



AN INSIDE LOOK AT

MAYO CLINIC

2017



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 continues its work to provide the best care to every patient through integrated clinical practice, education and research by providing direct care for more than 1.3 million people from all 50 states and 137 countries in 2016.

Bolstered by a strong financial position, Mayo Clinic also contributed \$466 million to its pension plan for staff and more than \$600 million in capital projects.

These expenditures are part of a multiyear plan to invest in state-of-the-art equipment, facilities and technology, including a new electronic health record and revenue cycle management system, network infrastructure and security upgrades.

The results solidify Mayo Clinic's ability to deliver complex care to patients and provide a secure future for dedicated staff.

TOTAL CLINIC PATIENTS – 1,318,800*

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. All figures are from Dec. 31, 2016.



OUR MOST VALUABLE ASSET

More than 63,000 employees of Mayo Clinic 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. Thanks to a strong financial performance, Mayo Clinic hires and retains the best 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 \$2.5 billion in pension contributions over the past six years to ensure Mayo Clinic will meet its commitment to current and future retirees.

TOTAL CLINIC EMPLOYEES – 63,078*

4,590 Physicians and scientists	58,488 Administrative and allied health staff
Rochester	34,660**
Health System	16,413
Arizona	6,448
Florida	5,557

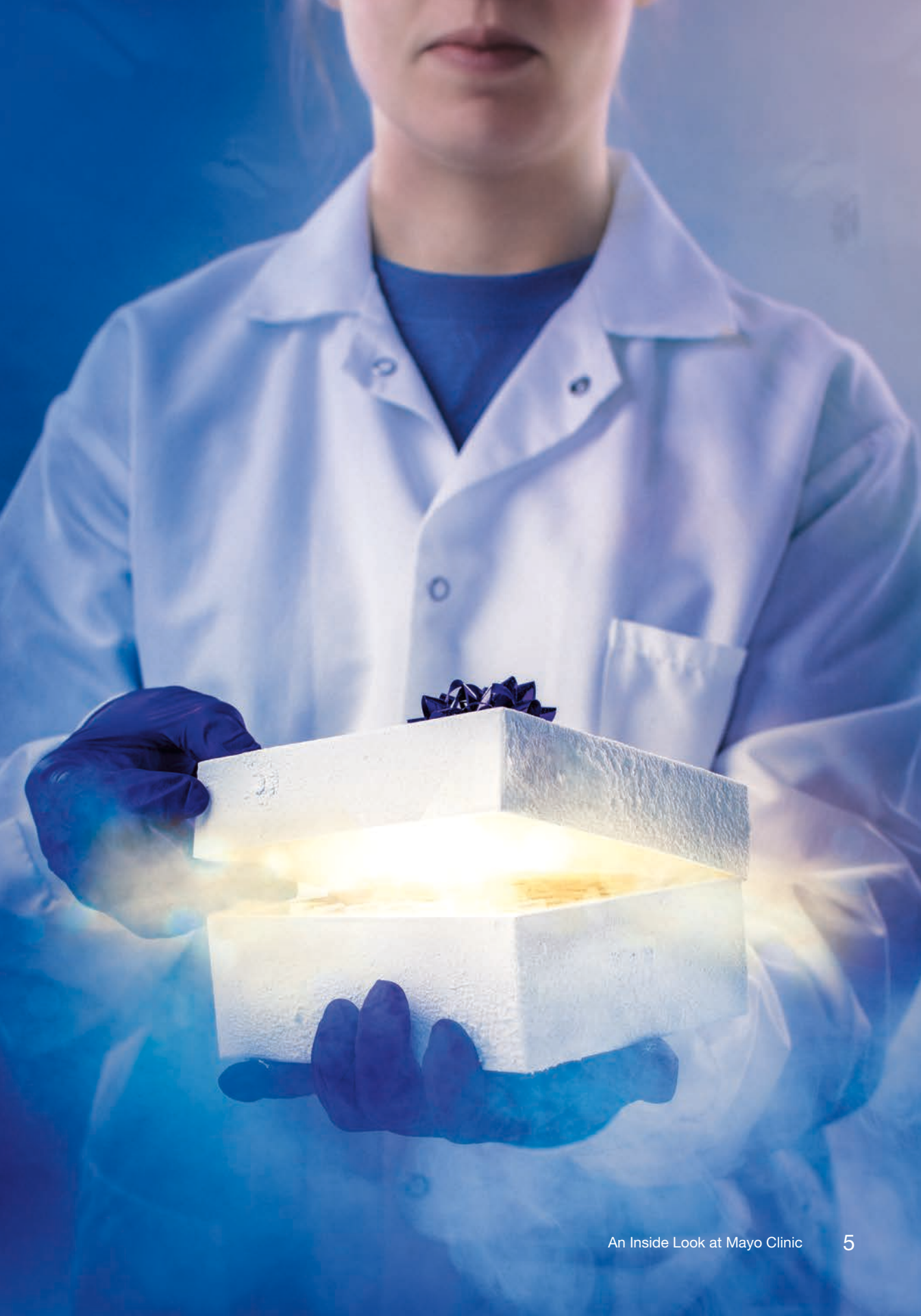
*Does not include students, fellows and residents. **Includes Gold Cross employees.



TOUCHING LIVES EVERYWHERE

Mayo Clinic continues to transform medical practice through patient care, research and education. Here are a few highlights from 2016:

- **NEAR-TOTAL FACE TRANSPLANT.** In Minnesota, Mayo Clinic completed a near-total face transplant on a Wyoming man. The extensive, life-changing surgery performed by a multidisciplinary team of surgeons, physicians and other health professionals in summer 2016 will improve the patient's ability to chew, swallow, speak, breathe and smell. The recipient, whose face was devastated by a gunshot wound at 21, is doing well.
- **PRECISION MEDICINE INITIATIVE *ALL OF US* RESEARCH PROGRAM BIOBANK.** To serve as the national Precision Medicine Initiative *All of Us* Program biobank, Mayo was awarded \$142 million in National Institutes of Health funding over five years. The biobank, on the Minnesota and Florida campuses, will store and curate more than 35 million biospecimens from 1 million or more U.S. participants. The Precision Medicine Initiative aims to understand individual differences that contribute to health and disease.
- **SENESCENT CELLS RESEARCH.** Research found that senescent cells — cells that no longer divide and accumulate with age — negatively impact health and shorten life span by as much as 35 percent in normal mice. The results demonstrate that clearing senescent cells delays tumor formation, preserves tissue and organ function, and extends life span without observed adverse effects. If the science is translatable to humans, a drug may be able to eliminate senescent cells and have profound effects on health and life span, researchers say.
- **ALZHEIMER'S DISEASE DATA.** A treasure trove of data was made public from a study aimed at accelerating therapies for Alzheimer's disease. The study details whole genome genotype and gene expression patterns on 2,655 individuals with and without dementia and includes more than 842 million data points. Mayo Clinic invited other investigators to mine the molecular and clinical data sets.



TOP-RANKED MORE OFTEN

In 2016, *U.S. News & World Report* named Mayo Clinic the best hospital in the nation, including No. 1 rankings in more specialties than any other hospital in the country; all eight Honor Roll specialties; and in Arizona, Florida, Minnesota, and the Phoenix and Jacksonville, Florida, metro areas. For more than 20 years, Mayo Clinic has led the way in *U.S. News & World Report* rankings, with more No. 1-ranked specialties than any other hospital in the nation.

Mayo Clinic remains top-ranked in quality more than any other health care organization by independent services like UHC Quality Leadership Award, Leapfrog's Top Hospital list, Nursing Magnet Recognition Program, Consumer Reports and the American College of Surgeons.

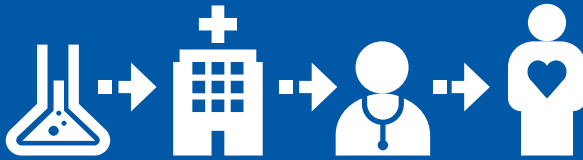
BUILDING THE FUTURE OF MEDICINE

State-of-the-art facility upgrades announced or continuing in 2016 include Mayo Clinic Hospital – Rochester operating room expansion and bed tower projects.

On Mayo Clinic's Florida campus, strategic expansion in clinical areas includes a \$100 million investment to provide integrated services for complex cancer, as well as neurologic and neurosurgical care.

Also on the Florida campus, construction began on a positron emission tomography (PET) radiochemistry facility. It will house a radiochemistry lab and cyclotron — a particle accelerator used in radiopharmaceutical production. The facility will produce Mayo-developed Choline C-11 for certain PET scans that “light up” prostate cancer and provide therapy targets, allowing for more effective treatment.

At the Arizona campus, the new Proton Beam Therapy Program opened in March, delivering radiation therapy in a way that offers potential for fewer side effects and higher cure rates, often for patients whose cancers cannot be treated safely any other way.

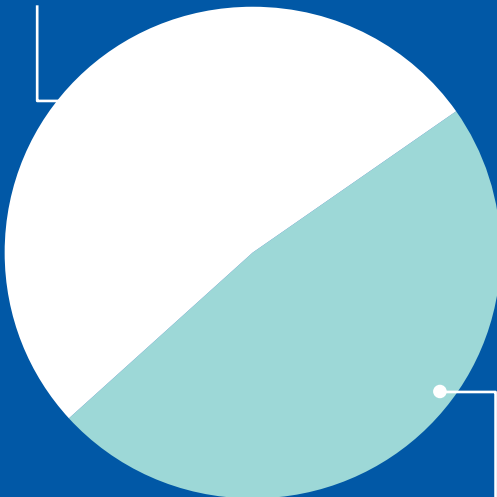


RESEARCH TO BENEFIT ALL

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 improve lives.

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

Mayo Clinic funding
\$523 million

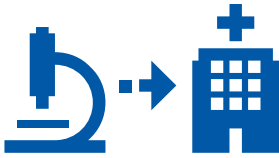


External funding
\$482 million



INTEGRATING PRACTICE, EDUCATION AND RESEARCH

In 2016, total research and education funding exceeded \$1 billion – \$523 million in funding from Mayo Clinic and benefactors and \$482 million from external sources.



RESEARCHERS FINDING ANSWERS

Mayo research programs received \$419.8 million in external funding in 2016.

PEOPLE

Full-time scientific faculty	332
Physicians actively involved in research	758
Full-time research personnel	3,120

INFRASTRUCTURE

Core research laboratories	24
Research laboratory space (sq. ft.)	372,157
Total research space (sq. ft.)	952,605

STUDIES AND PUBLICATIONS

Active Institutional Review Board-approved studies	11,000+	New human research studies approved by Institutional Review Board	2,937
Active grants and contracts	4,815	Research and review articles in peer-reviewed journals	7,600+



LEARNING TO LEAD

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 of patient care and advance the science of medicine.

MAYO CLINIC SCHOOL OF MEDICINE

Enrollment	233
Graduates	43

MAYO CLINIC SCHOOL OF GRADUATE MEDICAL EDUCATION

276 residency and fellowship programs, in virtually all medical specialties

Enrollment	1,738
Graduates	688

MAYO CLINIC GRADUATE SCHOOL OF BIOMEDICAL SCIENCES

Enrollment	257
Ph.D. graduates	41
M.S. graduates	32

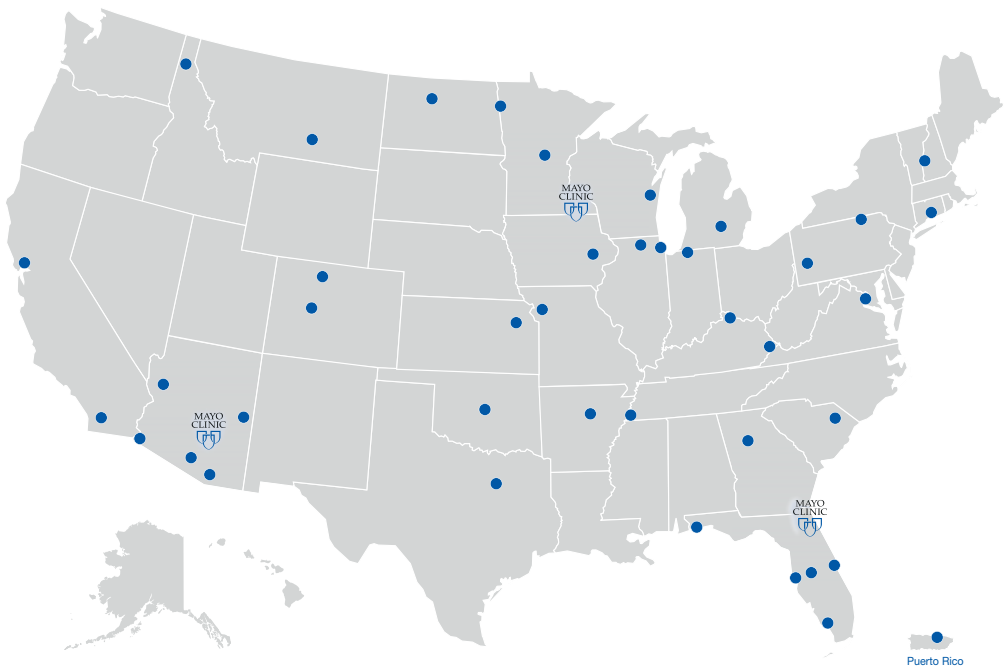
MAYO CLINIC SCHOOL OF HEALTH SCIENCES

Prepares students in 135 programs representing 58 health science careers

Enrollment	1,653
Graduates	1,156

MAYO CLINIC SCHOOL OF CONTINUOUS PROFESSIONAL DEVELOPMENT

Physician participants	60,035
Nonphysician participants	41,168



AN INTERNATIONAL NETWORK

In addition to its destination centers and integrated community care model, Mayo Clinic Health System, Mayo continues to share knowledge and provide virtual consultations to providers and patients through an international network of member practices known as the Mayo Clinic Care Network.

With 10 new members in 2016, the network has more than 40 members in the United States, Mexico, Philippines, Puerto Rico, Singapore and the United Arab Emirates. These independent organizations represent more than 120 hospitals.

Through them, more than 12 million patients and their care teams have access to Mayo Clinic knowledge, clinical protocols and consultations through Mayo's connected care platform.

THE RIGHT CARE AT THE RIGHT TIME

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



~1 MILLION
PEOPLE HAVE PATIENT ONLINE
SERVICES ACCOUNTS



1.1 MILLION+
PATIENT-INITIATED SECURE
MESSAGES WERE SENT IN 2016



~75%
PATIENTS ACCESSED THEIR
ONLINE ACCOUNT WITHIN
TWO WEEKS OF THEIR
APPOINTMENT



20,000+
TELEMEDICINE CONSULTATIONS
eConsults, eVisits, eReviews and
emergency or scheduled video
telemedicine visits



~10,000 PATIENTS
WERE SEEN FROM APPOINTMENTS
REQUESTED THROUGH THE MAYO CLINIC APP

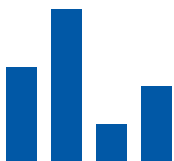


STRONG, DESPITE CHALLENGES

Mayo Clinic, like many health care providers across the nation, continued to face a challenging environment in 2016. In this rapidly changing health care environment, patients often are sicker and older, while reimbursement from government programs is often insufficient to cover cost of care.

In the midst of these challenges, Mayo Clinic's overall financial performance remained strong, despite decreasing in 2016 relative to 2015. This is a direct result of work to redesign the medical practice and disciplined financial stewardship. As the health care environment continues to change, Mayo Clinic remains optimistic about its position as the global leader in health care.

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.



CONSOLIDATED STATEMENT OF ACTIVITIES

Years ended December 31 (in Millions)

	2016	2015
Revenue, Gains and Other Support		
Net medical service revenue	\$9,220	\$8,620
Grants and contracts	426	386
Investment return allocated to current activities	294	233
Contributions available for current activities	162	211
Premium revenue	145	144
Other	751	721
Total revenue, gains and other support	10,998	10,315
Expenses		
Salaries and benefits	6,844	6,371
Supplies and services	2,840	2,621
Facilities	735	697
Finance and investment	104	100
Total expenses	10,523	9,789
Income from Current Activities	475	526
Income as a percentage of total revenue	4.3%	5.1%
Noncurrent and Other Items		
Contributions not available for current activities, net	118	60
Unallocated investment return, net	26	(111)
Income tax expense	(13)	(33)
Miscellaneous	(87)	1
Total noncurrent and other items	44	(83)
Increase in Net Assets Before Other Changes in Net Assets	519	443
Pension and other postretirement benefit adjustments	(999)	12
Increase (decrease) in Net Assets	(480)	455
Net Assets at Beginning of Year	7,647	7,192
Net Assets at End of Year	\$7,167	\$7,647



MAYO CLINIC FINANCIALS

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 training the next generation of doctors and researchers.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Years ended December 31 (in Millions)

	2016	2015
Assets		
Cash and equivalents	\$57	\$53
Accounts receivable for medical services — net	1,635	1,658
Investments — at market	7,755	7,172
Other assets	1,166	1,180
Property, plant and equipment — net	4,308	4,230
Total assets	\$14,921	\$14,293
Liabilities and Net Assets		
Accounts payable and current liabilities	\$2,343	\$1,969
Long-term debt	2,371	2,388
Other long-term liabilities	3,040	2,289
Net assets	7,167	7,647
Total liabilities and net assets	\$14,921	\$14,293



GIVING BACK

Mayo Clinic remains dedicated to giving back in the communities it serves through environmental stewardship efforts, community wellness initiatives, outreach to reduce health disparities among our most vulnerable citizens and programs that support local community vibrancy and economic development.

In 2016, Mayo provided \$629.7 million in care to people in need. This total includes \$83.3 million in charity care and \$546.4 million in unpaid portions of Medicaid and other indigent care programs for people who are uninsured or underinsured. The estimated unpaid portion of Medicare services across the organization was an additional \$1.8 billion.

Mayo Clinic contributed \$6.7 million in cash and in-kind donations to local communities.



A DESTINATION OF HOPE AND HEALING

Mayo Clinic announced a nearly 2-million-square-foot life science research campus in downtown Rochester. The campus will be the centerpiece of Discovery Square, one of six subdistricts in the Destination Medical Center development initiative.

Mayo Clinic will collaborate on the project with M.A. Mortenson Company, a Minneapolis-based and family-owned development and construction services firm.

Discovery Square will serve as a point for physicians and scientists to come together with businesses and entrepreneurs to accelerate advancements in medical innovation and technology for critical advances in patient care.

Mayo Clinic continues its commitment to the DMC initiative, investing \$9.5 million in integrated operational support since introducing the plan.



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 at every Mayo campus.

MAYO CLINIC LEADERSHIP



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President and CEO
Mayo Clinic



Jeffrey W. Bolton
Vice President, Administration
CAO, Mayo Clinic



Wyatt W. Decker, M.D.
Vice President, Mayo Clinic
CEO, Mayo Clinic in Arizona



Gianrico Farrugia, M.D.
Vice President, Mayo Clinic
CEO, Mayo Clinic in Florida



Bobbie S. Gostout, M.D.
Vice President, Mayo Clinic
Operations



Mark B. Koch
Chief Administrative Officer
Mayo Clinic Health System



Paula E. Menkosky
Chief Administrative Officer
Mayo Clinic in Arizona



Christina K. Zorn
Chief Administrative Officer
Mayo Clinic in Florida



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Accurate as of March 2017

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