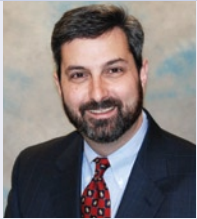


Many hands, one Mission

Our 2009 Community Benefit Report



A message from our Chief Executive Officer



In 2009, the care we provided to patients continued to be recognized as among the nation's best.

Our hospital, Providence Regional Medical Center Everett, remained the most award-winning in the state. And as the national debate on healthcare reform heated up, our hospital and healthcare community were recognized as models for providing quality, cost-effective care.

In the summer, I was invited by the Institute for Healthcare Improvement to a special forum in Washington, D.C., called "How Do They Do That? Low-Cost, High-Quality Health Care in America." Everett was one of only 10 communities in the nation featured. Simply by providing high-quality care while keeping costs down, we were thrust into the national spotlight, with articles appearing in *USA Today*, *BusinessWeek* and other publications.

But beyond the awards and publicity, what matters most is that every day, we continued to provide great care to individual patients and their families – in many cases, care they would otherwise not have been able to afford.

As an organization, we evaluated needs in our community and worked passionately and diligently to meet them. Whether providing charity care, offering low-cost services or maintaining vital community programs, we reached out to serve the poor and vulnerable. I feel fortunate to be part of this organization, which is able to give millions of dollars each year to serve those in need.

Dave Brooks

Dave Brooks, Chief Executive Officer
Providence Health & Services
Northwest Washington Service Area

In our Northwest Washington Service Area, Providence serves five counties through our comprehensive network of not-for-profit healthcare services. Our network includes Providence Regional Medical Center Everett – a 372-bed, acute-care hospital – plus physicians, healthcare clinics, home health services and other vital services.

Highlights

- In 2009, we provided more than \$13.6 million in free and discounted care to patients in need in northwest Washington – as part of our total community benefit of more than \$42 million in this area. Because being uninsured, under-insured or otherwise in need shouldn't be a barrier to receiving care.
- Providence Regional Medical Center Everett remains the most award-winning hospital in the state, and one of the most award-winning in the nation. For the third consecutive year, HealthGrades, the nation's leading provider of independent hospital ratings, honored Providence Regional with the Distinguished Hospital Award for Clinical Excellence – making it the only hospital in Washington to win this award for the past three years. This award places our hospital in the top five percent in the nation for overall clinical performance.
- HealthGrades also ranked Providence Regional as number one in Washington State for cardiology, critical care, general surgery and stroke treatment.
- In late 2009, we lifted the top structural beam into place on our new medical tower at Providence Regional Medical Center Everett, marking the countdown to the tower opening in 2011. This 368-bed, \$500 million tower is one of the largest investments ever in this community and will allow us to serve patients for years to come. Designed to accommodate today's state-of-the-art equipment and tomorrow's technology, the new tower features rooms and public areas that are also convenient, comfortable and private.

To see a story that reflects how Providence Health & Services is helping patients and the community in Northwest Washington, visit <http://www.blog-providence.org/washington/nwsa-2009-report>

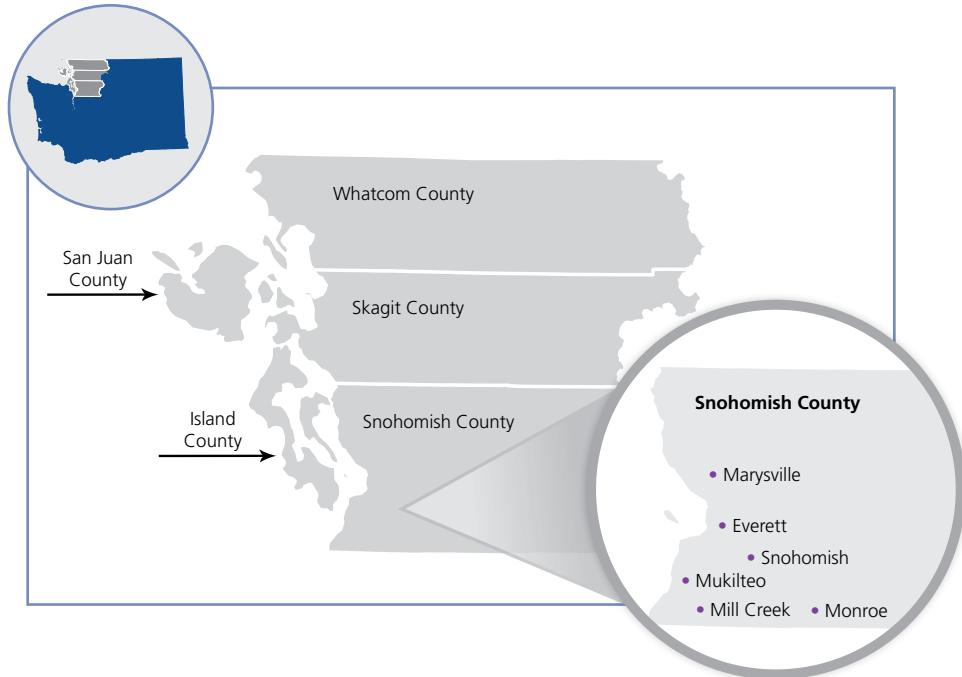
For more information, contact NWSACommunications@providence.org



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 patients in need, our contributions in northwest Washington include:

- **Non-billed services** – These include free services such as patient education, health screenings, immunizations and support groups.
- **Subsidized programs and services** – Our Providence Everett Healthcare Clinic and other subsidized services provide care for the underserved and uninsured to fill needs that would otherwise go unmet in our community, typically at a planned loss.
- **Medicaid subsidies** – We make up the difference between the cost of providing services to people who are insured by the state and the amount the state will pay for these services.
- **Medical education and research** – We help pay for nursing education and medical research.
- **Community grants and donations** – These include cash donations and grants given to community partners, as well as gifts such as medical supplies and child safety seats.



About Our Service Area

- In our Northwest Washington Service Area, Providence touches more lives than any other healthcare provider, serving the residents of Snohomish, Skagit, Whatcom, Island and San Juan counties.
- Our hospital, Providence Regional Medical Center Everett, has the busiest emergency department in the state, treating more than 100,000 patients each year. It also offers some of the most advanced diagnostic and treatment technology in the world, providing critical, acute and cardiac care, as well as surgery, rehabilitation and behavioral health services. The hospital's Pavilion for Women & Children houses maternity, pediatric and newborn intensive care, as well as breast care and other services for women, children and families.
- Providence Physician Group provides primary and specialty care at clinics throughout Snohomish County. Physicians offer cardiology, dermatology, family medicine, gynecologic oncology, infectious disease, internal medicine, neurosurgery, obstetrics/gynecology, pediatric, physiatry and plastic surgery services.
- The Providence Everett Healthcare Clinic provides high-quality medical, dental and mental health care for those who have difficulty accessing care due to costs.
- Providence Hospice & Home Care delivers compassionate, home-based care to those who are confined to the home due to health issues or life-threatening illness. Physicians, nurses, social workers, rehabilitation therapists, home health aides, chaplains and volunteers work together to provide exceptional care. We also offer bereavement programs for surviving family members.
- A collaboration between four leading healthcare organizations, the Providence Regional Cancer Partnership offers all aspects of outpatient cancer care under one roof, hosting some of the world's most sought-after cancer treatment technologies.

Financial Overview

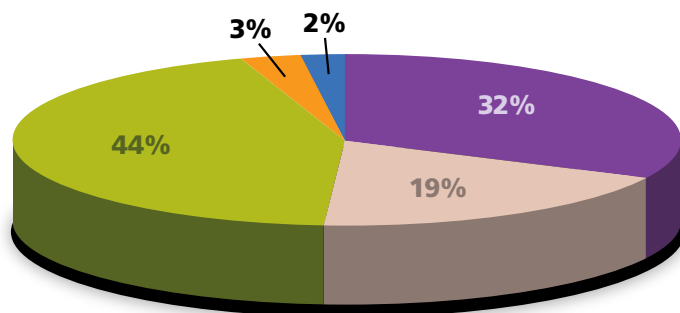
	1 Free & Discounted Care for Those in Need	2 Subsidized Services Provided in Our Ministries	3 Unfunded Portion of Government-Sponsored Medical Care	4 Medical Education & Research	5 Community Programs & Services	Total Cost of Care & Services Donated in 2009
Providence Regional Medical Center Everett †	\$ 13,571,000	\$ 7,216,000	\$ 18,156,000	\$ 1,272,000	\$ 726,000	\$40,941,000
Providence Senior and Community Services and other programs*	\$ 75,000	\$ 616,000	\$ 199,000	n/a	\$ 249,000	\$ 1,139,000
Total	\$ 13,646,000	\$ 7,832,000	\$ 18,355,000	\$ 1,272,000	\$ 975,000	\$ 42,080,000

† Financial data from Providence Physician Group is included

* Numbers are duplicated from the Providence Senior & Community Services Community Benefit report

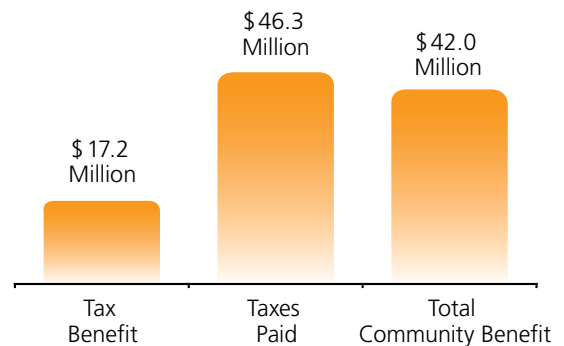
- 1 Financial assistance for the uninsured and others who cannot pay for their care
- 2 Clinical services provided despite a financial loss to meet a community need
- 3 The difference between cost of care and what is paid for by state and federal government – does not include Medicare
- 4 Subsidies for 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 the Northwest Washington Service Area received an estimated \$17.2 million in federal, state and local tax exemptions in 2009. In comparison, we gave back more than \$42 million to the communities we serve or more than \$24.8 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 \$46.3 million in 2009 and include business and occupation taxes; taxes on non-exempt properties; and payroll and state taxes.

Providence Cares



The Bowker Family (Bill, Marci, Aidan and Andrew) *Patients, Providence Children's Center*

Our sons, Aidan and Andrew, have a rare genetic syndrome. They go to a developmental preschool program, but need additional therapy to help with the developmental delays their medical condition has caused. Thankfully, they can go to the Providence Children's Center, which serves children born with health conditions that affect growth and development, as well as those with problems resulting from injury or illness. As teachers, we have insurance, but it doesn't begin to cover the specialized care our family needs. But because of Providence's charity care program, our children get the therapy and care they need to thrive.



Mike Moore

Patient, Providence Regional Medical Center Everett

At first I thought I was coming down with the flu. A few days before, two of our dogs had gotten into a fight, and when I reached down to break it up one of them nipped me, just enough to make my hand bleed. No big deal, I thought. But one day I woke up knowing something was wrong. I asked my son to take me to the emergency department at Providence Regional Medical Center Everett. I don't have a spleen, so my immune system is compromised. It turns out the bacteria I took from that bite is a serious thing. If it weren't for the doctors who took care of me, I wouldn't be here right now. I eventually needed surgery to amputate my legs below the knees and my hands. When I was home recovering, the medical bills started coming in. Then, to my amazement, I got a letter from Providence saying they were writing off \$349,000 in charity care. I'm so blessed with what I have. I can't say thank you enough.

See a video of Mike's story at:

www.blog-providence.org/washington/nwsa-2009-report



Malea Russum

Patient, Providence Everett Healthcare Clinic

For weeks, I suffered relentless pain shooting up my jaw to the base of my eye from a tooth abscess. A full-time student at the University of Washington, working two part-time jobs, I had health insurance but no dental insurance, and I couldn't afford the root canal I needed. I was living on ibuprofen but daily the pain was getting worse. Then I called the Providence Everett Healthcare Clinic. The free dental van happened to be there that day. They were able to squeeze in an appointment for me and performed the root canal. The pain is gone, and I'm so grateful for the exceptional care I received. I don't know what I would have done without them.