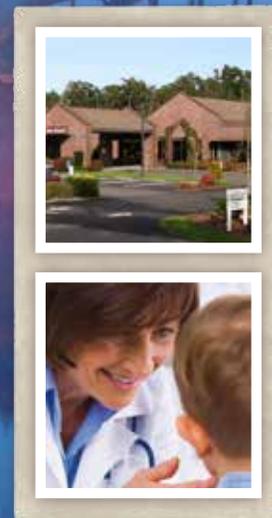




The *spirit* of healing 2013 COMMUNITY BENEFIT REPORT

PeaceHealth Siuslaw Region



Welcome

PeaceHealth publishes this annual report to the community because serving the community is literally part of our Mission: We carry on the healing mission of Jesus Christ by promoting personal and community health, relieving pain and suffering, and treating each person in a loving and caring way.

At PeaceHealth, we promote “personal and community health” through our connected systems of care. These include acute care that is provided in hospitals for serious illness or injury; post-acute care provided in various settings after patients leave the hospital; and community-based care provided in medical homes, clinics and related outpatient facilities. We are the region’s largest provider of health services, and by far the primary source of care for the most vulnerable populations in our community.

Today, health care reform is transforming our health care system from one that focuses on providing a high volume of treatment to one that delivers high value to the community through better patient outcomes and

more efficient care. Our success in this challenging new environment will depend on how well we meet the Triple Aim: 1) improving the safety, experience and access to care for all patients; 2) improving the overall health of the population; and 3) reducing the cost of care across the spectrum of services we provide.

Community health improvement is a work in progress. PeaceHealth is collaborating with community partners to address the objectives identified in the 2013 Community Health Needs Assessment: access to care, tobacco use, obesity, mental health and substance abuse, and health care disparities. It’s an ambitious list, but we can’t let that diminish our resolve.

Norms do change. We have changed them before — not by offering people fewer choices, but by offering them healthier choices. Together, we can make a difference.

If you have any comments or questions, please share them with us at publicaffairsphor@peacehealth.org.



PeaceHealth

PeaceHealth Siuslaw Region by the Numbers

PeaceHealth Peace Harbor Medical Center

CLINICAL NUMBERS	
Number of licensed beds	21
Annual admissions	927
Days of inpatient service	2,890
Number of babies born annually	72
Number of surgeries performed	1,348
Number of emergency room visits	8,144
Number of clinic visits	70,721

EMPLOYMENT NUMBERS	
Number of PeaceHealth employees	484
Number of new hires in past year	57
Average annual turnover rate ¹	14.4%
Average annual salary ²	\$60,133
Average base rate	\$28.91

1) Average annual turnover rate reported is voluntary turnover for period 7/1/2012 - 6/30/2013

2) Excluding executive and physician pay

What is PeaceHealth?

PeaceHealth is a family of hospitals, clinics, doctors, and laboratories based in the Pacific Northwest and dedicated to our mission of service to each community.

Since our founding in the late 1800s in northwest Washington by the Sisters of St. Joseph of Peace, our network of faith-based, mission-oriented PeaceHealth facilities has grown to include services throughout Oregon, Washington and Alaska.

In and around west central Oregon, PeaceHealth offers a broad spectrum of medical care, from urgent or emergency services, primary-care, laboratory services, inpatient stays and surgery, including:

- One medical center in Florence, Oregon
- Three medical centers in the Eugene-Springfield metropolitan area:
 - PeaceHealth Sacred Heart Medical Center – University District
 - PeaceHealth Sacred Heart Medical Center – RiverBend
 - PeaceHealth Cottage Grove Community Medical Center
- Five primary and specialty care clinics in Florence, Oregon
- 12 primary and specialty care clinics in other parts of Lane County

Visit www.peacehealth.org for more details.



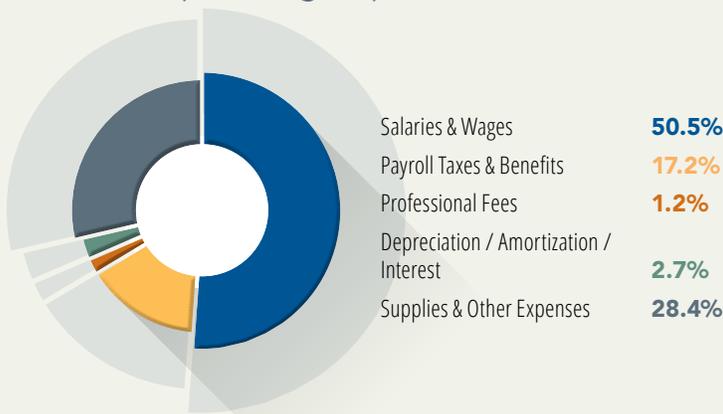
Revenue and Expenses JULY 1, 2012 - JUNE 30, 2013

EXPENSES: At PeaceHealth, we call all of our employees caregivers. Together, we all support care and service to patients and families. We deliver the spirit of healing through our caregivers, so compensating them for their work is our single biggest expense. Salaries, wages and benefits account for 68 percent of our expenses, followed by supplies at 28 percent. With more than 480 caregivers, PeaceHealth is one of the area’s largest employers.

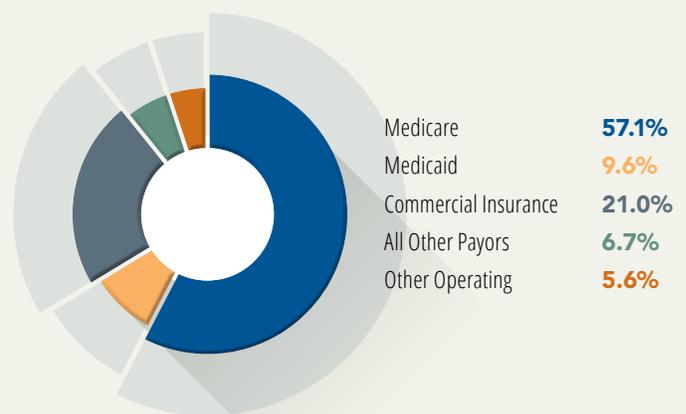
Though PeaceHealth is nonprofit, it supports public agencies through property taxes on some holdings. PeaceHealth paid \$7,000 in taxes in 2013 on property that isn’t exempt from taxation.

REVENUE: Our revenue comes from the care we deliver in our hospitals, clinics and home care services. But the way we are reimbursed is undergoing significant changes. The number of PeaceHealth patients with commercial insurance (privately paid, primarily by employers) continues to decline, while the number of patients with Medicaid (public program for low-income people) is growing under the Affordable Care Act. The number of patients with Medicare (for older Americans), has remained relatively constant. Neither program, which constitute a combined 67 percent of our network’s business, completely covers the cost of providing care. Health systems like ours are challenged to reduce the cost to deliver care to patients on these programs.

Total Operating Expenses



Total Net Revenue



COMMUNITY BENEFIT CARE: PeaceHealth provides care for everyone, regardless of their ability to pay. When PeaceHealth is not paid for the services we provide, the financial losses are recorded in the two categories you see in the chart to the right: as Unreimbursed Medicaid and Charity Care. Unreimbursed Medicaid includes shortfalls in payments under government programs, and Charity Care covers those who cannot afford to pay. In fiscal year 2013, PeaceHealth Peace Harbor Medical Center provided \$10.7 million

Community Benefit	PeaceHealth Peace Harbor Medical Center
Charity Care	8,411,000
Unreimbursed Medicaid	2,164,000
Community Health Improvement Services & Community Benefit Operations	27,000
Health Professions Education	18,000
Cash and In-Kind Contributions	65,000
Total	10,685,000

ED Provides Care in More Ways Than One

One beautiful fall morning, Jim McRobbie arrived at the PeaceHealth Peace Harbor Medical Center Emergency Department (ED) with severe abdominal pain and a headache. He had traveled hundreds of miles from British Columbia to see his son get married on a beach near Florence.

To caregivers in the ED, it was implausible that he would be able to attend a wedding in a matter of hours. They also could see how the stress of missing the wedding only made his symptoms worse.

Toby Shappell, unit coordinator in the ED that day, got wind of the situation and soon had a spark of creativity.

He quickly located a tablet and dispatched his wife and son to find the wedding with little more direction

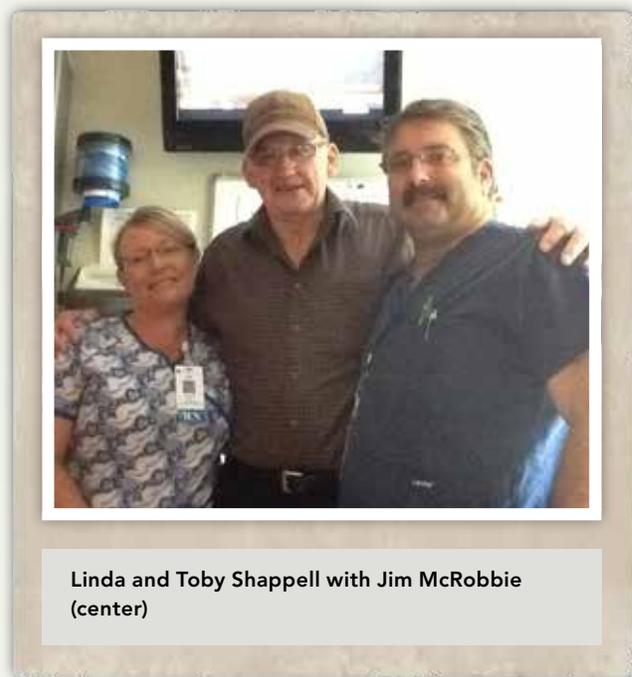
"I've been in many hospitals and never received the quality of care I experienced at Peace Harbor"

than driving "in the general direction" of the beach, looking "for a bunch of BC license plates."

With just minutes to spare, Toby's son found the wedding party and used his smart phone to connect with the tablet Toby's wife had dropped off at the hospital.

Tablet in hand, Toby raced to Jim—who'd been transferred to the Intensive Care Unit (ICU)—and set up the two-way video broadcast that made it possible for Jim to participate—from his ICU bed—with the rest of the family and friends in the ceremony.

Watching in wonder and with tears in his eyes, Jim felt his stress give way to joy and happiness.



Linda and Toby Shappell with Jim McRobbie (center)

He still chokes up when he tells the story about the amazing gift he received in a Florence, Oregon hospital from someone he hardly knew. "I've been in many hospitals and never received the quality of care I experienced at Peace Harbor," he said.

"It was truly an emotional and spiritual experience for both of us," Toby said.

Technology in combination with tender-hearted compassion made an undeniable difference in this situation and shows what a life-changing impact a small community hospital can have.

PEACEHEALTH MISSION

We carry on the healing mission of Jesus Christ by promoting personal and community health, relieving pain and suffering, and treating each person in a loving and caring way.