



# 2005

*Annual Report To The Community*



WASHINGTON COUNTY  
HEALTH SYSTEM

## A Letter from our President & CEO

Dear Friend,

Washington County Health System has had a very rewarding year. We have worked on healthcare projects that will improve the well-being of community residents and we have been recognized for achievements in special areas.

This year, we launched three new services. Total Rehab Care at Robinwood began a program called Vision Restoration Therapy. It helps patients who have had a stroke or brain injury improve their vision. The Center for Vascular Care opened to provide screening, diagnosis, treatment, and follow-up care for those with peripheral vascular disease. The Center for Clinical Research offers clinical trials in conjunction with local physicians, bringing access to the latest medical research to our patients.

The hospital constantly evaluates how to partner with physicians in providing patient care. This spring, we began a hospitalist program for inpatients. Hospitalists are specialists in hospital systems and the provision of acute care. They treat patients who are admitted through the emergency department without a primary care physician. They also care for patients when requested by their primary care physicians.

We received three awards that recognized our commitment to excellence in healthcare. Verispan acknowledged us as a Top 100 Integrated Health Network. The Hagerstown-Washington County Chamber of Commerce awarded our efforts in workforce development, especially in training and financing educational opportunities. We were one of 185 hospitals to receive the Organ Donation Medal of Honor from the United States Department of Health and Human Services in recognition of the families who donated organs and tissues of loved-ones for transplant.

The health system has continued its commitment to providing accessible healthcare as well as important health education activities. We have contributed almost \$16 million in community benefits over the course of the year. You will read more about them in the following pages.

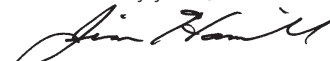
Our dedicated medical staff, health system employees, and volunteers work diligently in bringing the best care to our patients. This year, we will be opening the special care level II nursery on the Family Birthing Center. Now, we can care for babies born at 32 weeks gestation or those who need medical care—right here in Washington County.

We will also open up a number of services at the new Sylvania Building on Pennsylvania Avenue. There will be a second Urgent Care Center, a Home Care Pharmacy with Equipped For Life, and a Hagerstown Medical Lab draw site. They will offer easier access to healthcare services for our patients who live on the north end of Washington County.

The health system's commitment to providing the very best in healthcare to our patients is a challenging and rewarding task. We will continue to evaluate programs and services that can benefit the residents of our community. And, we will develop those that hold the bright promise of a healthier future for all of us.

With best wishes for your good health, I am

Sincerely yours,



James P. Hamill  
President and CEO



## Charitable Community Care Report

Washington County Health System is committed to being responsive to the healthcare needs of the residents of our community. We do this through a variety of activities. For some activities we receive payment, but for many others we are not reimbursed for all or part of our costs. They are considered community benefits – services that we provide because they address community healthcare needs and priorities.

In fiscal year 2005 (July 1, 2004 through June 30, 2005), Washington County Health System contributed more than \$16 million in community benefits to residents of the tri-state area. Those contributions went toward programs such as stop-smoking efforts, helping individuals improve their health, and educating current and future healthcare providers.

Washington County Hospital, the acute care arm of Washington County Health System, is one of the lowest cost providers of hospital care in Maryland. The hospital is a not-for-profit provider challenged to meet increasing medical care demands in a growing community. Our obligation is to provide critical healthcare services as efficiently as possible, while enhancing the well-being of community residents and bringing healthcare education to both medical professionals and community members.

Washington County Hospital and Antietam Health Services, a sister organization under the health system, work closely with community partners to provide free or reduced-cost services to those who need them. Antietam Health Services was created to partner with other healthcare providers to offer medical services such as diagnostic imaging, laboratory services, and durable medical equipment. It also includes physician practices, which specialize in family practice, internal medicine, and women's health.

We are proud of our health system employees who share their knowledge, skills, resources, and time with others. Whether they are serving on local boards of directors, teaching a healthcare class or mentoring a youth group, they generously represent the health system to our community.

On the following pages, you will find information about how Washington County Health System uses its resources to improve the well-being of our community's residents. Listed are just a few of the many activities that help make the tri-state region a healthier place to live, work, and raise a family.

# Caring for the Individual

Washington County Health System has a long history of providing healthcare for those who cannot care for themselves. For the past 100 years the hospital and more recently Antietam Health Services have provided medically-necessary care to many individuals. Here are some examples.

## For Those in Need

**174** patients, who were discharged to the community without insurance or financial means to pay for services, received prescriptions, oxygen, medical equipment, and home infusions at no cost to them.

**2,192** patients received free transportation by the hospital courtesy van to home after discharge, to breast cancer screening clinics or to Healthy Family educational programs.

**1,538** calls were made to patients with respiratory disease to review their symptoms, medications, and side effects with healthcare providers.

**7,724** pounds of laundry were washed and dried at Washington County Hospital for use by the REACH cold weather shelter.

**1,200** holiday meals were delivered to those who might not have a meal by emergency department doctors, hospital staff, and volunteers.

## Individual Well-being

**4,401** people called the hospital's emergency department telephone triage line for help in deciding if they should go to the emergency room or to their physicians' office for medical care.

**180** children learned about bike safety at the hospital's annual Bike Safety Rodeo.

**391** people participated in blood pressure screenings offered by hospital staff.

## Health Education

**52** weeks of important health information was shared with WJEJ radio listeners on the hospital's talk show program, *Health Matters*.

**1,100** first grade students participated in an educational opportunity to learn about what happens when patients come to the hospital.

**4** issues of Health Focus, the quarterly Washington County Hospital magazine on healthcare topics, were delivered to households in the tri-state region.

## Women and Children

**218** women received free breast cancer screenings through a partnership with Washington County Hospital, the Maryland Affiliate of the Susan G. Komen Breast Cancer Foundation, Breast Cancer Awareness of the Cumberland Valley, Washington County Health Department Breast and Cervical Cancer Program, and Washington County/Hagerstown C-SAFE.

**35%** of the patients seen at the Women's Health Center, an Antietam Health Service practice, are uninsured, underinsured or Medicaid patients.

**137** moms received support services from a licensed social worker on issues like nicotine cessation, domestic violence, drug and alcohol use, and mental health services through the OB Care Coordinator Program.

## Trauma Care

**953** patients from Washington and Frederick Counties, and the surrounding areas were treated at the Washington County Hospital trauma center. The hospital underwrites \$2,912,323 to maintain the trauma program.

# Caring for the Community

## Caring through Community Partnerships

**101** parish nurses in 43 faith communities assisted members of their congregations with health concerns. The hospital's parish nursing program offers them educational opportunities, mentoring, and support for their activities.

**\$40,986** was pledged to the United Way by health system employees to fund programs in 20 agencies that serve the residents of Washington County.

## Caring for the Next Generation of Healthcare Professionals

**77** young people participated in the Healthcare Career Explorer program hosted by Washington County Hospital to learn about healthcare career opportunities.

**16** undergraduate students shadowed radiation and chemotherapy nurses at the John R. Marsh Cancer Center to learn about the clinical aspects of assessing and treating cancer patients.

**29** young people participated in the North High School Medical Academy to learn about health career opportunities.

**99** undergraduate pharmacy students from the University of Maryland and Shenandoah University participated in learning experiences with mentors from Washington County Hospital as part of their clinical rotations.

# Charitable Care Activities and Contributions

Washington County Health System believes that the health of every individual in our community is important. In fiscal year 2005, we contributed our financial resources to the health of our community. Listed below are the categories of charitable care activities that we supported.

## Medical Practices

Through general and specialty medical practices, designed to meet the healthcare needs of the community, we provided prenatal, delivery, and postnatal care to virtually all of the medical assistance, uninsured maternity patients in the county. We also offer behavioral health services and endocrinology services without regard for the ability to pay.

Washington County Hospital	\$3,553,451
Antietam Health Services	<u>\$2,131,694</u>
Total	\$5,685,145

## Financial Assistance

Washington County Health System provides access to healthcare for all persons requiring it regardless of their ability to pay, within the limitation of available medical resources. Financial assistance includes care provided to patients who cannot afford to pay any part of their bill, as well as care provided to patients who can pay only a portion of their bill.

Washington County Hospital	\$5,488,802
Antietam Health Services	<u>\$91,660</u>
Total	\$5,580,462

## Charitable Care Activities and Contributions

### Contributions to Community Organizations Providing Direct Care

Washington County Health System believes in partnering with other agencies that provide direct care to those who are in need of medical care, helping to assure care is available throughout the year.

Walnut Street Community Health Clinic	\$300,000
Community Free Clinic	<u>\$50,000</u>
Total	\$350,000

### Trauma Care

Washington County Hospital operates a level III trauma program that treats patients from Washington and Frederick Counties as well as southern Pennsylvania and West Virginia.

Trauma care \$2,912,323

### Washington County Hospital Community Care Activities

In addition to the contributions listed above, hospital staff also offer a variety of programs and services to patients, the community at large, and healthcare professionals.

Community care activities \$1,626,481

**Total Charitable Care Contributions \$16,154,411**

## Financial Statements

The following are excerpts from our 2005 financial statements. They were audited by PriceWaterhouseCoopers.

### Washington County Health System, Inc. and Subsidiaries (including Antietam Healthcare Foundation)

#### Revenue

Net patient service revenue	\$219,352,747
Interest income on funds held by trustees	430,393
Sales, net of cost	6,791,039
Rental income, net of expense	2,258,804
Other revenue	4,558,913
Realized gains on investments in marketable securities	2,154,478
Net assets released from restriction used for operations	<u>561,097</u>
	<u>236,107,471</u>

#### Expenses

Salaries and wages	102,878,086
Professional fees	8,561,604
Supplies and other expenses	96,330,744
Depreciation and amortization	10,341,202
Bad debt expense	11,233,766
Interest	1,039,759
Realized losses on investments in marketable securities	<u>11,160</u>
	<u>230,396,321</u>

Operating revenue over expenses	5,711,150
Investment income	<u>606,711</u>
Excess of revenue over expenses	<u>\$6,317,861</u>

## Financial Statements

### Washington County Hospital Association

#### Unrestricted revenue, gains, and other support

Net patient service revenue	\$187,180,348
Other revenue	2,177,637
Realized gains on investments	1,048,018
Net assets released from restriction used for operations	620,684

191,026,687

#### Expenses

Salaries, wages, and professional fees	86,508,246
Supplies and other expenses	80,736,823
Depreciation and amortization	7,941,066
Bad debt expense	10,398,548
Interest	192,176
Realized losses on investments	-

185,776,859

Excess of unrestricted revenue, gains, and other support over expenses

5,249,828

#### Nonoperating (losses) gains

Net loss on rental of parking garage (including depreciation expense of \$101,763 and \$37,759 in 2005 and 2004, respectively)	(129,421)
Other	464
Investment income	395,671
Net unrealized gains on investments	499,496
Equity earnings in partnerships	72,361
Gain on disposal of assets	21,012
Contributions to community health center	(300,000)
Excess of revenues over expenses	<u>5,809,411</u>

## Financial Statements

### Antietam Health Services, Inc.

#### Operating revenue

Net patient service revenue	\$23,873,490
Pharmacy	17,347,210
Hagerstown Medical Laboratory	11,994,074
Medical Practices of Antietam, LLC	9,606,194
Robinwood Surgery Center, LLC	4,109,663
Equipped For Life	1,747,705
The Learning Center	309,822
Home Care Infusion Services	<u>68,988,158</u>

Facilities engineering service contracts	1,485,765
Fees from managed services organizations	195,315
Smithsburg Medical Center rental income	136,595
Interest income	29,301
Total operating revenue	<u>70,835,134</u>

#### Operating expenses

Salaries, wages, and fringe benefits	29,760,615
Cost of goods sold	20,867,794
Supplies, purchased services, and other expenses	12,947,481
Rent	3,933,541
Professional fees	1,091,866
Depreciation and amortization	1,137,349
Provision for uncollectible accounts	818,327
Interest	308,981
Total operating expenses	<u>70,865,954</u>
	(30,820)

#### Non-operating revenue (loss)

Equity in earnings of partnerships	1,382,656
Gain (loss) on disposal of assets	121,285
Gain on investment	-
Income before income taxes and minority interest	<u>1,473,121</u>
Provision for income taxes	499,106
Minority interest	184,585
Net income	<u>789,430</u>

## Financial Statements

### Washington County Hospital Endowment Fund, Inc. and Subsidiary

#### Revenue

Rental income	\$ 3,794,118
Investment income	397,273
Net realized gain (loss) on sale of marketable securities	1,106,460
Net unrealized gain on marketable securities	345,383
Gain on sale of real estate investments	599,501
Total revenue	<u>6,242,735</u>

#### Expenses

Property management expense	1,671,909
Interest expense	538,602
Depreciation and amortization	1,262,114
Development expense	344,588
Forgiveness of debt	25,722
Other	150,402
Total expenses	<u>3,993,337</u>
Excess of revenue over expenses	\$ 2,249,398

## Washington County Health System Board of Directors

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Hagerstown Community College

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Vice President Finance

#### Brooks McBurney

Vice President Human Resources

#### Carey O. Leverett

Vice President Information Services

#### Mary Towe, RN, BSN, MBA

Vice President and Chief Nursing Officer

#### Michael S. Zampelli

Vice President Antietam Health Services

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**David Solberg, M.D.**  
Comprehensive Women's Care

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Cardiology Consultants

**Ralph Salvagno, M.D.**  
Center for Joint Surgery and Sports Medicine

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Vice President  
Antietam Health Services, Inc.



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Law offices of Michael G. Day & Associates, P.C.

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Washington County Health System, Inc.

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Retired

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Medical Director for Behavioral Health Services  
Washington County Hospital

**Roxanne Ober**

Washington County Board of Education

**William Plavcan, M.D.**

Executive for Special Projects  
Washington County Hospital

**Robert B. Rankin**

Manager  
Minnich Funeral Home

**Delores Rice**

Washington County Hospital Auxiliary

## **Antietam Healthcare Foundation**

Antietam Healthcare Foundation, a private non-profit tax-exempt organization, is a subsidiary of Washington County Health System, Inc. The Foundation's purpose is to raise philanthropic support for the capital needs of Washington County Hospital. The Foundation also raises money for an endowment to benefit Washington County Hospital's healthcare objectives, scientific research, educational programs, and community activities.

The Foundation has more than 2,000 donors active in supporting its mission and the work of the hospital. Donors include former patients and their families, members of the hospital community, suppliers of goods and services to the hospital, and friends and neighbors from throughout Washington County and other areas that the hospital serves in Maryland, Pennsylvania, and West Virginia.

Antietam Healthcare Foundation is committed to the wellness of the entire region and seeks to develop a lasting relationship with the community as Washington County Hospital enters its second century of service.

# *Washington County Hospital Endowment Fund Board of Directors*

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Retired

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Washington Co. Health System, Inc.

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Genelogic, Inc.

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President, Jamison Door Company

**James P. Hamill**

President and CEO  
Washington County Health System, Inc.

**Steven N. Barnhart**

Executive of Finance  
Antietam Health Services, Inc.

**Jack B. Castle**

President and CEO  
Hagerstown Trust

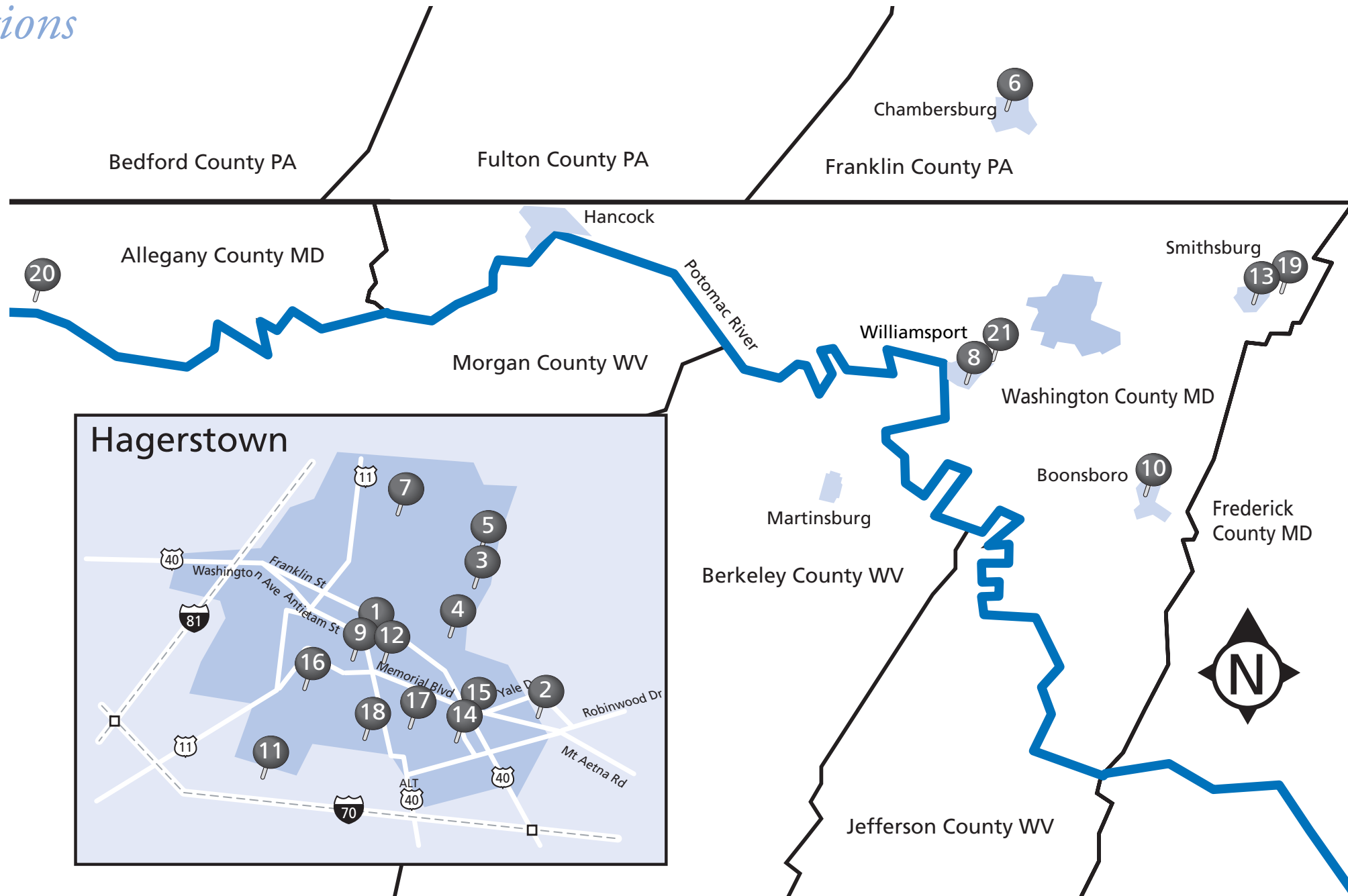
**David C. Beachley**

President  
Beachley Furniture Co., Inc.

# Facility Locations

- 1 Washington County Hospital  
251 East Antietam Street  
Hagerstown, MD
- 2 Robinwood Medical Center  
11110 Medical Campus Road  
Hagerstown, MD
- 3 Diagnostic Imaging Services  
First Floor  
Hagerstown Medical Laboratory  
Second Floor - Hub Plaza  
1101 Opal Court  
Hagerstown, MD
- 4 East Franklin Street Warehouse  
East Franklin St.  
Hagerstown, MD
- 5 Equipped for Life  
101 Jefferson Blvd.  
Hagerstown, MD
- 6 Equipped for Life  
949 Wayne Avenue  
Chambersburg, PA
- 7 Hagerstown Medical Laboratory  
Repeat Performance  
Thrift Shop  
747 Northern Avenue  
Hagerstown, MD
- 8 Hagerstown Medical Laboratory  
307 E. Potomac Street  
Williamsport, MD
- 9 Hagerstown Medical Laboratory  
322 Mill Street  
Hagerstown, MD
- 10 Hagerstown Medical Laboratory  
Boonsboro Professional Center  
20311 Lappans Rd  
Boonsboro, MD

- 11 Health@Work  
Hagerstown Medical Laboratory  
10715 Downsview Pike  
Hagerstown, MD
- 12 Home Care Pharmacy  
324 E. Antietam Street  
Suite 202  
Hagerstown, MD
- 13 Home Care Pharmacy  
Hagerstown Medical Laboratory  
Smithsburg Plaza  
22911-33 Jefferson Blvd.  
Smithsburg, MD
- 14 Home Health Care  
1799 Howell Road  
Hagerstown, MD
- 15 Parish Nursing  
1799 Howell Road  
Hagerstown, MD
- 16 The Learning Center  
535 Summit Avenue  
Hagerstown, MD
- 17 Mid-Maryland Medical  
Transport, LLC.  
939-A Eldridge Dr.  
Hagerstown, MD
- 18 Patient Accounts  
1198 Kenly Avenue  
Hagerstown, MD
- 19 Smithsburg Family  
Medical Center  
22911 Jefferson Blvd.  
Smithsburg, MD
- 20 Western Maryland Medical Supply  
13513 Winchester Road  
Cumberland, MD
- 21 Williamsport Family Practice  
3 Byrkit Drive  
Williamsport, MD



## *Our Mission*

The mission of Washington County Health System is to be the most effective provider of health services in our region through

- Leadership and responsiveness to our community's healthcare needs;
- Accessibility of those services in partnership with our extended community; and
- The high level of respect we afford our patients, physicians, customers, and employees.

## *Our Vision*

The Washington County Health System will succeed in accomplishing its mission of ensuring it is the community's preeminent quality healthcare provider via a five part strategy to

- Create and enhance regional healthcare through an integrated delivery system;
- Form a framework of partnerships and affiliations;
- Establish centers of excellence in partnership with the medical community;
- Provide excellent health education in cooperation with appropriate institutions; and
- Ensure adequate health insurance coverage for the community that aligns incentives properly for payors and providers.