As I reflect over the past year, there is so much to celebrate. We are fortunate at Sacred Heart Medical Center to have nationally recognized physicians from a wide range of specialties providing award-winning care for you and the region, so you don’t have to leave the community to receive the quality care you need. You continue to have access to one of the highest-value medical centers in the country. National Research Corporation recognized Sacred Heart Medical Center with its Consumer Choice Award again in 2007, and for the sixth year in a row.

Our community continues to face the growing challenge of caring for the uninsured and the underinsured. In 2007, we provided almost $56 million in free care to these patients in our facilities. PeaceHealth also provides additional financial assistance to a variety of “safety net” services, including Volunteers in Medicine, White Bird Clinic, Buckley House, 100 Percent Access Coalition and many others. As a nonprofit organization, PeaceHealth invests all its net income back into the community. In total, the value of PeaceHealth’s contribution to the community exceeds, by 83 percent, the income taxes it would pay as a for-profit organization.

This investment in our community’s health would not be possible without: strong community support; excellent, dedicated physicians; compassionate, engaged caregivers; a positive financial position; and philanthropy. The level of care that will be provided in our new facilities is possible only through the record-breaking generosity of some 18,000 donors who have contributed since launching the campaign for RiverBend in 2005.

Our commitment to the community has never been stronger. Sacred Heart Medical Center has been caring for you and your neighbors for over 70 years, and we are committed to serving your family for generations to come.

Sincerely,

Mel Pyne, CEO and Chief Mission Officer

For a more detailed version of the 2007 Community Report, please visit www.peacehealth.org/oregon.
Revenue and Expenses  July 1, 2006 – June 30, 2007

Prudent financial stewardship is a hallmark of PeaceHealth, which continued in its leading role as a primary economic engine in the community by providing jobs to more than 4,600 employees, accounting for more than half of its total operating expenses. Not only is PeaceHealth the county’s largest employer, but we are also one of its largest property tax payers, paying more than $1.1 million in property taxes last year.

Community Benefit  July 1, 2006 – June 30, 2007

Our financial health assures we can continue to care for those in need, as well as support new health care programs, education for our professionals, and new technologies and facilities for the most up-to-date care. Last year, we provided $59 million to help those who are most vulnerable in our community. The year also saw unprecedented capital spending as we worked toward completing the new facilities at RiverBend and outfitting them with the latest technology.

Community Benefit by Type

- Charity care at cost $19,671,000 33%
- Unreimbursed costs of public programs (Medicaid) $19,061,546 32%
- Community health services $861,430 1%
- Subsidized health services $18,151,363 30%
- Contributions to community groups (financial and in-kind) $1,021,918 2%
- Health professional education (student job shadowing) $727,588 1%

TOTAL COMMUNITY BENEFITS $59,494,845

Charge per Discharge

For the third straight year, Sacred Heart Medical Center was among the highest rated facilities in the country with a listing on the Cleverley + Associates’ Community Value Index™ for 2007. The Index is a list of hospitals around the nation that are top performers in three core areas of evaluation: financial viability and plant reinvestment, cost structure, and charge structure. The chart below demonstrates Sacred Heart’s value to the community through its low charges to patients.

Uncompensated Care 2002 – 2007

Although the cost of charity continues to rise dramatically, PeaceHealth remains committed to its mission, as a nonprofit organization, of serving the poor, uninsured and underinsured by providing care at low or no cost.

www.peacehealth.org/oregon