

MHS MISSION: TO MAINTAIN, RESTORE AND IMPROVE
THE HEALTH OF THE PEOPLE AND COMMUNITIES WE
SERVE. MHS VISION: TO BE THE LEADING HEALTH
CARE SYSTEM THAT PEOPLE CHOOSE OVER ALL OTHERS.

**MEMORIAL
HEALTH SYSTEM**



ANNUAL REPORT
2005

MHS VALUES: SERVICE TO HUMANITY; EXCELLENCE IN
PERFORMANCE; RESPECT FOR THE INDIVIDUAL;
VALUE OF EMPLOYEES; INTEGRITY IN RELATIONSHIPS;
COMMUNITY RESPONSIBILITY; AND EQUAL ACCESS.

MHS MISSION

To help maintain, restore and improve the health of the people and communities we serve.

MHS VISION

To be the leading healthcare system that people choose over all others.

MHS VALUES

Service to Humanity

Excellence in Performance

Respect for the Individual

Value of Employees

Integrity in Relationships

Community Responsibility

Equal Access



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MEMORIAL HEALTH SYSTEM
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 WE SERVE.



Providing leadership and direction as Memorial Health System pursues its vision are (clockwise from front): Robert T. Clarke, president and chief executive officer; Martha S. Sumner, chairman, board of directors; Robert W. Kay, senior vice president and chief financial officer; and Edgar J. Curtis, executive vice president and chief operating officer.

DEAR FRIENDS,

As we pursue our vision of being the leading healthcare system that people choose over all others, the year 2005 proved to be one of continued strong performance as we served a growing number of patients.

We implemented a newly restated strategic plan in 2005. This plan focuses on creating great patient experiences, making Memorial Health System a great place to work and getting great results. These long-term strategies help all employees more clearly understand how their work supports Memorial Health System's mission and vision.

All Memorial Health System affiliates performed well this year. We exceeded our goal for operating income, helping to ensure that we have funds for the facilities improvements required to provide the very best patient care. For more on this, see the Consolidated Statements of Operations on page 25 of this report.

We hold ourselves accountable for our goals. We know where we have opportunities to improve. We believe it

as
 we
 pursue
 OUR
 vision



shows our confidence and commitment to creating great patient experiences when our results are publicly displayed.

We have confidence that we are headed in the right direction. This was reaffirmed in 2005 when national and state awards for quality were presented to us.

The health system was recognized in November as recipient of a 2005 Silver Award for Progress Toward Excellence from the Lincoln Foundation for Performance Excellence. This is our second Lincoln Award, having earned a Bronze Award in 2003.

We applied lessons learned through the 2003 Lincoln Award process. As a result, we are a better health system today than we were two years ago.

Memorial Medical Center was recognized by Premier (an alliance of not-for-profit hospitals and healthcare systems devoted to improving clinical quality) as recipient of a Premier Award for Quality for total hip and knee replacement. Abraham Lincoln Memorial Hospital received a Premier Award for Quality for treatment of heart failure. These are

the only Illinois hospitals recognized among the 32 nationwide as Premier Award for Quality recipients.

In May, Memorial Medical Center was honored by VHA, an alliance of national healthcare organizations, as one of only six hospitals nationwide to receive a Supply Chain Management Improvement Award.

It is an honor to receive these awards. They represent our unwavering dedication to creating GREAT patient experiences through continued improvement in patient safety, clinical effectiveness and quality of care. They also represent our commitment to providing cost-effective care.

Another important achievement realized this year was the creation of a strategic alliance with Siemens, a world leader in the development of breakthrough heart care technologies. Through this alliance, we will have early access to new, life-saving technologies. We will participate in international research to guide the ongoing development of new technologies at Siemens.

This past year, Memorial Medical Center became the first hospital in Illinois to install 64-slice CT scanner technology, bringing great benefits to cardiac and vascular patients. A new linear accelerator purchased for the hospital's Regional Cancer Center has improved the accuracy and dosing of radiation for our patients. You will read about these new technologies and procedures in this report.

This has been an exciting year for our partners in the medical community as well. We continued to progress toward completion of the Springfield Clinic 1ST medical office building on Memorial Medical Center's campus.

When completed in early 2006, the four-story building will consolidate clinic and office space for approximately 60 Springfield Clinic surgeons and physicians. Their patients will benefit from more convenient access to medical services.

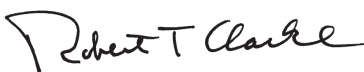
We congratulate Southern Illinois University School of Medicine as it moves forward with its plans for the SIU Cancer Institute in Springfield. Groundbreaking ceremonies were held in July. When completed, the new clinics and state-of-the-art laboratories will support the advancement of care and treatment of patients with cancer.

Ground was also broken in 2005 for the Prairie Diagnostic Center for Heart and Vascular Disease in Springfield. The center is being established through a partnership between Prairie Cardiovascular Consultants, Memorial Medical Center and St. John's Hospital. We are very pleased to be a partner in this venture to improve healthcare and strengthen Springfield's position as a center for cardiac excellence in our region.

The year 2005 has been another year of great achievement for Memorial Health System. This is clear evidence of strong employee and physician performance and their commitment to our mission, vision and values. All can be proud of their part in what we have accomplished this past year.

As we go forward, patients and their families will remain our focus as we continue to create great patient experiences, make Memorial Health System a great place to work and get great results. ●

SINCERELY,



ROBERT T. CLARKE
President and
Chief Executive Officer



MARTHA S. SUMNER
Chairman
Board of Directors



CREATING A GREAT PATIENT EXPERIENCE...

Harold Watson takes a break at Draperies Unique, the Springfield business that he and his wife own and operate, in October 2005. Two months earlier, Harold arrived in Memorial Medical Center's emergency department as he was suffering from a heart attack. Forty minutes later, he had two stents implanted in his right coronary artery.

A hot and muggy Saturday morning in August 2005 took an unexpected turn for Harold Watson of Springfield. He and his wife, Trudy, began their day helping out their daughter with a garage sale. He felt fine as he carried microwaves and other hefty bargains to cars. After an hour, what seemed to be a bout of indigestion hit him out of nowhere; his breathing became labored. Harold went inside to rest. "He didn't look good," his wife recalled. "He wasn't acting right."

She convinced him to go to the emergency department at Memorial Medical Center. The hospital was a few minutes away, but the walk to their car was about two blocks. The pressure on Harold's chest became enormous. Trudy called Memorial to alert the staff that her husband was suffering a heart attack. Moments later, as she pulled into the emergency department entrance, "they were there with a wheelchair, waiting for us," she recalled.

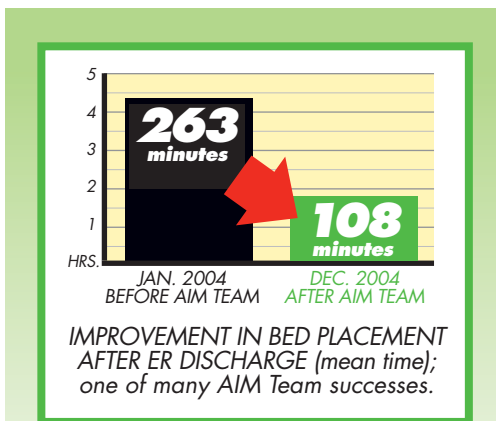
Harold remembers four nurses and two doctors working like clockwork in an emergency department bay. He was diagnosed with two blockages in his right coronary artery. "It was incredible teamwork—incredible." He was in and out of the ED in just seven minutes, en route to the cath lab six floors up to receive two life-saving stents.

"I remember lying on a gurney and seeing the fluorescent lights go by." Once in the cath lab, Harold was told, his heart stopped. The team sprang into action, resuscitating him back to life and implanting both stents.

Only 40 minutes passed from the time Harold arrived at Memorial until the stents were implanted, but countless well-planned steps took place to ensure that heart-attack patients like Harold receive faster care. A team of clinicians and physicians responds with precise coordination from the moment patients arrive through triage, examination and diagnosis in the ED to life-saving treatment in the cath lab.

That teamwork was made possible through the work of one of Memorial's Administrative Improvement Teams, better known as AIM teams. The time it takes to re-establish blood flow to the heart is critical to the survival and long-term quality of life of heart-attack victims. Memorial's door-to-reperfusion AIM team fosters the communication and process changes required to improve the quality of care across multiple departments and throughout every step of the process. Door-to-reperfusion time has been reduced by 20 percent, producing results that are in the top 10 percent of all hospitals in the nation. ●

it was
incredible
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INCREDIBLE.



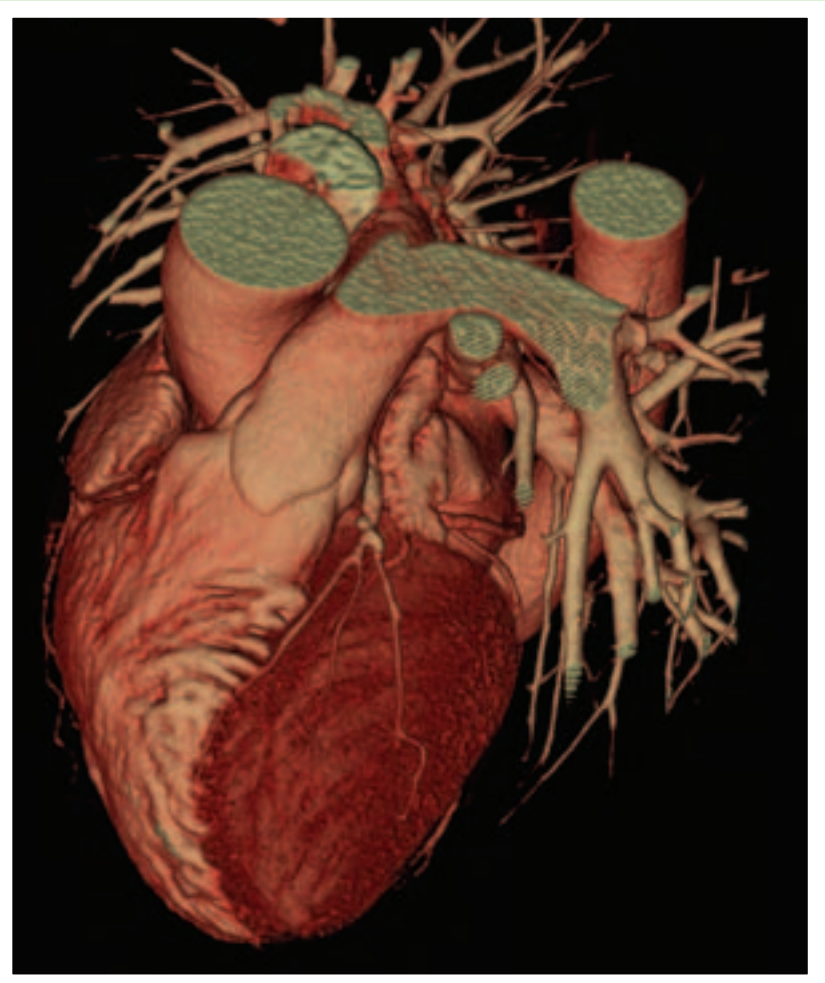
Another dramatic AIM team result: process improvements that led to a 59 percent reduction in the time for patients' bed placement after ER discharge.

ALLIANCE WITH SIEMENS BRINGS BREAKTHROUGH MEDICAL TECHNOLOGY TO REGION

IT'S for the many patients like Harold that Memorial Medical Center is one of Illinois' leading hospitals in the diagnosis and treatment of heart and vascular disease. Through its Heart Center Program, the hospital performs some 12,000 cardiac catheterizations and interventional procedures and about 500 open-heart surgeries each year.



Demonstrating the highly detailed results obtained from the new 64-slice CT scanner are Dr. Nasaraiah Nallamotheu (center), an interventional cardiologist with Prairie Cardiovascular Consultants, Ltd.; Dr. Wilfred Lam (left), an interventional cardiologist with Prairie Cardiovascular Consultants, Ltd., and chairman of Memorial's Department of Cardiology; and Dr. Andrew Sherrick, a radiologist with Clinical Radiologists, S.C., and professor and chairman of SIU School of Medicine Department of Radiology.



The Siemens SOMATOM Sensation 64 CT scanner provides crystal-clear, three-dimensional views of the heart and coronary arteries. Specially certified radiologists and cardiologists can post images on a computer screen and rotate around the artery to see if plaque or disease exists on any side of it. This technology helps doctors detect cardiovascular disease earlier, intervene earlier and save more lives.

To further heighten that high level of heart and vascular care to the people of central Illinois, Memorial Medical Center entered into a five-year partnership in June 2005 with Siemens Medical Solutions, a world leader in the development of breakthrough heart and vascular care technologies. This alliance further develops Memorial Health System as the regional leader in cardiovascular disease and treatment and as a showcase site for advanced cardiovascular systems and applications.

In March 2005 Memorial Medical Center became the first hospital in Illinois to install a 64-slice computed tomography (CT) scanner—the fastest and most advanced of its kind. The Siemens SOMATOM Sensation 64 scans the entire heart in 10 seconds, creating a crystal-clear, three-dimensional image of the heart and coronary arteries as well as imaging the smallest of blood vessels.

continued next page

ALWAYS DO WHAT IS
BEST FOR PATIENTS

BEST FOR PATIENTS

SIEMENS cont'd.

While the introduction of 64-slice coronary CT angiography is a major advancement in the noninvasive diagnosis of coronary artery disease, other benefits exist. The scanner can confirm stroke, examine aneurysms, detect abdominal disease and look at peripheral vascular disease.

Through the Siemens partnership, other advanced life-saving technology is being introduced to central Illinois at Memorial Medical Center. The AXIOM Artis dTC with Interventional Cardiac 3D technology, for example, is a fully digital, ceiling-mounted cardiac imaging system. Designed to connect the cardiac catheterization labs as an integral part of the hospital's cardiology department, the imaging system provides the speed, flexibility and integration needed for cardiology procedures and takes diagnosis to a new level by creating three-dimensional images of coronary and vascular vessels.

Siemen's ACUSON Sequoia Echocardiography System provides physicians with clear and sharp ultrasound images at



Allen Kettelkamp, RT(R) (second from right), introduces staff to the advanced technology in one of Memorial Medical Center's newly renovated cardiac catheterization labs. From left are: Jennifer Heigert, RT(R); Pam Gantt RT(R); and Paul Greer, Cath Lab support tech.

a high resolution. And the Leonardo workstation creates an integrated platform for viewing, comparing, analyzing and sharing images within a single workstation.

Another benefit of Memorial's strategic alliance with Siemens is the ability to collaborate on valuable research. Through this partnership, Memorial will join leading universities and hospitals worldwide to help further ensure advances for technology and applications. ●

NEW ONLINE SERVICES SAVE TIME AND INCREASE CONVENIENCE FOR PATIENTS

Memorial Medical Center this year introduced two on-line services that provide greater convenience to patients.

With online pre-registration, people coming to the hospital for outpatient services, such as CT scans, MRIs, mammograms and ultrasounds, can now access the hospital's Web site, www.memorialmedical.com, to pre-register. The online service helps Memorial Medical Center decrease wait times and streamline the registration process for patients.

Patients must register at least 48 hours prior to their outpatient procedures scheduled at the hospital, Koke Mill Medical Center or the Baylis Building.

The hospital also kicked off online billing, which allows patients the ability to pay their bills quickly and easily. Through the online option, patients can conveniently view their statements and account balances from their homes. ●



EXCEED PATIENT EXPECTATIONS AS PARTNERS



New mother Melissa Satterlee of Nokomis enjoys a hot meal delivered to her in Memorial's Family Maternity Suites by Anita Graham, Room Service Dining associate. Patients can select their favorite items from a menu and also choose the time they wish to eat.

Creating a great patient experience also requires a personal touch to patient care. That's why Memorial Medical Center in November 2004 became one of only a few hospitals in the nation to offer room service dining to our patients.

Room service dining allows patients to order what they want, when they want it. Patients order from a restaurant-style menu at their bedsides. They call in orders any time between 7 a.m. and 7 p.m. Those calls are answered by staff members, who help patients make selections appropriate with the diets ordered by their physicians. Whether they're craving made-to-order omelets or turkey pot pies or roast pork with gravy, patients' meals are cooked to order and delivered within 45 minutes.



Room Service Dining at Memorial

THE
BOTTOM
LINE:
**A
POSITIVE
EFFECT**
ON
PATIENT
RECOVERY.

Making the new service possible required purchasing a new computer system to handle record keeping for diet orders, patient menu selections and ticket printing. The hospital also bought new cooking equipment and additional refrigeration units. More than 180 staff members are involved in the preparation and delivery of about 800 meals each day through room service dining.

Another benefit is that less uneaten food is thrown away, making the hospital a better steward of its resources. Food waste has been cut in half, equivalent to about 35,000 meals per year. The bottom line is this: With access to the foods they prefer, patients eat better. And eating well has a positive effect on their recovery.

NEW ACCELERATOR OFFERS EVEN MORE PRECISE RADIATION THERAPY



A new linear accelerator is operating in the Regional Cancer Center of Memorial Medical Center. Placed in service in September 2005, the linear accelerator offers external beam radiation therapy, which aims highly focused beams of radiation at the site where cancer is found. This destroys any abnormal cells and prevents tumors from growing back. The accelerator also uses intensity-modulated radiation therapy, delivering a highly precise radiation dose designed to conform to the three-dimensional shape of a tumor. The intensity of the radiation beam is modulated to focus a higher radiation dose to the tumor while minimizing radiation exposure to normal tissue surrounding it.

(Above right) Radiation therapists Lea Ruholl, RT(R)(T), and Chrissy Keys, RT(R)(T) (far right), carefully monitor the radiation therapy.



When a patient's condition declines for unexplained reasons, nurses can call the Rapid Response Team for an immediate patient consultation. Within minutes, specialists in respiratory therapy and intensive care nursing respond. Kris Reichert, RN, BSN, CCRN, intensive care unit charge nurse (left), and Jim Prehoda, RRT, respiratory therapist, assist Lisa Elvidge, tech on 5B Urology/Nephrology, with a patient.

RESPONSE TEAM MOVES FAST FOR PATIENTS IN PERIL

The Rapid Response Team was introduced at Memorial Medical Center in April 2005. This team provides fast access to critical-care experts to address the needs of patients whose conditions are deteriorating. Hospitals that have implemented similar response teams have reported a reduction in cardiac arrests, respiratory failure, unplanned ICU admissions and deaths.

In the first nine months of operation, a total of 171 calls were placed to activate the Rapid Response Team. The average response time was 2.5 minutes. Nearly 30 critical-care nurses and respiratory therapists are members of Memorial Medical Center's Rapid Response Team.

Recent medical advances have allowed some back-pain patients to avoid a spinal fusion and opt for a new artificial spinal disc. Dr. Timothy VanFleet, Orthopaedic Center of Illinois (above right), and Dr. Stephen Pineda of Springfield Clinic, performed the first disc implants in central Illinois at Memorial Medical Center in December 2004.

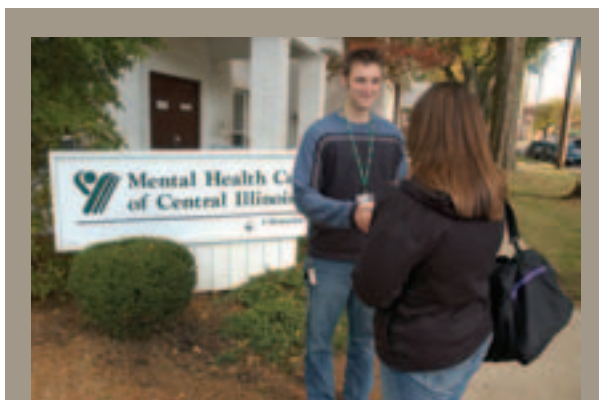


AREA'S FIRST ARTIFICIAL SPINAL DISCS IMPLANTED AT MEMORIAL

Memorial Medical Center was the first site in central Illinois to perform a new procedure that replaces a degenerative spinal disc with the implant of an artificial counterpart. The artificial disc is designed to closely recreate the motion of a normal disc, offering back-pain sufferers an alternative to spinal fusion. Two orthopaedic surgeons—Dr. Timothy VanFleet of Orthopaedic Center of Illinois and Dr. Stephen Pineda of Springfield Clinic—each performed the procedure on the same day in separate surgeries in December 2004. ●

MHCCI RECEIVES \$125,000 GRANT TO HELP HOMELESS WITH COUNSELING, REHABILITATION

Homeless people who have a mental illness face especially difficult challenges locating the services they need. Spencer Owen (left) is one of the case managers who works directly with homeless clients to help them access housing and other assistance.



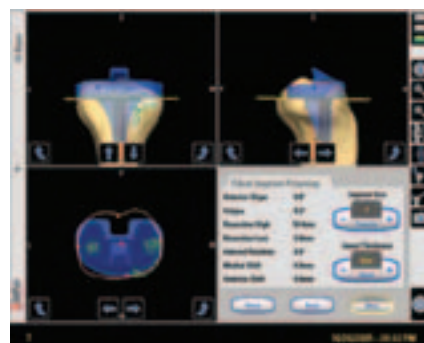
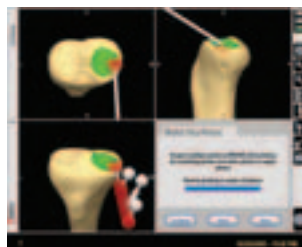
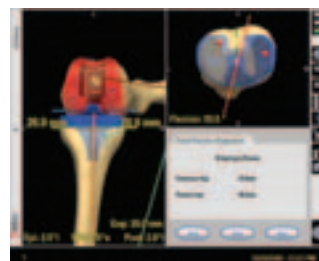
Consistent with our mission to help maintain, restore and improve the health of the people and communities we serve, Mental Health Centers of Central Illinois received a grant of more than \$125,000 to help individuals in Springfield who are mentally ill and homeless access rehabilitation and counseling services.

The program is known as Projects for Assistance in Transition from Homelessness, or PATH. For people diagnosed with a mental illness who are homeless or at risk of losing their homes, PATH assigns case managers to build trust with the homeless and help them access needed services. With stable housing, mentally ill individuals will often need less hospitalization and medication and live more productive lives in their communities. The Department of Housing and Urban Development awarded the three-year grant. ●

TECHNOLOGY PINPOINTS PLACEMENT OF KNEE IMPLANTS



Dr. Daniel Adair (center), Springfield Clinic and Memorial SportsCare, demonstrates how new image-guided technology allows him to precisely align and implant a prosthetic knee. Sensors show the exact position of the knee during surgery, using both optical and electromagnet tracking technology.



A small camera attached to the left lens on Dr. Adair's glasses lets him see computer-generated images, helping him determine exact placement for the implant.

Memorial Medical Center was the first hospital in the region in April 2005 to perform knee-replacement surgery using image-guided technology to more accurately align implants. This computer-assisted navigation system is similar to the global-positioning technology common in cars and ships today. Dr. Daniel Adair, a board-certified orthopaedic surgeon affiliated with Springfield Clinic and a member of Memorial's SportsCare team, performed the surgery.

Long-term success of knee replacements depends on proper alignment. With this image-guided technology, orthopaedic surgeons can pinpoint prosthesis locations within tenths of millimeters. It's a major advancement in minimally invasive knee replacements, which are being performed with increased frequency, and reduces recovery and shortens rehabilitation times for patients. ●

HEALTH SYSTEM GOES SMOKE-FREE

TO BETTER protect the health and safety of patients, visitors and employees, Memorial Health System became completely smoke- and tobacco-free on our properties in November 2005. While smoking has not been permitted indoors for some time, the health system had provided designated outdoor smoking areas.

The benefits are overwhelming. Patients and staff are protected from the risks of secondhand smoke, individual smokers are encouraged to quit or cut down, and everyone's safety is protected by reducing the risk of fire.





Two knee replacements made life a lot more comfortable for Jane Running of Springfield, allowing her to continue her commitment to working with children. Three days a week she volunteers as the librarian at Matheny Withrow School in Springfield, where she instills her love of reading. Jane also volunteers several times a month at Memorial Medical Center, offering directions that help visitors locate the services they need.

Jane Running of Springfield had endured excruciating pain for nine years whenever she walked. A retired librarian, she would seek something to hang on to as she moved from place to place, sliding her feet across the floor. Tolerating the pain made it difficult to focus on her volunteer service as librarian for three days a week at Matheny Withrow School.

In 2004, Jane checked out Memorial Medical Center's JointWorks. The multidisciplinary program provides comprehensive and compassionate care to hundreds of people each year seeking hip and knee replacements, guiding them every step of the way from pre-surgery education to post-surgery rehabilitation. She underwent two knee-replacement procedures in 2005 and received individualized attention through the entire process, including when she went home and received care from the Visiting Nurse Association of

**GREAT
RESULTS**
**GETTING GREAT
RESULTS...**


Central Illinois. "It was very reassuring to have somebody immediately to help," she said. That was followed by rehab work at Memorial's Koke Mill Medical Center. Today "I'm not hanging on to anything, and I pick up my feet." Best of all, "I can go down to the Abraham Lincoln Presidential Museum and spend three hours on my feet without pain."

Jane continues her volunteer work with more than 200 first- through fifth-graders, many from low-income families. She has volunteered there since October 2002. As one teacher put it, "without Jane, this library wouldn't be here." ●

without JANE,
THIS **library**
WOULDN'T
BE HERE.

NATIONAL AWARDS HONOR MEMORIAL HEALTH SYSTEM FOR QUALITY



Memorial Health System's determination to deliver great patient experiences for Jane Running and all of our patients was reflected in the great results we received from two national healthcare-quality organizations in 2005. Both recognized affiliates of the health system for measurable improvements in patient care processes.

Memorial Medical Center received a Premier Award for Quality as a national leader for hip and knee replacements. Since its inception in 2003, Memorial's JointWorks program has made a difference in the lives of more than a thousand patients, like Jane, with its multidisciplinary approach. "They discuss what you can do in advance with exercises at home," Jane said, "and talk about what the recovery is and what you can expect."

Abraham Lincoln Memorial Hospital in Lincoln received a Premier Award for Quality as a national leader for

RECOGNIZED FOR QUALITY.



PREMIER'S NATIONAL AWARD FOR QUALITY
to Memorial Medical Center for Total Hip and Knee Replacement



PREMIER'S NATIONAL AWARD FOR QUALITY
to Abraham Lincoln Memorial Hospital for Treatment of Heart Failure



VHA'S LEADERSHIP AWARD
to Memorial Medical Center for Supply Chain Management Improvement

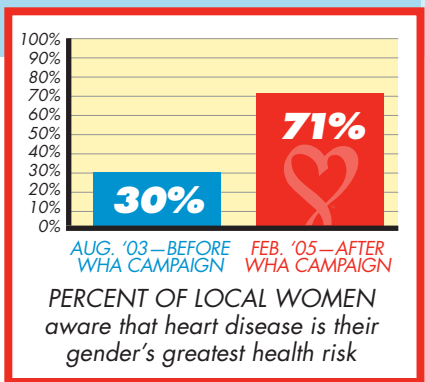
treatment of heart failure. In its continuing journey to be the best rural hospital in America, Abraham Lincoln Memorial Hospital was the smallest of 12 hospitals across the nation to receive the Premier Award for efforts in heart-failure management.

Based in San Diego, Calif., Premier is a national alliance specializing in patient care quality reporting and improvement. Its awards honor hospitals that provide high-quality clinical care while reducing the cost of healthcare through efficient use of resources. Nearly 400 hospitals that submitted data to Premier were eligible for an award. Of the 32 recipients throughout the country, Abraham Lincoln Memorial Hospital and Memorial Medical Center were the only Illinois hospitals recognized.

Memorial Medical Center also received the VHA Leadership

continued next page

CAMPAIGN SUCCESSFUL IN RAISING WOMEN'S AWARENESS OF CARDIAC RISK



women are
THE hearing message.



Two surveys of hundreds of women in Springfield, Taylorville, Lincoln and other communities revealed that their view on heart disease as their gender's greatest health risk changed dramatically since the January 2004 launch of Women's HeartAdvantage. Before the launch, only 30 percent considered heart disease as the greatest risk. More than a year after the launch, that number more than doubled to 71 percent.

Memorial Health System launched Women's HeartAdvantage in January 2004 with the goal of reducing the number of women who die from heart disease in central Illinois. That meant increasing women's awareness of their risk for heart disease and educating them about what steps they can take to better manage their health. At that time, we knew that nine out of 10 women in the Springfield region had two or more risk factors for heart disease, yet barely a third believed they were personally at risk.

A survey in February 2005, one year after the launch, indicated that women were hearing our message. That survey polled 500 women in Sangamon, Logan, Christian, Menard and Morgan counties. It revealed that 71 percent recognized heart disease as their gender's greatest health risk, up from 30 percent before the launch. More women now know—81 percent as opposed to 75 percent—that women and men have different symptoms of heart attack. And 28 percent said they've completed a heart risk assessment, an increase from 21 percent.

AWARDS cont'd.

Award for Supply Chain Management Improvement. The award recognized Memorial for a project that lowered annual supply costs by nearly \$5.5 million. VHA, an alliance of national healthcare organizations to which Memorial Health System belongs, named only six hospitals to receive the award.

All three awards reflect the commitment of employees to provide continued improvement in patient safety, clinical effectiveness and quality of care and represent Memorial Health System's commitment to providing cost-effective care.



Employees from Purchasing at Memorial Medical Center (above) and Rehabilitation Services at Koke Mill Medical Center represent all staff, physicians and volunteers whose dedication to patient safety, clinical effectiveness and quality of care is reflected in the Premier and VHA awards earned in 2005.



THE **best**
OF THE
BEST

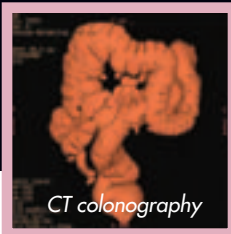
MEMORIAL, CLINICAL RADIOLOGISTS, S.C., TAKE PART IN NATIONAL CLINICAL TRIAL



traditional colonoscopy



CT colonography



CT colonography

Memorial Medical Center is one of only 15 sites in the nation that are comparing the results of images obtained from standard colonoscopy (upper left) to the new noninvasive CT colonography technology (above right and lower left).

Memorial Medical Center is partnering with Clinical Radiologists, S.C., and Springfield Clinic as one of only 15 clinical sites nationwide to participate in a clinical trial comparing the effectiveness of CT colonography to conventional colonoscopy.

CT colonography, also known as virtual colonoscopy, is a new type of X-ray exam that allows a doctor to see images of the inside of the colon using a computer. It's far less invasive than colonoscopy, the current gold-standard method to detect colorectal cancer, the third most common cancer in the United States. The American College of Radiology Imaging Networks is conducting the national trial, expected to enroll an estimated 2,300 patients. ●

ALMH BOLSTERS ELECTRONIC RECORD



Wristband scans help improve patient safety at Abraham Lincoln Memorial Hospital. When Linda Melton, RN, scans the unique barcode on the band assigned to David LaForge of Lincoln, it automatically alerts her to the patient's identification, allergies, medication orders and other important patient information.



A simple scan of patients' wristbands reveals a lot at Abraham Lincoln Memorial Hospital. It tells nurses their patients' names, their drug allergies and when they're scheduled to receive their medicine. And that's just the beginning for the hospital's point-of-care technology.

Over the past three years, Abraham Lincoln Memorial Hospital has been implementing an electronic medical record to manage all of a patient's information from registration to billing. Computers have been installed in all patient rooms on the medical/surgical and intensive care units. It's

a level of sophistication that few hospitals across the nation have reached with their electronic medical record system.

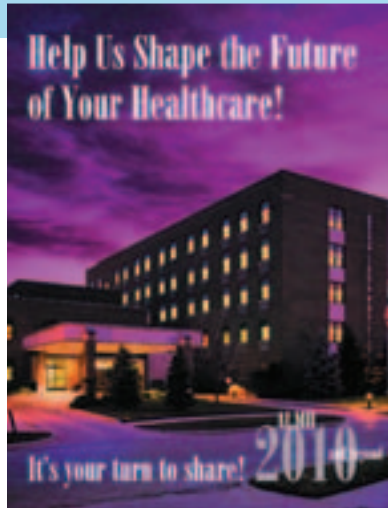
The technology allows nurses to have more quality time with patients because they can record the patient's medical history and progress in the room, rather than filling out paper records at the nurses' station. ●

SEEKING INPUT FROM COMMUNITY, ALMH PLANS FOR ITS FUTURE



ABRAHAM LINCOLN MEMORIAL HOSPITAL
An affiliate of Memorial Health System

Through a project called ALMH 2010, Abraham Lincoln Memorial Hospital in Lincoln has been researching the future healthcare needs of the people and communities it serves. With the assistance of an architect to evaluate its current facilities, hospital officials have developed four different options to lead the non-profit hospital into the future.



Abraham Lincoln Memorial Hospital was built in the early 1950s to care for more than 140 inpatients who were often in the hospital for a week or longer. The 25-bed hospital now serves far more outpa-

tients than inpatients, and its patient volume for same-day services is expected to jump by 30 percent in the next few years. That raises the question about how Abraham Lincoln Memorial Hospital can best serve its patients.

To help find that answer, the hospital has presented the community with four options, ranging from interior remodeling and technology upgrades to construction of a new facility. Citizens provided feedback through a community survey. Hospital officials have listened to hundreds of community leaders in nearly a dozen focus groups in the Logan County area. More than 100 hospital employees have also given their input. The hospital will choose and begin to implement one of the options in the following fiscal year. ●



St. Vincent Memorial Hospital
A Memorial affiliate

SVMH UPGRADES ITS AUDITORIUM

The auxiliary of St. Vincent Memorial Hospital in Taylorville sponsored a major upgrade to the hospital's auditorium. Nearly 50 years old, the multipurpose facility is popular with many community groups and organizations. Improvements include installation of a new heating and air conditioning system, ceiling, stage floor and audio-visual system. Auxiliary funds financed the upgrade. ●



ALMH EARNS RECERTIFICATION

Abraham Lincoln Memorial Hospital earned its three-year reaccreditation from the Joint Commission on Accreditation of Healthcare Organizations, known as JCAHO, in June 2005. This independent organization evaluates more than 16,000 healthcare organizations and programs. The efforts of all employees, volunteers and physicians to maintain a commitment to constant compliance combined with a dedication to patient safety, clinical effectiveness and quality of care contributed to this great result. ●

GREAT
place **TO**
work

MAKING THIS A GREAT PLACE TO WORK...



Joel Hinkle, coordinator, Employment Services Program, Mental Health Centers of Central Illinois

For Joel Hinkle, little things matter. He's been employed by Mental Health Centers of Central Illinois since 1997. For the last three years, Joel has led the Employment Services Program. Among his duties, he meets with clients, assessing their employment strengths and preferences and examining how their mental illnesses may become a barrier to future employment. As he and other staff assess each client's strengths and abilities for employment, he says it's gratifying to watch those clients make gradual changes in behavior that, over time, transform the whole person. "Employment is the next step in an individual's stability and recovery from mental illness," Joel said. "I feel I'm making a difference." ●



Hermina Stier, medical records clerk, Menard Medical Center of Petersburg, HealthCare Network Associates

As one of three medical records clerks at Menard Medical Center of Petersburg, Hermina Stier processes requests for medical records. Those requests come from many sources—from physicians and patients to attorneys and insurance companies. It's important work that requires a solid knowledge of the Health Insurance Portability and Accountability Act. For Hermina, it's all about teamwork. "If one of us is busy, you jump in and do a little extra for someone else." She's been with Menard Medical Center long before HealthCare Network Associates acquired the practice in 1995 and was honored for 45 years' service at the health system's Employee Recognition Dinner in September 2005. While her role may not have a great deal of patient contact, she's still aware that she has an impact on their lives. "It's rewarding to know you had a part in helping someone sick, even if it's a small part." ●



Therese Taylor, logistics support specialist II, Cardiac Surgery OR, Memorial Medical Center

Before a patient arrives in a cardiac surgical room, Therese Taylor is often there ahead of them, making sure everything's in order. A 10-year veteran of the health system, she's on hand to ensure the room is clean and the instruments are sterile. She verifies that all the right equipment is in place for the next procedure. She also transports patients, bringing them from AM Admitting, 6B or 6G to Cardiac Surgery. Many often feel uncomfortable, and she does her best to help them relax. "I love being with patients," she said. "It's nice to see that you've relieved them—even if it's for a few moments—of that nervousness." ●

THE SYSTEM
 ESS, OUR



ADVANCED
 TECHNOLOGY
 COLLEAGUES

Cardiovascular nurse educators Pam Brodt, RN, CCRN, (center) and Leslie Montgomery, MS, RN, CCRN, (right) prepare to use cardiac defibrillators on SimMan. Nurse educator Carolyn Holmes, BSN, RNC, CTT, monitors the computer that controls SimMan's responses.

(Below) Recent nurse graduate Cassie Lefever, RN, (left) takes SimMan's carotid pulse, while Kristi Olson-Sitki, RN, MSN, nursing systems development facilitator, monitors the simulated heart rhythm, arterial blood pressure and oxygen saturation.

USING HIGH-TECH SIMULATED PATIENT, HEALTHCARE STAFF CAN HONE SKILLS IN REAL-LIFE, NO-RISK ENVIRONMENT



A computerized patient simulator, known as SimMan, is giving Memorial Medical Center nurses and emergency medicine professionals the opportunity to practice life-saving clinical, technical and decision-making skills in realistic situations. SimMan is one example of what it means to create a great place to work. It enables employees to gain the skills necessary to perform their jobs to the best of their ability.

SimMan is a full-body mannequin that simulates heart sounds, breathing and speech. He's 5-foot-5 and weighs only 75 pounds. His pulses can be felt. His airway permits insertion of a breathing tube and the practice of multiple advanced life-support

skills. He can have CPR performed on him and can even be shocked with cardiac defibrillators.

For healthcare professionals, it's an opportunity to practice high-tech interventions in a non-threatening environment. With SimMan, they can practice catheterizations, intubations, injections, irrigations and complex wound care. The simulated patient can respond to the treatment administered, giving the learner real-time feedback about the effectiveness of their decisions and actions. Mistakes can be reviewed in a safe learning environment and repeated practice can occur to ensure appropriate clinical performance. ●

HE'S
amazingly realistic;
 & you can
 PROGRAM HIM to present
 different scenarios.

P R O M O T E T E A M W O R K
Involve employees in decisions.D E V E L O P A N D A C
HELP EMP

VNA LEADS IN FEWER HOSPITALIZATIONS



Home health nurse Shelley Norris, RN, Visiting Nurse Association of Central Illinois, assesses patient Richard Becker of Springfield. Visits to patients' homes help them maintain their health and reduce hospital admissions.

As one of more than 7,500 Medicare-certified agencies in the nation, Visiting Nurse Association of Central Illinois (VNA) is currently one of the top-ranked home health agencies for reducing hospitalizations. Its hospital admission rate is 20 percent. That's 8 percent better than state and national averages.

Hospital admissions are one of the criteria measured in a Centers for Medicare and Medicaid Services (CMS) database. VNA is participating in a national project sponsored by CMS to identify, study and share best practices for keeping home health patients at home. ●

PROGRAMS ATTRACT FUTURE LEADERS TO HEALTHCARE

Memorial Health System continues its commitment to identifying and preparing our future healthcare leaders through several initiatives. Our Explorer Post 1897 at Memorial Medical Center completed its third year in May 2005. Ninety students from 16 area high schools learned about careers in nursing, respiratory care, rehabilitation, radiology, cardiology and emergency services.

Memorial Medical Center's Teens Experiencing Nursing camps (funded by a Memorial Medical Center Foundation grant) finished its fourth year in July 2005. The weeklong camps give direct, hands-on experience to students considering a nursing career. Nearly 30 students attended the two camps. At St. Vincent Memorial Hospital, junior high students continued to learn about healthcare occupations through the SCRUBS program. ●



Becca Williams (right) returned during the summer for the 2005 Teens Experiencing Nursing Advanced Camp program. Nurse tech Bethany Klunick was one of many who helped introduce advanced campers to an in-depth look at nursing careers at Memorial.

I N G A V A I L A B I L I T Y O F Q U A L I T Y H E A L T H C A R E F O R T H E F U T U R E



RECOGNIZED FOR THEIR ACCOMPLISHMENTS
FULFILLMENT OF OUR MISSION

RCC, LABS RECEIVE REACCREDITATIONS

Thanks to the dedicated work of our employees, who make Memorial Health System a great place to work each and every day, several departments have achieved significant reaccreditations. The team of employees at Memorial Medical Center's Regional Cancer Center helped earn three-year reaccreditation from the American College of Surgeons Commission on Cancer in November 2004. The report included praise for the center's clinical trial enrollment and outreach efforts in prevention and detection.

Memorial Medical Center's Department of Laboratory Medicine earned two-year reaccreditations from both the College of American Pathologists and the American Association of Blood Banks. And the Laboratory Department at Abraham Lincoln Memorial Hospital received a two-year accreditation from the College of American Pathologists after their visit in September 2005. Both labs earned these achievements thanks to the tireless dedication and attention to detail of their staff.

THREE APPOINTMENTS ROUND OUT HEALTH SYSTEM'S LEADERSHIP TEAM

Several key appointments were made to Memorial Health System's leadership team in 2005.

Kerra Guffey is the health system's chief information officer. She had previously served as vice president of audit and compliance and has been with Memorial Health System since September 2002. She has more than 20 years' healthcare experience, including accounting, reimbursement, provider network development, contracting, information technology implementations and project management.

Cindy Bartlett now fills the role of vice president of audit and compliance, joining the management team in August 2005. She comes to Memorial Health System from St.

Joseph's/Candler Health System in Savannah, Ga., where she served as compliance officer. She has more than 30 years' healthcare experience, including clinical, operations, billing, auditing, quality, health information management and compliance.

Dolan Dalpoas accepted the position of administrator of Alternative Care Services in May 2005. He previously worked in the health system as assistant administrator and director of quality management at Abraham Lincoln Memorial Hospital in Lincoln. Dalpoas has served in various capacities since beginning his career with the health system as a staff physical therapist at the Lincoln hospital in May 1994.

SPORTSCARE ATTAINS KEY ANNIVERSARY

20 YEARS OF SPORTS MEDICINE

Memorial's SportsCare, the region's premier multidisciplinary sports medicine program, celebrated its 20th anniversary in 2005.

SportsCare's dedicated team of healthcare professionals helps our patients enhance athletic performance, develop healthy and active lifestyles and prevent sports injuries. Physicians, athletic trainers, physical therapists, occupational therapists, performance enhancement specialists and dietitians all work together to provide a complete treatment plan for a quick, effective and safe return to activity. Whether it's superior rehabilitation care for the injured athlete or athletic training screenings, SportsCare is the expert team for sports medicine.



The members of the team at Memorial's SportsCare: (From left, front row) Valerie Pesch, PT; Bill O'Connor, PT; Rodney Herrin, MD; Dan Adair, MD; Tracy Scales, MS; Chris Reavis, ATC; and John Gee, PT. (From left, back row) Steve Proctor, ATC; Matt Vortman, PT; Sara Powless, ATC; and Paul Kircher, ATC.

SportsCare's staff provides sports-medicine services to participating schools in its outreach program. The team's commitment to community education extends to parents, coaches, athletes and booster clubs through presentations on specific topics and panel discussions.

Dr. Rod Herrin has served as SportsCare's medical director since May 1999. Dr. Dan Adair, a founding member of SportsCare, returned to SportsCare in March 2005. SportsCare is located at Memorial's Koke Mill Medical Center on Springfield's west side.

PHYSICIAN NETWORK GROWS

HealthCare Network Associates (HCNA) welcomed two new physicians to its team.

Dr. Tracy Mizeur, a family practice physician, joined Family Medical Center of Lincoln. She received her medical degree from Southern Illinois University School of Medicine.

Dr. Tara Sangster, an internal medicine physician, serves patients in Jacksonville. She earned her medical degree from the University of Illinois College of Medicine Champaign-Urbana/Rockford.

With 11 office locations, HCNA healthcare professionals handled nearly 230,000 patient visits during fiscal 2005. ●



DISPLAY FEATURES DIVERSE CULTURES



A new display at Memorial Medical Center highlights the richness and diversity of the cultures of our community. The display will change several times throughout the year. Setting up the first display are (from left) Kim Boston, educator with Information and Patient Management Services; Kisha Hortman, administrator of Patient Management Services; and patient representative Donna Elmore, Customer Service.

WE, THE **THE AFFILIATES THAT MAKE UP** **MEMORIAL HEALTH SYSTEM** FAMILY

MHS
MEMORIAL HEALTH SYSTEM

One of the leading healthcare organizations in Illinois, Memorial Health System of Springfield is a community-based, not-for-profit corporation dedicated to patient care, education and research.

MMC
MEMORIAL MEDICAL CENTER
Springfield, Illinois

Memorial Medical Center is an acute care hospital in Springfield that offers comprehensive inpatient and outpatient services. Its Centers for Excellence include the Heart Center, the Center for Neuromuscular Sciences, Emergency Services, Family Maternity Suites, Regional Cancer Center, Regional Burn Center, Orthopaedic Institute, Memorial Behavioral Health Group and Regional Kidney Center. Memorial's Koke Mill Medical Center on the city's west side offers a full spectrum of medical services.

SVMH
ST. VINCENT
MEMORIAL HOSPITAL
Taylorville, Illinois

This hospital is cosponsored by the Adorers of the Blood of Christ, U.S. Province, and Memorial Health System. The hospital is an acute care facility offering a full range of inpatient and outpatient services to a service area of 34,000. These include Women's Health Center, intensive care, acute care and surgical services, a skilled nursing unit, home health services, pediatric care, cardiopulmonary care, radiology and nuclear medicine, pulmonary rehabilitation and physical, occupational and speech therapy.

ALMH
ABRAHAM LINCOLN
MEMORIAL HOSPITAL
Lincoln, Illinois

This community-based hospital serves the people and communities of Logan and eastern Mason counties. Clinical services include 24-hour emergency medicine, general acute inpatient care, intensive care, pain management, orthopaedics, surgery and the Family Maternity Suites. ALMH also offers a full range of outpatient rehabilitation, therapy and diagnostic testing.

VNA
VISITING NURSE ASSOCIATION
OF CENTRAL ILLINOIS
10-County Area

VNA provides hospice care and home health services across a 10-county region. Home health services include skilled high-tech nursing, psychiatric nursing, a maternal-child program, specialized wound care, nutritional services, social services and rehabilitation. Hospice Care of Illinois offers pain and symptom management as well as emotional and spiritual care for terminally ill patients and their families.

ACS
ALTERNATIVE CARE SERVICES
Seven Central Illinois Locations

This affiliate includes Memorial HomeCare Network, one of the largest providers of home medical products and services in central Illinois with retail stores in four communities, three retail pharmacies, a home infusion therapy pharmacy, a physician billing operation and the Orthopaedic Surgery Center of Illinois (a partnership with Orthopaedic Center of Illinois).

MHCCI
MENTAL HEALTH CENTERS
OF CENTRAL ILLINOIS
Six-County Area

MHCCI offers a full range of behavioral healthcare and rehabilitation services in Sangamon, Menard, Logan, Mason, Scott and Morgan counties. MHCCI provides crisis intervention, extended care throughout a lifetime and brief care such as outpatient therapy. Services include community support services, psychiatric and medication services, adult day treatment, in-patient care, vocational programs and supervised residential facilities.

HCNA
HEALTHCARE NETWORK
ASSOCIATES
11 Central Illinois Clinics

This non-profit, primary-care network of nearly 40 physicians, 10 nurse practitioners and a physician assistant serves patients in 11 office locations. The network comprises Menard Medical Center in Petersburg, Women's Healthcare in Springfield, Koke Mill Medical Associates in Springfield, Family Medical Center in Chatham, Family Medical Center in Lincoln, Family Medical Center in Mason City, Jacksonville Family Medical Associates, Jacksonville Family Practice, Jacksonville Pediatric Associates, Dr. David Coultas in Jacksonville and Dr. Tara Sangster in Jacksonville.

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 Lincoln Medical, Lincoln
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Orthopaedic Surgery Center of Illinois, LLC
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 University Pharmacy
 University Pharmacy West

Clinic Sites:

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 Family Medical Center, Lincoln, Mason City
 Jacksonville Family Medical Associates
 Jacksonville Family Practice

Jacksonville Pediatric Associates
 Koke Mill Medical Associates, Springfield
 Menard Medical Center, Petersburg
 Tara J. Sangster, MD, Jacksonville
 Women's Healthcare, Springfield, Chatham
 and Petersburg

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 AGREEMENT
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Carlenville Area Hospital
 Passavant Area Hospital

Sites of Care:

Logan-Mason Mental Health in Lincoln and Havana
 Logan-Mason Rehabilitation Center in Lincoln
 Memorial Counseling Associates in Jacksonville, Lincoln and Springfield
 Morgan-Scott Mental Health in Jacksonville
 Sangamon-Menard Mental Health in Springfield including
 The Children's Center and The West Lake Center

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MEMORIAL HEALTH

MISSION: TO HELP MAINTAIN, RESTORE AND IMPROVE T

MHS FY05 OPERATING STATISTICS

	FY 2004	FY 2005
MEMORIAL MEDICAL CENTER		
Licensed Beds	562	562
Patient Days of Care	115,502	114,450
Discharges	22,247	22,750
Births	1,681	1,619
Average Length of Stay	5.19	5.03
Surgical Procedures	17,432	18,488
Outpatient Visits	404,645	418,413
Number of Employees	3,157	3,370
VISITING NURSE ASSOCIATION OF CENTRAL ILLINOIS		
Hospice Days of Care	26,156	26,039
Home Health*	2,790	2,776
HEALTHCARE NETWORK ASSOCIATES		
Clinic Visits	230,748	227,875
ABRAHAM LINCOLN MEMORIAL HOSPITAL		
Licensed Beds	25	25
Patient Days of Care	4,912	4,549
Discharges	1,443	1,351
Average Length of Stay	3.40	3.37
Outpatient Visits	49,222	51,433
ST. VINCENT MEMORIAL HOSPITAL		
Licensed Beds	25	25
Patient Days of Care	6,833	6,118
Discharges	2,195	1,928
Average Length of Stay	3.11	3.17
Outpatient Visits	39,088	39,142

*Unduplicated patient census

MHS FY05 CONSOLIDATED STATEMENTS OF OPERATIONS

FY 2004 **FY 2005**

Revenues

(dollars in thousands)

Net Patient Service Revenues	\$401,462	\$426,095
Illinois Hospital Assessment	0	16,281
Capitation Revenues	42,342	48,495
Other Operating Revenues	13,240	13,928
Total Operating Revenues	457,044	504,799
Total Non-Operating Gains, Net	4,552	6,709
Total Revenues	<u>\$461,596</u>	<u>\$511,508</u>

Expenses

Salaries and Benefits	\$207,377	\$228,765
Physician Fees	19,732	21,280
Patient Service Supplies	137,291	143,638
Illinois Hospital Assessment	0	12,529
Purchased Medical Services	19,723	25,039
Depreciation and Amortization	27,359	24,201
Provision for Uncollectible Accounts	19,730	17,546
Interest Expense	5,572	5,673
Excess Available for Facilities Improvement Funds	24,812	32,837
Total Expenses	<u>\$461,596</u>	<u>\$511,508</u>

HEALTH SYSTEM GIVES BACK TO COMMUNITY IN VARIOUS WAYS

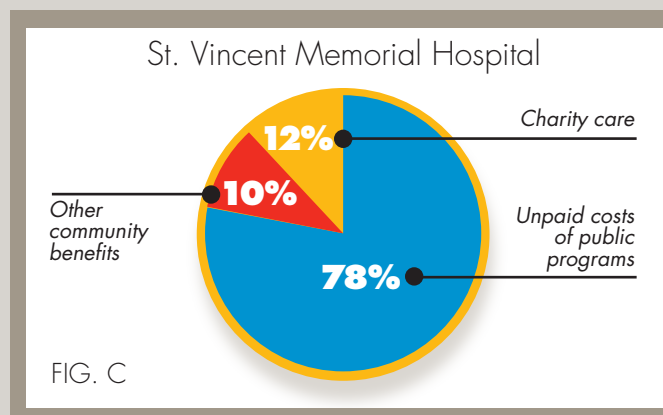
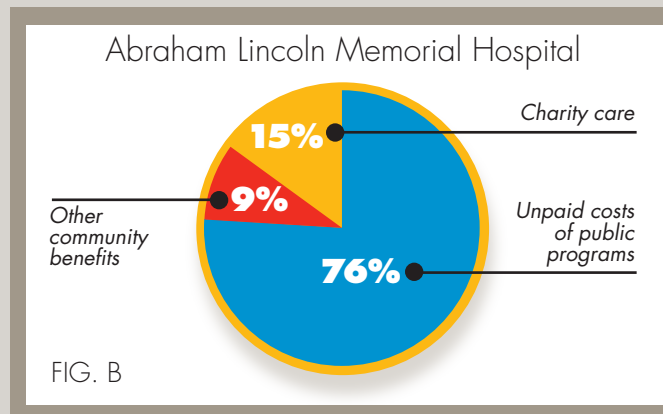
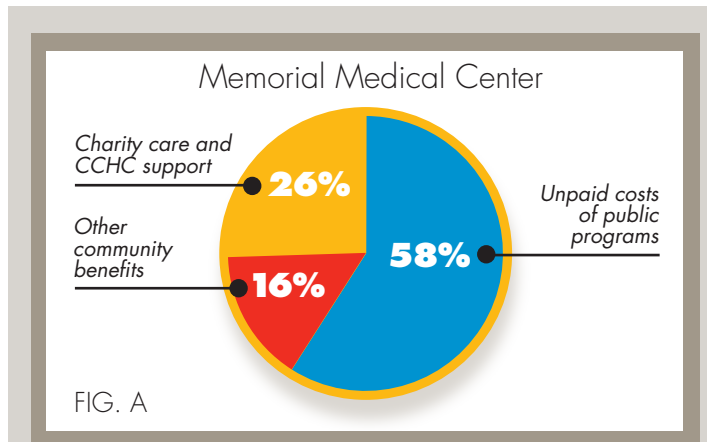
As a non-profit health system, Memorial Health System is guided by its mission to maintain, restore and improve the health of the people and communities we serve. We recognize our responsibility for providing quality healthcare, regardless of one's ability to pay. Through our charity care, the health system provides financial assistance to patients unable to pay for their medical services.

For the fiscal year that ended Sept. 30, 2005, Memorial Medical Center returned \$34,245,786 in community benefits. That total includes the unpaid costs of public programs totaling \$19,739,578. Charity care and support of the Capitol Community Health Center totaled \$9,037,177. Other direct community benefits delivered through research, education and additional community support added up to \$5,469,031. (Fig. A.)

Memorial Medical Center once again topped the list of United Way of Central Illinois' Pacesetter companies. Through a variety of fund-raisers as well as payroll contributions, employees and volunteers gave more than \$117,000 to the United Way.

Abraham Lincoln Memorial Hospital in Lincoln provided \$1,509,654 in community benefits to the citizens of Logan and eastern Mason counties. That total includes \$1,143,526 in unpaid costs of public programs, \$231,645 in charity care and \$134,483 to fund diverse health activities. Some of these activities included free community health screenings each week, a three-day camp for diabetic youth and scholarships for local youth planning health-care careers. (Fig. B.)

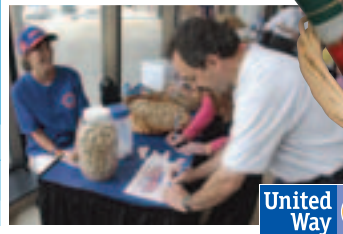
St. Vincent Memorial Hospital in Taylorville supplied \$1,045,151 in community benefits. That amount includes \$819,301 in unpaid costs of public programs, \$127,546 in charity care and \$98,304 in other community services. Some of these included screening events for blood pressure, cholesterol, glucose, bone density and skin cancer. Staff prepared more than 16,000 meals for the Meals on Wheels program. The hospital sponsored or partnered with other community groups to provide education about asthma, diabetes, baby care, women's healthcare and smoking cessation among other topics. (Fig. C.)



RESPONSIBILITY

THAT ENRICH THE QUALITY OF LIFE IN OUR COMMUNITY

GIVING BACK



"Play Ball with United Way" was the theme of Memorial Medical Center's pacesetter campaign for the United Way of Central Illinois, which raised over \$117,000 for community services. At the fund raising kick-off, Lori Faber, audiologist with Memorial's Hearing Center, took a guess from John Cartwright, PC systems analyst, on the number of peanuts in a jar. Christmas was the theme of one of 30 fun baskets (right) that were raffled off; employees contributed contents of all the baskets.

2004



MEMORIAL'S FESTIVAL OF TREES RAISES \$150,000

Nearly 30,000 people attended the 15th annual Memorial's Festival of Trees to view more than 130 beautifully decorated trees and wreaths. Reflecting the theme of "Let It Snow," an 18-foot snowman held center stage in the Orr Building at the Illinois State Fairgrounds in November 2004. The Festival raised \$150,000.

The Memorial Medical Center Foundation dedicated proceeds to children's services at Mental Health Centers of Central Illinois and the Regional Rehabilitation Center at Memorial Medical Center. MHCCI provides high-quality behavioral healthcare to more than 1,600 children and adolescents, many of whom come from low-income families. Memorial's Regional Rehabilitation Center helps people recovering from disabling medical illnesses and injuries to improve their functional living skills through intensive inpatient treatment from an interdisciplinary team. ●

MMC, ALMH STAFF COMMIT THEIR DOLLARS



Memorial Medical Center employees contributed more than \$140,000 to MASH, the annual employee-giving campaign, in its 17th year in 2005. MASH stands for Membership Annually Supports Health.

This year's theme had a south-of-the-border flair with employees treated to a fiesta celebration at the April 2005 kickoff. MASH funds support patient care, education and research grants, the employee emergency fund and designated departments.

Abraham Lincoln Memorial Hospital also has an employee-giving campaign, which supports the hospital and the Logan County United Way. Employees pledged more than \$22,000 in 2005, and 45 percent of employees supported the campaign. ●



SERVICE TO
TO CARE FOR LIFE'S
PRECIOUS GIFT OF HEALTH

HUMANITY
IS A CALLING OF THE
HIGHEST ORDER.

Volunteers are
HEART

OF THE HOSPITAL



Bob and Helen Eisenhart of Petersburg help open-heart surgery patients and their families in Memorial Medical Center's Heartfelt program.

THANK YOU

THANK YOU
to ALL OUR
VOLUNTEERS.

With  Heartfelt Appreciation...

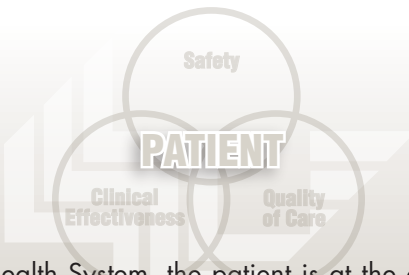
Bob and Helen Eisenhart know the emotional stress that open-heart surgery places on families. After Bob's surgery, the Petersburg couple volunteered to be part of Memorial Medical Center's Heartfelt program.

Each week they visit with patients who have had open-heart surgery, offering them and their families much-needed emotional support. The Eisenharts follow up these visits with phone calls and cards after patients leave the hospital.

Since Heartfelt began in 1998, volunteers have made nearly 8,000 contacts with almost 2,000 patients. Bob and Helen Eisenhart are just two of the hundreds of volunteers who play an indispensable role in the life of Memorial Medical Center.

Another group of Memorial volunteers, the Red Coats, celebrated their 20th anniversary in June 2005. Some 100 Red Coats volunteer at the hospital for six days every week. The average Red Coat is 73 years old. In one year, these men answered about 70,000 calls and walked more than 26,500 miles—a distance greater than the Earth's circumference.

Volunteers take on tasks such as transporting patients, delivering flowers and providing assistance at Memorial's Festival of Trees, providing countless hours of commitment to the health system's mission. Whether they're operating the information desk at Abraham Lincoln Memorial Hospital or assisting older adults with medical claims filing at St. Vincent Memorial Hospital, they are an indispensable service to the life of the entire health system.



At Memorial Health System, the patient is at the center of all we do. It's why we're on a continuing journey to be a great health system. As this report illustrates, we will remain focused on creating great patient experiences, making Memorial Health System a great place to work and getting great results. That's why we continue our journey to be the best of the best. We want to make a difference. It has nothing to do with awards or accolades. It has everything to do with helping to maintain, restore and improve the health of the people and communities we serve.

CREATE A GREAT PATIENT EXPERIENCE: ALWAYS DO

WHAT IS BEST FOR PATIENTS. CONSIDER PATIENTS AS

PARTNERS. EXCEED PATIENTS' EXPECTATIONS. MAKE

MHS A GREAT PLACE TO WORK: PROMOTE TEAMWORK

INVOLVE EMPLOYEES IN DECISIONS. HELP EMPLOYEE

DEVELOP AND



GET GREAT

RESULTS: ACHIEVE EXCELLENT CLINICAL OUTCOMES.

PROVIDE COST



VE EXCELLENT

FINANCIAL OUTCOMES. CREATE A GREAT PATIENT

EXPERIENCE: ALWAYS DO WHAT IS BEST FOR PATIENT

CONSIDER PATIENTS AS PARTNERS. EXCEED PATIENT

EXPECTATIONS. MAKE MHS A GREAT PLACE TO WORK

PROMOTE TEAMWORK. INVOLVE EMPLOYEES IN DECIS

- CREATE A GREAT PATIENT EXPERIENCE.**
- ▶ Always do what is best for patients.
 - ▶ Consider patients as partners.
 - ▶ Exceed patients' expectations.

- MAKE MHS A GREAT PLACE TO WORK.**
- ▶ Promote teamwork.
 - ▶ Involve employees in decisions.
 - ▶ Help employees develop and achieve their goals.

- GET GREAT RESULTS.**
- ▶ Achieve excellent clinical outcomes.
 - ▶ Provide cost-effective care.
 - ▶ Achieve excellent financial outcomes.



www.memorialmedical.com

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MHS MISSION: TO RESTORE AND IMPROVE
THE HEALTH OF THE PEOPLE AND COMMUNITIES WE
SERVE. MHS VISION: TO BE THE LEADING HEALTH
CARE SYSTEM THAT PEOPLE CHOOSE OVER ALL OTHERS.
MHS VALUES: THE ORGANIZATIONS THAT MAKE UP THE
MEMORIAL HEALTH SYSTEM EXIST TO SERVE THE NEEDS OF
OUR PATIENTS, PHYSICIANS AND COMMUNITY AT LARGE.
IN THAT MISSION, THE PEOPLE OF THE MEMORIAL
FAMILY COMMIT TO THE FOLLOWING VALUES: SERVICE TO

MEMORIAL HEALTH SYSTEM



ANNUAL REPORT 2005



CHOOSE MEMORIAL.