

Many hands, one Mission

Our 2009 Community Benefit Report



Highlights

In 2009, Providence Health & Services in Washington provided more than \$170 million in total community benefit, including nearly \$46 million in free and discounted health care to those in need.

- We received \$57 million in tax benefit in 2009, but provided more than \$170 million in charity care, community benefit programs, and Medicaid shortfalls. That means we provided direct benefit to our communities at more than 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 2009, we paid \$159 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.



A message from our Chief Executive

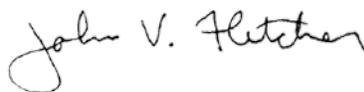
We have now entered what is undeniably one of the most exciting and challenging times ever witnessed in the history of American health care. The opportunities to vastly improve our systems of care and the outcomes of every patient have never been greater, yet the changes that must be made to get there also seem rather daunting.

The blessing for us at Providence is that we are building on a strong foundation of excellence and we have some of the best medical talent in the country serving in our ministries. We also have a Mission that drives a commitment to compassionate service unmatched by any other health care organization in the state of Washington.

Proof of that commitment can be seen each year as we share how much we have given to meet the needs of our communities. **In 2009, Providence Health & Services in Washington provided more than \$170 million of community benefit with nearly \$46 million of that provided in free or discounted care.**

No matter what happens in the future, this commitment will remain at the core of who we are and what we do. In fact, it is this commitment that serves as the driving force behind our vision: *"Our ministry will be a transformational force in our communities by advancing health care excellence and access for all."*

With our Mission and this vision guiding us in these uncertain times, I know we are well-prepared to tackle any challenges and take advantage of any opportunities that come our way. It may be a new world and we may have to adjust to new realities, but we will remain steadfast in our focus and commitment to our Mission. That is our heritage and our legacy.



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

To find out more about how Providence Health & Services is helping patients and the community throughout the state of Washington, visit us online at

<http://www.blog-providence.org/washington>

For more information, contact karina.jennings@providence.org



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.

About Providence Health & Services

Providence Health & Services is a not-for-profit health system committed to providing a comprehensive array of services to meet the needs of communities across five states, including Alaska, Washington, Montana, Oregon and California. This ministry includes 27 hospitals, more than 35 non-acute facilities, physician clinics, a health plan, a liberal arts university, a high school, approximately 49,000 employees and numerous other health, housing and educational services. The system office is located in Renton, Washington.

About the Washington/Montana Region

The Washington/Montana Region of Providence Health & Services is a not-for-profit network of hospitals, physicians, care centers, home health services, clinics and other services. With more than 40 ministries, including 10 hospitals, and 20,000 employees across these two states, 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. See the map of Washington services on the back page.

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 in our communities by advancing health care excellence and access for all.

Providence Health & Services in Washington [by the numbers]

Number of employees: **20,995**
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: **99,217**
Number of outpatient visits: **1,290,716**
Number of primary care visits: **713,942**

Number of ER visits: **402,440**
Number of surgeries: **78,027**
Number of babies delivered: **11,696**
Total acute patient days: **431,080**
Total long-term care patient days: **242,308**
Total home health and hospice days: **499,465**
Total housing and assisted living days: **86,450**

(Data for the year ended December 31, 2009)

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 2009
Northwest Washington*	\$ 13,571,000	\$ 7,216,000	\$ 18,156,000	\$ 1,272,000	\$ 726,000	\$40,941,000
Southwest Washington*	\$ 14,622,000	\$ 4,302,000	\$ 12,718,000	\$ 2,651,000	\$ 1,609,000	\$35,902,000
Southeast Washington	\$ 2,939,000	\$ 36,000	\$ 7,869,000	\$ 1,036,000	\$ 338,000	\$12,218,000
Providence Health Care (Eastern Washington)	\$ 14,148,000	\$ 11,952,000	\$ 33,596,000	\$ 10,152,000	\$ 3,280,000	\$73,128,000
Providence Senior and Community Services	\$ 380,000	\$ 810,000	\$ 6,110,000	\$ 81,000	\$ 503,000	\$7,884,000
Regional Services & Foundations	\$ 5,000	n/a	n/a	n/a	\$ 11,000	\$ 16,000
Total	\$45,665,000	\$24,316,000	\$78,449,000	\$15,192,000	\$6,467,000	\$170,089,000

* Does not include Providence Senior & Community Services ministries

1 Financial assistance for the uninsured and others who cannot pay for their care

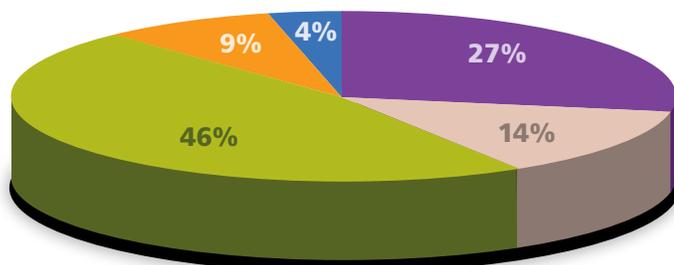
2 Clinical services provided despite a financial loss to meet a community need

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

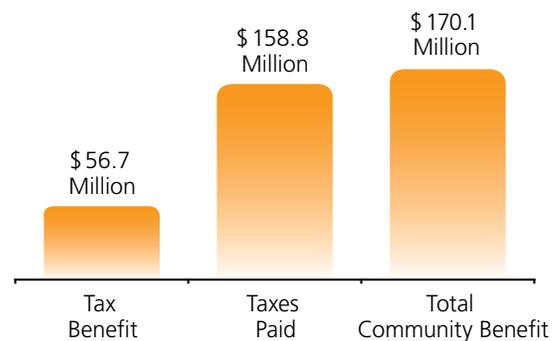
5 Cash gifts and in-kind donations, and free community services, such as patient education, health screenings, immunizations and support groups

2009 Community Benefit (by percentage)



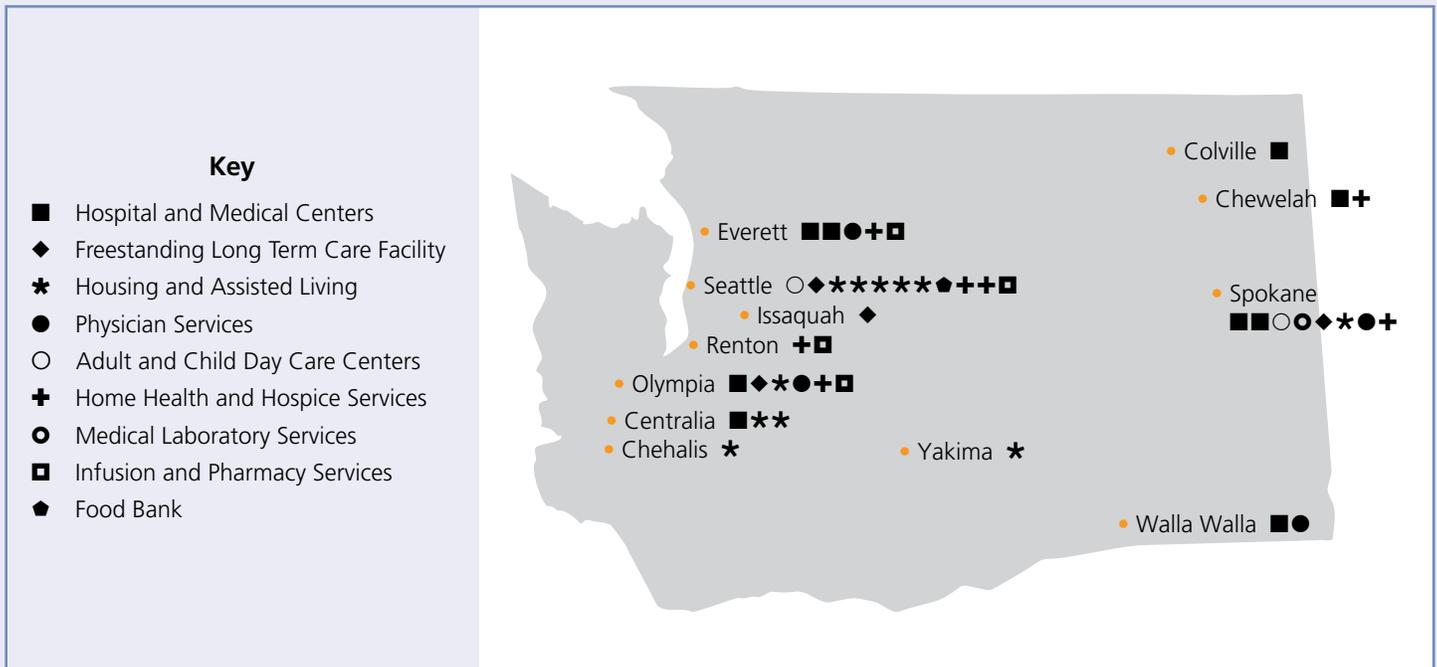
- Free & Discounted Care
- Subsidized Services
- Unfunded Portion of Government-Sponsored Medical Care
- Medical Education & Research
- Community Programs & Services

Tax Status Benefit



As a not-for-profit service organization, Providence Health & Services in Washington received an estimated \$56 million in federal, state and local tax exemptions in 2009. In comparison, we gave back more than \$170 million to the communities we serve or nearly \$114 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 \$158 million in 2009 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