



Our Sustainability Story



A letter from Mark Tarr

Introduction

About our Company

The Encompass
Health Way

Our commitment to quality

Environment

Design & Construction

Recycling & Energy
Efficiency

Supply Chain Operations
sustainable vendors

Social

Together to End Stroke

Walk to End Alzheimer's

Charitable giving

Education

Inclusion & Diversity

Who we are in numbers

CARE Fund

Governance

Board of Directors

Ethics & Compliance

Patient privacy

Cybersecurity

Succession planning

A letter from Mark Tarr

PRESIDENT AND CHIEF EXECUTIVE OFFICER



At Encompass Health, sustainability is nothing new—it's ingrained in everything we do. As our purpose states, "We exist to provide a better way to care that elevates expectations and outcomes."

We are committed to getting our patients back to their communities and independence—whether it's in the inpatient rehabilitation hospital setting or the home setting.

The need for the care we provide is not going away anytime soon, either.

As the population continues to age, they will continue to need our services, and as one of the largest providers of inpatient rehabilitation and home health and hospice care, we will be there to meet that need.

However, our sustainability story extends beyond the walls of our inpatient rehabilitation hospitals and in the homes in which we provide care.

We are also committed to supporting the communities in which we serve, as well as the healthcare industry as a whole, be it through strategic sponsorships, research grants or educational endowments.

In the following pages, we'll tell you our sustainability story. Like the healthcare industry, our sustainability efforts are ever changing and evolving. We hope you'll visit [this page](#) of our website often to see how our sustainability story continues to grow and evolve with our Company.

A handwritten signature in black ink that reads "Mark Tarr". The signature is fluid and cursive, with the first name "Mark" and last name "Tarr" clearly legible.

About our Company

Introduction

About our Company

The Encompass Health Way

Our commitment to quality

Environment

Design & Construction

Recycling & Energy Efficiency

Supply Chain Operations sustainable vendors

Social

Together to End Stroke

Walk to End Alzheimer's

Charitable giving

Education

Inclusion & Diversity

Who we are in numbers

CARE Fund

Governance

Board of Directors

Ethics & Compliance

Patient privacy

Cybersecurity

Succession planning

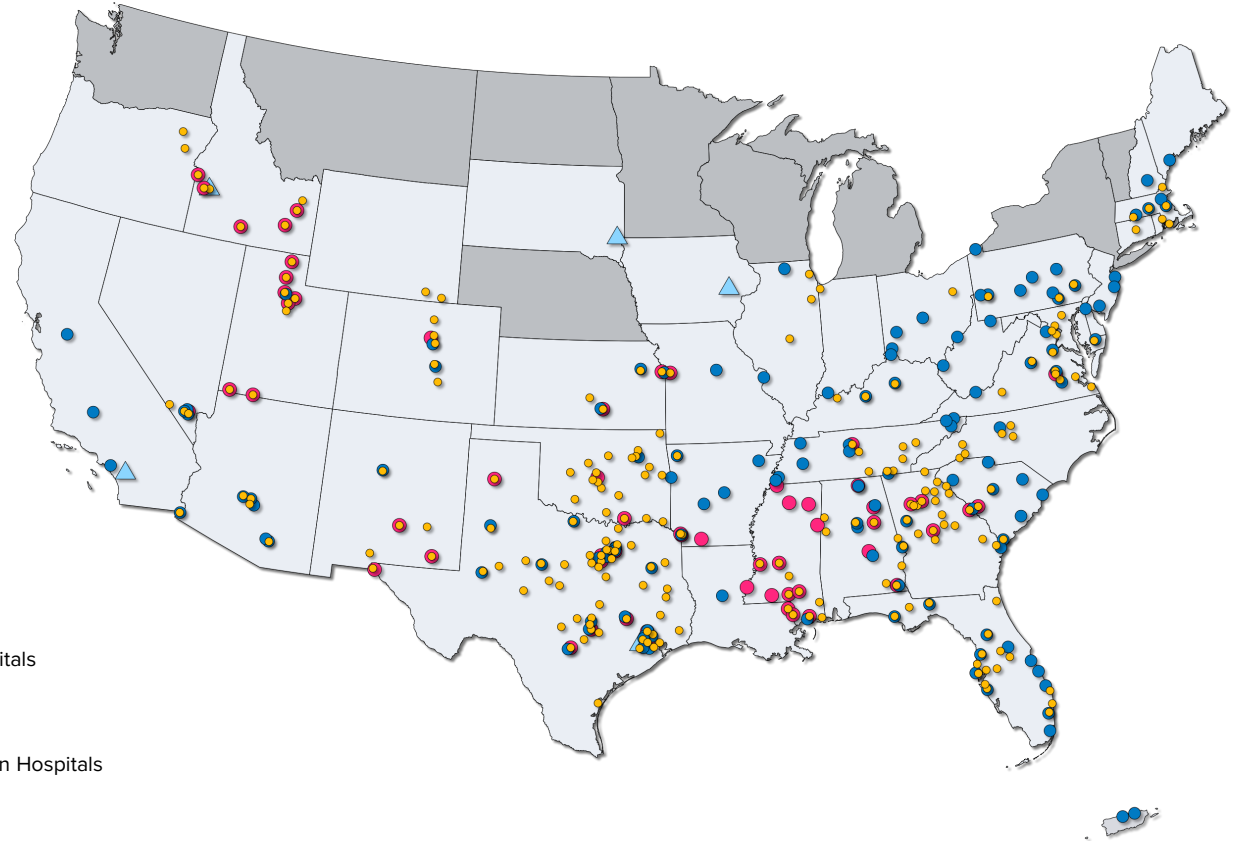
Sustainability is part of everything we do at Encompass Health. As one of the nation's leading providers of post-acute care, we strive to help our patients regain their independence and return them home to their communities. Learn more in our [Investor Reference Book](#).

133
Inpatient rehabilitation hospitals

47
Joint ventures

245
Home health locations

82
Hospice locations



- Inpatient Rehabilitation Hospitals
- Home Health Locations
- Hospice Locations
- ▲ Future Inpatient Rehabilitation Hospitals

INPATIENT REHABILITATION

~30,800 employees ~182,000 discharges ~\$3.4 billion revenue

HOME HEALTH & HOSPICE

~10,900 employees ~145,000 home health admissions ~8,700 hospice admissions ~\$1 billion revenue

* Numbers as of September 2019

Introduction

About our Company

[The Encompass Health Way](#)

Our commitment to quality

Environment

Design & Construction

Recycling & Energy Efficiency

Supply Chain Operations sustainable vendors

Social

Together to End Stroke

Walk to End Alzheimer's

Charitable giving

Education

Inclusion & Diversity

Who we are in numbers

CARE Fund

Governance

Board of Directors

Ethics & Compliance

Patient privacy

Cybersecurity

Succession planning

The Encompass Health Way

Encompass Health is a values-driven company. The Encompass Health Way was created by our employees for our employees. For stories on how our employees live The Encompass Health Way click [here](#).

Set the standard

We are committed to going above and beyond, never settling for anything less than excellence. We pride ourselves on being industry leaders and challenge ourselves to continuously improve.



Lead with empathy

We start with empathy, taking the time to understand the physical, mental and emotional needs of each other and those we support. We listen, make deep connections and engage on a personal level to better serve others.



Do what's right

We do the right thing the right way, no matter how difficult, even when no one is looking. We're not afraid to have hard conversations. If we make a mistake, we acknowledge it, proactively find a resolution and make it right going forward.



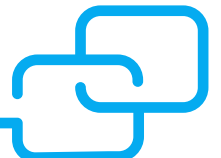
Focus on the positive

We have a positive spirit and find the light even in the most difficult situations. We bring our whole self to work. We celebrate successes and inspire others to create meaningful impact.



Stronger together

We believe our individual strengths make us stronger together. We take accountability for our actions, connect across teams and lean in to get it done – at all levels of the Company.



Introduction

About our Company

The Encompass Health Way

Our commitment to quality

Environment

Design & Construction

Recycling & Energy Efficiency

Supply Chain Operations sustainable vendors

Social

Together to End Stroke

Walk to End Alzheimer's

Charitable giving

Education

Inclusion & Diversity

Who we are in numbers

CARE Fund

Governance

Board of Directors

Ethics & Compliance

Patient privacy

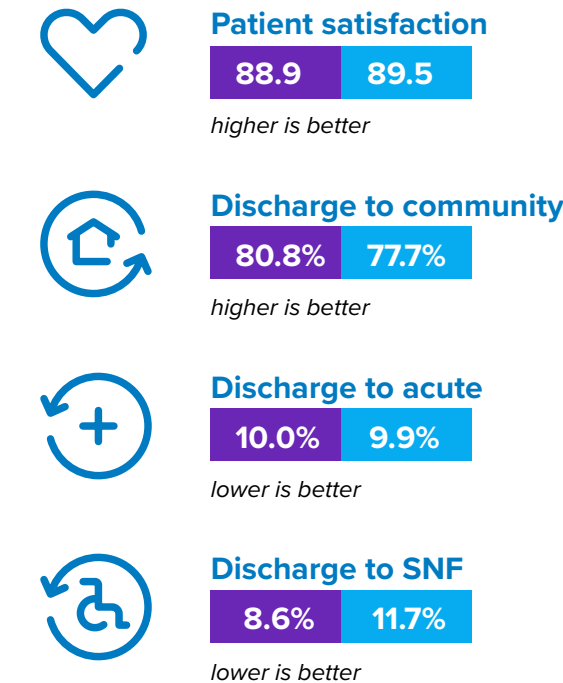
Cybersecurity

Succession planning

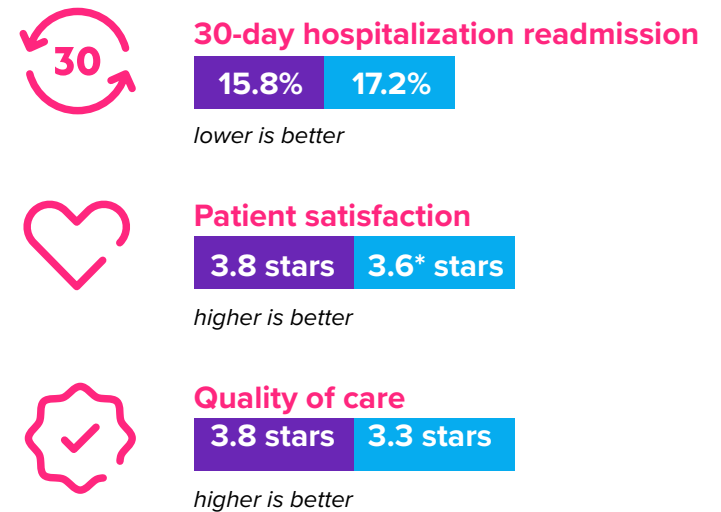
Our commitment to quality

We are proud of our quality care track record as benchmarked against national industry standards. By placing patients first, both our inpatient rehabilitation hospitals and our home health and hospice locations retain a leading position in quality care.

INPATIENT REHABILITATION



HOME HEALTH & HOSPICE



Encompass Health | Benchmark

*As of second quarter of 2019

Introduction

About our Company

The Encompass
Health Way

Our commitment to quality

Environment

Design & Construction

Recycling & Energy
Efficiency

Supply Chain Operations
sustainable vendors

Social

Together to End Stroke

Walk to End Alzheimer's

Charitable giving

Education

Inclusion & Diversity

Who we are in numbers

CARE Fund

Governance

Board of Directors

Ethics & Compliance

Patient privacy

Cybersecurity

Succession planning

Quality initiatives

Some examples of clinical initiatives we have to further improve quality and prevent unsatisfactory care include:



- **ReACT** – Acute care transfers can negatively influence patient outcomes and result in unnecessary healthcare expenditures and penalties. We utilized our extensive proprietary database of inpatient rehabilitation patient medical records to develop a predictive model to identify patients at risk of an acute care transfer and implement clinical intervention strategies as part of the plan of care. ReACT is running in all our inpatient rehabilitation hospitals.



- **Pain control and reducing the use of opioids** – The over prescription of opioids has contributed to a nationwide opioid crisis. We have a multidisciplinary approach to improve pain management, including educating our clinicians on nonpharmacologic treatment of pain and vigilant opioid stewardship.



- **Clinical collaboration** – Poor coordination of the discharge process between healthcare providers can result in challenges with the transition of care, unnecessary duplication of services and avoidable medical errors. We have developed clinical protocols and coordinated discharge planning between acute care hospitals, our inpatient rehabilitation hospitals and home health agencies. We utilize care transition coordinators to implement patient-centered transition plans that promote quality, safety and patient choice.



- **Nutrition** – Poor nutrition negatively impacts patient outcomes and increases the risk of acute care transfers. We have developed an early intervention malnutrition screening tool that prompts nurses to start the correct supplement to meet the patient's nutritional needs based on diet and diagnosis.



- **Infection control** – Healthcare associated infections are a threat to patient safety and add to growing healthcare costs. Working with a contracted infection control expert, we have standardized and improved our infection control practices across the Company in order to reduce the risk of infection to patients and apply evidenced-based decision making to prevent the spread of infections. Our standardized practices in this area were developed into a white paper that describes an approach to preventing infections that maximizes patient safety, promotes optimal clinical outcomes, increases patient satisfaction and avoids unnecessary limitations on participation in therapy. This paper has been presented at the national conferences for the Association for Professionals of Infection Control and the American Congress of Rehabilitation Medicine.



Environment

OUR SUSTAINABILITY STORY

A letter from Mark Tarr

Introduction

About our Company

The Encompass
Health Way

Our commitment to quality

Environment

Design & Construction

Recycling & Energy
Efficiency

Supply Chain Operations
sustainable vendors

Social

Together to End Stroke

Walk to End Alzheimer's

Charitable giving

Education

Inclusion & Diversity

Who we are in numbers

CARE Fund

Governance

Board of Directors

Ethics & Compliance

Patient privacy

Cybersecurity

Succession planning

Design & Construction

At Encompass Health, we are committed to doing our part to protect the planet and minimize our carbon footprint while still providing the best care to our patients. Our hospitals are generally smaller, and much of our care takes place in the home, thus making us more efficient. However, we are still constantly looking to make our new and existing facilities run more efficiently.

As a standard practice, the Encompass Health design and construction department establishes project goals to implement environmental sustainable practices. The key areas of focus include site, water, energy, materials and human health. In 2018, we adopted a sustainability checklist based on those focus areas.

Sustainable building materials

We are also committed to using sustainable building materials in our new buildings, as well as updates to existing facilities. Some of those materials include:

- Standard paint has Zero-VOC's and is Greenguard certified for it's high indoor air quality rating
- Modular carpet includes post-consumer recycled content and is 100% recyclable
- Rubber base includes 14% pre-consumer recycled content and is recyclable
- Vinyl wallcovering includes recycled content, and is recyclable
- Porcelain tile contains pre-consumer recycled content and is 100% recyclable
- Solar shades reduce energy usage, include up to 50% pre-consumer recycled content, and their aluminum components are 100% recyclable
- Ceiling tiles are Low-VOC, 100% recyclable, and include post-consumer recycled content

A letter from Mark Tarr

Introduction

About our Company

The Encompass

Health Way

Our commitment to quality

Environment

Design & Construction

Recycling & Energy
Efficiency

Supply Chain Operations
sustainable vendors

Social

Together to End Stroke

Walk to End Alzheimer's

Charitable giving

Education

Inclusion & Diversity

Who we are in numbers

CARE Fund

Governance

Board of Directors

Ethics & Compliance

Patient privacy

Cybersecurity

Succession planning

Recycling & Energy Efficiency

We undertake various recycling and energy conservation efforts. Specific initiatives we have undertaken include:

Waste Recycling

- We have national pharmaceutical and medical waste programs to ensure all these materials are disposed of properly and their containers are recycled
- During the 12 months ended May 31, 2018, our hospitals recycled ~770 metric tons of garbage

Sharps Program

- All of our home health agencies and ~80% of our hospitals utilize reusable sharps collection containers purchased through Stericycle
- Reusable containers can be recycled up to 600x, significantly reducing plastic waste
- During January to September 2018, we recycled 25,216 sharps containers containing 31,000 pounds of plastic
- Transition to reusable containers reduced annual hospital spend on sharps disposal by 20%

LED Lighting

- LED lighting is installed in all new hospitals in order to drive reduction in energy consumption and maintenance costs. A program to upgrade all facility lighting at Encompass Health hospitals began in 2018 and is projected to be complete by 2024.

Home Office initiatives

- Transitioning to centralized, two-sided printing at the Birmingham Home Office has reduced overall paper usage by 26% (April-August 2018)
- Replaced Birmingham Home Office cafeteria containers with recyclable materials
- Products with recycled content are 'flagged' within our purchasing system
- Implemented a plastic and aluminum recycling program

A letter from Mark Tarr

Introduction

About our Company

The Encompass
Health Way

Our commitment to quality

Environment

Design & Construction

Recycling & Energy
Efficiency

Supply Chain Operations
sustainable vendors

Social

Together to End Stroke

Walk to End Alzheimer's

Charitable giving

Education

Inclusion & Diversity

Who we are in numbers

CARE Fund

Governance

Board of Directors

Ethics & Compliance

Patient privacy

Cybersecurity

Succession planning

Supply Chain Operations

Our supply chain operations has included questions regarding sustainability in all RFPs. In concert with our group purchasing organization, we selected nine criteria that will qualify a product as sustainable within the Encompass Health hospital purchasing system.

These nine criteria are:

1. Biodegradable
2. Certified sustainable
3. Compostable
4. Energy conservation
5. Green cleaning
6. Product-recycled content
7. Raw material reclamation
8. Third-party certified
9. USDA organic

All sustainable vendors are flagged within the hospital purchasing system to allow hospitals to easily recognizes those vendors deemed as sustainable.

Quality controls

Through our purchasing supply chain technology systems, we monitor our suppliers' invoice pricing compared to underlying contracts and confirm necessary corrections.

We conduct an annual satisfaction survey of our top 30 vendors to solicit feedback from our hospitals on service levels, product quality and other metrics with corrective action taken for identified poor performance. We also have a Sharepoint tool that any employee can utilize to submit a concern about a national supplier. All concerns submitted are vetted by supply chain staff.



Social

OUR SUSTAINABILITY STORY

A letter from Mark Tarr

Introduction

About our Company

The Encompass
Health Way

Our commitment to quality

Environment

Design & Construction

Recycling & Energy
Efficiency

Supply Chain Operations
sustainable vendors

Social

Together to End Stroke

Walk to End Alzheimer's

Charitable giving

Education

Inclusion & Diversity

Who we are in numbers

CARE Fund

Governance

Board of Directors

Ethics & Compliance

Patient privacy

Cybersecurity

Succession planning

Together to End Stroke

With stroke being one of the leading conditions we treat, Encompass Health and American Heart Association/American Stroke Association (AHA/ASA) embarked on a strategic national alliance to help educate, treat and prevent stroke. The three-year sponsorship of "Together to End Stroke" started in 2019, and is a result of many years of local involvement between hospitals and AHA/ASA, and will provide an opportunity for us to enhance and build upon those existing relationships.

Encompass Health is working with AHA/ASA to plan and develop the most appropriate tools, events and interactions to education the public on stroke recovery. Download the Life After Stroke Guide.



A letter from Mark Tarr

Introduction

About our Company

The Encompass
Health Way

Our commitment to quality

Environment

Design & Construction

Recycling & Energy
Efficiency

Supply Chain Operations
sustainable vendors

Social

Together to End Stroke

Walk to End Alzheimer's

Charitable giving

Education

Inclusion & Diversity

Who we are in numbers

CARE Fund

Governance

Board of Directors

Ethics & Compliance

Patient privacy

Cybersecurity

Succession planning

Walk to End Alzheimer's

Encompass Health hospitals and home health and hospice locations have come together to support The Walk to End Alzheimer's. As the number of dementia patients we treat continues to climb, we are dedicated to supporting the Alzheimer's Association's efforts to advance care, support and research for all types of dementia. Starting in 2018, the Company became a Gold National team, exceeding its \$250,000 fundraising goal. Encompass Health's fundraising efforts last year earned the Company the No. 9 spot on the list of top performers nationwide.

\$117,000


2017 fundraising

\$276,000

2018 fundraising


No. 9


out of 150 teams



Employees, friends and family of Encompass Health proudly participate as an Alzheimer's Association Walk to End Alzheimer's National Team to raise funds and awareness for Alzheimer's care, support and research.

2018

 **Encompass
Health**

 **WALK TO
END
ALZHEIMER'S**
alzheimer's association

**PROUD
NATIONAL TEAM**

A letter from Mark Tarr

Introduction

About our Company

The Encompass
Health Way

Our commitment to quality

Environment

Design & Construction

Recycling & Energy
Efficiency

Supply Chain Operations
sustainable vendors

Social

Together to End Stroke

Walk to End Alzheimer's

[Charitable giving](#)

Education

Inclusion & Diversity

Who we are in numbers

CARE Fund

Governance

Board of Directors

Ethics & Compliance

Patient privacy

Cybersecurity

Succession planning

Charitable giving

Encompass Health is committed to making a difference in the communities it serves by providing financial and volunteer support to non-profit organizations in local communities. Our Home Office, as well as our individual locations, focus charitable giving in the following five areas:

- **Rehabilitation-related healthcare:** Charities that focus on providing information, research or treatment in the healthcare arena. Special consideration is given to organizations conducting physical rehabilitation research and patient support.
- **Human services:** Charities whose focus includes supporting human service organizations, particularly ones that improve the lives of those who are at risk or are facing unique challenges.
- **Education:** Charities that are committed to education as a means of helping young people prepare for the future with special consideration given to schools serving low- or moderate-income communities. Also included in this focus area are higher education initiatives and training programs, particularly those relevant to the healthcare industry.
- **Art and culture:** Encompass Health believes art and culture make life more vibrant for everyone.
- **Diversity:** Organizations whose focus is creating and maintaining an environment that fosters and promotes diversity and provides opportunities for higher education in the minority community.

Home Office giving in 2018:

\$895,000

A letter from Mark Tarr

Introduction

About our Company

The Encompass
Health Way

Our commitment to quality

Environment

Design & Construction

Recycling & Energy
Efficiency

Supply Chain Operations
sustainable vendors

Social

Together to End Stroke

Walk to End Alzheimer's

Charitable giving

Education

Inclusion & Diversity

Who we are in numbers

CARE Fund

Governance

Board of Directors

Ethics & Compliance

Patient privacy

Cybersecurity

Succession planning

Education

Through grant and scholarship opportunities we are committed to assisting future healthcare employees and funding important research to benefit our patients. Some of those opportunities include:

Encompass Health and Chamberlain University

Encompass Health teamed up with Chamberlain University three years ago to offer its nurses an opportunity to seek higher education at a reduced rate. Through the partnership, nurses can advance their credentials at a tuition rate of 20 to 50 percent of the total program cost, depending on the certification.

Tuition reimbursement program

All employees have the opportunity to advance their education through Encompass Health's tuition reimbursement program. Through the program, employees can receive tuition savings at 200-plus nationally and regionally accredited colleges and universities.

Academic Endowments

Encompass Health has established five \$250,000 endowed scholarships for deserving students who are inspired to follow their calling to serve others through health professions, positively influencing healthcare and society. Scholarships were awarded to the following universities in 2018:

- University of Alabama
- Auburn University
- University of Alabama at Birmingham
- Samford University
- Tuskegee University

Encompass Health Therapy grants

Each year, the Company awards grants to fund research projects aimed at the investigation of the impact and effectiveness of therapy in the inpatient rehabilitation setting or home health setting. In recent years, grants have been awarded to fund studies and research on anything from caregiver education to the effectiveness of occupation-centered interventions. The program is open to employees, as well as other qualified candidates.



A letter from Mark Tarr

Introduction

About our Company

The Encompass

Health Way

Our commitment to quality

Environment

Design & Construction

Recycling & Energy
Efficiency

Supply Chain Operations
sustainable vendors

Social

Together to End Stroke

Walk to End Alzheimer's

Charitable giving

Education

[Inclusion & Diversity](#)

Who we are in numbers

CARE Fund

Governance

Board of Directors

Ethics & Compliance

Patient privacy

Cybersecurity

Succession planning

Inclusion & Diversity

We maintain an inclusion and diversity program that is overseen by two full-time employees at the Home Office. The program is also supported by an employee-led inclusion and diversity council that is comprised of a broad, cross-functioning segment of our home office and hospital leadership, management and administration. Members of this council provide a diverse range of professional expertise to serve as advocates for our inclusion and diversity program. Our inclusion and diversity program is grounded in four pillars:



Workforce development

We aim to develop and retain a unique workforce that creates a diverse work environment that is knowledgeable and responsive to a diverse community of patients and colleagues.



Community partnership

We cultivate relationships with local organizations across our national footprint that assist in improving the workforce and population health needs of the diverse communities we serve.



Patient experience

We foster an inclusive healthcare setting where all patients feel welcome and have equal access to high quality, culturally relevant care that improves patient satisfaction and clinical outcomes.



Supplier diversity

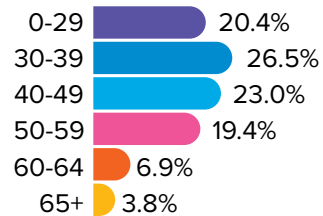
We maintain a supplier program that offers contracting opportunities with service providers that are certified as minority-owned, women-owned, veteran-owned and small disadvantaged-owned businesses.

[Read the 2018 Inclusion & Diversity Report](#)

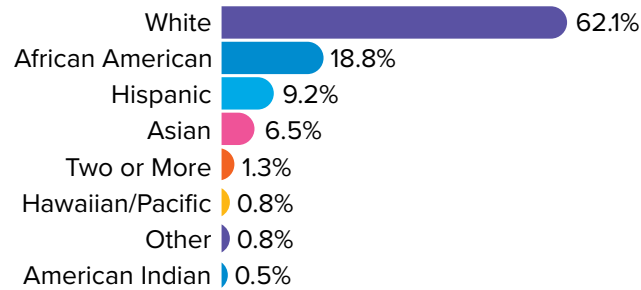
Social

Who we are in numbers

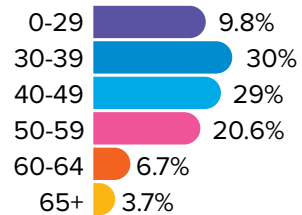
WORKFORCE BY AGE INPATIENT REHABILITATION HOSPITALS



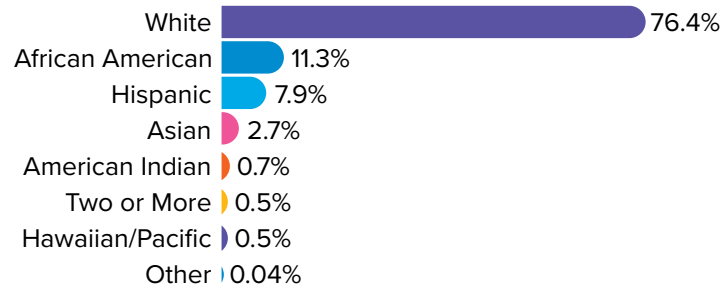
WORKFORCE BY ETHNICITY INPATIENT REHABILITATION HOSPITALS



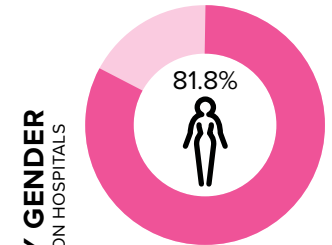
WORKFORCE BY AGE HOME HEALTH & HOSPICE



WORKFORCE BY ETHNICITY HOME HEALTH & HOSPICE



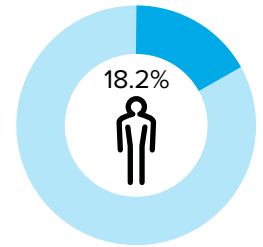
Data as of December 31, 2018.



WORKFORCE BY GENDER
INPATIENT REHABILITATION HOSPITALS



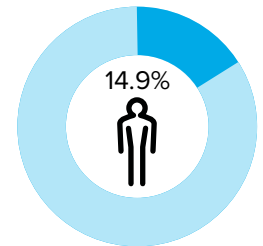
30,047
Total employees



WORKFORCE BY GENDER
HOME HEALTH & HOSPICE



10,428
Total employees



A letter from Mark Tarr

Introduction

About our Company

The Encompass Health Way

Our commitment to quality

Environment

Design & Construction

Recycling & Energy Efficiency

Supply Chain Operations sustainable vendors

Social

Together to End Stroke

Walk to End Alzheimer's

Charitable giving

Education

Inclusion & Diversity

Who we are in numbers

CARE Fund

Governance

Board of Directors

Ethics & Compliance

Patient privacy

Cybersecurity

Succession planning

C.A.R.E. Fund

The C.A.R.E. Fund was created as a means for Encompass Health employees to assist their colleagues in times of need. The fund is a 501c(3) tax exempt organization, and the Company matches 100 percent of all employee donations. In 2018 alone, the C.A.R.E. Fund assisted more than 150 hospital employees in the wake of hurricanes Michael and Florence.

The Fund has assisted over 622 employees impacted by six different hurricanes

Hurricane Matthew, 2016

3 states affected

The fund assisted over 92 employees

Hurricanes Harvey, Irma, & Maria, 2017

The fund assisted over 376 employees

Hurricanes Florence and Matthew, 2018

The fund assisted over 154 employees





Governance

OUR SUSTAINABILITY STORY

A letter from Mark Tarr

Introduction

About our Company

The Encompass
Health Way

Our commitment to quality

Environment

Design & Construction

Recycling & Energy
Efficiency

Supply Chain Operations
sustainable vendors

Social

Together to End Stroke

Walk to End Alzheimer's

Charitable giving

Education

Inclusion & Diversity

Who we are in numbers

CARE Fund

Governance

[Board of Directors](#)

Ethics & Compliance

Patient privacy

Cybersecurity

Succession planning

Board of Directors

Our board of directors is comprised of skilled directors who represent a diverse set of experiences, expertise and attributes. The board is almost entirely independent, with Mark Tarr (our President and CEO) being the only non-independent member. Additionally, we maintain a beneficial mix of short- and long-tenured directors, with an average tenure of slightly less than 10 years, in order to ensure that fresh perspectives are provided and that experience, continuity and stability exist on the board.



Leo I. Higdon Jr.
Chairman



John W. Chidsey



Donald L. Correll



Yvonne M. Curl



Charles M. Elson



Joan E. Herman



Leslye G. Katz



John E. Maupin Jr.



Nancy Schlichting



L. Edward Shaw, Jr.



Mark Tarr

A letter from Mark Tarr

Introduction

About our Company

The Encompass
Health Way

Our commitment to quality

Environment

Design & Construction

Recycling & Energy
Efficiency

Supply Chain Operations
sustainable vendors

Social

Together to End Stroke

Walk to End Alzheimer's

Charitable giving

Education

Inclusion & Diversity

Who we are in numbers

CARE Fund

Governance

Board of Directors

Ethics & Compliance

Patient privacy

Cybersecurity

Succession planning

Ethics & Compliance

Encompass Health has a comprehensive ethics and compliance program that is based on the “Seven Elements of an Effective Compliance Program,” i.e., those key properties government regulators have deemed necessary to demonstrate a company’s culture encourages ethical conduct and a commitment to compliance with legal requirements. The program employs an ongoing awareness model and risk management framework to promote compliance with legal and regulatory obligations and appropriate standards of business conduct. It is administered by the chief compliance officer with guidance and support of an executive compliance committee, and it has been embedded into every level of company operations.

One objective of the ethics and compliance program is to empower employees, directors, vendors and other impacted individuals to discharge their duties in a legal and ethical manner. To that end, they are provided the necessary tools, oversight and guidance to foster compliance with legal and regulatory obligations, support ethical business decision making and promote a “speak-up” culture. These include:

- Mandatory compliance training within 30 days of hire or contracting and annually thereafter
- Open lines of communication, including a hotline administered by a third-party vendor that allows for anonymous reporting 24 hours a day, seven days a week
- A code of conduct, The Standards of Business Ethics and Conduct, compliance policies, and other written materials (e.g., compliance newsletters, posters, and targeted memoranda) that provide practical guidance on compliance obligations and expectations
- Open and unfettered access to the chief compliance officer, privacy officer, general counsel, inspector general and other key leaders to ask questions about compliance obligations or report suspected noncompliance.

For more information on our governance, [click here](#).

A letter from Mark Tarr

Introduction

About our Company

The Encompass
Health Way

Our commitment to quality

Environment

Design & Construction

Recycling & Energy
Efficiency

Supply Chain Operations
sustainable vendors

Social

Together to End Stroke

Walk to End Alzheimer's

Charitable giving

Education

Inclusion & Diversity

Who we are in numbers

CARE Fund

Governance

Board of Directors

Ethics & Compliance

[Patient privacy](#)

Cybersecurity

Succession planning

Patient privacy

Our privacy program is designed to foster a culture of privacy compliance that demonstrates our commitment to appropriately safeguarding the privacy of an individual's protected health information (PHI).

The goals of the privacy program are to:

- Establish policies and procedures to ensure compliance with all applicable federal and state privacy related laws and regulations
- Outline institutional privacy and compliance roles
- Conduct audits and otherwise proactively identify risks to patient PHI
- Provide education and training
- Establish other mechanisms to implement the privacy program

The privacy program is managed and overseen by a privacy officer with guidance from the privacy and security committee and the executive compliance committee. Each hospital has an assigned employee who acts as a hospital HIPAA officer (HHO). The HHO's role is to coordinate the privacy function at the hospital level and act as a liaison between the privacy officer and the hospital.

A letter from Mark Tarr

Introduction

About our Company

The Encompass
Health Way

Our commitment to quality

Environment

Design & Construction

Recycling & Energy
Efficiency

Supply Chain Operations
sustainable vendors

Social

Together to End Stroke

Walk to End Alzheimer's

Charitable giving

Education

Inclusion & Diversity

Who we are in numbers

CARE Fund

Governance

Board of Directors

Ethics & Compliance

Patient privacy

Cybersecurity

Succession planning

Cybersecurity

Nearly a decade ago, Encompass Health partnered with Cerner, a leading supplier in health information technology, to build a proprietary electronic medical record system. ACE IT—Advancing Clinical Excellence through Information Technology—was fully implemented in all Encompass Health Hospitals in 2018, and was designed not only to improve quality and efficiencies but also to secure patient records.

Cybersecurity Posture

- Secured and encrypted private network
- Cerner has adopted the HITRUST security framework
- Encompass Health is on the Cerner Security advisory Committee

Physical Security

- Tier 4 data center
- Hardened data center to withstand F4 tornado.

Access

- Comprehensive user activity monitoring to meet HIPAA reporting requirements
- Clinical focused role based access solution deliver
- Single Sign-on integration

A letter from Mark Tarr

Introduction

About our Company

The Encompass
Health Way

Our commitment to quality

Environment

Design & Construction

Recycling & Energy
Efficiency

Supply Chain Operations
sustainable vendors

Social

Together to End Stroke

Walk to End Alzheimer's

Charitable giving

Education

Inclusion & Diversity

Who we are in numbers

CARE Fund

Governance

Board of Directors

Ethics & Compliance

Patient privacy

Cybersecurity

[Succession planning](#)

Succession planning

Our annual performance evaluation process includes a succession planning component, which is used to determine development and promotional opportunities within the Company. It includes an assessment of each employee's promotability based on a set of leadership core competencies defined as part of the Company's talent strategy. This process also recognizes there will be times when we need to hire externally to optimize our management team.

In addition to executive and management succession, the nominating/corporate governance committee regularly oversees and plans for director succession and refreshment of our board of directors to ensure a mix of skills, experience, tenure and diversity that promote and support our long-term strategy. In connection with ongoing long-term succession planning, the nominating/corporate governance committee engaged a search firm to identify director candidates for our board in anticipation of replacing the directors who are approaching the tenure limits in our [Corporate Governance Guidelines](#) over the next few years.



This is only part of our sustainability story. To stay up-to-date on how Encompass Health is working to sustain its patients, people and communities, [click here](#).