

ShandsHealthCare



COMMUNITY BENEFIT REPORT

FISCAL YEAR 2008

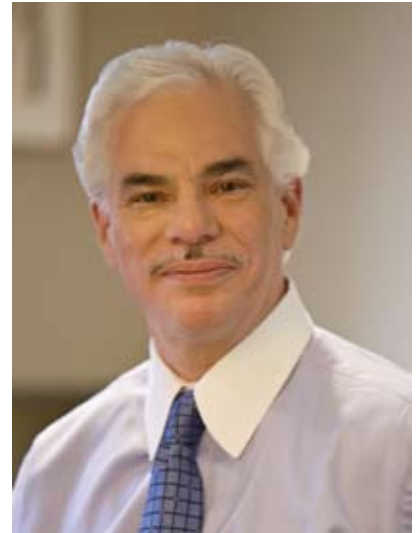


A MESSAGE FROM THE CEO...

Dear Colleagues and Friends,

This Community Benefit Report summarizes how Shands HealthCare is improving health and quality of life for people throughout North Central and Northeast Florida.

Our not-for-profit organization is severely impacted by current economic and healthcare-industry challenges. As we struggle to streamline and maximize our use of resources, increasing numbers of Floridians need our support more than ever.



This Community Benefit Report reflects results of efforts documented in Fiscal Year 2008 (July 2007 through June 2008).

Affiliated with the University of Florida, the Shands system includes two of Florida's academic medical centers; four community and two specialty hospitals; and dozens of outpatient and outreach programs. In Fiscal Year 2008, we provided approximately \$115.6 million in unreimbursed charity care (at cost). We provided an additional \$9.1 million in unsponsored community benefit (at cost) through diverse health-education and outreach efforts.

As a not-for-profit organization, we reinvest all earnings back into our programs, equipment and facilities to ensure we continue to support those who need us now and in the future.

In Fiscal Year 2008, Shands HealthCare's patient-care programs resulted in an estimated economic impact of \$1.86 billion and the organization spent approximately \$708 million in salaries and benefits.

Our Shands employees and affiliated UF and community physicians provide outstanding care and compassionate service to our patients and customers. We're proud to make a difference in people's lives and to contribute to the strength of our communities.

Sincerely,

A handwritten signature in black ink, which appears to read "Tim Goldfarb". The signature is fluid and cursive, written over a white background.

Timothy Goldfarb, CEO
Shands HealthCare

TOTAL COMMUNITY BENEFITS

**numbers are in millions*

	Fiscal Year 2007	Fiscal Year 2008
Charity care – net unreimbursed financial assistance provided at cost	\$90.5	\$115.6
Community health services	2.2	2.7
Donations and in-kind services to support community-based efforts	2.3	1.7
Health Professionals Education	2.0	3.6
Scientific and clinical research in the health sciences	2.8	1.1
Total community benefits	\$99.8	\$124.7

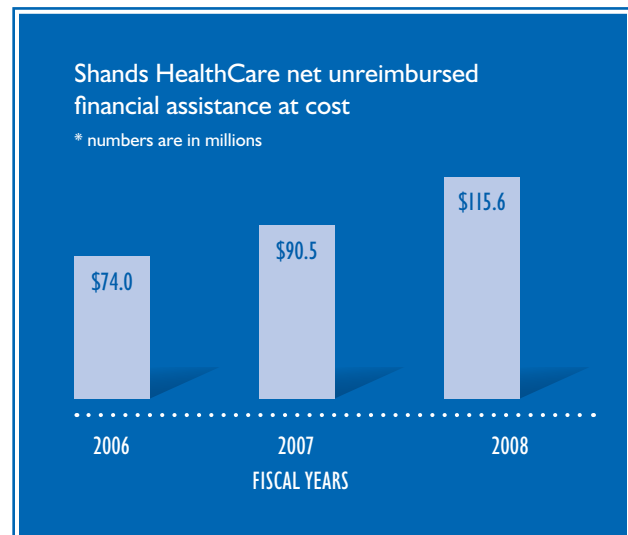
SHANDS HEALTHCARE

Shands HealthCare is a private, not-for-profit health-care system affiliated with the University of Florida. Based in North Central and Northeast Florida, Shands includes two academic medical centers; two specialty hospitals; four community hospitals; and two home-health agencies. We are affiliated with more than 80 UF outpatient practices.

UF and community physicians provide care in more than 100 specialty and sub-specialty medical areas. These include primary care to highly complex care including cancer, cardiovascular, neurosurgery and transplantation services. Together, Shands and UF are a statewide resource and one of the Southeast's most respected healthcare systems. Patients come to us from every county in Florida, throughout the nation and more than a dozen countries.

MISSION

Shands HealthCare's mission is to provide excellent patient care, to collaborate in improving community health, and to create an environment that supports education and research in the health sciences.



COMMITMENT TO COMMUNITY

CHARITY CARE & SOCIAL RESPONSIBILITY

Shands HealthCare's commitment as a responsible, accountable steward of our resources is the cornerstone of our not-for-profit mission.

Shands at UF and Shands Jacksonville are two of the state's seven statutory teaching hospitals, and along with our community hospitals they make Shands HealthCare one of the state's "safety-net" health systems. Shands HealthCare is one of Florida's largest Medicaid and charity-care providers.

Safety-net hospitals and health systems provide access and a significant level of services to patients with limited or no access to healthcare due to their insurance status, financial circumstances or their medical condition.

Approximately 3.8 million Florida residents are without health insurance. More than 624,000 of these uninsured residents live in North Central and Northeast Florida. Many people who have some healthcare coverage find it falls short of their families' needs.

Not-for-profit healthcare systems play a unique and critical role in serving area residents. We receive tax exemptions from federal, state and local governments and are trusted to provide benefits back to our communities.

These "community benefits" include the provision of uncompensated care for which no payment is received from patients or insurers.

We provide free or discounted healthcare services to patients who meet established income and asset criteria.

SAFETY-NET HOSPITALS

Safety-net hospitals represent 10% of Florida's hospitals – yet they provide more than 50% of the charity care in Florida and nearly 50% of all Medicaid hospital care.

75% of their patients are government-sponsored or uninsured.

Their Medicaid/uninsured patient caseload is 66% higher than the rest of the hospital industry.



10% of Florida's hospitals provide...



50% of the charity care.

COMMUNITY HEALTH SERVICES

Shands HealthCare proactively reaches out to area residents beyond the walls of our hospitals and clinics to share valuable health information about healthy living, illness prevention, medical treatments and disease management.

We coordinate diverse health-education programs and also partner in civic, social and cultural community events and outreach efforts to promote wellness.

- We hosted 111 health fairs that reached more than 6,000 people in North Central and Northeast Florida.
- We offered 167 seminars, bringing Shands and UF health experts into local communities to talk about disease prevention, diagnosis and treatment. Through such programs, we reached more than 15,000 people.
- The UF Shands Eastside Community Practice in Gainesville serves children and adults with physical check-ups and immunizations; health screenings; dental exams and treatment; healthcare advice and education; psychological check-ups and therapy; and links with community resources. Last year, the practice offered 170 free health-education programs and served more than 2,300 people.



CARING FOR HIGH-RISK PREGNANT WOMEN AND INFANTS

UF physician teams at Shands at UF and Shands Jacksonville care for high-risk mothers and their babies from pre-natal management through the delivery process and newborn care. These programs are designated as State of Florida Regional Perinatal Intensive Care Centers offering tertiary obstetrics and Level III Neonatal Intensive Care Units.



EXPANDING CARE FOR RURAL COMMUNITIES

Shands HealthCare recently made significant investments in its two rural hospitals to support medically underserved populations. Shands Starke introduced Bradford County's first MRI technology and opened an expanded 7,400-square-foot, \$4.4-million Emergency Department. Shands Live Oak introduced Suwannee County's first MRI capabilities and opened a \$1.9-million, 3,200-square-foot addition to its Emergency Department.



REACHING OUT TO MEET COMMUNITY NEED

Shands Jacksonville's Community Affairs department manages programs targeted to high-risk populations in primarily African-American communities. Patients include young-expectant mothers; patients with HIV/AIDS; children with sickle cell disease; and older adults with diabetes. In 2008, its Heal Thy People program was expanded to serve the growing Hispanic community. Shands Jacksonville operates two wellness and education centers that serve Duval County's uninsured and underinsured populations. The health fairs and outreach activities touched more than 11,700 lives last year. Shands Jacksonville's mobile-clinic van served approximately 1,300 patients.



PROVIDING CRITICAL CARE

Our two academic medical centers offer Level I Trauma Centers. Shands at UF has one of the state's four regional burn care centers and Shands Jacksonville is one of three Florida-based Poison Information Centers. We have two emergency transport programs: ShandsCair, based in Gainesville, and TraumaOne in Jacksonville. ShandsCair transports more than 1,800 patients by ground and air each year; TraumaOne airlifts approximately 1,000 patients each year.

Affiliated with the University of Florida, Shands HealthCare supports the UF Health Science Center campuses in Gainesville and Jacksonville by helping to fund 30% of the state's residencies for medical-school graduates through the UF College of Medicine.

DONATIONS & IN-KIND SERVICES

Shands HealthCare contributed \$1.7 million to more than 75 community agencies and organizations benefiting North Central and Northeast Florida residents. We supported a variety of programs reaching diverse audiences.

Above and beyond the \$1.7 million, Shands HealthCare employees contributed more than \$630,000 to the United Way campaigns in North Central Florida, Suwannee Valley and Jacksonville, exceeding our past records for employee-generated community support.

HEALTH PROFESSIONALS EDUCATION

As an academic healthcare system, Shands HealthCare's mission includes supporting research and education. Our commitment is to share new medical techniques, treatments and breakthroughs with today's professionals and train tomorrow's to sustain our industry and meet our population's growing needs.

Shands HealthCare provides the clinical settings, internships and clinical rotations used in educating physicians, nurses and allied health professionals, such as radiology and respiratory technicians. Without these critical clinical opportunities, future health providers would not be able to meet their professions' minimum licensure criteria.

Shands HealthCare's medical staff includes 980 UF physician residents and fellows.

- 680 UF physicians train in 58 accredited graduate medical-education programs in Gainesville
- 300 UF physicians train in 26 accredited medical-education programs in Jacksonville

This support is a crucial source of future physicians since the majority of them tend to practice in the state in which they complete residency training.

Shands HealthCare spent approximately \$3.6 million to train and supervise more than 4,800 students during their clinical training in nursing and health professions.

We also partner with area high schools, vocational programs and community colleges to recruit and train future providers and promote the healthcare industry.

Shands HealthCare is the largest private, not-for-profit employer in North Central and Northeast Florida. We have proactive, ongoing programs to recruit skilled healthcare workers to Shands HealthCare as an employer of choice and retain them in today's competitive market.

SCIENTIFIC AND CLINICAL RESEARCH

As a private, not-for-profit corporation adhering to state statutes, Shands HealthCare is responsible for providing support to the UF Health Science Center and other universities and community colleges for educational and research activities that benefit residents throughout the state.

Shands HealthCare contributed more than \$1.1 million to the UF College of Medicine to support

groundbreaking research in areas including cancer, genetics, epidemiology, physiology and diabetes. Research categories include clinical and community health research, such as evaluation of innovative treatments, as well as studies on healthcare delivery and research papers prepared for professional, peer-reviewed medical journals.

RESPONDING TO THE NEED FOR CANCER CARE

The Shands at UF Cancer Hospital is under construction and scheduled to open in fall 2009. This \$388-million, 500,000-square-foot tower will house 192 private beds for a variety of patients, including those receiving diagnostic and therapeutic oncology services. It also will include a Critical Care Center for emergency- and trauma-related services.



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Shands.org
PO Box 100317
Gainesville, FL 32610-0317
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AWARDS FOR EXCELLENCE



Shands HealthCare won the 2008 Governor's Sterling Award – Florida's top honor for performance excellence. Shands is the largest organization ever to receive this prestigious award since its introduction in 1993. Few healthcare systems have been recognized this way for quality, outcomes and organizational excellence.



The American Nurses Credentialing Center awarded "Magnet" designation to Shands at UF, Shands HomeCare, Shands Florida Surgical Center, Shands Vista, Shands Rehab Hospital and Shands at UF Dialysis Center. The most prestigious national honor for nursing excellence, "Magnet" status is achieved by less than one percent of the nation's acute-care hospitals.



Shands at UF earned top-50 rankings in 11 specialties in the 2008 edition of America's Best Hospitals, published by *U.S. News & World Report*. Shands at UF was ranked in more specialties than any other Florida hospital. It had the state's highest rankings in endocrinology, geriatrics, heart, respiratory and urology specialties.