

Many hands, one Mission

Our 2009 Community Benefit Report



Building and Sustaining a Healthy Community

In 2009, Providence Health Care provided more than \$73 million to address the unmet needs in the communities we serve. Our commitment is to improve the health of our communities by providing programs and services that address critical needs.

■ Everyone Deserves Access to Health Care

Providence supports primary care clinics and agencies that serve the uninsured and underinsured, provide prescription medications at no or low cost, care for the mentally ill, and arrange needed transportation.

■ Shelter from the Rain

Emergency shelters and transitional housing for the homeless and needy families give help when it is needed most. Programs include Catholic Charities – House of Charity and St. Margaret’s Shelter, Hope House, and Transitional Programs for Women.

■ The Necessities of Life

Local food banks such as Second Harvest, Women’s and Children’s Free Restaurant, and Meals on Wheels provide nutritious meals to those without.

■ Support for Families

Programs such as the Alzheimer’s Association, YWCA/YMCA, and Special Olympics of Washington care for the elderly and special needs populations and help nurture our youth.



Andrew Agwunobi, MD

Every minute of the day, people from across our region come to Providence’s 11 health care ministries for care. Whether they are bringing a new child into the world, facing a life-threatening illness that requires specialized physicians and the most advanced technology, or assisting family and friends who face the end of life, we’re here to help. As people of Providence, we focus on providing the highest quality and compassionate care to each individual patient, regardless of ability to pay.



Jim Falkner

Many more people in our community need help long before they enter the doors to our hospitals and care facilities. And that’s part of our mission as well – reaching out in partnership with local organizations and agencies to enrich and strengthen our communities. Together, we are able to create a safety net that provides essential services – support for families, and access to health care, nutrition, emergency shelter and health education – key components of a vital community.

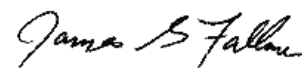
This is what we call community benefit – dedicating our resources to help with the cost of unmet needs in the community – so that families in need have access to doctors and lifesaving medicine, as well as nutritious food, or a place to sleep on a cold night. Community benefit goes even further; for example, supporting programs like trauma care, psychiatric services or adult day health care. These services would not exist without the financial support of community benefit dollars.

Driving improvements in our community and strengthening partnerships that provide programs and services that make health a possibility for everyone is our mission. It is a tradition of caring and service given to us by our founders – the Sisters of Providence – more than 124 years ago.

Read on to learn more about Providence Health Care’s commitment to the people of Eastern Washington as the region’s largest not-for-profit health care provider.



Andrew Agwunobi, MD
Chief Executive, Providence Health Care



Jim Falkner
Chair, PHC Board of Directors

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

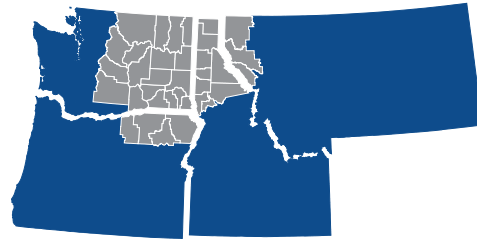
For more information, contact andy@providence.org



What are community benefits?

Community benefits are the many ways Providence reaches out through programs and services to improve health, reduce suffering and restore dignity to those in need. In addition to providing care to our patients who lack insurance or the ability to pay, we collaborate with others to care for the most poor and vulnerable in the communities we serve. Our contributions include:

- **Unreimbursed Costs of Public Programs** – This accounts for the difference between the cost of providing services to patients insured by programs such as Medicaid and the amount the state pays for this care.
- **Medical Education and Research** – Providence invests significantly in research led by our Providence Medical Research Center and is committed to providing educational opportunities for medical professionals in the hope they will bring their expertise to this area.
- **Non-Billed Services** – Includes time spent by our employees providing community education, health screenings, immunizations and support groups.
- **Subsidized Services** – In 2009 more than \$11.9 million was subsidized by Providence for critical services; of that \$2.5 was for our Level II Trauma Center at Providence Sacred Heart Medical Center. These services are departments that are essential to our community but operate at a loss, including labor and delivery, pediatric services, ostomy care, and many others.
- **Community Donations** – Financial support to community partners who serve the most poor and vulnerable, including Catholic Charities, Christ Clinic, Second Harvest, Women’s and Children’s Free Restaurant, among many others.



Primary Service Area (Counties)

Washington: Spokane, Stevens

Secondary Service Area (Counties)

Washington: Pend Oreille, Ferry, Lincoln, Grant, Adams, Benton, Franklin, Walla Walla, Columbia, Whitman, Garfield, Asotin
 Idaho: Boundary, Bonner, Kootenai, Benewah, Latah, Nez Perce, Shoshone

Tertiary Service Area (Counties)

Washington: Okanogan, Chelan, Douglas, Kittitas, Yakima
 Idaho: Clearwater, Lewis
 Montana: Lincoln, Sanders, Mineral
 Oregon: Morrow, Umatilla, Union, Wallowa

About Our Service Area

The Sisters of Providence opened the first hospital in Spokane in 1886, and over the next century, continued to add new ministries. As the needs of the Inland Northwest changed, so did the Providence organizations – aligning more closely with one another and joining together with other Catholic services such as those sponsored by the Dominican Sisters. For more than a decade, these ministries have served Spokane and Stevens Counties as Providence Health Care (PHC) – an inter-connected health care system offering coordinated and compassionate care.

PHC includes four hospitals, a skilled nursing facility, home health care, and other programs that work together to ensure patients experience a full spectrum of care. Individually and collectively, we are committed to the core values of respect, compassion, justice, excellence and stewardship, as we carry out the Providence Mission to reveal God’s love for all, especially the poor and vulnerable.

Providence Health Care members are:

- Providence Sacred Heart Medical Center & Children’s Hospital – Spokane
- Providence Holy Family Hospital – Spokane
- Providence Mount Carmel Hospital – Colville
- Providence St. Joseph’s Hospital – Chewelah
- Providence VNA Home Health – Spokane
- Providence DominiCare – Chewelah
- Providence St. Joseph Care Center & Transitional Care Unit – Spokane
- Providence Adult Day Health – Spokane
- Providence Emilie Court Assisted Living – Spokane
- Providence Physician Services – Spokane
- PAML (Providence Associates Medical Laboratories) – Spokane

For complete details, visit us online at phc.org.

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 Sacred Heart Medical Center & Children's Hospital	\$ 7,864,000	\$ 8,889,000	\$ 23,730,000	\$ 10,013,000	\$ 2,824,000	\$ 53,320,000
Providence Holy Family Hospital	\$ 5,027,000	\$ 2,023,000	\$ 6,561,000	\$ 90,000	\$ 320,000	\$ 14,021,000
Providence Mount Carmel Hospital	\$ 560,000	\$ 380,000	-\$ 42,000	\$ 14,000	\$ 110,000	\$ 1,022,000
Providence St. Joseph's Hospital	\$ 445,000	\$ 660,000	\$ 1,164,000	\$ 4,000	\$ 23,000	\$ 2,296,000
Continuum Services	\$ 252,000	n/a	\$ 2,183,000	\$ 31,000	\$ 3,000	\$ 2,469,000
Total	\$ 14,148,000	\$ 11,952,000	\$ 33,596,000	\$ 10,152,000	\$ 3,280,000	\$ 73,128,000

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

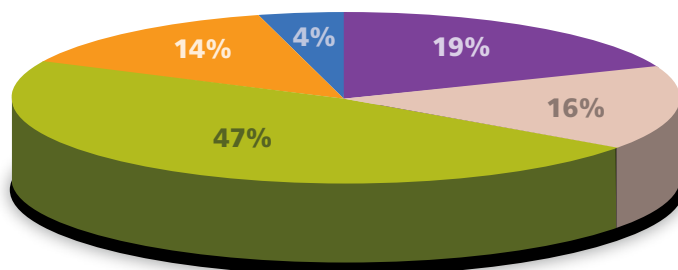
2 Clinical services provided despite a financial loss to meet a community need

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

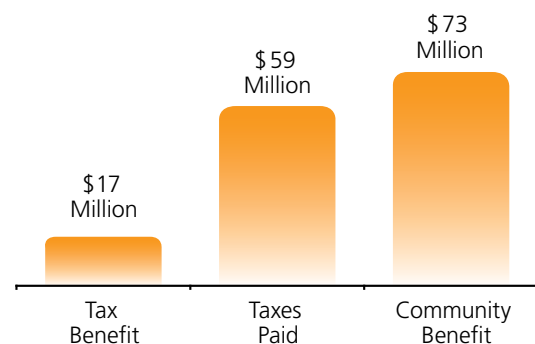
5 Cash gifts and in-kind donations, and free community services, such as patient education, health screenings, immunizations and support groups

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 not-for-profit organizations, Providence Health Care received more than \$17 million in federal, state and local tax exemptions in 2009. However, we provided \$73 million back to the community or near \$56 million in excess of our exemptions. In addition, there are taxes that we are not exempt from and must pay in our normal course of operations just as any business in the community would. These totaled almost \$59 million in 2009 and included business and occupation taxes, taxes on non-exempt properties, and payroll and sales taxes.

Providence Cares

Does Providence, as a not-for-profit service organization, pay taxes?

This is a question frequently asked, and the answer is simple – yes. Although Providence is a service organization that has nonprofit status, it still pays many types of taxes just like for-profit organizations, including business and occupation taxes, taxes on non-exempt properties, as well as payroll and state taxes. In fact, Providence Health Care paid \$59 million in taxes in 2009.

Providence also reinvested more than \$73 million back into the community in a variety of ways detailed in this report, providing needed services and focusing on the health and welfare of the poor and vulnerable. This represents a 7.8% increase over the previous year, and is \$56 million more than the value of the tax exemptions allowed by our nonprofit status.

At the same time, we continually invest in technological advancements and state-of-the-art equipment. We believe that our ability to deliver the most advanced care by some of the world's most experienced physicians is the right thing to do for our patients.

Lifesaving Care



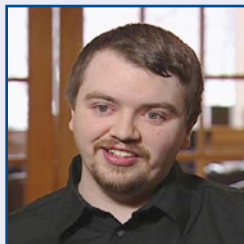
When patients need immediate, lifesaving care for traumatic injuries, Providence Sacred Heart Medical Center & Children's Hospital is ready. As the region's only provider of adult and pediatric Level II trauma care, it provides comprehensive care including essential surgical specialists within 20 minutes of notification, plus appropriate personnel and equipment around the clock. But if the decision to provide Level II trauma care was made purely on a financial basis, the service would not be available. In 2009, Providence subsidized more than \$2.5 million in trauma services that were not covered through any other means of reimbursement, ensuring that residents throughout the region had access to this essential service.

Basic Necessities



When Barbara Easter was asked by the staff at Providence Holy Family for a list of medications she was taking, her answer was all too common. "I have prescriptions that I can't afford to buy, so I am not taking them," she said. So hospital personnel put Barbara in contact with the Prescription Assistance Program. The program works with 35 pharmaceutical companies to help people like Barbara get the medications they need. Rather than suffering, Barbara is now able to manage her health with medications for arthritis, diabetes and high blood pressure. In turn, she is giving back to the community, volunteering with Catholic Charities in Northport.

Healing Power



When Beau Mellem's heart disease prevented him from maintaining a full-time job, he lost his health insurance and any chance of paying for the lifesaving surgery he needed. But with help from Providence and Project Access, Beau was able to receive needed heart surgery and return to an active life. Project Access – a network of doctors, nurses, hospitals, pharmacists, government agencies, and churches – works to heal the sick and injured in our communities. In return, lives are restored, families are reunited, workers return to their jobs, and the community is made better.