



Inclusion & Diversity  
**annual report 2019**

THE WAY  
**Forward**







Dear fellow employees,

The year 2019 was one of strength for our Company's I&D program, building upon a foundation that has grown from a unified effort, knowing we are stronger together.

Our values have remained important reminders of how inclusion and diversity make a difference in how we successfully engage with our employees, patients, communities and business partners. Setting the standard in how we serve and treat each other, we better connect to excellence on every level, elevating us as a national healthcare leader.

Over the past year, I&D subcommittees promoted new and ongoing efforts in areas of workforce, patient experience, supplier diversity and community partnerships. A few of their actions are highlighted within this report, spotlighting key contributions in areas like therapy, where onboarding teams use special software programs to dismiss language barriers. In nursing, preceptor programs offer helpful guidance during employee orientation, adding to the continued presence of Comfort, Professionalism and Respect (CPR) in our hospitals. You'll also learn how a healthy dose of inclusivity provided one of our newest leaders with a welcoming like no other as he made Encompass Health his new home.

Further strengthening our foundation of inclusion and diversity in 2020 will be an essential component in how we pursue our Company's ongoing strategic initiatives. It will take a collective commitment to I&D, where diversity makes us strong and inclusion lights the way forward.



Mark J. Tarr  
President  
Chief Executive Officer



# Finding opportunity in outcomes

Within the home health and hospice segment, inclusion and diversity has been something that the team took for granted, admits April Anthony, CEO of home health and hospice. “In many ways, our Company values have proven to be a strong foundation for our continued focus on inclusion and diversity, as evidenced by our recognitions by Fortune magazine,” she said. The segment earned a place on Fortune’s Best Workplaces for Diversity, for Women and for Millennials listings, and was also recently ranked by Fortune as the 54th Best Company to Work For.

Despite these strong outcomes, Anthony recognizes that there is room for improvement. In 2020, the home health and hospice segment is committed to taking outcomes to the next level and to be more intentional about efforts around inclusion and diversity. The team will organize its first Inclusion & Diversity Committee as part of the Company’s I&D Council and plans to launch additional regional committees throughout the year.



**April Anthony**  
Chief Executive Officer,  
Home Health & Hospice

“Our goal is to come together as a community in a way that not only represents The Encompass Health Way but that also produces a model for a more ideal way to work and live together in harmony and unity,” Anthony said.

“I am confident that we can build on our strong foundation, lean more deeply into our values and always be led by our guiding principle of delivering a better way to care for all those we encounter. In doing so, we will realize even greater outcomes and set the standard for inclusion and diversity.”



# Welcoming **inclusion and diversity**

To be inclusive is to be welcoming. Encompass Health's new Chief Human Resources Officer Tony Hernandez knows this from recent experience. Hernandez admits he was nervous about joining a new company and how employees would view him as a leader. Believing he was making the right move, all apprehension faded the moment he arrived at the Home Office for his first day on the job.

"I was greeted on my way down the hall with a white board filled with best wishes from everyone on the team," Hernandez said. "I took a picture of the board and sent it to my wife and a few of my old co-workers. Knowing that the people I cared about would see things were going to be OK meant a lot to me."

Feeling welcomed by his peers – a diverse and inclusive team on its own – gave Hernandez the green light to get to work in an industry where a rapidly changing workforce sets the pace. Supporting inclusion and diversity in his efforts integrated perfectly with the Company's values, setting the standard.



**Tony Hernandez**  
Chief Human Resources Officer

“I recently had the pleasure of visiting one of our hospitals, and was thrilled to see our values brought to life,” Hernandez said. “A diverse and inclusive workforce allows everyone to be the best they can be. Seeing the value in all contributions, appreciating that we are all striving for the best outcomes possible, and that this effort only enhances and strengthens us as a team – all of this is not only the right thing to do, but also the wise thing to do.”



# I&D strategic focus



## Workforce

Attract, develop and retain a uniquely talented workforce which fosters an open and inclusive work environment and is knowledgeable and responsive to the diverse communities of patients we serve.



## Patient experience

Foster an inclusive health care environment conducive to exceptional patient care where all patients feel welcome and have equal access to high quality, culturally and linguistically relevant care, thus improving patient satisfaction and clinical outcomes.



## Supplier diversity

Maintain a supplier base program that is reflective of the diverse communities we serve offering contracting opportunities with manufacturers, distributors and service providers that are certified as minority-owned, women-owned, veteran-owned and small disadvantaged-owned businesses.



## Community partnerships

Cultivate relationships with community organizations that can assist in improving the workforce and population health needs of the diverse communities that we serve. Promote our organization as one that values inclusion and diversity.

## Accountability

Build accountability among leadership and employees at all levels to ensure inclusion and diversity is incorporated into our day-to-day business practices.

## Culture

Cultivate an open, inclusive, and respectable work environment that encourages collaboration and fosters creativity, innovation, and employee engagement.



**Strong**

**Encourage**

**Onward**

**Believe**

**Building**

**Onward**

**Collective**

**Celebrate**

**Dignity**

**Together**

**Upward**

**Assertive**

**Upcoming**

**Celebrate**

**Leader**

**Progress**

**Understand**

**Forward**

**Prior**

**Empathy**

**Unique**

**Skills**

**Values**

**Future**

**Inspiring**

**Community**

**Aware**

**Accelerate**

**Team**

**Building**

**Cohesive**

**Progress**

**Dignity**

**Equality**

**Accelerate**

**Improving**

**Purpose**

**Unity**

**Unity**

**Transition**

**Talents**

**Communicate**

**Moving**

**Understand**

**Beliefs**

**Engaging**

**Inspiring**

**Empathy**

**Enhance**

**Steps**

**Collective**

**Committed**

**Quality**

**Elevate**

**Onward**

**Values**

**Promising**

**Steps**

**Repeat**

**Individual**

**Advanced**

**Aware**

**Preferred**

**Ahead**

**Progress**

**Team**

**Future**

**Encour**

**Expanded**

**Believe**

**Empath**

**Innov**

**App**

**Custom**

# Building on a **strong foundation**

Over the past five years, we have strengthened our inclusion and diversity efforts within our hospitals and Home Office, further solidifying the foundation we've built for I&D. Our Company's shared values have remained important reminders of how to live for a stronger future and a more inclusive and diverse working environment.

Executive Vice President, President Inpatient Hospitals Barbara Jacobsmeyer has seen these values in action, viewing the value "Stronger together" as our most grounded principle when it comes to supporting I&D.

"This doesn't just mean in numbers," Jacobsmeyer said. "We are stronger when we have the input and experience of individuals that represent our diverse staff and patients. When we welcome this diversity in our teams, we will be stronger together."

Reviewing I&D contributions within our hospitals and Home Office in the year 2019, Jacobsmeyer believes inclusion continues to be an instrumental segment of the I&D framework.



**Barbara Jacobsmeyer**  
Executive Vice President,  
President Inpatient Hospitals

“The “I” in I&D has been a great focus in 2019,” Jacobsmeyer said. “Diversity awareness and elements, such as unconscious bias training, are obvious prerequisites, but it is the focus on inclusion that I believe will really advance us as an organization. As I visit hospitals, I see progress in our inclusion of diverse team members in leadership roles, committees and staff. That’s where the real advancement needs to continue.”

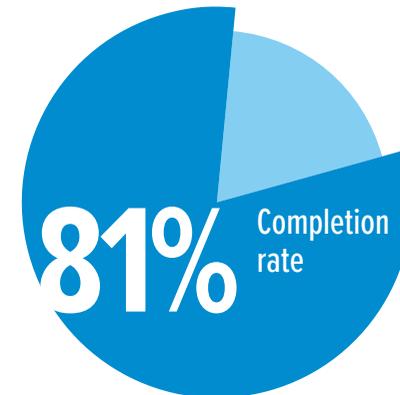
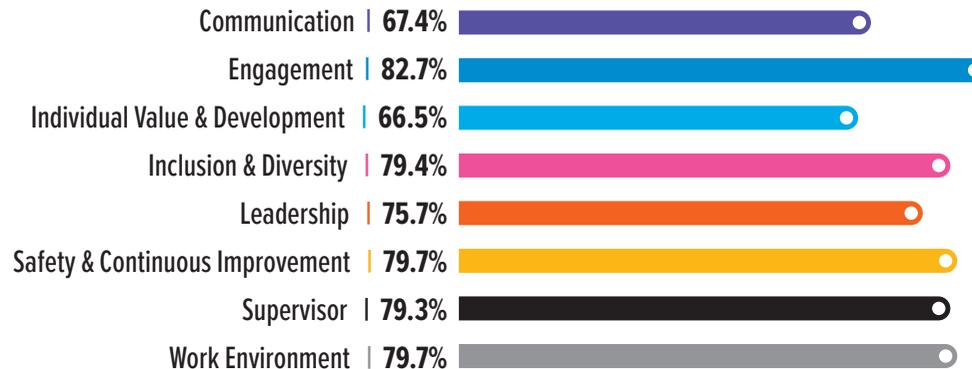
Moving forward in 2020, building upon our foundation of inclusion and diversity will be key to best meet the needs of our Company’s ongoing strategic initiatives for overall operations.

“We need to continue to challenge ourselves,” Jacobsmeyer said. “Our education is never complete. Every day we have new members that join our team in the Home Office, hospitals and home health agencies. We need to ensure everyone values our focus on inclusion and diversity.”



# 2019 Employee Engagement Survey results

## Inpatient Rehabilitation Hospital



### Inclusion & Diversity Index

Overall I&D Index **79.4%**

- 82.5%** | Our company creates an environment of inclusion regardless of individual differences.
- 84.8%** | Our company equips me with the resources to deliver culturally competent care to our patients.
- 86.0%** | My supervisor treats me with dignity and care.
- 64.6%** | There is a culture of trust in this company/branch.

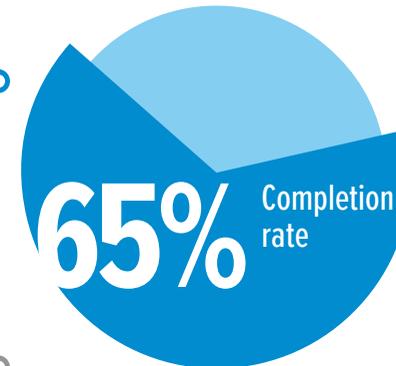
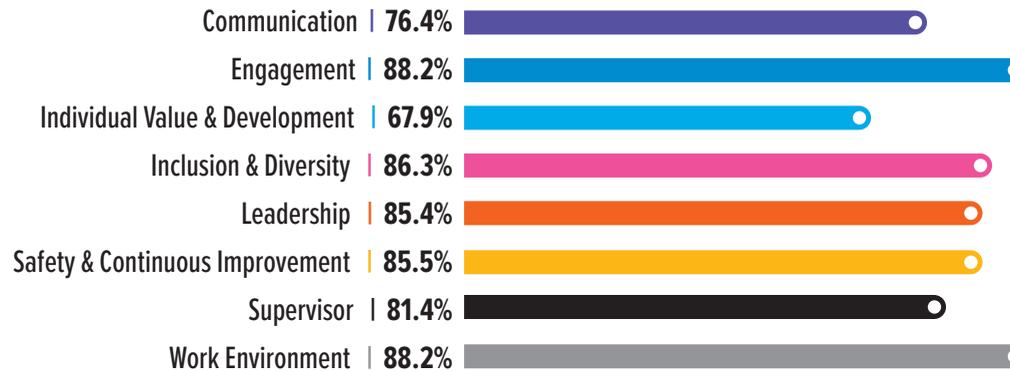
### Top Three Items

Overall Engagement **77.6%**

- 90.4%** | I know to whom I should report concerns about potential violations of our Standards of Business Conduct.
- 87.1%** | My team is committed to exceeding our customers'/patients' expectations.
- 86.0%** | My supervisor treats me with dignity and care.

Employees throughout our hospitals, home health and hospice, and Home Office locations shared their voice in 2019, offering valuable feedback for positive direction in 2020.

## Home Health and Hospice



### Inclusion & Diversity Index

Overall I&D Index **86.3%**

- 90.5%** | Our company creates an environment of inclusion regardless of individual differences.
- 90.1%** | Our company equips me with the resources to deliver culturally competent care to our patients.
- 88.5%** | My supervisor treats me with dignity and care.
- 76.0%** | There is a culture of trust in this company/branch.

### Top Three Items

Overall Engagement **82.6%**

- 96.6%** | I know to whom I should report concerns about potential violations of our Standards of Business Conduct.
- 93.0%** | My team is committed to exceeding our customers'/patients' expectations.
- 92.3%** | The Encompass Health Way (our company values) guides the way we interact with patients, partners and each other.

# Raising the bar for nursing retention

The healthcare industry presents unique challenges in regard to nursing shortages and retention. Fluctuating workforces of new graduates are free to switch employers every one to two years, and career opportunities expand from the bedside to broader locations. Encompass Health I&D continues to focus on platforms of engagement to keep nurses on track for careers in our hospitals.

Vice President of Nursing Operations Mary Ellen Hatch engages new nurses in initiatives across an array of learning activities with a focus on our values.

“Setting the standard, we encourage hospitals to celebrate the diversity of its population of patients and staff,” Hatch said. “A rich culture of diversity can be felt among our staff everywhere. There is a place for everyone.”



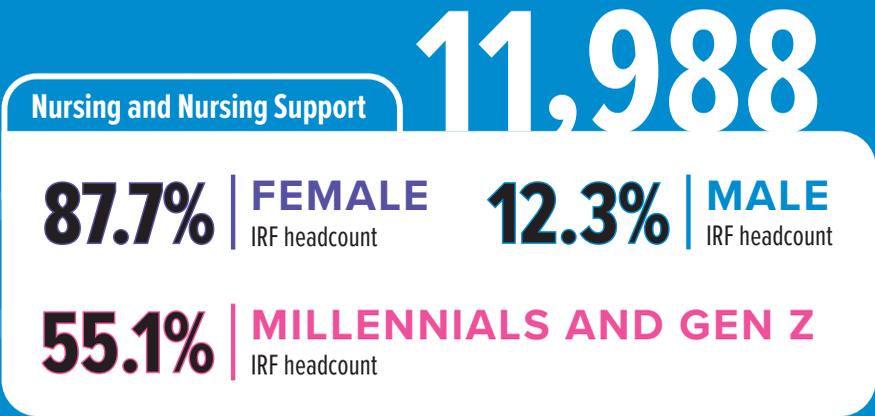
**Mary Ellen Hatch**  
Vice President, Nursing Operations

Knowing that being stronger together builds a solid foundation, nurses are assigned a preceptor during orientation to guide them into practice as a rehabilitation nurse. The interdisciplinary nature of Encompass Health hospitals brings nurses and therapists together, sharing their different approaches to patient care. A favorite occasion for these teams is a meal where nurses and therapists share food from their culture, mixing and mingling as one diverse family.

“Not only does it open minds and tastes to new culinary adventures, it brings out individuals as people working together on a diverse team, all focused on providing great patient care,” Hatch said.

Hatch and her team continue to merge Company values with concepts of Comfort, Professional and Respect throughout 2020 to encourage longevity for our nurses’ future with Encompass Health.

“CPR is our standard for the way in which we treat all individuals – patients, visitors and each other,” Hatch said.



Beacon data 12/31/2019

# Working together for a stronger future

Encompass Health rehabilitation hospitals treat an incredibly diverse patient population nationwide, with patients representing the many communities we serve. It is important that the diversity of our therapy staff mirror that of our patients and their families, so we can adequately understand their wants, needs and preferences when providing individualized treatment plans.

Vice President of Therapy Operations Cheryl Miller knows this well, and shows support for inclusion and diversity through our value system the moment a new employee joins one of our hospitals.

“During the onboarding process, Encompass Health sets that standard by orienting each therapist to a software program that can translate any language with proper medical terminology, including sign language,” said Miller. “This unique software provides clinicians the ability to understand any patient’s wants and needs to better reach his or her personal goals.”



**Cheryl Miller**  
Vice President, Therapy Operations

When it's time for decisions to be made in our hospitals, Miller welcomes multiple ideas and opinions, resulting in outcomes which are more representative of all stakeholders including staff, patients and caregivers.

“Encompass Health has made commitments to its employees to do what's right, valuing everyone's views and opinions for a more inclusive work experience,” Miller said.

As Encompass Health moves forward in its inclusion and diversity efforts, it will seek ongoing involvement from all staff regardless of similarities and differences.

“We are a learning organization, which can only grow and improve by listening to the diverse opinions and preferences of all employees, regardless of their background,” Miller said. “We truly are stronger together by learning from each other.”



8,259



Beacon data 12/31/2019

# Fostering a culture of **acceptance and inclusion**

Encompass Health understands the nuances of providing care in the home setting and consistently delivering the highest quality patient experience through skilled nursing and skilled therapy services. Our focus is for every patient to receive the best care while in a comfortable, familiar and safe environment. Many of our agencies have been named HomeCare Elite, a national honor awarded to the top 25% of agencies on a region-by-region basis, for quality care and patient experience. The homecare segment has also been nationally recognized for numerous Best Place To Work Awards.



**Brenda Riordan**  
Executive Vice President, Strategic  
Operations, Home Health and Hospice

“These awards reflect the voices of our home health and hospice employees and are a testament to a culture that promotes our Encompass Health values and guiding principle of a better way to care that our nurses and therapists deliver every day,” said Brenda Riordan, EVP, strategic operations for the home health and hospice segment. “Living through our values is the best way to continue to ensure inclusion and diversity in the workplace. From leading with empathy, and ensuring that we listen to understand, to setting the standard to foster a culture of acceptance and inclusion, it is our belief that all people and perspectives truly make us stronger together.”

# 4,250

## Nursing

**92.85%** | **FEMALE** | **7.15%** | **MALE**  
HH&H headcount | HH&H headcount

**38.66%** | **MILLENNIALS AND GEN Z**  
HH&H headcount

*PeopleSoft data 12/31/2019*

# 3,427

## Therapy

**73.85%** | **FEMALE** | **26.15%** | **MALE**  
HH&H headcount | HH&H headcount

**42.03%** | **MILLENNIALS AND GEN Z**  
HH&H headcount

*PeopleSoft data 12/31/2019*





# Hitting the high notes for 2019

**97%** company completion of **Success Through Inclusion** training, providing employees with an awareness of the knowledge and skill sets that contribute to an inclusive and respectful workplace

**60%** of hospitals have established **inclusion and diversity committees** **\$12.8 MILLION** in national and local diverse spending

**7** hospitals piloted in the Health Equality Index survey (HEI), the national LGBTQ benchmarking tool that evaluates healthcare facilities' policies and practices related to the equity and inclusion of their LGBTQ patients, visitors and employees

**8** Launched partnerships with **8 Historically Black Colleges and Universities** to build our talent pipeline with a focus on nursing, therapy and pharmacy leadership

**Enhanced spouse/partner assistance** to support diverse leadership hiring and development

Addition of **corporate sponsor** for the Alabama Sports Council/McDonald's Magic City Classic, helping to keep our Birmingham communities strong

# Continuous improvement for the way forward

## **Supportive Company values**

Increase in supplier diversity Partnerships with HBCUs

Pilot hospitals for the Health Equality Index survey

**Nursing preceptor program** Veteran career site tool

**Member of the National Association of Health Service Executives**

**Inclusion & Diversity training within 60 days of hire**

Corporate sponsorship with Alabama Sports Council/McDonald's Magic City Classic

**Comfort, Professionalism and Respect continues**

**Employee onboarding program**

**Leadership diversity** National and local diverse spending

**Diversity Awareness Month celebrations**

Increase in hospital diversity committees

**Enhanced relocation support**

**Employee Engagement Survey**

Translators in hospitals for improved communication

# Hitting the high notes for 2019 **home health & hospice**

**#54** Fortune 100 Best Companies to Work For

**#2** Best Workplaces in Healthcare

**99%** of our home health and hospice employees **felt accepted**  
in regard to race, gender and sexual orientation

Home Health & Hospice named one of **Fortune's Best Workplaces for Diversity**, for Women and for Millennials





# Growing stronger for better solutions

Encompass Health rolled out the online training course Success Through Inclusion in 2019, taking a closer look at how being inclusive leverages the talents of a diverse workforce to spark new ideas for better solutions. National Director of Employee Relations and Inclusion Bryan Rogers acknowledged the course was a success among employees nationwide.

“We accomplished a completion rate of 97% across our company due to the partnership with our hospitals and Home Office leadership teams,” Rogers said. “This completion rate is just one example of how we are truly Stronger Together and how there is benefit in community when we come together.”

Senior management supports the Company’s involvement with I&D and takes the lead to help further the program’s strength and integrity for the near future. Championing the values of an inclusive workforce in our hospitals, home health and Home Office segments through recruiting avenues, coaching and trainings are just a few ways senior management has helped strengthen I&D efforts.

“Our senior management team plays an integral part in the success of I&D,” Rogers said. “Members work with our Inclusion and Diversity Council to ensure inclusion efforts align with the overall company objectives of being the provider of choice for our employees and patients. Working closely with Chief Human Resources Officer Tony Hernandez helps senior leaders stay in tune with the initiatives coming in 2020 and beyond.”



**Bryan Rogers**  
National Director,  
Employee Relations and Inclusion

Rogers hopes to see an increase in the number of diversity councils in our hospitals and home health facilities moving forward.

“This will help further identify better solutions across our Company footprint, creating an environment where everyone feels their voices are heard and their input is valued.”



# People – the heartbeat of our Company



Inclusion & Diversity invites a healthy mix of perspectives. And it has always been about the people.

The decision to lead with inclusion came from desire to engage our employees' different talents, beliefs, backgrounds, abilities and way of living to create a culture of belonging where people feel valued. Inclusion and Diversity Manager Yolanda Turner continues to help lead the effort, putting people first for a happier workplace, better patient outcomes and greater strategic positioning for the Company.

“Inclusion and diversity matter, because people are the heartbeat of any organization,” Turner said. “Inclusion and diversity is the right and smart thing to do. We want employees to bring their whole self to work. For Encompass Health, that means showing up every day with a positive attitude, ready to contribute, succeed and reach goals. We call it ‘focusing on the positive,’ one of our five core values.”

Turner and the I&D Council are intentional with employee engagement, knowing how important it is for a workforce to feel inclusive, valued and heard.



**Yolanda Turner**  
Inclusion and Diversity Manager

“Our annual employee engagement survey is one of several ways our employees can voice their opinions,” Turner said. “We use the survey not only to seek understanding of diverse perspectives, but also to continuously look for ways to improve the work experience at Encompass Health.”

As the communities we serve become more diverse, it is critical that our workforce is reflective of that in the people we hire.

“This will position our hospitals for further success by allowing us to embrace new opportunities and be seen as a healthcare leader in promoting inclusion and diversity in our communities,” Turner said.

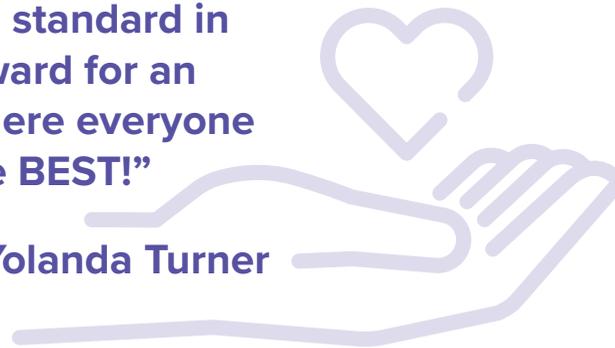


# A special thank you to our **Inclusion and Diversity Council**

The Encompass Health Inclusion and Diversity Council is a governing body of leaders from cross-functional segments of Home Office and hospital leadership. Its members reflect a broad range of professional expertise, serving as advocates for promoting inclusion and diversity at every level of the Company.

**“Thanks to an amazing group of leaders whose dedication and commitment to our I&D program continues to set the standard in paving the way forward for an inclusive culture where everyone matters. You are the BEST!”**

**– Yolanda Turner**

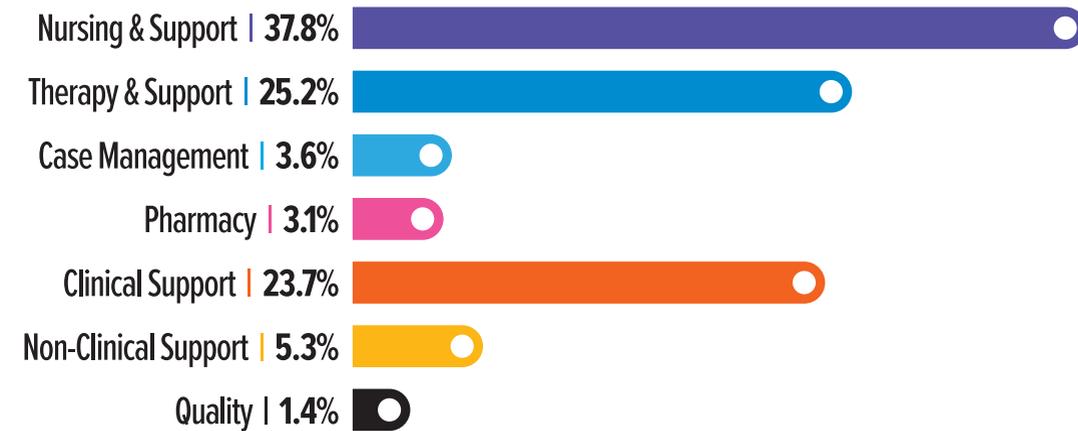
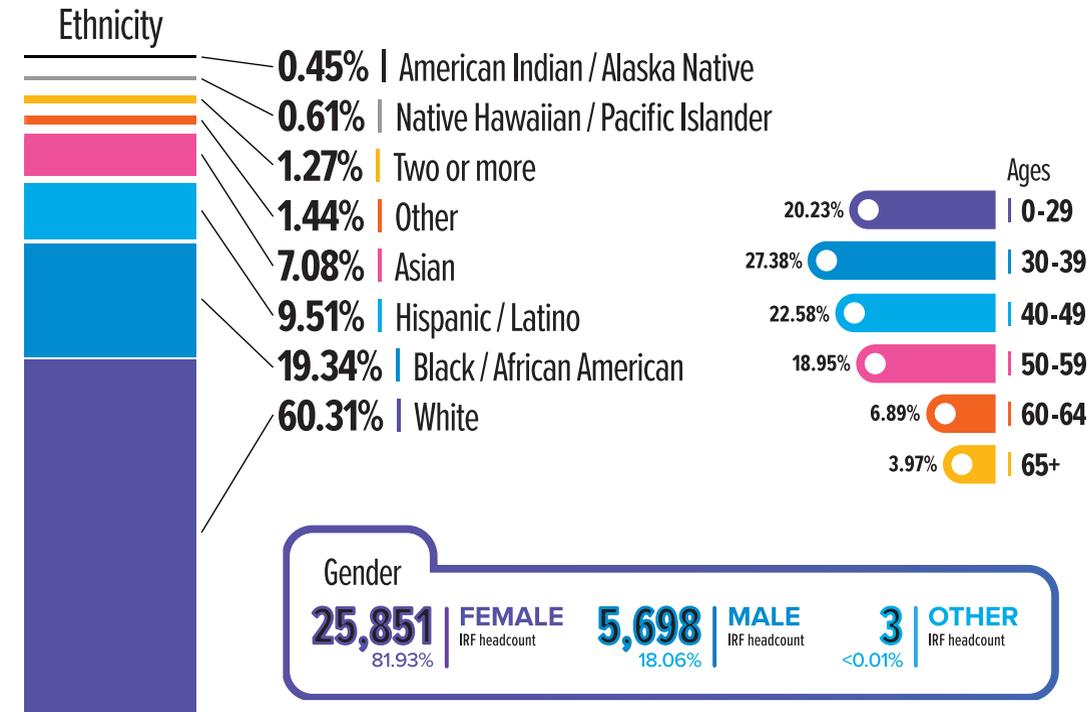


# Who we are in the numbers

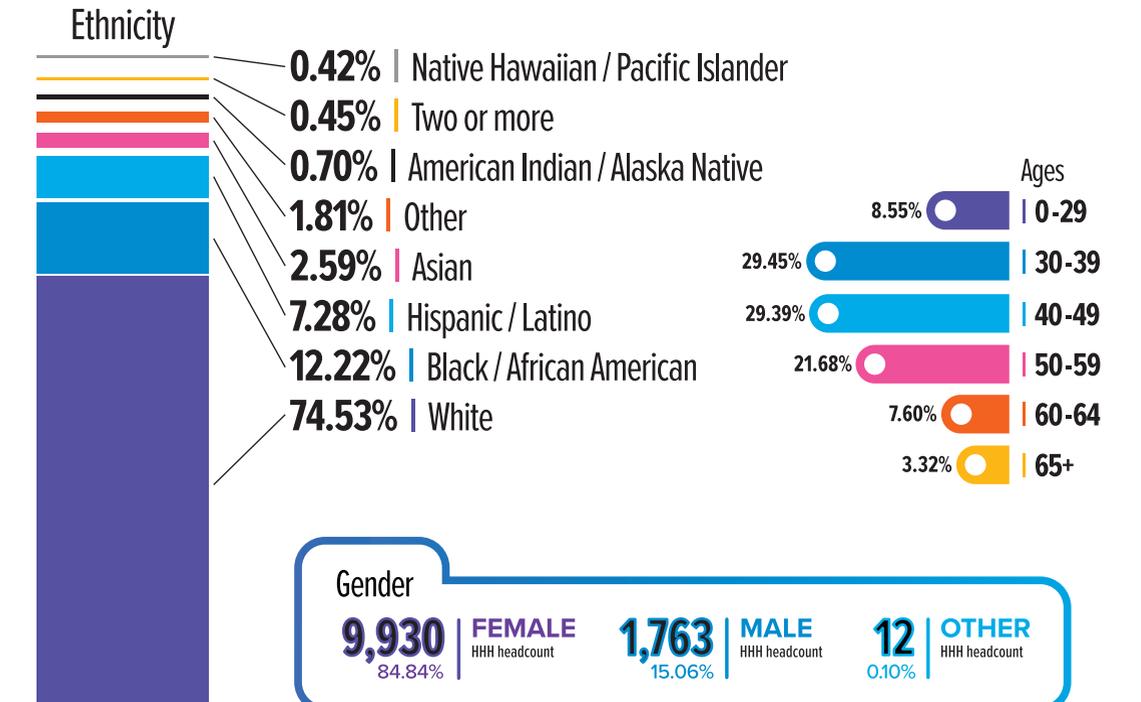
Ethnicity by Region, Inpatient Rehabilitation Hospital

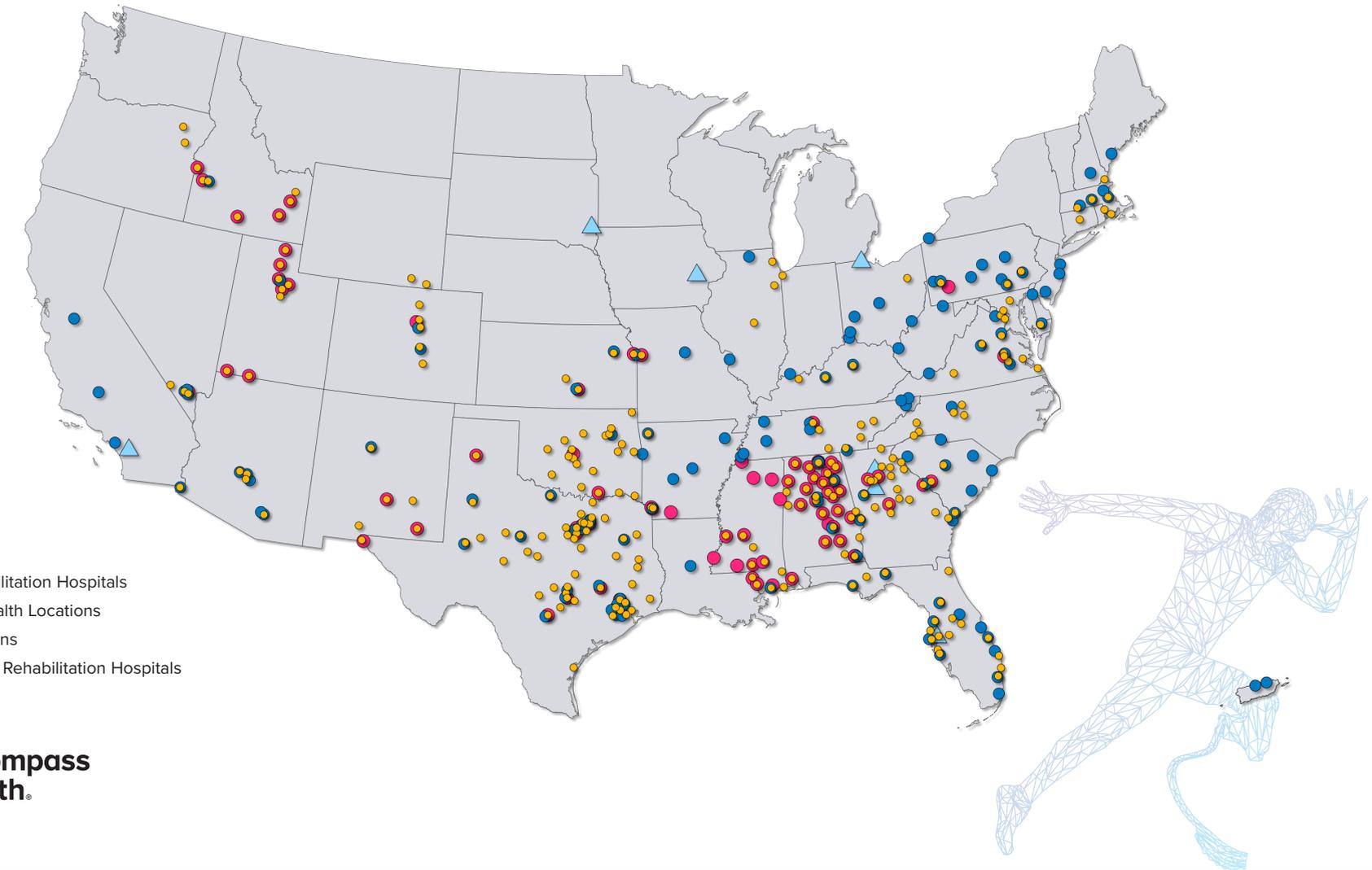
	White	American African	Hispanic	Asian	Hawaiian/Pacific	American Indian	Two or more	Other
Central	69.62%	20.82%	2.69%	3.53%	0.47%	0.28%	1.36%	1.23%
MidAtlantic	68.73%	21.48%	2.42%	4.64%	0.22%	0.22%	1.47%	0.82%
Northeast	78.57%	9.28%	3.72%	5.32%	0.59%	0.18%	0.97%	1.37%
South Central	61.57%	28.77%	2.56%	2.65%	0.62%	0.97%	1.47%	1.39%
Southeast	48.89%	24.90%	17.31%	5.11%	0.60%	0.27%	1.06%	1.86%
Southwest	41.23%	25.77%	17.44%	11.46%	0.71%	0.56%	1.19%	1.64%
West	49.32%	7.12%	20.57%	17.41%	1.17%	0.86%	1.75%	1.80%
Central Business Office	74.22%	5.98%	16.67%	1.57%	0.0%	0.31%	0.31%	0.94%
Home Office	77.06%	14.87%	1.98%	3.82%	0.14%	0.43%	0.28%	1.42%
Total	60.31%	19.34%	9.51%	7.08%	0.61%	0.45%	1.27%	1.43%

## Inpatient Rehabilitation Hospital



## Home Health and Hospice





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



THE WAY  
Forward

**ID**  
& Inclusion  
& Diversity