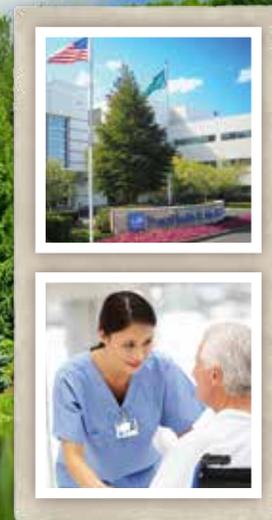




The *spirit* of healing 2013 COMMUNITY BENEFIT REPORT

PeaceHealth St. John Medical Center



Welcome



PeaceHealth publishes this annual community report 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 **wellness and preventative care** encouraged through healthy living and healthy choices, **acute care** 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.

Local health improvement is best achieved through stronger community partnerships, using the strengths and services that already exist in a coordinated way. 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 together, we can make a difference.

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

Kirk Raboin

CAO, PeaceHealth St. John Medical Center



PeaceHealth

PeaceHealth St. John by the Numbers

| CLINICAL NUMBERS | |
|---------------------------------|---------|
| Number of licensed beds | 346 |
| Annual admissions | 8,558 |
| Days of inpatient service | 33,982 |
| Number of babies born annually | 981 |
| Number of surgeries performed | 5,018 |
| Number of emergency room visits | 50,076 |
| Number of clinic visits | 186,594 |

| EMPLOYMENT NUMBERS | |
|----------------------------------|----------|
| Number of PeaceHealth employees | 1,719 |
| Number of new hires in past year | 201 |
| Average annual turnover rate* | 13.8% |
| Average annual salary | \$59,363 |
| Average base rate | \$28.54 |

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

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 hospitals, clinics and health care professionals throughout Oregon, Washington and Alaska.

In and around southwest Washington, PeaceHealth offers a broad spectrum of medical care, from urgent or

emergency services, primary-care, inpatient stays and surgery, including:

- PeaceHealth St. John Medical Center in Longview
- PeaceHealth Southwest Medical Center in Vancouver
- Seven primary and specialty care clinics in Longview and surrounding communities
- Four primary and specialty care clinics in Vancouver and nearby communities

Visit www.peacehealth.org for more details.



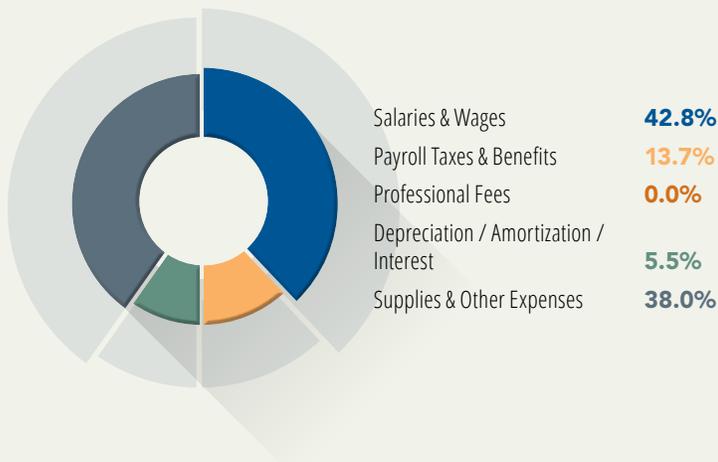
Revenue and Expenses

JULY 1, 2012 - JUNE 30, 2013

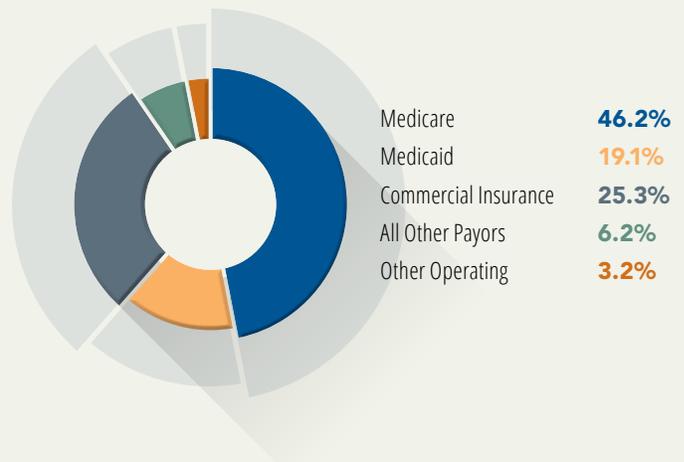
EXPENSES: At PeaceHealth, we call all of our employees caregivers. Together, we all support care and service to patients and families. We deliver the spirit of healing through our caregivers, so compensating them for their work is our single biggest expense. Salaries, wages and benefits account for 57 percent of our expenses, followed by supplies at 38 percent. With more than 1,600 caregivers locally, PeaceHealth St. John is one of the area's largest employees.

REVENUE: Under the Affordable Care Act, the percentage of revenue from commercial insurance has declined, while at the same time, we are experiencing growth in Medicaid, a public-funded insurance program for lower-income people. The number of patients with Medicare, insurance for older Americans, has remained stable. Neither Medicaid nor Medicare, which in total constitutes 65 percent of our business, covers the full cost of providing care. PeaceHealth is challenged to bridge the gap between the cost of care and declining payments while maintaining our commitment to quality and access to care.

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 below: 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 St. John Medical Center provided \$34.5 million

| Community Benefit | PeaceHealth St. John Medical Center |
|-----------------------|-------------------------------------|
| Charity Care | 14,940,000 |
| Unreimbursed Medicaid | 19,572,000 |
| Total | 34,512,000 |

PeaceHealth Helps Patient Connect to Needed Resources

When Charles Neilson was in need of an MRI on his kidneys and knee, he was stopped by his lack of proper medical insurance. As Charles sat in the PeaceHealth St. John Medical Center, concerned he would not be able to afford any insurance plans, one of the nurses on-hand asked if he had filed for Washington Apple Health through PeaceHealth financial services.

"There are a lot of individuals in our community who aren't able to afford all the benefits health insurance offers," says Jill Nichols, Financial Counselor at PeaceHealth St. John Medical Center. "Anyone can get the help they need through our financial counselors, who can offer patients screenings even before any insurance is taken out in their name."

"There are a lot of individuals in our community who aren't able to afford all the benefits health insurance offers"

Before Charles met with one of the financial counselors, he was scared. "I didn't know how long it was going to take," Charles says. "The lady who helped me was a miracle behind

that desk. She took time to explain the process in a way I could understand, and everything was done in the quickest way ever. I am 100% happy about all of it."

It is easy to be overwhelmed with the looming prospect of medical bills. Now, through the Affordable Care Act, which ensured Apple Health's existence, PeaceHealth's financial advisors can wipe away many of the financial fears.



Charles Neilson

Charles is now receiving the kind of medical attention he needs without the worry and he has since talked with others in the community about this resource.

"We have assisted over 400 patients for insurance coverage through the Affordable Care Act, and will continue to provide similar service," Jill says. "Every person deserves to have medical protection and assistance, because every person deserves to live a healthy, happy lifestyle."

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.