

An Inside Look at Mayo Clinic



Mission Statement

“To inspire hope and contribute to health and well-being by providing the best care to every patient through integrated clinical practice, education and research.”

Mayo Clinic affirmed its status in 2018 as a national leader for clinical quality, medical education and research discoveries that improve lives. More than 1.2 million patients from all 50 states and more than 135 countries sought Mayo Clinic’s expertise at its destination campuses in Arizona, Florida and Minnesota, as well as across Mayo Clinic Health System.

The strong operational performance is particularly remarkable, since 2018 marked the end of Mayo Clinic’s implementation of a single electronic health record — the largest implementation project in Mayo Clinic history.

Bolstered by its financial position, Mayo Clinic also contributed \$339 million to its pension plan for staff and allocated \$724 million in capital projects. Additionally, Mayo Clinic provided \$589 million in care to people in need and \$2.2 billion in unpaid portions of Medicare and other senior programs.

As a not-for-profit organization, Mayo Clinic focuses all assets on its mission, patients and communities. The financial performance allows Mayo Clinic to grow in size and scope to serve more patients, invest in staff, strengthen commitments to education and research, and expand its reach nationally and internationally.

All figures unless otherwise noted are from Dec. 31, 2018.

Total Clinic Patients – 1.2 Million*

Mayo Clinic has a responsibility to provide compassionate care to all, and teams of experts deliver seamless, integrated experiences that patients expect.

* Individual patients are counted once annually. Patient numbers are rounded.

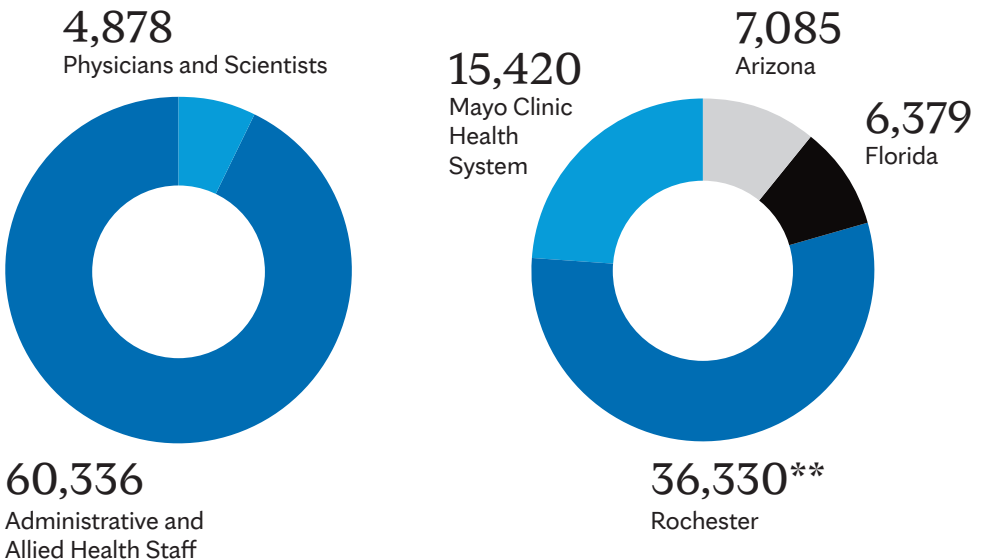
Innovation From Within

More than 65,000 people drive the engine of the organization's patient-centered mission, advance important research and educational initiatives, and position the institution as a key voice for the future of health care. Mayo Clinic's employees committed to the integrated health record changes while advancing innovative and collaborative efforts to ensure that the organization continued to meet the best interests of patients.

Staff members lead Mayo Clinic's emphasis on excellence and compassion and take the time to make a difference for patients. Mayo Clinic hires and retains the top talent and invests strategically in technology and facilities to deliver the best outcomes and service to patients.

Mayo Clinic is committed to investing in our staff, contributing a total of more than \$3.3 billion over the past eight years to ensure Mayo Clinic will meet its commitment to current and future retirees.

Total Clinic Employees – 65,214*



* Does not include students, fellows and residents.

** Includes Mayo Clinic Ambulance and Rochester International Airport employees.

Teamwork Everywhere

Mayo Clinic continues to transform medical practice through patient care, research and education. Here are a few highlights from 2018.

1

Fighting Cancer

For the first time, the National Cancer Institute has funded a Specialized Program of Research Excellence in hepatobiliary cancer. Led by two Mayo investigators, the goal of the Hepatobiliary SPORE is to make discoveries and translate them into the clinic for the benefit of individuals diagnosed with or at risk of liver cancer and bile duct cancer.

3

A National Approach

Mayo Clinic Alix School of Medicine ranked No. 6 in the nation in *U.S. News & World Report's* 2018-19 Best Graduate Schools. As a national medical school with a shared curriculum, students can perform clinical rotations and research with Mayo Clinic experts at campuses in Arizona, Florida and Minnesota.

2

Coordinated Care

Mayo Clinic completed the implementation of the electronic health record and revenue cycle management system. The multiyear project encompassed more than 52,000 staff members at 22 hospitals and 76 clinics using Epic and included over 171,000 end-user devices. As a result of the change, 287 legacy systems were retired.

4

Cutting-Edge Answers

Mayo Clinic debuted a new therapeutic-diagnostic, or theranostic, practice. The practice pairs a therapeutic agent with a diagnostic imaging agent of almost identical molecular structure and advanced radiotracer production capabilities. Patients are imaged with a positron emission tomography scanner, treated with a radioactive chemotherapy, and then rescanned to determine if the therapy was effective.

Top-Ranked More Often



In 2018, Mayo Clinic in Rochester, Minnesota, again was ranked the No. 1 hospital in the nation and No. 1 in more specialties than any other hospital by *U.S. News & World Report*.

Mayo Clinic's Arizona campus ranked No. 11 among hospitals nationwide, and Mayo Clinic took the No. 1 spot in Arizona, Florida and Minnesota and in the Phoenix, Arizona, and Jacksonville, Florida, metro areas.

Mayo Clinic remains top-ranked in quality more than any other health care organization by independent groups, such as the Nursing Magnet Recognition Program, Press Ganey Patient Experience Awards, the Centers for Medicare & Medicaid Services Overall Star Ratings, Leapfrog Hospital Safety Survey and the American College of Surgeons National Surgical Quality Improvement Program.

Highly Specialized Care

With extensive experience and advanced treatment techniques, Mayo Clinic's team of specialists is uniquely qualified to take on rare and complex cases.

Successful treatment starts with an accurate diagnosis. In a recent study, 88% of people who came to Mayo Clinic for a second opinion received a new or refined diagnosis. Mayo Clinic solves the most serious and complex medical questions, one person at a time.

Cancer Center

The Mayo Clinic Cancer Center is designated by the National Cancer Institute as a comprehensive cancer center, which means our physicians, researchers and scientists carry out team-based, patient-centered research to develop the latest technologies and treatments. As a result, the 120,000 people who come to Mayo Clinic each year for cancer care have access to hundreds of clinical trials in all phases.

Cardiovascular Medicine

The Mayo Clinic Department of Cardiovascular Medicine diagnoses and treats more than 100,000 adults and children each year. One of the largest and most comprehensive heart practices in the world, Mayo Clinic relies on the expertise of more than 240 subspecialized experts trained in congenital heart disease in adults and children, coronary artery disease, hypertrophic cardiomyopathy, heart rhythm disorders, and heart valve diseases.

Neurology

Experts from Mayo Clinic's Department of Neurology diagnoses and treats more than 100,000 adults and children each year. One of the largest and most comprehensive neurological practices in the world, the Mayo Clinic Department of Neurology includes more than 200 subspecialized experts trained in epilepsy, movement disorders, dementias and other cognitive conditions, stroke and other cerebrovascular diseases, neuro-oncology, multiple sclerosis and demyelinating disorders, autoimmune neurology, pediatric neurology, neurophysiology, headache, neuromuscular diseases, peripheral nerve, sleep neurology, and speech pathology.

Mayo Clinic's neurosurgeons perform more than 7,000 complex procedures every year at campuses in Arizona, Florida and Minnesota, using the latest innovations and techniques in neurosurgery, such as minimally invasive surgery, robotics, intraoperative MRI, computer-assisted brain surgery, stereotactic radiosurgery, awake brain surgery and deep brain stimulation.

Transplant Center

Mayo Clinic is the largest integrated transplant provider in the United States. With campuses in Arizona, Florida and Minnesota, Mayo Clinic has more than 150 surgeons and physicians and hundreds of allied health staff dedicated to patients needing transplant services.

Mayo Clinic has preeminent adult and pediatric transplant programs offering heart, liver, kidney, pancreas, lung, hand, face, and blood and bone marrow transplant services. Mayo doctors performed their first clinical transplant in 1963. Since then, Mayo's efforts to continually improve and expand organ transplantation have placed Mayo at the leading edge of clinical and basic transplant research worldwide.

Serving Patient Needs

33%

Of people who visit a Mayo Clinic destination medical center location in Arizona, Florida or Minnesota have complex or highly complex conditions

88%

Of people who came to Mayo Clinic for a second opinion received a new or refined diagnosis

130,000

Patients who have surgery

1,300

Solid organ transplants

138

Countries represented by patients beyond the United States



The Right Care at the Right Time

The Center for Connected Care continues to create and sustain digital connections with patients.



More than 1.3 million people have Patient Online Services accounts.



Over 1.6 million patient-initiated secure messages were sent in 2018.



More than 53,000 patients had appointments requested through the Mayo Clinic App.



Over 39,000 discrete telemedicine consultations occurred across the institution, including eConsults, eVisits, eReviews and emergency or scheduled video telemedicine visits.



Nearly 800 patients were monitored for more than 47,000 days through Remote Patient Monitoring, minimizing Emergency Department and hospital admissions.



The Mayo Clinic App received a Platinum Award as Best Native App, and Patient Online Services received a Gold Award in Best Healthcare Content category from the eHealthcare Leadership Awards.

Building the Future of Medicine

Strategic investments in capital projects provide world-class facilities, equipment and technology to ensure Mayo Clinic can meet growing patient needs and demand for its services.

Mayo Clinic will nearly double the size of its Phoenix campus over the coming years to meet the increasing demand to treat patients with complex health conditions in the Southwest. Over the next five years, the expansion project will add 1.4 million square feet of building space. The expansion plan increases the number of inpatient beds by more than 33% and creates close to 2,000 new jobs.

In Florida, Mayo Clinic announced it will build a new integrated oncology facility, which will include proton beam therapy, in time to treat patients by the end of 2023. Mayo Clinic will build a five-floor, 120,000-square foot addition with a two-story building link between the Mayo and Cannaday buildings. Additionally, the Discovery and Innovation Building, a three-story, 75,000-square-foot facility, will open in 2019.

Mayo Clinic continues its growth to ensure it meets patient needs in Mayo Clinic Health System by investing \$86 million for projects including a new surgery center in Mankato, Minnesota; hospital expansion in Barron, Wisconsin; cancer center expansion in La Crosse, Wisconsin; and campus expansion in Austin, Minnesota.

In Minnesota, Mayo Clinic announced it will expand the Gonda Building in the coming years to support the growing need for additional clinical space and to offer patients and visitors to the community a premier hospitality experience. The 11-floor expansion includes four floors for new clinical space and seven floors for hotel space. The four-floor clinical space expansion provides an additional 200,000 square feet to accommodate the needs of future patients.

Research to Benefit All

Research is critical to advancing the practice of medicine. Mayo Clinic translates scientific discoveries into therapies not just for patients but for people everywhere. Mayo's world-class scientists and physician-researchers collaborate in a continuous cycle that may begin with an individual's medical need and lead, through basic and clinical research, to medical innovations that transform lives.

Mayo Clinic offers hope to patients through our extensive range of clinical research trials and uses individualized and regenerative medicine to provide expert care.

Among the highlights in 2018:

- Mayo Clinic researchers developed two new strategies that may improve the performance of chimeric antigen receptor therapy (CAR-T cell therapy) in treating cancer. Researchers used a gene-editing technology, called CRISPR, to generate CAR-T cells that do not secrete protein, which is responsible for the severe toxicities associated with CAR-T cell therapy. These modified CAR-T cells are more effective than regular CAR-T cells. Researchers also developed two new strategies that improved the effectiveness of CAR-T cell therapy in blood cancers with a lower response rate.
- In Minnesota, spinal cord stimulation and physical therapy helped a man paralyzed since 2013 regain his ability to stand and walk with assistance. The results, achieved in collaboration with UCLA, were reported in *Nature Medicine*. With an implanted stimulator turned on, the man was able to step with a front-wheeled walker while trainers provided occasional assistance.
- The RIGHT 10K study, the largest clinical research study of its kind, reached a milestone in 2018, when more than 10,000 pharmacogenomic test results were embedded in the electronic health records of Mayo Clinic Biobank study participants. Information about the potential for a drug-gene interaction is now a part of participating patients' health records. Computer alerts are triggered to guide clinicians and pharmacists regarding prescription choices and dosing recommendations. This milestone marks the end of a six-year phase to educate and develop systems to prepare the clinical practice for pharmacogenomics.

Researchers Finding Answers

Mayo Clinic research programs received \$490.8 million in external funding in 2018.

People

766

Full-time physicians actively
involved in research

254

Career scientific faculty

4,027

Total research personnel

Infrastructure

390,250 sq. ft.

Research laboratory space

1,017,787 sq. ft.

Total research space

Studies and Publications

12,760

Active Institutional Review
Board-approved studies

5,268

Active grants and contracts

3,067

New human research studies approved by
Institutional Review Board

9,275

Research and review articles in
peer-reviewed journals

Leading in Education



Medical students and trainees come to the five schools within Mayo Clinic College of Medicine and Science for one simple reason: an unparalleled learning experience where current and future physician leaders and researchers learn to deliver the highest-quality patient care and advance the science of medicine.

Mayo Clinic Alix School of Medicine advanced to No. 6 in the *U.S. News & World Report* 2018-19 rankings for Best Graduate Schools across the nation. Mayo Clinic School of Health Sciences, another school within Mayo Clinic College of Medicine and Science, is also included on the list.

In 2018, total research and education funding exceeded \$1.1 billion – \$590 million from Mayo Clinic and benefactors and \$560 million from external sources.

\$560 million
External Funding



\$590 million
Mayo Clinic Funding

Mayo Clinic Alix School of Medicine

* On track to graduate May 2019.

293

Enrollment

45*

Graduates

Mayo Clinic School of Graduate Medical Education

Mayo Clinic trains doctors in 300 residency and fellowship programs, representing virtually all medical specialties.

1,770

Enrollment

702

Graduates

Mayo Clinic Graduate School of Biomedical Sciences

309

Enrollment

40

Ph.D. graduates

24

M.S. graduates

Mayo Clinic School of Health Sciences

Mayo Clinic prepares students in 145 programs representing 60 health science careers.

1,852

Enrollment

1,176

Graduates

Mayo Clinic School of Continuous Professional Development

Mayo Clinic offered more than 350 accredited courses in 2018.

66,253

Physician participants

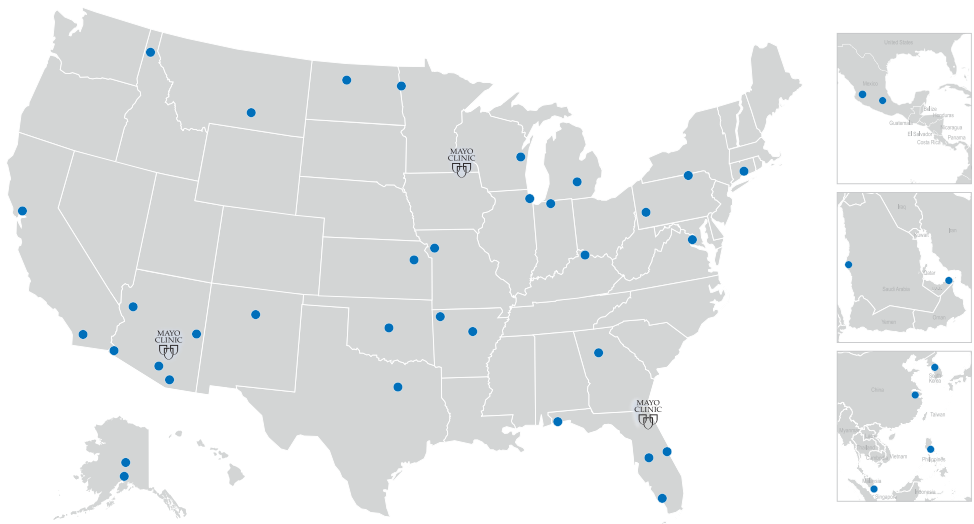
61,614

Nonphysician participants

An International Network

In 2018, the Mayo Clinic Care Network continued to expand, numbering more than 40 members in the United States, China, Mexico, Saudi Arabia, South Korea, Singapore, United Arab Emirates and the Philippines. These independent organizations, intent on working more closely with Mayo Clinic to improve the delivery of care, represent nearly 100 hospitals worldwide.

Through the Mayo Clinic Care Network, more than 11.5 million patients and their care teams have access to Mayo Clinic knowledge, clinical protocols and consultations via Mayo's connected care platform.



Giving Back

Mayo Clinic is dedicated to giving back and supporting the needs of the communities it serves in many ways — through public health education, community-based research discovery programs, workforce and local development efforts, charitable donations, and community health improvement programs to address identified and unmet health needs.

In 2018, Mayo provided \$589 million in care to people in need. This total includes \$78 million in charity care and \$511 million in unpaid portions of Medicaid and other care programs for people who are uninsured or underinsured. Additionally, Mayo Clinic provided \$2.2 billion in unpaid portions of Medicare and other senior programs. More than 54% of Mayo's total medical services provided are for Medicare and Medicaid patients.

Additionally, Mayo accrued almost \$30 million in income taxes and paid more than \$95 million in MinnesotaCare taxes. The organization remitted almost \$13 million in sales and use taxes and paid almost \$28 million in property taxes — contributing significantly to the local, state and national economies.

Mayo Clinic works collaboratively with local communities to address barriers to health, safety and independence for all residents and contributed more than \$6 million in cash and in-kind donations.

Additionally, Mayo Clinic joined a coalition of seven hospitals and three philanthropic foundations to launch Civica Rx, a not-for-profit generic drug manufacturing company that will help patients by lowering costs and addressing critical shortages in supplies of essential generic pharmaceuticals.

Primary Value

In its earliest days, one of Mayo Clinic's founders, William J. Mayo, M.D., stated, "The best interest of the patient is the only interest to be considered." That primary value — the needs of the patient come first — has guided Mayo's practice throughout its history and continues today at every Mayo campus.

Well-Positioned for the Future

In 2018, total revenue was \$12.6 billion — an increase of 5.1% — with net operating income totaling \$706 million. Revenue growth for Mayo Clinic's destination campuses in Arizona, Florida and Minnesota was driven by strong inpatient volumes, including growth in transplants, surgery inpatients and hospital admissions.

Diversified sources of revenue, including Mayo Clinic Laboratories and commercialization activity through Mayo Clinic Ventures, also contributed to the growth. This revenue reached more than \$1.3 billion in 2018 — an increase of 8.8% over 2017.

Mayo Clinic's annual operating margin supports research and education activities, funds salary increases and pension contributions, and provides a source of capital for future investment.

As a not-for-profit organization, Mayo Clinic reinvests all earnings into giving patients high-quality care, finding answers to the toughest medical cases and educating the next generation of doctors, research scientists and allied health professionals.

Consolidated Statement of Financial Position

Years ended December 31 (in millions)	2018	2017
Assets		
Cash and cash equivalents	\$29	\$66
Accounts receivable for medical services - net	1,828	1,791
Investments - at market	9,454	8,802
Other assets	1,265	1,159
Property, plant, and equipment - net	4,729	4,489
Total assets	\$17,305	\$16,307
Liabilities and Net Assets		
Accounts payable and current liabilities	\$2,281	\$2,346
Long-term debt	2,800	2,413
Other long-term liabilities	3,072	3,525
Net assets	9,152	8,023
Total liabilities and net assets	\$17,305	\$16,307

Consolidated Statement of Activities

Years ended December 31 (in millions)	2018	2017
Revenue, gains, and other support:		
Net medical service revenue	\$10,608	\$9,937
Grants and contracts	494	449
Investment return allocated to current activities	423	341
Contributions available for current activities	229	238
Other	849	1,019
Total revenue, gains, and other support	12,603	11,984
Expenses:		
Salaries and benefits	7,174	6,796
Supplies and services	3,767	3,590
Facilities	836	778
Finance and investment	120	113
Total expenses	11,897	11,277
Income from current activities	706	707
Income as a percentage of total revenue	5.6%	5.9%
Noncurrent and other items:		
Contributions not available for current activities, net	251	169
Unallocated investment return, net	(369)	595
Income tax expense	(30)	(71)
Miscellaneous	(4)	21
Total noncurrent and other items	(152)	714
Increase in net assets before other changes in net assets	554	1,421
Pension and other postretirement benefit adjustments	612	(565)
Other	(37)	0
Increase (decrease) in net assets	1,129	856
Net assets at beginning of year	8,023	7,167
Net assets at end of year	\$9,152	\$8,023

Mayo Clinic Leadership



Gianrico Farrugia, M.D.
President and CEO
Mayo Clinic



Jeffrey W. Bolton
Chief Administrative Officer
Mayo Clinic



Bobbie S. Gostout, M.D.
President
Mayo Clinic Health System



Richard J. Gray, M.D.
CEO
Mayo Clinic in Arizona



Kent R. Thielen, M.D.
CEO
Mayo Clinic in Florida



Paula E. Menkosky
Chief Administrative Officer
Mayo Clinic in Arizona



Mary Jo Williamson
Chief Administrative Officer
Mayo Clinic Health System



Christina K. Zorn, J.D.
Chief Administrative Officer
Mayo Clinic in Florida

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