

Social Responsibility Report

LIFE POINT HEALTH°



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### FORWARD-LOOKING STATEMENTS

Unless otherwise indicated, the historical information in this document relates to the period January 1, 2015 through December 31, 2015 or is dated as of December 31, 2015. In addition to historical information, this document may contain certain statements that are "forward-looking statements." Forward-looking statements discuss future events or conditions and often include words such as "could," "may," "should," "expect," "anticipate," "intend," "plan," "believe," "seek," "will," "continue" or similar expressions. Such forward-looking statements, together with other statements that are not historical, are based on management's current expectations and involve known and unknown risks, uncertainties, contingencies and other factors that could cause results, performance or achievements to differ materially from those stated. The most significant of these risks and uncertainties, along with several factors that could cause results to differ significantly from the Company's expectations, are described in the Company's Form 10-K, Form 10-Q and Form 8-K reports filed with the Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize or should underlying assumptions prove incorrect, the Company's actual results, performance or achievements could differ materially from those expressed in, or implied by, such forward-looking statements. Readers are cautioned not to place undue reliance on these foward-looking statements. The Company does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

LifePoint Health, social responsibility is rooted in our mission of Making Communities Healthier®. It means creating places where people choose to come for healthcare, physicians want to practice, and employees want to work. It means acknowledging and taking ownership of the significant role we play in our local economies as taxpayers, employers, philanthropists and leaders. Ultimately, it means doing the right thing.

Our commitment to social responsibility is primarily reflected in our relentless pursuit of quality. At LifePoint, the term "quality" represents a way of life that encompasses all that we do. It incorporates how we care for patients, how we ensure the health and safety of each of our employees, how we contribute to the overall health and well-being of our communities, and how we conduct business sustainably.

In May 2015, we announced our new name: LifePoint Health. Our change from LifePoint Hospitals to LifePoint Health reflects our strategy and the full scope of our work beyond the walls of our hospitals with physicians, post-acute services, outpatient centers, wellness providers and our communities. We are continuing to expand our reach, serve more people across the continuum of care and take our company to new heights.

Despite the ongoing challenges of



healthcare reform and operating in a highly regulated environment, we made significant progress in 2015 with advancing our quality and patient safety efforts. We launched our National Quality Program with Duke University Health System and designated our first hospital—Clark Regional Medical Center—as a Duke LifePoint Quality Affiliate. An equally proud milestone, LifePoint was one of only 17 organizations selected by the U.S. Department of Health and Human Services for a second contract as a Hospital Engagement Network, continuing our efforts to improve patient safety by reducing healthcare-acquired conditions and readmissions.

In 2015, we also successfully capitalized on the benefits of healthcare reform, leading to record achievements in revenue, EBITDA, and adjusted diluted earnings

continued on page 3



Atourcore.

# **Our Mission**

Making Communities Healthier®

# **Our Vision**

We want to create places where:

People choose to come for healthcare,

Physicians want to practice, and

Employees want to work.

# **Our High Five Guiding Principles**

Delivering high quality patient care
Supporting physicians
Creating excellent workplaces for our employees
Taking a leadership role in our communities
Ensuring fiscal responsibility

continued from page 1

per share. Our focus on providing quality patient care continues to increase our operating efficiency, which is reflected in our strong balance sheet. The result is growth in shareholder value.

Our focus on quality continues to differentiate us on the development trail, as well. In 2015 and early 2016, we added eight new hospitals:

- Nason Hospital in Roaring Spring, Pennsylvania;
- Clark Memorial Hospital in Jeffersonville, Indiana;
- Fleming County Hospital in Flemingsburg, Kentucky;
- Watertown Regional Medical Center in Watertown, Wisconsin;
- St. Francis Hospital in Columbus, Georgia;
- Frye Regional Medical Center in Hickory, North Carolina;
- Central Carolina Hospital in Sanford, North Carolina; and
- Providence Health in Columbia, South Carolina.

As a result of this growth, LifePoint was included on the prestigious Fortune 500 list for the first time in 2015. This milestone is a testament to the hard work and commitment of our employees, who continue to fuel our success and our ability to impact the lives and health of people across the nation.

These are just a few of our accomplishments in 2015, and we encourage you to read the following report to learn more about our sustainability efforts. We will continue to be a successful and socially responsible company by keeping the right things—including quality, patient safety, and our mission, vision and High Five Guiding Principles—sharply in focus.

Sincerely,

William F. Carpenter III

Chairman and Chief Executive Officer



# Ourfootprint.



As mentioned on page 3, we added eight hospitals in 2015 and early 2016. In addition, we determined that several of our hospitals, including Putnam Community Medical Center in Florida and Lakeland Community Hospital, Northwest Medical Center and Russellville Hospital in Alabama, would be better positioned in the hands of operators with greater critical mass in their respective markets. As a result, we sold these four hospitals in 2015.

ounded in 1999 and headquartered in Brentwood, Tennessee, LifePoint Health, Inc. is a leading healthcare company dedicated to Making Communities Healthier®. LifePoint is a publicly owned corporation (NASDAQ: LPNT) that provides quality healthcare close to home in our communities by offering comprehensive inpatient, outpatient and post-acute services. In 2015, we served our communities in 28.879 newborn deliveries, 307,892 surgeries, 234,923 inpatient admissions, 1,464,380 emergency department visits and 3,300,078 outpatient visits, generating more than \$5.2 billion in revenues. We also provide wellness and prevention programs and services for people of all ages.

Through its subsidiaries, LifePoint owns and operates healthcare facilities across the continuum of care. As of December 31, 2015, our robust and growing network of hospitals and affiliated healthcare providers included:

- 70 hospital campuses in 21 states;
- more than 40 post-acute service providers and facilities, including home health and hospice services, long-term care services, nursing homes and assisted living facilities;

# Company *Overview*

- more than 30 outpatient centers, including urgent care centers, diagnostic imaging centers, ambulatory surgery centers, and radiation oncology programs;
- nearly 1,600 employed providers;
- relationships with more than 6,300
   physicians across our communities; and
- nearly 45,000 employees.

### GOVERNMENT FUNDING

As a fiscally responsible company, we operate our hospitals and other subsidiaries in a way that enables us to take advantage of favorable tax and other regulatory provisions. Our significant sources of governmental funding include the following:



- As of December 31, 2015, all of our hospitals were eligible to participate in government-sponsored provider programs, such as the Medicare and Medicaid programs, and we receive revenues for services provided;
- In 2011, we were selected by the Department of Health and Human Services (HHS) to participate in its nationwide Partnership for Patients initiative as a Hospital Engagement Network (HEN). As a result of our participation, we received funding from HHS to sponsor various types of training and education focused on patient safety and quality care;
- We receive Medicare and Medicaid incentive payments when our hospitals demonstrate meaningful use of certified electronic health records technology; and
- We receive a property tax abatement in connection with the relocation of the LifePoint Health Support Center (HSC) to Davidson County, Tennessee in 2014.

Details of these payments are shown in the chart below (\$ in millions).

Source	2013	2014	2015
Medicare Programs	\$1,199.5	\$1,361.4	\$1,515.0
Medicaid Programs	517.0	619.8	841.6
HEN	2.7	3.5	1.0
Meaningful Use	64.1	71.9	49.7
HSC Tax Abatement	0	.87	.93

### SUPPLY CHAIN

LifePoint's standardized purchase system across its facilities ensures centralization of the purchasing and payment functions at the HSC, where clinical and operational resources are available to ensure supply chain quality. This provides cost savings to the company while enabling facilitybased supply chain personnel to focus on local operations development. Our supply chain operations play an important role in LifePoint's communities. In 2015, our hospitals averaged almost \$3.6 million in spending with local vendors and approximately \$10.5 million in spending within their respective states. Our positive impact on our communities is also demonstrated through our active participation in environmental sustainability purchasing committees, capital improvement contracting, and local clinical waste reduction initiatives.

### GOVERNANCE

LifePoint is committed to upholding the highest governance standards. The Board of Directors is composed of eight members, seven of whom are independent as defined by applicable NASDAQ rules. The Board conducts its work through four standing committees: Audit and



Compliance; Compensation; Corporate Governance and Nominating; and Quality. Specific details and additional information about our corporate governance structure is available beginning on page 21 of our 2016 Proxy Statement, which can be found on our website at www.LifePointHealth.net.

Duke LifePoint Healthcare, our joint venture with Duke University Health System, has a governing board that oversees its overall business, including its Quality program. Each of our other joint ventures has a governing board that oversees the activities of that entity.

In addition, each of our hospitals has a local Board of Trustees, composed of members of the local community, members of the hospital's medical staff, and hospital administration, that oversees quality and safety performance and planning.

Operationally, LifePoint's facilities are divided into three groups: Western, Central and Eastern. These groups are managed by leadership teams consisting of a group president, chief operating officer, chief financial officer and chief nursing officer. The company's operational structure helps ensure that our hospital leadership teams receive the appropriate support and resources they need to effectively lead their hospitals.

In 2015, LifePoint established its Social Responsibility Committee to coordinate our corporate giving and other philanthropic activities. More details about this committee can be found on page 19 of this report.

### ETHICS AND COMPLIANCE

It is LifePoint's policy to conduct its business with integrity and in compliance with the law. Our company-wide ethics and compliance program includes an oversight committee of the Board of Directors, a corporate ethics and compliance officer, a corporate ethics and compliance committee consisting of senior management, and ethics and compliance officers at each of our hospitals. A critical component of our ethics and compliance program is our Code of Conduct. Compliance with the Code of Conduct is a condition of employment for our employees, all of whom are required to complete compliance training within 30 days of employment and annually thereafter. Employees are encouraged to call our external compliance hotline for guidance with any ethics or compliance issues or to report possible violations of the Code of Conduct.

In addition, the Board of Directors has adopted a Code of Ethics for the Company's CEO, principal financial officer, principal accounting officer, controller and persons performing similar functions, which specifically addresses the unique roles of these officers in corporate governance.

LIFEPOINT

The Code of Conduct and the Code of Ethics are both available in the corporate governance section of our website at www.LifePointHealth.net.

### STAKEHOLDER ENGAGEMENT

As a publicly traded healthcare provider in a highly regulated industry, LifePoint has a responsibility to serve the unique needs and interests of a broad number of stakeholders. A discussion of our commitment to our stakeholders begins on page 3 of our Code of Conduct. Our engagement with our stakeholders is an ongoing process. Page 12 of this report includes examples of our engagement with two of our largest stakeholders: our patients and their families, and our employees and affiliated physicians.

As with most publicly traded companies, our executive compensation program is a topic of interest for our stockholders. We regularly receive input from our stockholders about the program via our annual say-on-pay vote and through direct discussions with stockholders and proxy advisors. Following the 2015 annual meeting of stockholders, we sought feedback on executive compensation matters from stockholders owning approximately 50% of the Company's outstanding shares.

Based on the input we received, we made changes to the executive compensation program for 2016. A more complete discussion of the issues raised and the changes made to the executive compensation program is included on page 41 of our 2016 Proxy Statement.

# Raisingthebar.



**Duke** 

LIFEPOINT

Hospitals that have demonstrated a capacity to continuously measure and improve quality and patient safety are named Duke LifePoint Quality Affiliates. In 2015, Clark Regional Medical Center in Winchester, Ky., became the first LifePoint facility to be designated as a Duke LifePoint Quality Affiliate.

t LifePoint, quality is more than just a set of clinical criteria. It is a way of life that permeates every level of the organization. We believe that everyone employees in all departments, physicians, patients and family members—has a voice and plays a vital role in creating the best possible patient experiences and results. Our quality efforts are centered on the LifePoint National Quality Program (NQP), in which all wholly-owned LifePoint facilities participate. Launched in 2014 in collaboration with Duke University Health System and modeled on the Duke LifePoint Quality Program in which Duke LifePoint facilities participate, the NQP is the platform we use to ensure consistent, high standards of quality and patient safety across our system. The NQP's structure is patient-centered and supported by three pillars: leadership, culture and performance improvement.

### LEADERSHIP

Leaders at our hospitals and at the HSC demonstrate their commitment to quality and patient safety in several ways:

• Executive Patient Safety Rounds:
As part of the NQP, LifePoint encourages hospital executives and board members to set dedicated time aside to engage with staff, physicians, patients and families about quality and patient safety

# It Starts with Quality

by walking the halls and making rounds. This provides a meaningful opportunity for leaders to observe both successes and opportunities for improvement. In 2015, all of our hospitals implemented Executive Patient Safety Rounds.

As of December 2015, more than 20 leaders across our system, representing 15 of our hospitals, members of Group Leadership, and members of the HSC Quality team, have attained safety certification offered by the Certification Board for Professionals in Patient Safety and endorsed by the National Patient Safety Foundation. This esteemed certification recognizes and distinguishes individuals who demonstrate competency and expertise in the science and application

of patient safety.





# PATIENT AND FAMILY ADVISORY BOARD

LifePoint established the Patient and Family Advisory Board (PFAB) to help ensure that patients' voices are heard. This board brings together patients, family members of those who have received care in a LifePointaffiliated hospital, and LifePoint leadership with a vision to inspire and embrace the patient and family voice to make communities healthier. Drawing from their personal experiences, PFAB members are helping to drive meaningful change across our network so that the LifePoint Health name becomes synonymous with a safe, high-quality and enjoyable patient experience. Established in 2014, the PFAB complements the company's existing efforts to enhance quality and safety and ensure a patient-centered approach to care in the communities we serve.

### CULTURE

# **Culture of Safety and Engagement Survey**

Our Culture of Safety and Engagement (CoSE) survey is an important tool that measures the attitudes, beliefs and perceptions of our staff related to the culture (Seated L-R): Sean Tuley, Woody Caudle, Rusty Holman, M.D., Amy Buesing and Karen Frush, M.D.

(Standing L-R): Laura Evans, Teri Tomlinson (former PFAB member), Brigid Stevens, Bill Carpenter, John Bumpus, Tammie Lucero, Ronnie Moses and Michelle Watson, R.N.

of safety and employee engagement at our hospitals and the HSC. Administered approximately every 18 months, the survey is applicable to employees at all levels of the organization—from maintenance staff and administrative roles to frontline caregivers. It underscores the critical role that every employee plays in quality and safety and gives our physicians and staff an opportunity to make their voices heard.

### A Culture of Collaboration

Our hospitals play an important role in bringing together key community partners to help enhance the overall health and well-being of those we serve. Once patients leave the hospital, it is important to have a strong and coordinated system of support and resources to help them overcome barriers to recovery and ultimately avoid being readmitted. That's why we launched Community Coalitions in select communities in 2015 to help build

a culture of safety through collaboration beyond the walls of the hospital. The coalitions provide an opportunity to partner with groups that typically do not work closely together—including pharmacies, home health providers, skilled nursing facilities, emergency medical services, paramedicine providers, and others—to help improve the local healthcare community's culture of collaboration and patient safety. By working together, these groups are effectively helping to make communities healthier by providing comprehensive and consistent support for patients when they return home to continue their recovery process.

### PERFORMANCE IMPROVEMENT

The HEN program of the HHS Partnership for Patients initiative is a public-private collaboration to make healthcare safer, more reliable, and less costly. LifePoint was the only investor-owned organization to serve as a HEN in the first round, which began in 2011, and was selected in September 2015 to participate in a second contract to continue its HEN work. By the end of the second round in September 2016, LifePoint had sustained its initial success and achieved a more than 49% reduction in healthcare-acquired conditions since 2011.



**C** I experienced bedside shift reporting firsthand and was so impressed by how the medical staff involved me and my family in my care. They spoke to me in a language I could understand and made sure I was comfortable with the treatment plan. No one ever wants to be in the hospital, but the patient-centered care I received during this visit made me so glad I had chosen Maria Parham Medical Center."

> —Woody Caudle, Patient and Family Advisory Board Member



ifePoint is committed to creating places where employees want to work, and performance management and talent development are key strategies to ensure our growth and success as a company. We know that when our employees feel engaged, motivated, and well-prepared to excel in their jobs, our company and communities benefit.

# PERFORMANCE MANAGEMENT

Individual accountability is fundamental to our success. Our performance management initiative ensures that all employees know what it takes to be successful and that each individual's efforts are purposefully aligned with measurable goals at every level of the organization.

# PROFESSIONAL DEVELOPMENT

In 2015, nearly 2,000 attendees participated in more than 50 training sessions held in the HSC Learning Center. These sessions included training offered through the LifePoint Learning Academy, a collection of educational, mentoring and executive coaching programs designed to develop talent at all levels of our company. Principal programs for 2015 included:

# Committed to Our People

## LifePoint Leadership Foundations—

A four-day leadership development program designed to develop and enhance necessary competencies for effectiveness in leadership roles.

**Director Development**—A week-long program for facility-level directors that addresses emotional intelligence, crucial conversations, interviewing, time management and decision making.

# Finance for Non-Financial Managers

—Focuses on developing business acumen skills for those without a finance background.

**Crucial Conversations**—Teaches skills for creating alignment and agreement by fostering open dialogue around high-stakes topics.

In addition, the LifeTalent Center, our online learning system, is available to our hospitals and the HSC. The LifeTalent Center incorporates learning, performance, succession and other talent management functionalities within one system and is used to track the assignment and reporting of annual mandatory training for all LifePoint employees.

# EMPLOYEE BENEFITS AND SERVICES

All full- and part-time employees who are in active payroll status are eligible for benefits on the first of the month following 30 days of employment. In addition to

KEY EMPLOYEE STATISTICS			
	2013	2014	2015
Total Employees	31,082	38,382	39,385
% Part-Time and PRN	26.0%	22.7%	22.7%
% Female	82.0%	81.7%	81.5%
Average Age	45.57	44.89	44.98
Average Length of Service in Years	9.74	9.12	9.34
Overall Turnover	20.7%	19.0%	25.5%
Worker's Compensation Claims	1,646	1,949	2,372
Lost Time Days	11,299	11,911	14,292
Restricted Duty Days	9,249	11,158	11,424
Work-Related Fatalities	0	0	0
Occupational Diseases	0	0	0
Employees subject to collective bargaining agreements	957	1,200	1,155

compensation and paid time off programs, benefits include:

**Health insurance**—Full-coverage medical plans that offer a wide range of services, including medical, dental, vision and prescription drug coverage.

**Life and Disability insurance**—Benefits include life and accidental death and dismemberment insurance as well as short-and long-term disability coverage.

**401k Plan**—Available to every employee, our 401k Plan includes a discretionary matching program.

LifeWise Wellness Program—Offers a number of free and greatly discounted services, including health coaches and tobacco cessation services, to help our employees reach their health and wellness goals.

# Employee Assistance Program—

Provides confidential counseling and referral services free of charge.

# HELPING OUR LIFEPOINT FAMILY

One important way we take care of our LifePoint family is by supporting each other during times of need through contributions to the LifeCare Disaster Recovery Fund. From devastating natural disastersincluding hurricanes, tornadoes and floods—to home fires and life-threatening injuries or illness, LifeCare has been there to help employees and their families pick up the pieces.

Since the fund was created in 2010, it has provided crucial assistance to more than 200 employees at 44 of our hospitals and the HSC, totaling more than \$520,000 in financial support.

# HONORING OUR EMPLOYEES: The Mercy Award

The Mercy Awards program honors our founding Chairman and Chief Executive Officer, the late Scott Mercy, by celebrating people within LifePoint who truly demonstrate Scott's caring spirit and the values on which the company was founded.

Every year, each hospital and the HSC select one local Mercy Award winner who consistently:

- Goes beyond the call of duty in serving LifePoint's hospitals and providers, its employees and the community;
- Demonstrates a level of commitment to giving back in a manner that supports LifePoint's culture of caring;



# 2015 Companywide Mercy Award Winner

Arlene Mofield from Lake Cumberland Regional Hospital was awarded the LifePoint Health 2015 Mercy Award for her unrelenting compassion and care for senior citizens and those in need in south central Kentucky. A member of the Lake Cumberland staff for 35 years, Mofield spearheads the hospital's Senior Friends program, through which she has launched several initiatives to engage seniors in their health, including a Senior Health and Fitness Day, an opportunity for seniors to receive flu shots from the comfort of their cars. and twice weekly Senior Fun and Fitness sessions. Additionally, Mofield introduced a support group and monthly lunch conversation for families whose loved ones have Parkinson's disease.

- Respects the individual in everything he or she does; and
- Inspires others with compassion, dedication and a merciful spirit.



# HSC SOCIAL RESPONSIBILITY COMMITTEE

n 2015, the company established a Social Responsibility Committee that includes HSC leaders representing a cross-section of departments. The group has been charged with developing a strategy to guide our charitable efforts, ensuring the company is giving and volunteering at a rate in line with national benchmarks, and reviewing any request for financial or in-kind support from the organization.

### By The Numbers

In 2015, the HSC contributed more than \$550,000 in philanthropic and economic development support in Middle
Tennessee. The entire company, including its hospitals, contributed \$3,261,085 in charitable donations in our communities.

# ADVOCACY AT LOCAL, STATE AND FEDERAL LEVELS

LifePoint is an active participant in the public policy process in matters related to healthcare and the interests of the communities we serve. In 2015, Bill Carpenter and other LifePoint executives addressed federal, state and local issues facing our hospitals in meetings with President Barack Obama, HHS, Centers for Medicare and Medicaid Services, federal members

# Strong Community Partners

of Congress, governors, state Attorneys General, state legislators, mayors and county commissioners.

Additionally, LifePoint's Government
Relations team continued to advocate for
the permanent extension of the Medicare
Dependent Hospital and Low Volume
Adjustment rural Medicare programs
beyond their September 2017 expiration
date. We also encouraged Congress
to grandfather hospital outpatient departments in development from cuts contained
in the Continuing Resolution bill passed
in November 2015.

At the state level, LifePoint advocated strongly for each state to expand its Medicaid program in accordance with guidelines outlined in the Affordable support for telemedicine payment parity in a number of states and were instrumental in passing the Interstate Physician Licensure Compact in seven LifePoint states by the end of 2015. Because of our grassroots efforts, LifePoint sustained its position as a strong player and positive influence in the political and policy arena, earning the

William "Bill" E. Hoffman, Jr. Grassroots

Champion Award from the Federation

of American Hospitals for the sixth

consecutive year.

Care Act. We also successfully advanced



Josh Hopson, manager, government relations, accepts the William "Bill" E. Hoffman, Jr. Grassroots Champion Award from Keith Pitts, chairman of the Federation of American Hospitals.

### 2015 By the Numbers

- 324 LifePoint employees participated in 61 state and federal calls-to-action or alerts (1,210 contacts were made)
- 265 advocacy events in which LifePoint participated or hosted (local hospital meetings, town halls, fundraisers)
- 82% of all Congressional members representing LifePoint hospitals' communities visited a LifePoint facility or met personally with the hospital CEO or another hospital executive
- 74% of LifePoint hospitals hosted a meeting or tour with a state and/or local representative
- 22 trips to Washington, D.C. and 131 other visits/meetings with members of Congress

# Membership in Coalitions and Associations

LifePoint belongs to a broad range of coalitions and industry and trade associations that lobby in the legislative and regulatory realms on behalf of their members. In addition to the financial support we provide these organizations through annual dues, many of our executives and hospital leaders serve in key positions with state and federal trade associations. Working

with others in these types of organizations allows LifePoint to identify issues and promote policies that benefit the industry and the healthcare system in general.

## ENVIRONMENTALLY RESPONSIBLE

### **Environmental Policies**

LifePoint's mission of Making Communities Healthier® includes helping to ensure a healthier environment in our communities. We have developed environmental compliance policies and procedures that address federal regulatory requirements related to areas of environmental risk, and each of our hospitals is responsible for compliance with these policies and procedures as well as any additional state or local regulatory requirements. We are committed to complying with all applicable regulatory guidelines and laws and to taking appropriate and timely corrective actions when deviations occur. None of our hospitals received any citations for environmental infractions in 2015.

# MEMBERSHIP IN INDUSTRY AND TRADE ASSOCIATIONS

Alabama Hospital Association American Hospital Association American Telemedicine Association Arizona Hospital & Healthcare Association Coalition to Protect America's Healthcare Colorado Hospital Association Federation of American Hospitals Georgia Hospital Association Indiana Hospital Association Kansas Hospital Association Kentucky Hospital Association Louisiana Hospital Association Michigan Health & Hospital Association Mississippi Hospital Association Nashville Health Care Council National Rural Health Association Nevada Hospital Association New Mexico Hospital Association North Carolina Hospital Association Hospital and Health System Association of Pennsylvania South Carolina Hospital Association Tennessee Hospital Association Rural Health Association of Tennessee Rural Hospital Coalition Texas Hospital Association Texas Organization of Rural & Community Hospitals Utah Hospital Association Virginia Hospital & Healthcare Association West Virginia Hospital Association

Wisconsin Hospital Association

Wyoming Hospital Association

LifePoint's environmental policies include, but are not limited to:

- Air Pollutant Emission
- Asbestos Containing Materials (ACM)
   Management
- Biomedical Waste Management
- Emergency Response
- Fuel Storage Tank Management
- Hazardous Waste Management
- Indoor Air Quality
- Low-level Radioactive Waste Management
- Polychlorinated Biphenyls (PCBs) Handling
- Potable (Drinking) Water Supply
- Waste Oil Management
- Wastewater Discharge

ENERGY CONSERVATION SAVINGS			
	2013	2014	2015
Participating hospitals	48	53	57
CO2 reduction (in metric tons)	42,706	45,312	58,169
Reduction in electronscension (kilowatt hours)	ectrical 44,562,432	47,282,417	52,431,864
Reduction in natural gas consumption	274 254	204 000	202 / 55
(1000 cubic feet)	371,354	394,020	389,655

### **Medical Waste**

Reprocessing and remanufacturing single-use medical devices dramatically reduces medical waste and frees significant resources for hospitals, with immediate results and no capital investment. Since 2008, our hospitals have participated in the reprocessing and remanufacturing programs offered by Stryker Sustainability Solutions and have received their "healthy hospital" designation, which is reserved for select hospitals that demonstrate exceptional commitment to healthcare sustainability and quality through medical device remanufacturing and reprocessing programs. As a result of our participation, we have increased our savings and reduced our medical waste each year.

MEDICAL WASTE SAVINGS			
	2013	2014	2015
Cost Savings	\$1,546,872	\$1,599,454	\$1,994,052
Medical waste diverted (lbs)	76,041	95,961	108,705

### **Energy Conservation**

Since 2007, LifePoint has retained the services of Hayes Energy Services, an energy management service company that works with more than 400 hospitals across the country. All of our eligible hospitals participate in the energy conservation program, which conducts energy audits to review utility and operating data, evaluates energy consumption and rate structures, and creates a weather-corrected energy use profile for each hospital. Engineers also conduct monthly on-site visits to identify additional savings opportunities and further investigate areas of energy waste or inefficiency. We continue to significantly reduce our carbon footprint and consumption of electricity and natural gas each year through our participation in energy conservation programs, and in 2015, we generated a net savings of more than \$6 million.

# HealthTrust Purchasing Group

LifePoint expands its access to environmentally friendly products and supplies and gains financial savings with volume purchasing through HealthTrust Purchasing Group. As an equity partner in HealthTrust since 1999, we are able to utilize its Environmentally Preferable Purchasing program, which takes environmental attributes into consideration

for product sourcing and procurement.

Through this program, HealthTrust provides products that are of high quality and functionality that do not contribute to potential negative health or environmental issues and that are made by manufacturers committed to reducing waste throughout a product's life cycle.

# Generating and Distributing Economic Value

The direct economic value generated by LifePoint and its affiliated hospitals, physician practices, outpatient centers, and post-acute facilities includes revenues less a provision for doubtful accounts. Direct economic value distributed includes:

- Operating costs
- Wages and benefits
- Interest expense to providers of capital
- Payments to governments (taxes)
- Direct community investments and donations in the form of capital improvements, charity and other uncompensated care, donations to nonprofit organizations and community health services

ECONOMIC VALUE	GENER	RATED,
DISTRIBUTED AND	O RETA	INED
(Dollar amounts in millions)	2014	2015
Direct Economic Value Generated:	\$4,483.1	\$5,214.3
Economic Value Distributed:	\$4,247.1	\$5,007.2
Economic Value Petained:	¢226.0	¢207.1



# Supporting Local Economies

# ur facilities are key local employers and centerpieces of business development, contributing significantly to the economic success of their communities. Each LifePoint facility compiles an annual Community Benefit Report showing the scope of its overall contributions to the communities it serves. Below is a summary of the data from all LifePoint-affiliated hospitals across the country for 2015.

2015 Community Benefit Report  Charity and other uncompensated care	\$ 193,335,435
Includes unpaid cost of Medicaid, as well as charity care and bad	
Community benefit programs	\$ 35,259,146
Physician recruitment	\$ 20,501,282
Donations to nonprofit organizations (estimated)	\$ 3,261,085
Professional development	\$ 7,825,813
Tuition reimbursement	\$ 2,571,709
Community health services (estimated)	\$ 1,099,257
Property and other taxes	\$ 87,918,346
Property and other taxes	\$ 49,028,346
Local and state sales taxes (estimated)	\$ 38,890,000
Tax dollars help support local communities and the state to help	
fund schools, roads, the recruitment of business and industry,	
and other vital services.	
2015 TOTAL (estimated)	\$ 316,512,927
* Monetary totals do not reflect financial data from hospitals acquired in 2015 or early 2016.	

### BOUNDARY AND SCOPE

This is LifePoint's third report on corporate social responsibility, which covers our performance during calendar year 2015. Our most recent prior report, covering fiscal years 2013 and 2014, was published in 2015. We plan to offer updates regularly via the corporate social responsibility section of our website, www.LifePointHealth.net.

Unless otherwise stated, this report represents the consolidated results of our continuing operations, including whollyowned and majority-owned subsidiaries and joint ventures. These subsidiaries include those that own or lease our hospitals and the Duke LifePoint Healthcare business, all of which are located in the United States. Performance related to suppliers or outsourcing vendors is not included. A list of our Subsidiaries can be found at Exhibit 21.1 to our annual report on form 10-K for the year ended December 31, 2015, available on our website at www.LifePointHealth.net.

To determine our report content, our social responsibility report team, in conjunction with external advisors, reviewed industry trends, feedback from stakeholders and the company's mission, strategy and priorities to determine indicators that were relevant

to understanding our corporate responsibility efforts. Given the nature of our business, the primary focus is on social indicators, especially those dealing with quality of patient care and workforce management. The proposed indicators were further evaluated for availability of data and then reviewed and approved by senior executives and the Board of Directors.

# Significant Announcements since December 31, 2015

- On March 10, 2016, we announced the election of Kermit R. Crawford and Jana R. Schreuder as Class II directors of the company.
- On May 12, 2016, we announced the offering and pricing of \$500 million aggregate principal amount of our 5.375% Senior Notes due 2024 through a private offering. On May 26, 2016, we announced the completion of the offering. The notes are senior unsecured obligations of the company and are guaranteed by certain of our existing and future domestic subsidiaries.

  Proceeds of the offering were used to redeem \$400 million aggregate principal amount outstanding of our 6.625%

  Senior Notes due 2020 and for general corporate purposes.



- On June 13, 2016, we announced our entry into a new senior secured credit agreement with Citibank, N.A., as administrative agent, and other lenders, providing for a \$700.0 million senior secured term loan facility and a \$600.0 million senior secured revolving credit facility. The Senior Credit Agreement matures in June 2021.
- On September 6, 2016, we announced the resignation of Leif M. Murphy as Chief Financial Officer and the subsequent appointment of Michael S. Coggin as Chief Financial Officer of the company, both effective September 30, 2016.
- On November 3, 2016, we announced amendments to our by-laws that (i) provide for majority voting of directors in uncontested elections; and (ii) require directors to tender their resignation in the event they fail to receive a majority vote in an uncontested election.

# GLOBAL REPORTING INITIATIVE

The Global Reporting Initiative (GRI) is an international nonprofit organization that maintains guidelines for companies to report their economic, environmental and social performance. This report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines. A list of the Standard Disclosures and their location in the report is included below. We have chosen not to seek external assurances for this report, however, the report has been reviewed by senior executives and our Board of Directors.



Questions regarding this report or its content may be addressed to the Communications Department at LifePoint Health.

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