A FUTURE FILLED WITH HOPE

Annual Report to the Community | Fiscal Year Ending 2010

respect | compassion | justice | integrity | quality | innovation | stewardship | growth
our mission
The Mission of Bon Secours Health System is to bring compassion to health care and to be Good Help to Those in Need®, especially those who are poor and dying.

As a system of caregivers, we commit ourselves to help bring people and communities to health and wholeness as part of the healing ministry of Jesus Christ and the Catholic Church.

our vision
Inspired by the healing ministry of Jesus Christ and the Charism of Bon Secours...

As a prophetic Catholic health ministry we will partner with our communities to create a more humane world, build health and social justice for all, and provide exceptional value for those we serve.
Fiscal Year 2010 marked the beginning of an exciting new three-year Strategic Quality Plan for Bon Secours Health System. The system is stronger than ever and continuing to grow and improve in many ways. Bon Secours remains committed to improving the health of our communities and transforming the way care is delivered.

During the past year, Bon Secours Health System began to realize the tremendous potential of its focus and investment in clinical transformation. The quality of care increased throughout the system in nearly every way measured, including improved patient safety, and reduced mortality, complications, and length of stay. The implementation of our electronic medical record system, Bon Secours ConnectCare, has helped reduce medical errors in multiple ways. For example, the computerization of the medical record increases legibility, provides warnings of drug interactions and allergies, and offers standardized order sets for care. Our improvements in quality have not gone unnoticed, as the Centers for Medicare and Medicaid Services recently honored Bon Secours Health System with 82 awards for superior results in the Hospital Quality Improvement Demonstration project.

A revitalized focus on the practice of nursing has been instrumental in bringing about clinical transformation. Three Bon Secours hospitals—Memorial Regional Medical Center and St. Mary’s Hospital in Richmond, Virginia, and Bon Secours St. Francis Hospital in Charleston, South Carolina, are now Magnet certified for nursing excellence. All other hospitals are on a journey to Magnet certification. The cooperation of nursing leadership, and physician and finance leadership in the Clinical Collaborative also contributed to the adoption of clinical improvements across the system.

Bon Secours Health System recognizes that more and more, the health of our local communities is related, albeit indirectly, to the health of our global community. We made great strides this year in reducing our carbon footprint through energy management, waste stream management and recycling. While the international efforts of our organization may seem small compared to the tremendous problems facing the world, like the boy who rescued one starfish at a time, our efforts in Haiti, Peru, and South Africa mean everything to those we are able to help.

The dedication and excellence of our over 21,000 co-workers are not something we take for granted at Bon Secours Health System. Talented employees and physicians who are respected for their efforts and given the freedom and the tools to do their jobs well are more likely to be engaged and committed to service excellence and quality care. Development opportunities provided through the Center for Ministry Leadership and the Bon Secours Institute and other local system initiatives continue to grow.

Bon Secours Health System also remains focused on ensuring a diverse and inclusive workplace. Although already a broadly inclusive workplace, in 2010, the first Diversity and Inclusion Planning Summit kicked off the system’s renewed efforts to not only encourage, but to treasure, increased heterogeneity in our organization.

Our financial performance in Fiscal Year 2010 was extremely positive and showed substantial improvement over 2009. Many of the operational improvements and efficiencies and clinical transformation efforts undertaken during the last three to five years are now reaping the anticipated benefits. Nearly all of our local systems showed positive financial performance this year despite continued weakness in the national economy.

We want to thank the Sisters of Bon Secours, Bon Secours Ministries, the Bon Secours Health System Board of Directors, the health system leadership, and each of our dedicated co-workers who live our mission every day. Your guidance, your leadership, and hard work are what make Bon Secours Health System the premier health system it is today.

Sincerely,

Donald G. Seitz, M.D.
Chairperson, Board of Directors
Bon Secours Health System

Richard J. Statuto
President and CEO
Bon Secours Health System
strategic goals

In 2010, Bon Secours Health System began the first year of a new three-year Strategic Quality Plan. The system remains committed to our communities and clinical transformation of the way care is delivered. While much in the new plan is a continued or expanded focus on current key priorities, there are four areas of new focus. During FY2010 through FY2012, Bon Secours plans to:

- **Increase its commitment** to community health to include the global community and the health of the environment;
- **Form relationships** within the community of providers so that people who seek information or services from Bon Secours can be linked with the best community resources;
- **Create value** as perceived by the customer, which includes not only patients and residents, but also physicians, employees, and community members; and,
- **Achieve financial sustainability** so that Bon Secours can ensure long-term relationships with and value for those it serves.
As a result, Bon Secours commits to faithfully respond to God's gift of compassion, healing, and liberation through the following four goals for FY2010-2012:

- **Create** an Extraordinary Individual Experience of Care
- **Liberate** the Potential of Our People to Serve
- **Partner** with Our Communities to Co-create a More Humane World, Improve Health and Model Social Justice
- **Become** a Trusted Health Partner by Providing Exceptional, Life-Long Value
create an extraordinary individual experience of care

In every way we touch those who come to us for care, we serve faithfully as a Catholic ministry and a living expression of the Bon Secours Charism, and we hold ourselves to high standards set by the gospel and our professional communities in order to contribute to the creation of a more humane world, build healthier communities, and transform the way we deliver care.

Clinical Transformation

Operating under the strategy set by the Center for Clinical Excellence and as a partnership between the Clinical Collaborative of Chief Nurse Executives, Chief Medical Officers, and Chief Financial Officers from across BSHSI, clinical transformation is BSHSI’s ongoing work to improve quality of care and the patient experience while also improving value to the patient, families, and providers. With efforts expanding across the continuum, clinical transformation is helping BSHSI reach beyond its hospitals and into communities to truly create an extraordinary individual experience of care for all served.

Clinical transformation is helping BSHSI to unite as a system of caregivers and administrators to share best practices and quickly implement evidence-based changes, while also encouraging new ideas and innovation. Through Learning Communities centered on areas of common opportunities (like health care-associated infections, cardiovascular surgery, and intensive care patients), BSHSI has shown
improvements in care processes (reductions in the prevalence of indwelling catheters, reductions in blood utilization for cardiovascular surgery patients, interdisciplinary rounding for ICU patients), and improvements in outcomes while the mix of patients has increased in severity. For example, the Case Mix Index increased from 1.40 in FY2009 to 1.42 in FY2010. Additionally, the length-of-stay has decreased from 4.12 days in FY2009 to 4.03 in FY2010.

Bon Secours ConnectCare

Bon Secours ConnectCare, the system’s computerized clinical information system/electronic medical record, is now operational in five acute care hospitals and 140 ambulatory care providers. Additionally, MyChart, a tool providing patients with access to their records, information, and a venue for communication with practitioners, has almost 6,000 active users with numbers increasing daily.

St. Francis Medical Center in Richmond, Virginia, and Our Lady of Bellefonte Hospital in Ashland, Kentucky, are scheduled for full implementation in calendar year 2011. Good Samaritan Hospital, Suffern, New York, has started preparations for implementing the ConnectCare Emergency Department module.
Realizing the Benefits of Clinical Transformation

BSHSI’s dedication to improving patient outcomes by implementing evidence-based best practices and driving out variations in care continues. Progress against key quality indicators are summarized below.

- **Health Care-Acquired Infection** Composite Score of 1.40 is 33% favorable to the prior year score of 2.08.
- **Mortality Index** of 0.51 is 24% favorable to the prior year index of 0.67.
- **Percent of Orders Submitted by Computerized Physician Order Entry (CPOE)** is tracking consistently over 75% for the facilities with ConnectCare.
- **Clinical Transformation** results reflect financial savings of $38.4 million, made possible through improved quality, expedited care, and reductions in variable costs in cardiac surgery and cardiology, general surgery and orthopedics. Savings have also been achieved by reducing health care-acquired infections and pressure ulcers. Additional savings have been provided through antibiotic stewardship and pharmacy interventions.

Clinical Leadership

A tremendous investment has been made in the clinical leadership of Bon Secours Health System over the past year with the hiring or promotion of four new chief nursing executives (CNEs), and the creation and hiring of nine new vice presidents of medical affairs (VPMAs), five new physician informatics positions, and one new nurse informatics position. Nursing, physician, and finance leaders come together on a quarterly basis as part of the Clinical Collaborative whose mission is to improve clinical quality through peer-to-peer relationships and teamwork and define consistent clinical expectations across BSHSI.

Bon Secours Hospitals Provide Superior Quality Results

In 2008, the Centers for Medicare and Medicaid Services (CMS) began an initiative called Value-Based Purchasing. The goal was to create a program to pay hospitals based on quality measures performance. To ensure maximum CMS reimbursement, hospitals and health systems have proactively assessed current performance and identified quality improvement opportunities.

In 2010, several Bon Secours Health System facilities achieved superior results in the Value-Based Purchasing program. Memorial Regional Medical Center, Mechanicsville, Virginia, received twelve awards and six Top Performance awards. No hospital has ever received more than ten total and five Top Performance awards. DePaul Medical Center, Norfolk, Virginia, received ten awards out of a possible ten awards. St. Anthony Community Hospital, Warwick, New York, received eight of eight possible awards. All three hospitals received all awards for which they were eligible.

Additionally, Bon Secours as a system received a total of 82 awards, the most of any system.
Patient Care Summit Celebrates Excellence in Clinical Practice

In November 2009, approximately 300 people attended the Bon Secours Health System Patient Care Summit in Richmond, Virginia. The overall goal of the Summit was to continue Bon Secours’ journey to world class engagement and Magnet Designation. The keynote speaker, Jean Watson, Ph.D., from the Watson Caring Science Institute, spoke about caring theory, caring practice, and integration into a professional practice and behaviors that promote caring, positive relationships and healthy work environments. Over the following months, an expert leadership panel shared the Summit’s content throughout the system and provided support to each facility in the development and implementation of a work plan for Clinical Transformation.

Nursing Excellence at Bon Secours

Magnet Hospital designation by the American Nurses Credentialing Center (ANCC) recognizes hospitals and health care organizations that provide excellence in nursing. The following three Bon Secours facilities have achieved this impressive designation:

- **St. Mary’s Hospital**, Richmond, Virginia—December 2008
- **Memorial Regional Medical Center**, Mechanicsville, Virginia—March 2009
- **St. Francis Hospital**, Charleston, South Carolina—August 2010

Only about 6.5 percent of the nation’s health care organizations have achieved Magnet Recognition status.
Nurse Sepsis Expert Credentialing Program
Late in FY2010, Bon Secours Health System developed a Nurse Sepsis Expert Credentialing Program in its efforts to drastically reduce the incidence of sepsis – an overwhelming, and often fatal, systemic infection – in its hospital patients. The program provides a standardized curriculum for hospital nurses to become proficient in the prevention and treatment of sepsis. It has been shown that when hospital nurses educated in sepsis prevention and treatment lead a team of co-workers, sepsis is likely to occur less frequently, to be less severe, and to be less often fatal. Over 100 nurses have already applied for the program and ten percent have been certified.

Employee, Patient, and Physician Engagement
Employee, patient, and physician engagement are key aspects of BSHSI’s efforts to Create an Extraordinary Individual Experience of Care and Liberate the Potential of Our People to Serve. This year’s employee engagement survey resulted in BSHSI being ranked at the 79th percentile of Gallup’s national database (up from the 74th percentile in FY2009). Nursing engagement for the system scored in the 86th percentile (up from the 79th in FY2009). The physician engagement survey was conducted for the first time using the Gallup survey this summer with an overall result at the 67th percentile, a very strong result for an initial survey, and engagement of employed physicians was world-class at the 92nd percentile. The patient engagement survey takes place continuously. Year-to-date results are at the 96th percentile for the eleven core questions Gallup monitors.
In 2011, BSHSI will correlate the employee and patient data at the facility and department level in the new Human Spirit report. Nursing leaders will have the ability to utilize this information to identify opportunities for improving bedside care.

- **Bon Secours Health System** was awarded the 3M Health Information Systems Innovator of the Year award in September 2010. The award recognized BSHSI’s innovative work and spirit in designing creative and effective information system interfaces, as well as the integration between 3M solutions and other vendors.

- **Bon Secours Charity Health System** opened the Earl Vincent and Julia Stamski Barry Institute for Patient Centered Excellence. This first-of-its-kind institute provides employees, staff and physicians with educational experiences to improve patient care through learning and continuous professional development. A strategic goal of the Institute supports the creation of a first-class organization dedicated to a culture of continuous learning and operational excellence.

- **Bon Secours St. Francis Health System** officially introduced Bon Secours Medical Group, a network of more than 40 affiliated physician practices with 150+ providers and close to 1,000 employees.
In all our interactions, we strive to create an environment that invites the best in each of us and all we touch to join our ministry to create a more humane world, build healthier communities, and integrate and provide the best care.

**Lean Six Sigma**

Bon Secours recently launched 25 Lean Six Sigma process improvement teams focused on Clinical Transformation across the organization. These teams are comprised of a Black Belt candidate with Green Belt candidates supporting each team. About 150 Green Belt candidates are involved in this significant work. Each of the projects has a local system Champion who has approved the team’s charter. Projects include focus areas such as emergency department flow; telemetry utilization; hospital readmissions; nursing redesign; and reduction of health care acquired infections, pressure ulcers, and sepsis. Bon Secours will then share this work with other facilities in order to replicate the successes.

**Education and Training**

The Center for Ministry Leadership and the Bon Secours Institute share the belief that in order for leaders to be competent and confident ministry leaders they need to integrate excellent leadership practices and tools while building theological competence and lived spiritual practices that empower them to speak and act authoritatively as ministry leaders.

The Center for Ministry Leadership works from a template that outlines a variety of ministry formation opportunities from a four-level design that addresses a spectrum of learners from first-time leaders in Catholic health care to seasoned executives who participate in the advanced, robust offerings of the Center. Bon Secours Institute continues to increase its educational offerings. In the past year, the Facilitative Leadership Program has experienced tremendous growth which gives further opportunity to integrate the charism and values into
the leadership development programs. Facilitative Leadership presents seven leadership practices and supporting tools to leaders that give them practical ways to lead for growth and faithfulness in the ministry with compassion, justice, and integrity. The Institute recognized that leaders need education to become better change agents in their work of supporting the ministry. As a result, by the end of January 2011, a change management toolkit will be developed and available to leaders.
a future filled with HOPE
Diversity and Inclusion

The Sisters of Bon Secours have been committed to diversity and inclusion since the inception of the health system. By embracing diversity and inclusion, the organization opens itself to serve without boundaries or qualifications, to attract the best talent, to appreciate the unique gifts of each individual, and to realize and leverage the organization’s collective strength in the fulfillment of the mission. Bon Secours Health System renewed its commitment to diversity and inclusion in 2010 by appointing the system’s first Chief Diversity and Inclusion Officer. This new role leads system-wide efforts to re-energize the Diversity and Inclusion Plan with the goal of aligning the local systems’ efforts and bringing renewed commitment and passion to this collective journey.

In May 2010, the Diversity and Inclusion Council conducted a Diversity and Inclusion Planning Summit. The Summit kicked off the Council’s work on seven strategies for diversity and inclusion cultural transformation. These components are in the strategic areas of Communication, Education, Leadership, Talent Acquisition, Talent Management, Regulatory and Compliance, and Vendor Relationships. Local systems have identified a Diversity and Inclusion leader and are building teams to develop their own diversity and inclusion plans.

A compensation analysis was conducted of Senior and Executive Leaders which showed that gender and race compensation ratios were balanced. A follow-up compensation analysis was conducted of all BSHSI employees (excluding Senior and Executive Leaders and Physicians) and results showed BSHSI average pay variances with gender and race were within established compensation guidelines of plus or minus 5% to market. Bon Secours ratios for gender were found to be trending with national statistics for health care.

Additionally, results from the Gallup Employee Engagement Survey showed that results for Bon Secours on three of the four questions on the inclusiveness index are “best practice.” This is a strong indication of a broadly inclusive workplace within Bon Secours.

Talent Connection

Bon Secours Health System launched a new version of its talent review process this year called Talent Connection. Talent Connection is a bottom-up process where managers aggregate key performance and potential information about their employees and review it with their respective managers. The information is refined as it passes from one layer of the organization to the next. In FY2010, over 700 leaders were reviewed.

By 2012, all leaders throughout BSHSI will be part of the process. The Talent Connection sessions culminated with a visit by system leadership to each of the local systems. Local system CEOs were asked to speak to how they are aligning their organization and talent to achieve Bon Secours Health System’s strategic imperatives.
Community Commitment

Bon Secours Health System is committed to ensuring access to needed health care services for all. The Bon Secours Patient Financial Assistance Policy ensures that all patients, whether insured, underinsured, or uninsured, are treated with dignity, respect, and compassion throughout the admissions, delivery of services, discharge and billing, and collection processes. In FY2010, Bon Secours provided more than $43.9 million toward community health improvement and benefit services, health education, and subsidized health services, as well as financial and in-kind contributions. Another $9 million was directed toward community-building activities across the health system.

In addition to providing health care services, Bon Secours Health System draws on its Catholic social justice tradition to contribute to the health and wholeness of communities, the nation, and the world. BSHSI understands that to have a healthy community requires more than access to quality health care. The economic and political aspects of society have an impact on how

We build Right Relationships and heal broken relationships that increase our capacity to create a more humane world, build healthier communities, and integrate and provide the best care.

partner with our communities to co-create a more humane world, improve health and model social justice

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individuals grow and develop. Building a healthy community requires a systemic approach that addresses all basic human needs, including access to quality health care, functional and affordable housing, education, employment, public safety, and recreational and cultural opportunities.

Community Benefits

For the fiscal year ending August 31, 2010, Bon Secours Health System provided over $255 million in community benefit services and community building activities at a cost well in excess of the value of its potential tax obligation.

<table>
<thead>
<tr>
<th>Fiscal Year Ended August 31, 2010</th>
<th>(Thousands of Dollars)</th>
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<tbody>
<tr>
<td>Charity Care—at cost</td>
<td>$121,445</td>
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<tr>
<td>Government Sponsored Health Care—net expense</td>
<td>$84,646</td>
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<tr>
<td>Other Community Benefit Services—net expense</td>
<td></td>
</tr>
<tr>
<td>Community Benefit Operations</td>
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<tr>
<td>Health Professions Education</td>
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<tr>
<td>Subsidized Health Services</td>
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<tr>
<td>Research</td>
<td>$(1)</td>
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<tr>
<td>Financial and In-Kind Contributions</td>
<td>$3,600</td>
</tr>
<tr>
<td>Community Building Activities</td>
<td>$9,514</td>
</tr>
</tbody>
</table>

$48,974

Total Quantifiable Community Benefit Services $255,065
Ecological Benefits

At the 2010 Clean Med Conference in Baltimore, all BSHSI facilities received Practice Greenhealth recognition awards. This was a major accomplishment for all involved and it reflects a significant reduction of Bon Secours’ carbon footprint. Local systems received three Partner Recognition Awards, seven Partner for Change Awards, and eight Partner for Change with Distinction Awards.

Ecological Stewardship

This year has seen significant growth in the understanding and development of a culture of sustainability within BSHSI. System-wide efforts and local system programs reflect a strong commitment to Ecological Stewardship “Greening.” The system-wide and local Green Teams continue to play key roles in moving the Greening Initiative forward.

BSHSI became a member in Practice Greenhealth (PGH) and Energy Star programs. These nationwide programs
provide access to current and updated information, national forums for discussion and involvement, ongoing education, and databases for determining baselines and best practices.

The Waste Stream Management initiative is now completely integrated into all local systems. The dashboard measure for recycling has been exceeded. Reductions in Regulated Medical Waste levels are continuing to improve. Anecdotally, it appears that significant financial savings are resulting from this effort.

The Bon Secours Energy Management initiative was launched in July 2010. Currently, energy use data is being downloaded into the Energy Star database. The outcomes will provide BSHSI with an energy use baseline for decision-making and priority-setting around energy management and reduction. To strengthen this work on the local level, an Energy Council comprised of delegates from each local system was established to oversee this effort.

Global Ministries

The Global Ministries Team was reshaped into an advisory group to include individuals with skills or experience in developing countries (particularly in Haiti or Peru), related languages, medical, nursing or social work training, finance, health care leadership, and communications, as well as those with a particular interest in global outreach.

In Peru, the In-Country Program is focused in the cities of Trujillo and Huancayo. Efforts include support of
In Haiti, Bon Secours Health System donated over $285,000 to Catholic Relief Services and the Catholic Medical Mission Board in response to the tragic earthquake in January 2010. Over $135,000 of the contribution came from the system’s employees and physicians. BSHSI is working with relief agencies on a five-year strategic Haiti rebuilding plan.

This year’s disastrous flooding in Pakistan required international assistance to help save thousands of people. The Bon Secours Mission Fund donated $20,000 to Catholic Relief Services, which has been active in Pakistan for 25 years, and $10,000 to Doctors Without Borders.

Catholic Health Care Networks Launch a Child Health Program in Peru

In February 2010, Bon Secours Health System, the Catholic Medical Mission Board, CHRISTUS Health, and Caritas del Peru launched a new initiative, called Unidos Contra La Mortalidad Infantil, to decrease morbidity and mortality in children under five years of age in two key regions of Peru.

The $1.1 million project is being implemented in the regions of Trujillo, Huancayo, and Chimbote, key regions of Peru where Catholic health care networks have ongoing ministries. It will focus on activities that improve prenatal and postnatal care, improve management of illnesses in newborns and children, improve nutrition, and build adequate referral systems.

In Haiti, Bon Secours Health System donated over $285,000 to Catholic Relief Services and the Catholic Medical Mission Board in response to the tragic earthquake in January 2010. Over $135,000 of the contribution came from the system’s employees and physicians. BSHSI is working with relief agencies on a five-year strategic Haiti rebuilding plan.
Bon Secours Health System Mission Fund

In 1999, Bon Secours Health System created a special fund for the sole purpose of meeting the needs of those who are poor and underserved in the communities served by the health system. Health care and women’s and family support services are an important focus. Since its inception, the Bon Secours Mission Fund has awarded 190 grants, totaling more than $15 million to 24 domestic and international communities. Impacting thousands of lives, the funded projects include those that provide education, job training, and day care services to help enable people to become self-sufficient. The seed money provided by the Mission Fund has allowed many programs to flourish and succeed.

### Altoona Regional Health System
- The Nehemiah Project – 11th Street Kitchen $ 50,000

### Bon Secours Charity Foundation
- Community Gardens $ 68,500

### Bon Secours Kentucky Health System
- Argilite Community Center $ 50,000
- HCS Van Ministry $ 48,000

### Bon Secours of Maryland Foundation
- Open Space Management $ 50,000
- Women’s Resource Center $ 50,000
- Youth Employment and Entrepreneurship Program $ 50,000

### Bon Secours New York Health System
- TeleHealth Medicines $ 25,000

### Bon Secours St. Francis Health System
- Mobile Dental Unit $ 55,000
- Sterling Trail Project $ 100,000

### Bon Secours St. Petersburg Health System
- Day Star Life Center—Identification Assistance $ 30,000
- Free Clinic $ 50,000
- Holistic Expressive Arts for Life $ 25,000
- Pinellas Community Voice Mail $ 20,000

### Bon Secours Virginia-Hampton Roads
- East Ocean View Neighborhood $ 100,000
- Life Coach Model at Maryview Medical Center $ 45,000

### Bon Secours Virginia-Richmond
- Charrette for East End $ 100,000
- Community Garden at Richmond Community Hospital $ 20,000

### Roper St. Francis Foundation
- HIV Specialty Clinic and Wellness Center $ 43,000

### Total Grants Funded
$ 979,500
Bon Secours Community Grant Fund
For Southwest Florida

The Bon Secours Community Grant Fund for Southwest Florida provides grants to the communities of Peace River Regional Medical Center in Charlotte County and the communities of Venice Regional Medical Center in south Sarasota. The fund was established when Bon Secours Health System sold its health care facilities in those communities.

<table>
<thead>
<tr>
<th>Peace River, Charlotte County</th>
<th>Venice, Sarasota County</th>
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<tbody>
<tr>
<td>AMI Kids Crossroads</td>
<td>American Cancer Society</td>
</tr>
<tr>
<td>At-Risk Youth Medical Needs $ 7,500</td>
<td>Professional Outreach Education $ 7,500</td>
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<tr>
<td>Catholic Charities Marian Manor House</td>
<td>American Heart Association</td>
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<tr>
<td>Transitional Housing for Homeless $ 20,000</td>
<td>Go Red For Women $ 5,000</td>
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<tr>
<td>Center for Abuse and Rape Emergencies</td>
<td>Big Brothers/Big Sisters of Venice $ 10,000</td>
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<tr>
<td>Services for Victims of Domestic Violence $ 30,000</td>
<td>Boys and Girls Club of Sarasota</td>
</tr>
<tr>
<td>Charlotte County Healthy Start Coalition</td>
<td>Kids Café/Culinary Arts Program $ 20,000</td>
</tr>
<tr>
<td>Prenatal Care for Uninsured Women $ 5,900</td>
<td>Catholic Charities, Diocese of Venice $ 15,000</td>
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<tr>
<td>Charlotte County Homeless Coalition</td>
<td>Loveland Center</td>
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<tr>
<td>Emergency Preparedness Equipment $ 25,000</td>
<td>Phase II Holistic Health for Adults with Developmental Disabilities $ 7,500</td>
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<tr>
<td>Charlotte County YMCA</td>
<td>Sarasota South Health Department</td>
</tr>
<tr>
<td>Annual Pledge through 2010 $ 10,000</td>
<td>Primary Care Provider Services $ 20,000</td>
</tr>
<tr>
<td>Manasota SOLVE, Inc.</td>
<td>Senior Friendship Centers</td>
</tr>
<tr>
<td>South County Maternity Home $ 15,000</td>
<td>The Centers for Healthy Aging $ 10,000</td>
</tr>
<tr>
<td>Pregnancy Crisis Center Careline</td>
<td>Virginia Andes Clinic</td>
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<tr>
<td>Direct Assistance $ 6,000</td>
<td>Support for Physician Assistant $ 20,000</td>
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<tr>
<td>San Antonio Catholic Church</td>
<td>Virginia Andes Clinic</td>
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<tr>
<td>Parish Nurse Program $ 10,000</td>
<td>$ 20,000</td>
</tr>
<tr>
<td>Total Grants Funded</td>
<td>Total Funds Awarded</td>
</tr>
<tr>
<td>$ 149,400</td>
<td>$ 145,500</td>
</tr>
</tbody>
</table>
quality awards

**Bon Secours Charity Health System**
**Good Samaritan Hospital —**
- Ranked as the top-rated hospital in the New York City-White Plains, N.Y.-Wayne, N.J. region for cardiac surgery quality and received a 5-Star rating for the quality of its cardiac surgery care — *HealthGrades*

**Bon Secours Kentucky Health System**
**Our Lady of Bellefonte Hospital —**
- Received the Outstanding Patient Experience Award — *HealthGrades*

**The Diabetes and Wound Care Center at Our Lady of Bellefonte Hospital —**
- Earned the Center of Distinction Award and the Robert A. Warriner, M.D., Center of Excellence Award — *Diversified Clinical Services*
Bon Secours St. Francis Health System
• Outstanding Achievement Award—Commission on Cancer/American College of Surgeons
• Outstanding Patient Experience Award—HealthGrades
• 5-star rating for Joint Replacement, Total Knee Replacement, and Hip Fracture Repair—HealthGrades

St. Francis Hospital-Downtown —
• 2009 and 2010 Top Hospital—National Leapfrog Group

Bon Secours Virginia-Hampton Roads
• Received the Alfred P. Sloan Award for workplace flexibility—Families and Work Institute

Maryview Medical Center —
• Received the Award for Quality—Premier
• Received the 5-star rating for Bariatric Surgery—HealthGrades
• Received the Blue Distinction for Bariatric Surgery, Cardiac Care and Spine Surgery—Anthem Blue Shield

Bon Secours DePaul Medical Center —
• Received the Blue Distinction for Joint Replacement and Spine Surgery—Anthem Blue Shield

Bon Secours Mary Immaculate Hospital —
• Received the Blue Distinction for Joint Replacement and Spine Surgery—Anthem Blue Shield
• Received the 5 star rating for Joint Replacement—HealthGrades
• Received the Patient Safety Award—Virginia Healthcare Quality Center

Bon Secours Virginia-Richmond
• Top Ten 2009 100 Best Company—Working Mother magazine (twelfth straight year)
• Ranked among the top 10 of the nation’s integrated health systems—SDI Health
• Top 10 Non-Profit Companies for Executive Women—National Association for Female Executives (sixth straight year)
• 2010 Gallup Great Workplace Award—Gallup

Memorial Regional Medical Center —
• Received the Outstanding Patient Experience Award—HealthGrades
• Ranked one of the Top 100 Hospitals and the Everest Award—Thompson Reuters
• Ranked in the top 10% in the nation for Cardiac Care and Cardiac Surgery—HealthGrades

St. Francis Medical Center —
• Received the Outstanding Patient Experience Award—HealthGrades

Roper St. Francis Healthcare
• Ranked 46 out of the nation’s top 100 integrated health systems—SDI Health

Bon Secours St. Francis Hospital —
• Received Primary Stroke Center Certification—The Joint Commission
• Received the Outstanding Patient Experience Award—HealthGrades
• Recognized as a Blue Distinction Center for Spine Surgery—Blue Cross Blue Shield

Roper Hospital —
• Received the Outstanding Patient Experience Award—HealthGrades
• Recognized as a Blue Distinction Center for Knee and Hip Replacement—Blue Cross Blue Shield
a future filled with HOPE | 23

hope

respect | compassion | justice | integrity | quality | innovation | stewardship | growth
BSHSI Financial Sustainability

Bon Secours Health System completed Fiscal Year 2010 with total operating revenue of $3.08 billion, 7% higher than the prior year and the highest in Bon Secours’ history. FY2010 operating income of $101.7 million exceeded the FY2009 operating income of $77.7 million. The results represented a 3.3% operating margin. Operational improvements and volume growth achieved in Fiscal Year 2009 continued to contribute positively to financial performance during Fiscal Year 2010. Operating performance improved year over year in the system’s Baltimore, Maryland; Richmond, Virginia; Hampton Roads, Virginia; Greenville, South Carolina; Ashland, Kentucky; and St. Petersburg, Florida, systems and at the joint ventures in Altoona, Pennsylvania, and Charleston, South Carolina.

Discharges for the year were 0.3% higher, and patient acuity increased by 1.3% over FY2009. Physician affiliation strategies and volume strategies in the emergency departments contributed positively to maintaining volumes during the economic downturn. Emergency room visits grew

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become a trusted health partner
by providing exceptional, lifelong value

We carefully steward the gifts we have been given by God so that we live in harmony with those gifts and bring them to create a more humane world, build healthier communities, and integrate and provide exceptional life-long care.
3% as throughput was better managed. The system’s employed physician network grew to 441 physicians and mid-level providers. Total surgeries declined by 2.2% over FY2009, but Bon Secours Virginia-Hampton Roads surgeries increased 3.5%. At Bon Secours Charity Health System, volumes continued to be a challenge with management implementing cost reduction action plans and physician integration strategies to position them more competitively in the upcoming months.

While the investment markets contributed positively to performance during the year, BSHSI experienced market valuation losses on the swaps as a result of the low interest environment. Days cash on hand ended the year at 110.5 days, an improvement over the prior year. The end-of-year pension liability revaluation, done routinely on August 31, required an increase in pension liabilities and corresponding decrease in net assets of $49 million due to lower discount rates on August 31. As a result, BSHSI’s debt-to-cap percentage increased to 67.8% at August 31, 2010, in line with waivers negotiated and received from the bond insurers.

In September, all three bond rating agencies affirmed A- ratings for Bon Secours Health System. Fitch and Standard & Poor’s stated a Stable Outlook and Moody’s affirmed a Positive Outlook.
In Fiscal Year 2010, priorities included revenue cycle improvements; EPIC billing system and ConnectCare implementation at two hospitals in Virginia; ConnectCare ambulatory site implementation in Virginia; Clinical Transformation; physician integration; supply chain consolidation; and contract compliance. The system also initiated a robust planning process, Project Prosperity, that included a self-assessment of its readiness for health reform. When finalized, the initiative will align the strategies to ensure BSHSI’s financial position is strengthened during the next five years. The health system completed another challenging fiscal year and achieved extraordinary clinical and operational advancements.

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
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<tbody>
<tr>
<td>Operating Income</td>
<td>$102 million</td>
</tr>
<tr>
<td>Total Net Revenue</td>
<td>$3.1 billion</td>
</tr>
<tr>
<td>Acute Discharges</td>
<td>132,246</td>
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<tr>
<td>Adjusted Discharges</td>
<td>294,387</td>
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<tr>
<td>Total Community Benefit</td>
<td>$255.1 million</td>
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• On November 1, 2010, Roper St. Francis Healthcare, Charleston, South Carolina, opened the new 85-bed Mount Pleasant Hospital, in Mount Pleasant, South Carolina. The $154 million, 219,000-square-foot hospital boasts state-of-the-art equipment, environmentally friendly construction and laid-back Lowcountry decor in lobbies and waiting rooms.

• Bon Secours Health System received the MedAssets Revenue Cycle Management Technology Best Practice Customer award. This award recognizes organizations that have documented financial improvement up to 1.5 percent of net patient revenue from the use of revenue cycle management tools. Bon Secours received the award based on $3.2 million in documented savings from its use of the MedAssets XClaim and Charge Capture Audit products.
Today, Bon Secours’ more than 21,000 caregivers help people in ten communities within seven states.

Operating facilities include:
- 19 acute care hospitals (10 owned, 9 joint ventured)
- 1 psychiatric hospital
- 5 nursing care facilities
- 4 assisted living facilities
- 6 retirement communities/ senior housing
- 14 home care and hospice providers

Working Together in Ministry
Over the years, congregations of religious sisters have joined with the Sisters of Bon Secours to expand the healing ministry of Jesus and the Catholic Church. In these situations, the Sisters of Bon Secours and the other religious congregations are considered co-sponsors, sharing sponsorship responsibilities. Today, these co-sponsoring congregations are:

- Bernardine Sisters of the Third Order of St. Francis —Newport News, Virginia
- Sisters of Charity of St. Elizabeth, Convent Station, New Jersey —Suffern, New York
As Bon Secours Health System moves into the second year of its FY2010-2012 Strategic Quality Plan, it will continue to focus on the four key goals as it strives to accomplish its three-year targets.

One of the greatest challenges Bon Secours will face in the coming years will be the changes created by the federal health care reform law. To prepare, Bon Secours has joined a 60-hospital collaborative organized by Premier, a health care performance improvement alliance. As a result, Bon Secours expects to be among the first in the nation to create Accountable Care Organizations (ACOs), accepting accountability for the care delivered to patients by improving care coordination, efficiency, quality, and patient satisfaction. Additionally, the Project Prosperity initiative is helping the system position itself for the major changes anticipated as the law is implemented.

As a vibrant organization, it is important that Bon Secours Health System continues to grow and evolve. Many of the local systems are located in growing markets and there is continuing demand for health services. Local systems have many projects in the works that are scheduled for completion in FY2011 or early 2012, including the following:
• **In South Carolina.** Roper St. Francis Healthcare in Charleston just opened the 85-bed Mount Pleasant Hospital and has another, 50-bed hospital, Berkeley Hospital, in the planning stages. Bon Secours St. Francis Health System in Greenville has received certificate of need approval to construct the 52-bed Millennium Hospital. Plans for the new hospital remain in the works, but have been delayed because of a slowing in the economy.

• **In Virginia.** A joint venture between Bon Secours Virginia-Hampton Roads and Sentara Health System is constructing the Princess Anne Hospital, scheduled to open in the summer of 2011. Bon Secours Virginia-Richmond just broke ground on an ambulatory facility in Chesterfield. The new St. Francis Watkins Centre, located less than five miles from Bon Secours St. Francis Medical Center, will include a free-standing emergency department, and many other ambulatory services.
• **In Kentucky.** Our Lady of Bellefonte Hospital and Bellefonte Physician Services expects to complete the new Bellefonte Primary Care facility in Grayson by the summer of 2011.

• **In Maryland.** Bon Secours Hospital will continue to expand its Corrections Health Care Ministry in 2011. The partnership between Bon Secours Baltimore Health System and the Maryland Department of Public Safety and Correctional Services will culminate in the construction of a new secure inpatient wing for acute care to the inmate population.

• Like many employers, **Bon Secours Health System** has intensified its focus on employee wellness to improve employee health and reduce its health benefit costs. In 2011, a new campaign, “Healthy Me, Healthy You,” will be launched.

**In its Global Ministries efforts,** Bon Secours will be increasing its efforts in Haiti through collaborative partnerships with other Catholic health care organizations.
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our future filled with HOPE
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