

# Baldrige Award Application

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## Organization Description

The information requested in this section provides a high-level overview of the organization. It will provide context for the results asked below. Be sure that the information provided in the Organization Description (OD) is consistent with the results information provided below. The information provided in the OD will not be evaluated. The OD should not include information about key processes or results information.

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## Questions

### **1 - What are your key products, services, and/or programs?**

In October 1905, in Maryland's Great Appalachian Valley, a new hospital opened its doors to serve Hager's Town and surrounding area. Named for immigrant founder Jonathan Hager, the community had become a Hub City with multiple railroad routes running through the town 70 miles northwest of Washington, D.C. The community came together to raise money for a 10-bed hospital that served 106 patients in its first year. Today, Hagerstown (population 44,000) remains a Hub City, at the intersection of U.S. Interstates 81 and 70. It serves as the commercial hub for the Tri-State Area, which includes Western Maryland, South Central Pennsylvania, and the Panhandle of West Virginia (Figure P-1), though the surrounding community remains largely rural.

That hospital has grown and evolved to become Meritus Health, serving 200,000+ people. Today, Meritus Health includes 327-bed Meritus Medical Center (MMC), with the Meritus Medical Group (MMG). Meritus Health is proud to remain among the decreasing number of independent community health systems and demonstrates its commitment to serving the region with a full range of healthcare services and a role-model approach to community health.

Meritus offers two main service offerings – healthcare services and health services. Healthcare services focus on traditional acute medical care provided in hospital or ambulatory settings, while health services keep people healthy and reduce health risk factors. With the organization's roots, healthcare services remain the largest, most established segment of the business and provide the majority of the revenue.

In a strategic move to address the community's future health needs, Meritus pursued development of a medical school that will welcome its first students later this year. Also, recognizing the community's behavioral health needs, the organization recently entered into an affiliation with Brook Lane, a behavioral health facility. Brook Lane and the Meritus School of Osteopathic Medicine are separate legal entities from MMC and MMG so are not included in the scope of this application.

## Figure P-1: Hub City



Figure P-1: Hub City

### 2 - What are your mission, vision, and values or guiding principles?

The Mission, Vision, and Values, embedded in the Meritus Health Organizational Playbook (Figure P-2), frame everything Meritus Health does:

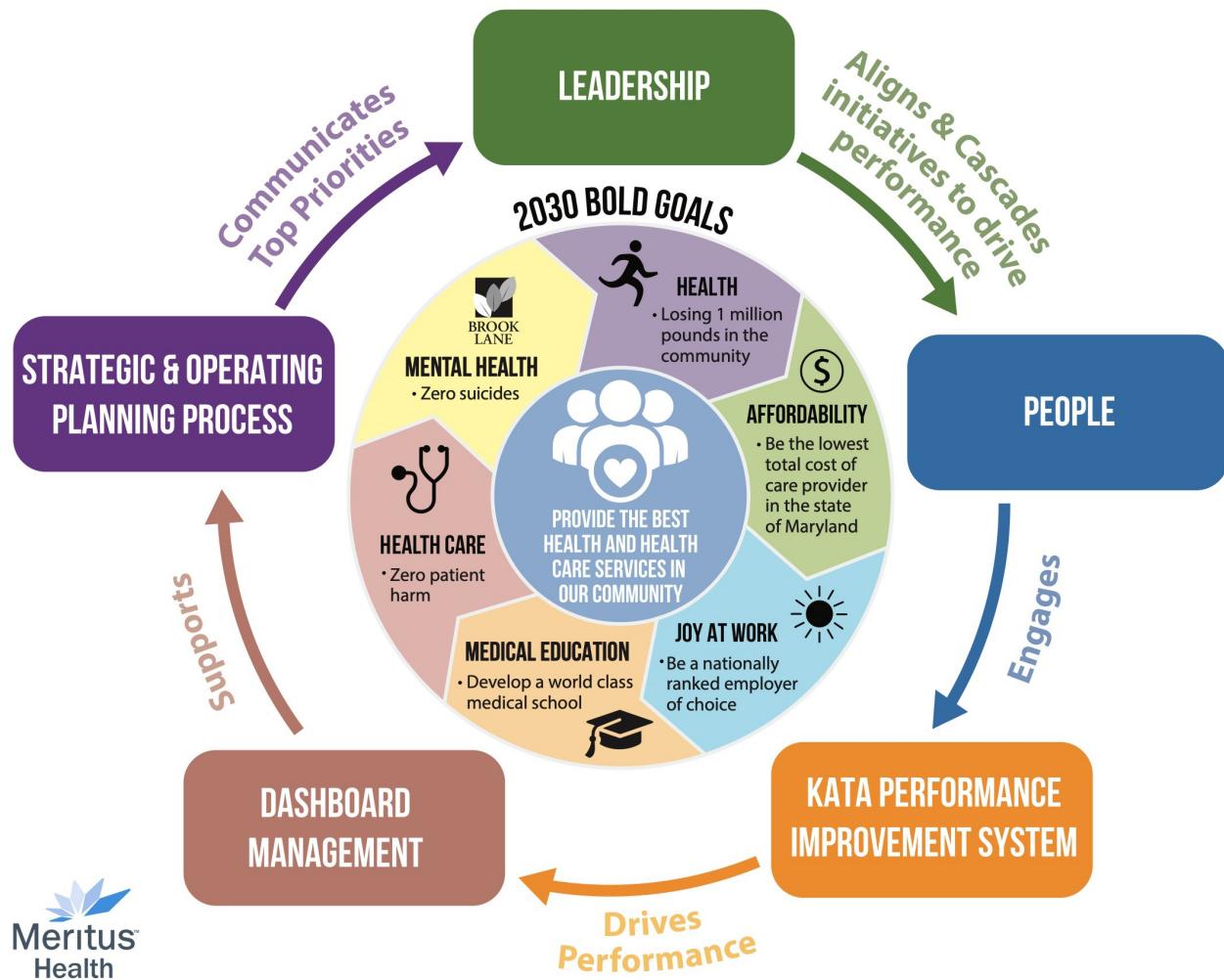
**MISSION:** Improve the health of our community

**VISION:** Be the best healthcare system

**VALUES:** At Meritus, we support our Mission and Vision, by living our Values each and every day. By following our pledge, "I ACT," we each support Meritus with:

- I      Integrity – We do the right thing, no matter what!
- A      All in for quality outcomes – Quality improvement isn't something we just talk about. It's a commitment we each live.
- C      Community obsessed – We are our community, and we are here to take care of our neighbors. This isn't just about medical care. It's about caring for the whole person.
- T      Teamwork – Nobody can do it alone! At Meritus we are one team that is diverse and inclusive, and we support one another and our goals.

## Meritus Health Organizational Playbook



**MISSION** - Improve the health of our community.

**VISION** - To be the best health system.

**VALUES** - At Meritus, we each support our mission and vision by living our values each and every day.

By following our pledge, "I ACT", we each support Meritus with:

**I = Integrity** - We do the right thing, no matter what!

**A = All in for quality and outcomes** - Quality improvement isn't just something we talk about, it's a commitment we each live.

**C = Community obsessed** - We are our community and we are here to take care of our neighbors.

This isn't just about medical care, it's about caring for the whole person.

**T = Teamwork** - Nobody can do it alone! At Meritus we are one team that is diverse and inclusive, and we support one another and our goals.

Figure P-2: Meritus Health Organizational Playbook

### 3 - What other factors, if any, impact your organization's success and sustainability?

1. **Meritus Health has a relentless focus on its 2030 Bold Goals.** The Bold Goals, at the center of Meritus Health Organizational Playbook (Figure P-2), were initially established in 2019 as:
  - **HEALTH CARE:** Zero patient harm
  - **HEALTH:** Lose 1 million pounds in the community

- JOY AT WORK: Be a nationally ranked employer of choice
- AFFORDABILITY: Be the lowest total cost of care provider in the state of Maryland

Meritus added Medical Education and Mental Health as Bold Goals in FY2024 and FY2025. The planned future medical school and newly acquired Brook Lane behavioral health facility are outside the scope of this application.

2. **Meritus Health has a role model performance improvement system** (Figure OL-1) that aligns and integrates strategy implementation, a robust dashboard system, and fully deployed Kata process improvement methodology to engage all levels of the organization in achieving the True North metrics (Figure S-2) and 2030 Bold Goals.

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**4 - What are your key applicable regulations, as well as accreditations, certifications, or registration requirements?**

Meritus Health operates in a complex legal and regulatory environment, with numerous regulations and standards at the national, state and local levels, including accreditation through The Joint Commission and licensure through the state health department. Meritus Health also chooses to pursue voluntary accreditations that support its commitment to excellence.

Most notably, the state of Maryland represents a unique regulatory environment for healthcare organizations. It is the only state in the nation granted a waiver by the federal government exempting it from national Medicare and Medicaid reimbursement principles. Instead, under the federal agreement, Maryland state law established an independent state agency, Health Services Cost Review Commission (HSCRC), that approves hospital rates. The agency uses a total cost of care model that limits hospitals to a small per capita increase from the previous year, with financial incentives for organizations that achieve certain quality and care improvement goals. Maryland hospitals still report to Centers for Medicare and Medicaid Services (CMS) but are not subject to the traditional CMS value-based programs.

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**5 - Is there anything you consider unusual about your environment or business model that would aid in understanding your organization?**

Meritus Health is among the decreasing number of independent community health systems across the country. Being independent means that decisions are made locally by leaders who live in the Meritus Health service area and that Meritus Health has unique agility to rapidly respond to emerging needs and opportunities.

With headquarters in the state of Maryland, Meritus Health operates in a unique regulatory environment that has often been cited as a role model for value-based payment. Maryland is the only state in the nation granted a waiver by the federal government, exempting it from national Medicare and Medicaid reimbursement principles. Instead, under the federal agreement, Maryland state law established an independent state agency, Health Services Cost Review Commission (HSCRC), that approves hospital rates. The agency uses a total cost of care model that limits hospitals to a small per capita increase from the previous year, with financial incentives

for organizations that achieve certain quality and care improvement goals. Maryland hospitals still report to CMS but are not subject to the traditional CMS value-based programs. With this model, performance relative to other Maryland health systems is critical, so Meritus Health has traditionally focused on state comparative data sources.

## Leadership and Governance

This section asks about your performance and processes related to senior leadership communication, governance and accountability, grievances, and complaints. It also asks about succession planning and societal contributions.

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### Context Questions

**1 - Briefly describe and/or depict your leadership and governance structure.**

Historically, a 22-member volunteer Board of Directors has overseen strategy and operations for Meritus Health, with a primary focus on MMC. However, in 2023, the organization began transitioning to 10-member Meritus Health Inc. Board of Directors and a 10-member MMC Board of Directors that reports to it and includes three members from the Meritus Health Inc. Board. New Board members are nominated by the Meritus Health Board and appointed for up to three consecutive three-year terms.

The Meritus Health President/Chief Executive Officer (CEO) reports to the Meritus Health Board, serves as an ex officio Board member for both boards, and leads the Senior Executive Team (SET). Seven SET members – Chief Strategy Officer

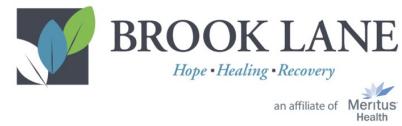
(CSO), Chief Medical Officer (CMO), MMC Chief Operating Officer (COO), Chief Legal Officer (CLO), Chief Financial Officer (CFO), President Brook Lane Health, and the Dean of the Meritus School of Osteopathic Medicine – report to the CEO. Chief Information Officer (CIO), VP Physician Services, Chief Nursing Officer (CNO) and VP Team Member Services report to the CEO's direct reports. The Organizational Chart is presented in Figure L-1.

The Medical Executive Committee (MEC) leads the MMC medical staff, comprised of an elected Chief of Staff, Vice Chief of Staff, department chairs and the CMO as an ex officio member. The Physician Leadership Council, comprised of 20 medical directors, provides leadership for MMG.

The Meritus Health Organizational Playbook (Figure P-2) establishes the leadership system that integrates strategic planning, workforce performance management, Kata performance improvement, and the dashboard management system to drive achievement of the 2030 Bold Goals. Historically, Meritus has had only four Bold Goals but added Medical Education and Mental Health as Bold Goals in FY2024 and FY2025. The planned future medical school and newly acquired Brook Lane behavioral health facility are outside the scope of this application.



May 14, 2025



an affiliate of Meritus Health

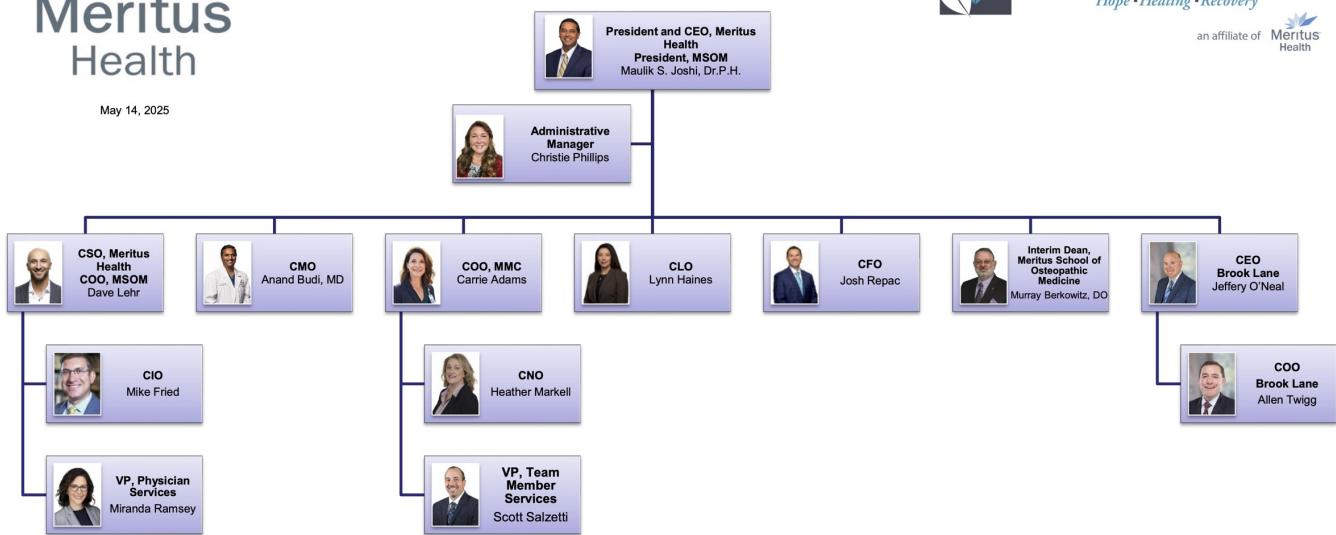


Figure L-1: Organizational Chart

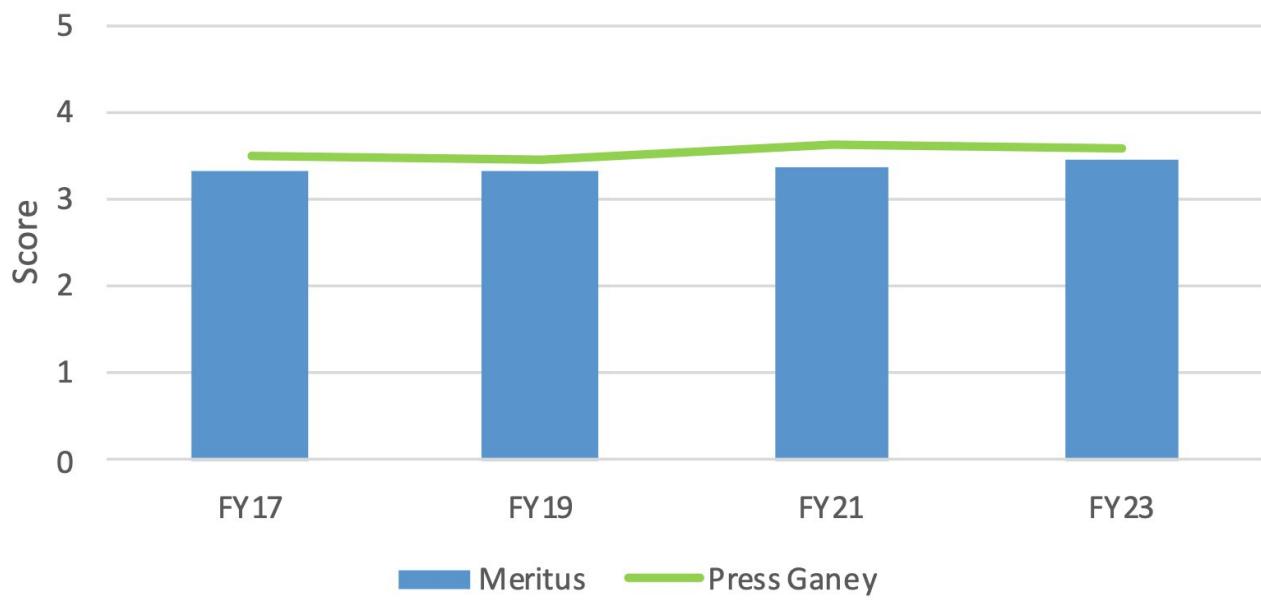
## Results Questions

### 1 - What are your results for senior leaders' two-way communication with key workforce segments (e.g., workforce ratings of leaders by location, types of workers, etc.)?

Meritus senior leaders recognize the important role they play in ensuring, promoting and facilitating communication across the organization and monitor results of workforce engagement surveys across the organization's two key workforce segments – team members and providers – as a key indicator of the culture they have created. Communication-specific results for team members have improved with each biannual survey to approach the Press Ganey benchmark (Figure LG1-1), and results for providers show an overall improving trend (Figure LG1-2). During the same time period, the team member benchmark declined from 2021 to 2023, and the provider benchmark declined with each survey from 2019 to 2023. The next engagement survey is planned for 2025.

Senior leaders have many mechanisms for communicating with team members and providers, including multiple regular electronic communications. SET monitors workforce readership and engagement with these publications and uses that data for continuous improvement (Figure LG1-3).

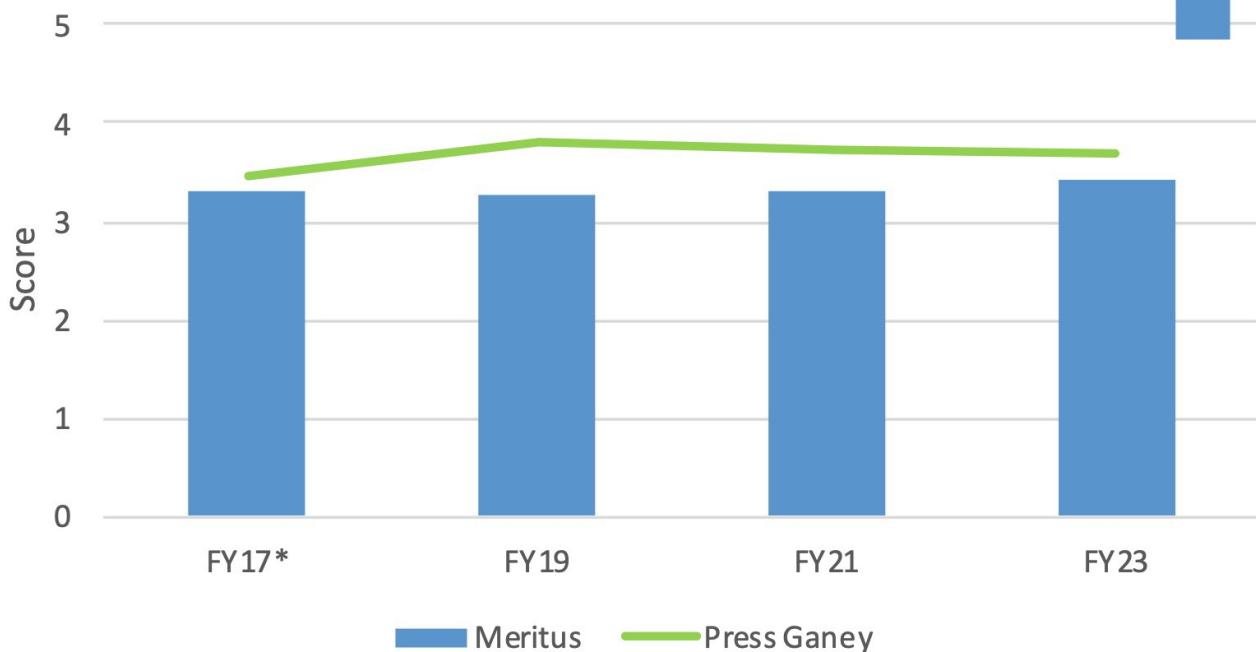
## Figure LG1-1: Communication with Team Members



Improvement with each survey to approach benchmark  
Survey scheduled for 2025

Figure LG1-1: Communication with Team Members

## Figure LG1-2: Communication with Providers



Overall improving trend to near benchmark

\*Different but similar question in 2017 • Survey scheduled for 2025

Figure LG1-2: Communication with Providers

### Figure LG1-3: Senior Leader Communication with the Workforce (% Readership)

	CY2020	CY2021	CY2022	CY2023	CY2024
Meritus Messenger	72.7%	78.5%	79.5%	67.0%	67.9%
Special Updates	70.2%	78.1%	75.5%	82.5%	67.4%
CEO Updates	74.3%	73.5%	80.3%	75.5%	
Three Good Things				76.2%	72.2%

Figure LG1-3: Senior Leader Communication with the Workforce (% Readership)

### 2 - What are your results for senior leaders' two-way communication with key customer segments (e.g., customer ratings of leaders)?

Senior leaders have systematic processes for communicating and engaging with the organization's key customer segments – patients and the community. For patients, senior leaders participate in each Patient and Family Advisory Council meeting, and they schedule time each week to round on patients in Meritus facilities (Figure LG2-1).

For the community, senior leaders participate in the role model coalition, Healthy Washington County, which brings together 40+ community organizations. They also participate in the corporate roundtable organized by the Foundation, Meritus Health's organization's philanthropic arm, and they serve on multiple community boards.

The Meritus Health Inc Board and the MMC Board are intentionally populated to include former patients and community members.

Meritus also leverages social media to enhance patient and community communication with senior leaders. Social media utilization data and comments are shared with SET each month. The Meritus LinkedIn and Facebook accounts have seen significant growth in followers over the past several years (Figure LG2-2).

**Figure LG2-1: Senior Leader Communication with Patients, Community & Partners**



	CY2020	CY2021	CY2022	CY2023	CY2024
Participation in Patient & Family Advisory Council by senior leaders	100%	100%	100%	100%	100%
Weekly patient rounding by senior leaders	100%	100%	100%	100%	100%
SET participation in monthly Healthy Washington County meetings	100%	100%	100%	100%	100%
Senior leader engagement in Meritus Health Board meetings	100%	100%	100%	100%	100%
Senior leader participation in Foundation's Corporate Roundtable	100%	100%	100%	100%	100%
CFO participation in key supplier business reviews	100%	100%	100%	100%	100%

Figure LG2-1: Senior Leader Communication with Patients, Community & Partners

**Figure LG2-2: Social Media**



	FY22	FY23	FY24	Q1 FY25	Q2 FY25
Monthly LinkedIn Followers	5,555	6,781	8,086	8,425	8,801
Monthly Facebook Followers	16,119	16,645	17,414	17,532	17,561

Figure LG2-2: Social Media

### 3 - What are your results for senior leaders' two-way communication with key stakeholder segments, including suppliers, partners, and collaborators, as appropriate (e.g., stakeholder ratings of leadership)?

Senior leaders are intentional and strategic in their communication and engagement with key stakeholder segments, including suppliers, partners, and collaborators. Each year, SET identifies the community and industry boards of directors where Meritus needs to have representation and assigns executives to serve with those stakeholder groups. At the state level, the CEO has served as a commissioner with HSCRC, and both the CEO and CSO have served as commissioners with the Maryland Health Care Commission; other senior leaders serve on the state Public Health Commission and Health Equity Commission. Locally, executives serve on the boards of stakeholder organizations including the Washington County Chamber of Commerce, Horizon Good Will, United Way of Washington County, Washington County Commission on Aging, Girls Inc, San Mar Family and Community Services, and a senior living community.

In addition, some of the mechanisms senior leaders use to communicate with patients and the community also facilitate communication with key stakeholders – specifically, Healthy Washington County, Meritus

Health Inc. and MMC board meetings, and the corporate roundtable (Figure LG2-1). Additionally, the CFO participates in business reviews with key suppliers.

Senior leaders also communicate and engage with leaders from the community, partner organizations, and suppliers as a part of the Foundation's fundraising strategy. Community giving, which includes donations from all these groups, has increased significantly in recent years (Figure LG3-1).

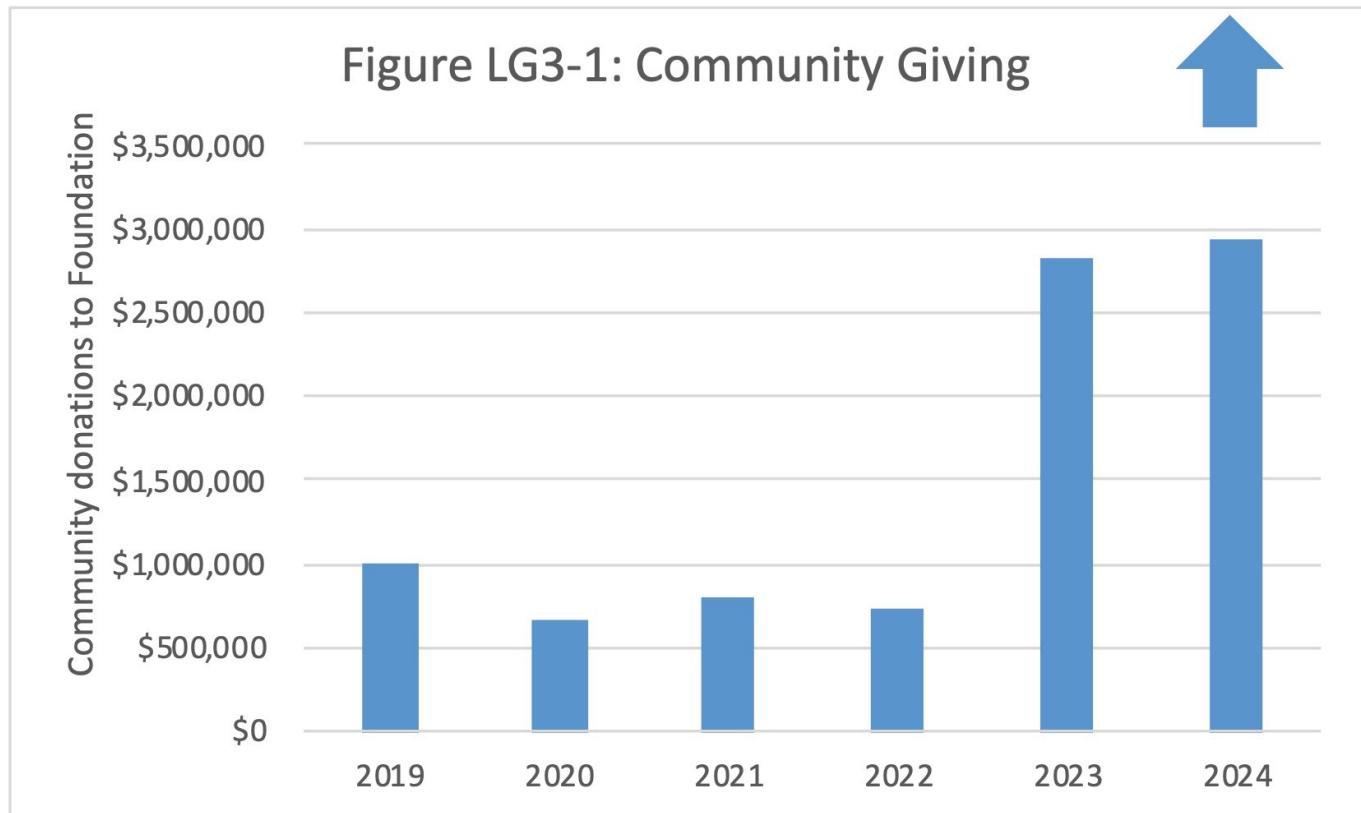


Figure LG3-1: Community Giving

**4 - What are your organization's results for external audits related to leadership and accountability (including certifications and accreditations)?**

**Figure LG4-1: External Accountability**

Meritus Health operates in a complex legal and regulatory environment, with numerous regulations and standards at the national, state, and local levels, including accreditation through The Joint Commission and licensure through the state health department. For the past six years, Meritus has sustained perfect performance for accreditation and licensure and has had no OSHA, ADA, EPA, or OGI sanctions and no audit findings for its finance-related audits.

**Figure LG4-2: Accreditations to Drive Excellence**

Meritus Health also chooses to pursue voluntary accreditations that support its commitment to excellence. These accreditations are based on extensive data evaluation of data and often involve onsite surveys.

### Figure LG4-3: Financial Oversight

Meritus has additional external accountability through the Meritus Health Inc and MMC boards. Results for the four most recent externally administered Board surveys show a dramatic increase in results for financial oversight. Performance on this important element of governance remained about the same across the rest of the Governance Institute database.

Figure LG4-1: External Accountability						
	FY20	FY21	FY22	FY23	FY24	FY25 YTD
<b>Regulatory Accountability</b>						
State/local health department licensure	100%	100%	100%	100%	100%	100%
TJC accreditation	100%	100%	100%	100%	100%	100%
TJC tracer completion & closure	100%	100%	100%	100%	100%	100%
OSHA violations	0	0	0	0	0	0
ADA violations	0	0	0	0	0	0
EPA violations	0	0	0	0	0	0
OIG sanctions	0	0	0	0	0	0
<b>Financial Accountability</b>						
Financial audit findings	0	0	0	0	0	0
401k audit findings	0	0	0	0	0	0
HSCRC audit findings	0	0	0	0	0	0

Figure LG4-1: External Accountability

Figure LG4-2: Accreditation to Drive Excellence					
	2020	2021	2022	2023	2024
Level III Trauma Center designation by the Maryland Institute for Emergency Medical Services Systems (MIEMSS)	X	X	X	X	X
Commission on Accreditation of Rehabilitation Facilities (CARF)	X	X	X	X	X
American College of Surgeons Metabolic and Bariatric Surgery Accreditation and Quality Improvement Program® (MBSAQIP)	X	X	X	X	X
Physical Therapy Guardians of Excellence			X	X	
American Hospital Association (AHA) Get with the Guidelines: Stroke Gold Plus	X	X	X	X	X
American College of Emergency Physicians Geriatric Emergency Department Accredited (ACEP GEDA) Bronze Level 3	X	X	X	X	X
MIEMSS Cardiac Interventional Center	X	X	X	X	X
Maryland Healthcare Commission Primary Intervention Center (Cardiac Catheterization Lab)	X	X	X	X	X

Figure LG4-2: Accreditations to Drive Excellence

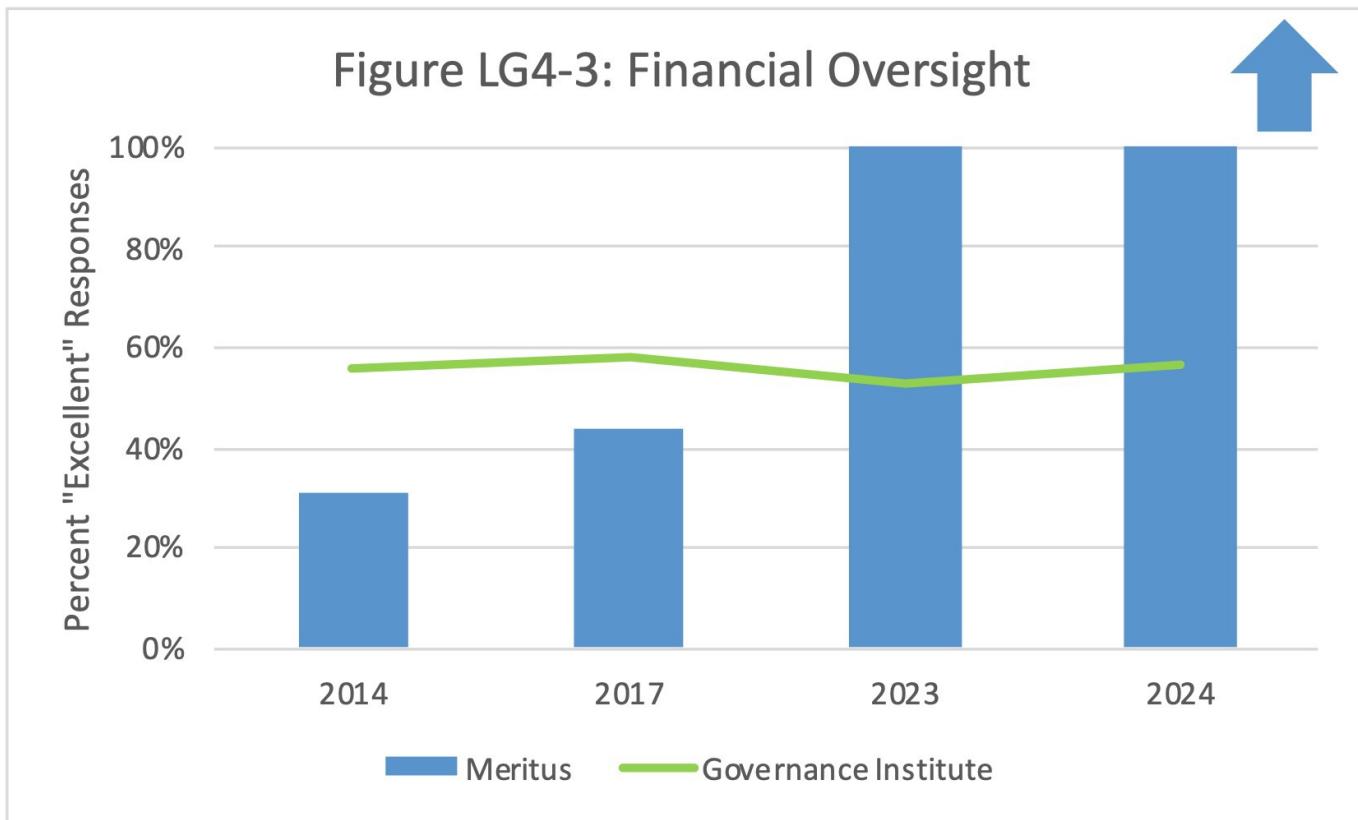


Figure LG4-3: Financial Oversight

**5 - What are your results for grievances and complaints for all the following: (1) safety, (2) the Equal Employment Opportunity Commission (EEOC), and (3) ethics?**

#### SAFETY

Meritus has a systematic process for collecting, aggregating, and using complaints to drive improvement. The Patient Experience and Advocacy Department can segment the data by complaint categories, including complaints related to care and treatment. Complaints in this category declined from FY19 through FY22, though increased slightly in FY23 and FY24, as MMG rolled out a service recovery program that drove an increase in complaint reporting (Figure LG5-1). Though most healthcare organizations capture complaints, there is no benchmark across the industry due to the high variability in the definition of what constitutes a complaint.

#### EEOC

Meritus has had no EEOC violations for the past six years (Figure LG5-2).

#### ETHICS

A highly scrutinized and often publicized aspect of ethical healthcare operations relates to billing and the risk for fraud. Meritus completes an annual internal review of provider documentation, which is the basis for billing. Meritus also contracts with an external vendor Doctors Management to perform audits. Doctors Management validated that providers are documenting appropriately and, thus, Meritus is billing appropriately for care provided (Figure LG5-3). The amount of overpayments made to Meritus has remained at or less than 0.004 percent of net patient revenue across the past four external audits: That's a total of only \$35,000, over a period when net patient revenue topped \$1.1 billion.

To enhance its ability to protect patient privacy and comply with strict HIPAA regulations, Meritus implemented new artificial intelligence technology, Protenus, which scans the Epic electronic health record to detect potential instances of inappropriate information access. Meritus is then able to investigate these alerts and determine if a privacy breach actually occurred. In 2023, according to the most recent assessment report from Protenus, Meritus had more than 21,000 active Epic users who accessed an average of 205,000 records per month for a total of more than 110 million unique log events per month. That represented an increase of 13% log events from 2021 alone. With the increased access, Meritus saw a slight increase in privacy breaches from 2020 to 2023 (Figure LG5-4). However, breaches decreased in 2024 and remained well below the benchmark from Protenus for similar organizations.

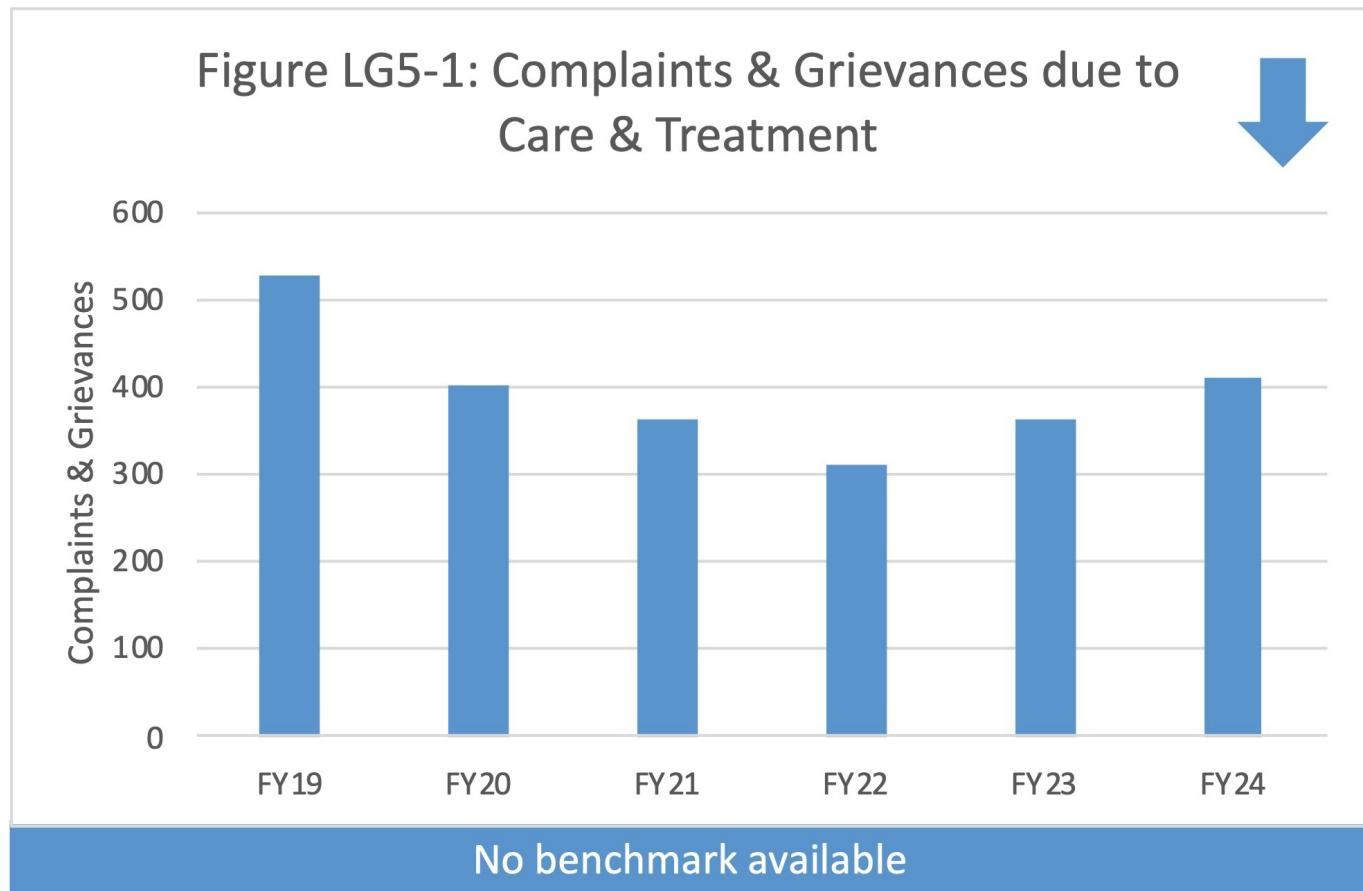


Figure LG5-1: Complaints & Grievances due to Care & Treatment

**Figure LG5-2: EEOC Violations**

	FY20	FY21	FY22	FY23	FY24	FY25 YTD
EEOC Violations	0	0	0	0	0	0

**Figure LG5-2: EEOC Violations**

Figure LG5-2: EEOC Violations

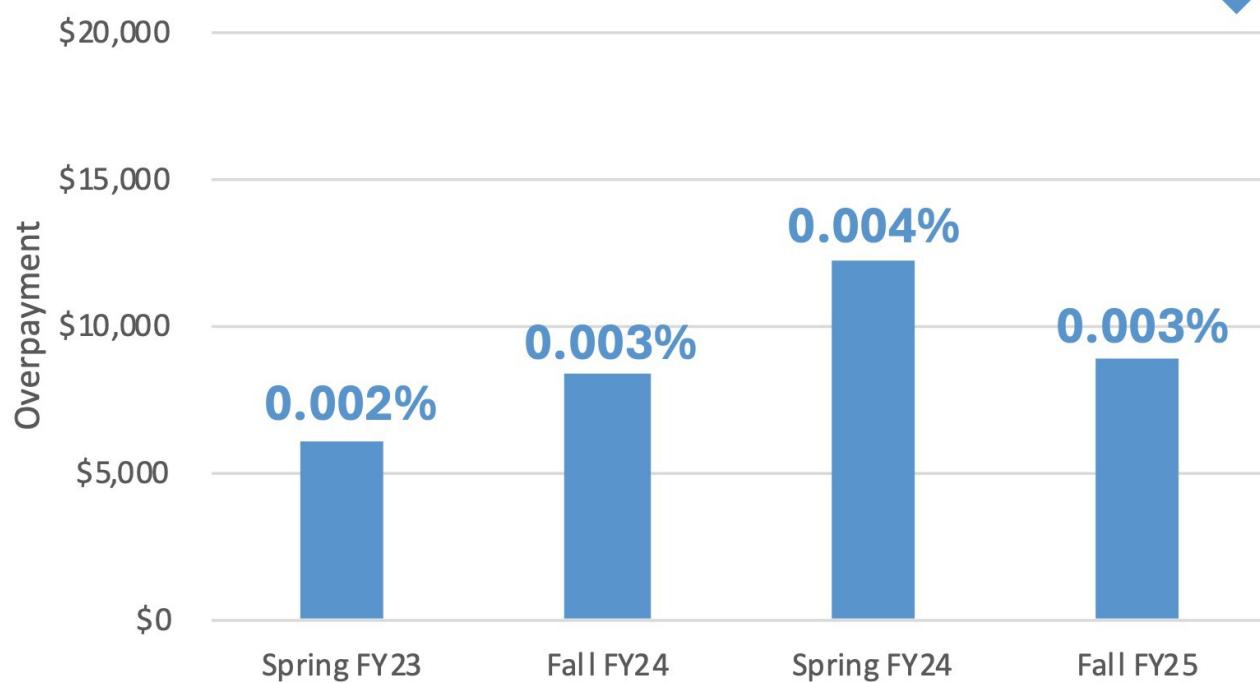
**Figure LG5-3: Coding Integrity**

Figure LG5-3: Coding Integrity

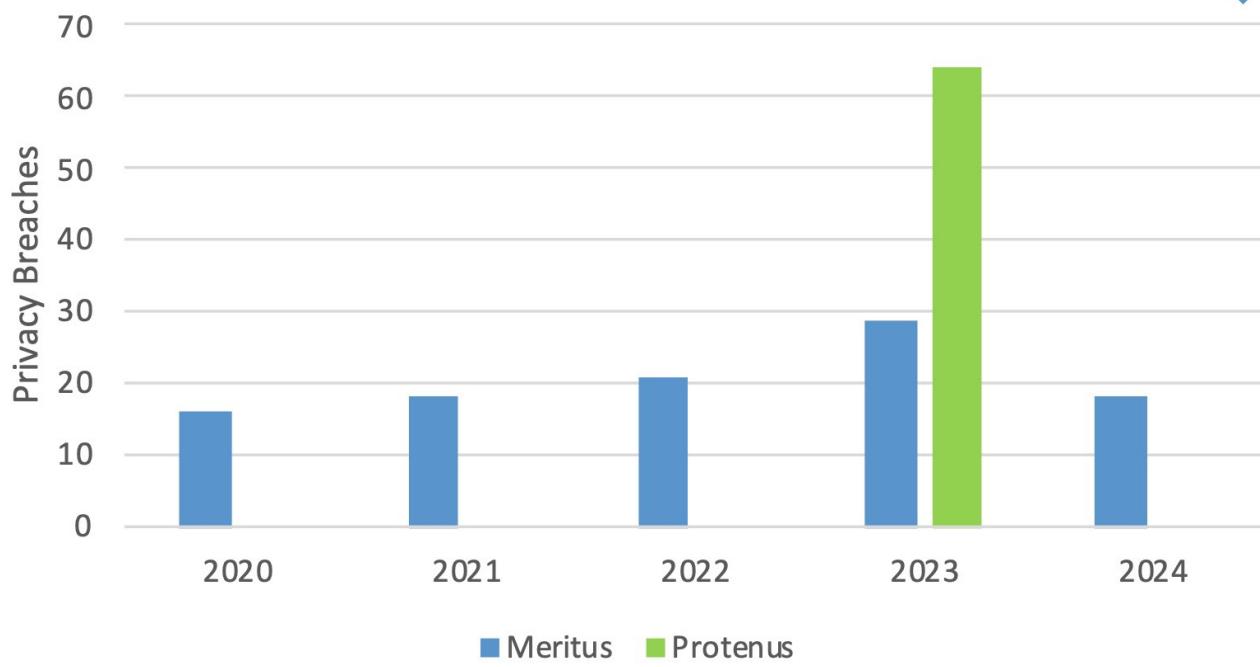
**Figure LG5-4: Privacy Breaches**

Figure LG5-4: Privacy Breaches

#### **6 - What are your results for societal contributions?**

**Note:** Examples of societal contributions (comparisons optional) include: reduced energy consumption; use of renewable energy resources and recycled water reduction of your carbon footprint; waste reduction and utilization; alternative approaches to conserving resources (e.g., increased virtual meetings); global

use of enlightened labor practices; and donations of goods or services to promote housing, community health, and food security.

With a Value of Community-Obsessed and a Mission to Improve the Health of the Community, Meritus integrates societal well-being into its strategy and daily operations.

Meritus tracks the amount it spends each year on community benefit – an aggregate of all the ways it supports the community, including charity care, community health services, and Mission-driven healthcare services. Meritus has contributed more than \$350 million over the past six years, and annual contributions doubled from FY19 to FY24 (Figure LG6-1). Of that, more than \$56 million went to charity care, which has increased each year since FY19. Other services included in the community benefit results include:

**Outpatient Care Management:** Meritus established an integrated team with care managers, social workers, community navigators, pharmacists, respiratory therapists, diabetes educators, and others to help patients manage chronic conditions.

**Care Callers:** Meritus engages volunteers to call participants each week in their homes to reduce loneliness. The program served more than 4,300 individuals in FY24 alone.

**Meritus Mobile Health:** During the pandemic, Meritus outfitted an RV to deliver vaccines across the county. The mobile clinic has transitioned to providing primary care to underserved areas, strategically visiting sites such as Hispanic/Latino churches and an international grocery store.

**Coordinated Approach to Child Health (CATCH):** Meritus has partnered with YMCA to offer an evidence-based after-school program in all local elementary and junior high schools. With the goal of preventing childhood obesity, the program engages students and parents to increase physical activity and change eating habits.

**Horizon Good Will Clinic:** Meritus partnered with Good Will to open a clinic in inner city Hagerstown – home to a large uninsured population with unmanaged diabetes and hypertension.

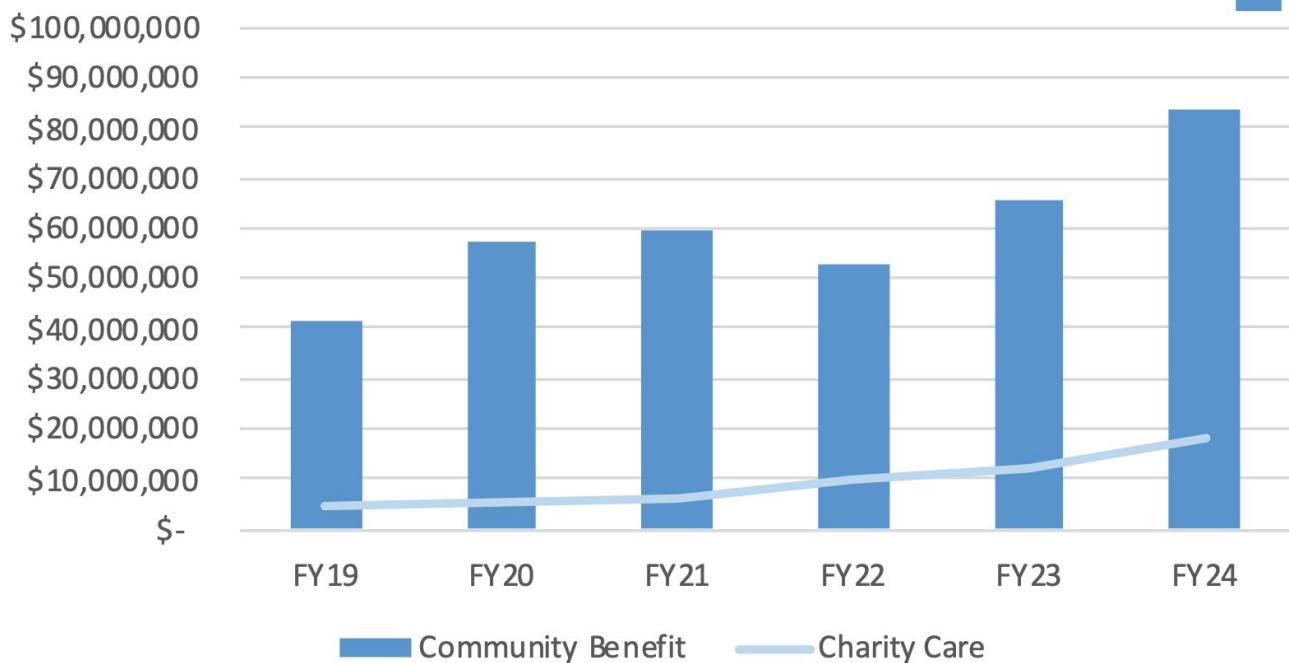
The Lown Institute, an independent healthcare think tank, ranked Meritus in the national top 1.5% for social responsibility in 2025. Frederick was in the top 20%.

Long before the 2024 CMS requirement, Meritus began collecting data on patient social determinants of health (SDOH) to identify and address care disparities in the community. In response to data that identified transportation as a key challenge to healthcare access, Meritus, more than a decade ago, implemented a Courtesy Van service, supplemented by bus and taxi vouchers. As community need grew, Meritus made a capital investment in 2023 to expand its fleet and in 2024 added wheelchair-accessible vans. Today, eight vans with Meritus-employed drivers provide free patient transportation for clinic visits, procedures, and hospital discharges (Figure LG6-2). Meritus also has a contract with LYFT to support any patient needs beyond the capacity of Courtesy Van.

With a 2030 Bold Goal to lose a million pounds in the community, Meritus launched a health initiative that to date has engaged almost 8,200 individuals who have cumulatively lost more than 171,000 pounds (Figure LG6-3). Participants track their weight through a website that promotes *Do, Eat, Believe*, with *Do* focusing on physical activity, *Eat* focusing on healthy eating habits, and *Believe* focusing on stress management. Meritus monitors pounds lost as a True North metric.

With a broad definition of community health, Meritus is actively working to address its environmental footprint. A green plan implemented in FY23 is decreasing carbon dioxide emissions each year (Figure LG6-4). A significant initiative in the plan is a microgrid partnership that includes rooftop solar, combined heat and power generation, and electric vehicle chargers. The partnership not only reduces Meritus Health's utility costs and carbon footprint but also makes the organization more resilient by creating energy independence during a grid failure. Reduction of carbon dioxide emissions was an FY24 Affordability Aim measure.

Figure LG6-1: Community Benefit & Charity Care 



Meritus Health Top 1.5% in nation  
 Frederick Health Top 20%  
*Lown Institute*

Figure LG6-1: Community Benefit & Charity Care

## Figure LG6-2: Patient Transportation

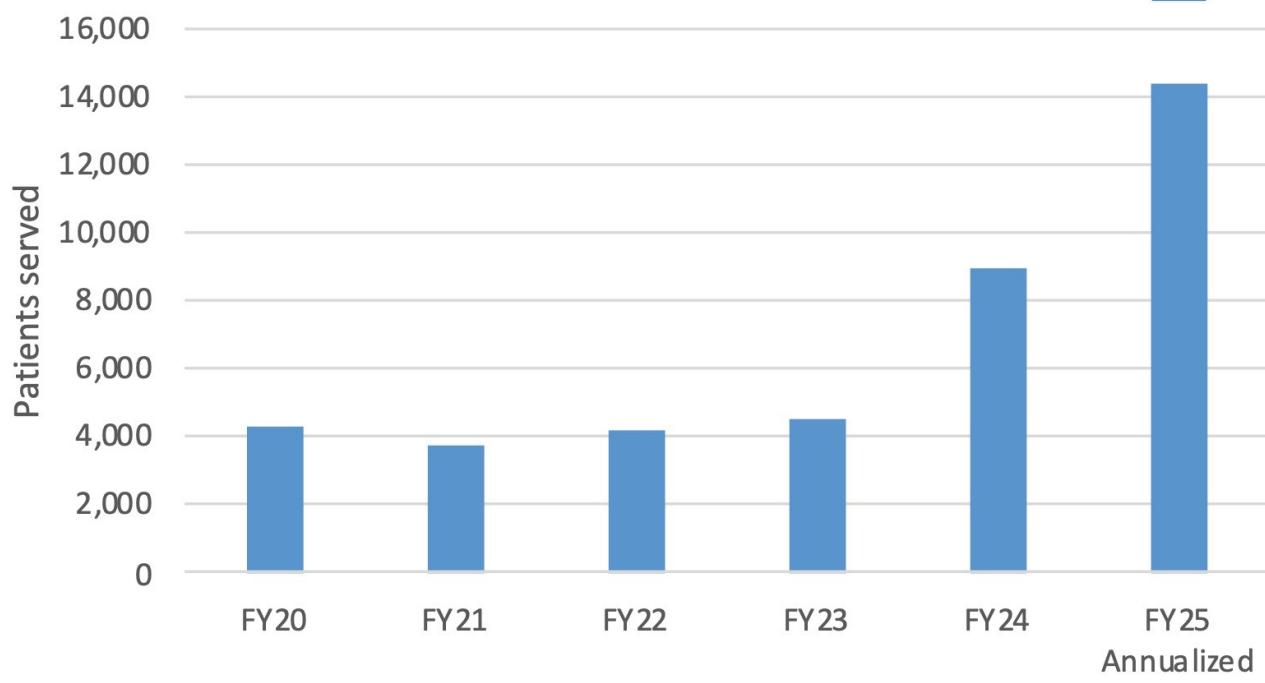


Figure LG6-2: Patient Transportation

## Figure LG6-3: Lose a Million Pounds

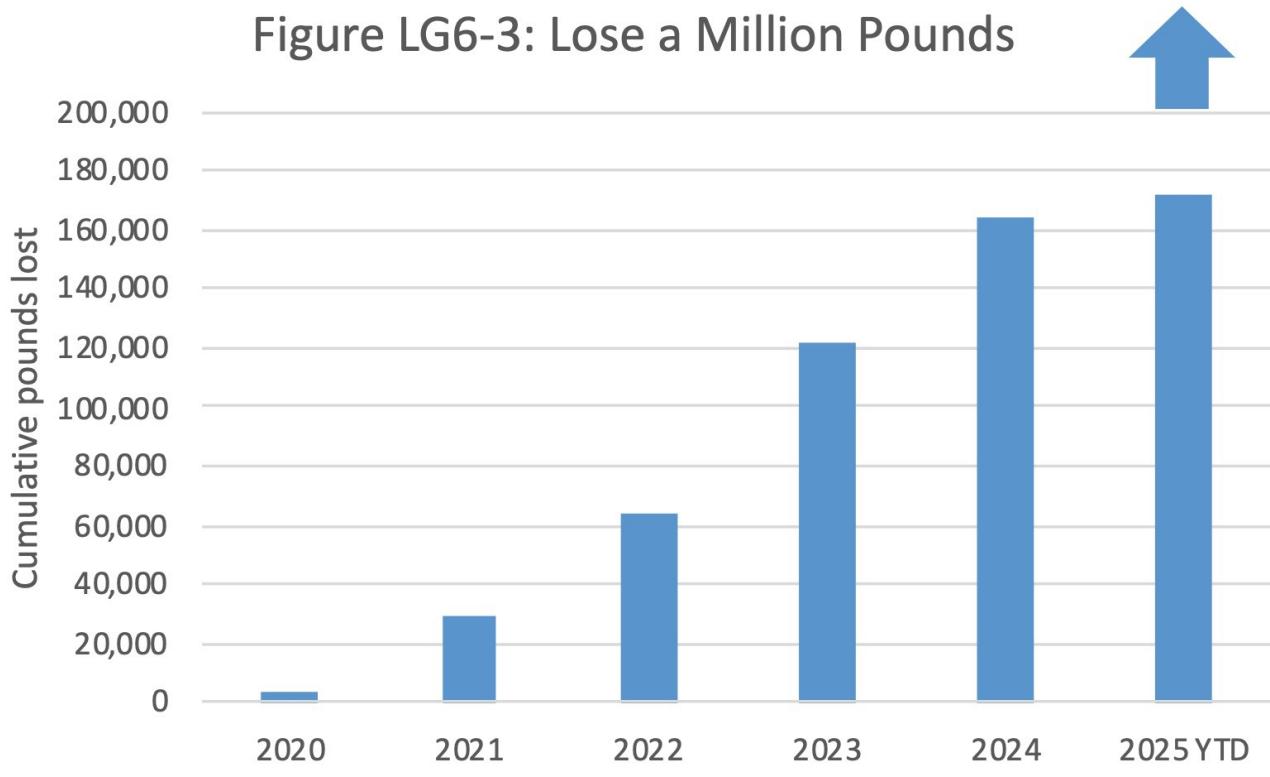


Figure LG6-3: Lose a Million Pounds

## Figure LG6-4: CO2 Emissions Reduction

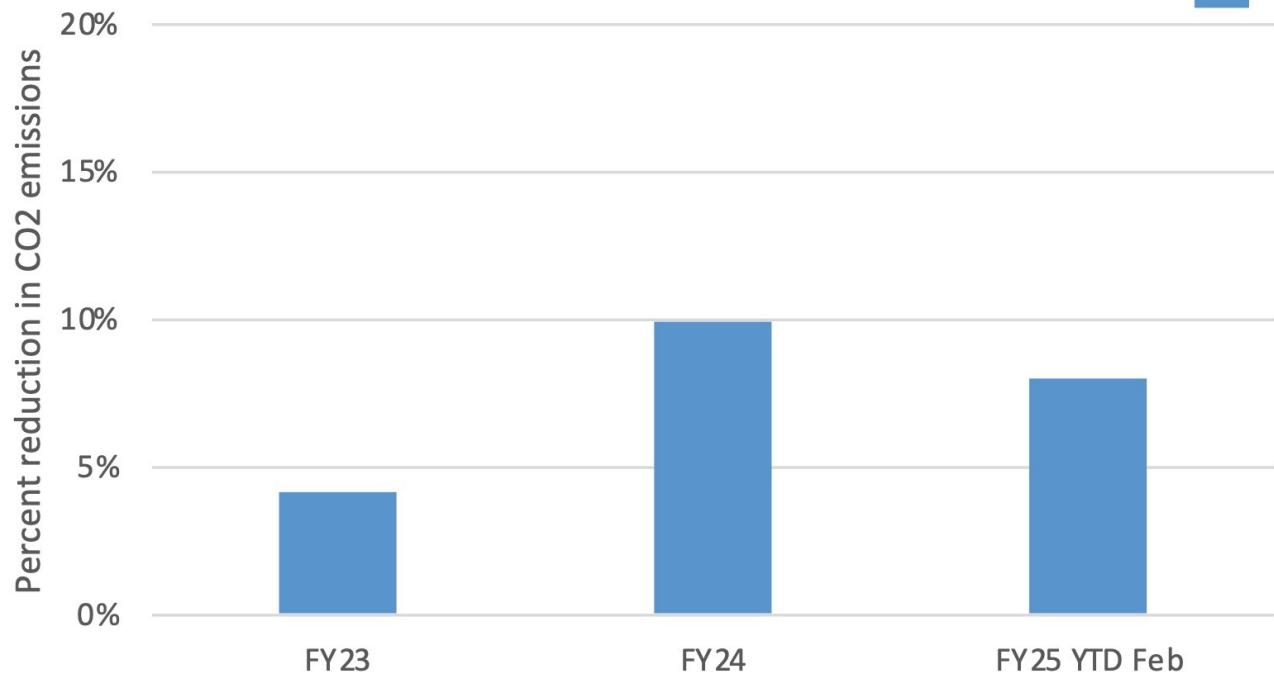


Figure LG6-4: CO2 Emissions Reduction

### Process Questions

- 1 - Briefly describe your key process(es) for your leadership succession planning.**
- 2 - Briefly describe your key process(es) for senior leaders' two-way communication with the workforce.**
- 3 - Briefly describe your key process(es) for senior leaders' two-way communication with customers.**
- 4 - Briefly describe your key process(es) for senior leaders' two-way communication with stakeholders.**
- 5 - Briefly describe your key process(es) for ensuring responsible governance related to accountability for senior leaders' actions, fiscal accountability, and transparency.**
- 6 - Of the processes shared above, which (if any) do you consider best practices that other organizations could learn from?**

## Operations

This section asks about your performance and processes related to your main products, services, and/or programs. Results requested pertain to the performance of your products, services, or programs and the efficiency and effectiveness of your processes for producing and providing them. Results are also requested regarding your supply-network management, cybersecurity effectiveness, risk management, emergency preparedness, and continuity of operations.

### Context Questions

**1 - What are your main products, and/or services, and/or programs? \***

Meritus offers two main service offerings – healthcare services and health services. Healthcare services focus on traditional acute medical care provided in hospital or ambulatory settings, while health services keep people healthy and reduce health risk factors. With the organization's roots, healthcare services remain the largest, most established segment of the business and provide the majority of the revenue, but Meritus considers both service offerings essential to its long-term success.

**2 - Who are your key competitors (those that constitute 5 percent or more of your competitors)? \***

As the only acute-care hospital in Washington County, Maryland, Meritus Health has no direct competitors for inpatient or emergency care in its Primary Service Area (PSA). As such, Meritus Health enjoys market share close to 80 percent, with the remaining patients leaving the PSA for tertiary and quaternary services not offered by Meritus Health.

In its secondary service area (SSA), Meritus Health has identified one key competitor:

Frederick Health, which includes Frederick Health Hospital, located 30 miles away in Frederick, Maryland.

**3 - Who are your key suppliers/partners (those that constitute 5 percent or more of your suppliers/partners)? \***

Meritus Health has three key suppliers:

- Health Trust, its group purchasing organization
- MedLine, its medical/surgical distributor
- Cencora (formerly Amerisource Bergen), its pharmaceutical distributor

Key partners and collaborators include:

- Healthy Washington County, a role model coalition that brings together representatives from 40+ community organizations to improve community health
- Local government agencies, including the city of Hagerstown and Washington County

- Local nonprofit agencies

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**4 - Who are your key customers/users (those that constitute 5 percent or more of your customers/users)? \***

Meritus Health has identified its key customers as patients and community, with patients segmented into hospital and ambulatory. Hospital patients are those seeking care for services based at the hospital, which includes inpatient care, as well as emergency care and hospital-based outpatient care. Ambulatory patients are those seeking care at a location other than the hospital, through MMG.

For the community customer segment, Meritus focuses on Hagerstown and surrounding Washington County, which make up its primary service area.

## Results Questions

**1 - What are your results for the performance of your main products, or services, or programs?**

The Mission to Improve the Health of Our Community keeps Meritus Health focused on delivering the best health and healthcare services.

A key benchmark source shown here and throughout the results questions is the Health Services Cost Review Commission (HSCRC), an independent state agency established as part of Maryland's unique regulatory environment. Maryland is the only state in the nation granted a waiver by the federal government, exempting it from national Medicare and Medicaid reimbursement principles. HSCRC approves reimbursement rates for healthcare providers, offering financial incentives for organizations that achieve certain quality and care improvement goals. Thus, performance relative to HSCRC goals and the HSCRC database is critical to Meritus Health's current and future success. The organization's key competitor, Frederick Health, and Baldrige recipient, Greater Baltimore Medical Center (GBMC), are in the HSCRC database so Meritus is able to compare its performance to both organizations on many measures.

Sample results for the performance of Meritus' main service offerings are presented here.

The Leapfrog Group, an independent national nonprofit watchdog focused on patient safety, assigns Leapfrog Hospital Safety Grades to nearly 3,000 general acute-care hospitals across the nation twice annually. These grades are based on up to 30 national performance measures from the Centers for Medicare & Medicaid Services (CMS) and information from other supplemental data sources. Taken together, those performance measures produce a single letter grade representing a hospital's overall performance in keeping patients safe from preventable harm and medical errors.

Meritus earned its fifth straight Leapfrog A grade this spring, ranking it among the top 15% of U.S. hospitals (Figure O1-1). This performance comes after many years of sustained improvement that

moved the organization from a D grade in 2018 to its role model performance today. Meritus has consistently outperformed its key competitor Frederick Health and also outperforms GBMC.

One of the Leapfrog measures is mortality – a universal indicator of overall hospital quality often reported as a risk-adjusted observed/expected (O/E) ratio. If the O/E ratio is less than 1, performance is better than other hospitals with an equivalent case mix. Meritus has achieved O/E <1 for the past six years except for 2021, when the COVID pandemic significantly impacted clinical outcomes (Figure O1-2). Meritus has improved performance on this key measure of its inpatient healthcare services and currently ranks 7<sup>th</sup> in the HSCRC database, ahead of Frederick Health, which ranks 22<sup>nd</sup>, and GMBC, which ranks 31<sup>st</sup>.

Meritus participates in the HSCRC Quality-Based Reimbursement (QBR) program, which incentivizes quality improvement across three patient-centered quality domains. The Patient Safety domain integrates performance on multiple broadly recognized measures to give Meritus an overall score. Meritus' QBR performance improved in 2023 and 2024, surpassing the HSCRC benchmark for incentive payout (Figure O1-3). Meritus monitors performance on the individual measures that comprise the QBR Patient Safety domain, including healthcare associated infections (HAIs). Meritus results for three HAIs monitored and reported by all hospitals show overall favorable trends with performance well below the national benchmarks. NHSN recognized Meritus as best in the nation for preventing MRSA infections.

A FY25 True North metric for health services in the ambulatory setting is the percent of MMG diabetic patients with hemoglobin A1c (HbA1c) levels below 9%. MMG has been able to keep 80% of its adult diabetic patients within the desired range over the past five years, sustaining performance at or better than the national top 20% (Figure O1-4).

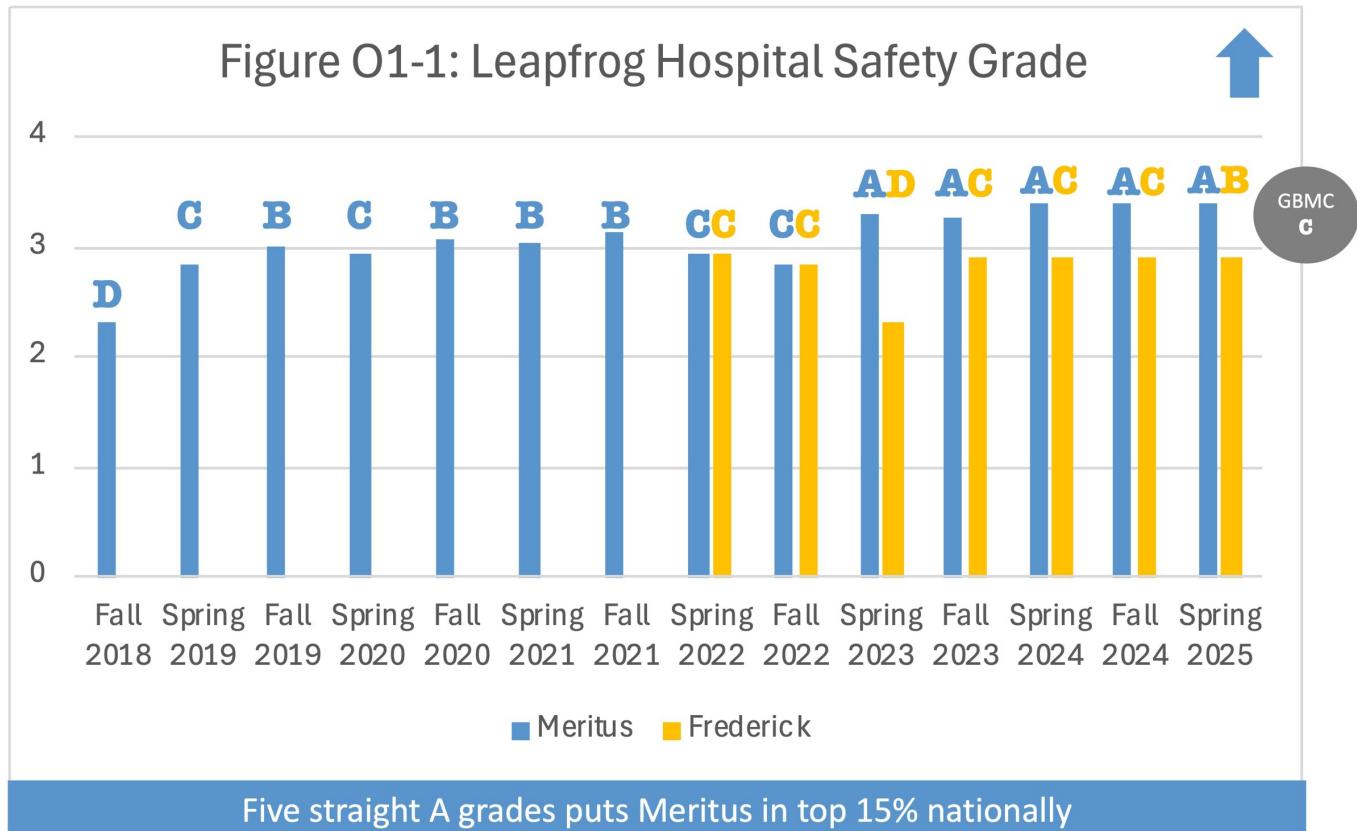
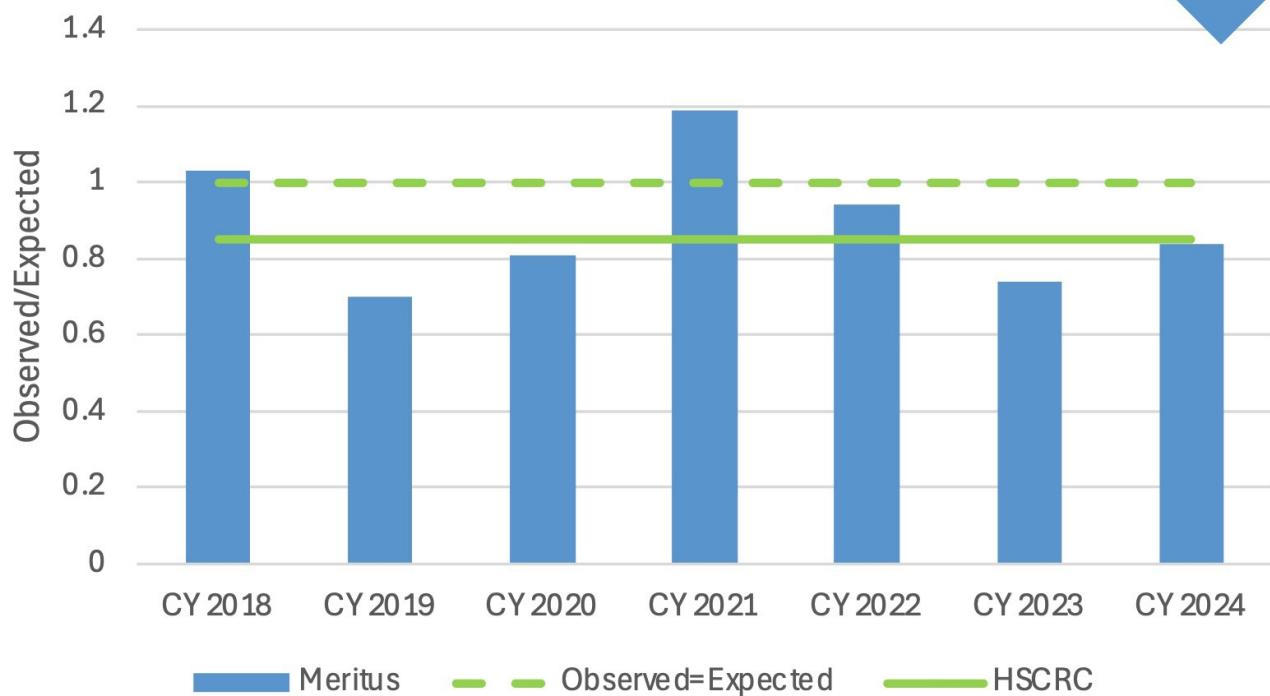


Figure O1-1: Leapfrog Hospital Safety Grade

**Figure O1-2: All-Cause Inpatient Mortality**

**Strong rebound after COVID to rank 7<sup>th</sup> in HSCRC  
Frederick Health ranks 22<sup>nd</sup>  
GBMC (Baldrige Recipient) ranks 31st**

Figure O1-2: All-Cause Inpatient Mortality

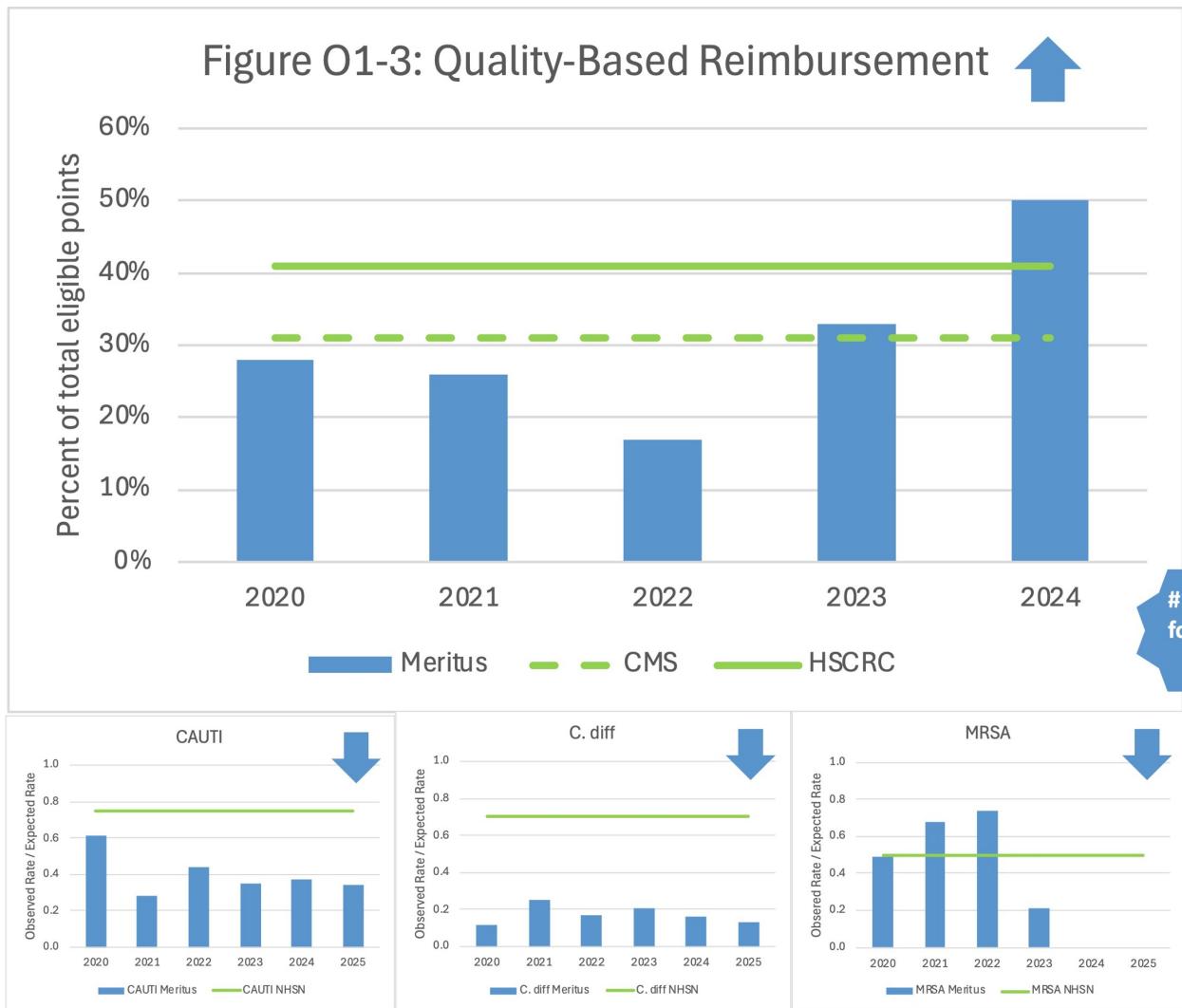
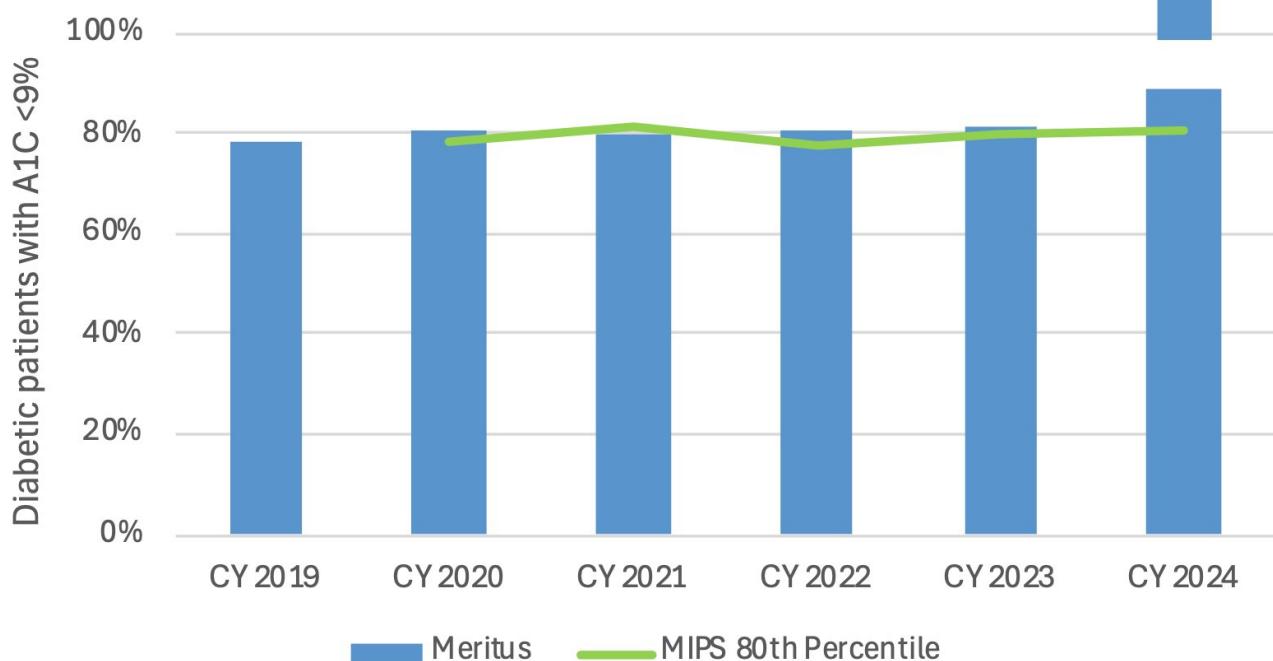


Figure O1-3: Quality-Based Reimbursement

## Figure O1-4: MMG Diabetic Control



**Sustained performance at or better than national top 20 percent**

Figure O1-4: MMG Diabetic Control

**2 - What are your results for efficiency/effectiveness in producing your products, or providing services, or providing programs?**

To ensure delivery of services that meet the key patient requirements of being safe, effective, efficient, equitable, patient-centered, and timely, Meritus monitors process measures for delivery of its health and healthcare services.

As a key indicator of the effectiveness of inpatient healthcare services, Meritus monitors how many patients receive an evidence-based care bundle for sepsis, the leading cause of hospital mortality across the country. Meritus improved performance in FY20 and FY21 and then has sustained performance at or very near the national top decile for the past four years (Figure O2-1).

As with sepsis patients, Meritus monitors how many stroke patients receive evidence-based care. The organization has demonstrated near-perfect performance for delivering VTE prophylaxis to stroke patients each of the past five years, outperforming the American Heart Association's high-performing group of Get with the Guidelines hospitals each year (Figure O2-2).

Meritus monitors ED arrival to departure time as a FY2025 True North metric. In FY20-22, Meritus ED throughput times paralleled state performance during COVID and increased slightly but have improved since FY2023 to outperform both the state and key competitor Frederick (Figure O2-3).

As an indicator of access and effectiveness in the ambulatory setting, Meritus monitors the percent of patients seen by their MMG provider within disease-specific guidelines following

discharge from the hospital. Timely follow-up appointments facilitate a seamless transition between care settings and ensure the best outcomes for patients. Meritus has outperformed the top quartile for the past five years and currently ranks 3<sup>rd</sup> in the HSCRC database, ahead of GBMC, which ranks 15<sup>th</sup>, and Frederick, which ranks 27<sup>th</sup> (Figure O2-4)

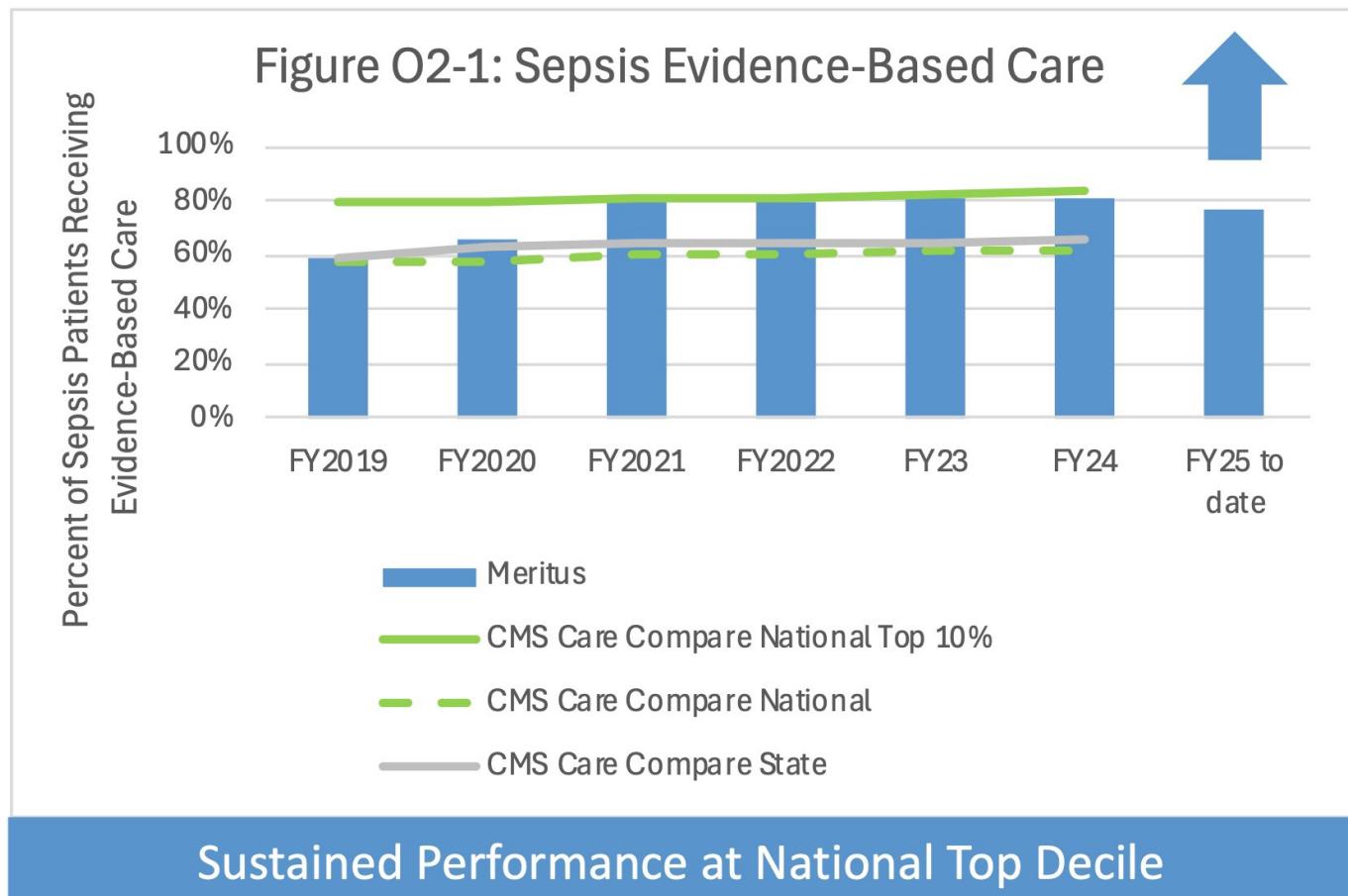
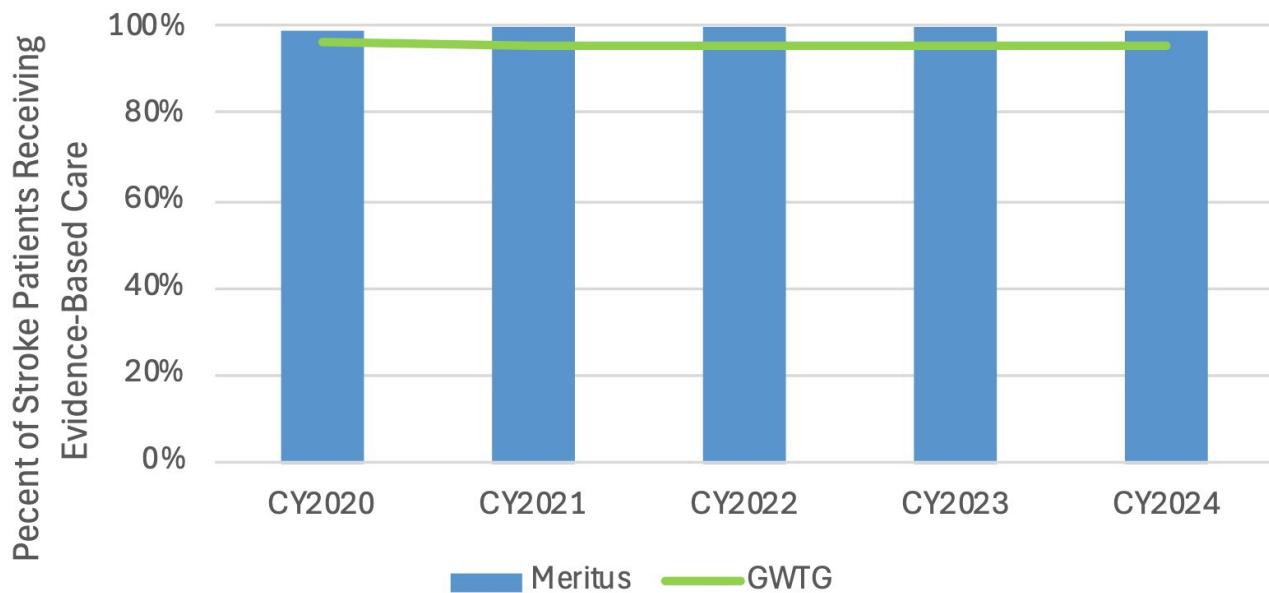


Figure O2-1: Sepsis Evidence-Based Care

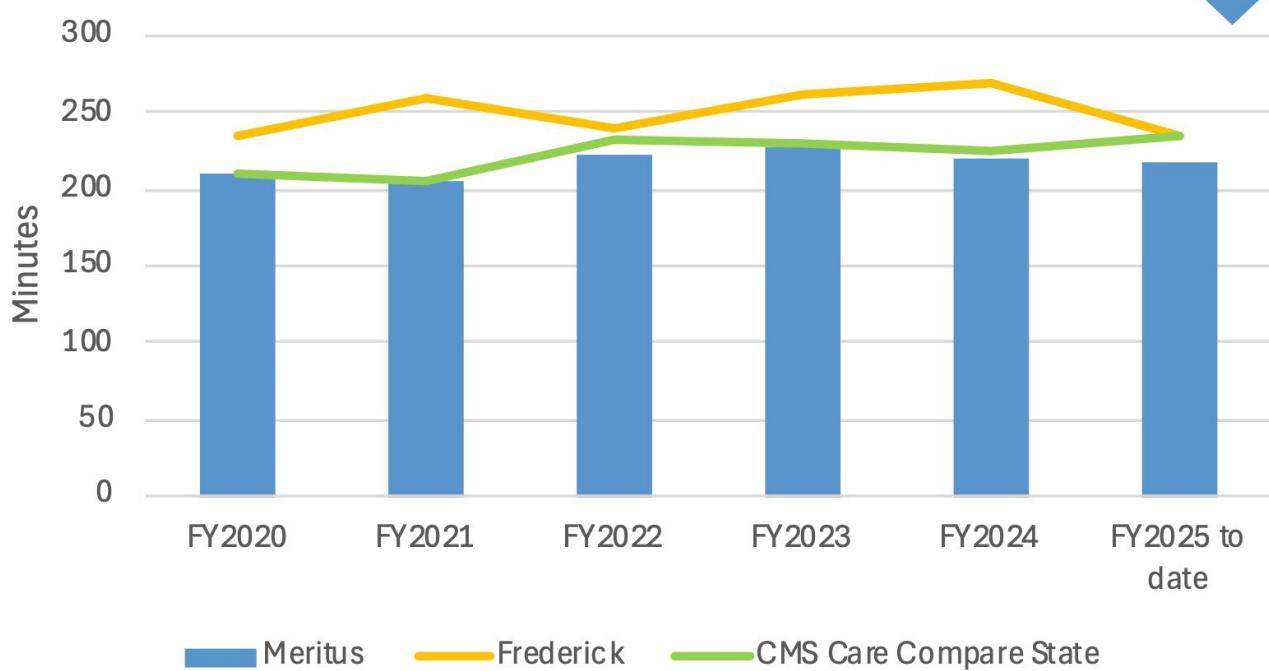
## Figure O2-2: Stroke Evidence-Based Care (VTE Prophylaxis)



Sustained Performance Better than National High-Performer Group

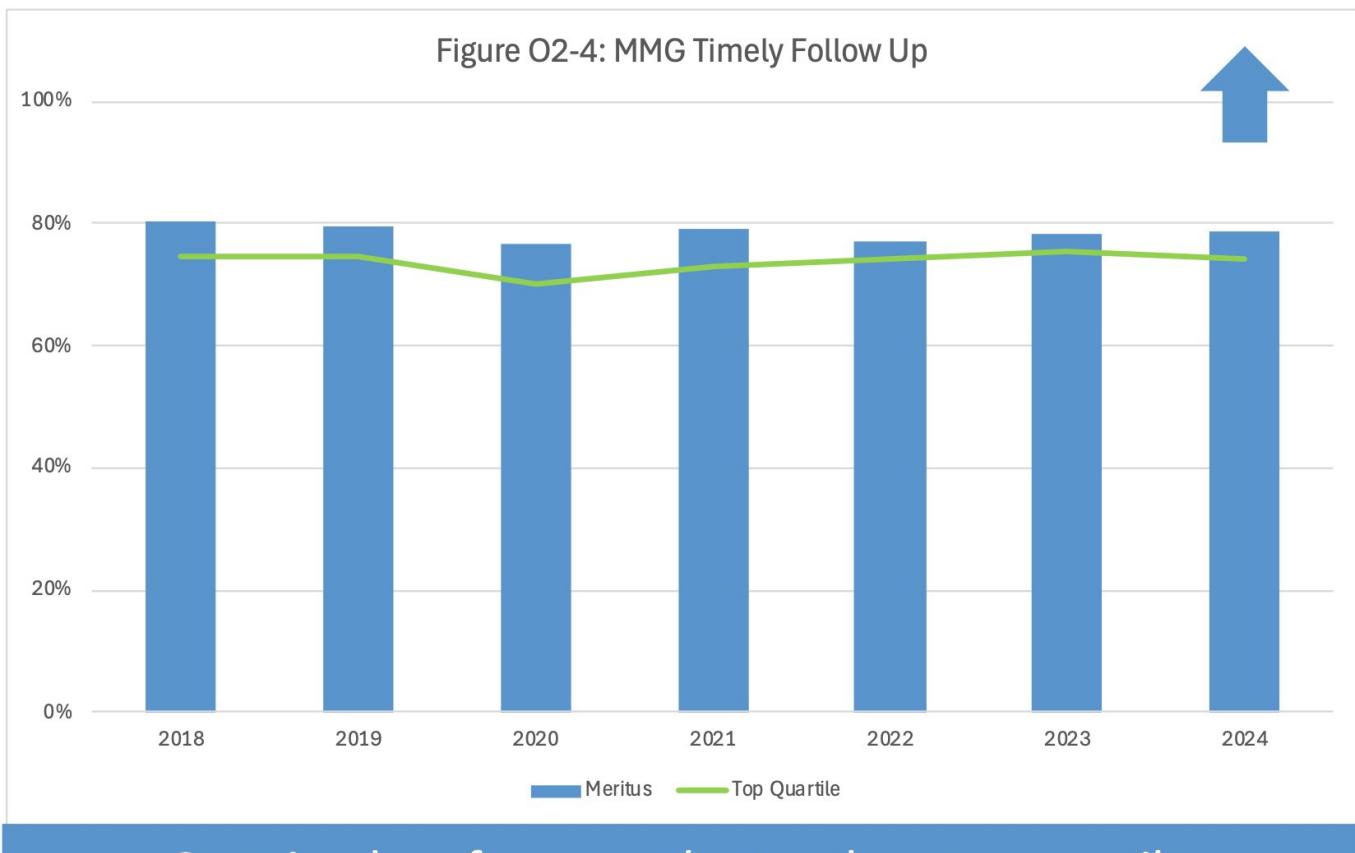
Figure O2-2: Stroke Evidence-Based Care

## Figure O2-3: ED Arrival to Departure



Sustained Performance Better than Competitor & State

Figure O2-3: ED Arrival to Departure



**Sustained performance better than top quartile**  
**3<sup>rd</sup> in HSCRC**  
**Frederick Health ranks 27<sup>th</sup>**  
**GBMC (Baldrige Recipient) ranks 15<sup>th</sup>**

Figure O2-4: MMG Timely Follow-Up

**3 - What are the results for the performance of key components of your supply network (e.g., on-time delivery, availability of critical materials, quality)?**

To support delivery of timely, safe care, Meritus manages its supply chain to ensure availability of needed supplies. A key aspect of the Meritus supply chain strategy is channeling purchases through its group purchasing organization, HealthTrust Purchasing Group (HPG). Since transitioning to HPG in 2023, Meritus has outperformed the GPO requirement each month (Figure O3-1).

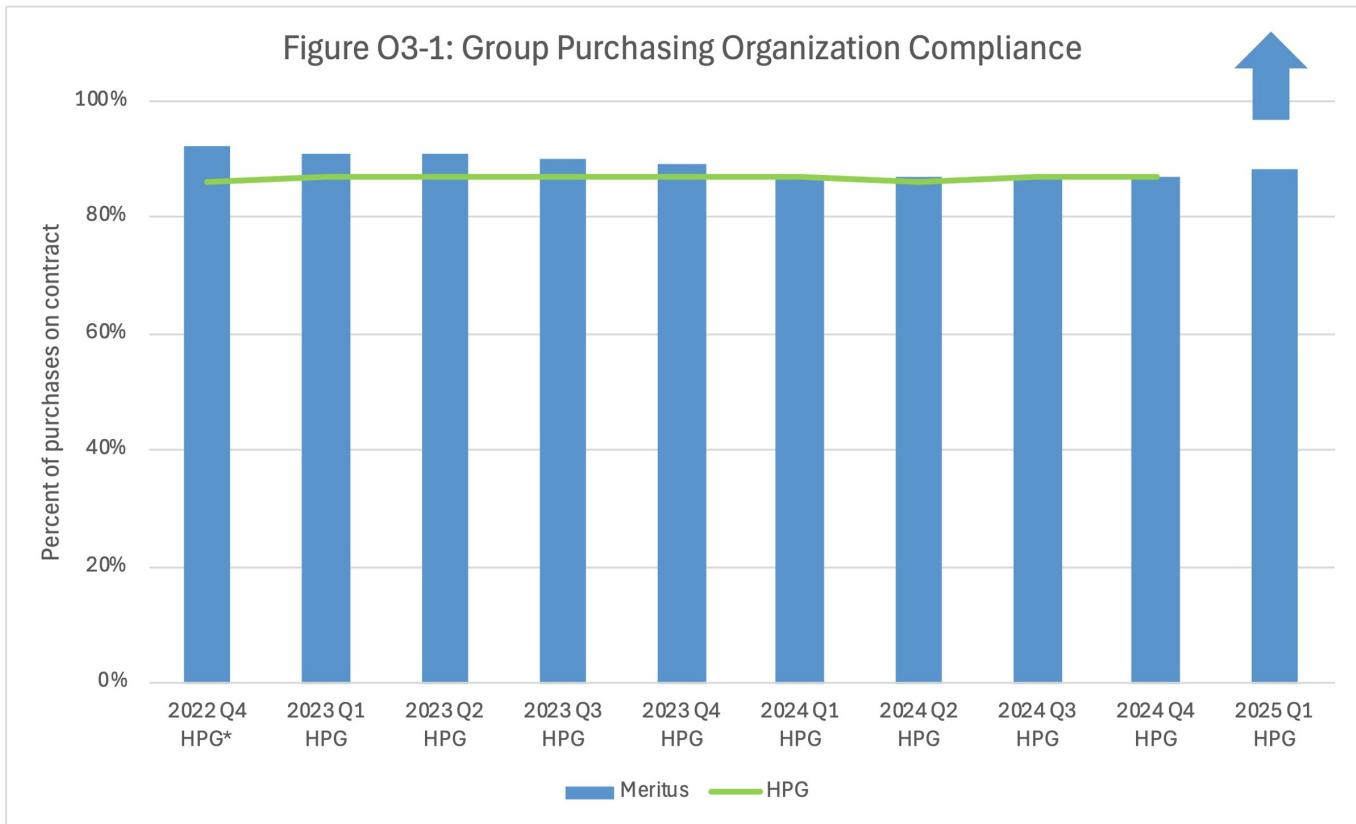
One of the measures Meritus monitors as both an indicator of societal contribution and HealthTrust's performance is how much of its supply chain spend goes to diverse suppliers (Figure O3-2). To support Meritus goals for this measure on the FY25 Affordability Aim dashboard, HealthTrust increased its spend from FY22 to FY23 and sustained that spend in FY24 as a national benchmark decreased. Meritus continues to outperform the benchmark from Valify, which collects and reports data from a national preferred supplier network.

Meritus Health leaders complete scheduled business reviews with key suppliers, such as its medical/surgical distributor, MedLine. Meritus continues to manage the MedLine relationship to

consistently achieve a near-perfect fill rate, ensuring availability of supplies needed for patient care (Figure O3-3).

Pharmaceutical supplies are a significant portion of any healthcare organization's total supply costs so monitoring pharmacy performance is important for managing the supply network (Figure O3-4). For Meritus, the total budgeted FY25 pharmacy spend is \$62 million.

- For the past five years, Meritus has sustained pharmaceutical waste around 1%. This represents medications the pharmacy had to dispose of due to expiration or process defect.
- Meritus pharmaceutical services has sustained perfect performance for each of the past four years for inventory accuracy. The pharmacy has twice yearly and ongoing processes to physically inventory medications relative to an electronic tracking system. Perfect accuracy means every unit of every in-stock medication is accounted for.
- In support of its 2030 Affordability Bold Goal, Meritus continues to decrease the percentage of medications it purchases at Wholesale Acquisition Cost (WAC) and increase the percentage of medications it purchases through the federal 340B program. WAC represents the manufacturer's list price for a drug, before any discounts, rebates, or other negotiated adjustments. The 340B program requires drug manufacturers to provide discounted drugs to eligible healthcare organizations, including hospitals and clinics, that serve a high proportion of low-income and uninsured patients. Both were the focus of recent Kata improvement initiative.
- In FY24, as a result of multiple cycles of learning, Meritus transitioned to a new system for monitoring controlled drug substances. From FY24 to FY25 Meritus improved performance and outperformed BlueSight's customer base for:
  - Percent of "auto-closed transitions" that flowed from provider order to pharmacy dispensing to medication administration with no variances.
  - Percent of transactions that have variances
  - Days to reconcile variances



\*Transitioned to new GPO

Figure O3-1: GPO Compliance

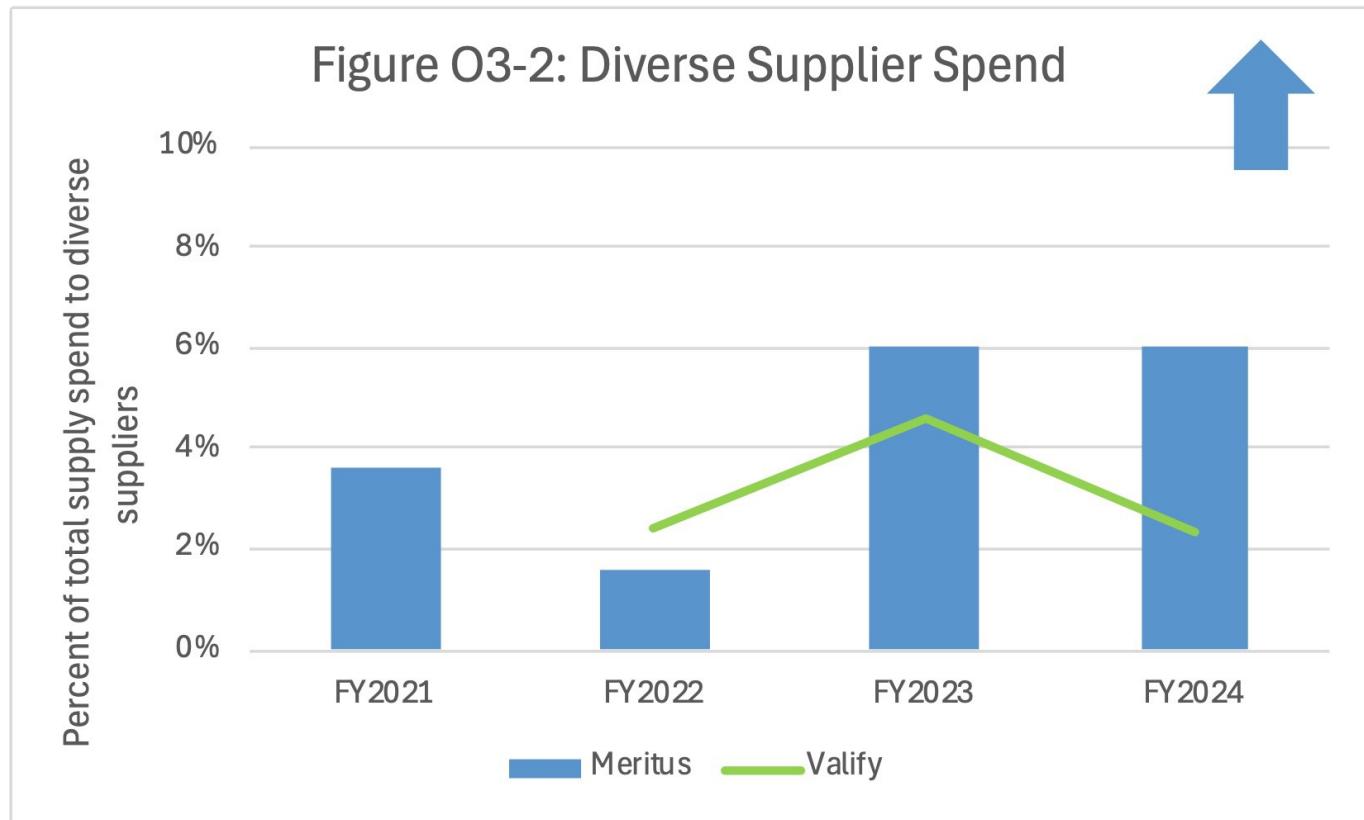
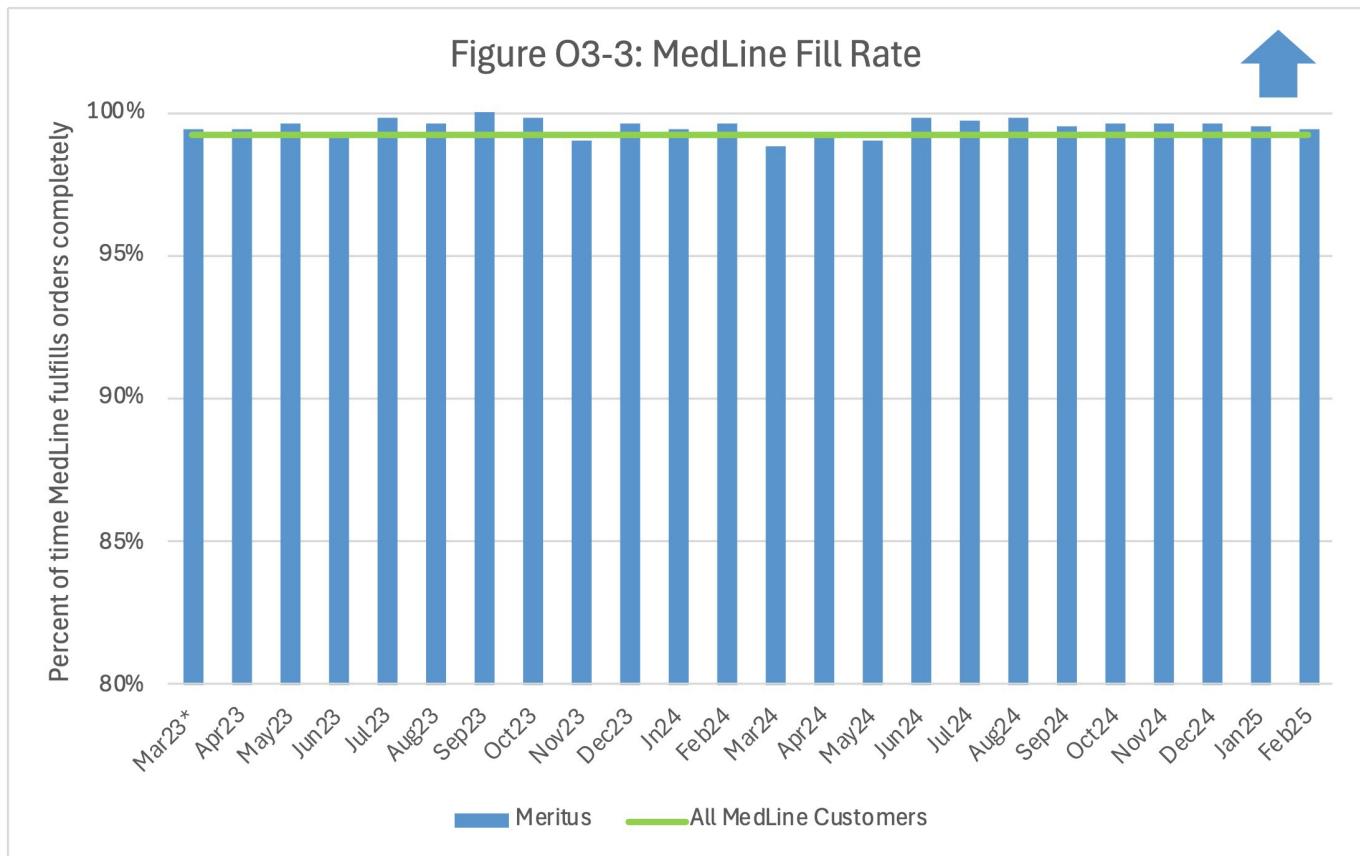


Figure O3-2: Diverse Supplier Spend



\*Earliest data available from MedLine

Figure O3-3: MedLine Fill Rate

	FY21	FY22	FY23	FY24	FY25	Better
<b>Cencora</b>						
Waste	1.1%	0.9%	1.2%	1.0%	1.0%	⬇
Inventory accuracy	99%	100%	100%	100%	100%	⬆
WAC spend	50.3%	32.0%	46.6%	43.0%	37.0%	⬇
340B spend	15.7%	17.5%	33.1%	31.3%	30.6%	⬆
<b>New Monitoring System for Controlled Drug Substances</b>						
Percent of all transactions that are auto-closed	Meritus			94.42%	95.31%	⬆
	BlueSight			94.30%	94.01%	
Percent of all transactions that are variances	Meritus			5.57%	4.69%	⬇
	BlueSight			5.65%	5.98%	
Days to reconcile variance	Meritus			2.00	1.08	⬇
	BlueSight			2.13	1.65	

Figure O3-4: Pharmaceutical Supplies

#### 4 - What are your results for cybersecurity effectiveness, include intrusion attempts versus incidents?

Over the past five year, Meritus Health has implemented significant initiatives to strengthen its cybersecurity posture, aligning its efforts with the NIST Cybersecurity Framework (CSF) v2.0 and ensuring compliance with HIPAA privacy regulations. Even though the number of incoming and suspicious emails has increased dramatically over that time, the percent of suspicious emails blocked by the system has remained stable (Figure O4-1). In September 2024, Meritus invested in a new platform for detecting abnormal behavior and a new vendor that monitors the abnormal

behavior, attempts to resolve it, and escalates it to the Meritus cybersecurity team if needed. Results are too new to present here but will be available on site.

Meritus continues expanding its security awareness program to cultivate a culture of cybersecurity awareness among all team members and providers, ensuring that everyone is prepared to recognize and respond to potential threats. A key component of the program is a monthly phishing campaign. Although Meritus has been using increasingly complex and diverse tests to make the campaigns more difficult, test results have demonstrated an overall beneficial trend since 2021 and have outperformed the national benchmark each year since 2020 (Figure O4-2).

As a result of these measures, Meritus has had no cybersecurity intrusions requiring remediation over the past five years (Figure O4-3).

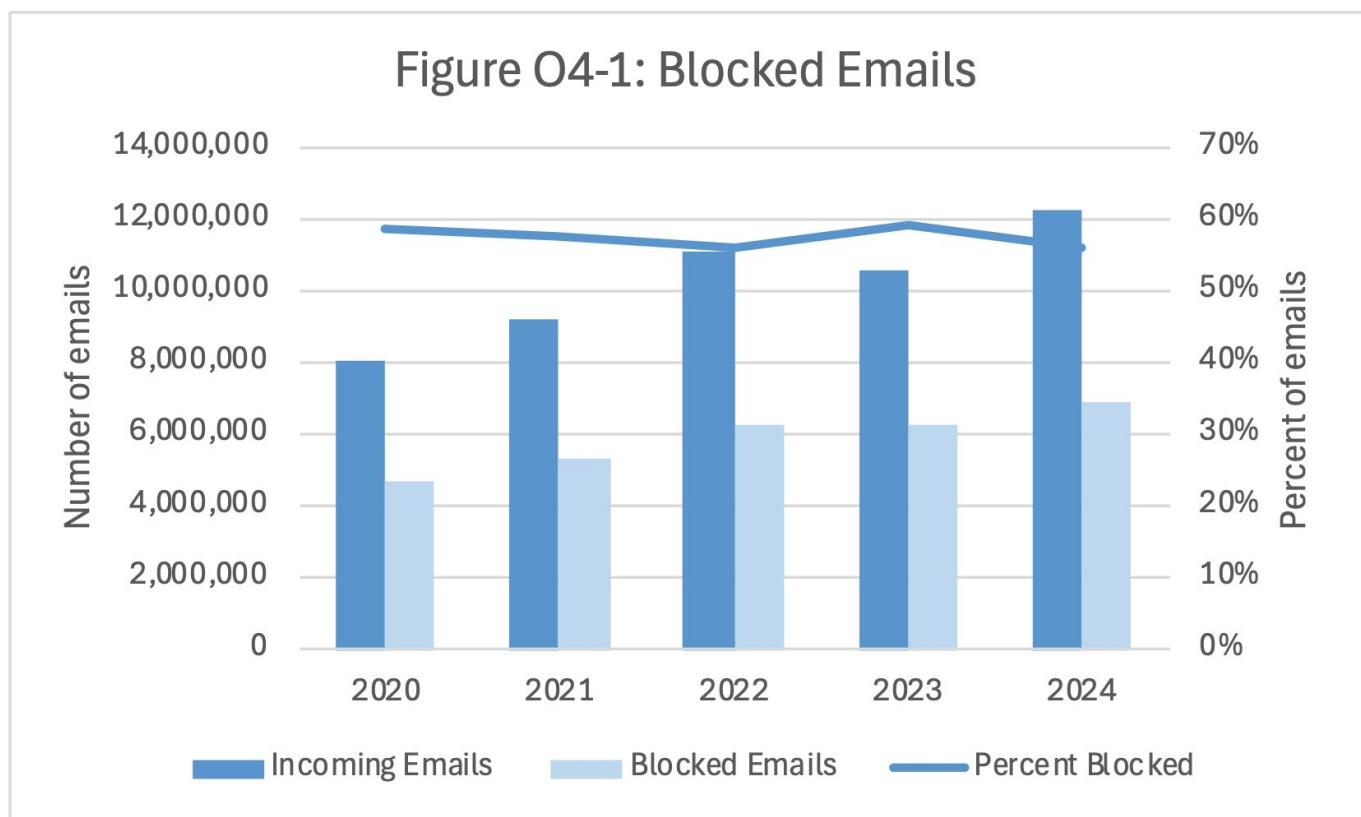


Figure O4-1: Blocked Emails

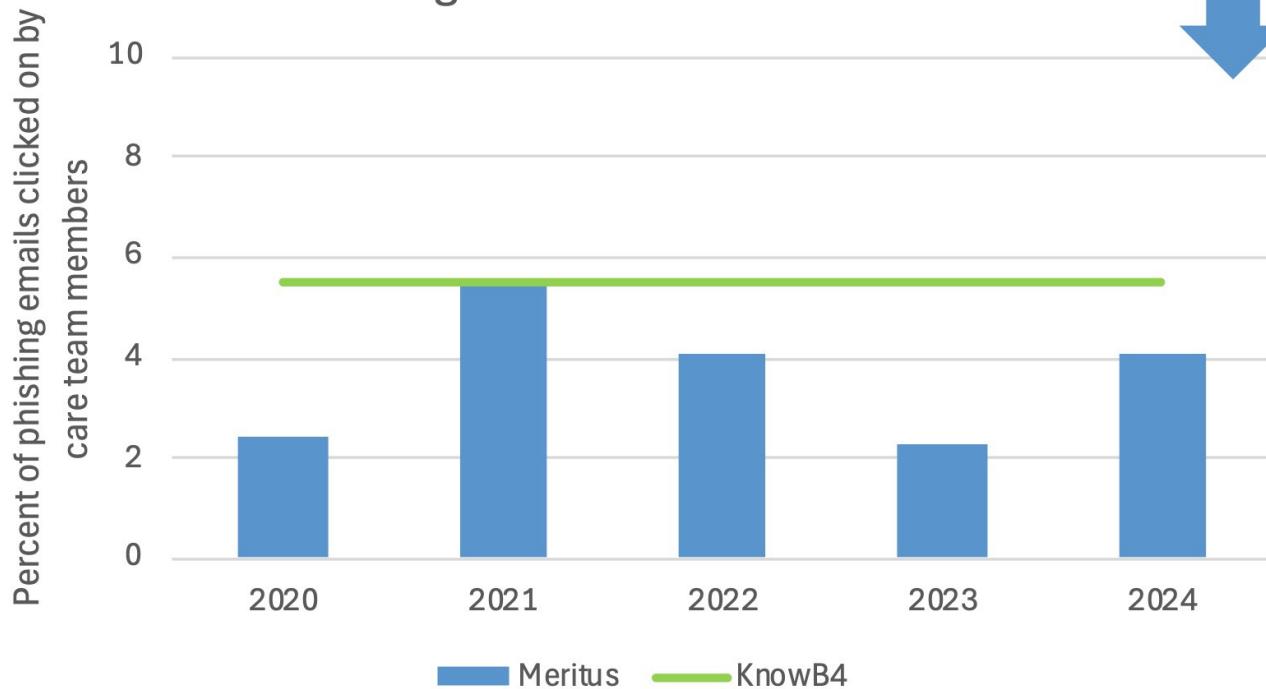
**Figure O4-2: Phish Test**

Figure O4-2: Phishing Tests

**Figure O4-3: Intrusions**

	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Intrusions requiring remediation</b>	0	0	0	0	0

Figure O4-3: Intrusions

**5 - What are the results for the effectiveness of your risk management plan (e.g., number of risks identified versus number of risks mitigated, cost of losses)?**

Meritus Health has numerous compliance, risk management and legal processes in place to proactively identify and mitigate risks (Figure O5-1). Meritus has achieved perfect performance for completion of each process for the past five years, with one exception. Work is still underway on one item from the FY24 Compliance Work Plan.

Meritus monitors serious harm as a True North metric to move the organization toward its 2030 Bold Goal of Zero Harm. Targeted improvement efforts have driven Meritus closer to that goal each of the past three years (Figure O5-2). As safety events have decreased, Meritus has improved its performance in the Maryland Hospital Acquired Harm (MHAC) program. Through the program, HSCRC assigns Meritus a harm score based on its incidence of 15 potentially preventable complications. A higher score means Meritus is having fewer complications and, when achieving a high-performing threshold, receives a reward payment. Meritus has driven a strong improvement trend, doubling its harm score from 40% in 2018 to 80% in 2024 (Figure O5-2). Meritus surpassed the performance threshold of 70% in 2022 and with a current score of 82%

performs in the top quartile of HSCRC organizations. The most recent reward payment brought Meritus \$2 million.

Each year, Meritus sets aside reserves to cover losses from legal settlements. The organization managed losses to stay within those reserves each of the past five years and reduced legal expenses by more than \$100,000 (Figure O5-3).

Workplace injuries are another risk all healthcare organizations face. Meritus has improved results each year for the past four years (Figure O5-4). Results for 2024 are not final due to lag time associated with claims payout but are on track for further improvement.

**Figure O5-1: Compliance, Risk Management & Legal Processes**

	FY20	FY21	FY22	FY23	FY24
Annual stakeholder risk assessment	Complete	Complete	Complete	Complete	Complete
Risk disclosure grid shared at each Board meeting	100%	100%	100%	100%	100%
Compliance Work Plan implementation	100%	100%	100%	100%	90%
Compliance Education Plan implementation	100%	100%	100%	100%	100%
Team member completion of annual Compliance training	100%	100%	100%	100%	100%
Contract review	100%	100%	100%	100%	100%
OIG screening	100%	100%	100%	100%	100%
OIG sanctions	0	0	0	0	0
Code of Conduct Training/Acknowledgement	100%	100%	100%	100%	100%
Conflict of Interest Disclosure	100%	100%	100%	100%	100%
CMS Sanctions Monthly Checking	100%	100%	100%	100%	100%
Criminal Background Checks	100%	100%	100%	100%	100%

Figure O5-1: Compliance, Risk Management & Legal Processes

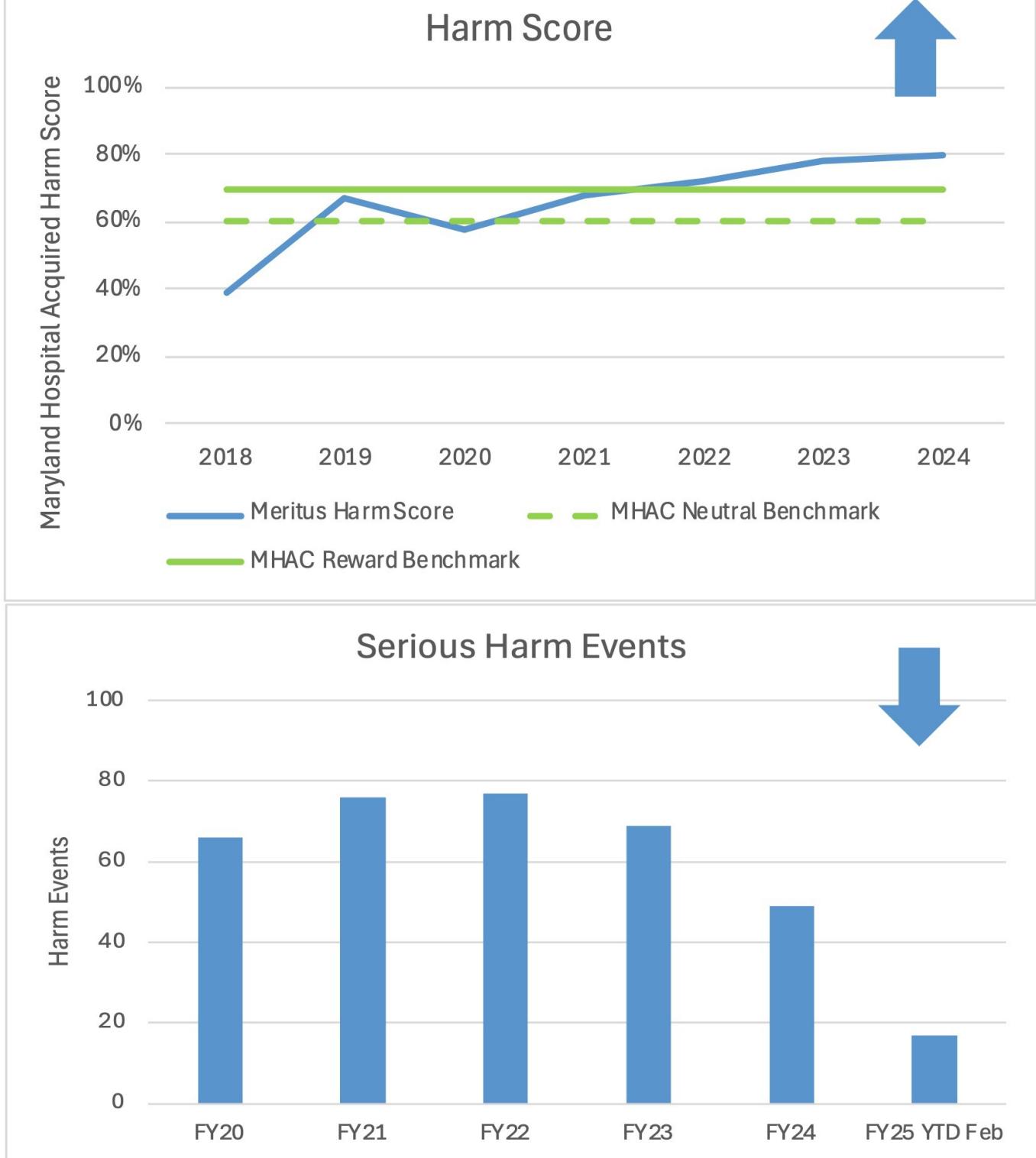
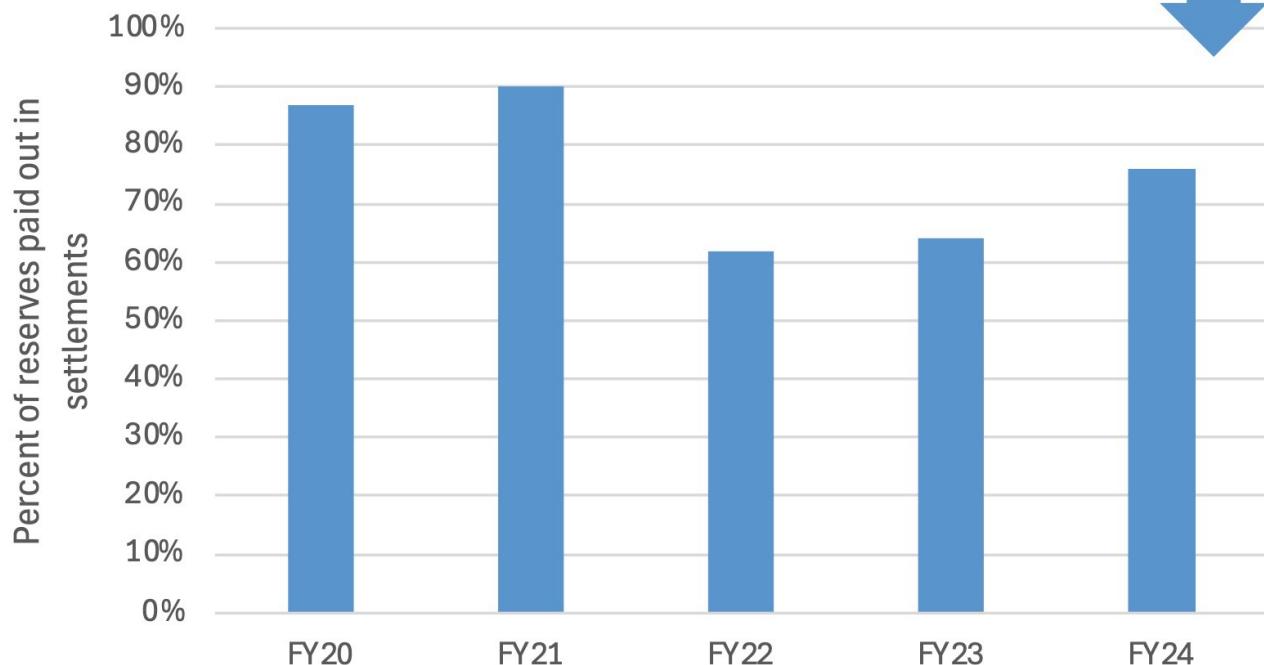
**Figure O5-2: Reducing Harm**

Figure O5-2: Reducing Harm

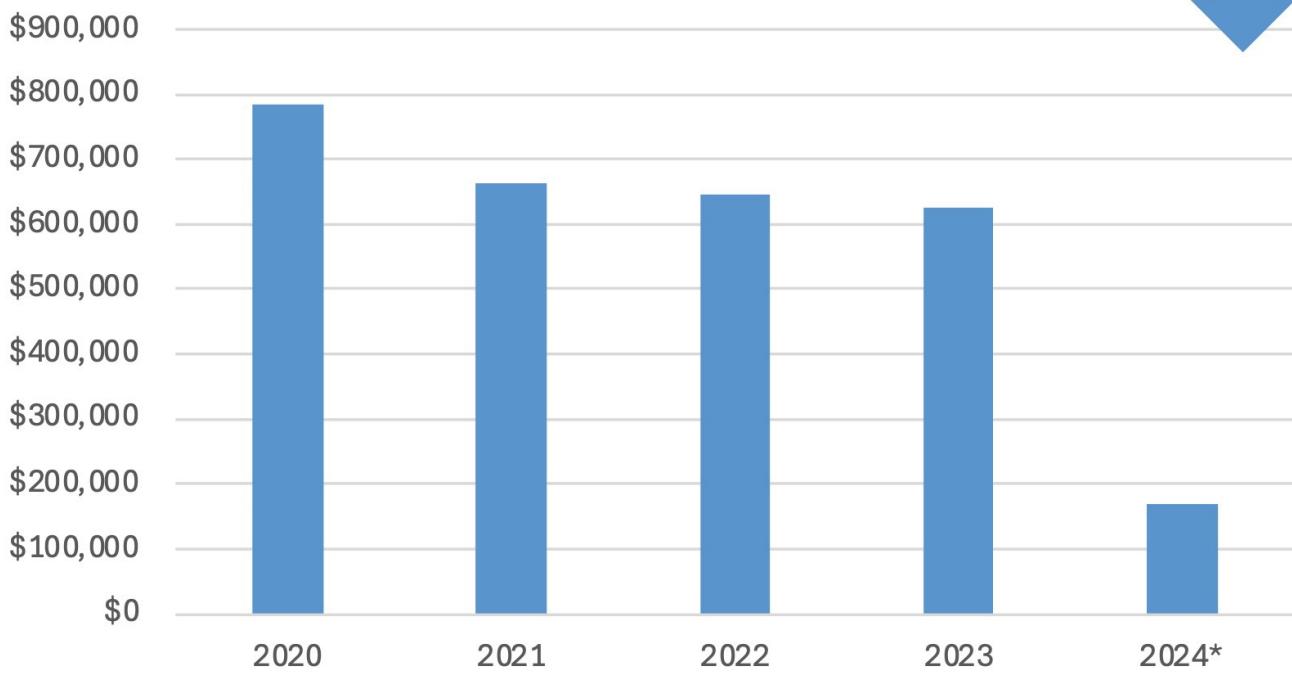
## Figure O5-3: Legal Settlements



Legal expenses down from \$418,682 in FY19 to \$315,079 in FY24

Figure O5-3: Legal Settlements

## Figure O5-4: Workplace Injury Costs



\*Data not complete

Figure O5-4: Workplace Injury Costs

## 6 - What are the results for the testing of your emergency preparedness plans (e.g., time to evacuate your facility, emergency response time)?

Meritus ensures that the organization can anticipate, prepare for, and recover from disasters, emergencies, and other disruptions through the Emergency Operations Plan (EOP). The plan's four sections – mitigation, preparedness, response, and recovery – are annually updated based on Kaiser Permanente's hazard vulnerability analysis (HVA) model, completed in partnership with the Regions I and II Healthcare Coalition. The coalition spans four counties and is comprised of local government agencies, emergency responders, and other hospitals, including Frederick Health.

Each year, as part of the HVA, Meritus creates a report detailing the number and type of emergency management occurrences that took place in the previous year (Figure O6-1). Occurrences include infectious disease outbreaks and severe weather, as well as supply chain or staffing shortages, utility or structure failures, workplace violence/threat, and cyberattacks. Kaiser aggregates data and information from coalition members and prepares a similar region-wide report. Meritus occurrences have decreased each year, as occurrences across the regional coalition have increased dramatically. Reports for 2024 are not yet available.

To prepare the workforce and the region for emergencies, the Meritus emergency management department runs drills, engaging regional partners as appropriate. Over the past five years, Meritus drills have spanned the diversity of emergencies identified through the HVA and exceeded The Joint Commission requirement each year (Figure O6-2).

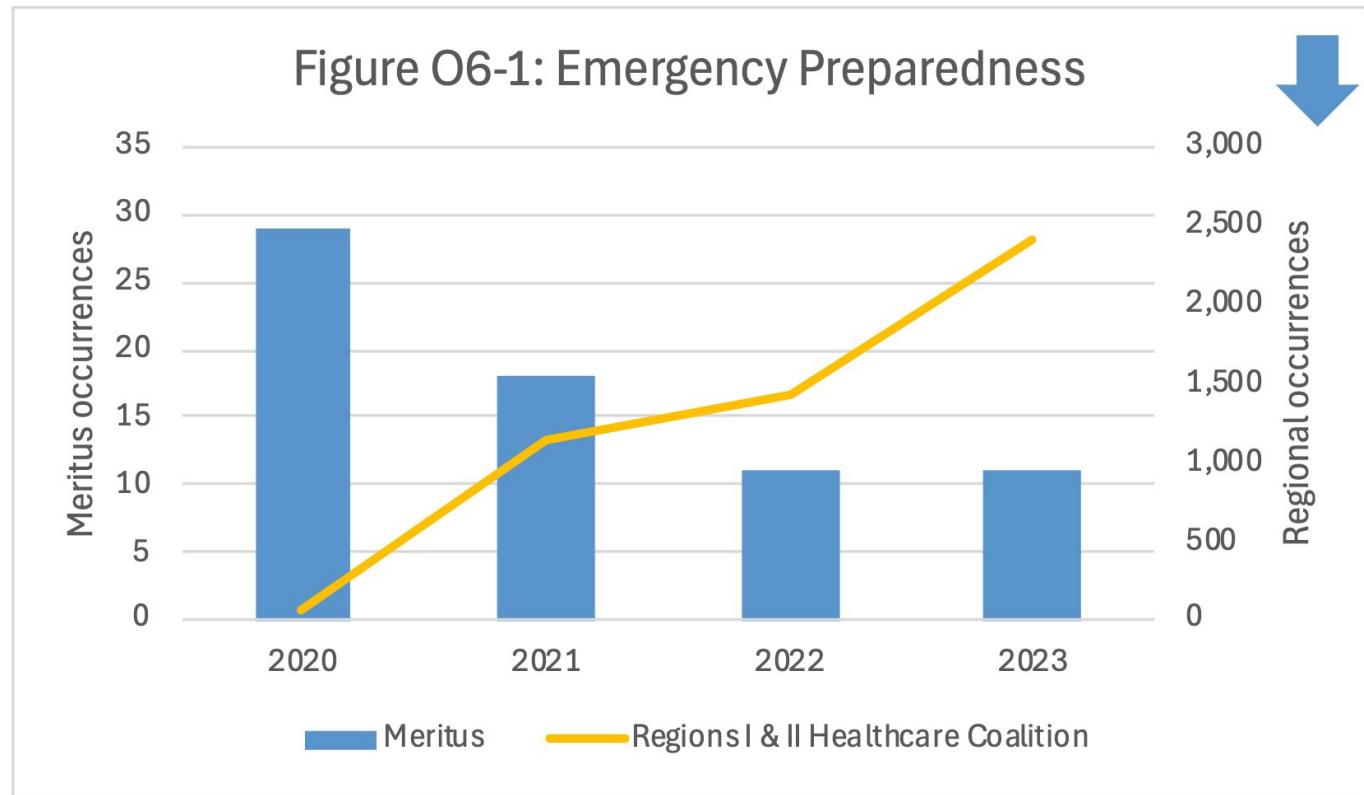


Figure O6-1: Emergency Preparedness

**Figure O6-2: Drills**

	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>
Active Shooter	1				
Bomb Threat	3	3			
Communications	2	1	2	2	1
Cyber	1	1			1
FAA			1		
Infectious Disease					
Surge	1	1	1	1	2
Utilities					
Weather					
<b>Total</b>	<b>8</b>	<b>6</b>	<b>4</b>	<b>3</b>	<b>4</b>
<b>The Joint Commission</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>

Figure O6-2: Drills

**7 - What are the results for the testing of your continuity of operations plan (plan for how the business operates in disruption)?**

One indicator of a hospital's business continuity capabilities is the number of hours the hospital has to go "on alert" or is unable to accept patients. This typically happens as a result of disruptions, which can range from a pandemic to a power outage to a winter storm. As a sole community hospital, Meritus is committed to keeping its doors open through any disruption and has been highly successful over the past five years, except for 2021 during the peak of COVID. Frederick Health's hours on alert also spiked in 2021, surpassing Meritus Health. However, Meritus has not had to go on alert at all three of the past five years, while Frederick Health was on alert 50 percent of the time or more each of the past four years. Meritus has also consistently outperformed the median reported by hospitals in the Maryland Alerts Program each of the past five years. The program includes 61 hospitals in Maryland, Washington, DC, and parts of Virginia.

Each year, Epic completes a business continuity assessment based on best practices recommended to minimize disruptions to the electronic health record. Meritus Health's adoption of those best practices increased during each of the two most recent assessments to outperform Epic's customer base.

A key COVID learning across the healthcare industry was the importance of having back-up supplies in order to continue delivering care during times of prolonged disruption. Meritus has maintained approximately 80 days of supplies on hand all but one year since FY21. Also, Meritus has had only three incidents classified under Kaiser Permanente's HVA model as supply chain shortages or failures during the four most recently reported years, and that number was zero during the most recent year. During the same period, organizations across the regional emergency management coalition reported eight, with numbers up in the two most recent years.

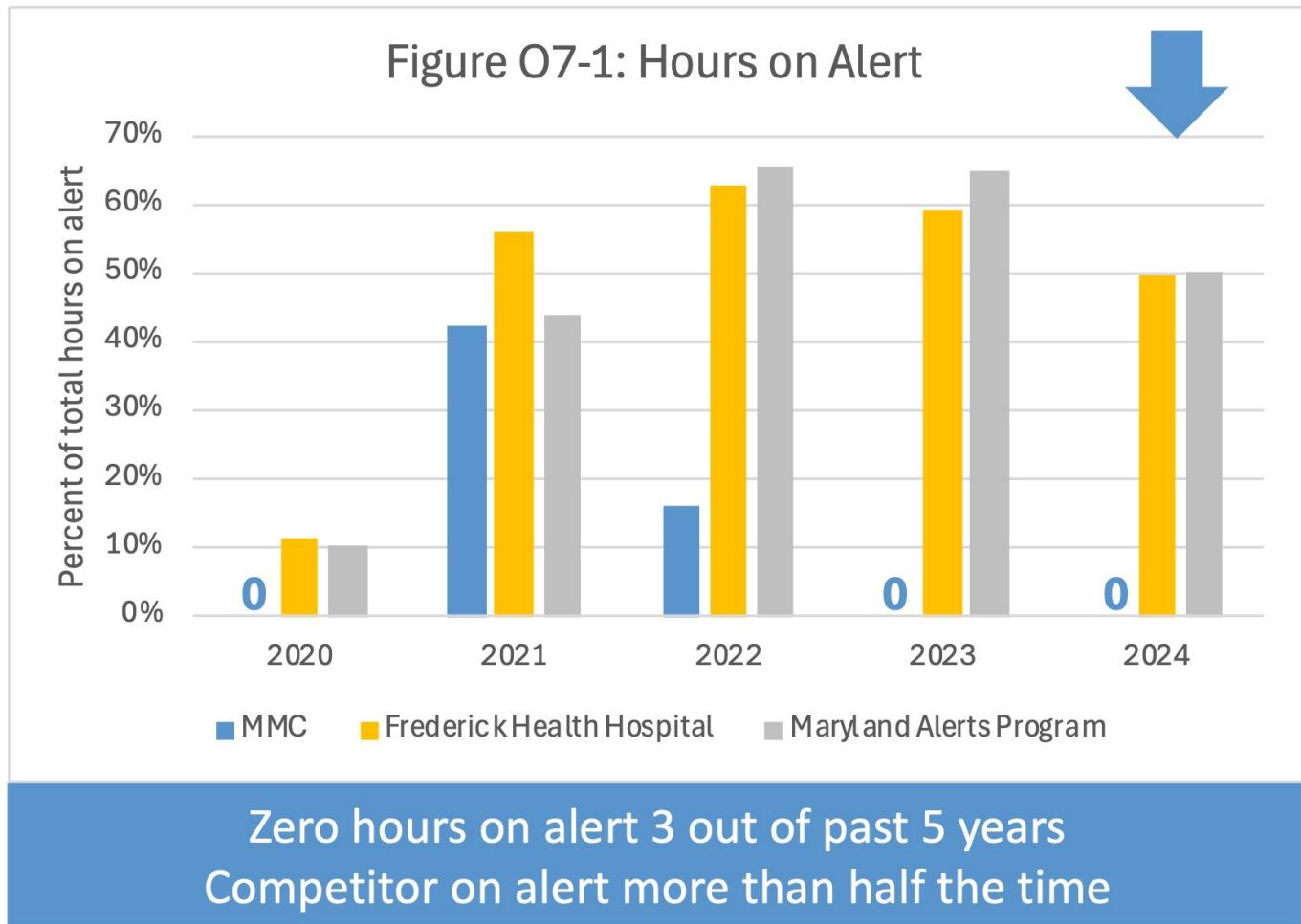
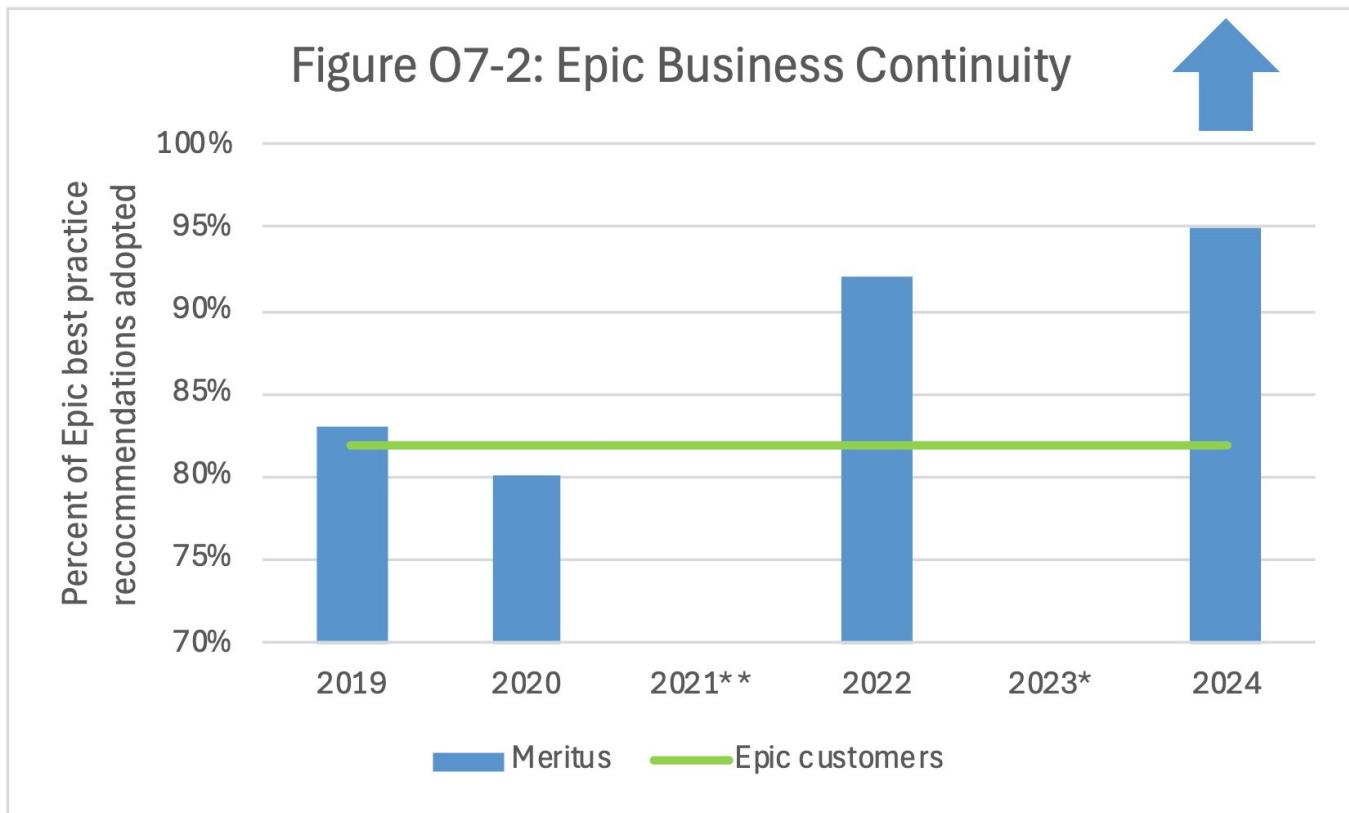


Figure O7-1: Hours on Alert



\*No report due to transition in Epic hosting vendors

\*\*Data not available

Figure O7-2: Epic Business Continuity

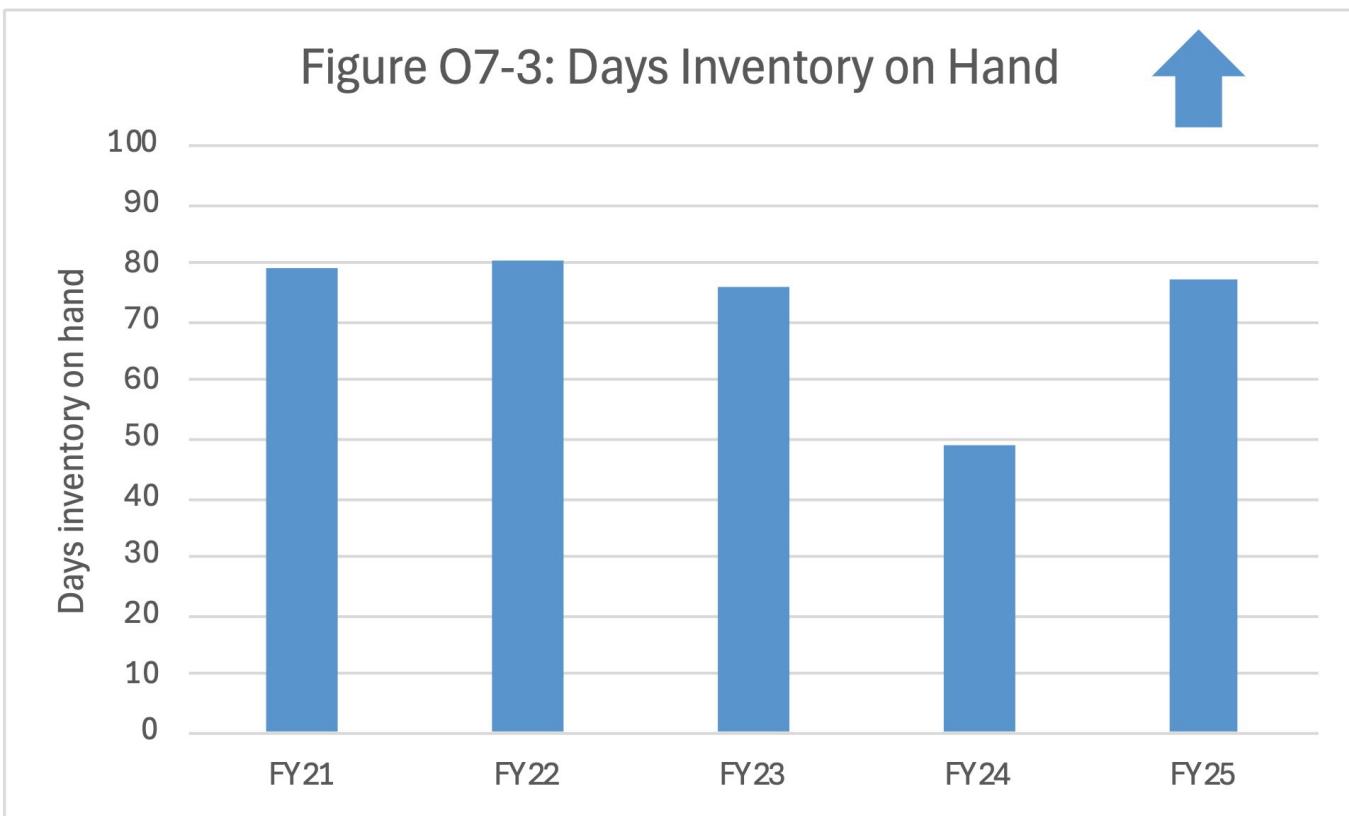


Figure O7-3: Days Inventory on Hand

## Process Questions

**1 - Briefly describe your key process(es) for producing your products and services.**

**2 - Briefly describe your key process(es) for supply network management.**

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**3 - Briefly describe your key process(es) for risk management.**

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**4 - Briefly describe your key process(es) for emergency preparedness.**

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**5 - Briefly describe your key process(es) for continuity of operations.**

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**6 - Of the processes shared above, which (if any) do you consider best practices that other organizations could learn from?**

## Workforce

This section asks about your performance for key processes related to your workforce. This section about the performance of your key processes for engaging and developing/training your workforce members, as well as ensuring their health and safety in the workplace. Results requested pertain to the performance of these processes as reflected in measures of workforce satisfaction, engagement, turnover, and absenteeism. This section also asks about the development of your organization's current and future leaders, workforce training, safety-related incidents, and additional indicators of workplace health and safety.

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### Context Questions

**1 - Please describe your workforce profile including key workforce segments (e.g., location, types of workers, etc.).**

As the largest employer in Washington County, Meritus Health has a workforce of roughly 4,300, with two key workforce groups – employees and providers. Meritus Health refers to its employees as team members and its leaders as coaches. A profile of the Meritus Health workforce is presented in Figure W-1. Additionally, 82 percent of the workforce is based on the MMC campus, with 15.5 percent at offsite locations and 2.5 percent working remotely. Meritus Health has no bargaining units.

<b>Figure W-1: Workforce Profile</b>	
<b>TEAM MEMBERS</b>	
<b>Total number</b>	<b>4,279</b>
Full-time	3,067
Part-time	1,212
Nursing	683
Providers	291
<b>PROVIDERS</b>	
<b>Total on medical staff</b>	<b>717</b>
Employed	267
Affiliated, contracted, locums	450

Figure W-1: Workforce Profile

## Results Questions

### 1 - What are your survey results for workforce satisfaction?

Meritus measures workforce satisfaction through biannual engagement surveys administered by Press Ganey to team members and providers. The next engagement surveys are planned for 2025. According to the latest-available data, team member satisfaction improved from 2021 to 2023, remaining right at the national benchmark (Figure W1-1). Provider satisfaction has seen an overall improving trend since 2017 to near the PG benchmark (Figure W1-2). The PG benchmark declined from 2021 to 2023.

With a 2030 Bold Goal of Zero Patient Harm, Meritus continues working to build and strengthen a culture of safety. Team members scored the organization at or better than the PG benchmark on three of the last four surveys for the item, “We are actively doing things to improve patient safety,” and the score increased from 2021 to 2023 (Figure W1-3).

With each survey, Team Member Services monitors the participation rate, which surpassed the rate across the PG database with all four surveys and increased with the 2019 and 2021 surveys (Figure W1-4).

**Figure W1-1: Team Member Satisfaction**  
Overall I'm a satisfied employee

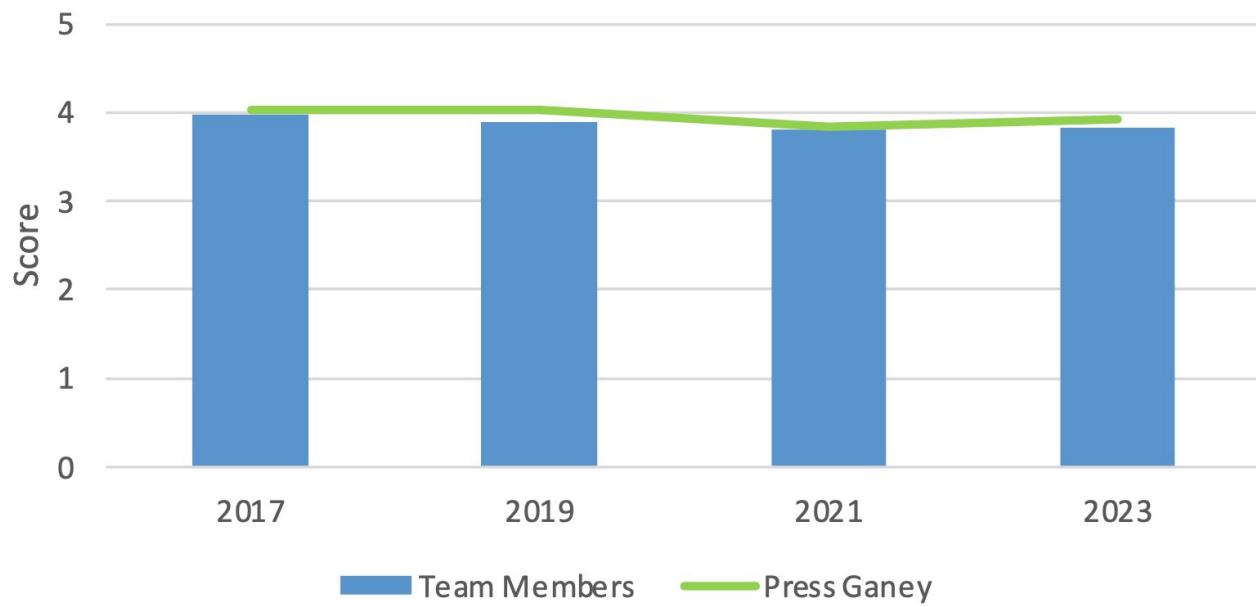


Figure W1-1: Team Member Satisfaction

**Figure W1-2: Provider Satisfaction**  
Overall, I'm satisfied working with this hospital.

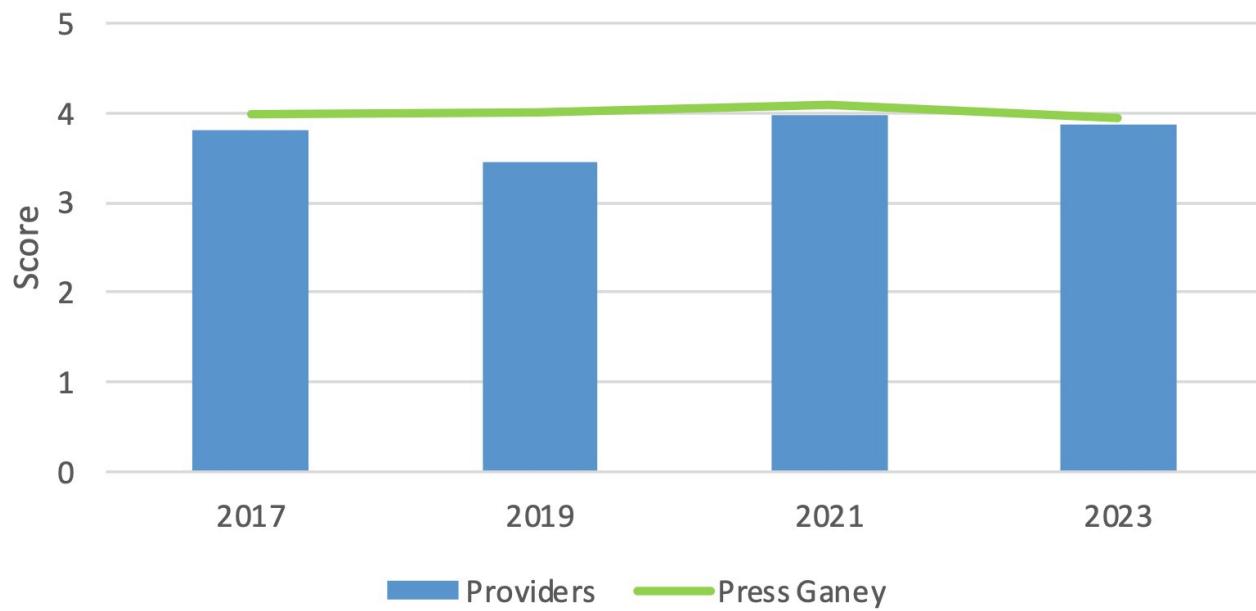


Figure W1-2: Provider Satisfaction

**Figure W1-3: Team Member Satisfaction: Patient Safety**  
 We are actively doing things to improve patient safety.

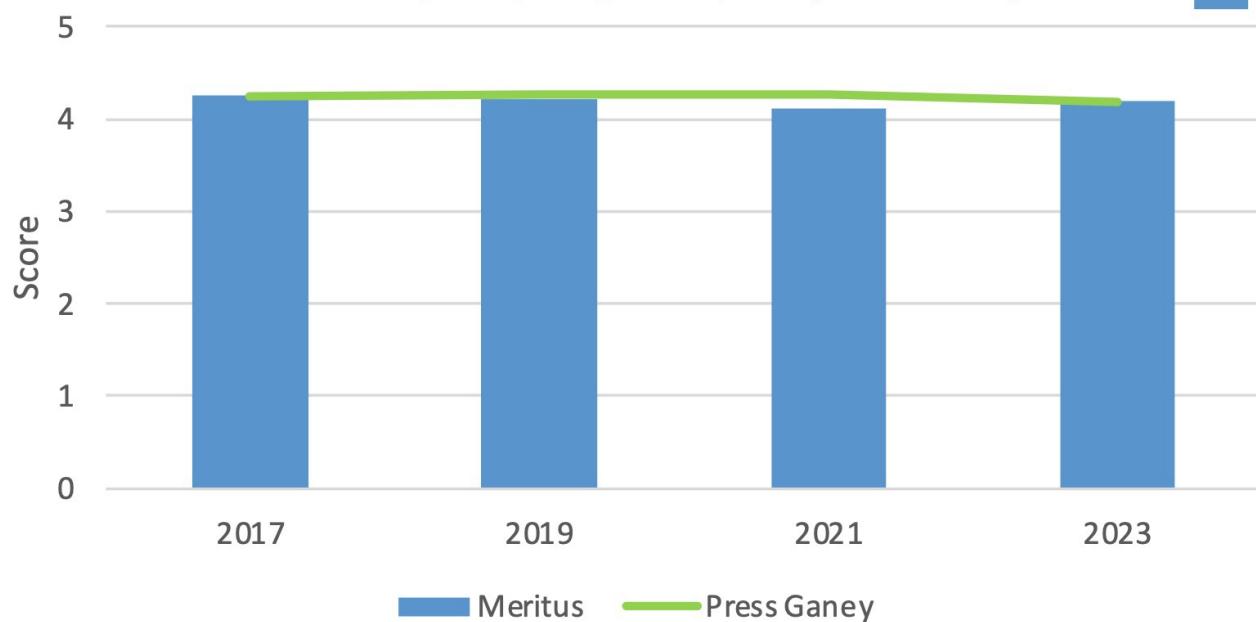


Figure W1-3: Team Member Satisfaction: Patient Safety

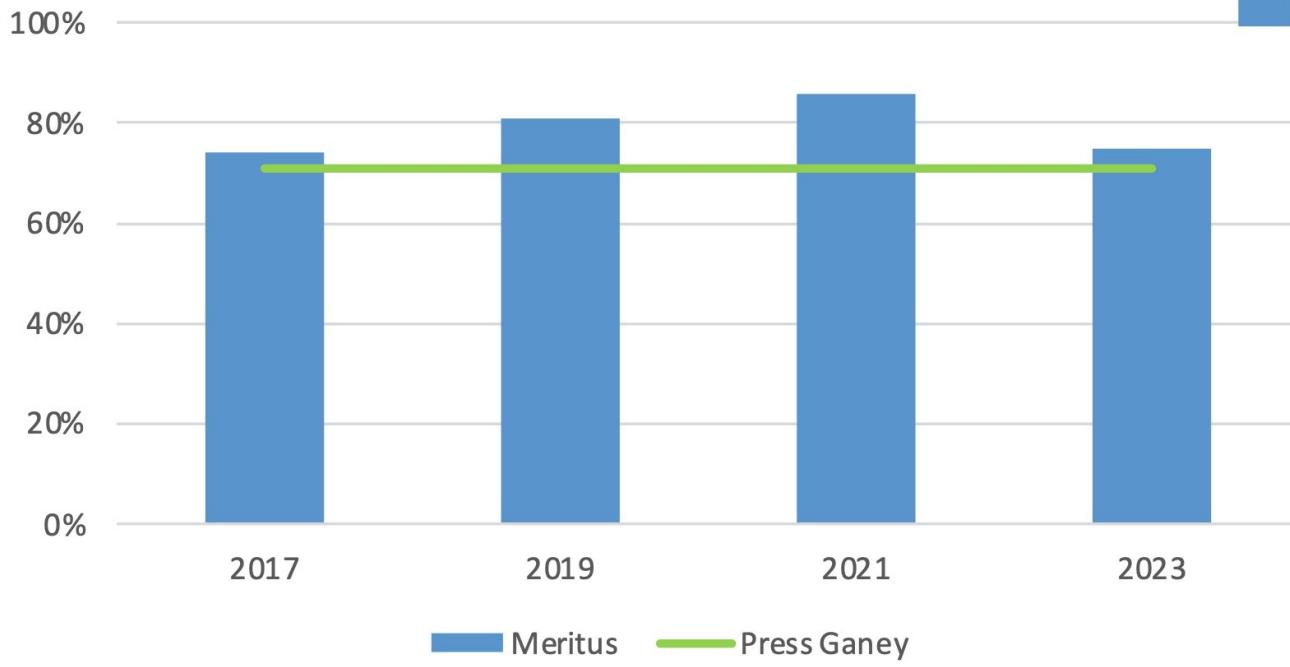
**Figure W1-4: Survey Participation Rate**

Figure W1-4: Survey Participation Rate

## 2 - What are your results for workforce engagement (e.g., employee survey findings)?

Meritus also uses the biannual PG surveys to measure workforce engagement. Results for overall team member engagement have exactly paralleled – and remained very close to – the PG benchmark across all four surveys (Figure W2-1). Overall provider engagement has shown an

overall favorable trend since 2017 (Figure W2-2). Results dipped slightly with the 2023 survey, but so did the PG benchmark.

As a cycle of learning in FY22, Meritus implemented a pulse survey to monitor team member engagement between the full biannual engagement surveys. The net promoter score has increased each year and is approaching what the literature presents as “great” performance in the health and wellness industry.

Another indicator of engagement for both team members and providers is workforce giving. The amount the workforce has contributed to Meritus’ philanthropic foundation has increased more than three-fold since 2019 (Figure W2-4).

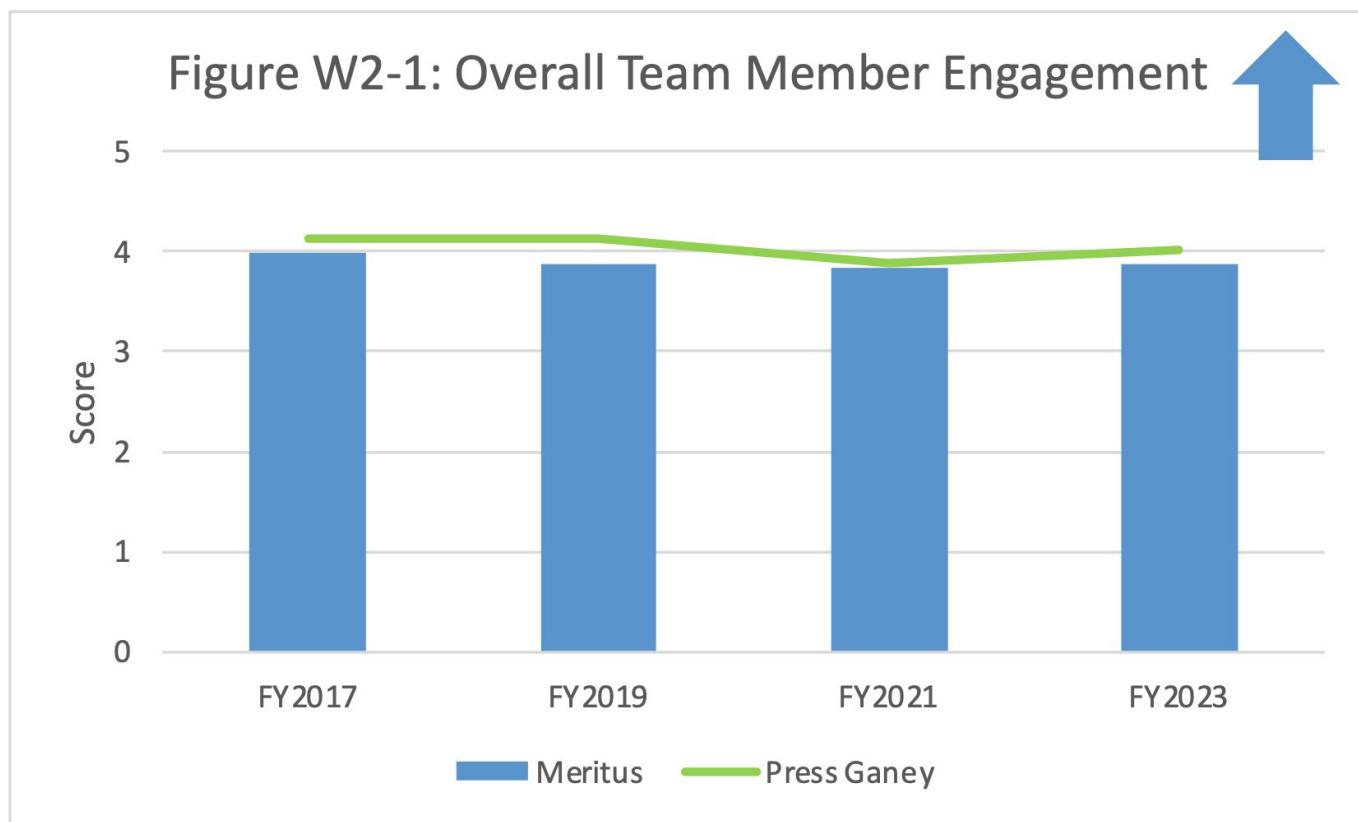


Figure W2-1: Overall Team Member Engagement

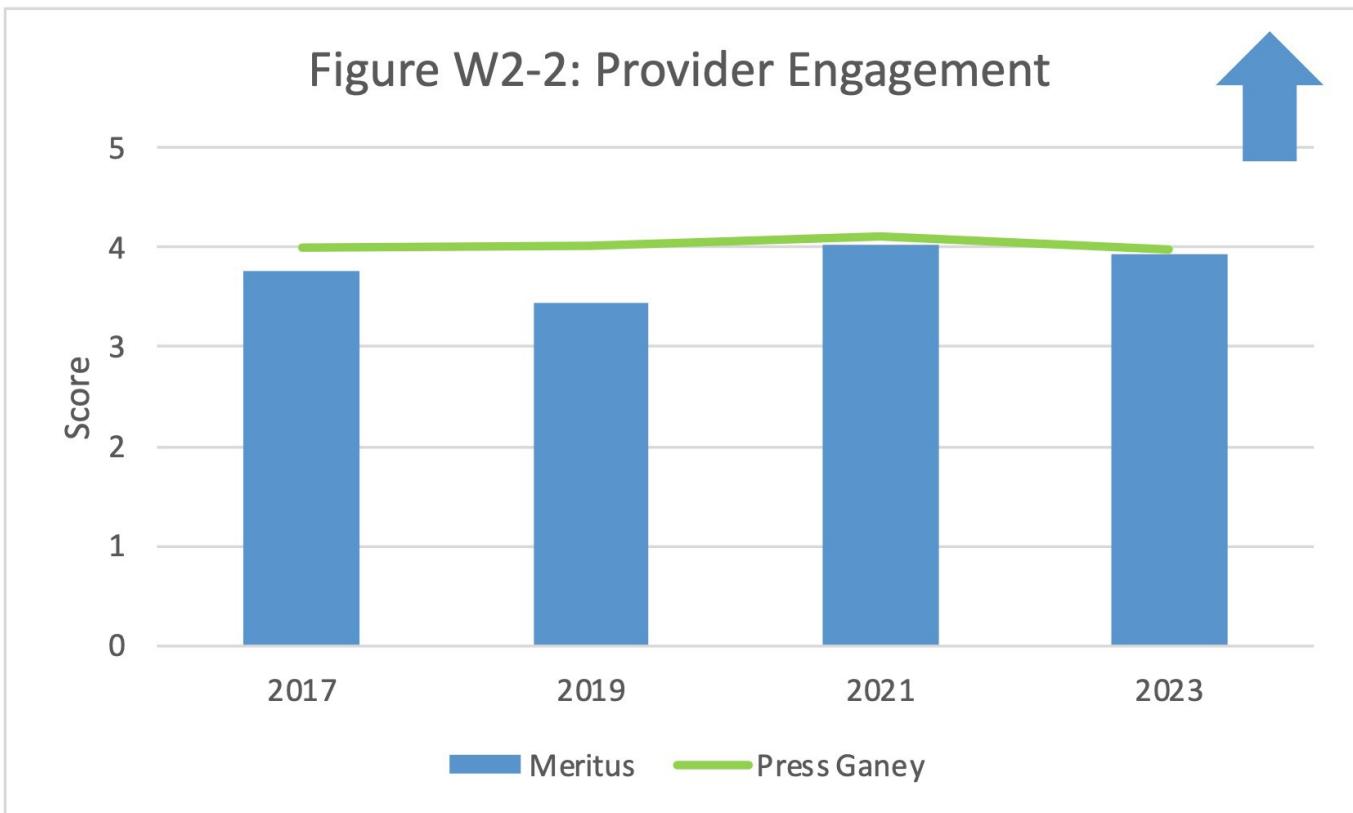


Figure W2-2: Provider Engagement

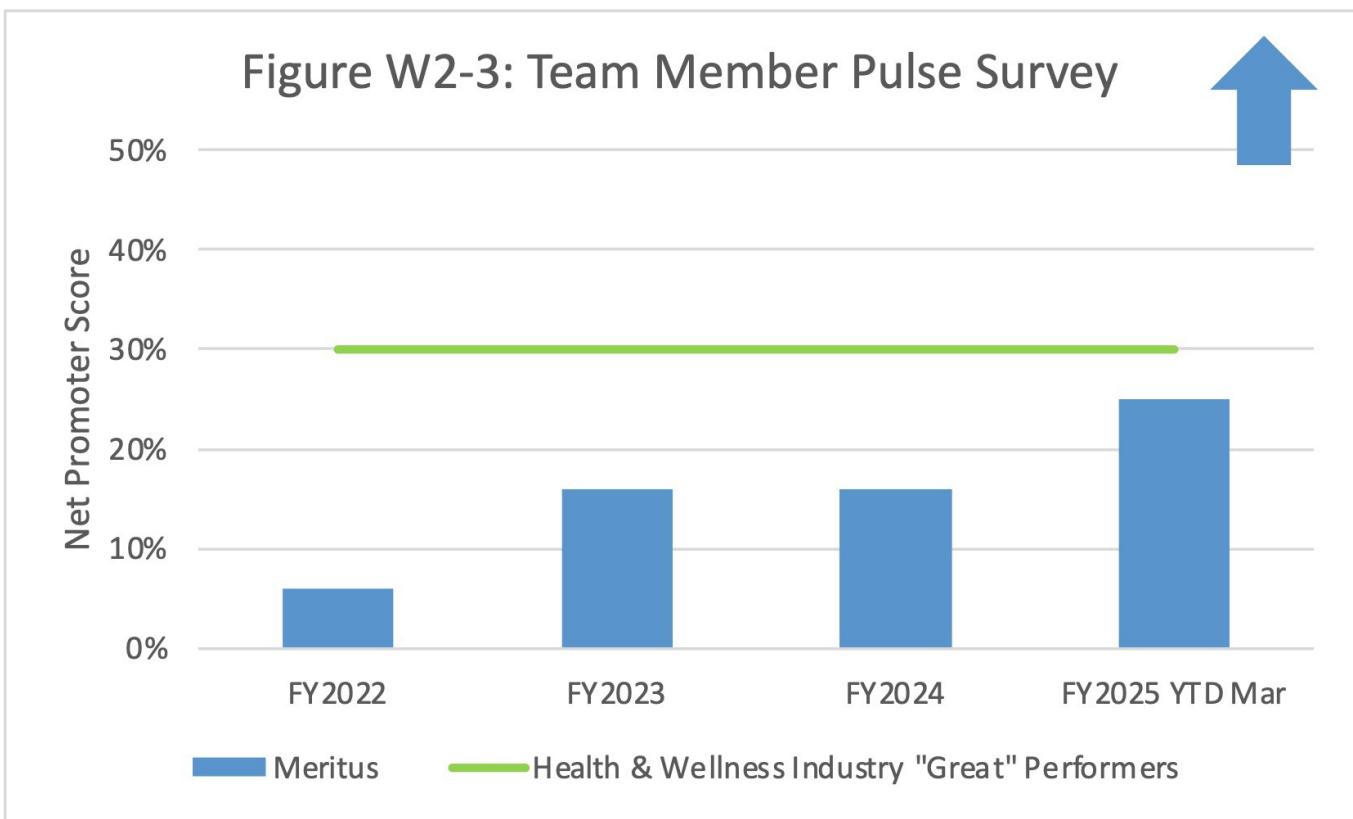


Figure W2-3: Team Member Pulse Survey

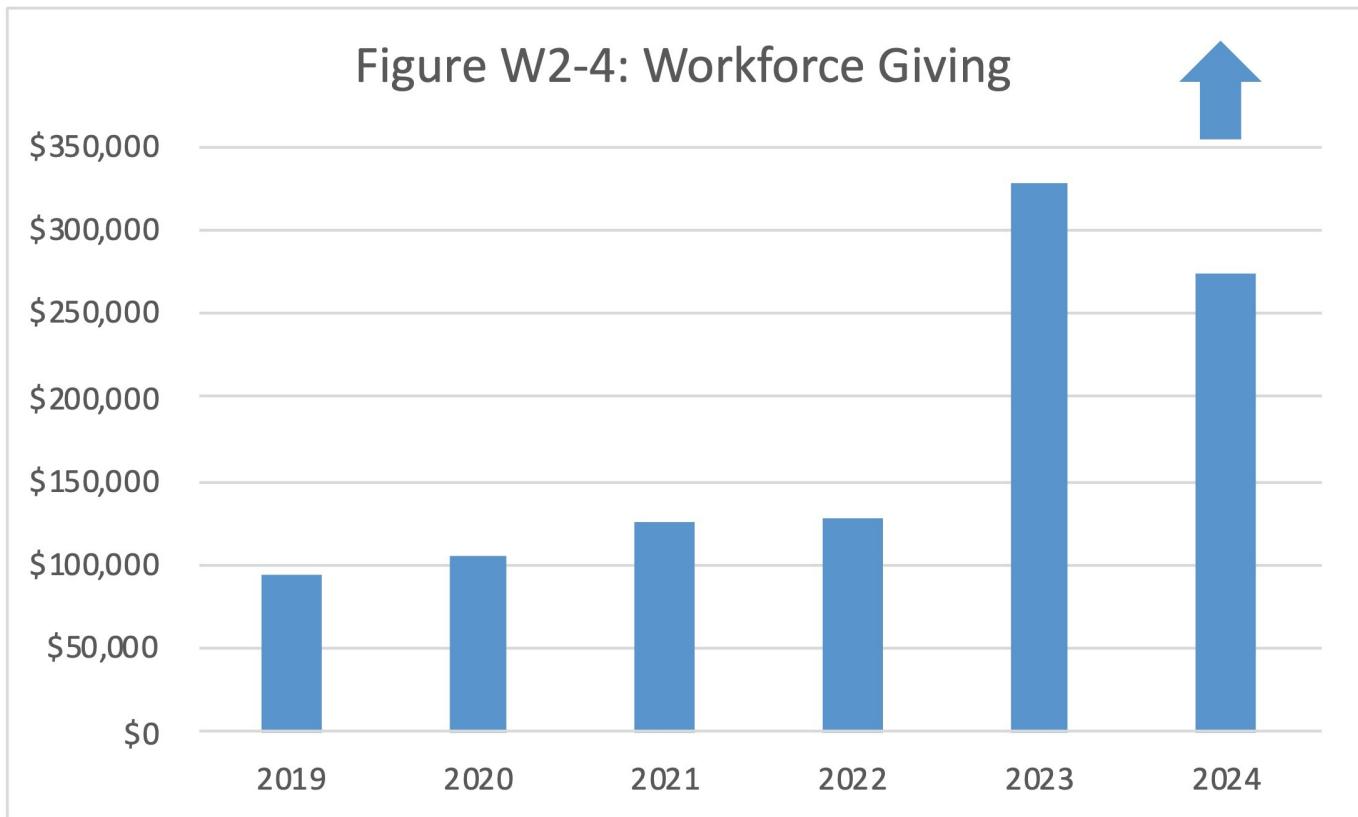


Figure W2-4: Workforce Giving

### 3 - What are your results for turnover?

With a strategic challenge of recruitment and retention, Meritus has established Joy at Work Aim metrics to improve team member turnover. Meritus, like the rest of the nation, experienced increased turnover during and immediately after the COVID pandemic, but performance improved in FY23 and FY24, outperforming the national benchmark in FY24 (Figure W3-1).

Team Member Services can segment turnover data many ways to understand where to focus improvement efforts. Leaders pay special attention to turnover in nursing, which represents the largest workforce segment, and drove improvement of results in FY23 and FY24 (Figure W3-2).

Related to turnover, Meritus monitors vacancy – how quickly the organization can fill an open position – as a FY25 True North metric (Figure W2-3). Performance crept up during COVID years but has improved in FY23 and FY24 and remained better than state and national benchmarks for the past five years (Figure W3-3).

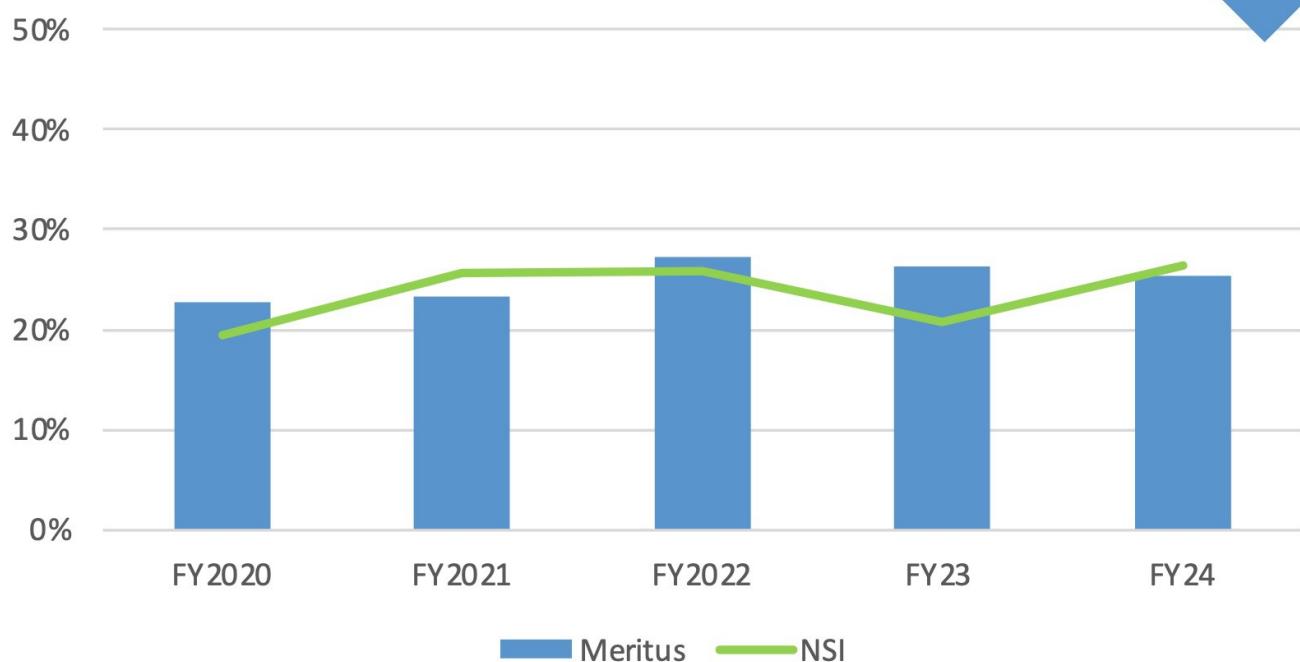
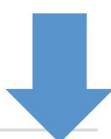
**Figure W3-1: Overall Team Member Turnover**

Figure W3-1: Overall Team Member Turnover

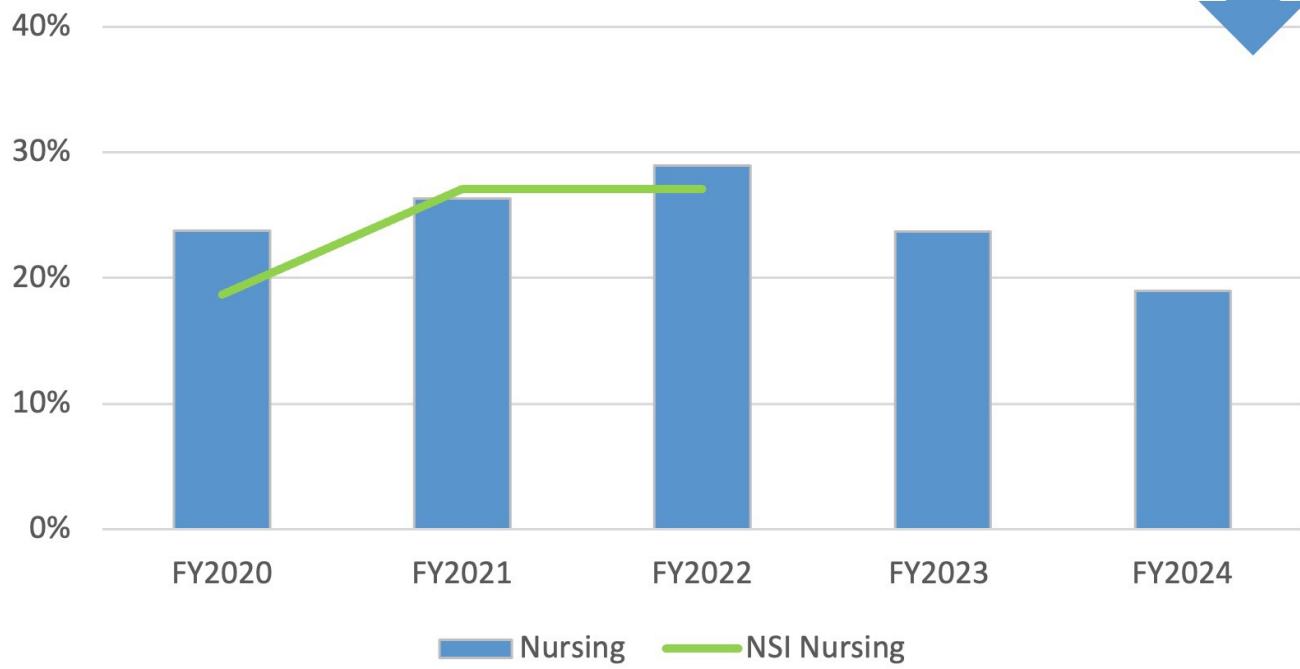
**Figure W3-2: Turnover Rate, Nursing**

Figure W3-2: Turnover Rate, Nursing

### Figure W3-3: Overall Vacancy Rate

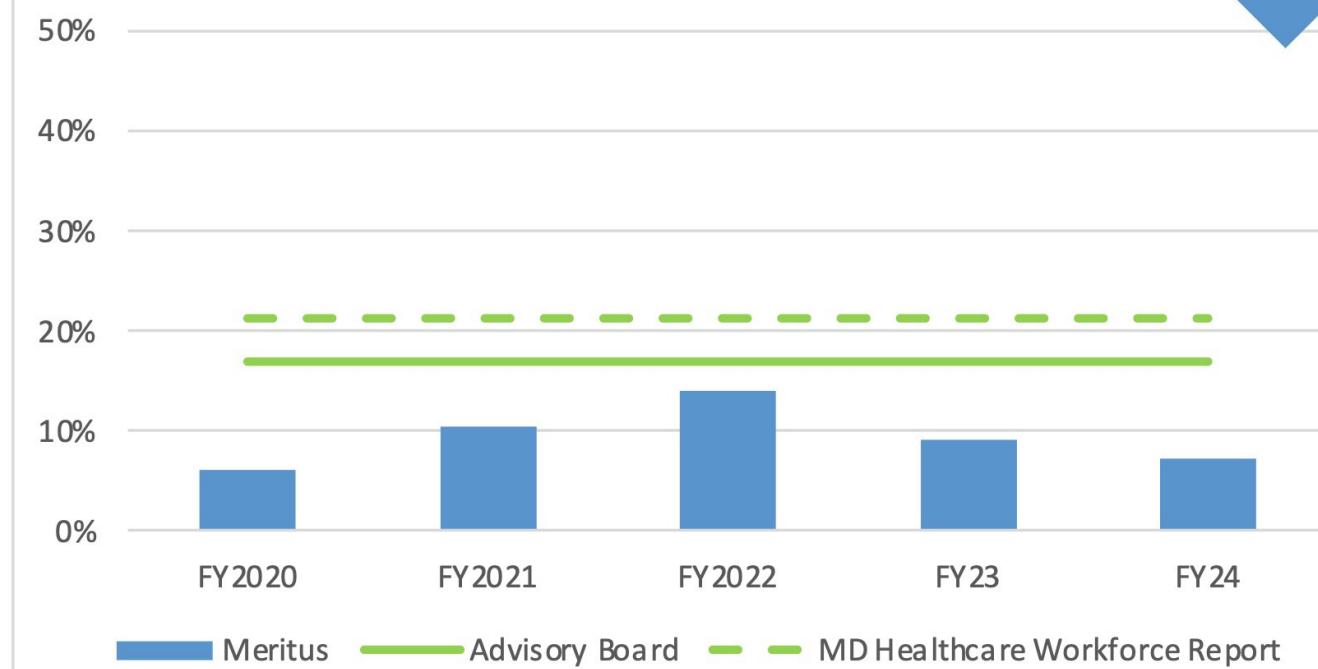
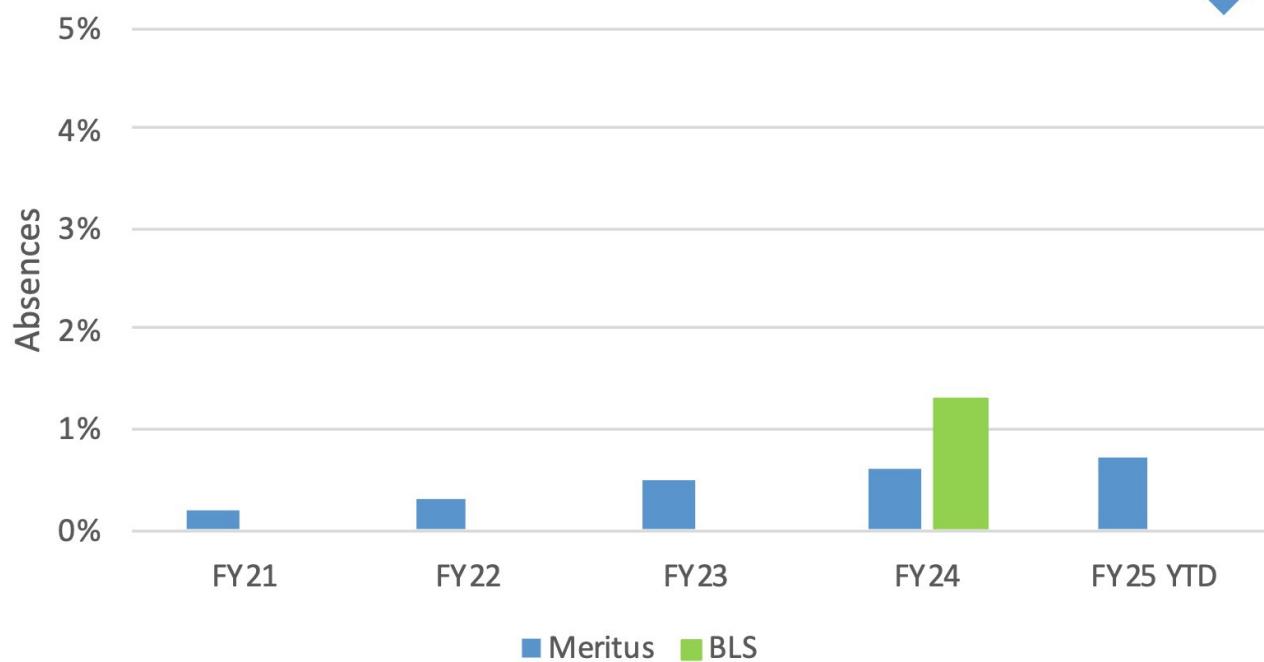


Figure W3-3: Overall Vacancy Rate

#### 4 - What are your results for absenteeism?

The Meritus unexcused absence rate has been less than 1% for each of the past five years (Figure W4-1). Performance is half that of a benchmark from the U.S. Bureau of Labor Statistics.

Figure W4-1: Absenteeism



Sustained performance at <1% each year for five years

Figure W4-1: Absenteeism

### 5 - What are your results for leadership development (i.e. current and future leaders)?

One indicator of the effectiveness of leadership development is how often an organization is able to move emerging leaders into open leadership positions. Meritus has been successful with this strategy, filling roughly half of the open leadership positions with internal candidates each of the past three years (Figure W5-1).

Another indicator of training effectiveness is whether it drives the desired changes in behavior. Meritus surveys leaders after each Coaches Camp to identify planned behavior changes (Figure W5-2). As more leaders completed Kata improvement courses, Meritus saw an increase in the percent of Performance Excellence Plan (PEP) projects that met their aim (Figure W5-3). The PEP, developed in Step 5 of the Strategic Planning Process, documents and tracks Kata initiatives needed to support the Annual Operating plan or achieve True North metrics.

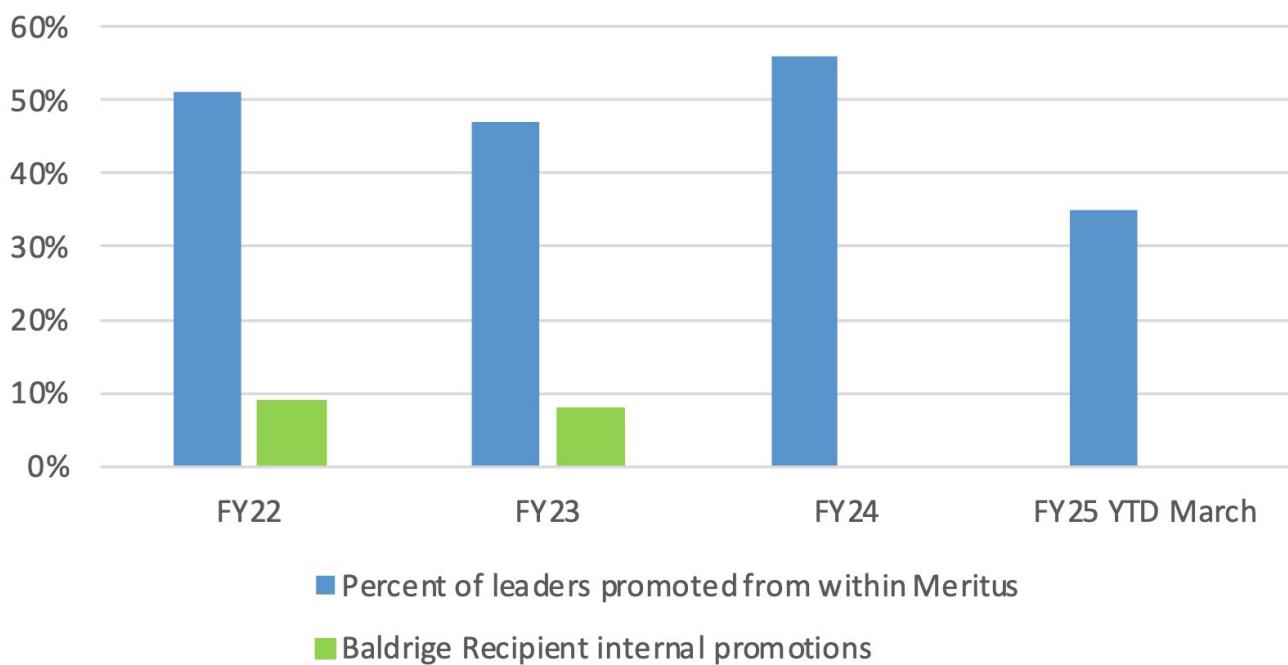
**Figure W5-1: Internal Promotions**

Figure W5-1: Internal Promotions

**Figure W5-2: Coaches Camp**

	FY21	FY22	FY23	FY24	FY25
Participants	46	270	226	287	315
Survey respondents who planned to make a practice change		77%	64%	73%	64%

Figure W5-2: Coaches Camp

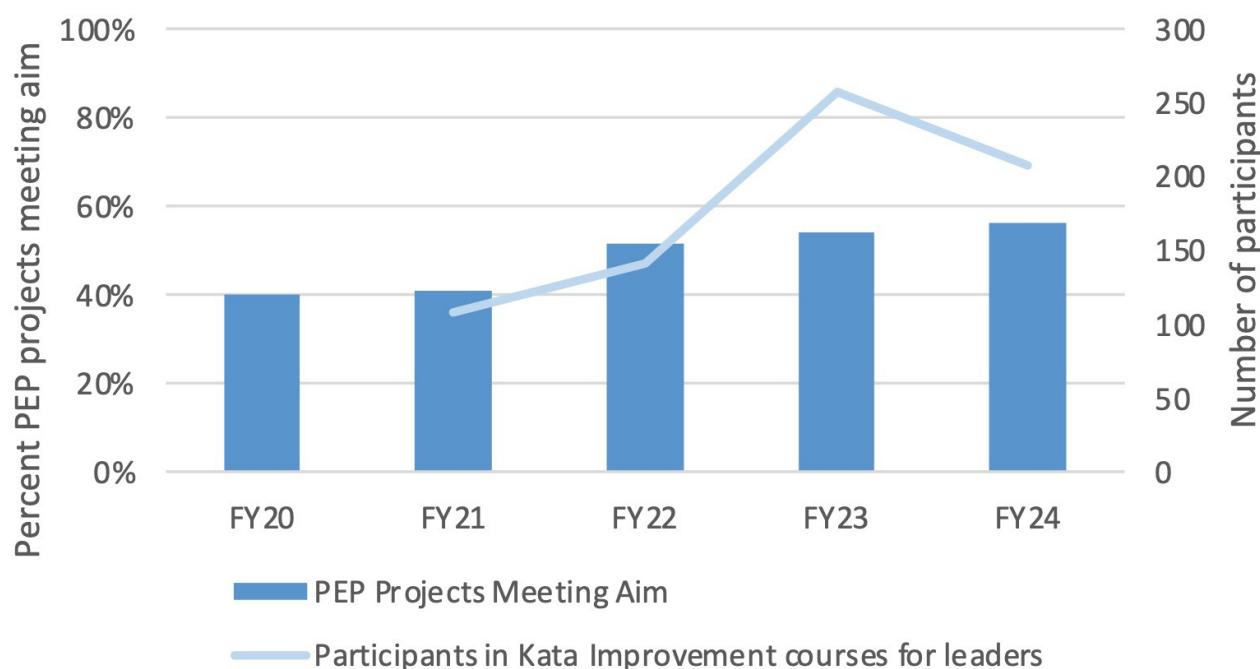
**Figure W5-3: Kata Leader Training**

Figure W5-3: Kata Leader Training

## 6 - What are your results for workforce training (e.g., competencies, performance, career development, return on investment, etc.)?

The manager of training and organizational development uses the learning management system to monitor completion of strategically important learning and development offerings, including training on unconscious bias and cultural competency, launched by the Leadership in Equity and Diversity (LEAD) Council to promote equity and inclusion, as well as offerings to promote a culture of safety and a focus on performance improvement (Figure W6-1).

Following key trainings, such as the Happy to Help service excellence training, coaches systematically reinforce concepts, audit behaviors, and as appropriate, monitor associated outcomes to evaluate training effectiveness (Figure W6-2).

Figure W6-1: Workforce Development							
Course	FY18	FY19	FY20	FY21	FY22	FY23	FY24
TeamSTEPPS Training		323	215	779	3,123	1,364	1,604
Just Culture Training	209	187	273	903	1,183	615	1,296
Unconscious Bias or Cultural Competency training				288	5,853	1,048	7,071
Process Improvement Courses					178	171	288

Figure W6-1: Workforce Development

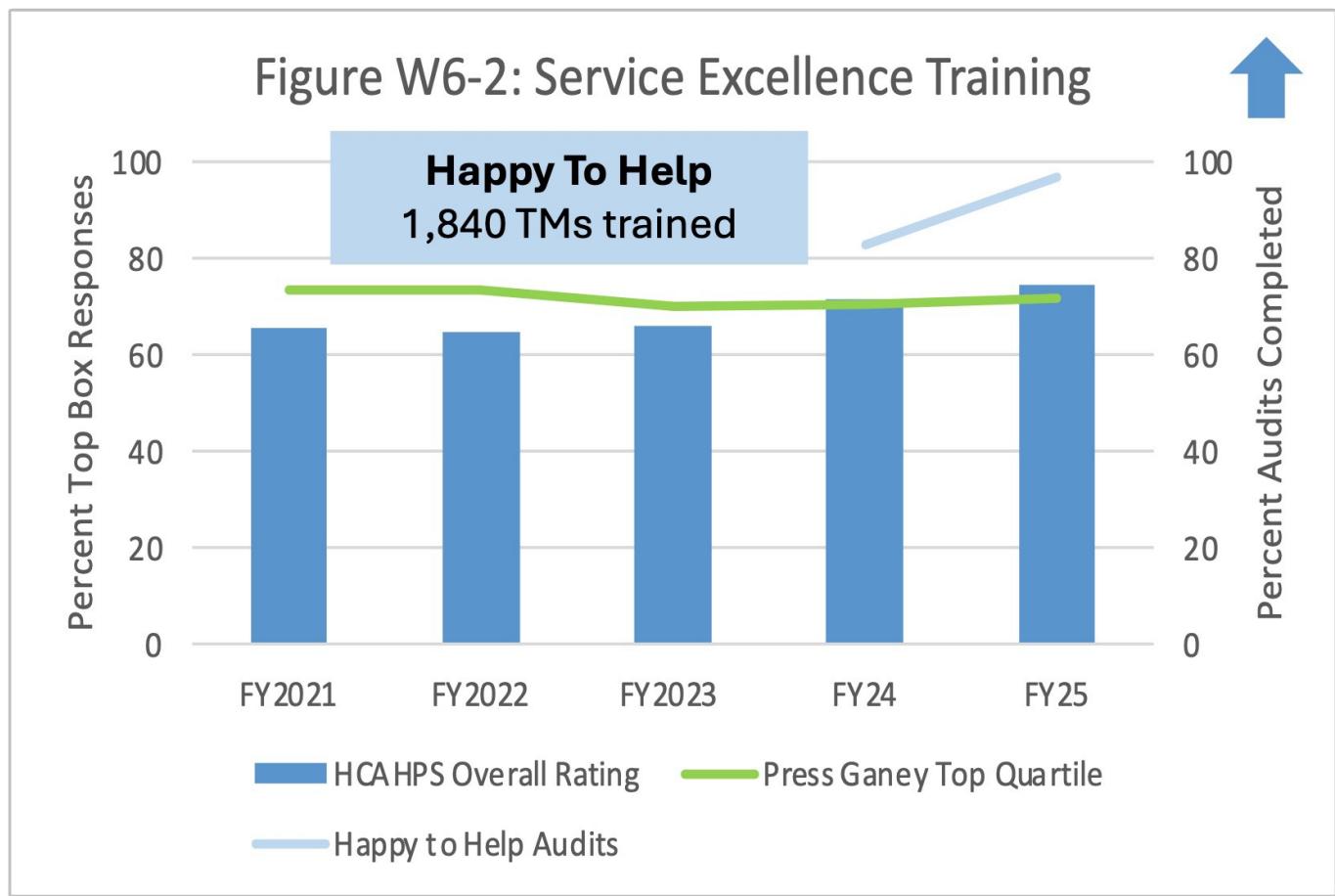


Figure W6-2: Service Excellence Training

## 7 - What are your results for significant safety-related incidents (Occupational Safety and Health Administration [OSHA] reportable incidents)?

A key indicator of the effectiveness of Meritus' workplace safety system is the OSHA recordable incident rate (Figure W7-1), which measures employee injuries per 100 FTE-equivalent workers. Meritus results have demonstrated a beneficial trend over the past five years to reach levels almost half the U.S. Bureau of Labor Statistics benchmark for health care.

Over the same time period, lost work time due to employee injuries has also demonstrated an improving trend (Figure W7-2), which reduces injury-related costs and keeps injured care team members engaged in meaningful work.

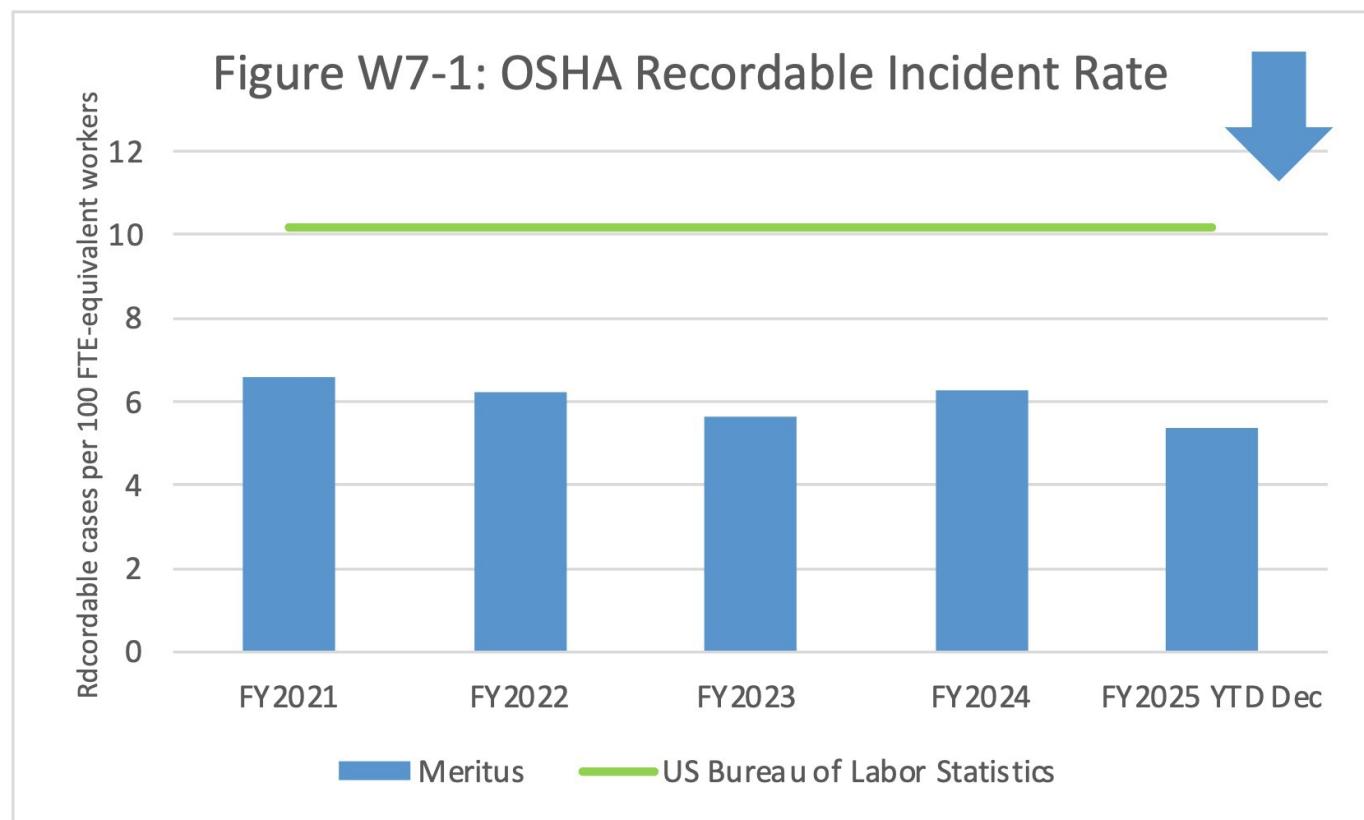


Figure W7-1: OSHA Recordable Incident Rate

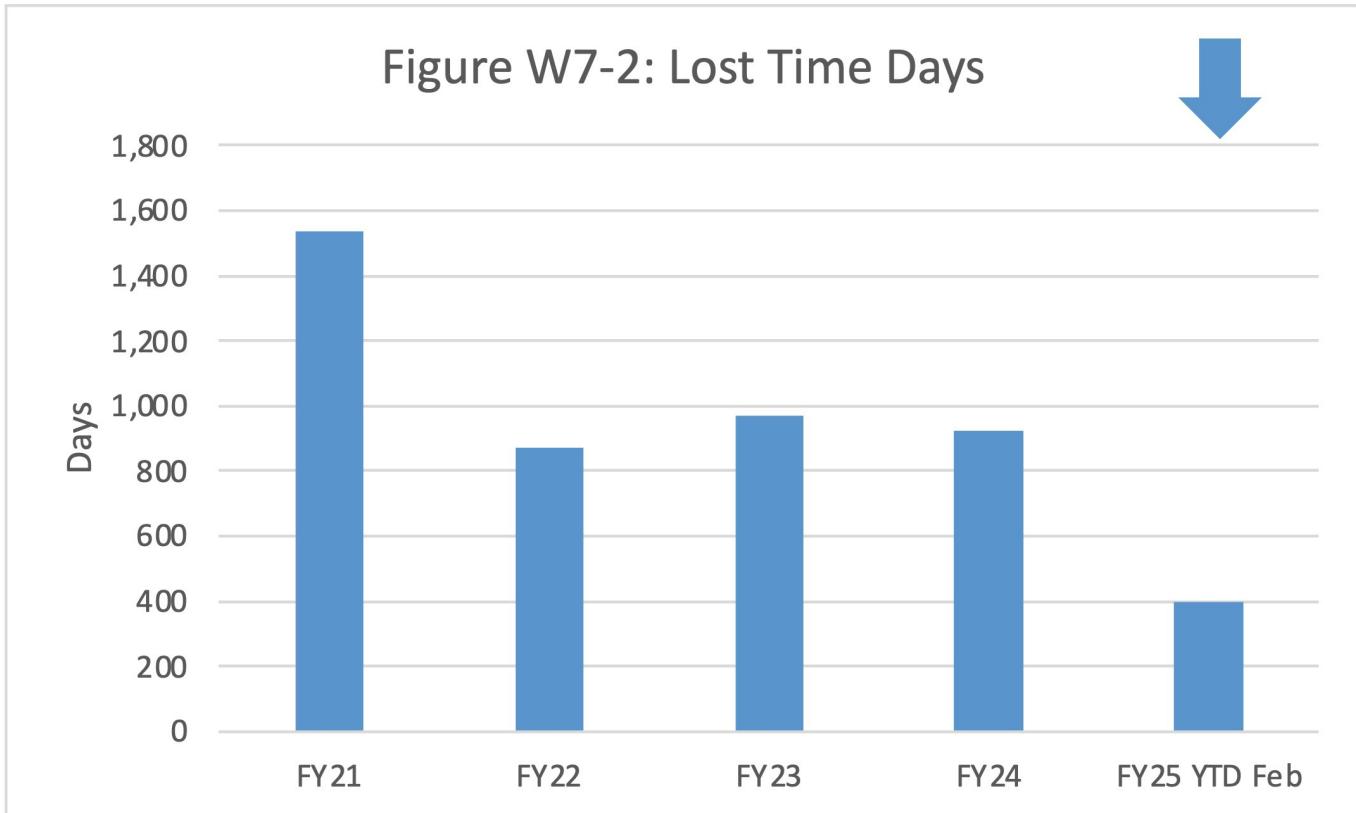


Figure W7-2: Lost Time Days

**8 - What are your results for additional indicators of workplace health and safety (e.g., results of safety audits, near-miss tracking)?**

As a key component of its workplace safety system, Meritus monitors and ensures regulatory compliance. The organization had no violations for OSHA or ADA for the past five years, and 100 percent of care team members have completed annual safety training (Figure W8-1). In addition, as job-appropriate, care team members have completed de-escalation training and had their personal protective equipment (N95 respirator) validated. All employees either received the annual influenza vaccination or completed a vaccine waiver.

Safety event reporting is a key aspect of safety culture, so Meritus tracks the number of reports entered into the safety system and can segment them based on whether they involve a workforce or patient safety concern. Workforce safety event reports, presented here, show a beneficial trend (Figure W8-2). No comparative data is available for this metric.

<b>Figure W8-1: Workplace Safety</b>					
	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>
OSHA violations	0	0	0	0	0
ADA violations	0	0	0	0	0
Team member annual safety training	100%	100%	100%	100%	100%
De-escalation training		377	152	1,770	3,881
Influenza vaccinations	100%	100%	100%	100%	100%
N95 respirator compliance	100%	100%	100%	100%	100%

Figure W8-1: Workplace Safety

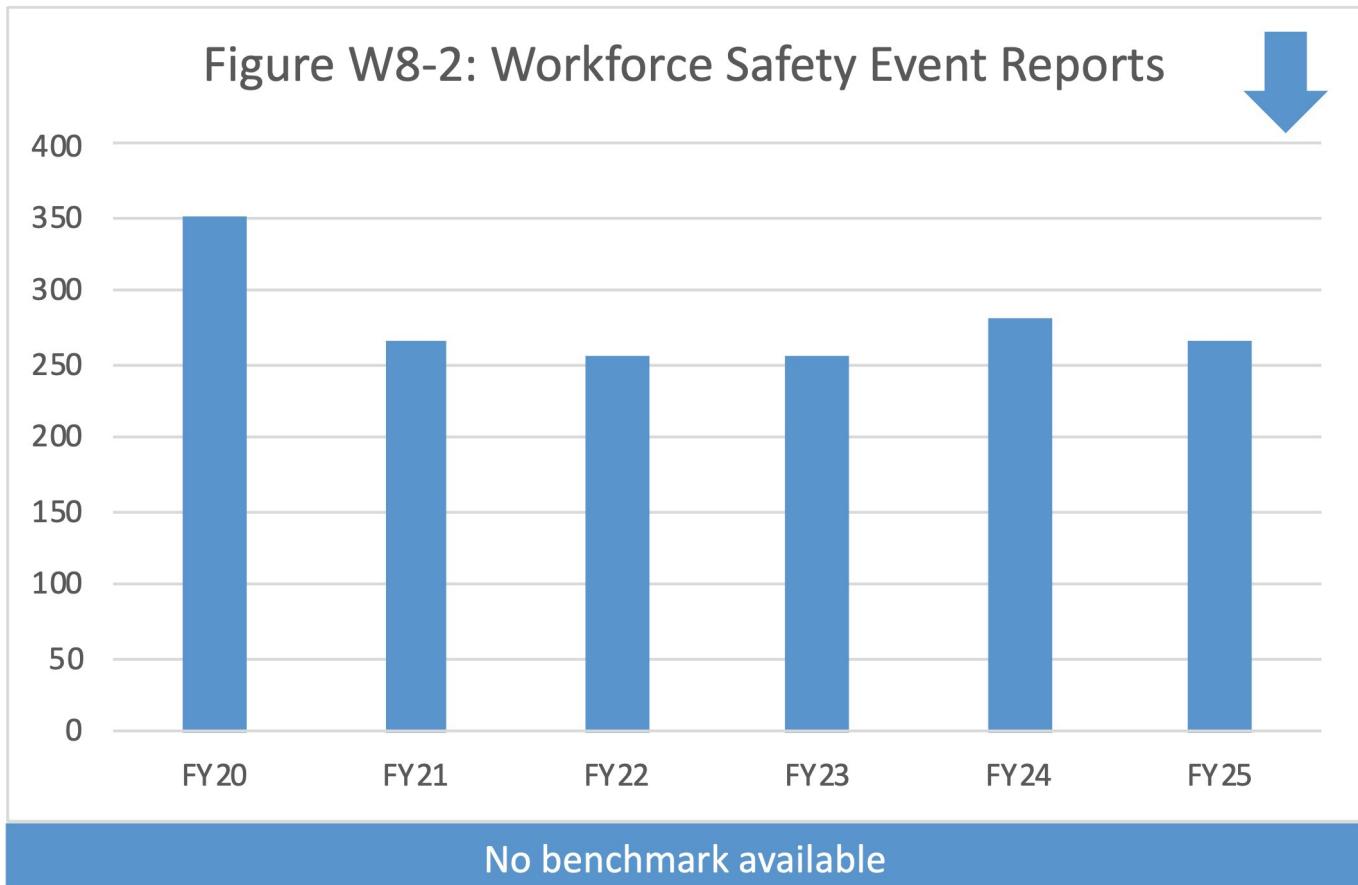


Figure W8-2: Workforce Safety Events Reports

### Process Questions

- 1 - Briefly describe your key process(es) for workforce engagement.**
- 2 - Briefly describe your key process(es) for workforce development and training.**
- 3 - Briefly describe your key process(es) for ensuring workplace health and safety.**
- 4 - Of the processes shared above, which (if any) do you consider best practices that other organizations could learn from?**

## Customers and Markets

This section asks about your performance for key processes related to your Customers and Markets. First you are asked about market share for your main products and services. Then you are asked about customer satisfaction and dissatisfaction. Finally, you will find questions about customer loyalty.

### Context Questions

**1 - Provide your market size over the past five years for your main products and services.**

Meritus Health considers its potential customers for its main services to be the population of Hagerstown and surrounding Washington County, which it defines as its primary service area (PSA). The current PSA population is approximately 156,000, an increase of only 1% from 2020. Potential customers for healthcare services also extend into secondary service area (SSA), which includes Frederick County in eastern Maryland. Frederick County, where key competitor Frederick Health is located, has a population of 250,000 – a 10% increase from 2020.

**2 - Briefly describe your key customer segments (including size of each).**

Meritus Health has identified its key customers as patients and community, with patients segmented into hospital and ambulatory. Hospital patients are those seeking hospital-based services, including inpatient care, as well as emergency care. Ambulatory patients are those seeking care at a location other than the hospital, through the Meritus Medical Group (MMG). Revenue from hospital patients makes up 55 percent of revenue, while revenue from ambulatory patients makes up 45 percent.

For the community customer segment, Meritus focuses on Hagerstown and surrounding Washington County, which make up its primary service area (Figure CM-1).

Figure CM-1: Market Size			
Market	2020	2025	Growth
PSA Washington County, MD	154,705	156,329	1.0%
SSA Frederick County, MD	226,943	250,020	10.2%

Figure CM-1: Market Size

### Results Questions

**1 - What are your results for market share for your main products and services?**

Meritus Health demonstrates sustained market dominance in its PSA, with 86% market share, according to the latest available data (Figure CM1-1). Despite population growth of only 1 percent

in the PSA, Meritus grew its inpatient market share in FY23 and FY24. Key competitor Frederick Health has lost outpatient market share since FY20.

By definition, Meritus Health does not dominate its SSA. However, it has grown its inpatient market share and sustained its outpatient market share in Frederick County, where its key competitor is located (Figure CM1-2). Frederick Health continues to lose both inpatient and outpatient market share.

MMC inpatient admissions, observations, and inpatient days continue to grow steadily, outpacing the region's population growth (Figure CM1-3). MMG clinic visits, urgent care visits, and surgical cases also continue to grow (Figure CM1-4). Frederick data is not available for these measures.

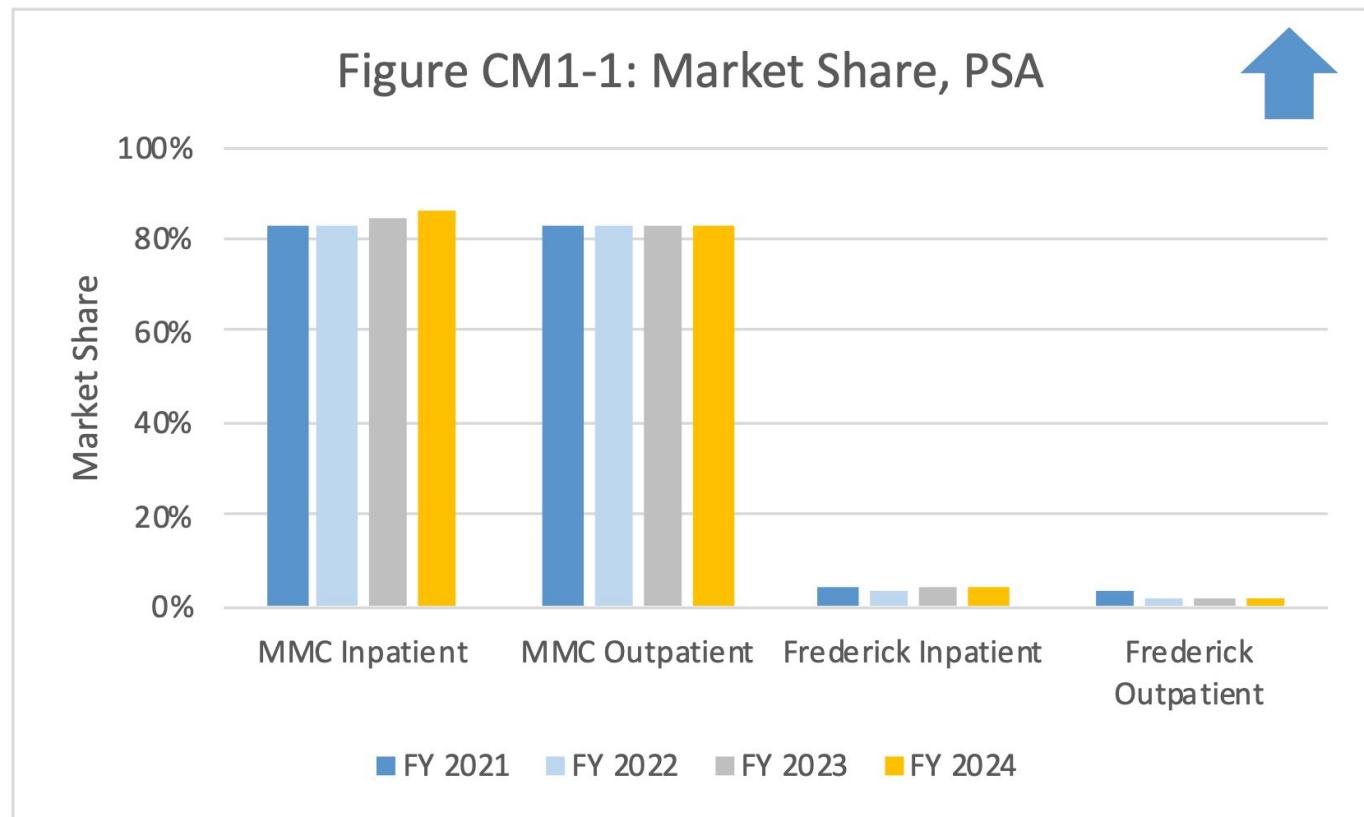


Figure CM1-1: Market Share, PSA

## Figure CM1-2: Market Share, SSA

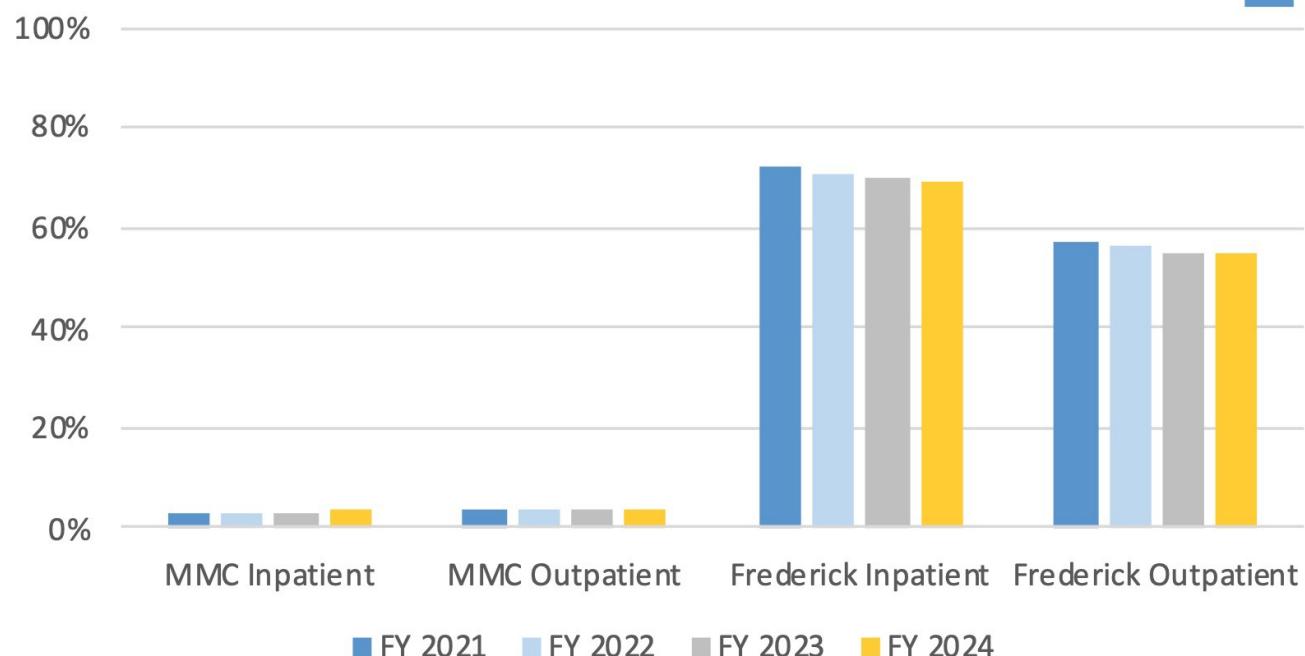


Figure CM1-2: Market Share, SSA

## Figure CM1-3: Hospital Volumes

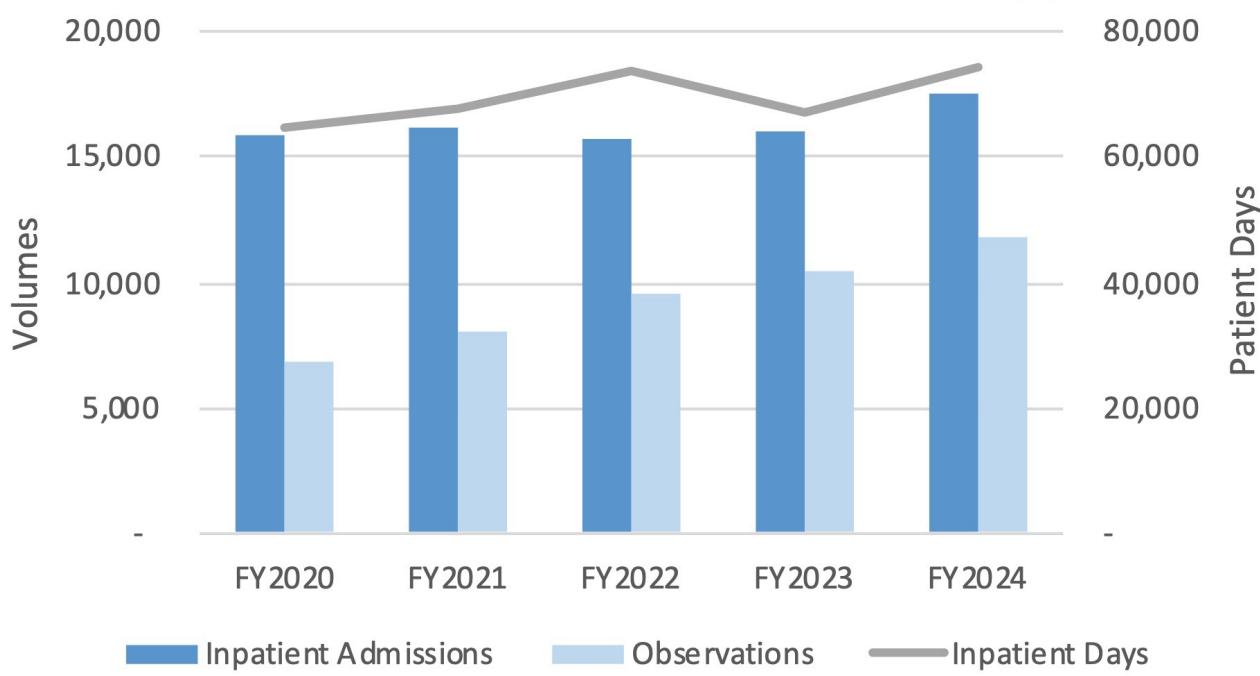


Figure CM1-3: Hospital Volumes

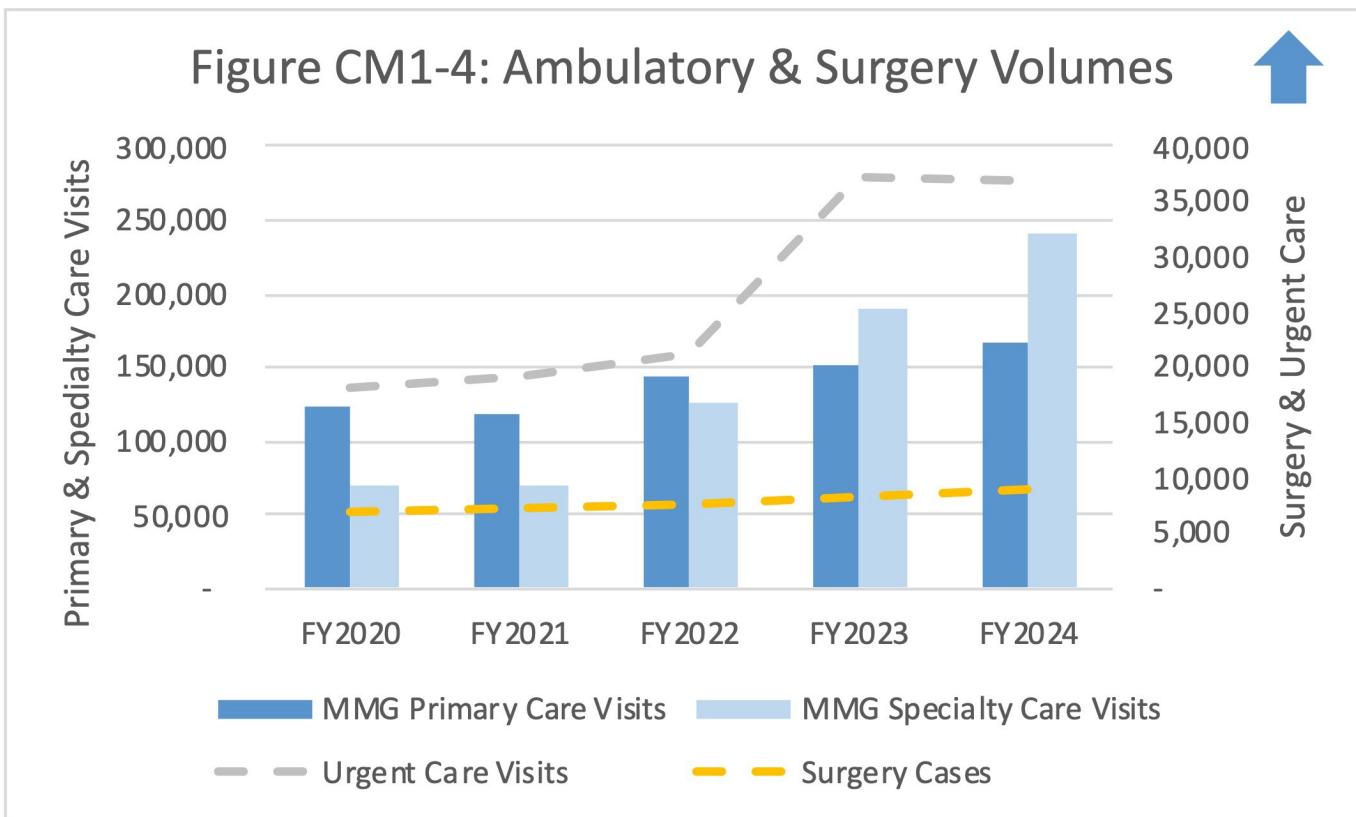


Figure CM1-4: Ambulatory &amp; Surgery Volumes

## 2 - What are your results for customer satisfaction by key customer segments?

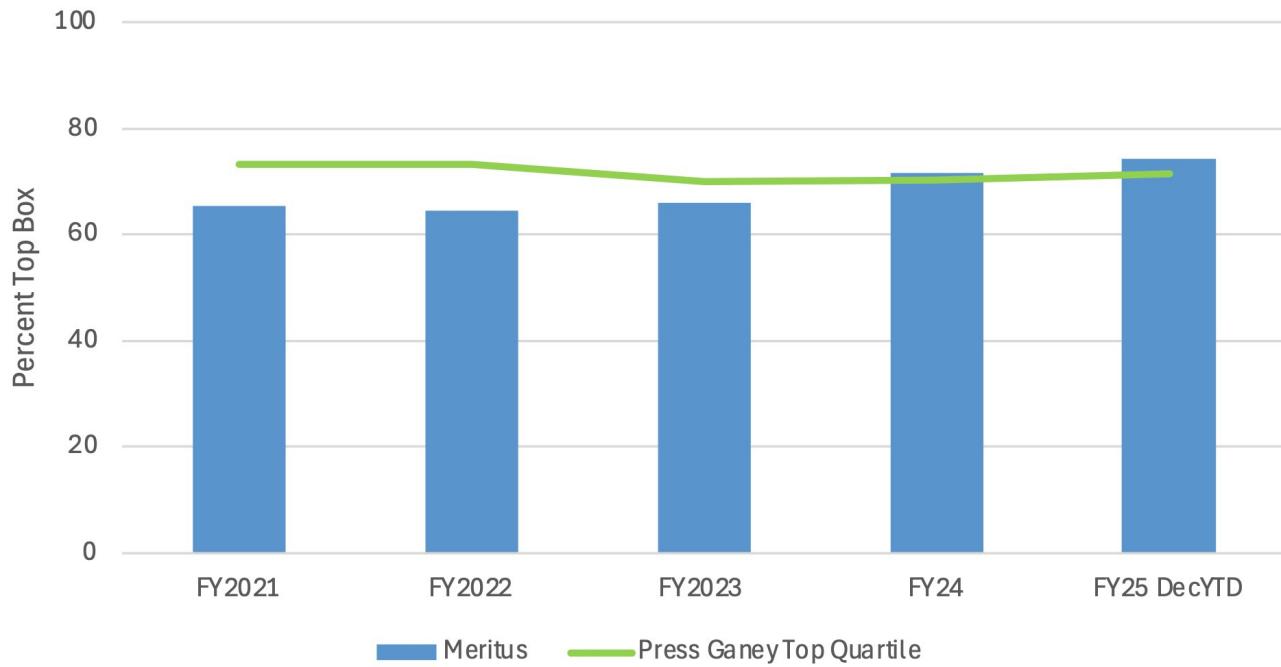
Meritus contracts with survey vendor Press Ganey (PG) to administer surveys across patient segments and monitors a patient experience composite as a True North metric. The composite integrates results for hospital inpatients, ED patients, and MMG patients. Each patient segment receives a unique survey tool, specific to its care setting. To show segmentation, results for each survey tool are presented here.

Meritus uses the nationally standardized Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) survey to monitor hospital inpatient experience. The percent of patients who give MMC an overall rating of 9 or 10, with 10 being best, has increased each year since FY22 to surpass the top quartile (Figure CM2-1). Meritus outperforms Frederick on this measure, according to the latest available CMS report.

Results for the ED and MMG patient satisfaction surveys demonstrate a similar trend. For ED patients, performance has improved each year since FY22 (Figure CM2-2), and for MMG patients, performance has improved each year since FY21 (Figure CM2-3). Performance on both surveys has surpassed the top quartile. Results for Frederick are not available for these metrics.

Meritus does not survey its community customer segment but monitors other indicators of community satisfaction. As presented here, residents of Hagerstown and the surrounding region voted MMC as the best hospital in the tri-state region each of the past five years and selected MMG as the best urgent care and cardiology practice (Figure CM2-4).

## Figure CM2-1: Hospital Inpatient Satisfaction HCAHPS Overall Rating



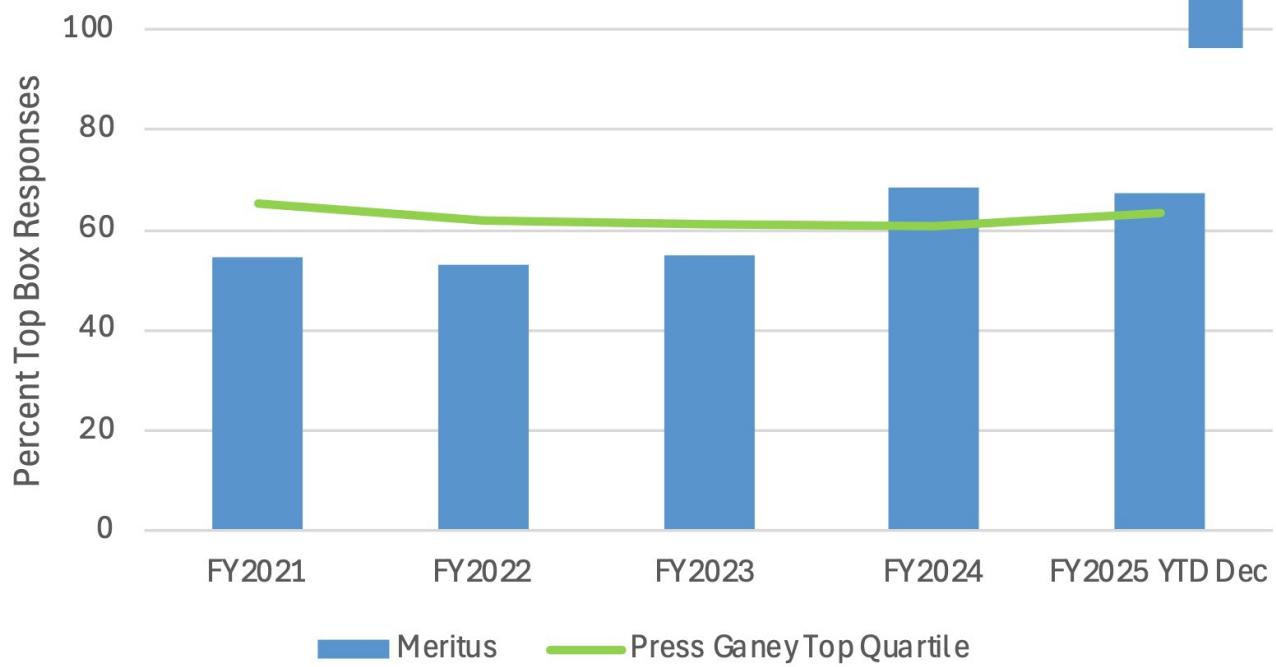
**Sustained favorable trend to outperform top quartile & competitor**

*\*Survey administered to hospital inpatients only, can't be segmented for other patient segments*

**2025 CMS Report: Meritus 71%, Frederick Health 64%**

Figure CM2-1: Hospital Inpatient Satisfaction

## Figure CM2-2: ED Patient Satisfaction

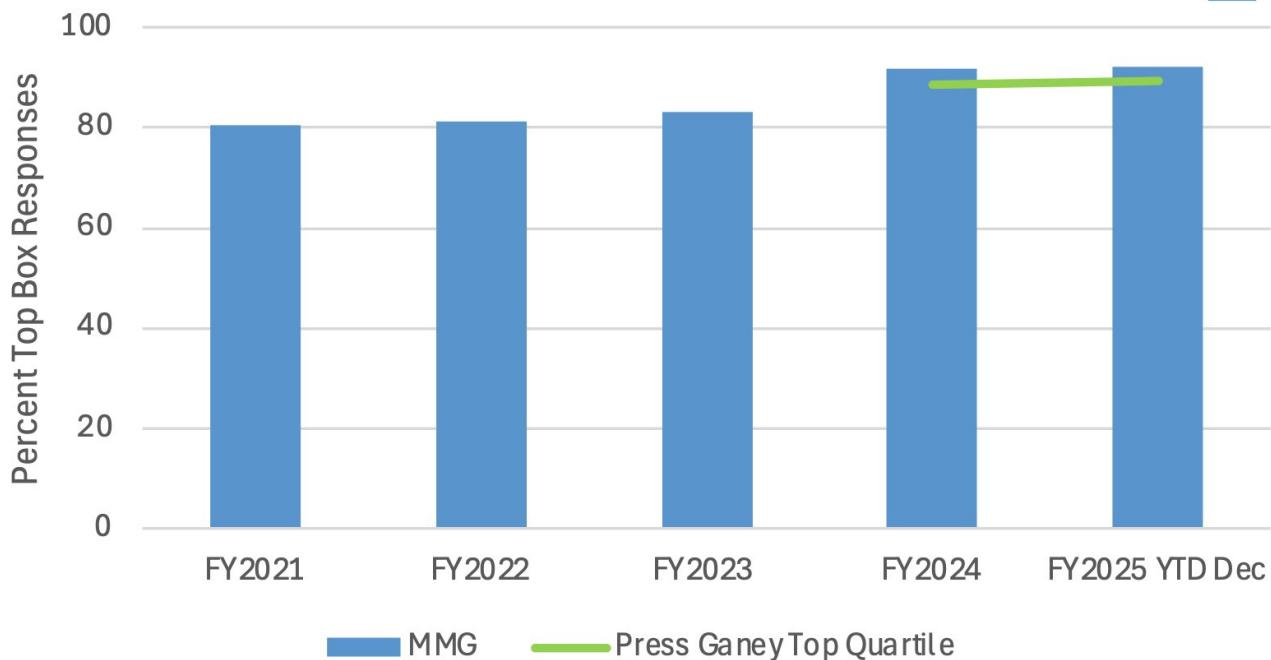


Overall favorable trend to outperform top quartile

*\*Survey administered to ED patients only, can't be segmented for hospital IP or MMG/ambulatory patients*

Figure CM2-2: ED Patient Satisfaction

## Figure CM2-3: MMG Patient Satisfaction



**Sustained favorable trend to outperform top quartile**

*\*Survey administered to MMG/ambulatory patients only, can't be segmented for hospital patients*

Figure CM2-3: MMG Patient Satisfaction

## Figure CM2-4: Community Choice

	2021	2022	2023	2024	2025
Best Hospital in Tri-State Region	Meritus	Meritus	Meritus	Meritus	Meritus
Best Urgent Care			Meritus	Meritus	Meritus
Best Cardiology Office			Meritus	Meritus	Meritus

Figure CM2-4: Community Choice

### 3 - What are your results for customer dissatisfaction, including complaints, by key customer segments?

Meritus has two primary mechanisms for measuring customer dissatisfaction – its complaint management system and the PG survey tools:

Meritus has a systematic process for collecting, aggregating, and using complaints and grievances to drive improvement. The number of complaints and grievances has demonstrated an overall improving trend since FY20 for both hospital inpatients and ED patients, as patient volumes have grown in both areas (Figure CM3-1). As a cycle of learning through the annual Baldrige evaluation process, MMG rolled out the Meritus Promise service standards and service recovery program in FY23, which drove an increase in complaint reporting. Though most healthcare organizations capture complaints, there is no benchmark across the industry due to the high variability in the definition of what constitutes a complaint.

The PG surveys not only ask patients to score specific questions, but they also allow patients to write comments. The Patient Experience and Advocacy Department captures and shares the comments – positive and negative – to recognize care team members and identify opportunities for improvement. The total number of negative comments has declined since FY21 (Figure CM3-2). PG does not provide comparative data related to comments.

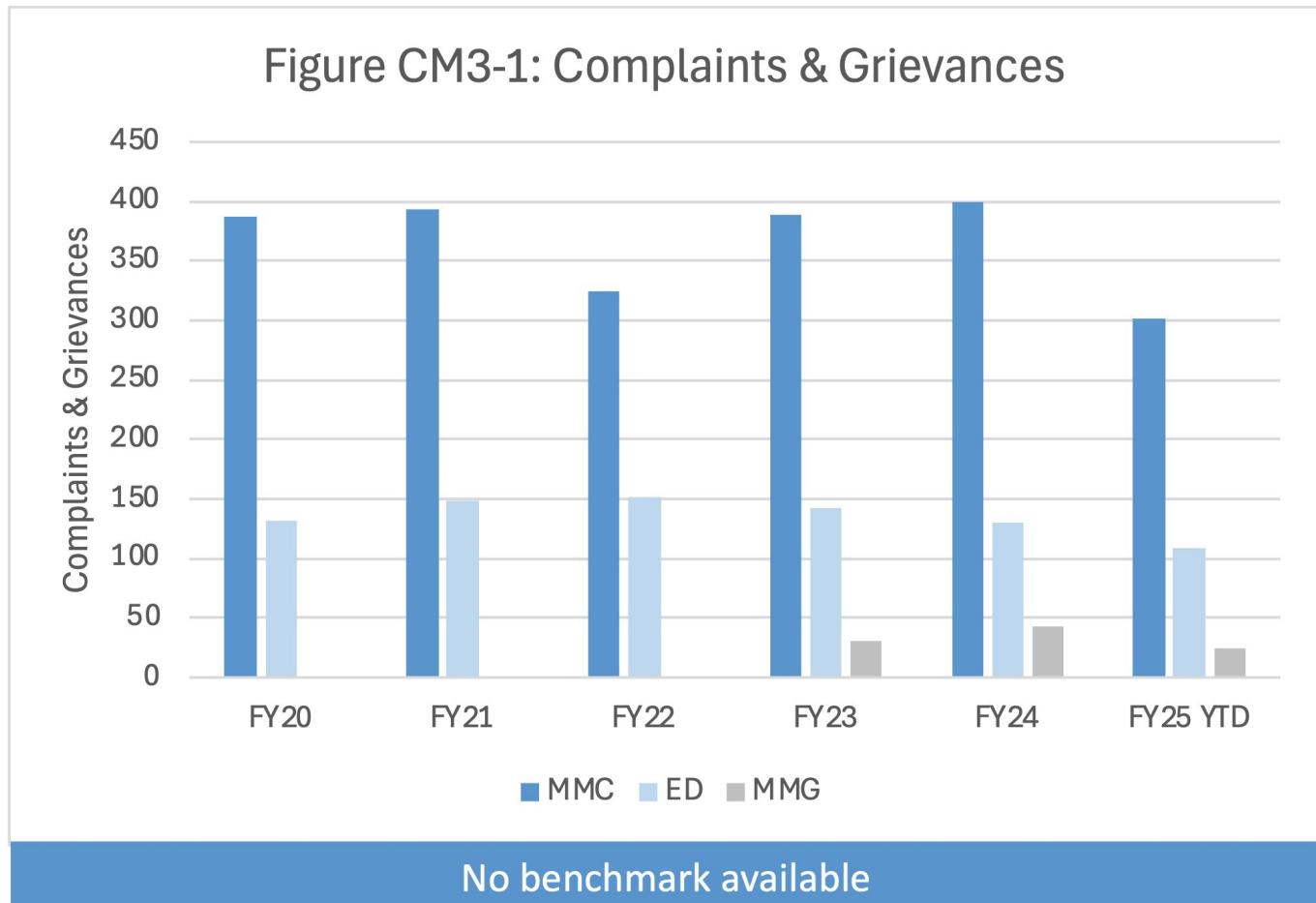
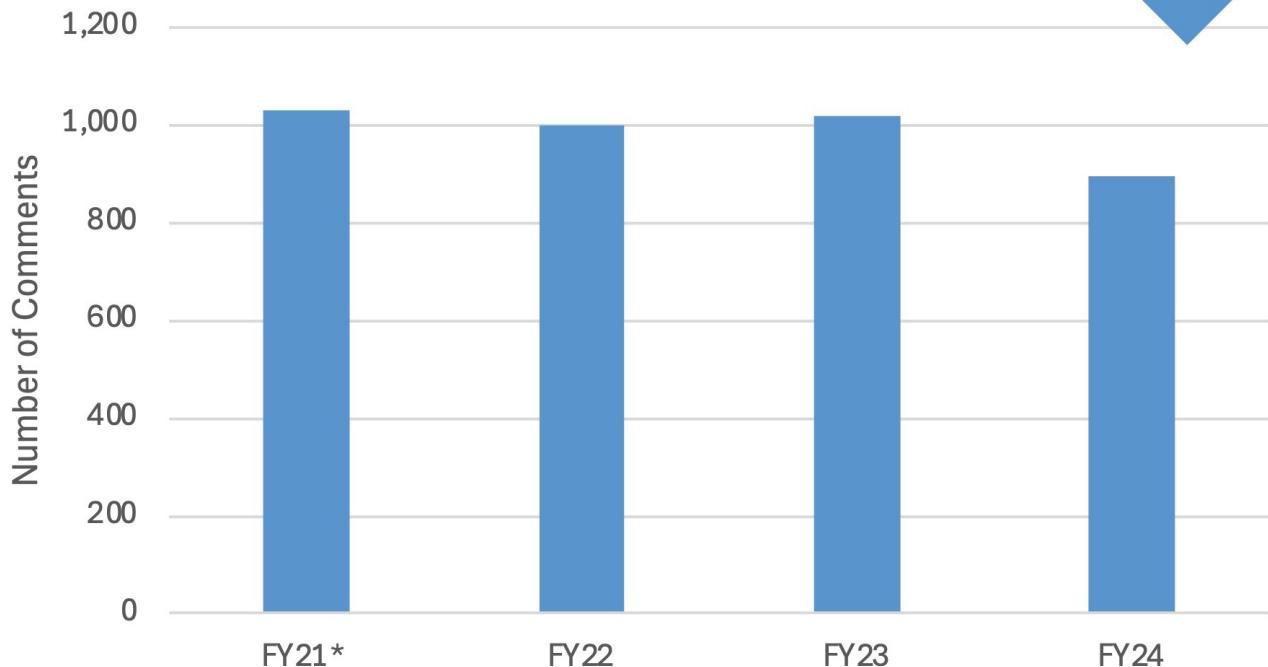
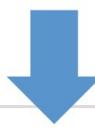


Figure CM3-1: Complaints & Grievances

## Figure CM3-2: Negative Survey Comments



\*Does not represent the full year

Figure CM3-2: Negative Survey Comments

#### 4 - What are your results for customer loyalty by key customer segments (e.g., likelihood to recommend, repeat customers, and referrals)?

**Note:** For health care organizations, as appropriate, include results for Consumer Assessment of Healthcare Providers and Systems (CAHPS) scores.

As with inpatient satisfaction, Meritus uses the HCHAPS survey as an indicator of hospital inpatient engagement and loyalty (Figure CM4-1). The percent of patients who choose the top box response for the question Would Recommend This Hospital shows a slight improving trend over the past five years; the Press Ganey top quartile declined during the same time period. Meritus outperforms Frederick on this measure, according to the latest available CMS report.

During a previous cycle of learning for Meritus' customer listening mechanisms, SET made a decision to discontinue use of the full PG survey for ED and MMG patients in order to reduce patient survey fatigue and increase survey response rate. While the current, simpler ED and MMG surveys offer a measure of patient satisfaction (Figures CM2-2 and CM2-3), they do not have an indicator of patient engagement and loyalty. Instead, Meritus monitors visit volumes for each. For the ED, visit volumes have increased every year except one (during COVID), with patients coming from both the primary and secondary service areas (Figure CM4-2). Results consistently and significantly outperform its key competitor. For MMG, clinic visits for both primary care and specialty care continue to increase each year (Figure CM4-3). Combined visits for primary care and specialty care more than doubled over the past five years, though the Washington County population grew only roughly 1 percent.

Meritus monitors engagement of its community customer segment through a True North metric focused on participation in the Lose a Million Pounds campaign. The number of community

members registered for the campaign's Weight Track tool continues to grow each year, with more than 5 percent of the entire Hagerstown population registered by the end of FY24 (Figure CM4-4).

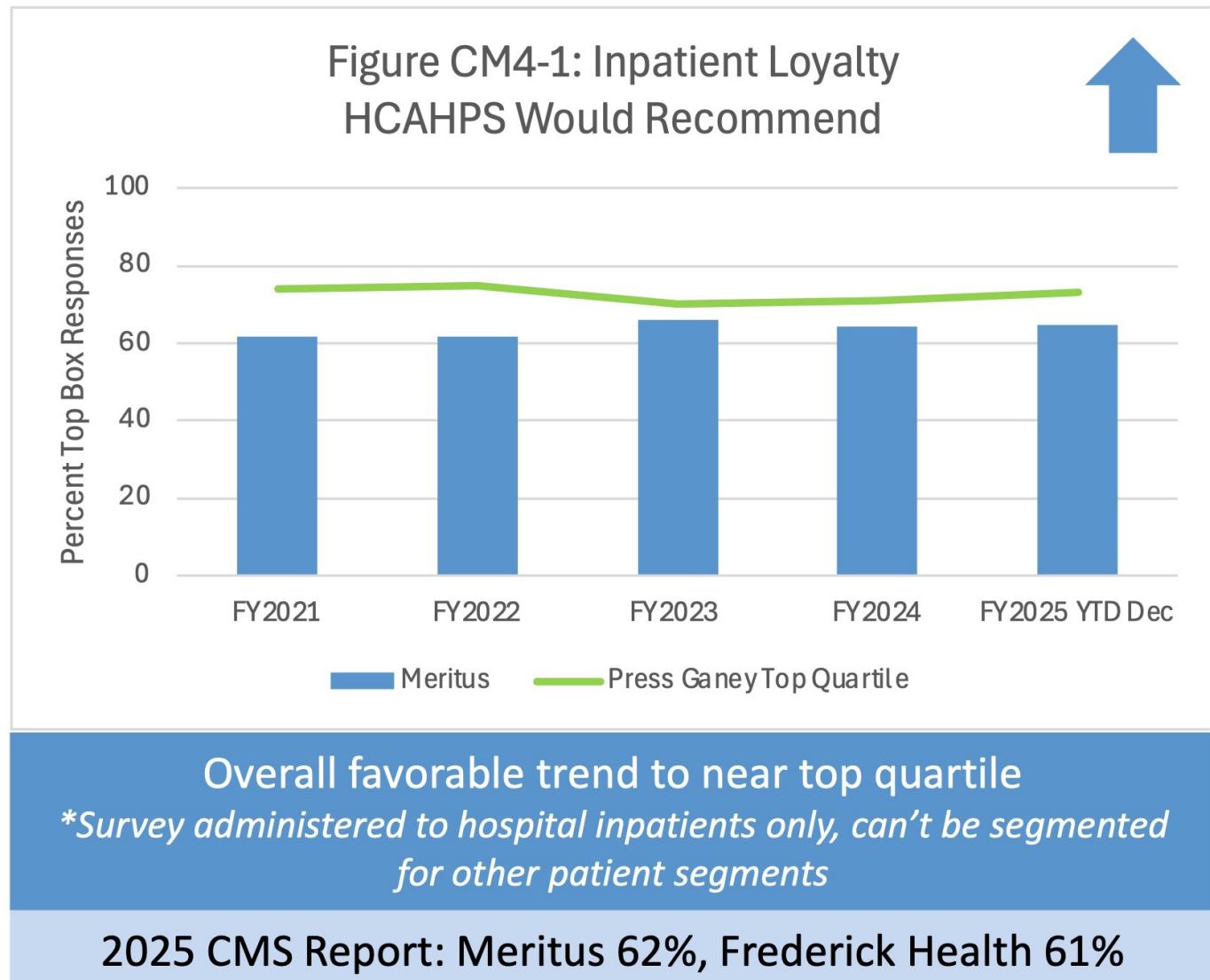


Figure CM4-1: Inpatient Loyalty

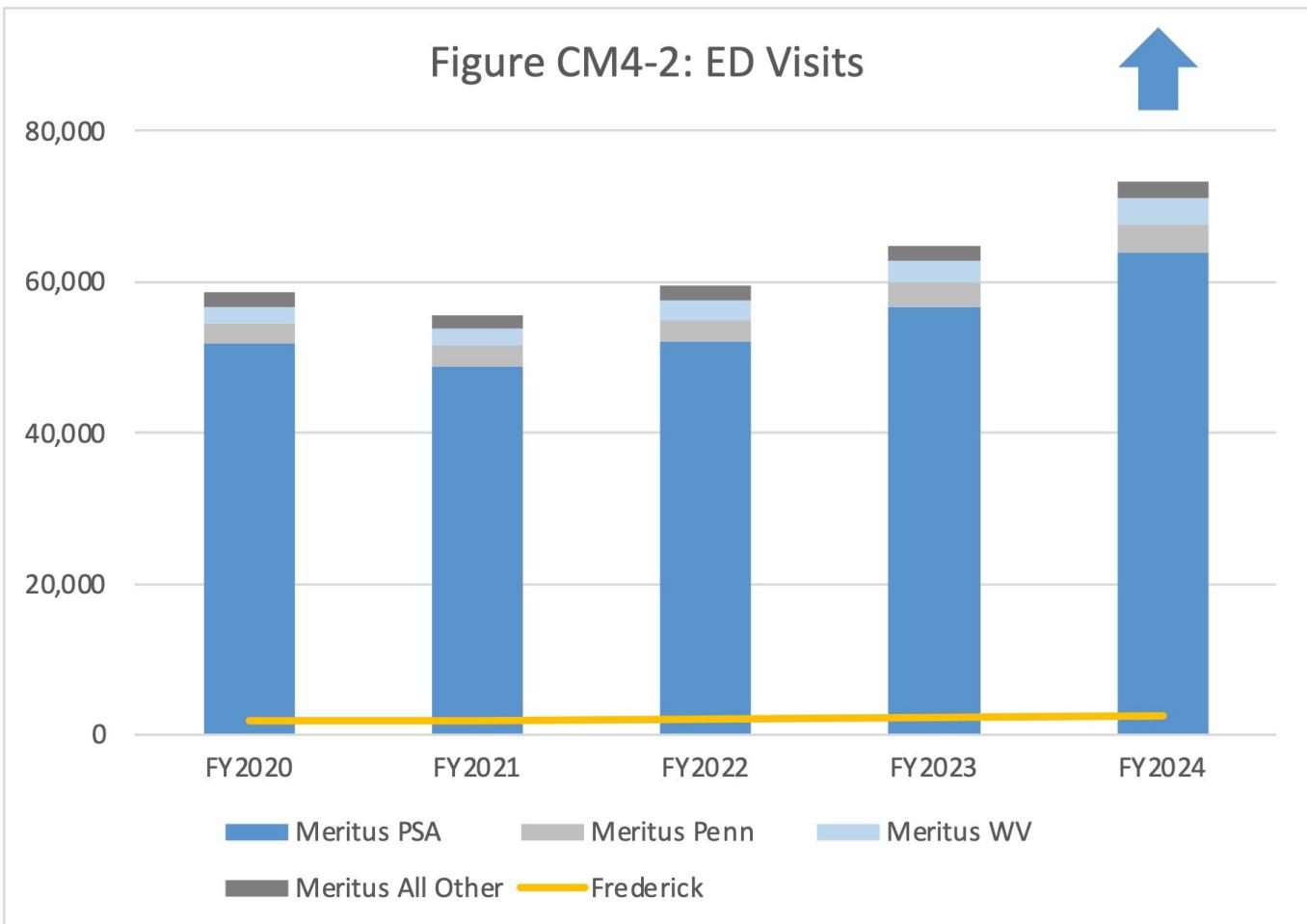


Figure CM4-2: ED Visits

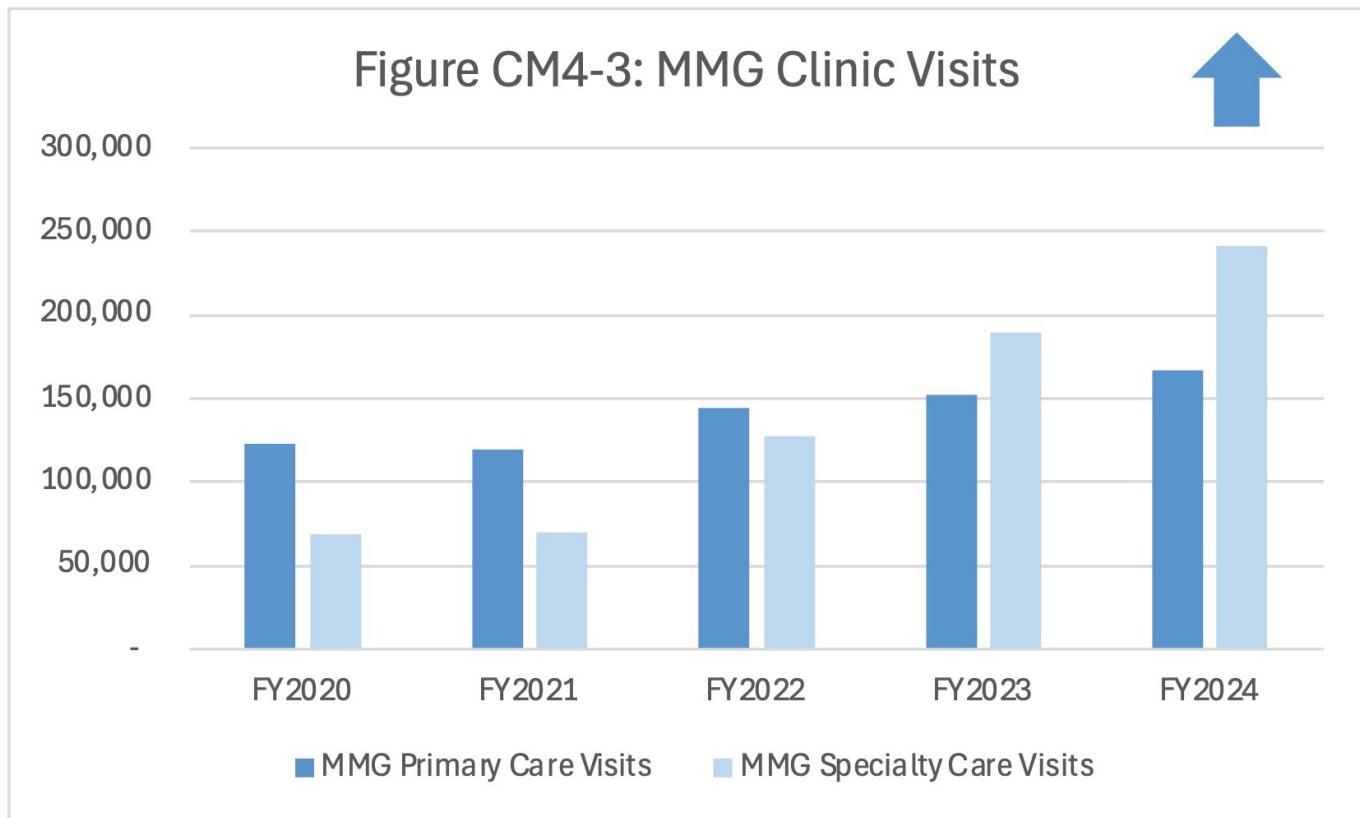


Figure CM4-3: MMG Clinic Visits

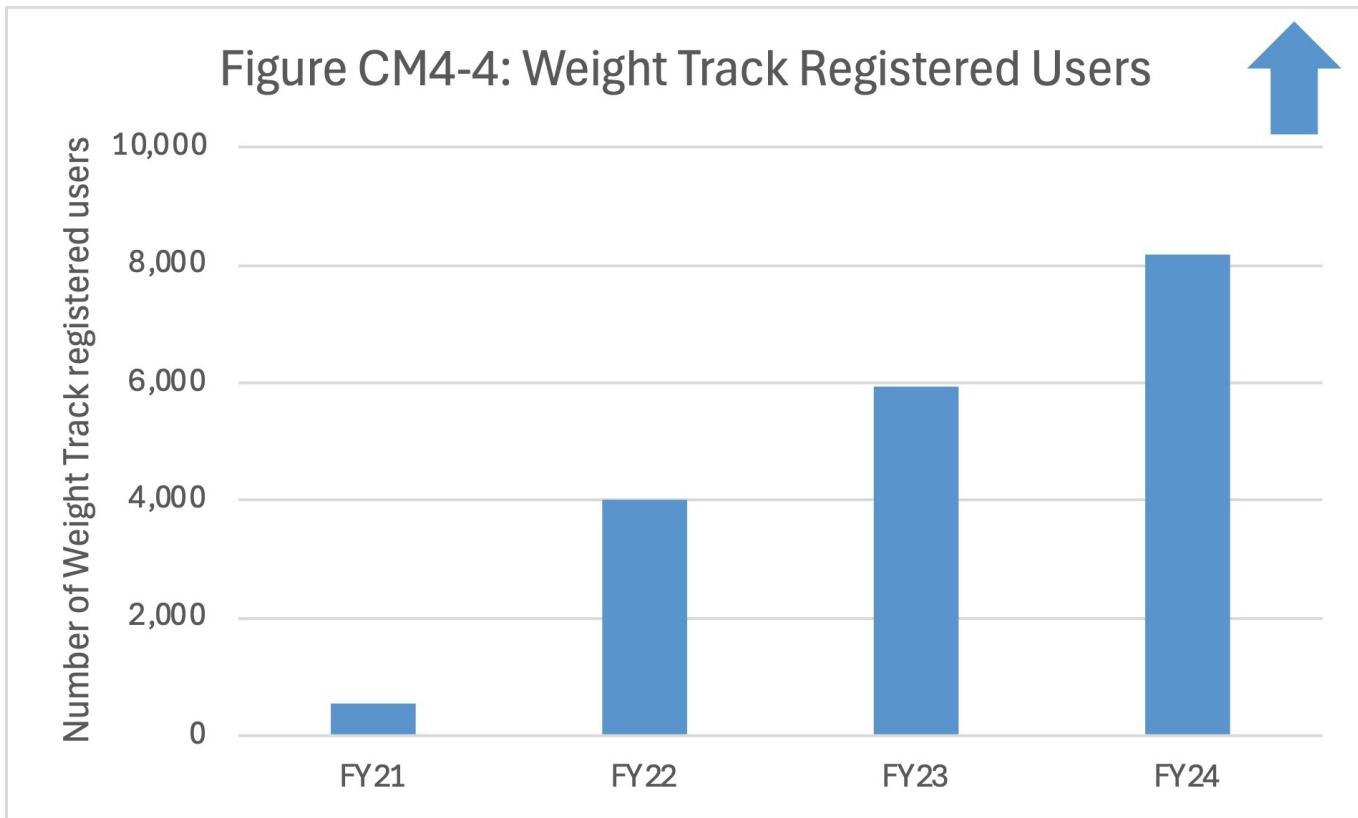


Figure CM4-4: Weight Tracker Registered Users

## Process Questions

**1 - Briefly describe your key customer listening process(es).**

**2 - Briefly describe your key customer engagement process(es).**

**3 - Briefly describe your key customer support process(es).**

**4 - Of the processes shared above, which (if any) do you consider best practices that other organizations could learn from?**

## Finance

This section asks about the performance of your organization's financial management efforts. Results requested pertain to both financial viability and financial performance. This section also asks two important context questions and asks you to briefly describe your process(es) for ensuring access to capital during periods of disruption as well to support your short-term needs and long-term success.

### Context Questions

**1 - List the key financial metrics you track for your organization by key business/organization units.**

The FY2025 True North metric for Affordability is operating margin for overall Meritus Health. Other key financial metrics reported on the monthly Finance Dashboard for Meritus Health include excess margin, EBITDA margin, days cash on hand, and debt to capitalization. Key metrics reported for business units include hospital operating margin, patient days, and admissions, as well as ED and ambulatory visits. The dashboard reports results for the current month and year to date, relative to budget and the previous year.

**2 - Briefly describe how you ensure access to capital for short-term needs, periods of disruption, and long-term success.**

Meritus uses integrated budget and capital planning processes to ensure that financial and other resources are available to support the achievement of strategy while meeting current obligations. The CFO in collaboration with SET and the Board Finance Committee establishes a five-year financial plan as the framework for annual budgeting and capital planning. The plan is updated annually to address emerging risks and opportunities, as well as key changes in the internal and external environment.

The annual financial planning cycle begins with the capital funding process. The CFO sets the overall financial target, and coaches submit capital requests through the financial reporting system using a standardized form. To establish the annual operating budget, departments submit proposed budgets through the financial reporting system for review by assigned financial liaisons, who work with department coaches to finalize and roll up the budgets.

SET and the Board Finance Committee closely monitor the Finance Dashboard, which presents key monthly results. When possible, financial results are compared to benchmarks from the S&P and Fitch rating agencies. The monthly financial close process includes review of the balance sheet vs budget.

To ensure access to capital during disruptions, Meritus maintains strong banking relationships and strong credit rating scores so that the organization has timely access to the market. Meritus last leveraged these strengths in 2022 to take advantage of favorable interest rates and issue \$60 million in debt. The transaction closed in three weeks at a 2.3 percent interest rate.

### Results Questions

**1 - What are your results for financial viability (e.g., liquidity, days cash on hand/reserves, credit or bond rating)?**

To achieve the 2030 Bold Goal of Affordability and maintain the strategic advantage of independence, Meritus closely monitors its financial viability. Most viability measures are relevant only at the Meritus Health level so segmentation by organizational unit is not appropriate.

**Figure F1-1: Days Cash on Hand**

Days cash on hand is a key indicator of financial viability. Meritus results for this measure have surpassed the national benchmark for top-performing organizations since FY2020 and have significantly outperformed Frederick since FY2022. Both state and national benchmarks continue to decline. Meritus intentionally decreased its days cash on hand in FY2022, when it chose to make some strategic investments.

**Figure F1-2: Debt to Capitalization**

Meritus also outperforms the Fitch A rating benchmark and its key competitor for debt to capitalization. Meritus results increased in FY2022 when the organization took advantage of favorable interest rates and issued a \$60M bond, but they have improved each year since then.

**Figure F1-3: Bond Rating**

Meritus' bond ratings with both Fitch and Standard & Poor's show steady improvement each year since FY2020, during a time when many health systems across the country received downgrades. This performance indicates Meritus Health is in a favorable position if it needed to borrow money.

**Figure F1-4: EBITDA Margin**

Meritus monitors EBITDA margin as an indicator of cash flow for both Meritus Health and Meritus Medical Center. COVID impacted performance for the organization overall, for its largest business unit, and for the national benchmark. MMC's margin has increased each year since then, and both Meritus Health and MMC have outperformed high-performing S&P organizations each of the past four years.

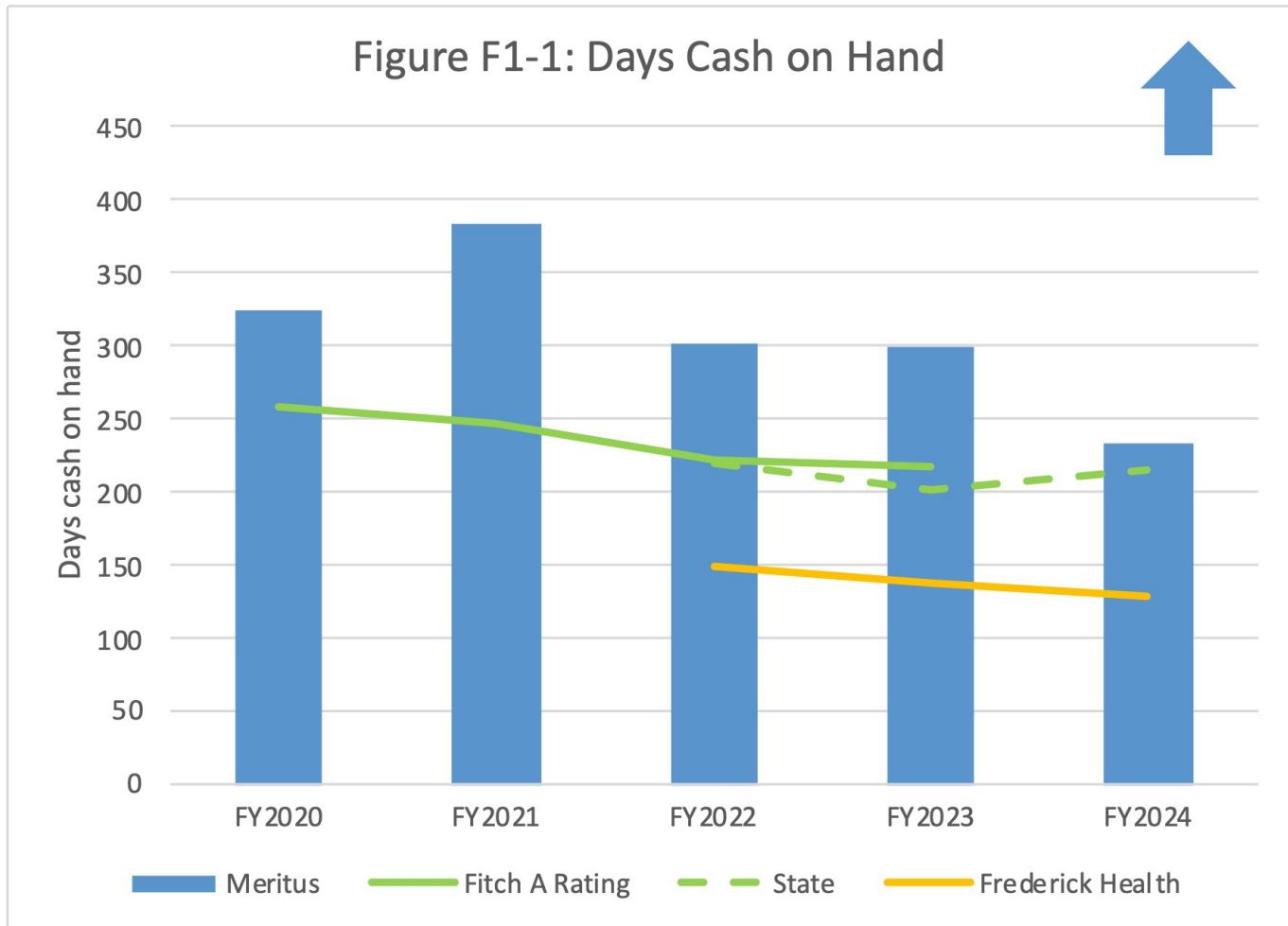


Figure F1-1: Days Cash on Hand

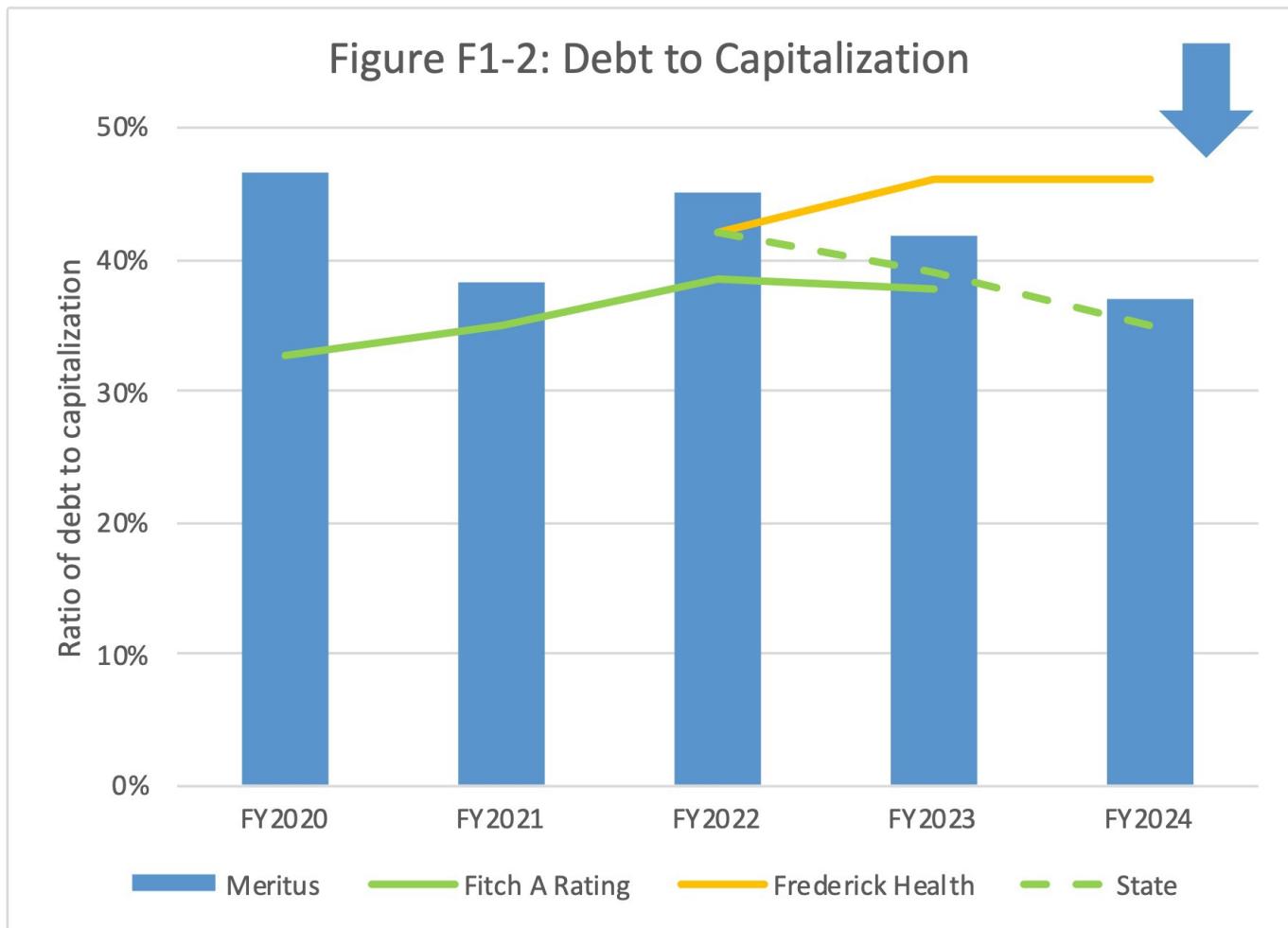


Figure F1-2: Debt to Capitalization

**Figure F1-3: Bond Rating**

	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>
<b>S&amp;P</b>	BBB Stable	BBB Stable	BBB+ Stable	A- Stable	A- Stable
<b>Fitch</b>	A- Positive	A Stable	A Negative	A Stable	A Stable

Figure F1-3: Bond Rating

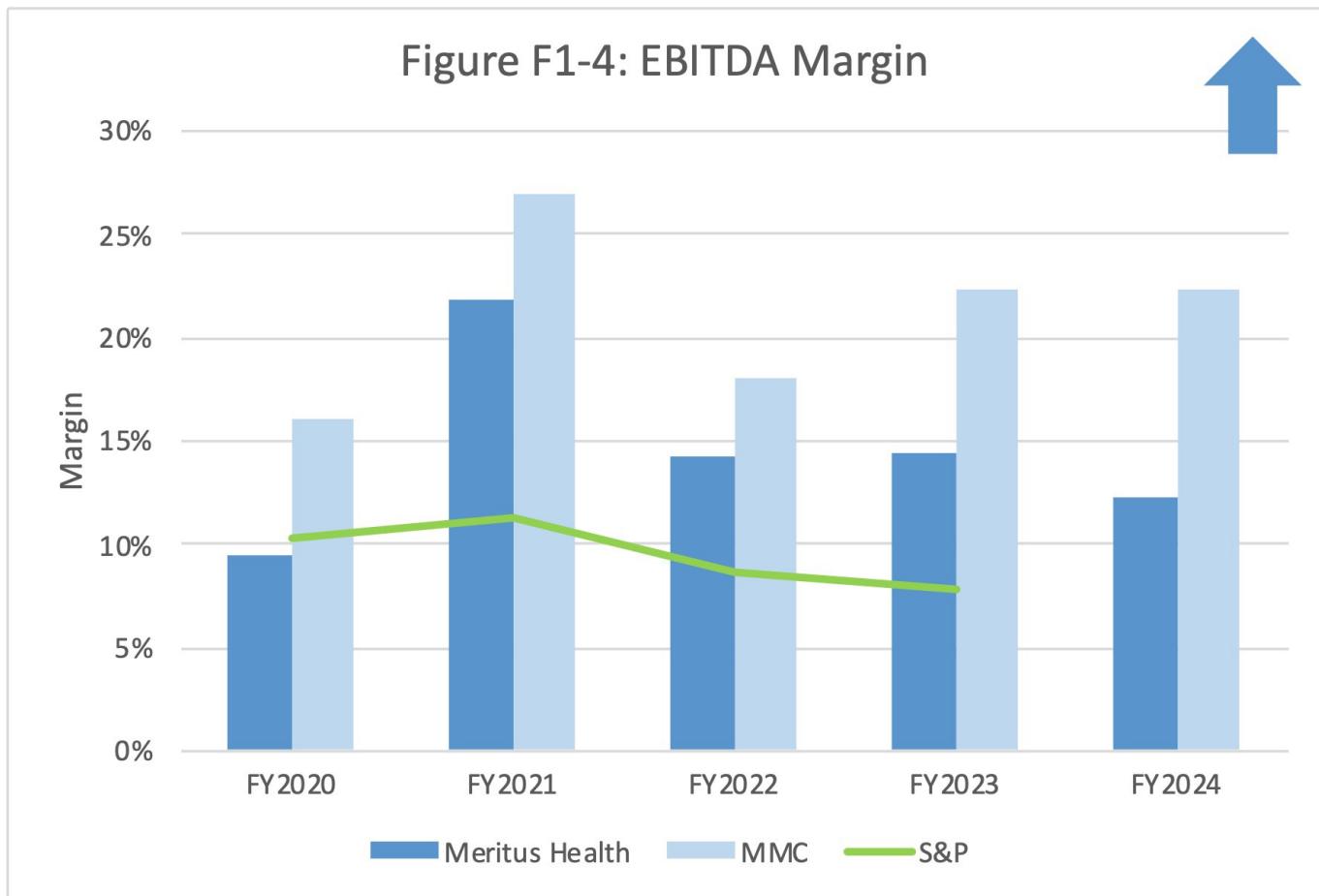


Figure F1-4: EBITDA Margin

**2 - What are your results for financial performance (e.g., revenues, operating margin, performance to budget) by organization units, as appropriate?**

#### Figure F2-1: Operating Margin

Meritus monitors operating margin as a True North metric for its Affordability Aim. COVID impacted the margin negatively in FY20 and positively in FY21, when the federal government provided pandemic aid to healthcare organizations. Since then, operating margin has remained positive and better than Fitch's A rating group.

#### Figure F2-2: MMC Operating Margin

Meritus also monitors operating margin for the MMC business unit. MMC saw the same COVID impact as the organization overall and has improved performance each year since then to surpass a 15% margin, outperforming budget and its HSCRC peers, including Frederick.

#### Figure F2-3: Excess Margin

Meritus achieved a positive excess margin four of the past five years and outperformed the national benchmark two of those years. Performance dipped in FY22 with the bond issuance but quickly recovered.

#### Figure F2-4: Efficiency Ranking

Meritus is on track to achieve its 2030 Bold Goal of being the lowest total cost of care provider in the state of Maryland. Each year, HSCRC evaluates the cost of care for Maryland hospitals and ranks them according

to their efficiency. Meritus continues to drive down its costs and has moved from #15 in FY20 to the #1 most efficient hospital in Maryland in FY25. During that time, Frederick has gotten less efficient and dropped in the rankings as low as #36.

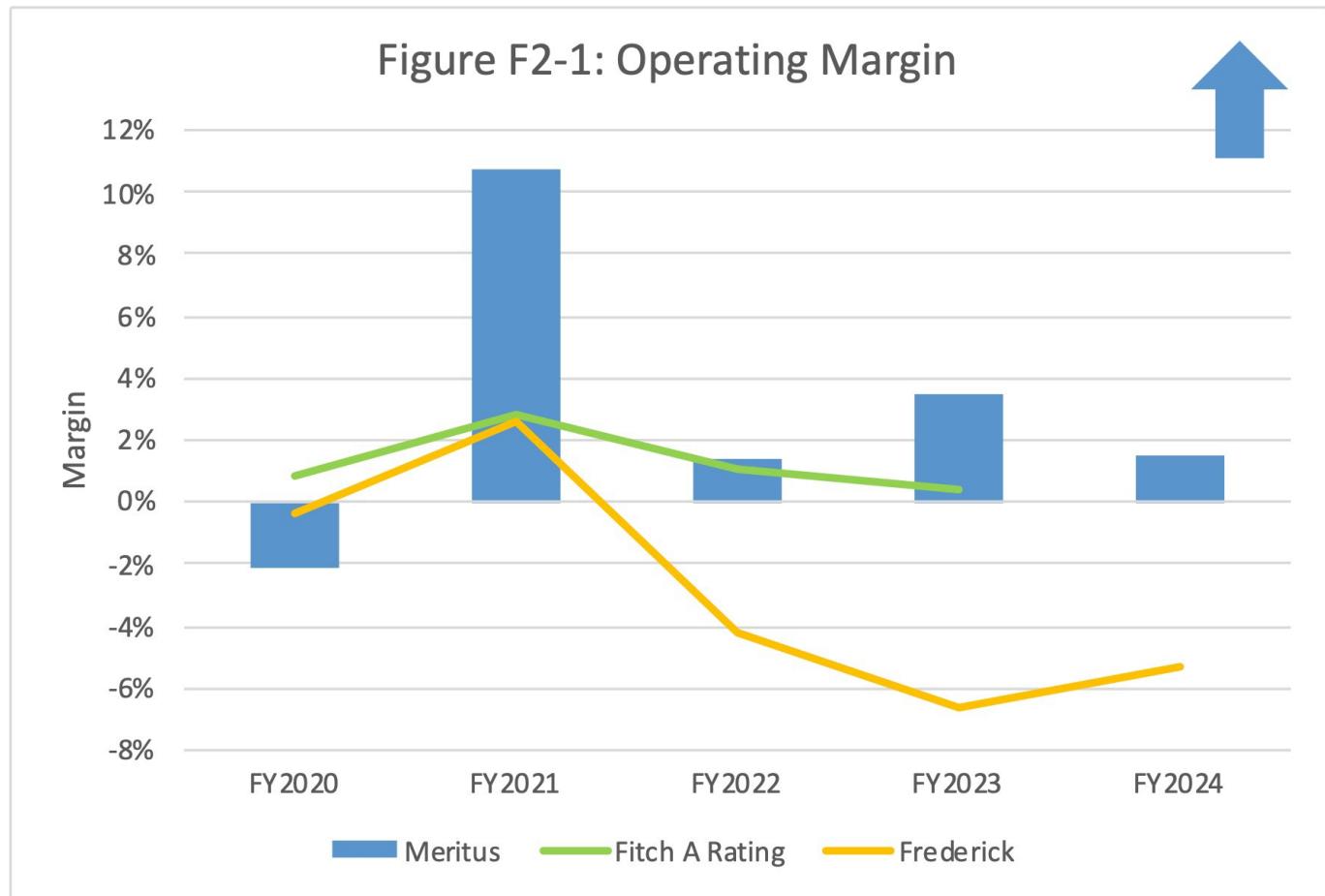


Figure F2-1: Operating Margin

## Figure F2-2: MMC Operating Margin

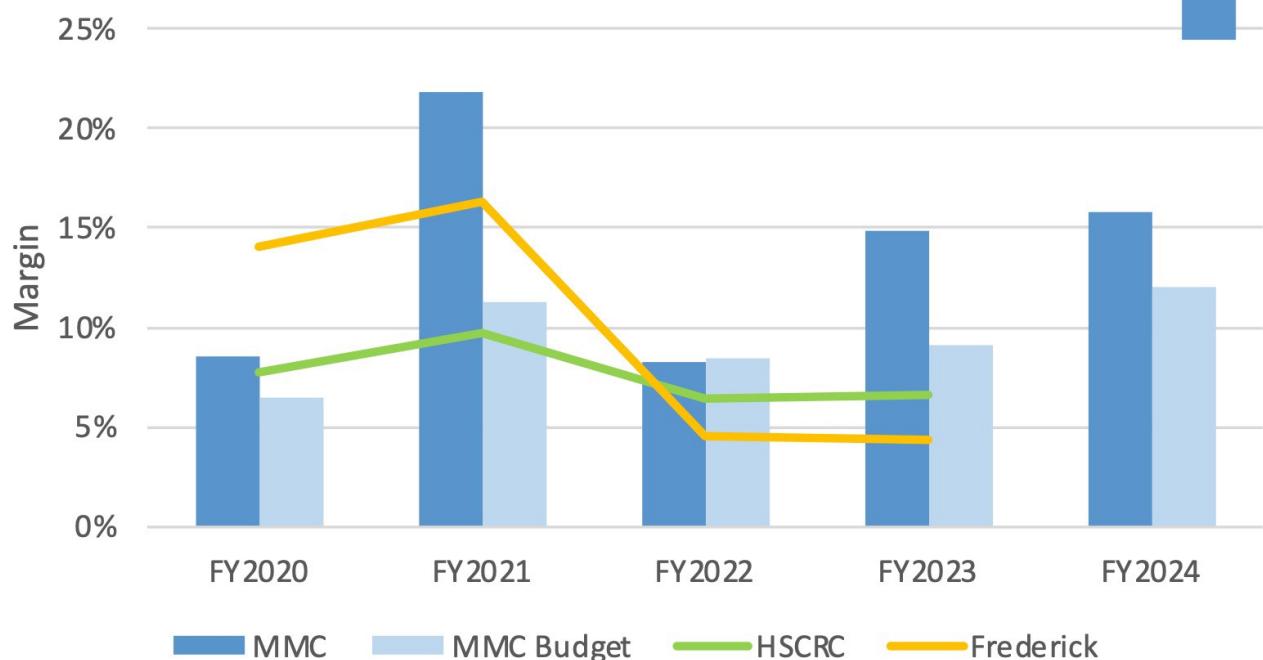


Figure F2-2: MMC Operating Margin

## Figure F2-3: Excess Margin

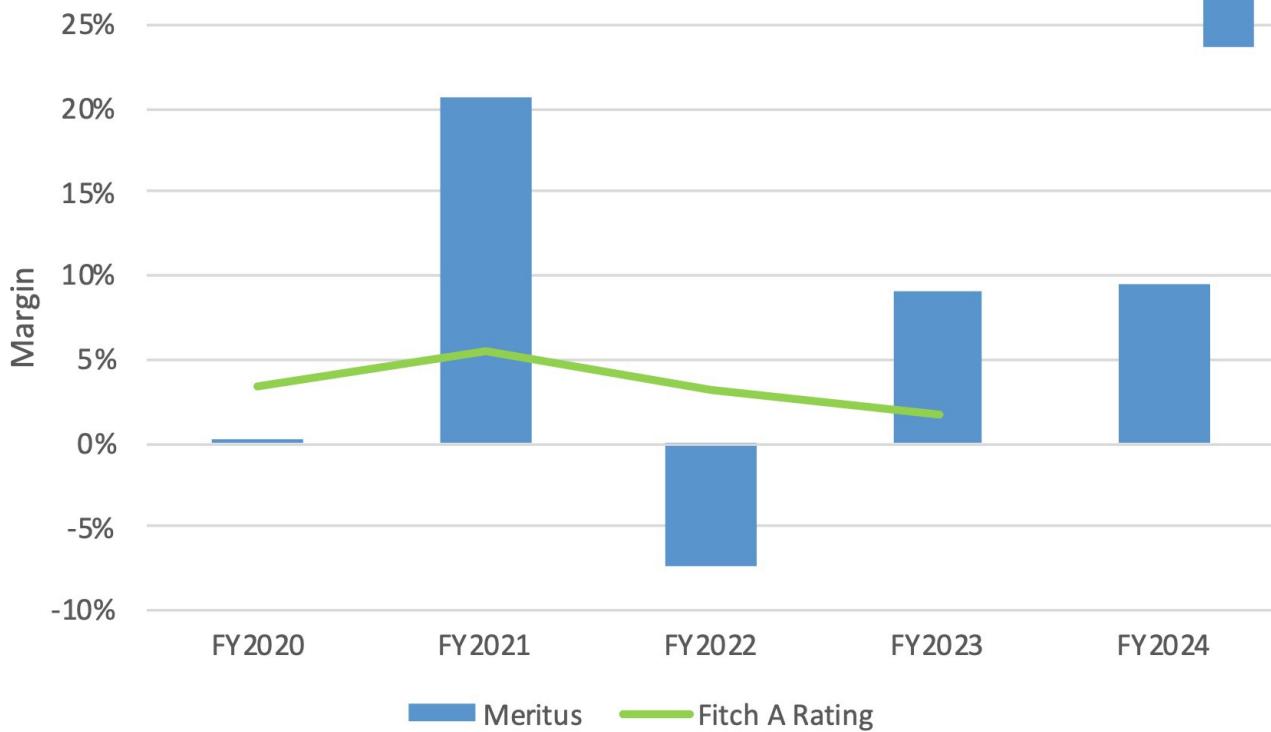


Figure F2-3: Excess Margin

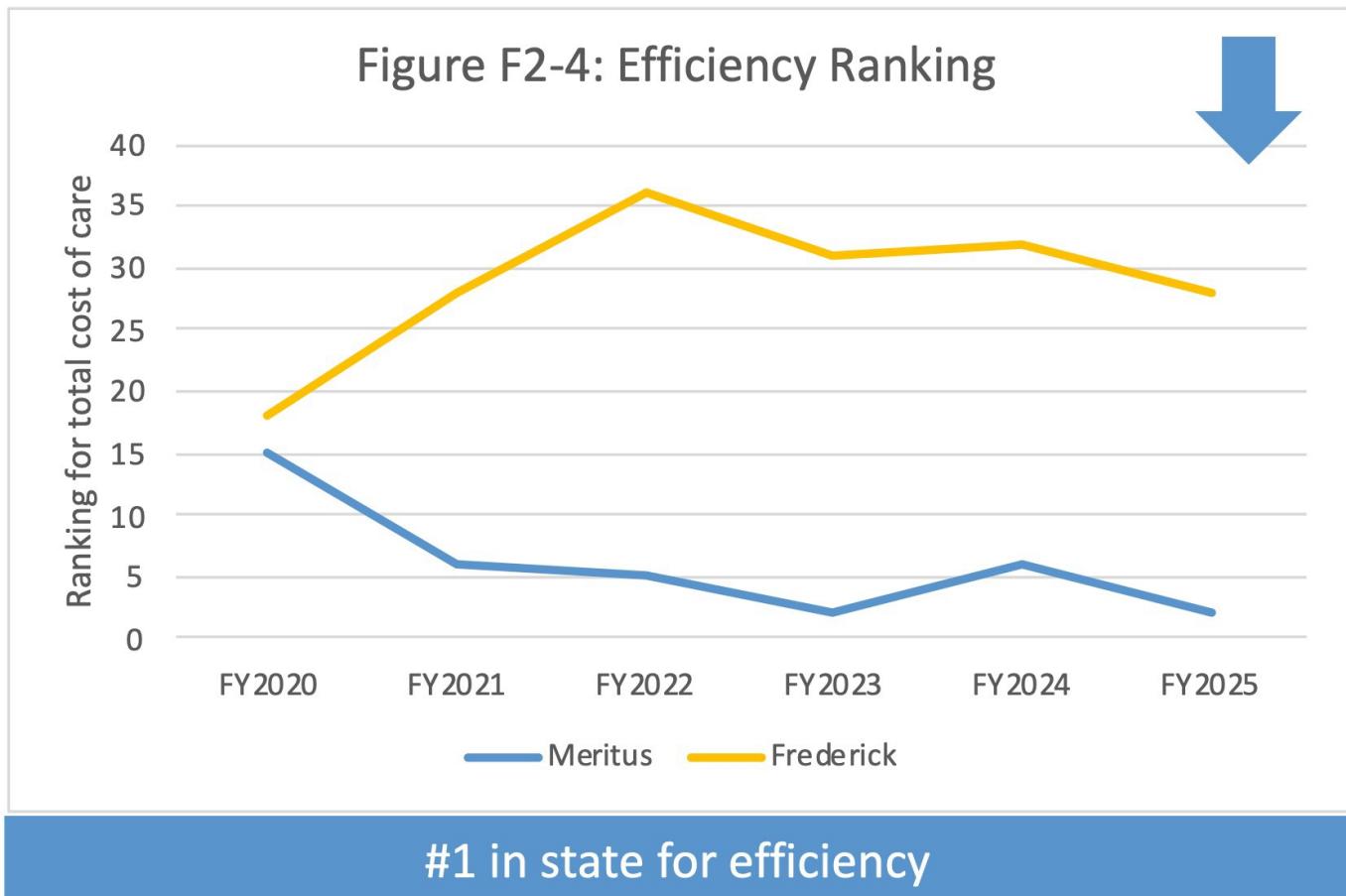


Figure F2-4: Efficiency Ranking

### Process Questions

**1 - Briefly describe your process(es) for ensuring access to capital for short-term needs, periods of disruption, and long-term success.**

**2 - Of the processes shared above, which (if any) do you consider best practices that other organizations could learn from?**

## Strategy

This section asks how your organization develops strategic objectives that are responsive to your challenges and opportunities. You are asked about your process for implementing those objectives and about metrics for checking progress. The results of these actions should be evident in the processes and results described in other Award Criteria sections. Strategic planning is a core business process that directly affects an organization's resilience and long-term success.

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## Context Questions

### **1 - What are your strategic challenges?**

- Workforce recruitment and retention
- Health inequity

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### **2 - What are your strategic advantages?**

- Independence
- Sole community hospital with comprehensive medical services
- Long standing community relationships
- Pursuit of excellence (Baldrige, Kata, HRO)

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### **3 - What are your strategic goals and/or objectives?**

The Annual Operating Plan (AOP) outlines Meritus Health's strategies, strategy goals and action goals aligned with the Quadruple Aims and the 2030 Bold Goals. See Figure S-1.

Meritus Health FY2025 Annual Operating Plan				
AIM	2030 Bold Goal	Strategy	FY27 Strategy Goal	FY25 Action Goal
Improving Health	Lose 1,000,000 pounds	Improve Outcomes	Reduce health disparities	Among diabetic patients with an MMG PCP, eliminate the disparity gap to 0% for non-white patients compared to white patients (FY22 7%, FY23 5.3%, FY24 4%)
			Increase number of large employer participation	Increase number of organizations with >1,000 pounds lost in weight tracker
		Improve Access to Care	Reduce wait time to see a provider	Increase percentage of patients seen by ED provider within 30 minutes to 70%
			Increase access to care	Increase Mental Health Walk-in visits by 40%
Improving Healthcare	Zero Harm	Reduce Unwarranted Variations in Care and Outcomes	Reduce Harm Events by 50%	Reduce overall harm counts including minor harm by 10%
				Select three quality measures (2 ambulatory specific) with at least one improvement for ten service lines
				Reduce 2 or more opioids and benzodiazepine prescriptions at discharge to 15% (CMS 506 - Safe Use of Opioids)
		Become HRO (High Reliability Organization)	Exceed customers' expectations	Increase Happy to Help culture measurement to 90% overall
		Age-Friendly Care	Implement 4M Framework in all care settings	90% of patients 65 years and older will have one daily mobility documented in their medical record
				90% of patients 65 years and older will be screened for dementia with bCAM
Having Joy at Work	Employer of Choice and Best Place to Work in the Country	Foster Meritus Pride	Safe Transitions	85% of eligible patients receive AHRQ Ideal discharge education (Booklet Used, Disease State Education, Med Education, Family/Caregiver Involvement, D/C Follow Up Appointment Scheduled)
			Motivation	50% of team members attend a bi-annual Team Huddle: share patient stories how it takes everyone to provide excellent care, growth success story and cheer for our successes
			Professional learning	20 coaches each quarter participate in a huddle swap, attending one or more huddles from another area
			Expand team member and physician engagement	50% of Departments are at or above the Net Promoter score target of >=21%.
		Diverse and Inclusive Teams	Provide tools to reduce documentation burden	Improve MMG physician survey response results "I am proud to tell people I am affiliated with Meritus" by 10%
			Improve coach diversity	Implement AI tool to provide documentation for 2% of patient charts
				Increase the percentage of external coach hires that are racially/ethnically diverse (self-disclosed) to 27.5% of hires
				Increase the diversity of team members that are racially/ethnically diverse (self-disclosed) to >=21%.
			Increase the diversity of leadership (supervisor and above) that are racially/ethnically diverse (self-disclosed) to >17%	Increase the diversity of leadership (supervisor and above) that are racially/ethnically diverse (self-disclosed) to >17%
Being Efficient and Affordable	Lowest Total Cost of Care Provider in the State	Utilization Management	Measure new project effectiveness within 3 months	Review 6 new projects after 90 days of start to decide "go / no go"
		Hospital Efficiency	Improve hospital ranking from 15th in FY 2019 to 5th	Increase care coordination by raising % of visits referred in network - Neuro surgery, Interventional Cardiology, and Ortho
		Improve Operating Margin	Improve operating margin to 2%	Reduce overhead efficiency by 2% over FY 2024
		Supplier Diversity	Improve supplier diversity	10 new diverse suppliers

Figure S-1: FY2025 Annual Operating Plan

#### 4 - What are your key measures for your strategic goals and/or objectives?

SET annually establishes the True North metrics (Figure S-2) and Aim dashboards to track strategic progress toward the 2030 Bold Goals. The True North metrics represent the highest-priority goals for the organization; the Aim dashboards support each of the four Quadruple Aims and align with the True North.

Quad Aim	Metric	Calculation / Measurement of Metric	FY 2025 Target
Improving Health	Engage community to lose 1 million pounds 	> 200,000 lbs Logged	> 200,000
	Improve health outcomes	Increase the % of MMG PCP diabetic patients with HbA1C < 9	> 89%
Improving Health Care	Improve access to care	<b>Access composite score:</b>	
		Reduce ED median arrival to discharge wait time (ED OP18b) (50% weight)	< 209
		Readmission Rate measured Observed to Expected (O/E) (50% weight)	≤ 0.99
	Reduce harm events	Decrease serious patient harm events by 10%	≤ 44
	Exceed customer expectations system wide	 <b>Patient experience composite score</b>	
		Overall hospital rating (65% weight)	> 70.6%
		ED overall care rating (10% weight)	> 69.3%
		Home Health overall care rating (5% weight)	> 92.2%
		MMG Likely to recommend provider (20% weight)	> 92.9%
Having Joy at Work	Reduce Vacancy Rate 	Reduce overall vacancy rate by 10%	< 6.6%
Improving Affordability	Achieve operating margin 	Budget	2.75%



Meritus Health Goal = Employee Incentive Program

Figure S-2: FY2025 True North Metrics

## Process Questions

### 1 - Briefly describe your key process(es) for strategic plan development.

Meritus uses an integrated, five-step strategic planning process (SPP, Figure S-3). To balance short- and longer-term planning horizons, Meritus develops a three-year strategic plan with an annual operating plan (AOP) to move incrementally toward a 10-year vision. The CSO owns the SPP, with oversight from the CEO and Meritus Health Board, and engages SET, directors, team members, physicians, partners and external experts in the process.

### Step 1: Complete Pre-Work

In January, the CSO sends a homework assignment to directors, physician leaders, and members of SET in preparation for a February strategy session. Coaches seek input from team members, peers, and community members on specific questions.

## Step 2: Set Strategic Direction

The Strategy team aggregates data and information from the homework assignment and other sources and shares them at the February strategy session. Participants vote using defined criteria to begin establishing strategic priorities for the year ahead. Participants also validate the mission, vision, Quadruple Aim and 2030 Bold Goals, which were established in 2019 through a 90-day strategic planning sprint that started with SET and the Board. The sprint brought together 25 community partners for a day-long stakeholder meeting and incorporated feedback from more than 150 coaches. Coaches gathered input from team members and brought it to the monthly Coaches Corner, where they reviewed draft Bold Goals. SET made additional revisions based on coach and team member feedback before the Bold Goals were approved by the Board.

## Step 3: Develop Plan

SET reviews strategic priorities from the strategy session and considers additional data and information (Figure S-4) to validate the three-year strategies and prioritize initiatives that will generate incremental progress toward the strategies and 2030 Bold Goals. SET works iteratively with coaches and the medical staff to develop the draft AOP and True North metrics, which represent the highest-priority strategic goals, with additional goals outlined for each Quadruple Aim. The AOP and True North metrics go to the Board for approval.

SET evaluates strategic plan development after each annual cycle. These cycles of learning have resulted in:

- Increased alignment between strategies and goals
- Revised timeline to start SPP earlier in the year to ensure that the AOP is in place at the start of the new fiscal year
- Increased input from coaches across the organization
- Addition of a “Pull the Plug” exercise to engage coaches in identifying areas where the organization is using resources but not producing the desired outcome
- Formalized scenario planning

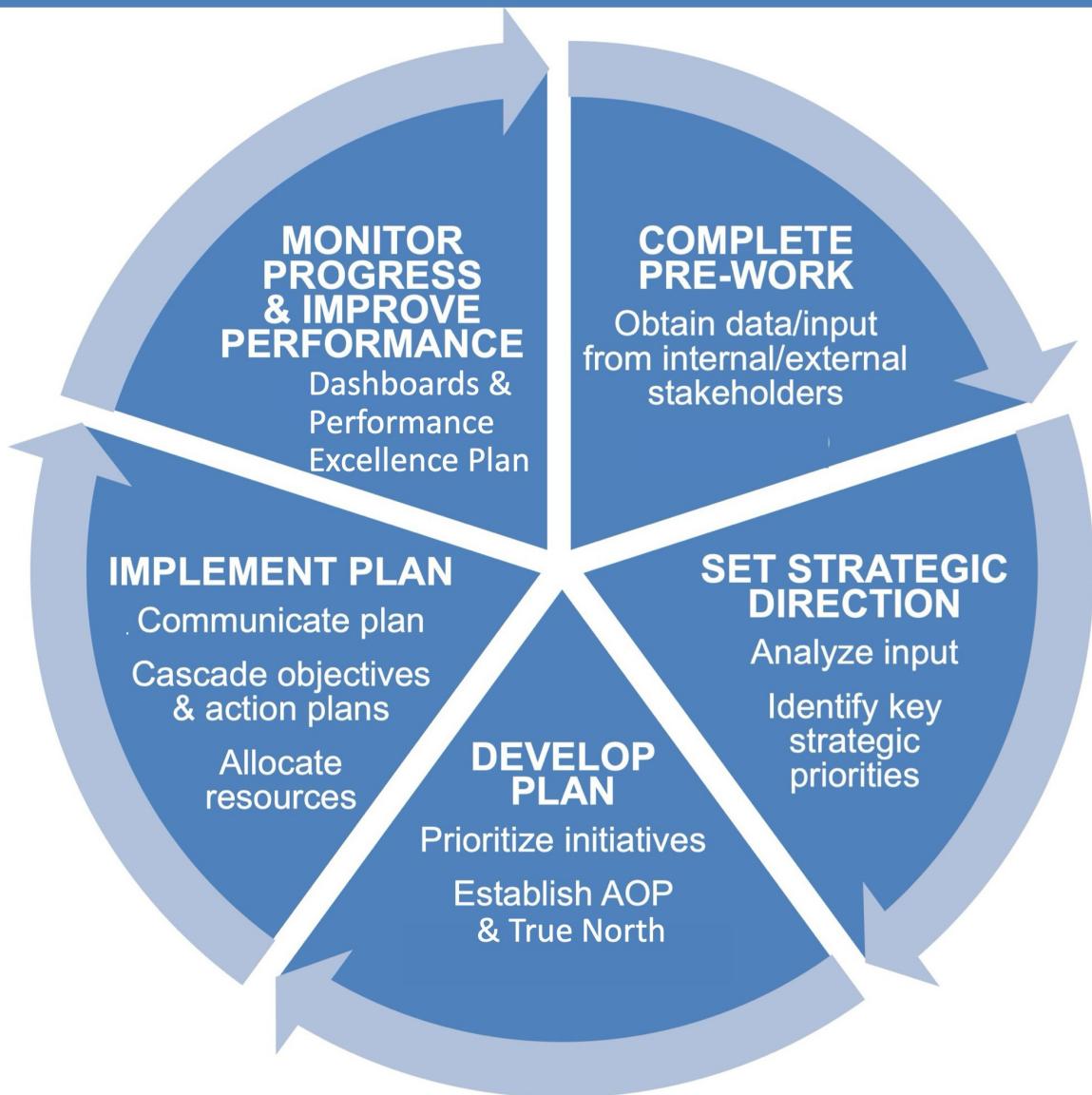
**Figure S-3: Strategic Planning Process**

Figure S-3: Strategic Planning Process

Figure S-4: Strategy Considerations	
Elements/Risks	Data & Information
Regulatory & external environment	Surveillance throughout the year by each SET member in areas of responsibility; licensure & accreditation requirements; customer listening mechanisms; competitor and payor activity; demographics; market share; outmigration; emerging industry trends
Innovations & technological changes	SET surveillance; SPP Step 1 homework assignment; updates from key suppliers
Potential blind spots	External consultants; scenario planning; national best practices; emerging industry trends
Potential supply limitations	Updates from key suppliers, including GPO; emerging global and national trends; SET surveillance
Ability to execute the plan	Scenario planning; projected volumes, revenues, and expenses; physician community needs assessment; Physician Investment Group; workforce engagement; team member turnover
Rapid changes, need for transformation	External consultants; competitor and payor activity; regulatory environment; SET surveillance; analysis of projections for key performance measures relative to benchmarks, regulatory thresholds, and competitors

Figure S-4: Strategy Considerations

## 2 - Briefly describe your key process(es) for strategic plan implementation.

SPP Steps Four and Five drive implementation of the AOP.

### Step 4: Implement Plan

Once the AOP is approved, each goal is assigned to an owner for development of action plans. The owner engages a work group and uses a driver diagram to identify tactics and timelines to achieve the goal. The AOP work groups meet throughout the year to monitor progress and advanced identified tactics.

The AOP and True North are posted on the intranet (Hub), and Corporate Communications creates a “placemat” with an AOP summary for broad distribution across the organization and posting on department visual management boards. Coaches work with team members to establish department actions that support the AOP, and each department develops a dashboard to measure progress. To reinforce AOP implementation, True North metrics are linked to coach, team member and MMG physician incentive pay and a new team member pay-for-performance model.

Resources to support achievement of the AOP are incorporated into capital and annual operating budgets, in alignment with the five-year financial plan. Workforce capability and capacity assessment processes integrate needs associated with strategy implementation and drive recruitment, development and engagement.

### Step 5: Monitor Progress & Improve Performance

SET annually establishes the True North metrics (Figure S-2) and Aim dashboards. The True North metrics cascade to department dashboards to align all levels of the organization toward achieving the AOP and 2030 Bold Goals. The Performance Excellence Plan Steering Committee (PEPSC), chaired by the Executive Director of Quality, identifies and assigns Kata improvement

initiatives needed to support the AOP or achieve True North metrics. These projects are documented and tracked in the annual Performance Excellence Plan (PEP).

Results for the True North metrics are updated monthly and reviewed at SET huddles, Coaches Corner, Team Huddles, MEC, PLC and department meetings. These organizational performance reviews identify action goals not on track to achieve annual targets and prompt corrective action. Regular strategic updates go to the Meritus Health Board, SET, Quality Conference, Coaches Corner, PLC and MEC.

SET evaluates strategic plan implementation after each annual cycle. These cycles of learning have resulted in:

- Identification of measurable outcomes
- Formal definitions for True North and other AOP measures
- Integration of department goals into team member performance evaluations and pay-for-performance model

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**3 - Of the processes shared above, which (if any) do you consider best practices that other organizations could learn from?**

Meritus Health sustains a relentless focus on its 2030 Bold Goals. The Bold Goals were initially established in 2019 with broad input from the workforce, patients, community members, and partners. They have remained front and center through unprecedented changes and challenges, including COVID. Alignment from the Bold Goals through the AOP and True North, to department dashboards and Kata improvement initiatives, to individual performance incentives engages all levels of the organization and focuses coaches, team members, and providers on what is most important.

## Organizational Learning

This section asks about processes for performance measurement and improvement, knowledge management, and innovation. You are specifically asked for processes related to performance improvement, knowledge sharing, encouragement, and support, of innovation. The section also asks you about processes used to determine innovation choices.

### Process Questions

**1 - Please briefly describe your process(es) for analyzing and reviewing your organization's performance.**

Meritus has a robust performance improvement system (Figure OL-1) for tracking, analyzing and reviewing data and information on daily operations, overall organizational performance and strategic progress. The system begins with the AOP and True North metrics, which SET selects and defines annually during SPP. These metrics align with the Quadruple Aim and move the organization toward achievement of the 2030 Bold Goals. The True North dashboard – owned by the COO – drives selection of supporting metrics on department dashboards, also aligned with the Quadruple Aim.

Each month, assigned measure owners enter results into the dashboards. The True North dashboard is broadly visible on the Hub, and department dashboards are displayed on visual management boards in each department. The dashboards use color-coded indicators to highlight performance relative to targets. Targets are set and documented as part of the measure definition process.

Systematic review of organizational performance (Figure OL-2) engages all levels of the organization in assessing strategic and operational performance relative to goal. Whenever possible, comparative and competitive data are embedded in the goals and incorporated into drill-down analysis done to understand metrics not performing to goal.

To support performance reviews and ensure valid conclusions, Meritus leverages data analysis capabilities at all levels of the organization. The analytics team, Data Atlas analytics platform, and other tools, such as Slicer Dicer in Epic, support data mining and drill-down analysis. Coaches complete training in data fluency as part of Kata training, as well as a benchmarking class. Training on Data Atlas is mandatory for managers. Frontline staff can also complete data analysis classes offered by the Operations Improvement (OI) department, with further support from OI templates. As the latest cycle of learning, a Coaches Camp session focused on how to better manage and use dashboards, with reinforcement through leader standard work. Also, in FY25, the analytics team established open office hours to support coaches.

SET, led by the COO, evaluates and improves the performance improvement system at least annually, in conjunction with AOP development. Cycles of learning based on these evaluations are highlighted in Figure OL-3.

Figure OL-1: Performance Improvement System



Figure OL-1: Performance Improvement System

Figure OL-2: Key Performance Reviews*			
Venue	Participants	Measures	Frequency
SET huddle	SET	True North, AOP metrics, leading indicators	Daily
COO dashboard review with CEO	COO, CEO	All dashboards that roll up to SET	Monthly
COO reviews with dashboard owners	1:1s between COO and each dashboard owner	All “red” measures	Monthly
Board of Directors	Board members, COO, CNO, CSO, CFO, CEO, CMO, CCO, CLO	True North, AOP metrics	Bi-monthly
Board Quality & Safety Committee	Board members, COO, CMO, CNO CHO, CEO	Patient Safety Report, True North, Health Care Aim dashboard	Monthly
Board Finance & Capital Committee	Board members, CFO, CNO, CEO, COO, CCO, VPPS, EDF, CLO	True North, Affordability Aim dashboard, key financial measures	Bi-monthly
Board Audit Committee	Board members, CCO, CLO, CEO, CFO, CIO, VPPS	Financial transactions with physicians, disclosure reports, compliance, audits	Bi-monthly
MEC	CEO, CMO, CNO, COO, CHO, VPPS, medical staff leaders	True North	Monthly
PLC	CEO, CMO, VPPS, CFO, employed medical directors	True North	Monthly
Coaches Corner	SET, coaches	True North	Monthly
Team Huddles	SET, coaches, team members, volunteers	True North	Monthly
Department meetings	Managers, frontline staff	True North, department dashboards	Monthly
Quality Conference	Quality, CEO, CMO, COO, CNO, COS, community member, various coaches	Patient Safety Report, scheduled Performance Excellence Plan (PEP) and AOP metric report-outs	Weekly
Nursing PEP Steering Committee	Coaches from Quality, OI, MMG, Op Care Mgmt, Lab, Rehab, Operations	Progress on Kata initiatives	Bi-weekly
MMG PEP Steering Committee	Coaches from Quality, OI, MMG, Op Care Mgmt, Lab, Rehab, Operations	Progress on Kata initiatives	Bi-weekly
Operations & Safety Huddle	Nursing supervisor, CNO, nursing & operational ancillary coaches (Nutrition Services, Pastoral Care, Pharmacy, EVS, Lab, etc)	Census, staffing, planned admissions & discharges, bed capacity, patient flow, safety concerns, operational disruptions	Daily
MMG practice huddles	Clinic managers, front office staff, clinical staff, care management, providers	Daily metric boards (no shows, diabetes management, discharge appointments)	Weekly
Patient Safety & Regulatory Committee	Patient Safety, Quality, TJC chapter leads, dept directors & managers, physician leaders, CMO	Patient Safety Report, major events and action plans, regulatory updates	Monthly
Financial reviews	Department leaders, finance liaison	Monthly financial report	Monthly

Figure OL-2: Key Performance Reviews

## Figure OL-3: Evaluation & Improvement

FY2020	<b>Bold Goals, True North and AOP dashboards established; some department dashboards</b>
FY2021	<b>Department dashboards required; standard dashboard format established and encouraged</b>
FY2022	<b>Adopted universal dashboard format; held Dashboard Sprint to support dashboard development; COO review of all dashboards to ensure alignment</b>
FY2023	<b>Formalize data definitions for True North and AOP dashboards; benchmarking class added for coaches</b>
FY2024	<b>Coaches Camp session to help coaches better manage and use dashboards; leader standard work developed for dashboard review and action</b>

Figure OL-3: Evaluation & Improvement

**2 - Please briefly describe your process(es) for performance improvement.**

Meritus uses its performance improvement system (Figure OL-1) to improve performance, leveraging a framework developed and published by the CEO and

COO (Figure OL-4). The system aligns and integrates improvement activities to achieve AOP action goals, True North metrics and ultimately the 2030 Bold Goals, supported by Kata improvement methodology.

The Kata methodology uses a scientific approach that integrates PDSA and Lean tools to support multiple experimental cycles toward an established aim (Figure OL-5). To ensure deployment, new workforce members learn about Kata during orientation, and every leader attends Kata training. Additional classes on Lean tools such as process mapping, driver diagrams, 5S, and standard work are available through the Operational Improvement (OI) department. The OI Hub page offers a full toolkit of templates to support Kata initiatives. OI and Quality department staff serve as coaches.

To support strategy implementation and ensure alignment across the organization, the Performance Excellence Plan Steering Committee (PEPSC), chaired by the Executive Director of Quality, identifies and assigns Kata initiatives needed to support the AOP or achieve True North metrics. These projects are documented and tracked in the annual Performance Excellence Plan

(PEP). Kata initiatives can also originate at the front line. Those ideas come to the PEPSC for approval to prevent duplication and ensure alignment with the Bold Goals and True North.

As the latest cycle of learning, the PEPSC has established three subcommittees – Nursing, MMG and Ancillary Services – which review improvement projects from their areas every two weeks. The COO provides a monthly PEP report to SET and the Board Quality and Safety Committee.

Every Tuesday and Thursday, senior leaders and other key leaders round on departments with active Kata initiatives, which are posted on department visual management boards. Departments also present their Kata initiatives on a rotating basis at the weekly Quality Conference, which is facilitated by the Quality manager and attended by executives, physician leaders, and a community member. A close-out checklist, including a three-month sustainment plan with metrics, helps teams sustain improvement gains and captures organizational learning. The Meritus performance improvement system, including the Kata methodology, has undergone multiple cycles of learning (Figure OL-6).

## Figure OL-4: Framework for Radical Goals & Incremental Improvement

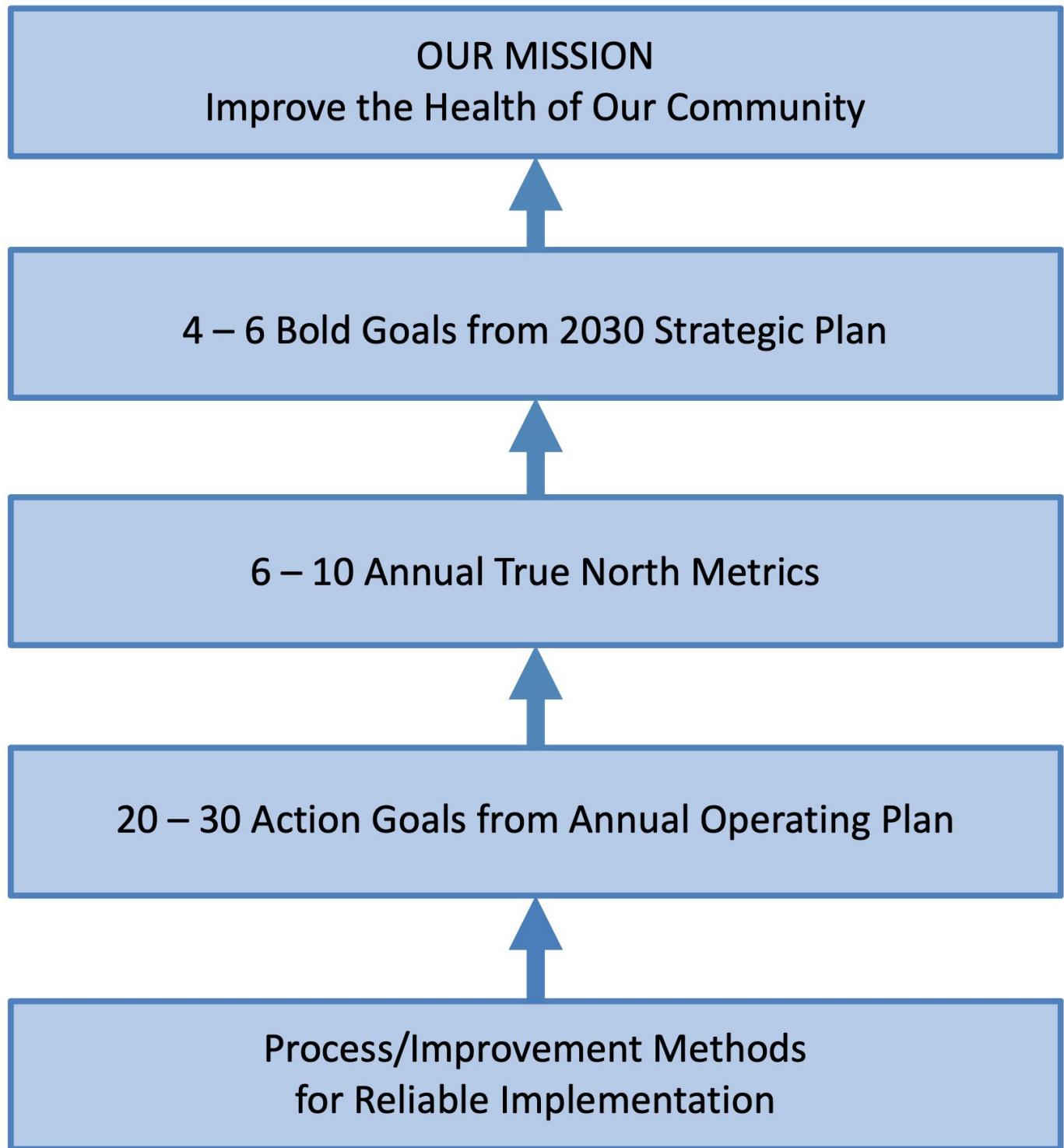


Figure OL-4: Framework for Radical Goals & Incremental Improvement

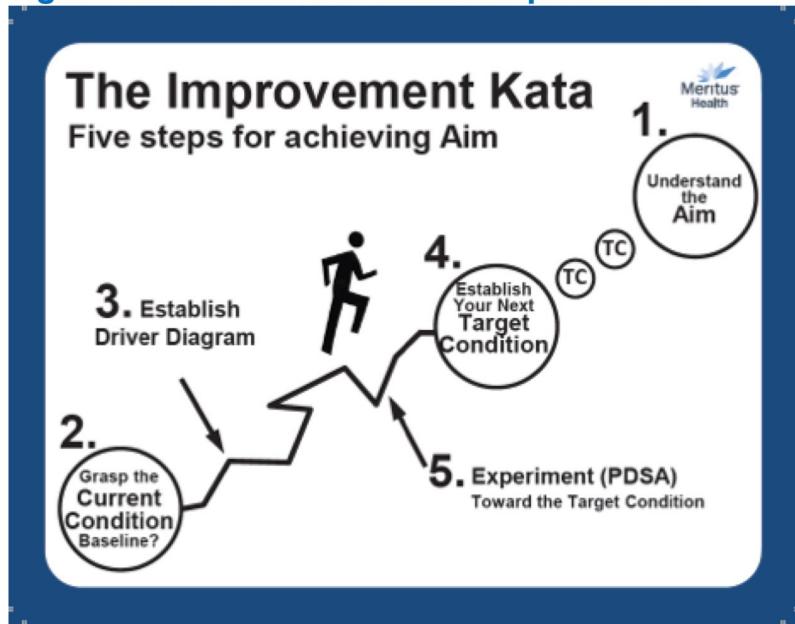
**Figure OL-5: Kata Performance Improvement**

Figure OL-5: Kata Performance Improvement

**Figure OL-6: Evaluation & Improvement**

FY2014	Introduced Kata improvement methodology to MMC
FY2016	Initiated Kata leader rounding
FY2018	Deployed Kata to ambulatory and support areas
FY2021	Established PEP; initial oversight by COO, Quality and OI; incorporated driver diagrams into Kata methodology
FY2022	Formalized PEPSC; created Kata submission form and approval process
FY2023	Established Kata playbooks
FY2024	Improved Kata submission and close-out forms; expanded Kata leadership rounds to offsite locations using virtual rounding
FY2025	Established Nursing, MMG, and Ancillary Services PEPSC subcommittees to evaluate division-specific requests, with oversight and integration through the PEPSC and PEP

Figure OL-6: Evaluation &amp; Improvement

**3 - Please briefly describe your process(es) for collecting and sharing information throughout the organization and its stakeholders.**

Meritus Health has multiple robust, refined processes for collecting and sharing information throughout the organization and its stakeholders, as highlighted in Figure OL-7. In particular:

- The Epic electronic health record (EHR) captures and transfers real-time clinical care information, and contains order sets, alerts, and dashboards.

- Shared drives house documents used collaboratively within and across departments or teams.
- The Hub intranet serves as a central repository for workforce resources such as tools, templates, forms, procedures, databases, and much more.
- Standard work and playbooks are created by multidisciplinary teams, documented in a template, and approved and deployed through established processes.
- Policy Manager houses an extensive library of policies related to all aspects of Meritus operations, including playbooks.
- Scheduled meetings and organizational performance reviews use a standard agenda template and are highlighted in Figure OL-2.
- Orientation and training curricula capture knowledge from subject-matter experts across the organization, with the HealthStream learning management system providing centralized access.
- Intentional, scheduled rounding takes place in many forms: SET members rounding on team members, providers, and patients; SET members rounding on department visual management boards, including Kata initiatives; coaches rounding on their own team members and on other departments; nursing coaches and team members rounding on patients; and multidisciplinary care teams rounding on patients.

Each of these mechanisms has an assigned owner in IT, Corporate Communications, Quality, OI, Team Member Services, Nursing, or SET who at least annually evaluates its effectiveness and identifies opportunities for improvement.

Figure OL-7: Collecting & Sharing Information		
	MECHANISM	TYPE OF DATA/INFORMATION
PATIENTS	<ul style="list-style-type: none"> <li>• MyChart (in EHR)</li> <li>• MyChart bedside via phone &amp; tablet</li> <li>• Patient rounding</li> <li>• Bedside shift report</li> <li>• Same-day surgery tracker &amp; texting</li> <li>• Discharge/after-visit summary</li> <li>• Outpatient care management</li> <li>• Website, social media</li> </ul>	<ul style="list-style-type: none"> <li>• Medical records, including real-time results</li> <li>• Care plan updates</li> <li>• Patient status</li> <li>• Nutrition Services menus</li> <li>• Discharge/post-visit instructions &amp; provider notes</li> <li>• Appointment scheduling &amp; reminders</li> <li>• Billing statements</li> <li>• Meritus Health services</li> </ul>
COMMUNITY	<ul style="list-style-type: none"> <li>• Website, social media, media outlets</li> <li>• Community presentations, podcasts</li> <li>• Healthy Washington County</li> <li>• Community Solutions Hub</li> <li>• QR codes posted in Meritus facilities</li> <li>• MeritusLink EHR access for unaffiliated providers</li> </ul>	<ul style="list-style-type: none"> <li>• Meritus Health quality, safety &amp; DEI data</li> <li>• Annual community benefit &amp; health equity reports</li> <li>• CHNA &amp; action plans</li> <li>• Publicly available quality &amp; safety data</li> <li>• Meritus Health services</li> <li>• Public safety announcements</li> <li>• Community resources</li> </ul>
WORKFORCE	<ul style="list-style-type: none"> <li>• Epic integrated EHR</li> <li>• Daily dashboards, reports &amp; huddles</li> <li>• Intranet, shared drives</li> <li>• Visual management boards</li> <li>• RL Solutions reporting system</li> <li>• MySource HR system</li> <li>• Press Ganey portal</li> <li>• Newsletters, blogs</li> <li>• Key meetings (see Figure OL-2)</li> <li>• Data Atlas data warehouse</li> <li>• Everbridge emergency notification</li> <li>• Team Props recognition system</li> <li>• Policy Manager</li> <li>• HealthStream learning management system</li> </ul>	<ul style="list-style-type: none"> <li>• Real-time patient information</li> <li>• Daily operational information (e.g., staffing, planned admissions &amp; discharges, safety concerns)</li> <li>• Safety events, complaints</li> <li>• Dashboards</li> <li>• Policies, procedures, standing orders, forms</li> <li>• Payroll</li> <li>• Patient &amp; workforce engagement data</li> <li>• Organizational updates</li> <li>• Annual Operating Plan (AOP)</li> <li>• Professional development, mandatory learning modules</li> <li>• Emergency notification</li> <li>• Workforce recognition</li> </ul>
SUPPLIERS	<ul style="list-style-type: none"> <li>• Regular data feeds</li> <li>• Quarterly business reviews</li> <li>• Contracts</li> <li>• Vendor registration</li> </ul>	<ul style="list-style-type: none"> <li>• Policies &amp; procedures</li> <li>• Orders &amp; inventory</li> <li>• Performance requirements &amp; results</li> <li>• Invoicing</li> </ul>
PARTNERS/ COLLABORATORS	<ul style="list-style-type: none"> <li>• CareEverywhere patient record sharing</li> <li>• Regular reports &amp; meetings</li> <li>• Partner Board meetings</li> <li>• Dashboards</li> <li>• Contracts, Business Associate Agreements</li> </ul>	<ul style="list-style-type: none"> <li>• Clinical care data</li> <li>• Business updates &amp; metrics</li> <li>• Strategic direction</li> <li>• Performance requirements &amp; results</li> </ul>

Figure OL-7: Collecting &amp; Sharing Information

**4 - Briefly describe your key process(es) that encourage innovation (e.g., practice(s) that create an environment that supports innovation).**

Meritus Health has a multi-faceted approach to encourage innovation at all levels of the organization:

At a strategic level, in SPP Step 1, directors and SET members complete homework that requires them to identify: 1) an initiative to net at least \$100K in new revenue or savings; 2) a study that highlights a process to reduce harm or readmissions; and 3) an innovation from another health system to consider for implementation at Meritus Health. They also have to interview three people not in health care about how to improve patient satisfaction or what services Meritus should provide.

To encourage innovation throughout the SPP, Meritus Health engages an external consulting company to facilitate its strategic planning retreats. With a focus on re-imagining health care, the consultants are able to share leading-edge practices from clients across the country and challenge retreat participants with scenarios that make them think outside the box – for example, if Amazon started providing health care or if Medicare dropped its participant age from 65 to 60.

To support consideration of significant investments, the CSO facilitates a “shark tank” with SET to brainstorm and vet ideas. For example, during initial consideration of a medical school, SET held a shark tank that focused on how else the organization could spend \$100M+ to improve community health and health care. As a cycle of learning, SET plans to engage the Board in future shark tank events.

To address a strategic challenge and ongoing strategic opportunity related to physician alignment, Meritus Health established the Physician Investment Group, which convenes key MMG physicians and leaders with members of SET every Monday for timely discussions of market dynamics and physician coverage in the community. The group generates ideas for new strategic opportunities related to recruitment or acquisition of providers. The broader Physician Investment Steering Committee, co-led by the CSO and CFO, adds independent community physicians for an annual discussion. The Physician Investment Group is a cycle of learning based on recognition that physician alignment needed to be a systematic focus throughout the year.

Operationally, Kata performance improvement engages the front line in generating and testing ideas throughout the year. Team members learn about Kata during orientation and can bring forward ideas for performance improvement through the PEPSC. They also participate as key stakeholders in Kata improvement work. Meritus Health’s Kata performance improvement methodology has undergone multiple cycles of evaluation and improvement (Figure OL-6).

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**5 - Please share your process for determining which innovation opportunities to pursue, and deciding which opportunities to stop pursuing.**

Meritus’ approach to innovation management begins with processes to identify strategic opportunities. Ideas generate proformas for evaluation through the capital process or Physician Investment Steering Committee. Approved intelligent risks are integrated into the strategic plan and AOP and resourced through operating/capital budgets. Executive owners engage stakeholders to design, test and implement. SET monitors post-implementation to make sure opportunities meet proforma targets. If they do not achieve goals or there is a strategic need to re-allocate resources, SET can make the decision to discontinue.

Processes for deciding which innovation opportunities to pursue vary depending on the nature and magnitude of the opportunity:

- If the opportunity requires a capital investment greater than \$3,000, it goes through the **capital request funding process**. With support from an executive sponsor, the requestor works with Finance to develop a preliminary return on investment/ business plan and then goes to the online project request portal to complete a standardized form. The form captures strategic impacts and risks, as well as staffing, IT, facilities, legal, and other needs. It is automatically forwarded to the requestor's VP for preliminary approval and then to the Capital Work Group (CWG) for review by members including Facilities, Clinical Engineering, Purchasing, Legal, Business Integrity, Project Management Office, IT, Nursing, and Epic. If the CWG gives initial approval, the requester then works with the support departments identified by the CWG to develop a detailed business analysis. The business analysis goes to the Capital VP Group – comprised of the CNO, CMO, and CFO – for final approval and budgeting.
- If the opportunity involves recruiting a new physician or purchasing an existing practice, the CSO and CFO develop a proforma. To gain approval, proformas must be financially favorable or address a gap that is strategically important to subsidize. The **Physician Investment Steering Committee** evaluates and approves proformas and allocates resources through its annual budget.
- Kata performance improvement opportunities are vetted through the **Performance Excellence Plan Steering Committee** (PEPSC). Annually, the Executive Director of Quality works with the PEPSC to identify and assign Kata initiatives needed to support the AOP or achieve True North metrics. These projects are documented and tracked in the annual Performance Excellence Plan (PEP). Kata initiatives identified by team members throughout the year also come to the PEPSC. Requestors use an online submission form, which prompts evaluation by the PEPSC, which is tasked with preventing duplication and ensuring alignment with the Bold Goals and True North.

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**6 - Of the processes shared above, which (if any) do you consider best practices that other organizations could learn from?**

Meritus Health has a role model performance improvement system (Figure OL-1) that aligns and integrates strategy implementation, a robust dashboard system, and fully deployed Kata process improvement methodology to engage all levels of the organization in achieving the True North and 2030 Bold Goals. Structured performance reviews from department visual management boards to the Board monitor progress and prompt course correction. The annual Performance Excellence Plan ensures alignment and accountability for Kata improvement initiatives driven by the AOP and originated by the front line.

## Community Relationships

A critical element in organizational resilience and long-term success is having strong, reciprocal ties to key communities. Strong ties lead to fast, efficient resource sharing, which is crucial during disruptions and creates opportunities for benchmarking and innovation.

### Context Questions

#### 1 - Please describe your key community relationships.

**Note:** *Community* refers to entities from whom your organization can receive support or to whom you give support during times of disruptions, and such entities are not limited to your local geographic area. These are strategic relationships that provide support and information in times of need and growth. Examples include utility, local government, financial institutions, volunteers, chamber of commerce, businesses nearby, social services, common interest stakeholders, industry or trade associations.

Key community relationships are listed in Figure CR-1.

Figure CR-1: Community Relationships			
Relationship	Description	Frequency	Duration
Healthy Washington County	Co-chaired by Meritus and the Washington County Health Department, this role model coalition brings together leaders from 40+ government agencies, nonprofit organizations, and businesses to improve community health. Member organizations include the City of Hagerstown, Washington County, and the Washington County Chamber of Commerce	At least monthly (also monthly County Commissioner meetings and Chamber of Commerce board meetings)	Since 2011
Regions I & II Healthcare Coalition	Coalition comprised of hospitals, emergency management agencies, county governments, local health departments, emergency responders, and others across four counties to identify potential risks, proactively prepare for them, and collectively manage them	At least bi-monthly	Since 2010
Washington County Public Schools	Lose a Million Pounds partner; after-school childhood obesity prevention program; partnership with the school district and Maryland Department of Labor to provide paid apprenticeships for high school seniors	Ongoing	Decades
Faith Community	Partnership to provide health screenings, health education, and Meritus Mobile Health clinics	Ongoing	20 years
Western Maryland Consortium	Partnership with workforce development organization to provide grant-funded job training for adults and then transition them onto the Meritus payroll	Ongoing	Since 2021
Good Will	Partnership to open the Horizon Good Will Clinic to serve the uninsured population	Ongoing	Decades
Hagerstown Community College	Partnership to train nurses, medical assistants, and physical, occupational, and speech therapists	Ongoing	Decades

Figure CR-1: Key Community Relationships

### Process Questions

#### 1 - Briefly describe your key processes for building relationships with your key community partners.

Meritus has a systematic, integrated approach to build relationships with key community partners that begins with the role model coalition, Healthy Washington County. The coalition meets bimonthly to bring together representatives from 40+ public and private organizations to improve the health of the community. Meritus and the county health department co-chair the coalition, which includes organizations such as Washington County, the city of Hagerstown, Washington County Schools, healthcare and social service providers, Chamber of Commerce, local businesses, universities and community colleges, and faith communities. The coalition reviews identified community health needs and collaboratively prioritizes where partner organizations individually and collectively should provide community support, based on the competencies and resources of each organization.

In addition, SET identifies and annually validates key community organizations with whom Meritus needs to intentionally build and strengthen relationships. These organizations are assigned to individual SET members, who serve on their boards, meet regularly with their leaders, and/or participate in their major events.

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**2 - For each key community relationship, provide the following:**

- a. the organization or group type (see list above)**
- b. the frequency of engagement (e.g., monthly, quarterly, annually, etc.)**
- c. the length of engagement (e.g., how long have you had this relationship).**

See Figure CR-1.

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**3 - Of the processes shared above, which (if any) do you consider best practices that other organizations could learn from?**

Healthy Washington County is a role model coalition that brings together public and private partners with a vision to help people living in Washington County improve their personal health.

## Glossary of Terms and Acronyms

**1 - Provide brief definitions of terms and acronyms used in your responses to the criteria questions. The glossary should be pasted into the text box. Glossaries larger than 20000 characters will need to be uploaded as an image. A maximum of three images is permitted. If uploading an image of your glossary, please enter "n/a" in the text box to activate the image upload icon.**

**Note:** Acceptable examples of a glossary entry are:

**PES:** Performance Evaluation System

**SPP:** strategic planning process

### Glossary

ACEP GEDA – American College of Emergency Physicians Geriatric Emergency Department Accredited

ADA – Americans with Disabilities Act

AHA – American Hospital Association

AOP – Annual Operating Plan

CARF – Commission on Accreditation of Rehabilitation Facilities

CATCH – Coordinated Approach to Child Health

CAUTI – Catheter-Associated Urinary Tract Infection

CCO – Chief Compliance Officer

CEO – Chief Executive Officer

CFO – Chief Financial Officer

CHNA – Community Health Needs Assessment

CIO – Chief Information Officer

CLO – Chief Legal Officer

CMO – Chief Medical Officer

CMS – Centers for Medicare and Medicaid Services

CNO – Chief Nursing Officer

COO – Chief Operating Officer

CSO – Chief Strategy Officer

CWG – Capital Work Group

DEI – Diversity, Equity and Inclusion

EBITDA – Earnings before Interest, Taxes, Depreciation and Amortization

ED – Emergency Department

EDF – Executive Director Finance

EEOC – Equal Employment Opportunity Commission

EHR – Electronic Health Record

EOP – Emergency Operations Plan

EPA – Environmental Protection Agency

FY – Fiscal Year

GBMC – Greater Baltimore Medical Center

GPO – Group Purchasing Organization

HAI – Healthcare Associated Infections

HbA1c – Hemoglobin A1c

HCAHPS – Hospital Consumer Assessment of Providers & Systems

HIPAA – Health Insurance Portability & Accountability Act

HR – Human Resources

HRO – High Reliability Organization

HPG – HealthTrust Purchasing Group

HSCRC – Health Services Cost Review Commission

HVA – Hazard Vulnerability Analysis

IACT – Integrity; All in for Quality & Outcomes; Community-Obsessed; Teamwork

IHI – Institute for Healthcare Improvement

IP – Inpatient

IT – Information Technology

LEAD – Leadership in Equity & Diversity

MBSAQIP – Metabolic and Bariatric Surgery Accreditation and Quality Improvement Program

MEC – Medical Executive Committee

MIEMSS – Maryland Institute for Emergency Medical Services Systems

MGMA – Medical Group Management Association

MMC – Meritus Medical Center

MMG – Meritus Medical Group

MRSA – Methicillin-resistant Staphylococcus aureus

MSOM – Meritus School of Osteopathic Medicine

MVV – Mission, Vision & Values

NEO – New Employee Orientation

NHSN – National Healthcare Safety Network

NRC – National Research Corporation

NSI – Nursing Solutions Inc

O/E – Observed to Expected Ratio

OI – Operations Improvement

OIG – Office of the Inspector General

OSHA – Occupational Safety & Health Administration

PA – Pennsylvania

PEP – Performance Excellence Plan

PEPSC – Performance Excellence Plan Steering Committee

PFAC – Patient & Family Advisory Council

PG – Press Ganey

PLC – Physician Leadership Council

PSA – Primary Service Area

QBR – Quality-Based Reimbursement

S&P – Standard & Poor's

SDOH – Social Determinants of Health

SET – Senior Executive Team

SSA – Secondary Service Area

SPP – Strategic Planning Process

SWOT – Strengths, Weaknesses, Opportunities & Threats

TeamSTEPPS – Team Strategies & Tools to Enhance Performance & Patient Safety

TJC – The Joint Commission

VOC – Voice of the Customer

VP – Vice President

VPPS – Vice President Physician Services

VTE – Venous thromboembolism

WV – West Virginia

## Release and Ethics Statements

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### Release Statement

- I understand that \*
  - this application will be reviewed by members of the Board of Examiners.
  - if my organization is selected for a site visit, my organization will host the site visit,
  - facilitate an open and unbiased examination, and
  - pay reasonable costs associated with the award evaluation.
- If selected to receive an award, my organization will share nonproprietary information on its successful performance excellence strategies with other U.S. organizations. \*

### Ethics Statement

- I state and attest that \*
  - I have reviewed the information provided by my organization in this award application package.
  - To the best of my knowledge, this package contains no untrue statement of a material fact and omits no material fact that I am legally permitted to disclose and that affects my organization's ethical and legal practices. This includes but is not limited to sanctions and ethical breaches.
- I understand that after I submit the application, I will not be able to update it. \*

Date: \*

Signature: \*