at Home, as well as its record-breaking winter snowfall. Despite these changes, Partners HealthCare maintains its focus on its mission, guided by the following four pillars:

- Provide the highest quality patient care
- Perform cutting edge research
- Train the physicians of tomorrow
- Support the communities in which we operate

A solid financial foundation is critical to fulfilling our mission. While each year brings its own unique challenges, our financial resources allow us to continue to invest in our mission and ongoing strategic initiatives and to provide high quality care in the most appropriate setting for our patients.

Our commitment to being at the forefront in clinical care, research, training, and supporting the communities we serve is unwavering. To achieve these goals, we are focused on the following strategic initiatives:

- Population Health Management
- Network Strategy
- Contracting and Insurance Models
- Referral Network
- Patient Affordability/Cost Management

Population Health Management. By implementing Population Health Management (PHM), Partners has taken a population-level approach to clinical care, meeting market pressures by improving outcomes, while reducing total medical expense through preventative services, chronic illness care, and high-risk case management.

Network Strategy. A successful PHM model hinges on creating a large and diverse population of patients. Partners' strategy is to enhance its provider network across Eastern Massachusetts and beyond, by developing primary care, by strengthening existing clinical collaborations with other providers, and by creating new ambulatory care centers and urgent care sites.

Contracting and Insurance Models. Partners is collaborating with insurers to align incentives through shared risk contracts and to implement joint medical management programs that will monitor and manage care for patients throughout their full episode of care, both inside and outside of the network.

Referral Network. Partners has created a robust regional referral network, with clinical affiliations throughout greater New England that provide web-based cardiac care, tele-stroke services, joint cancer centers and subspecialty expertise. This referral network draws appropriate high-acuity cases to Partners' academic medical centers for state-of-the-art treatment of rare and complex cases.

Patient Affordability/Cost Management. As the industry moves to new payment models, Partners continues to focus on ways to manage utilization and costs to achieve a lower overall health care cost trend. Partners also continues to identify opportunities for non-labor savings through multi-disciplinary, system-wide teams.

All of our work is aimed at providing the financial stability needed to support our mission.

OVERVIEW

For 2015, Partners reported income from operations of \$106 million (0.9% margin) compared to a loss from operations of \$22 million (–0.2% margin) for 2014.

For 2015, Partners reported an overall loss of \$92 million compared to an overall gain of \$120 million in 2014.

Total assets increased by \$339 million (2%) to \$15.1 billion at September 30, 2015, while total net assets (assets minus liabilities) decreased by \$891 million (–13%) to \$6.1 billion.

REVENUE

Operating revenue increased by \$760 million (7%) to \$11.7 billion from \$10.9 billion in 2014. Net patient service revenue increased by \$275 million to \$7.3 billion (4%) in 2015. Premium revenue increased \$412 million (25%) to \$2.0 billion in 2015. Other revenue, which includes management services and other non-patient revenue sources, decreased \$20 million (–3%) to \$642 million in 2015.

NET UNCOMPENSATED CARE COSTS

In 2015, Partners' hospitals, community health centers, and physicians experienced \$1.2 billion in Medicare, Medicaid, and Health Safety Net shortfalls, an \$82 million (7%) increase over 2014, due to government reimbursements that failed to pay the full cost of providing care to Medicare, low-income, and uninsured patients. Government payers represent approximately 50% of Partners' gross patient service revenue.

EXPENSES

In 2015, operating expenses increased by \$632 million (6%) to \$11.6 billion. Labor costs rose by \$227 million (4%) to \$5.7 billion. Medical claims insurance expense increased \$189 million (13%) to \$1.7 billion. Supplies and other expenses increased by \$98 million (4%) to \$2.3 billion. Depreciation and interest increased by \$27 million (5%) to \$608 million.

RESEARCH

Partners total research expenditures in 2015 were \$1.5 billion, an increase of \$79 million (6%) from 2014. Approximately \$783 million (52%) of Partners 2015 research activity was funded by the National Institutes of Health and other federal agencies. Direct research revenue increased \$78 million to \$1.2 billion, while indirect research revenue (recovery of overhead expenses) increased \$1 million to \$338 million. This resulted in a decrease in the overhead recovery rate from 31.5% in 2014 to 29.2% in 2015. As of September 30, 2015, Partners had approximately \$2.9 billion in committed future research funding.

PHILANTHROPY

Partners HealthCare depends extensively on private fundraising to support its mission of excellence in patient care, research, education, and community support, and the communities in which Partners operates continue to generously support our overall mission. Total gifts and pledges for Partners HealthCare were \$360 million in 2015. From a cash standpoint, the system collected \$455 million in cash gifts and pledge payments, our best cash year in history and \$36 million more than last year. Approximately \$51 million (11%) of cash collections were for capital and unrestricted support. Our three-year average cost-per-dollar raised is 13 cents, an improvement over last year and well within line with our peers.

LIQUIDITY AND CAPITAL RESOURCES

Partners' sources of liquidity are cash flow from operations, cash and equivalents, investments, and a credit facility. Cash flow from operating activities was \$410 million in 2015 compared with \$469 million in 2014. Unrestricted cash and investments at September 30, 2015 totaled \$6.0 billion. Additionally, Partners maintains a \$150 million bank line of credit; as of September 30, 2015, the entire amount was available.

In 2015, investing activities used \$820 million compared to \$1.0 billion in 2014. Capital expenditures were \$1.2 billion and \$821 million in 2015 and 2014, respectively.

For 2015, net cash provided by financing activities was \$574 million. In January 2015, Partners issued \$618 million of bonds and proceeds were used to finance capital projects, refinance certain existing debt, and to pay costs of issuance. Total debt outstanding amounted to \$4.4 billion as of September 30, 2015.

Partners believes it has the necessary financial resources, operating cash flow, and borrowing capacity to fund working capital needs, capital expenditures, and other business requirements for the near term.

OTHER MATTERS

Construction continued at BWH's "Brigham Building for the Future" (BBF) in 2015. The BBF will expand research and clinical space on the BWH campus, with a focus on the neuroscience and musculoskeletal programs, and increase flexibility for future campus redevelopment while allowing for lease consolidation. BBF is expected to cost approximately \$512 million with occupancy scheduled for late 2016.

Partners is in the process of developing and implementing a system-wide integrated revenue processing and clinical application system, called Partners eCare, which will provide a single, complete, and up-to-date electronic record for all Partners patients and providers and enable a seamless flow of clinical and administrative information. The budget for the Partners eCare project is approximately \$1.3 billion.

Partners is constructing an administrative building and parking garage as part of the mixed-use development project at Assembly Row in Somerville, MA that will allow for consolidation of multiple locations into a single cost-effective location. The total cost of the project is expected to be approximately \$467 million with occupancy expected to begin in 2016.

Consolidated Balance Sheets

Excerpts from financial statements (in thousands of dollars) as of September 30, 2015 and 2014

	2015	2014
Current assets:		
Cash and equivalents	\$ 621,568	\$ 457,244
Investments	1,354,636	1,474,058
Current portion of investments limited as to use	1,590,203	2,120,057
Patient accounts receivable	878,033	876,214
Other current assets	629,337	536,385
Total current assets	5,073,777	5,463,958
Investments limited as to use, less current portion	2,832,744	2,927,360
Long-term investments	1,061,176	1,026,538
Property and equipment	5,328,782	4,615,908
Other assets	773,962	697,328
Total assets	\$ 15,070,441	\$ 14,731,092
Current liabilities:		
Current portion of long-term obligations	\$ 398,990	\$ 238,204
Accounts payable and accrued expenses	1,791,689	1,761,658
Current portion of accrual for settlements with third-party payers	53,066	55,918
Total current liabilities	2,243,745	2,055,780
Long-term obligations, less current portion	3,994,034	3,697,938
Accrual for settlements with third-party payers, less current portion	34,725	58,899
Interest rate swaps liability	404,062	295,656
Other long-term liabilities	2,341,073	1,679,332
Total liabilities	9,017,639	7,787,605
Net assets:		
Unrestricted	4,707,662	5,623,759
Temporarily restricted	765,562	855,954
Permanently restricted	579,578	463,774
Total net assets	6,052,802	6,943,487
Total liabilities and net assets	\$ 15,070,441	\$ 14,731,092

Complete financial statements available upon request.

Consolidated Statements of Operations

Excerpts from financial statements (in thousands of dollars) for the fiscal years ended September 30, 2015 and 2014

	2015	2014
Operating revenue:		
Net patient service revenue, net of provision for bad debts	\$ 7,317,918	\$ 7,042,558
Premium revenue	2,034,420	1,622,392
Academic and research revenue	1,671,225	1,578,693
Other revenue	642,082	662,410
Total operating revenue	11,665,645	10,906,053
Operating expenses:		
Compensation and benefit expenses	5,655,073	5,428,352
Supplies and other expenses	2,325,085	2,226,663
Medical claims and related expenses	1,652,538	1,463,972
Direct academic and research expenses	1,316,283	1,225,782
Depreciation and amortization expenses	493,505	463,039
Interest expense	116,703	119,849
Total operating expenses	11,559,187	10,927,657
Income (loss) from operations	106,458	(21,604)
Nonoperating gains (expenses):		
(Loss) income from investments	(37,258)	227,357
Change in fair value of interest rate swaps	(110,315)	(109,275)
Gifts and other, net of expenses	(50,874)	23,367
Total nonoperating gains (expenses), net	(198,447)	141,449
(Deficit) excess of revenues over expenses	(91,989)	119,845
Other changes in net assets:		
Change in net unrealized appreciation on marketable investments	(224,616)	(3,309)
Change in fair value of hedging interest rate swaps	–	45,624
Funds utilized for property and equipment and other	39,675	44,231
Change in funded status of defined benefit plans	(639,167)	(387,698)
Decrease in unrestricted net assets	\$ (916,097)	\$ (181,307)

Complete financial statements available upon request.

Consolidated Statements of Changes in Net Assets

Excerpts from financial statements (in thousands of dollars) for the fiscal years ended September 30, 2015 and 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets at October 1, 2013	\$ 5,805,066	\$ 792,769	\$ 412,209	\$ 7,010,044
Increases (decreases):				
Loss from operations	(21,604)	–	–	(21,604)
Income from investments	227,357	36,897	30	264,284
Gifts and other	23,367	51,250	49,877	124,494
Change in net unrealized appreciation on marketable investments	(3,309)	(11,209)	1,706	(12,812)
Change in fair value of interest rate swaps	(63,651)	–	–	(63,651)
Funds utilized for property and equipment and other	44,231	(13,753)	(48)	30,430
Change in funded status of defined benefit plans	(387,698)	–	–	(387,698)
Change in net assets	(181,307)	63,185	51,565	(66,557)
Net assets at September 30, 2014	5,623,759	855,954	463,774	6,943,487
Increases (decreases):				
Income from operations	106,458	–	–	106,458
(Loss) income from investments	(37,258)	(46,460)	55	(83,663)
Gifts and other	(50,874)	8,029	116,449	73,604
Change in net unrealized appreciation on marketable investments	(224,616)	(36,351)	(2,313)	(263,280)
Change in fair value of interest rate swaps	(110,315)	–	–	(110,315)
Funds utilized for property and equipment and other	39,675	(15,610)	1,613	25,678
Change in funded status of defined benefit plans	(639,167)	–	–	(639,167)
Change in net assets	(916,097)	(90,392)	115,804	(890,685)
Net assets at September 30, 2015	\$ 4,707,662	\$ 765,562	\$ 579,578	\$ 6,052,802

Consolidated Statements of Cash Flows

Excerpts from financial statements (in thousands of dollars) for the fiscal years ended September 30, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
Change in net assets	\$ (890,685)	\$ (66,557)
<i>Adjustments to reconcile change in net assets to net cash provided by operating activities:</i>		
Change in funded status of defined benefit plans	639,167	387,698
Change in fair value of interest rate swaps	110,315	63,651
Depreciation and amortization	493,505	463,039
Provision for bad debts	129,051	129,492
Net realized and change in unrealized appreciation on investments	307,782	(342,608)
Restricted contributions and investment income	(172,749)	(102,660)
Other	49,814	2,064
<i>Increase (decrease) in cash resulting from a change in:</i>		
Patient accounts receivable	(127,108)	(192,322)
Other assets	(115,949)	(100,157)
Accounts payable and accrued expenses	35,530	206,161
Settlements with third-party payers	(48,318)	20,750
Net cash provided by operating activities	410,355	468,551
Cash flows from investing activities:		
Purchase of property and equipment	(1,197,849)	(821,306)
Purchases of investments, net	401,472	(224,300)
Cash acquired through affiliations	(23,343)	–
Net cash used for investing activities	(819,720)	(1,045,606)
Cash flows from financing activities:		
Payments on long-term obligations	(71,353)	(60,031)
Proceeds from long-term obligations	612,359	783,348
Decrease in auction rate securities holdings	–	23,830
Deposits into refunding trusts	(140,066)	(286,830)
Restricted contributions and investment income	172,749	102,660
Net cash provided by financing activities	573,689	562,977
Net increase (decrease) in cash and equivalents	164,324	(14,078)
Cash and equivalents at beginning of year	457,244	471,322
Cash and equivalents at end of year	\$ 621,568	\$ 457,244

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Rendering of new Partners HealthCare building at Assembly Row



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