

# A Moment 25 Years in the Making

**Scott Bolton**  
Claiborne County Farmer  
Cardiac Patient

2021-2022 REPORT TO THE COMMUNITY





## The Covenant Health Pledge of Excellence

*The patient always comes first.*

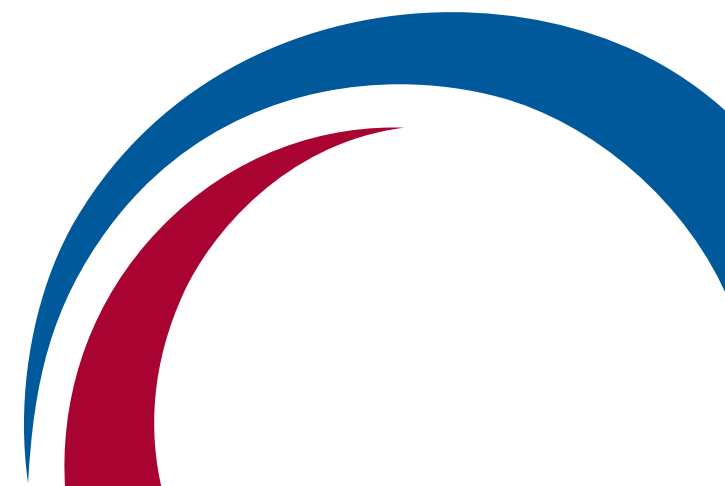
*Excellence in everything I do.*

*We will be the first and best choice for our patients.*



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## A Letter from the CEO

Twenty-five years ago, the organizations that came together to form Covenant Health had a mission: to serve the community by improving the quality of life through better health. As we worked to fulfill that mission over the years, a vision evolved to make Covenant Health the first and best choice for health care.

Today, we have a lot to celebrate. A quick overview:

**We have approximately 2 million patient encounters annually in our 23-county service area.**

**About half of all major medical procedures in our area are performed at Covenant Health facilities.**

**We're the largest employer in the region, with 10,000 employees, and we've been named a "Best Employer" seven times by Forbes.**

But numbers alone don't tell the full story. We've invested in our facilities and services so that people throughout our region have access to excellent medical care. We've invested in our data management capabilities and innovative virtual urgent care technology. In our facilities, virtual technology supports our caregivers in critical care, psychiatry and other areas.

As we look ahead, we're implementing long-term strategies to continue caring for our neighbors, including:

**Addition of proton therapy to our cancer care services.**

**A new behavioral health hospital in partnership with Acadia Healthcare.**

**A new Patricia Neal Rehabilitation Hospital in partnership with Encompass Health and renovations to our downtown Patricia Neal Rehabilitation Center.**

**New outpatient facilities in South Knoxville and Morristown.**

We're also educating the healthcare professionals of tomorrow:

**We recently welcomed the largest class of medical students from Lincoln Memorial University to clinical rotations at our hospitals.**

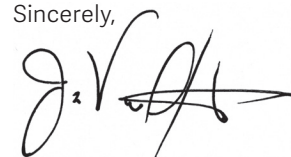
**We announced a partnership with Roane State Community College and Tennessee College of Applied Technology, with a new campus dedicated to training future healthcare professionals to be located near Parkwest Medical Center.**

**We're announcing a new family practice medical residency program at Methodist Medical Center.**

Healthcare is currently facing many challenges, but Covenant Health is financially strong and continues to invest in the future. Our mission and vision keep us focused on our Pledge of Excellence: Patients always come first, excellence in everything we do, and making Covenant Health the first and best choice.

Our past achievements and our future initiatives are possible because of the contributions of those who came before us, and because of our dedicated volunteer board, our health system leaders, employees, physicians, volunteers and donors. We're especially grateful for the trust and confidence our communities have placed in Covenant Health. We pledge to continue providing outstanding care that makes a difference for you and your family.

Sincerely,



Jim VanderSteeg



## A Letter from the Chair of the Board

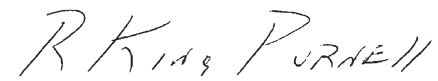
I became chairman of the Covenant Health board of directors at the beginning of January 2022, after serving on the board for about three years. I was interested in serving on the board because I believe in the mission of Covenant Health, and I subscribe to the values and culture of the organization. Those values were especially evident during the most challenging days of the COVID-19 pandemic. Everyone associated with Covenant Health stepped up in response to those challenges, and their dedication and sacrifices made the board incredibly proud.

Covenant Health has changed and grown over the past 25 years. That's true for all industries, but healthcare in particular continues to experience rapid changes. The health system has continued to grow and expand into a much larger organization than when it was founded, thanks to the significant investments we have made in our surrounding communities. We are currently constructing new facilities in Morristown and South Knoxville, and Covenant Health is building alliances and partnerships with other healthcare organizations to help advance our mission. More services are being provided in outpatient settings and even in patients' homes through our innovations in virtual technology.

All of these investments have been made so that we can offer more healthcare services for our region. We are a strong health system with significant resources. This allows Covenant Health and the board of directors to make long-term strategic decisions with our patients and quality care as top priorities.

I am grateful for the opportunity to "give back" to my community as a board member of Covenant Health. I am proud of the benefits that our region has received as a result of Covenant Health's presence and growth, and how the organization truly fulfills its mission of improving the quality of life through better health.

Sincerely,



King Purnell





## Our Mission

We serve the community by improving the quality of life through better health.



## Our Vision

Covenant Health is committed to being the region's premier healthcare network by providing patient-centered care that inspires clinical and service excellence, making us the first and best choice for our patients, employees, physicians, employers, volunteers and communities.

## Our Values

In service to God and community, we value:



Integrity



Quality



Developing People



Service



Caring



Using Resources Wisely

# The First and Best Choice

With 10 hospitals and nearly 150 locations including outpatient centers, clinics and physician offices, Covenant Health is committed to providing excellent medical care in communities across our 23-county service area. Through our integrated healthcare delivery system, we're making expert, compassionate care more accessible for our patients and guests. Our vision is to make Covenant Health the first and best choice for care in our region.



# The First and Best Choice

## Covenant Health by the Numbers

Across our region, Covenant Health provides patient care in 10 hospitals and 100+ locations, totaling more than 5 million square feet. Even more important is the number of patients who received care at our hospitals, clinics and medical practices in 2021:

### 2021 Patient Care Summary

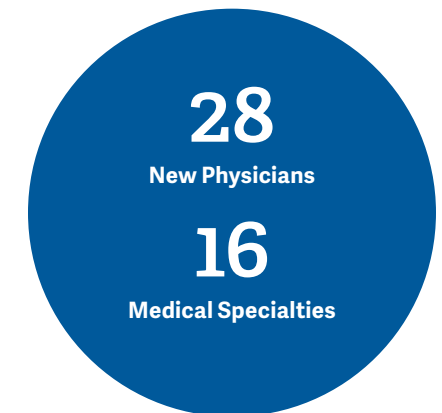
Admissions	70,117
Inpatient Surgeries	12,953
Outpatient Surgeries	35,496
ED Visits	291,461
Outpatient Visits	1,102,779
Physician Office Visits	710,278

**In addition to the care we provided in 2021, we administered more than 50,000 COVID-19 vaccines to our communities.**

### 2021 Physician Recruiting Summary

Medical Specialties	New Physicians	Counties Served
Breast Surgery	1	Knox
Cardiology	1	McMinn
Cardiovascular Surgery	1	Knox
Colorectal Surgery	1	Knox
General Surgery	1	Roane
Hematology/Oncology	2	Loudon, Sevier
Infectious Disease	4	Knox
Nephrology	1	Knox
Neurology	1	Knox
Neurosurgery	1	Knox
Obstetrics/Gynecology	3	Hamblen, Knox
Orthopedic Surgery	2	Hamblen, Sevier
Otorhinolaryngology	1	Knox
Primary Care	4	Cumberland, Knox, Loudon, Sevier
Surgical Oncology	1	Knox
Urology	1	Cumberland

**Covenant Medical Group employed 160 physicians in 17 medical specialties in 2021.**



## The First and Best Choice



*“As we worked to fulfill that mission over the years, a vision evolved to make Covenant Health the first and best choice for health care.”*

Jim VanderSteege, CEO

## The First and Best Choice

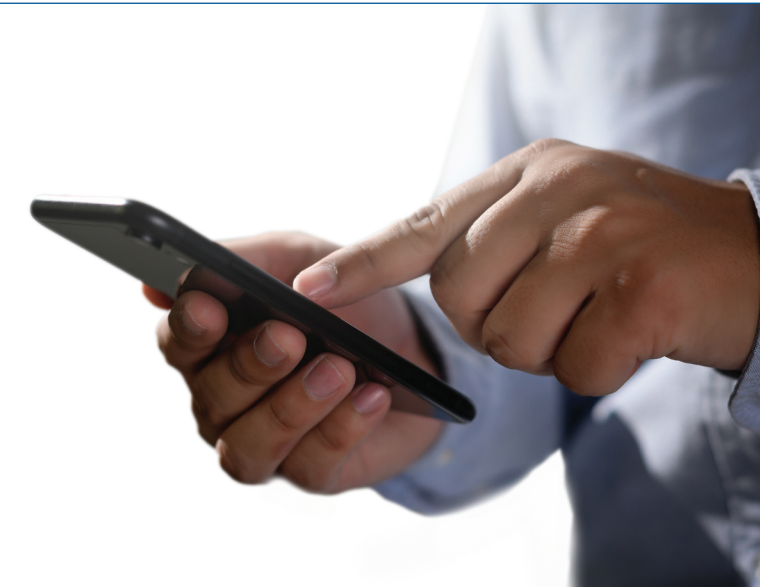
**16,871**  
acute care virtual  
visits in 2021

### Virtual Care in the Hospital

Virtual services at our hospitals offer advanced care for complex medical conditions and can help smaller communities through remote access to specialized Covenant Health resources. Our physicians use telehealth technology to monitor a patient’s condition remotely or consult with other medical professionals regarding the best course of treatment. Virtual care may enhance hospital services in cardiology, critical care, nephrology, newborn nursery, psychiatry, stroke and neurology.

### Tele-ICU

Covenant Health is the first healthcare system in East Tennessee to provide tele-ICU as an extra layer of care for critically ill patients at all our member hospitals. Our tele-ICU medical providers have advanced training in critical care and are available for round-the-clock consultation and monitoring of vital signs, labs and overall health. The tele-ICU team works virtually alongside our hospital staff, anticipating medical needs before they become urgent.



**24/7**  
**365**  
days a year

### Access to Care Wherever You Are

Covenant Health’s virtual care opportunities continued to expand in 2021, with healthcare services available to our patients via computer or mobile device. Our virtual care options are designed for convenience, safety and access to care. Covenant Health offers scheduled appointments with physicians and recently launched Virtual Urgent Care, with emergency-trained physicians available anywhere in East Tennessee.

## Awards and Recognitions in 2021

Covenant Health has received regional and national accolades for excellence in quality, patient safety and advanced medical care. Here are a few of our 2021 recognitions:

### American College of Radiology

Accreditations in various specialty areas such as imaging, mammography, ultrasound, MRI, nuclear medicine and others

### American Health Care Association and National Center for Assisted Living Commitment to Quality Award – Bronze

Claiborne Health and Rehabilitation Center

### Best Employer, Forbes Magazine (seven times)

Covenant Health

### BEST for Babies Award, Tennessee Hospital Association and Tennessee Department of Health

Cumberland Medical Center

### Cardiology and/or stroke recognitions from the American Heart Association's Get With The Guidelines® program for excellence in heart and stroke care

Fort Sanders Regional Medical Center

LeConte Medical Center

Methodist Medical Center

Morristown-Hamblen Healthcare System

Parkwest Medical Center

Roane Medical Center

### Fortune/IBM Watson Health, Top 50 Cardiovascular Hospitals

Parkwest Medical Center, 2021

**Previous years:** Fort Sanders Regional, Parkwest and Methodist Medical Centers

### The Leapfrog Group, "A" Safety Grade

Claiborne Medical Center

Fort Loudoun Medical Center

LeConte Medical Center

Morristown-Hamblen Healthcare System

### The Leapfrog Group, Top Rural Hospital Designation

LeConte Medical Center

### "Most Wired" designations for effective use of computer technology

Covenant Health – Acute category

Covenant Medical Group – Ambulatory category

### National Committee for Quality Assurance (NCQA), Recognition as Patient-Centered Medical Homes

Covenant Medical Group, 24 practices

## Connecting with Our Communities

### Education Partnerships

#### Partnerships and training with 20+ postsecondary schools

Covenant Health is committed to the education of tomorrow's healthcare professionals and leaders. More than 1,000 students from colleges and other medical training programs participated in clinical experiences at Covenant Health in 2021. Our partnerships include, among others:

**Lincoln Memorial University —  
DeBusk College of Osteopathic Medicine,  
clinical rotations for medical students**

**Tennessee Wesleyan University — Fort Sanders Nursing  
Department, Bachelor of Science in Nursing degree**

In 2021, Covenant Health announced a partnership with Roane State Community College and Tennessee College of Applied Technology for a new medical training center to be constructed near Parkwest Medical Center.

### Covenant Health Knoxville Marathon

#### 105,766 participants in 17 years

The Covenant Health Knoxville Marathon celebrated its 17th year in 2021. The hills of the city challenge and inspire both beginning and veteran runners from our region and around the country, with thousands of participants crossing the finish line each year. The two-day event includes a Kids Run, 5K, 2- and 4-person relays, a half marathon and a full marathon.

## Foundations

### Your donations in action

Covenant Health's foundations distributed \$3.28 million of your donations to support our health system's hospitals, programs, and patients in 2021, including:

**Over \$167,000 of free outpatient lodging for patients traveling long distances for care at Covenant Health facilities**

**About \$333,000 in emergency assistance to patients and employees in crisis situations**

**Over \$89,000 in patient scholarships for physical and cardiopulmonary rehabilitation**

**Almost \$150,000 to provide clinic staffing and services for those served by Knoxville Area Rescue Ministries (KARM)**

**Approximately \$274,000 to support clinical trials for new cancer treatment options**

**Over \$1.5 million to provide social services, nurse navigators and other cancer services to patients at Thompson Cancer Survival Center**

The foundations produced 11 community fundraising events across our service area in 2021, raising over \$1 million in gross sponsorships and contributions.

In the 2021 WeCare Employee Giving Campaign, 3,498 Covenant Health employees donated \$691,303. About 4,150 patients and employees in crisis were helped by WeCare funds.

5,544 donors gave  
**\$2.61 million**  
to Covenant Health's  
6 foundations in 2021

## Our Partnerships



### East Tennessee Behavioral Health

#### Specialized services in a holistic environment

To address the growing need for mental health services in our region, Covenant Health has partnered with Acadia Healthcare to construct a new 90-bed behavioral health hospital. The facility continues our legacy of behavioral services and enhances existing resources at Covenant Health and other local organizations.

**With the ability to add additional beds to meet future demand, the hospital will serve adolescents, adults and seniors with mental health and co-occurring disorders.**

Construction continued throughout 2021, and East Tennessee Behavioral Health opened on Aug. 8th, 2022.

## Our Partnerships

### Patricia Neal Rehabilitation Hospital

#### 51 new inpatient beds

As part of Covenant Health's joint venture with Encompass Health, construction is underway to modernize the Patricia Neal Rehabilitation Center at Fort Sanders Regional Medical Center and convert the renowned facility to a 22-bed "hospital-in-hospital" structure.

Progress also continued in 2021 on a new Patricia Neal Rehabilitation Hospital, a freestanding 51-bed inpatient facility located in West Knoxville. The hospital will serve patients recovering from debilitating illnesses and injuries, including strokes and other neurological disorders, brain injuries, spinal cord injuries, amputations and complex orthopedic conditions. The hospital is expected to open in early 2023.





## Our Progress

### Tech and Health



Technology plays a critical role in an evolving healthcare delivery model that depends on performance and high reliability. Covenant Health now owns **TenHats**, a one-stop enterprise firm that provides essential IT resources. TenHats' data center infrastructure ensures availability of high-speed connectivity 24/7/365. The facility and highly skilled technical staff provide resources for network, wireless, server, storage, application, telecom and security needs.



## Serving Growing Communities

### New outpatient facilities underway in South Knoxville and Morristown

Construction began in 2021 on a \$20 million outpatient facility in South Knoxville. The facility has more than 36,000 square feet and will include an urgent care area with extended hours, a clinic for primary care and other medical subspecialties, a diagnostic center with laboratory and imaging services, and areas for physical rehabilitation and education.

South Knoxville is rapidly becoming a destination community, with recent expansions in residential growth, thriving businesses and recreation areas. The new project will provide a variety of

needed health services in a convenient location that's easily accessible for people in South Knoxville and Seymour. It will also have access to Covenant Health's network of services when patients need medical care. The facility is scheduled to open in late 2023.

In 2021, one of Covenant Health's member hospitals, Morristown-Hamblen Healthcare System, began building a \$37-million outpatient facility near a convenient access point for Interstate 81. The 50,000-square-foot facility will include a free-standing emergency department and diagnostic center, as well as physician offices, and will be known as Morristown-Hamblen West. The project is scheduled to be completed in 2023.

## Our Progress

### Looking to the Future

#### Covenant Health adds proton therapy to our comprehensive cancer services

In mid-2022, Covenant Health announced the purchase of Provision CARES Proton Therapy Center in Knoxville, adding a new treatment option to Thompson Cancer Survival Center, the health system's robust oncology service line.

Proton therapy is an advanced form of radiation therapy that uses beams of high-energy protons to treat various forms of cancer while protecting nearby healthy tissue and vital organs from unnecessary radiation.

Thompson Proton Center is one of just 40 proton therapy centers in the U.S. Patients across our region can now receive proton therapy as part of Covenant Health's umbrella of cancer services offered through Thompson Cancer Survival Center locations and Covenant Health's cancer care network.

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Jim VanderSteege, CEO

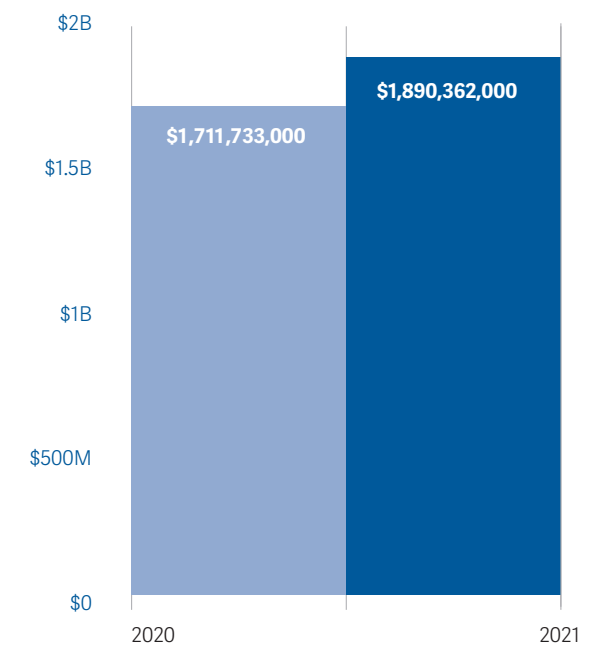
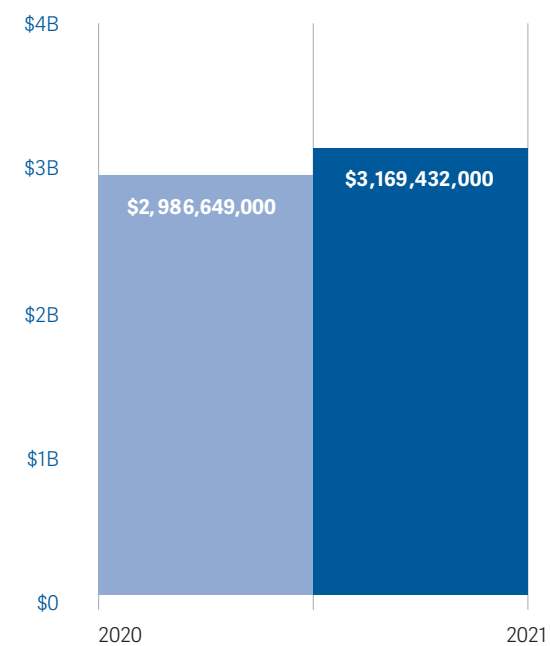
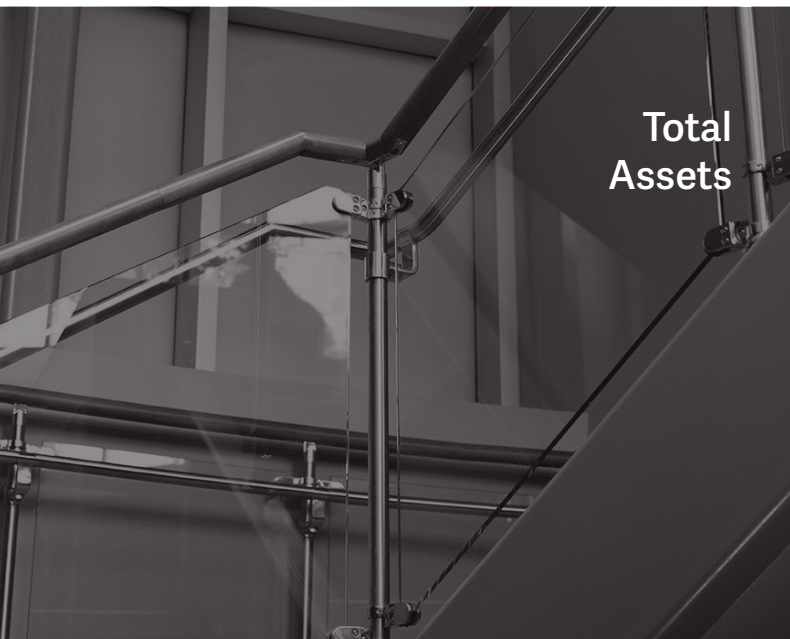
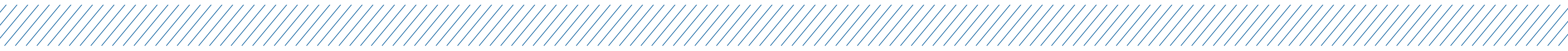
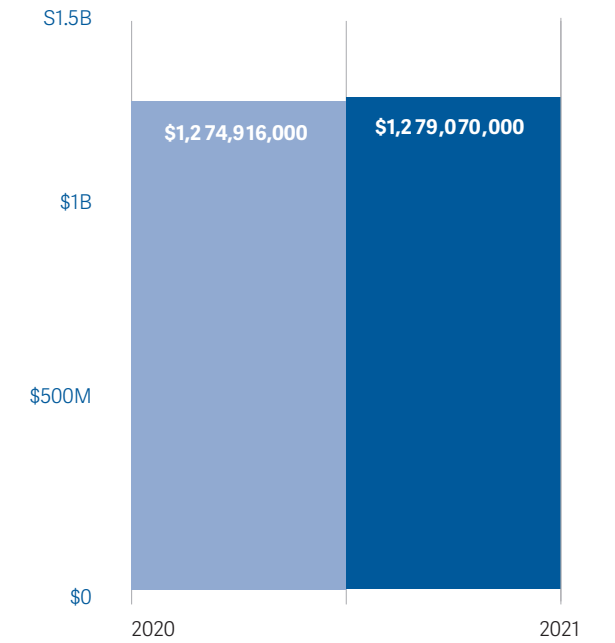
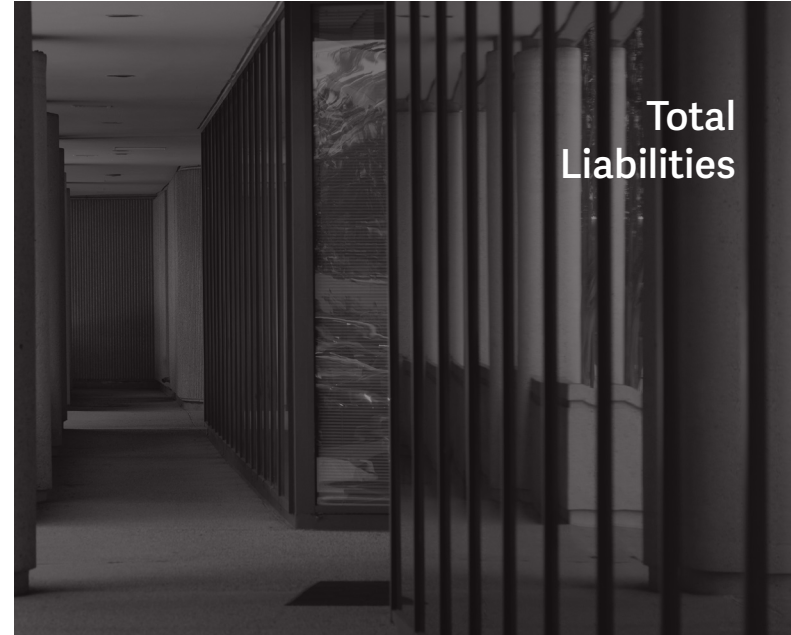
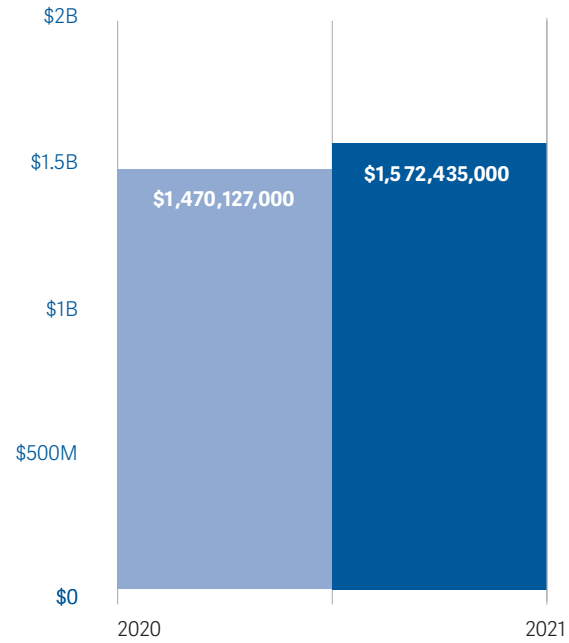


# Financials

As a not-for-profit health system, Covenant Health reinvests excess revenues after expenses in programs, services, technologies and facilities to improve patient care.

**Capital investments**  
**2021** - \$82,568,000  
**2017-2021** - \$631,290,000

Covenant Health has earned an "A+" rating with stable outlook from Fitch and an "A" stable rating from Standard and Poors (S&P). These highest ratings among the region's healthcare organizations reflect both agencies' confidence in Covenant Health's financial strength.



# Community Contributions



As a not-for-profit health system, Covenant Health significantly contributes to our communities through charity care and uncompensated care, and by meeting local health needs through specialized medical services. In addition, we contribute to charitable organizations and provide educational programs for health professionals. Our salaries and tax contributions support local economies in the communities we serve.

## Caring for Those in Need

### Charity Care

2021	\$70,738,000
2017-2021 (5 years)	\$333,080,000

### Uncompensated Care

Care which costs more to provide than reimbursements from state and national programs cover

2021	\$181,265,000
2017-2021	\$875,709,000

### Subsidized Care

Clinical services provided to meet community needs despite financial loss

2021	\$48,432,667
2017-2021	\$232,248,974

## Investing in Our Communities

### Contributions to Community Organizations

Donations to health-related organizations, community needs and outreach programs, programs for children and youth; economic/ community leadership development, and recreation/quality of life

2021	\$474,407
2017-2021	\$2,645,652

### Health Professionals' Education

2021	\$1,587,250
2017-2021	\$9,290,452

### Employees, Salaries and Benefits

Number of employees (as of 12/2021)	9,982
2021	\$770,052,848
2017-2021	\$3,490,667,383

### Real Property Taxes – All counties, including Knox County

2021	\$3,978,680
2017-2021	\$19,425,633



TO THE ENTIRE TEAM AT COVENANT HEALTH,  
**thank you for always  
 putting our patients first.**

# Leadership of Covenant Health

## 2022 Board of Directors

### Gerald Boyd

Senior Advisor, BJB & Associates,  
Senior Advisor, RSI  
Oak Ridge

### Willard Campbell, MD

General/Vascular Surgeon,  
Parkwest Medical Center

### Michael Casey, MD

Orthopedic Surgeon,  
Fort Sanders Regional Medical Center

### Ronni Chandler

Executive Director, Project GRAD

### Mitch Dickson, MD

Anesthesiologist,  
Parkwest Medical Center

### Stephanie Flood

Chief Information Officer,  
Clayton  
Maryville

### James Gibson

Chairman of the Board,  
Accurus Aerospace Corporation  
Irving, Texas (Retired)

### Edgar Gray

Stewart Lumber Company  
Morristown (Retired)

### Leslye Hartsell

Director, Community Relations  
and External Engagement,  
Knoxville Utilities Board

### G. Donald Hickman

Federal Government Service,  
Federal Bureau of Investigation,  
Tennessee Valley Authority  
(Retired)

### Timothy Matthews

President and CEO,  
Jewelry Television

### Janice McKinley

Senior Vice President  
and Chief Nursing Officer,  
Covenant Health (Retired)

### Dave Miller

First Tennessee Bank,  
East Region President

### Bill Myers

President and Managing Member,  
Wagner, Myers and Sanger, PC (Retired)

### Alvin Nance

CEO of Development, LHP Development

### Linda Ogle

Properties Owner and  
Sevier County Community Leader  
Sevierville

### King Purnell

Chairman, Knoxville Board  
Capstar Bank

### Jorge Sanabria

Owner/President,  
Expoquip, Inc.

### William Seale

Chief Strategy Officer,  
KaTom Restaurant Supply, Inc

### Cosby Stone

CEO & Chairman,  
The Cosby Harrison Company (previously  
TAPPCO)  
Media and Information Services  
Crossville (Retired)

### Joseph E. Sutter

Colonel, USAF (Retired)

### James Tramontana, MD

Radiologist,  
Chief of Radiology Dept.  
and President of Group  
Methodist Medical Center

## Executive Leaders

### Jim VanderSteege

President and Chief Executive Officer

### Mike Belbeck

Executive Vice President of Operations

### John Geppi

Executive Vice President and  
Chief Financial Officer

### Luke Johnson

Executive Vice President  
Physician Enterprise/Ambulatory Services

### Doug Campbell

General Counsel

## Chiefs of Staff

### Richard Bremer, MD

Hospitalist, Internal Medicine  
Methodist Medical Center

### Edgar Diaz, MD

Hospitalist, Internal Medicine  
Roane Medical Center

### Philip Meyette, MD

Hospitalist, Family Practice  
Fort Sanders Regional Medical Center

### Jeffrey Roesch, MD

Radiologist  
Parkwest Medical Center

### George Sawabini, DO

Hospitalist, Internal Medicine  
Fort Loudoun Medical Center

### Allen Smith, MD

Pulmonary Disease/Critical Care  
LeConte Medical Center

## Nothing is Beyond Our Reach

As a community-owned, integrated healthcare delivery system, Covenant Health is the region's largest employer, with 10 hospitals, 60+ outpatient locations, and nearly 80 physician practices.





[covenanthealthreport.com](http://covenanthealthreport.com) | [covenanthealth.com](http://covenanthealth.com)

Covenant Health complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, sex, or any other characteristic protected by law.

Covenant Health cumple con las leyes federales de derechos civiles aplicables y no discrimina por motivos de raza, color, origen nacional, edad, discapacidad, sexo, o cualquier otra característica protegida por la ley.