2009

ANNUAL REPORT



Our Financial Report to the Community

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Growing to Enhance Our Medical Excellence

When Valley Medical Center was awarded a coveted "Top 10 Best Places to Work in the Nation" in October 2009 by *Modern Healthcare*, our industry's premier



journal, we were honored and inspired. We care deeply for our community and we've long known that when we value our staff and treat them well, their dedication and compassion mean quality healthcare for you. Now, after years of statewide recognition as a "Best Place to Work in Washington" by *Seattle Business Monthly* and the former *Washington CEO* magazine, we're privileged to say that Valley Medical Center's staff and our collaborative work environment have been nationally recognized!

We respect the relationship between medical providers and their patients and appreciate its key role in quality healthcare. We also know that our patients and staff feel



supported and thrive when we invest in facilities and technology that help them put patient safety and care first. Completed in 2009, our new South Tower was built with such goals in mind. It

houses the Margarita Prentice Trauma Center, bringing high-level, 24/7 emergency treatment for thousands more patients, including those needing helicopter transport, emergency resuscitation, surgery and critical care. To enhance privacy, reduce anxiety and minimize the risk of infection, emergency patients receive treatment in all-private, universal-care rooms with state-of-the-art technology brought to the room. The South Tower is also home to our Joint & Spine Center which opened in April 2010 and our Critical Care Center. Both centers provide private, universal-care rooms dedicated to treating those recovering from orthopedic and spine surgery, as well as our most seriously ill patients.

Quality patient and provider relationships can't exist if patients lack access to care. We've continued to prioritize community access to quality care by expanding our clinic network. Recognizing a need in certain neighborhoods to provide increased access for acute, non-emergency walk-in care, Valley Medical Center added neighborhood urgent care clinics at North Benson in 2009 and Renton Landing early in 2010. They provide more affordable, and in many cases, faster acute care than an emergency room. Collectively, our urgent care clinics now serve about 150 patients each day.

In looking ahead to issues of quality access in the future, we conducted a geographic review of patients visiting Valley Medical Center's ER and realized our neighbors in the southeast portion of the district may travel 25 minutes or longer to reach critical services. To address their concern, we are exploring plans to build a freestanding Emergency Department with trauma bays in Covington. Patients at our new Covington ER will benefit from local, experienced trauma teams with immediate access to VMC records and convenient follow-up services in Renton. For those patients requiring hospitalization, a transfer to VMC will ensure seamless, medically excellent care.

Thanks to your help, we've significantly enhanced our quality of care in 2009 with faster, more personalized service, innovative technology and better access to help many more patients. We know when it comes to your healthcare, it really is all about you, your medical providers and the trust you place in the care they give. We are confident that the Valley Medical Center providers and the staff that support them are the best around—caring, compassionate, knowledgeable and dedicated to you and your health. It's that level of personal and professional commitment that ranks Valley Medical Center among the Top 10 Best Places to Work in the Nation.

Rich Roodman, CEO



Valley Medical Center

Overview

Valley Medical Center, also known as Public Hospital District No. 1 of King County, is a non-profit medical center governed by a five-member, publicly elected Board of Commissioners.

Quick Facts

Serving You

- 2,604 employees
- More than 450 providers and physicians with privileges
- 355 volunteers giving 41,000 hours

Where VMC Serves

- 8 primary care clinics
- 4 urgent care clinics
- 303 bed, acute care hospital
- 23 medical specialties

Care Provided by VMC

- 508,070 outpatient visits
- 16,539 inpatient discharges
- 70,179 emergency visits
- 10,753 inpatient and outpatient surgeries

Community Stewardship

- AA credit rating
- \$895,926,103 gross service revenues
- \$21,719,531 community service
- \$29,014,974 bad debt
- \$14,124,291 charity care



The Valley Dividend Pays Off for Homeowners

To thank our district's taxpayers for their support, Valley Medical Center developed the Valley Dividend. The Valley Dividend grants Public Hospital District No. 1 homeowners credit toward their hospital bill from a portion of their paid property taxes, applicable to out-of-pocket expenses after all third-party and insurance payments have been made. The program is available for necessary inpatient hospital stays and a variety of surgical services. In 2009, 241 district patients received credits totaling \$122,703.

A Year to Remember: 2009 Highlights

Expanded Facilities and Technology Serve a Growing Community

After three years of construction, Valley Medical Center completed its new South Tower, home to the Margarita



Prentice Trauma Center, the only Level III Trauma Center between Seattle and Tacoma. The Trauma Center was named after State Senator Prentice, a former Valley Medical Center registered nurse,

to publicly express VMC's long-standing appreciation of the Senator's support of our hospital district, dedication to healthcare advocacy and the people we serve. Nearly as large as a football field, the new Trauma Center is designed to serve over 100,000 patients annually.

VMC expanded cardiovascular services to provide *elective* percutaneous coronary intervention (PCI)—a variety of minimally invasive procedures to treat diseased arteries, including angioplasty to unblock arteries before a heart attack occurs.

VMC is the first hospital in Washington state to acquire the da Vinci® SiHD™ Surgical System—the world's only robotic surgical system with 3D HD vision. The da Vinci Si provides surgeons unparalleled precision, dexterity and control for many complex gynecological and laparoscopic surgical procedures, while minimizing blood loss, scarring and the time a patient needs to stay in the hospital.

With patient safety always a top priority, VMC is the first hospital in south King County to implement the Symbic® "smart pump" infusion system with advanced design to ensure accuracy when administering intravenous fluids, medication and nutrition. VMC successfully implemented a procedural checklist as an additional safeguard against bloodstream infections obtained through IVs.

To enhance continuity in patient care, electronic medical records (EMR) were implemented in all primary and

urgent care clinics to enable clinicians to instantly share patient files. Specialty clinics will complete their transition to EMR in summer 2010.

VMC added North Benson Urgent Care, a neighborhood clinic just east of the VMC campus, and in 2010, Renton Landing Urgent Care, both providing non-emergency, acute illness and injury care beyond the scope or availability of a primary care practice.

To provide more efficient and expedient laboratory testing at greater volumes for physicians and their patients, VMC entered into a new partnership with PACLAB Network Laboratories, the largest regional medical laboratory network in Washington state. For patients in South King County this agreement translated into faster turnaround time on test results.

VMC's Accomplishments Bring National and Local Recognition

VMC is one of the Puget Sound's "Best Companies to Work For," and has been for eight consecutive years.

For the fifth straight year, VMC proudly received the HealthGrades 2009 Orthopedic Excellence Award™, ranking #1 in Washington for Joint Replacement and in the top 5% nationally. HealthGrades® is the leading

healthcare ratings organization, providing ratings and profiles of hospitals, nursing homes and physicians.

VMC was Five-Star Rated in 2009 by HealthGrades® for Spinal



Surgery, Back and Neck Surgery (without fusion), Total Knee Replacement and Joint Replacement Surgery.

VMC earned The Joint Commission's Gold Seal™ for excellence in stroke care. The hospital's commitment to meeting national and safety performance standards also garnered a three-year full accreditation from The Joint Commission.

For outstanding evidence-based care, VMC received the Get With The GuidelinesSM—Heart Failure Silver Performance Achievement Award from the American Heart Association.

VMC's Cancer Center maintained its Certificate of Approval with Commendation as a Community Hospital Comprehensive Cancer Program, approved through 2011 by the Commission on Cancer.

In recognition of exceptional commitment and support to the women in the community, the National Breast Center Consortium presented The Breast Center at VMC with the "Pink Ribbon Facility Award for Excellence in Breast Health."

Based on a survey of 10,000 Puget Sound area physicians asking who they would most likely refer a loved one or friend to for medical care, 19 VMC physicians were named as "Top Docs" in the greater Seattle area as reported in the July issue of *Seattle Magazine*.

As one of nine hospitals nationwide selected in October 2009 to participate in the *Aligning Forces for Quality:*Language Quality Improvement Collaborative, a year-long study funded by the Robert Wood Johnson Foundation to improve access to language services in healthcare, VMC is strategically pioneering methods toward improving overall communication to allow non-English speaking and ESL patients to receive the best care. Successful practices developed from this study will be shared throughout the country.

Adding new ways to keep in touch with the pulse of the community, VMC launched Twitter and YouTube with information about new programs, patient stories, research participation and other news of interest. VMC looks forward to more community feedback via social media. Become a VMC Facebook fan in 2010.

Always Improving for the Future

With the January 2010 dedication and February 2010 opening of the Margarita Prentice Trauma Center, VMC's Emergency Department is home to cutting-edge, patient-centered care and technology. From bedside registration to radiology exams, care is brought to the patient in his or her room. State-of-the-art cardiac monitoring equipment



is located in every room, and diagnostic imaging, including ultrasound and x-ray, are performed in-room. The ER also houses the Philips Brilliance iCT—the first

256-slice CT scanner in Washington state. In April 2010, the hospital's Critical Care Center and The Joint & Spine Center relocated to the South Tower facilities.

VMC is responding to increased community need at the Highlands Primary Care clinic by expanding and adding two primary care medical providers by late summer 2010. Urgent care in the Highlands area is now served by the nearby Newcastle and Renton Landing facilities.

Through its fully-accredited, three-year residency program, VMC's Valley Family Medicine is training family doctors for the future. As the largest and most comprehensive medical complex in South King County, with a medical staff representing nearly every clinical specialty and subspecialty in medicine and an affiliation with the University of Washington School of Medicine, VMC's training provides full-spectrum family medicine, with a special emphasis in obstetrics.

VMC will launch GLOW, a free wellness program created by women for women, in September 2010. The program will include seminars and events about health, communication, stress reduction and life-balance issues.











Quality Care Improves Lives

IMPROVING LIVES, ONE PATIENT AT A TIME

Cliff McCrath, Living Life Without Hesitation

After 40-plus years of playing and coaching soccer, U.S. Soccer Hall of Fame member Cliff McCrath had resigned to what he calls a life of "pain, pills and procrastination." Then he met William Barrett, MD, Medical Director of The Joint Center at Valley Medical Center. Cliff's x-rays showed there was no cartilage left—his knees were bone-on-bone. He was a perfect candidate for bilateral knee replacement at The Joint Center where 1000 joint replacement surgeries are performed annually.

Currently the #1 rated center in Washington for joint replacement by Healthgrades® 2010, The Joint Center's dedicated facility has become a model across the nation and has received HealthGrades'® Five-Star rating for joint replacement surgery for seven consecutive years.

Today Cliff lives life free of pain. He takes the stairs two at a time, lives without hesitation and continues to coach soccer stars of the future. "Had I known what kind of freedom, joy and happiness I'd get by doing this, I would have done it 25 years ago," says McCrath.



Life Saving Response to a Heart Attack Gives Vance Second Chance

"I thought it was heartburn," says Vance, 53, of the chest pain he experienced one afternoon. But within minutes Vance knew—he was having a heart attack.

"Vance had total blockage in the largest artery of his heart... the most serious kind of heart attack you can have," says John W. Nemanich, MD, FACC and Medical Director of Interventional Cardiology at VMC.

Quick response saved his life. Vance's blockage was removed just 39 minutes from the time he came through VMC's door. In fact, Dr. Nemanich performed over 150 minimally-invasive balloon angioplasties in 2009 and over 2000 during his career at VMC.

Five days after surgery, Vance was released from the hospital with a new outlook. "I get the fact that I got a second chance," he says. "I had no idea that Valley (Medical Center) was so well known for their heart care or had a gym or a fitness program for cardiac rehab. The nurses monitor you with a portable EKG to make

sure you aren't overworking your heart. And they monitor that over a three-month period of time to step up your fitness level."

After completing his cardiac rehab program and transitioning to



more healthful eating, Vance is focused on staying active through biking and enjoying the outdoors. "I feel better now than I've felt in nearly 15 or 20 years. My outlook on life is totally changed. I don't sweat the small stuff anymore and those little things that may bother me, I pretty much just work out on my workouts now. Life is pretty good. Valley saved my life."

Rick Lives Without Pain

Rick was among the 80% of Americans who suffer from back pain.



"I couldn't sleep through the night. I blamed my mattress. My pillow. You just learn to live with it," Rick says. But when he began experiencing numbness in

his leg, Rick knew it was time to seek help. He went to Jason Thompson, MD, Orthopedic Medical Director of The Spine Center at Valley Medical Center.

"X-rays showed that Rick's vertebrae were markedly out of alignment and his nerves significantly crushed," says Dr. Thompson, "Without surgery, he ran the risk of irreversible damage." Dr. Thompson helped shape the treatment model for The Spine Center at Valley Medical Center, which has been Five-Star rated for spinal surgery by HealthGrades® 2010 for five consecutive years. Today Rick sleeps through the night, lives without pain and is back to doing the things he loves, including his greatest joy—being a dad.

2009's First Baby in the Region

While each of VMC's 3,952 births in 2009 was special, there is one that stands out. Davious LaShawn was born at 19 seconds after midnight on January 1, making him the region's New Year's baby and the first time in nearly 30 years that VMC has birthed the first baby of the year. Born to a family of prolific New Year's babies, Davious is the third such baby on his mother Ashlyn's side.

Also on New Year's Day 2009, The Birth Center launched the first Obstetrics Hospitalist Program in the greater Seattle area. This new service enhances patient safety, care and peace-of-mind by ensuring that a board-certified physician specializing



in obstetrics and gynecology is in the hospital and immediately available—24/7, 365 days a year. The program ensures every woman admitted for emergency obstetric or gynecological care is examined and evaluated by a physician.

Honoring VMC Medical Staff

Valley Medical Center's designation as a **Top Ten in the Nation Best Places to Work in Healthcare** speaks volumes about our employees, their compassion and their dedication to the care they provide to the community. VMC honored one former clinician, Washington State Senator Margarita Prentice, a healthcare champion and patient advocate who has been a registered nurse for over 45 years, as well as a VMC nurse during the 1960s and 70s. The new Margarita Prentice Trauma Center at VMC was dedicated in her honor in January 2010.

"I am thrilled to receive this honor from Valley Medical Center," said Senator Prentice. "As someone who has served in almost every nursing capacity: from emergency room nurse to director of nursing; as someone who has worked to bring quality healthcare to the community; and as someone who used to work at Valley, I know the dedication, care and quality of this institution. I am proud to be associated with such a tremendous facility that will benefit everyone in our community for many years to come."

A Leader in Community Outreach

VMC extends its services beyond the hospital and clinic network by supporting over fifty community organizations, many directly benefiting district health and some adding a much needed safety net for those in need. Two such programs include free care: the RotaCare Clinic, staffed by volunteer VMC medical providers, and a partnership with King County Project Access to provide orthopedic services and hospital services for patients seen in local specialty practices. VMC contributed \$21.7 million for these and other community service programs in 2009.

Prepared to Help the Community

Valley Medical Center's comprehensive disaster plan continually evolves to meet community needs. The plan encompasses both natural and man-made disasters, including viral outbreaks and any mass casualty incidents.



The new South Tower houses decontamination equipment and a resuscitation room, with the underground garage designated as the area's first

disaster recovery facility. VMC is involved in all disaster preparedness meetings for Tukwila, Renton, Kent, King County Emergency Medical Services and King County Department of Health, Region 6. We also participate in King County Emergency Communication Center's training and ongoing communication system. To test the comprehensive plan and its systems, VMC takes part in a variety of site-based, regional and county-wide preparedness drills.

Flu Shot Clinics Offer Safety Net

VMC's flu shot clinics are an important preventative community health measure. To protect the health of our hospitalized patients, VMC conducted a successful VMC employee seasonal flu vaccination program in 2009 with the highest participation ever. Additionally, major employers in the community contracted with VMC Occupational Health Services to conveniently vaccinate their employees while at work. In October 2009, VMC

vaccinated 2,344 seniors for seasonal flu during a six-day event through our GoldenCare program. In addition to receiving flu vaccinations, attendees enjoyed refreshments, visited with friends and neighbors and took sneak peek tours of the hospital's new South Tower and Emergency Department. In January 2010, over 500 members of the community received free H1N1 flu vaccinations at the South Tower Open House.

When the Helmet Fits, Children Play More Safely

To promote healthy exercise for our children in the community through safe bike riding and skating, VMC offers free helmet fitting clinics. In 2009, staffed by over 40 VMC volunteers, their family members, as well as community volunteers, 753 children were custom-fit with helmets. Part of the fitting process includes educating both parents and children about correctly aligning the helmet,

adjusting it as children grow, and replacing a helmet after a crash. Children may bring in their existing helmets for a free fitting or VMC offers safety-approved helmets for purchase for just \$8. Free helmet fitting clinics continue in



2010 and are held monthly, March through October, from 3 to 7 PM, the first Monday of the month (2nd Monday in July and September), as well as at Renton River Days and Newcastle Days.

A Giving Spirit

Community Participation and Sponsorship Support

(Partial list)

- Auburn "Kids Day"
- American Cancer Society,
 Relay for Life & Making Strides
 Against Breast Cancer
- American Heart Association,
 Heart Walk
- Cancer Lifeline
- C.A.S.T. for Kids
- Covington Days
- Kent Cornucopia Days
- Kent4Health
- Maple Valley Days
- Medic One Foundation
- National Multiple Sclerosis Society, MS Walk
- Newcastle Days
- RAYS: Renton-Area Youth & Family Services
- Renton River Days
- Salvation Army
- Seattle Thunderbirds
- Renton Technical College
- Rotary Club of Renton
- Starlight Children's Foundation
- Soroptomists International



Robert, Jen and Michelle were among the volunteers representing VMC at the 2009 Heart Walk.

Valley Medical Center and the Environment

Every week, VMC recycles 161,000 gallons of water, 560 lbs. of plastic and diverts 4,620 gallons of alkali from entering wastewater treatment. In October 2009, VMC's food services began its composting program in partnership with Cedar Grove Composting. More than 14 tons of food waste and compostable paper products are redirected from landfills weekly,

translating into 13.02 metric tons of greenhouse gas emissions not placed into the atmosphere.

In the new South Tower, summer solar heat gain is reduced through window orientation, while roofing materials add insulation and reflect excessive heat. Other materials within the building are made

for long life and low- or no-maintenance. Much of the hospital's existing mechanical systems have been retrofitted with energy efficient equipment. Courier vehicles have been replaced with hybrid models and in June 2010, VMC will substantially expand its recycling program.

2009 Financial Highlights

Effectively Managing Costs Generates Community Benefits

In order to assure ongoing funds to provide hospital, outpatient, primary care physician and specialty care physician services to the District, VMC manages its operations in a fiscally responsible manner. In 2009, VMC generated revenue to fund operating expenses, as well as realizing \$18.3 million or 4.9% of income for investing in staff, technology, facilities, and developing new programs to better serve the community.

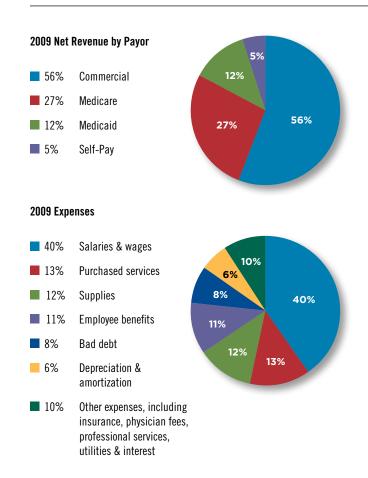
Quality Care for Those with Limited Resources

Despite the challenging economy, VMC maintains its commitment to provide quality healthcare to the

community regardless of a patient's ability to pay. In 2009, care to patients with no source of funding equaled \$43.1 million, up \$4.4 million from the previous year.

Investing Public Funds to Improve Community Health

As Public Hospital District No. 1 of King County, VMC received \$19.4 million in tax funds for 2009. The district tax rate is \$0.49 per \$1000 or approximately \$147 for a \$300,000 home. A majority of these taxes were approved by voters to support the financing of the new South Tower. Tax revenue also subsidizes emergency services and direct care to the community. Playing a vital role in the economic stability and growth in the District, VMC spends over \$126.9 million per year purchasing supplies and services.



In 2009, we billed patients for: Inpatient general care and services and outpatient services	\$895.9 million
And we also received revenue from:	
Other operating revenue	\$21.8 million
Tax revenue	\$19.4 million
Giving us total gross revenues	\$937.1 million
We were unable to collect more than 50% of billed pati Contractual discounts,	ent services:
including Medicare, Medicaid, & other payors	\$521.2 million
Charity care provided	
Patient bad debt	
Total revenue lost	\$564.3 million
Net operating revenue	\$372.7 million
We had operating expenses for:	
Employee salaries, wages, and benefits	\$197.4 million
Supplies, services and other expenses	\$126.9 million
Depreciation	\$21.7 million
Interest	\$8.4 million
Total operating expenses	\$354.4 million
Revenue for improvement of services	\$18.3 million

Board of Commissioners

VMC's Board of Commissioners



Sue Bowman, President



Carolyn Parnell, Vice President



Don Jacobson, Secretary



Anthony Hemstad



Aaron Heide, MD

Our Mission

Public Hospital District No. 1 of King County (also known as Valley Medical Center) is the state's oldest hospital district and the largest non-profit provider between Seattle and Tacoma committed to improving the overall health of our community. Governed by publicly elected commissioners, we provide, in collaboration with our medical staff and community agencies, comprehensive quality care and services in a cost-effective and compassionate manner.

Our Vision

Valley Medical Center is a regionally integrated health delivery system with the best quality, service, access and staff in the Puget Sound region.

Board of Commissioner Meetings

VMC Board of Commissioner meetings are open to the public and we encourage you to attend. We strive to be a transparent organization and welcome insights and suggestions from the community we serve. For more Board and meeting information, see valleymed.org/About_VMC/Meet_the_Board.htm. To express your thoughts, please email: CommissionersEmail@valleymed.org or write Board of Commissioners, Valley Medical Center, 400 S 43rd Street, Renton, WA 98055.

This annual report is published by Valley Medical Center (Public Hospital District No. 1 of King County). Contact 425.228.3440 x3340 with with comments or suggestions for future issues of *Valley Voices*.



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Valley Medical Center

Board of Commissioners Public Hospital District No. 1 of King County Valley Medical Center & Clinics 400 South 43rd Street PO Box 50010 Renton, WA 98058-5010

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Clinic Directory

PRIMARY CARE

◆ Cascade Primary Care (VMC campus)	425.656.5400
◆ Covington Primary Care	425.395.1960
◆ Fairwood Primary Care (Renton)	425.656.4242
♦ Highlands Primary Care (Renton)	425.656.5500
♦ Kent Primary Care	
◆ Lake Sawyer Primary Care	425.656.4100
♦ Newcastle Primary Care	
◆ Valley Family Medicine (VMC campus)	
URGENT CARE	
+ Covington Urgent Care	253.395.2006

- Covington Orgent Care	233.333.2000
+ Newcastle Urgent Care	425.656.5590
♣ North Benson Urgent Care	425.656.4270
+ Renton Landing Urgent Care	425.656.4211

SPECIALTY CARE

■ The Birth Center	425.575.2229
■ The Breast Center	425.656.5588
Children's Therapy	425.656.4215
■ Cancer Services	425.656.4002
■ The Eye Center	425.656.5345
■ The Joint & Spine Center	
■ Midwives at Valley Medical Center	425.656.5321
■ Nephrology/Kidney Disease	
Occupational Health Services	
■ Psychiatry and Counseling Center	425.656.4055
■ Psychiatry and Counseling Center: toll-free	
■ Rehabilitation Services	425.251.5165
■ Rheumatology	253.395.1971
■ The Sleep Center	
■ Sports Medicine	425.656.4260
■ Valley Ear, Nose and Throat Specialists	206.575.2602
■ Valley General Surgery	425.656.5430
■ Valley Surgical Specialists	425.228.6076
■ Vascular and Endovascular Surgery	425.656.5568
■ Washington Neuroscience Institute	425.656.5566
■ Wound Care Clinic	. 425.228.3440 x5512

MEMBERSHIP PROGRAMS

Fitness Center	425.656.4006
GLOW	425.226.4653
GoldenCare	425.226.4653



FREE PHYSICIAN REFERRAL SERVICE: 425.277.DOCS (3627) or visit valleymed.org/docs

To register for a seminar, call **425.656.INFO** (**4636**) or log on to **valleymed.org/events**