

2016 ANNUAL CAREHOLDERS' REPORT //



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See 30th Anniversary Report on reverse side



MedStar911.org

MISSION STATEMENT //

To Provide World Class Mobile
Healthcare with the Highest-
Quality Customer Service and
Clinical Excellence in a Fiscally
Responsible Manner.

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THIRTY YEARS OF
CARING & INNOVATION
1986 **30** 2016



This has been another amazing year for our MedStar Team!

MedStar continues to be one of the most recognized EMS agencies locally, nationally and even internationally. Our teams produce outstanding performance, continually meeting the needs of our growing community in a way that has made MedStar among the most clinically proficient, operationally effective and fiscally efficient EMS systems in the world.

Through the Office of the Medical Director, our clinical teams have developed and are now implementing the “Blueprint for Quality”—a first-of-its-kind comprehensive plan for enhancing provider credentialing, and measuring and improving evidence-based clinical processes of care that make a true difference in patient outcomes.

Even with the dramatic changes in healthcare payment policies, our business-office staff continues to do an incredible job turning the services we provide for the community into the revenue we need to provide one of the highest clinically and operationally functional EMS systems in the country, *without any reliance on local tax support.*

Our Mobile Integrated Healthcare (MIH) programs continue to grow very rapidly to meet the healthcare needs of our patients and our healthcare partners. MedStar has become the “go-to” information source for healthcare systems across the country that are considering implementing MIH programs in their local communities.

The 450 employees serving our community were recognized with three national awards this year. The National Safety Council, in partnership with the Texas Department of Transportation presented us with their **Our Driving Concern Award** for our efforts in driver safety. The American Ambulance Association presented us with their inaugural **AMBY Award** for our book titled *Mobile Integrated Healthcare—Approach to Implementation*. The Journal of Emergency Medical Services (JEMS) recognized MedStar as a Top 10 Innovator in 2015 with an **EMS10 Innovator Award**.

The capstone of the year was the completion of and move in to our new state-of-the-art headquarters facility. After 30 years in the same location, we were able to custom design and build a facility deserving of the commitment and dedication of our team members. This milestone recognizes a significant investment in our employees and our community, and will be the perfect facility for us for the next 30 years.

We are extremely honored to serve this community. It is an honor that I, and all our team members, work tirelessly to earn, every day, every patient contact.

Douglas Hooten

Douglas R. Hooten, MBA, Executive Director



STARCARE VALUES //

SAFE: Were my actions safe for me, for my colleagues, for other professionals and for the public?

TEAM-BASED: Were my actions taken with due regard for the opinions and feelings of my co-workers, even those from other agencies?

ATTENTIVE TO HUMAN NEEDS: Did I treat my customer as a person? Was I kind? Did I use his or her name throughout the encounter? Did I listen to the customer's concerns and was my response appropriate?

RESPECTFUL: Did I act toward my customer, my colleagues, my first responders, the hospital staff and the public with the kind of respect that I would have wanted to receive myself?

CUSTOMER ACCOUNTABLE: If I were face-to-face right now with the customers I dealt with, could I look them in the eye and say, "I did my very best for you."

APPROPRIATE: Was my service consistent with focusing on Job 1: taking care of our internal and external customers—medically, professionally, legally and practically—considering the circumstances I faced?

REASONABLE: Did my actions make sense? Would a reasonable colleague of my experience have acted similarly under the same circumstances?

ETHICAL: Were my actions fair and honest in every way? How would my family feel if this was on the front page of the newspaper?



MEDSTAR AT A GLANCE 2015

Employees, 460

Ambulances, 56

Annual Response Volume, 131,469

Annual Staffed Unit Hours, 232,712

COMMUNITY PROFILE

Resident Population Served, 978,455

Service Area Square Miles, 434

Median Family Income, \$42,939

Average Age of Population, 34

2015 MILESTONES

February: Grand opening of our new headquarters facility

October: National Safety Council and Texas Department of Transportation Safe Driving Award

November: American Ambulance Association AMBY Award

December: Re-Accreditation by the Commission on the Accreditation of Ambulance Services

December: Journal of Emergency Medical Services EMS10 Innovation Award

SERVICE LINES OFFERED

- Emergency Medical Services
- Mobile Integrated Healthcare
- Critical Care Transport
- Inter-Facility Transport
- Special Event Medical
- 9-1-1 Nurse Triage
- Call Center Services
- Consulting



— PEOPLE —

MedStar recognizes the importance of the community's health and relies heavily on our team members' well-being. MedStar is dedicated to improving community health and providing an environment that encourages employee health and job satisfaction.

STARS OF LIFE PROGRAM //

Stars of Life is a program sponsored by the American Ambulance Association to honor the dedication of ambulance services professionals and the remarkable individuals who stand out and represent excellence in every area of the industry.



MedStar attends Stars of Life Capitol Hill Event.

**MEDSTAR HAS
LOW TURNOVER**

MedStar Mobile
Healthcare Monthly
Employee Turnover
averages 1.8%



MedStar was honored to have paramedic Jason Hernandez represent us at the 2015 Stars of Life Program in Washington, D.C.

— PEOPLE —



“I enjoy making a difference in the community by providing safe and well-maintained ambulances.”

Terry Drake (below) on what it means to be a MedStar Fleet Tech.

STARFIT AND WELLNESS MILESTONES //

2014–2015: Received American Heart Association’s _____ Fit-Friendly designation for the first time, in 2014, and have maintained status through 2015.



FEB. 2015: In-house fitness center opened.

AUG. 2015: Replaced vending machines with the HUMAN Healthy Micro-Market system to provide our employees with healthy vending options and fresh, healthy food from a local Fort Worth deli and bakery.

JAN. 2016: Committed to becoming an _____ approved Blue Zones Project Worksite in 2016.



Blue Zones Project is partnering with employers across Fort Worth to create healthier work environments and empower employees to be happier, healthier and more productive.

The Blue Zones Worksite® Pledge promotes evidence-based actions and lifestyle principles to create healthier work environments for employees.

FEB. 2016: Implemented MedStar’s first-ever external health-and-wellness incentive program, Vitality WellnessIQ, which is an interactive and personalized wellness program for our employees and their families.



FLEET METRICS

Miles driven: 3,025,284
Engine hours: 281,712
Average MPG: 7.88

MedStar is proud to be part of the Fort Worth-area community and of our social responsibility initiatives.



SAFE COMMUNITIES COLLABORATIVE:

MedStar is a key partner with the Fort Worth Safe Communities Coalition and active on task forces for Falls, Elder Abuse, Drug Overdose and Road Safety.

The mission of this collaborative is to unite to promote safety and reduce injury. The World Health Organization Collaborating Centre on Community Safety Promotion designated Fort Worth as the 300th Safe Community worldwide, 22nd in the U.S. and 2nd in Texas.

We are now working with the City of Burleson on the same designation.

25-IN-5 CAMPAIGN: For someone in pre-hospital cardiac arrest to survive, time from collapse to CPR is of the essence.

MedStar set a goal in 2011 to train 25,000 residents in hands-only CPR in five years. The goal is on its way to being met, with 20,000 people trained through January 2016. The goal is championed by MedStar, in partnership with CBS-11, the Fort Worth Emergency Services Collaborative, area fire departments, the Fort Worth Independent School District, and the DFW Airport Department of Public Safety.

HOME FOR THE HOLIDAYS: MedStar provided courtesy transportation this year for three area nursing home residents to their families' homes for Thanksgiving dinner. These residents ordinarily would not have been able to enjoy this setting due to clinical and financial challenges.



MedStar's team conducting hands-on CPR at a Texas Motor Speedway NASCAR event.



AMERICAN HEART ASSOCIATION HEART WALK: MedStar participated in the American Heart Association Heart Walk with a walking team, and was on hand with ambulance services.

— COMMUNITY —

HABITAT FOR HUMANITY: MedStar worked with Habitat for Humanity's building project in Fort Worth. Former President Jimmy Carter and his wife, Rosalynn Carter, were in attendance, as well as Tricha Yearwood and Garth Brooks (pictured below).



MEDSTAR TRICK-OR-TREAT: Two special children with serious medical issues, and their families, were taken trick-or-treating on Halloween evening by MedStar. The residents of the Pembroke and Berkeley neighborhoods in Fort Worth once again demonstrated their incredible kindness and passion for this event by rolling out the red carpet for these special families.



HOMELESS OUTREACH: On Christmas 2015, MedStar sponsored two homeless outreach programs. The first was the delivery of more than 350 care packages. The community responded to the request for donations with carloads and truckloads of items delivered to MedStar headquarters. These kits were personally delivered by MedStar staff and on-duty ambulance team members to homeless patients they encountered. MedStar also conducted a coat drive for the homeless, with more than 50 winter coats collected for a local charity to distribute.



MedStar donated medical coverage for the local Habitat for Humanity project.

MedStar collected donations to create homeless packs, sacked them up and delivered them to the homeless.



— SPECIAL EVENT COVERAGE —

680 COMMUNITY EVENTS: MedStar participates in a variety of events, such as sporting activities, concerts, parades, fairs, block parties, air shows, auto races and private parties. MedStar services include teams on bicycles and a Kawasaki Mule, manning static locations for first aid, and providing ambulances designated for transport.



236 EDUCATIONAL EVENTS: MedStar also supports diverse community and educational events with churches and other civic organizations, including school career days and special events such as National Night Out.

— SPECIAL EVENT COVERAGE —

MEDSTAR'S AMBUS //

MedStar, in partnership with the Fort Worth Fire Department, is one of four regional services that house and support events, and respond to emergencies with an AMBUS.

The AMBUS (Ambulance Bus) is a 40-foot school bus designed and modified with the flexibility to provide mobile healthcare services or to transport as many as 20 reclined patients simultaneously.

The AMBUS responds with a crew of

six personnel and has the medical supplies and communications equipment to deploy for any type of event.

During the spring severe-weather season, the MedStar AMBUS responded to assist with rescue efforts after a tornado outbreak in Wise County.

MedStar also used the AMBUS to respond to the Slide the City event in Fort Worth in June, 2015. The AMBUS was used as a cooling and first-aid location.



— PROGRAMS —

MOBILE INTEGRATED HEALTHCARE PROGRAMS //

Mobile Integrated Healthcare (MIH) programs are designed to meet the Institute of Healthcare Improvement's Triple Aim:

- Improve patients' experience of care
- Improve the health of populations
- Reduce healthcare costs.

Since 2012, MedStar has hosted

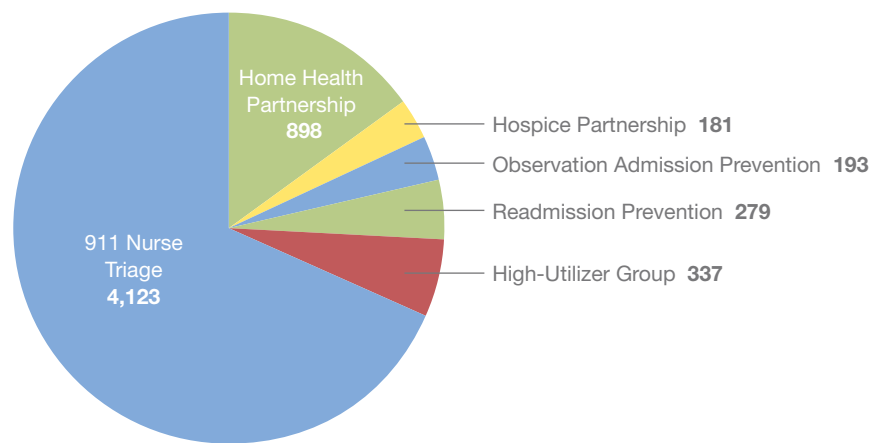
representatives from more than 170 communities from 41 states and five other countries to teach them how to set up MIH programs in their local communities. MedStar also has more than 20 formal consulting arrangements with agencies seeking to set up and measure the outcomes of these programs.

Countrywide, MedStar leads the industry in Mobile Integrated Healthcare programs

MEDSTAR MASTERS THE MIH PROGRAMS //

- Emergency Department visits avoided: 3,321
 - Admissions avoided: 553
 - Ambulance transports avoided: 4,593
 - Average improvement in enrolled patients' perceptions of their health status: 36.7%
 - Reduction in healthcare expenditures: \$10,810,216
- Locally, since 2013, more than 6,000 patients have been enrolled in our MIH programs.

MEDSTAR MIH PROGRAM PARTICIPATION



MedStar Mobile Healthcare

MOBILE INTEGRATED HEALTHCARE

Approach to Implementation



MedStar authored *Mobile Integrated Healthcare—Approach to Implementation* at

the request of Jones and Bartlett Learning, a premier healthcare text publisher. The book has been read by thousands of EMS and healthcare industry stakeholders.

Proceeds from the book are donated to the MedStar Foundation for contributions to local charities and first-response agencies. The foreword for the book is written by Maureen Bisognano, president and CEO of the Institute for Healthcare Improvement.

— PROGRAMS —

MEDSTAR IMPROVES DRIVING SAFETY //

Driving is one of the riskiest tasks an employee is asked to perform, and traffic-related incidents are the leading cause of death and injury in the public safety industry.

Driving performance has been difficult to manage. In 2014, MedStar significantly improved driving by engaging DriveCam to install driver-activated cameras in all vehicles to combine video and audio feedback alongside engaged driving coaches. The results exceeded previous years' use of a more passive feedback device used to coach drivers towards safer driving behavior.

SAFETY AND SAVINGS SUCCESS

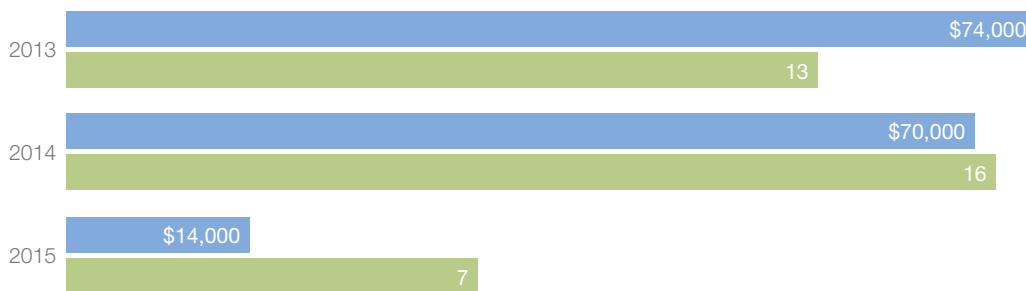
- 80%+** Savings in repair costs from 2013 to 2015.
- 56%** Reduction in collisions in 2015 from the previous year.
- 73%** Reduction in near collisions.
- 37%** Reduction in frequency of violations.
- 49%** Reduction in severity of violations.
- 81%** Reduction in speeding violations from 11 to two.

10% A small fraction of total MedStar drivers make up 54 percent of driving risk.

70% Riskiest drivers improved their record from active coaching, and 80 percent sustained improvement without additional coaching,



COLLISION COST AND FREQUENCY



The National Safety Council, in partnership with the Texas Department of Transportation, presented MedStar with their **Our Driving Concern Award** for our efforts in driver safety.

— PERFORMANCE —

AVERAGE RESPONSE TIMES

Priority 1,

Life-Threatening

Emergency:

6 minutes, 7 seconds

Priority 2,

Non-Life-Threatening

Emergency:

6 minutes, 36 seconds

Priority 3,

Non-Emergency:

8 minutes, 5 seconds

Priority 4,

Scheduled

Transports:

Not Applicable

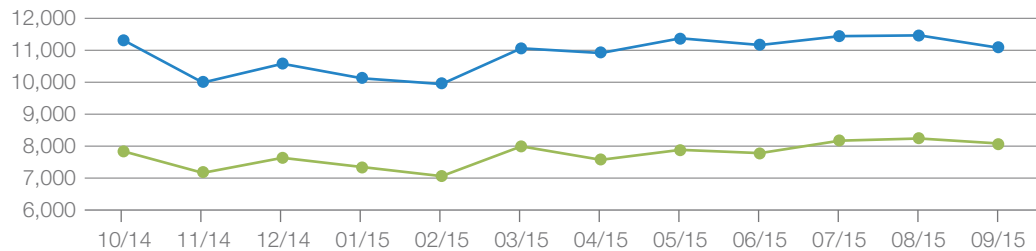
CLINICAL PERFORMANCE MEASURE

MedStar has continually improved the ability to resuscitate cardiac arrest patients through education and training of our EMTs and paramedics.

MedStar sets clear goals and success metrics, supporting the adage that when performance is measured, then performance improves, and improvement accelerates further when measured performance is reported.

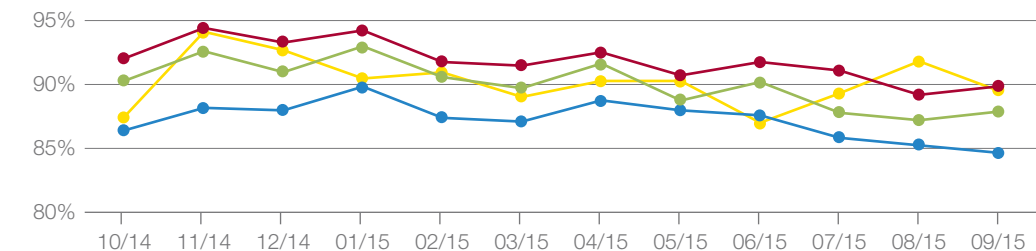
TOTAL RESPONSES AND TRANSPORTS

● Total Responses ● Total Transports



MEDSTAR SYSTEM RELIABILITY

● Priority 1 ● Priority 2 ● Priority 3 ● Priority 4



MEDSTAR CARDIAC ARREST WITH PULSE RETURN (ROSC)

2014 Unwitnessed

Initial Rhythm	Total	ROSC	ROSC%
Asystole	278	35	12.59%
VF/VT	34	17	50.00%
Other	69	17	24.64%
Total	381	69	18.11%

2014 Bystander Witnessed

Initial Rhythm	Total	ROSC	ROSC%
Asystole	88	25	28.41%
VF/VT	78	39	50.00%
Other	73	26	35.62%
Total	239	90	37.66%

2014 Combined/Overall

Initial Rhythm	Total	ROSC	ROSC%
Asystole	366	60	16.39%
VF/VT	112	56	50.00%
Other	142	43	30.28%
Total	620	159	25.65%

National 2014

Combined/Overall	10.30%
Bystander Witnessed	16.00%
Unwitnessed	4.30%
Utstein	32.80%
Utstein Bystander	36.30%

2015 Unwitnessed

Initial Rhythm	Total	ROSC	ROSC%
Asystole	244	38	15.57%
VF/VT	33	16	48.48%
Other	98	25	25.51%
Total	375	79	21.07%

2015 Bystander Witnessed

Initial Rhythm	Total	ROSC	ROSC%
Asystole	59	21	35.59%
VF/VT	62	35	56.45%
Other	77	30	38.96%
Total	198	86	43.43%

2015 Combined/Overall

Initial Rhythm	Total	ROSC	ROSC%
Asystole	303	59	19.47%
VF/VT	95	51	53.68%
Other	175	55	31.43%
Total	573	165	28.80%

National 2015 (not complete or validated)

Combined/Overall	7.80%
Bystander Witnessed	12.10%
Unwitnessed	3.20%
Utstein	25.90%
Utstein Bystander	29.40%

— PERFORMANCE —

PATIENT-EXPERIENCE SURVEYS //

The Centers for Medicare and Medicaid Services (CMS) requires healthcare providers to use external agencies approved by CMS to conduct patient-satisfaction surveys. CMS uses results from these surveys to determine financial bonuses or penalties to these providers.

Recognizing the value of externally conducted patient-satisfaction surveys, MedStar has engaged the EMS Survey Team (EMSST) to conduct external patient-experience surveys of our patients. These results are then benchmarked against other EMS agencies and published for local stakeholders. This information is used to continually improve our patients' experience with our service.

In September 2015 we reached the milestone of more than 2,500 completed patient surveys, which provide us statistically reliable data to accurately report our patients' perspectives on key metrics such as:

- Concern shown by the medics caring for the patient.
- Skill of the medical personnel.
- Dispatch processes and pre-arrival medical instructions.
- Extent to which the medical personnel kept the patients/families informed and involved in treatment decisions.
- Helpfulness of the business office staff.
- Overall rating of value.



PATIENTS GIVE MEDSTAR HIGH MARKS FOR CARE AND SERVICES //

MedStar is exceptionally pleased to report that for all comparable agencies in the EMSST database, *MedStar had the highest scores of any agency for the following survey responses:*

QUESTION	PERCENTILE
Helpfulness of the person you called for emergency service?.....	93.2
Concern shown by the person you called for emergency service?	94.1
Extent to which you were told what to do until help arrived?.....	93.8
Extent to which the medics kept you informed?.....	93.7
Extent to which medics included you in treatment decisions?.....	94.4
Appropriateness of emergency medical treatment?	93.9
Medics' concern for your privacy?	93.7
Cleanliness of the ambulance?	94.3
Comfort of the ride?	89.6
Professionalism of the staff in our billing office?.....	93.3
Willingness of the staff in our billing office to address your needs?	90.0
How well our staff worked together to care for you?	93.7
Extent to which the services received were worth the fees charged?	91.4
Overall rating of the care provided by our team?	94.1



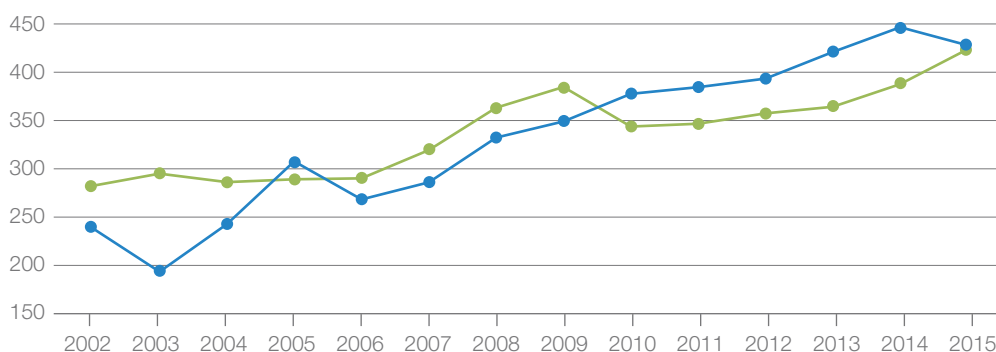
— FINANCE —

MedStar never loses sight of our goal of saving lives and improving health in our community in a fiscally responsible manner.

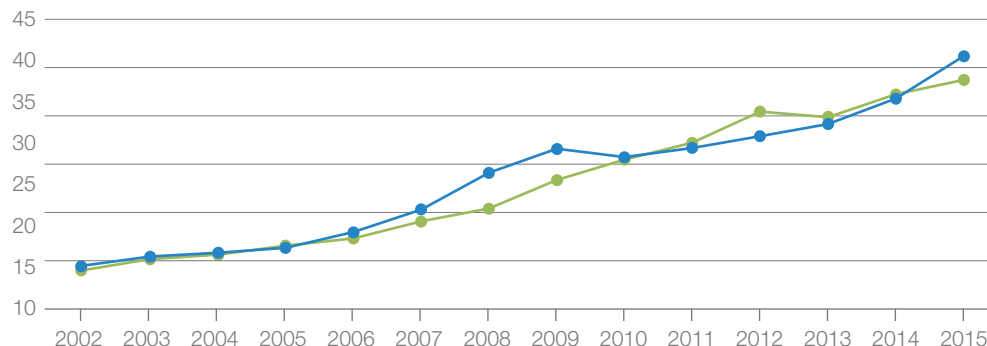


MedStar headquarters - Fort Worth, Texas

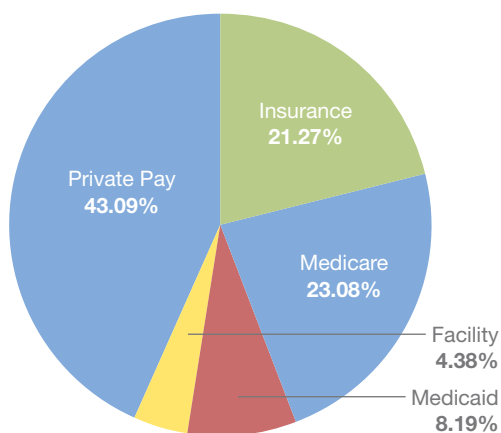
REVENUE AND COST PER TRANSPORT ● Revenue per Transport ● Cost per Transport



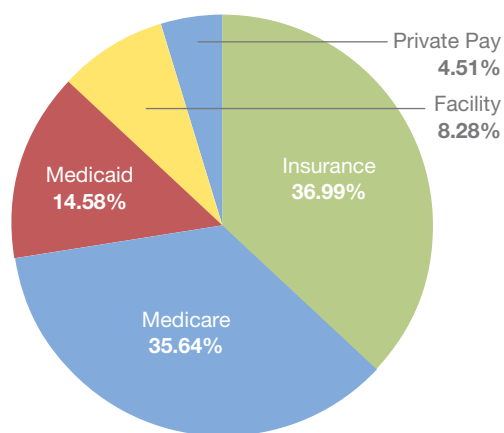
BUDGETED AND ACTUAL EXPENDITURES (\$ millions) ● Actual ● Budget



PAYOR MIX: BILLED CHARGES



PAYOR MIX: NET COLLECTIONS



BLUEPRINT FOR QUALITY //

Implementation of the Blueprint for Quality plan is currently underway, using collaborative, cross-functional teams made up of management and field staff from MedStar, participating First Responder Organizations, and the OMD.

Since 1986, MedStar Mobile Healthcare has been the provider of 911 medical response to Fort Worth and fourteen other cities in North Texas. MedStar is operated as a Public Utility Model, governed by the Area Metropolitan Ambulance Authority (AMAA), and with clinical guidance provided through the Emergency Physicians Advisory Board (EPAB). The Tarrant County Medical Society serves an invaluable role in this system of oversight, with five seats on the EPAB designated for TCMS physician representatives. The Office of the Medical Director (OMD) is tasked by the EPAB to provide medical direction and oversight for MedStar and the network of participating 911 First Responder Organizations (FROs).

This continuum of prehospital care has more recently been extended to include post-hospital discharge and hospital admission avoidance, thereby necessitating expansion of medical direction and oversight to more non-traditional realms of

out-of-hospital care. The current system is now a patient-centered medical navigation service, providing the highest quality out-of-hospital management across an entire spectrum of mobile healthcare.

In an effort to provide effective, efficient, and meaningful medical direction and oversight, the OMD, in collaboration with MedStar leadership, has designed the Blueprint for Quality, a strategic plan for achieving these goals:

CREDENTIALING: to directly address the EMS provider's knowledge of medical protocols, skills, and procedures to operate effectively under the Medical Director's license.

QUALITY IMPROVEMENT: to ensure that, once credentialed, prehospital personnel continue to provide the highest quality medical care, whether from the first seconds of a 911 call to stabilization and hospital transfer, or during the integrated management of patients in their homes.

TRAINING AND EDUCATION: to foster a culture of critical thinking and evidence-based clinical decision-making through which the individual provider develops a range of sophisticated clinical and cognitive skills.



The Professional Development Department was integrated into the Office of the Medical Director (OMD) in September 2015.

Under this new model, all clinical functions—including medical direction and oversight, quality assurance, training and education, and research—will be unified.

This will enable a more cohesive, team-based approach to forward the clinical quality of MedStar and the first responder organizations, and thereby attain the goals proposed in the Blueprint for Quality.

With almost 3,000 credentialed providers, the OMD now includes nine full-time staff to assist the medical directors in enhancing clinical quality and practice.



— LEADERSHIP —

The MedStar system is governed by the six members of the Area Metropolitan Ambulance Authority's board of directors.



Byron Black, retired board member, served from June 2002 to February 2016.



Zim Zimmerman
Chairman



Dr. Rajesh Gandhi



Dr. Neal Richmond



Dr. Darrin D'Agostino



Stephen Tatum



Paul Harral

EXECUTIVE AND MANAGEMENT TEAM //

Douglas Hooten, Executive Director

Joan Jordan, Director of Finance

Kristofer Schleicher, General Counsel

Matthew Zavadsky, Director of Public Affairs

Marianne Schmidt, Executive Assistant

Melissa Allen, Communications Center Manager

Chad Carr, Compliance Officer/Paralegal

Christopher Cunningham, Operations Manager

Shaun Curtis, Risk & Safety Manager

Dwayne Howerton, Chief Clinical Officer

Brett Lyle, Business Development Manager

Desiree Partain, Clinical Program Manager

Michael Potts, Logistics Manager

Tina Smith, Human Resources Manager

Robert Strickland, Deployment Manager

Susan Swagerty, Business Office Manager

Macara Trusty, Clinical Education Manager

Paul Trusty, Information Technology Manager

Heath Wright, Assistant Director of Operations

EMERGENCY PHYSICIANS ADVISORY BOARD //

Steven Martin, Chairman,
TCMS, Emergency Medicine

Gary Floyd, Vice Chairman
TCMS, Pediatrics

John Geesbreght, Secretary/Treasurer
Harris, Emergency Medicine

Faran Ali, TCMS, Cardiology

Toral Bhakta, Baylor All Saints, Emergency Medicine

Brett Cochrum, TCMS, Family Medicine

Brad Commons, THR - Alliance, Emergency Medicine

Rajesh Gandhi, JPS Trauma, Trauma Surgeon

Dan Goggin, TCMS, Psychiatry

Daniel Guzman, Cook Children's, Pediatrics

David Hanscom, Plaza Emergency Medicine

AJ Kirk, JPS, Emergency Medicine

Anant Patel, THR Southwest

Shawn Sanderson, THR Huguley

William Witham, THR - Trauma, Trauma Surgeon

— SERVICE AREA —

