



# always there

## Our 2008 Community Benefit Report

### Highlights

→ In 2008, Providence Health & Services in Washington provided more than **\$168 million** in total community benefit, including nearly **\$50 million** in free and discounted health care to those in need.

- We received **\$64 million in tax benefit** in 2008, but provided nearly \$170 million in charity care, community benefit programs, and Medicaid shortfalls. That means we provided direct benefit to our communities at nearly **triple** the rate we would have given to federal, state or local governments through taxes.
- While we are a not-for-profit organization we do pay taxes. In 2008, we paid **\$139 million** in taxes, including payroll, sales, state B&O taxes, and state and local property taxes on non-hospital facilities.
- Every dollar we earn is used to improve the health of our region, making it possible for us to provide vital programs and services; the latest treatments and technologies; modern, well-equipped facilities; and qualified, caring staff.

*Providence Health & Services in Washington is a not-for-profit network of hospitals, physicians, care centers, home health services, clinics and other services. With more than 40 ministries across the state, our integrated network of health and service organizations work together in service to their communities to provide high quality, compassionate care to those in need.*

### Our history proves resiliency in challenging times



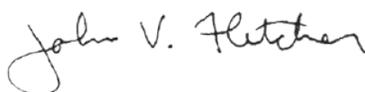
This has been a challenging time for all of us. I don't know of anyone who hasn't been personally touched by our nation's current economic crisis and many of us have watched family members and friends suffer through job loss and financial difficulties.

Our ministries have been similarly affected by this economy and the focus of our response has always been, and continues to be, ensuring our Mission continues long into the future and that we can continue to provide critically needed services to all, regardless of their ability to pay.

**Last year, our ministries gave back an impressive \$168 million to their communities, \$48 million of that in free and discounted care.** Our efforts to reduce expenses and improve our efficiency so we can maintain our financial health even as our revenue decreases are firmly rooted in our knowledge that the needs of our communities, which led to nearly \$170 million in community benefit, are only going to grow in this challenging time.

As the largest health care provider in Washington State, we take this responsibility very seriously and we never forget the important role we play in the health of this great state. Thankfully, this is not the first time our organization has faced challenges and we are often comforted in our knowledge that our Mission has survived and grown in spite of all that has been endured over our 150-year history – the Great Depression, World Wars, Sept. 11 and other significant events. We are often amazed at the similarities seen in the Sisters' struggles and our own, and it is reassuring to know that if they could do it, so can we.

Those stories also remind us of the courage, tenacity, and above all, faith that the Sisters portrayed as they maintained their focus on their Mission of service to the poor and vulnerable. I am proud to say that I see those same traits in our people of Providence today. Because of that, you can bet that no matter what, we will be...always there.



John Fletcher, Chief Executive  
Providence Health & Services  
Washington/Montana



## What are community benefits?

Community benefits are the many ways Providence gives back. We tailor our programs to respond to regional, area and neighborhood needs. In addition to free care for our patients in need, our contributions include:

- **Medicaid subsidies** – we make up the difference between the cost of providing services to people insured by the state and the amount the state pays for this care.
- **Graduate medical education and medical research** – we heavily subsidize our graduate medical education programs and help pay for nursing education and medical research.
- **Non-billed services** – these include free services such as patient education, health screenings, immunizations and support groups.
- **Negative margin programs and services** – for example, our seven safety net clinics are designed to care for underserved and uninsured people, most often at a planned loss.
- **Community grants and donations** – these are cash donations and grants given to community partners, and other gifts such as medical supplies and child safety seats.

## A Proud Heritage and a Bright Future



*Blessed Emilie Gamelin*

Blessed Emilie Gamelin, the founder of the Sisters of Providence religious order, is the guiding spirit of our organization. Around 1830 in Montreal, Canada, Emilie Gamelin devoted herself to improving living conditions for older widows by opening the House of Providence. She and others also opened an orphanage, visited prisoners and cared for the mentally ill.



*Mother Joseph*

Inspired by Emilie Gamelin, Mother Joseph of the Sacred Heart and several other Sisters of Providence traveled from Montreal to the Pacific Northwest in 1856. They established the Sisters of Providence in the Northwest, and opened 33 different institutions including hospitals, schools, orphanages and homes for the elderly.

Today, more than 150 years later, their legacy is carried on by more than 20,000 employees who are dedicated to furthering their compassionate tradition and our Mission in the world of today.

### Our Mission

As people of Providence, we reveal God's love for all, especially the poor and vulnerable, through our compassionate service.

### Our Core Values

Respect, Compassion, Excellence  
Justice, Stewardship

### Our Vision

Our ministry will be a transformational force for advancing health care excellence and access for all.

### ➔ Providence Health & Services in Washington *(by the numbers)*

- Number of employees: 21,248
- Number of active medical staff: 2,400
- Number of licensed beds (acute): 2,218
- Number of licensed beds (long term care): 787
- Number of assisted living apartments: 231
- Number of acute admissions: 106,131
- Number of outpatient visits: 1,520,145
- Number of primary care visits: 707,627
- Number of ER visits: 411,713
- Number of surgeries: 80,933
- Number of babies delivered: 11,996
- Total acute patient days: 475,183
- Total long-term care patient days: 244,560
- Total home health and hospice days: 596,928
- Total housing and assisted living days: 95,138

*Data for the year ended December 31, 2008*

# Financial Overview

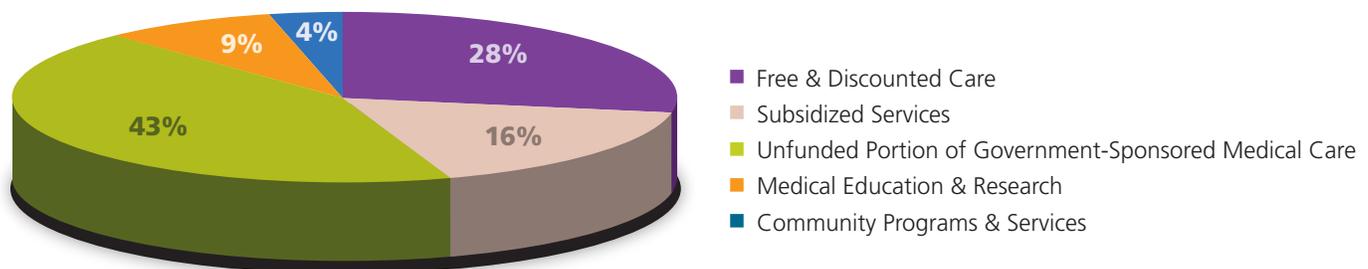
	1 Free & Discounted Care for Those in Need	2 Subsidized Services Provided in Our Ministries	3 Unfunded Portion of Government-Sponsored Medical Care	4 Medical Education & Research	5 Community Programs & Services	Total Cost of Care & Services Donated in 2008
Northwest Washington*	\$ 16,197,000	\$ 7,467,000	\$ 19,055,000	\$ 1,806,000	\$ 1,150,000	<b>\$45,675,000</b>
Southwest Washington*	\$ 15,950,000	\$ 3,252,000	\$ 16,580,000	\$ 2,335,000	\$ 2,067,000	<b>\$40,184,000</b>
Southeast Washington	\$ 2,317,000	\$ 257,000	\$ 3,776,000	\$ 187,000	\$ 403,000	<b>\$ 6,940,000</b>
Providence Health Care (Eastern Washington)	\$ 13,072,000	\$ 15,268,000	\$ 26,675,000	\$ 10,664,000	\$ 2,156,000	<b>\$67,835,000</b>
Providence Senior and Community Services	\$ 299,000	\$ 823,000	\$ 5,916,000	\$ 163,000	\$ 595,000	<b>\$7,796,000</b>
<b>Total</b>	<b>\$47,835,000</b>	<b>\$27,067,000</b>	<b>\$72,002,000</b>	<b>\$15,155,000</b>	<b>\$6,371,000</b>	<b>\$168,430,000</b>

\* Does not include Providence Senior & Community Services ministries

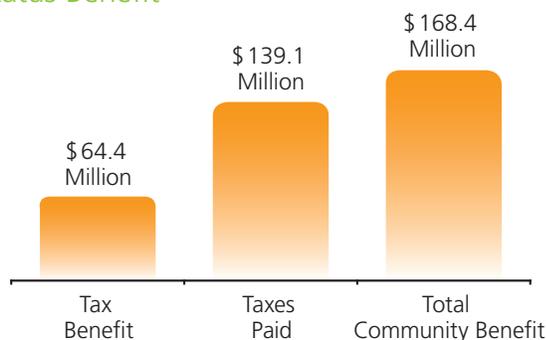
- 1 Financial assistance for the uninsured and others who cannot pay for their care
- 2 Clinical services provided despite a financial loss to meet a community need
- 3 The difference between cost of care and what is paid for by state and federal government – does not include Medicare
- 4 Subsidies for medical residency programs, nursing and other education and medical research
- 5 Cash gifts and in-kind donations, and free community services, such as patient education, health screening, immunizations and support groups

## 2008 Community Benefit

(by percentage)



## Tax Status Benefit



As a not-for-profit service organization, Providence Health and Services in Washington received an estimated \$64 million in federal, state and local tax exemptions in 2008. In comparison, we gave back more than \$168 million to the communities we serve or nearly \$104 million in excess of our exemptions. In addition, there are taxes that we are not exempt from and we must pay as part of our normal course of operations, just like any other organization. These taxes totaled more than \$139 million in 2008 and include business and occupation taxes; taxes on non-exempt properties; and payroll and state taxes.

# Providence Health & Services in Washington



## Everett

- Providence Regional Medical Center Everett / Colby Campus
- Providence Regional Medical Center Everett / Pacific Campus
- Providence Physician Group
- ⊕ Providence Hospice & Home Care of Snohomish County

## Seattle

- ◆ Providence Mount St. Vincent
- \* Providence Elizabeth House
- \* Providence Heritage House at the Market
- \* Providence Gamelin House
- \* Providence Peter Claver House
- \* Providence Vincent House
- ◆ Providence Regina House
- Providence ElderPlace
- ⊕ Providence Hospice of Seattle

## Issaquah

- ◆ Providence Marianwood

## Renton

- ⊕ Providence Home Services
- Providence Infusion and Pharmacy Services

## Olympia

- Providence St. Peter Hospital
- ◆ Providence Mother Joseph Care Center
- \* Providence St. Francis House
- ⊕ Providence SoundHomeCare and Hospice
- Providence Physician Network Southwest Washington

## Centralia

- Providence Centralia Hospital
- \* Providence Blanchet House
- \* Providence Rossi House

## Chehalis

- \* Providence Place

## Yakima

- \* Providence House

## Colville

- Providence Mount Carmel Hospital

## Chewelah

- Providence St. Joseph's Hospital
- ⊕ Providence DominiCare

## Spokane

- Providence Sacred Heart Medical Center & Children's Hospital
- Providence Holy Family Hospital
- Providence Adult Day Health
- Providence Associates Medical Laboratories
- ⊕ Providence VNA Home Health
- ◆ Providence St. Joseph Care Center
- \* Providence Emilie Court Assisted Living
- Providence Physician Services

## Walla Walla

- Providence St. Mary Medical Center
- Providence St. Mary Physician Group