

# *Project 2000*



*A Model for Community Patient-Centered Health Care*





# *Project 2000*



## ***Our Mission***

*To provide personalized,  
cost-effective care, while  
promoting the growth,  
health and wellness of  
our community.*

## ***Our Vision***

*To be the premier  
small healthcare system  
in Michigan.*



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*What You May Not Know About HGB* .....

Hayes Green Beach Hospital was founded as a 12-bed institution in 1933 to serve the health needs of Eaton County residents.

But nothing remains static. From that time until today, Eaton County has evolved from a predominately rural community into a dynamic region of closely-knit neighborhoods, superior schools, strong retail districts, and magnet for business and industry.

In its 64-year history, Hayes Green Beach has also transformed itself to meet the growing needs of Eaton County's 95,000 residents. Today, the hospital...

- Remains an independent, private, not-for-profit 45-bed community hospital governed by a 12-member Board of Trustees.
- Accepts all patients regardless of race, color, creed, or financial circumstances.
- Provides medical, surgical, pediatric and obstetrical care.
- Offers a state-of-art emergency room staffed with board-certified physicians 24-hours-a-day.
- Offers around-the-clock Advanced Life Support emergency and non-emergency ambulance service for the Greater Charlotte and Eaton Rapids area. The ready availability of a physician-staffed emergency helicopter service also ensures the prompt and safe transfer of patients who require trauma care at other tertiary institutions.

- Has an active medical staff of 18 specializing in anesthesia, emergency medicine, family practice, general surgery, geriatrics, hematology, internal medicine, obstetrics and gynecology, pathology, and radiology. Plus, it boasts 118 affiliated physicians who represent 31 medical specialties.

.....*Key Facts*.....

- Employs 392 people with a total payroll of \$9 million.
- Admitted 1,588 patients in 1997, received more than 10,000 emergency room visits, and performed more than 75,000 lab procedures.
- Helped deliver 211 babies, performed 1,307 surgeries, saw 44,016 visits to its Wellness Center, served 55,457 meals, and dispensed 46,558 prescriptions.
- Has an active auxiliary, Red Cross, and volunteer program, with more than 180 participants volunteering thousands of hours annually.
- Has an array of educational and service programs. More than 80 health education programs were attended by 2,855 people in 1996-97.

*Our patients say it best:*

*“Each time I have been hospitalized in your facility, I have received the utmost in medical care. ... I wish to express my deepest gratitude to all at HBG. Everyone on staff should be praised for bringing your institution’s mission to life.*

*Hayes Green Beach Hospital is truly a leader in health care.”*

*– D.E.C., June 1994*

- Offers ancillary services that include radiology, echocardiology, mammography, ultrasound, CT scans, and a laboratory.
- Provides rehabilitation services that include physical, occupational, and speech therapy, and a cardio-pulmonary rehabilitation program.
- Offers 21 outpatient Specialty Clinics with convenient, local access to physician specialists and allied health professionals. Specialties

available include: allergy, audiology, dermatology, ear, nose & throat, gastroenterology, hematology, neurology & electromyography, oncology, obstetrical, ophthalmology, orthopedic, pediatrics, podiatry, plastic surgery, psychology, pulmonary, rheumatology, thoracic and vascular surgery, urology, and cardiac.

- Operates a Wellness/Exercise Center – located in the hospital’s professional office building – with state-of-the-art equipment for physical and occupational therapy patients, as well as exercise club members.
- Offers a link between the hospital and the community through its volunteer Development Council. Founded in 1988, the council is composed of five committees which conduct programs to communicate with, cultivate, solicit and recognize specific publics.

Hayes Green Beach: A History of Support .....

*Our patients say it best:*

*“I would like to say that I received the very best of care at Hayes Green Beach during my bout with lymphoma. Everyone at the hospital is very caring and sincere in their desire to make things as easy as possible.”*

*– N.C., January 1995*

In 1933, for many Americans, each day was a lesson in survival. The country was mired in its fourth year of the Great Depression, with no end in sight.

Out of this common misery, however, came countless acts of generosity, both great and small. From those sharing a meager meal with a stranger looking for work, to others envisioning a need for a public service on a grander scale – and seeing to it that it was done.

**The Birth of HGB**

This was the vision of R. Ellen Green. In 1933, she donated “Hollyhurst” (also known as the Hayes Green Mansion) to Eaton County so that a modern hospital could be developed for the care of the sick. That magnanimous act – in the midst of the country’s

hardest times – launched Hayes Green Beach Hospital in Charlotte.

Like the character George Bailey in the film, “It’s A Wonderful Life,” Green’s benevolent action touched the lives of countless others, and continues to do so today.

It also laid the groundwork for a tradition of strong community support that has kept Hayes Green Beach – through changing times – true to its original charge of being a modern hospital.

**Steadfast Community Support**

The Eaton County community rallied to support the hospital’s first major expansion in 1954 – an effort spearheaded by Fitch H. Beach. That resulted in construction of a three-story building that now houses in-patient and ancillary services. A year later, the hospital – renamed Hayes Green Beach – had grown from 12 beds to 65.

In 1979, a successful \$1.3 million fund-raising program paved the way for the addition of an in-patient wing and expanded out-patient services. A generous bequest in 1988 by Annette Knight Lundberg made it possible for the hospital to replace – and double the size of – its emergency department.

## Preparing for a New Century

With strong community backing, Hayes Green Beach has always been able to transform itself into the modern hospital it was meant to be. The support has been there because the residents of Eaton County want access to high-quality medical care in the comfort and familiarity of their own backyard.

Following in the footsteps of tradition, community support is now being sought to help modernize Hayes Green Beach by completing its \$7.1 million Project 2000 Phase III capital project.

Hayes Green Beach was born from one woman's dream of providing a place in Eaton County to care for the sick. Because of her – and the countless others who've followed her example of charity over the years – that dream continues to flourish.

*Our patients say it best:*

*“The world of health care has been jerked around for so long between the consolidation of hospitals, to the marketing of them as ‘corporate businesses,’ that good patient care – in a small, incredibly well-run ‘family facility’ – has often been overlooked and unappreciated. With hospitals such as Hayes Green Beach, that should no longer be the case.”*

*– B.D.U., August 1997*

Today, Hayes Green Beach still offers Eaton County residents their own hospital where the sick are cared for, but it's also a place where the dying are comforted, people learn to control their diseases, hasten their recoveries from injuries, lead healthier lives, and where newborns take their first breath.

*Leadership in Health and Wellness* .....

Into the 21st century and beyond, Hayes Green Beach Hospital will continue to promote the well-being of Eaton County residents. While hospitals must

Hospital offers Eaton County residents practical ways to effectively manage their diseases, and maintain or improve their health.

In 1997, these programs included:

*Our patients say it best:*  
*“You have the best nursing staff in the area. They are not only professional and efficient, but they touch the patients, talk to them, and even turn them if they lie helpless. The care my husband got while there was excellent, and surpassed by far what he got in the bigger hospital he had been in. We learned that bigger is not always better.”*  
- V.D., September 1996

**Seminars** .....

*Community Health Education Programs:*

- Allergies & Asthma
- Low-Fat Cooking
- Safety Sense: Keeping Your Children Safe
- Adult Attention Deficit Disorder
- Humor for the Health of It
- No Bones About It – Osteoporosis
- Senior Fitness
- Attention Deficit Disorder – Impact on Children
- Communication Skills
- Care of Feet
- Stress Management

continue to focus their attention on the traditional roles of treatment and healing, they should also serve as strong advocates for improving and maintaining the good health of their community members.

Through its classes, seminars, support groups, and community service programs, Hayes Green Beach



*Our patients say it best:*

*“Thank you to all staff, doctors, and nurses ... My father drove himself to your hospital while having a heart attack. Thanks to your staff, the appropriate measures were taken and medication applied. He survived and is expected to fully recover and live a healthy life. My sons are also very grateful they still have their Grandpa.”*

*– P.C., June 1997*

**Business Health Seminars**

- Service Under Pressure

**Planned Gift Seminars**

- Estate Planning for Long-Term Care
- Charitable Giving

**Food, Facts and Fun (For Folks 55 and Over)**

**Classes .....**

- Emergency Medical Specialist (EMS) Training
- Lifesteps Weight Management Classes
- First Aid
- Adult and Pediatric CPR
- Babysitter Training Classes
- Medical First Responder Training
- Freedom From Smoking
- EMS as a Career
- EMS Certification – Cardio-Basic & Advanced
- CPR Instructors Course
- Low-Fat Living

- Me and Mine (for parents of children with special needs)
- Expectant Parent Organization (EPO) Prenatal Classes

**Community Service .....**

- Dietary Consults
- Students Against Drunk Driving (SADD) Mock Accident
- Camp 911
- Health Fairs
- Outpatient Nutrition Education
- Sponsor – March of Dimes “Walk America”
- Sponsor – American Cancer Society’s Relay For Life, Golf Outing, Jubilee Dance
- Sponsor – American Heart Association Auction
- Poison Prevention Week
- Free Pregnancy Testing
- Child Car Seat Rental Program
- Speaker’s Bureau
- Mobile Meals
- Skin Cancer Screening
- Substance Abuse Prevention Month
- D.A.R.E. Committee

**Support Groups .....**

- Breather’s Club
- Diabetic Support Group
- Cancer Support Group
- Fibromyalgia/Chronic Fatigue Support Group

**Project 2000 – What We Have Already Achieved .....**

*“The Board of Trustees of Hayes Green Beach Memorial Hospital declares its intent to renovate or replace its operating-room and recovery-room facilities to meet the needs of our patients, medical staff, and the MDPH licensing requirements by January 1, 2000.”*

**– HGB Board of Trustees, July 1994**

Hayes Green Beach is a private, non-profit hospital independently governed by a 12-member Board of Trustees. The majority of Trustees are not hospital or medical professionals, but rather volunteer leaders who represent the community at large. They have devoted long hours without pay to developing a thoughtful, balanced plan – Project 2000 – for the expansion of Hayes Green Beach in line with community needs.

The first two phases, outlined here, have been resounding successes – thanks in large part to generous community

support that made them possible.

**Phase I – Completed 1994**

- Building renovation and new equipment totaling \$1.9 million
- Remodeling of Patient Registration area
- Installation of a CT Scanner

*“The Board and management of Hayes Green Beach Hospital are to be commended for planning this project very carefully...”*

*“CAHA agrees with HGB that it should have a minimum of two operating rooms to meet the basic requirements of the hospital and serve the needs of the community.”*

**– Capital Area Health Alliance, January 1997**

NOTE: CAHA is a purchaser-led coalition of major employers, businesses, government representatives, and healthcare providers that operates a voluntary health-planning process for the mid-Michigan community. Its mission is to promote high-quality healthcare for all residents at the lowest possible cost.

- Remodeling and expansion of Radiology, Mammography, Ultrasound, and Nuclear Medicine
- Remodeling and expansion of Laboratory
- Replacement of electrical switch gear to accommodate Phase II and III expansion

**How the people of Eaton County benefit:**

During the 1997 fiscal year, the Patient Registration area handled 1,588 admissions. More than 1,500 diagnostic procedures were performed with the CT scanner; 15,008 Radiology studies were completed (including 1,747 mammographies and 242 nuclear medicine procedures); and the Laboratory conducted 75,505 clinical tests.

## **Phase II – Completed 1995**

Construction of a \$4.2 million Professional Office Building to house:

- Physical Therapy
- Rehab and Wellness Center
- 21 Specialty Clinics
- Physician Offices

### *How the people of Eaton County benefit:*

During the 1997 fiscal year, the Rehab and Wellness Center served 11,700 people; our Specialty Clinics had 13,800 patient visits; our family physicians cared for 12,800 patients; our obstetrician/gynecologist took care of 2,500 patients.

*Our patients say it best:*

*“Late Good Friday afternoon, I was unable to locate a doctor. Health Central agreed that I needed medical attention, and authorized an emergency room visit. Hayes Green Beach emergency room staff examined me, treated me, arranged for tests and necessary consultations. It was late when I was admitted, but the emergency room nurse thought to have a tray sent to my room since I had not had supper. ... Thank you all. It is great to know this facility is there if we need it.”*

*– P.S., April 1997*

*Project 2000 – What We Must Accomplish Now* .....

*The proposed project to replace surgical and other hospital services into 35,000 square feet of new construction attached to HGB Hospital “has been appropriately reviewed and is approved.”*

Michigan Department of Community Health, March 1997

NOTE: MDCH issued a Certificate of Need for Project 2000 in March 1997. A CON is required by the state as part of comprehensive health planning legislation. Its purpose is to reduce duplication of services and inefficient use of resources by health-care facilities.

**Phase III – Scheduled to begin Spring 1998**

Project 2000 is a \$7.1 million, 35,000 sq. ft., addition to Hayes Green Beach Hospital. Construction is expected to begin in the spring of 1998, with completion in mid-1999.

At first, the addition will be two stories tall at one end, and one story at the other. However, the entire addition can be expanded to three stories to accommodate future community needs.

**The main reason for constructing a new addition is to relocate and renovate the hospital’s two surgical suites, as well as the recovery rooms and surgical support areas.**

• Current operating and recovery rooms, built in 1954, do not meet state Health Department standards, and must be replaced.

• **New operating facilities are needed to support state-of-the-art surgical technology for the people of Eaton County.**

- In the past five years, the number of surgical procedures performed at HGB has increased 62 percent-from 800 to more than 1,300 annually.
- Besides general surgical and OB/GYN operations, our surgical specialists now perform orthopedic, urology, thoracic, vascular, and ear, nose, and throat procedures. These require additional operating-room space for special equipment.

*“We are committed to making a difference by improving the health and wellness of our community.”*

- Stephen Mapes, President and CEO

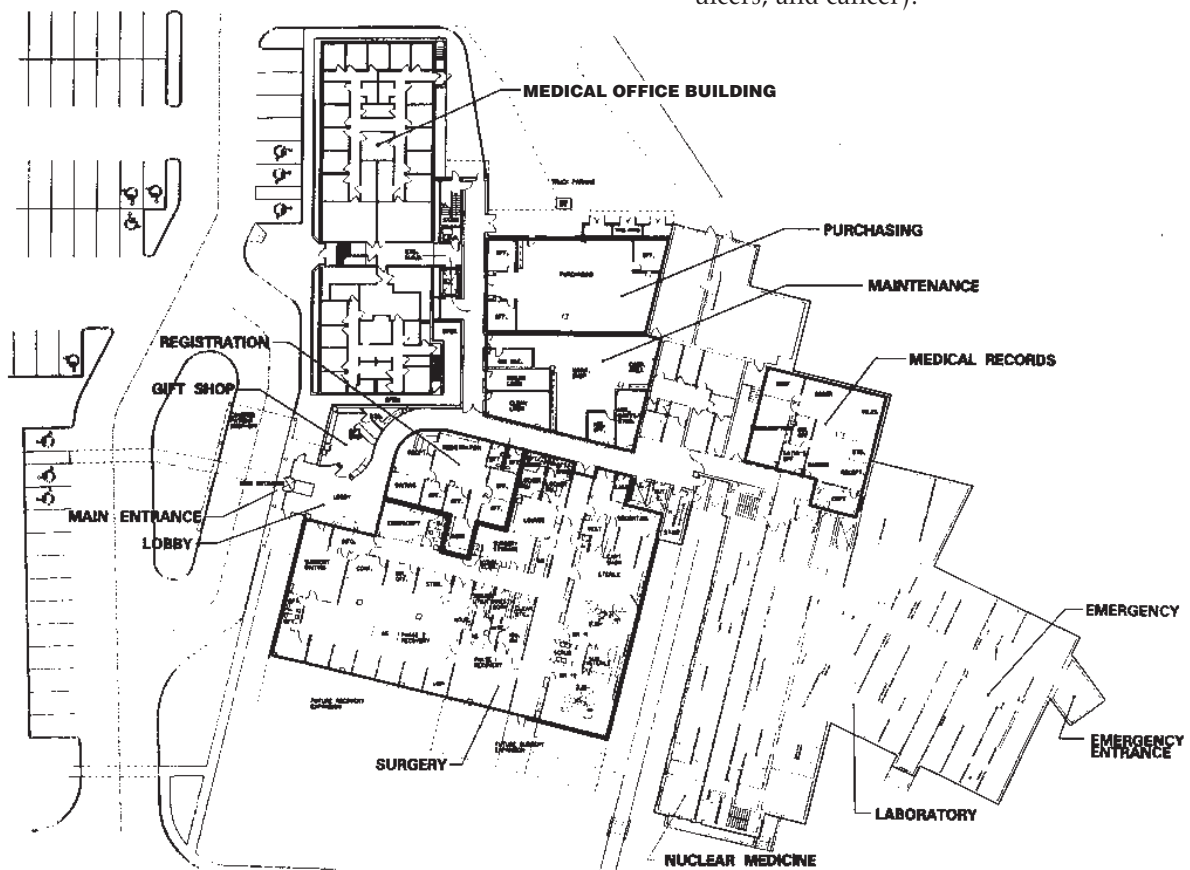
## The First Floor

This portion of the new addition will house two operating rooms with associated recovery and support services for both in-patient and out-patient surgery.

- **A larger recovery room** will meet the needs of a growing ambulatory surgical population that is currently managed in the acute in-patient medical/surgical unit, causing inefficient staffing and care delivery. Out-

patient or same-day surgery now accounts for about half of all operations performed in the U.S. and 80 percent at HGB.

- **A pleasant family waiting area** will replace an interior, windowless room that measures 8 by 15 feet.
- Also located here will be **a dedicated endoscopy room** (for procedures that involve looking inside the esophagus, stomach, colon, and intestines with sophisticated fiber-optic scopes to diagnose such ailments as hernias, ulcers, and cancer).



FIRST FLOOR

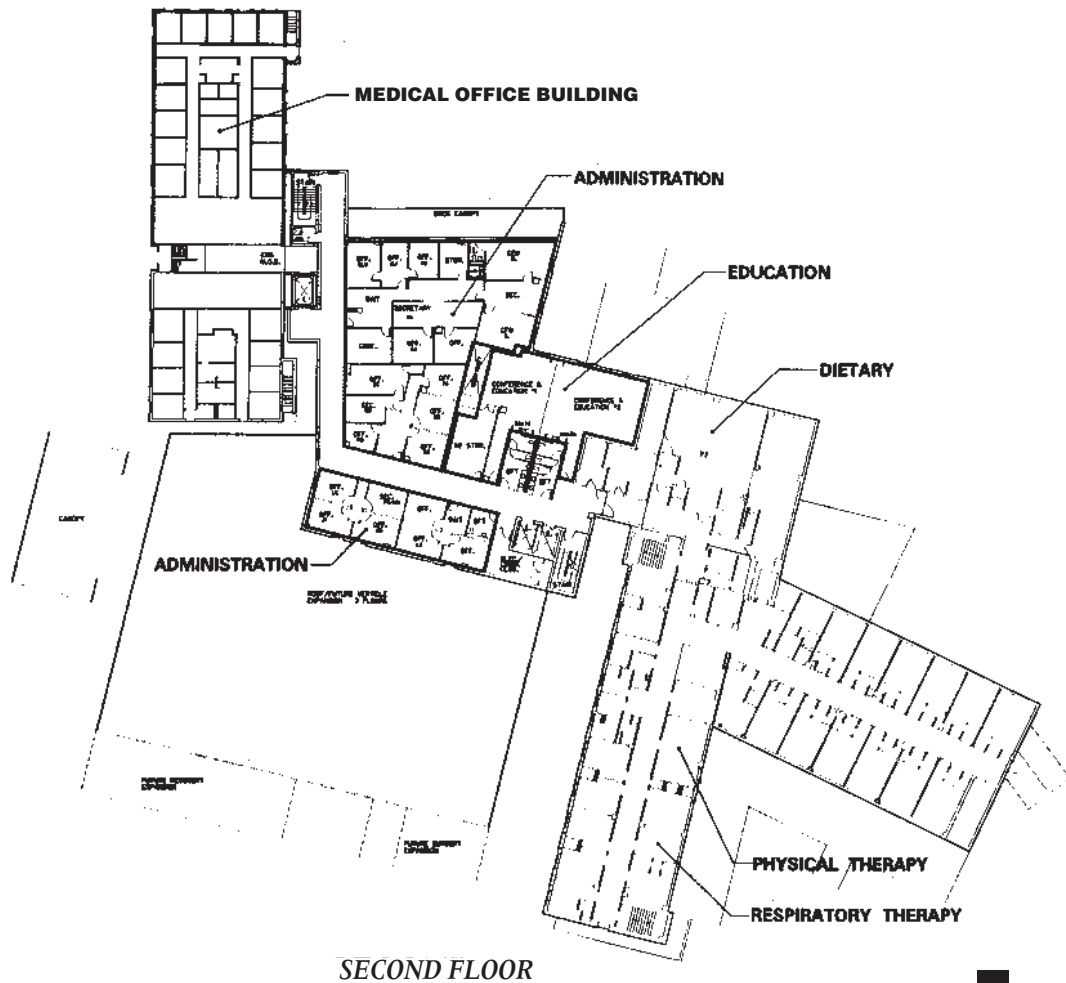
## The Second Floor

The second floor will house a **new 100-seat Community Health Education and Conference Center**. In keeping with our mission to improve the health and well-being of Eaton County residents, Hayes Green Beach sponsored 84 public education programs last year that were attended by more than 1,600 people. The new Center will enable us to centralize these programs for the comfort and

convenience participants, rather than use borrowed and make-shift facilities at various locations off campus.

In this part of the new addition, there will also be **offices for Nursing Administration, Social Service, Respiratory Therapy, Emergency Medical Services, Utilization and Infection Control.**

**Administration, Human Resources, and Development will finally be able to move into the hospital** from a separate two-story frame structure nearby.



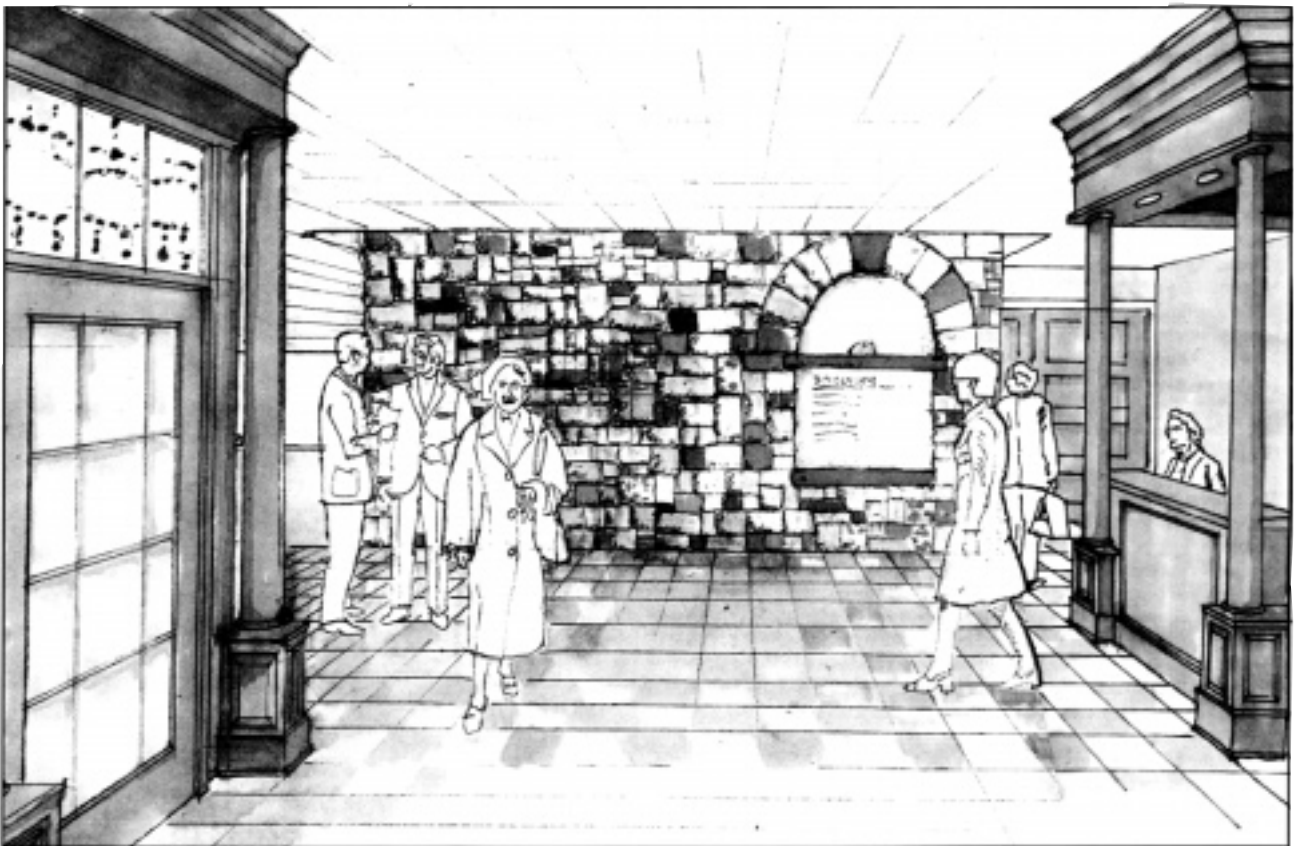
## Related Improvements

Many other benefits will stem from the new addition. Together, they will contribute to the comfort and convenience of patients, families, and visitors, and to the greater efficiency of hospital operations, for years to come. Among these are the following:

- **A new main entrance** will be constructed, providing a lobby and covered entrance for the first time, along with improved accessibility and parking. The new entrance will be

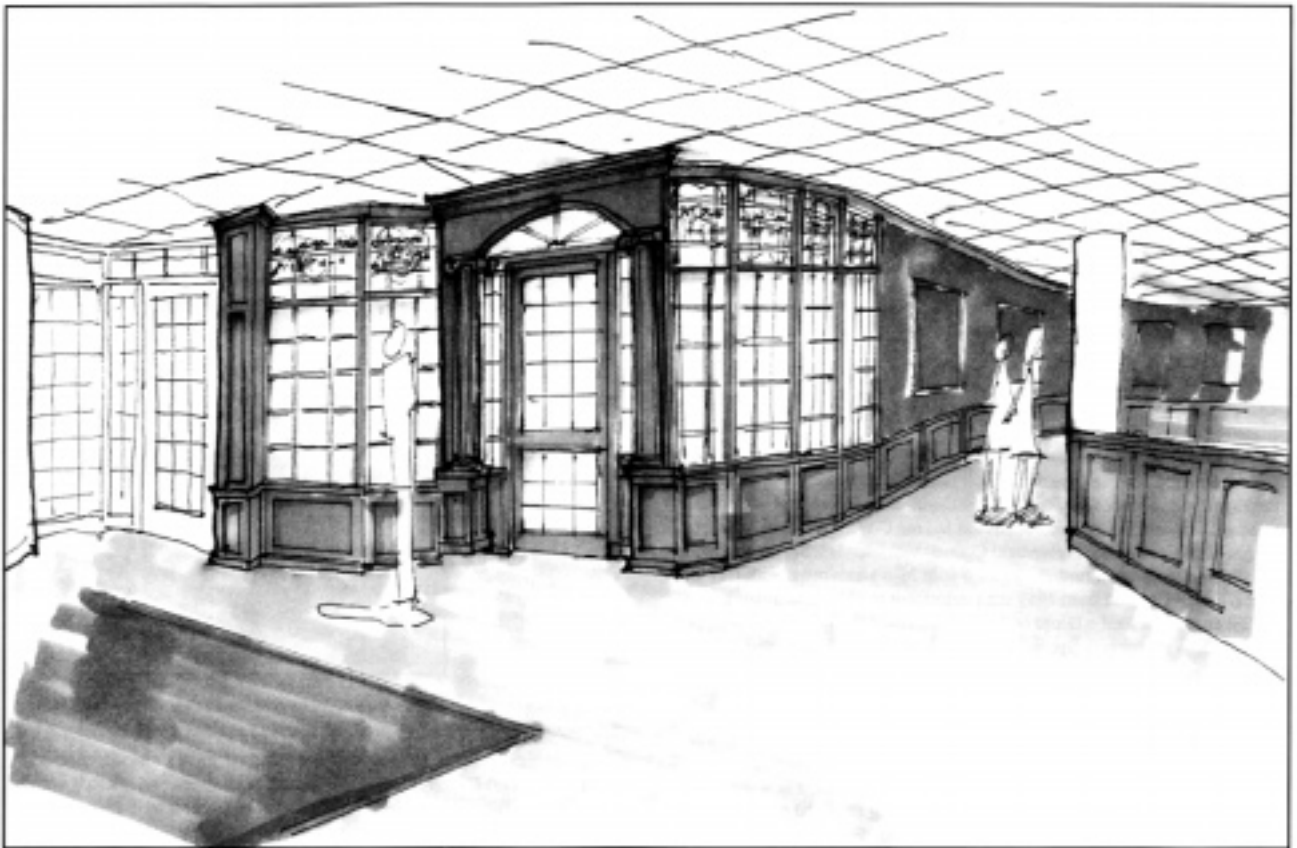
accessible from Harris Street, and face west toward the main parking area. This will eliminate the need for patients and visitors to walk through the hospital, then use an elevator, in order to register or seek service

- **A new, larger Gift Shop** will be located directly inside the new front entrance. Original and replicas of historic elements of the original 1933 hospital will be incorporated into the design, such as stained glass windows and wood wainscoting.



**Memorial Wall.** This memorial wall commemorating the original 1933 Hospital will be constructed of stones and a window from the original hospital

- The hill to the west of the hospital will be removed, and handicap access to the Medical Office Building will be provided.
  - **The Maintenance department** will move from the original 1897 building into the hospital proper. For the first time, repair and construction of hospital items will be able to be done in a maintenance shop, rather than in hospital corridors.
  - **Purchasing and Central Stores** will also move into the new addition, with improved truck access and unloading, increased storage space. This will simplify the use of exchange carts for delivery of supplies throughout the hospital.
- Space in the main hospital that is vacated by the existing surgical suites will be remodeled and used to house the **Medical Records department**, which will be provided with additional space so that record storage can take place in the department.



**Gift Shop.** *The new gift shop will be located directly inside the Hospital's new front entrance. Original and replicas of historic elements of the original 1933 hospital will be incorporated into the design, such as stained glass windows and wood wainscoting. The Hospital's Auxiliary has pledged \$50,000 toward construction and furnishings for the new Gift Basket.*



## Removal of Original Building

The Board of Trustees has determined that Project 2000 can be accomplished in only one location on the Hayes Green Beach Hospital campus. For that reason, unfortunately, it is necessary to raze the original 1897 structure, a stone and concrete mansion known as Hollyhurst.

- The 1897 building occupies the sole area on campus where an addition can be built. HGB is landlocked by Lansing Street on the East, Harris Street on the South, Oliver Street on the West, and the New York Central Railway on the North.
- The old building has been unsuitable for use in patient care since 1972, and has become too expensive to maintain.
- It would cost another \$750,000 to make the building usable again. But even then it would lack enough space and flexibility to meet the hospital's growing needs
- While the Board of Trustees is fond of the building, the Board does not believe that spending \$750,000 on a less-than-ideal plan is in the community's interest.

*Our patients say it best:*

*“Expecting our first child, my husband and I were apprehensive to deliver our baby in such a small hospital. Much to our surprise, we were given excellent treatment, from staying in a newly remodeled room, to the gourmet candlelit dinner we received before leaving to go home. ... Overall, we would not have delivered anywhere else, and we would recommend Hayes Green Beach Hospital to anyone.”*

*– S.C.W. and J.L.W., April 1997*

- The Board believes that demolition of the original building – after preserving some portions and incorporating them into the new addition – is most consistent with the wishes of Miss R. Ellen Green, who donated Hollyhurst in 1933 for the purpose of “developing a modern hospital to care for the sick of Eaton County.”

The new addition will include a special Memorial Wall – constructed of stones and a window from the 1897 building – commemorating the original hospital.

*HGB's Vital Role in the Community* .....

Hayes Green Beach means different things to different people. But whether a person recognizes it or not, the hospital plays a central, critical role in the lives of all Eaton County residents. Statistics from our 1997 fiscal year help tell the story:

- To many people, **HGB is where to turn in times of crisis.** Our emergency room received more than 10,000 visits last year.
- To others, **it is where medical services are delivered regardless of ability to pay.** In 1997, more than 10 percent of our patients were on Medicaid. Moreover, we provided upwards of \$500,000 in charitable and other uncompensated care.
- **Thousands look to HGB to get better – and stay healthy.** Annually, our Rehab and Wellness Center receives 44,000 visits. And our community health education programs touch the lives of 1,600 people.
- To some, **HGB is where life begins.** More than 200 babies were born here in 1997, bringing great joy to their families.
- **To more than 130 physicians, HGB is a strong, loyal partner in healing the sick and injured.** They admitted nearly 1,600 patients to the hospital last year, performed more than 1,300 surgeries, and accommodated 43,000 patient visits in our Medical Office Building and Specialty Clinics.
- We supported the doctors' efforts with 19,000 x-ray procedures, 34,000 physical, occupational, and speech therapy sessions, and almost 76,000 laboratory tests.
- **To nearly 400 employees, the hospital is the main source of family income.** Our payroll exceeds \$9 million.

*How the Community Helps Itself* .....

There are as many reasons to contribute to HGB’s Project 2000 as there are people whose lives are enriched by having an excellent hospital nearby. But three reasons stand out above all:

- State-of-the-art care at Hayes Green Beach means that local people have less need to travel to Lansing, Battle Creek, or Kalamazoo for quality health services.
- A donation to HGB is an act of generosity that enhances the quality of life for everyone in our community – families, friends, neighbors, and generations to come.
- Contributions to Project 2000 help ensure that health-care costs in our community remain reasonable, instead of getting out of hand as in many cities.

**Hospital industry studies have consistently shown that Hayes Green Beach is one the lowest-cost health-care providers in Michigan.** In a recent report on a six-county area by the South Central Michigan Hospital Council, for example, HGB ranked lowest or second lowest in charges for the top 20 outpatient procedures surveyed.

*“It is very valuable to have our own hospital and emergency room. Healthcare is an essential part of this community. The community has been very supportive of the hospital in the past, and we are confident it will be again.*

*“After all, the hospital’s sole purpose is to provide healthcare to the community it serves. So, whatever is invested by the community is returned in full in the form of health-care services.*

*“This is your hospital, your community, and your chance to contribute to its future.”*

– James and Sandy Maatsch, Co-chairs, Project 2000

**A major reason why HGB has been able to keep costs low is the tremendous philanthropic support it has enjoyed over the years.** Donations lighten the hospital’s debt load, and allow us to continue to expand services at the same time.

If, on the other hand, the hospital was forced to borrow too heavily to finance needed expansion, the interest on the loans would raise operating costs – and result in higher charges.

**So, contributions to Project 2000 will help maintain lower health-care costs, and increase services for the people of the Eaton County community.**

Still, the Trustees of Hayes Green Beach don't expect to raise the \$7.1 needed for Project 2000 entirely from donations.

Financing plans call for \$4 million to be raised through a low-interest, mortgage-bond, 10-year loan. Only \$1.7 million is to be raised through donations. The remainder of the cost will be covered by hospital reserves.

**Every donation, no matter how small, is important because each \$1 donated saves your hospital \$2 in long-term financing costs.**

Donations can be pledged in many forms – cash, securities, real estate, and so forth – and spread out over as many as five years.

**You should know that every dollar donated will be devoted to this much-needed project.**

And every dollar donated is tax-deductible.

*Our patients say it best:*

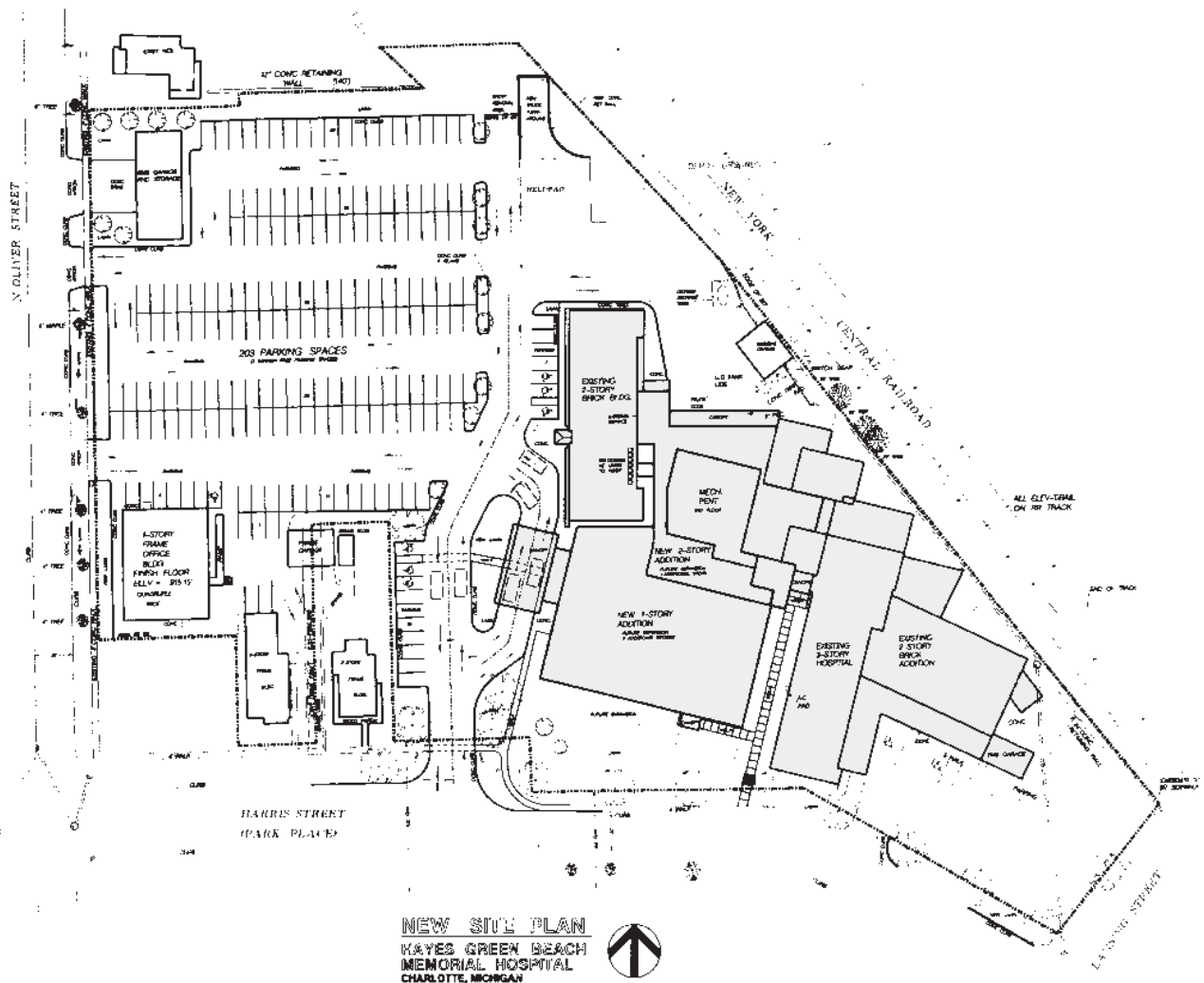
*“Our family members are truly grateful to our HGB employees. Let me explain. Our little daughter had her tonsils removed on Thursday ... While in the hospital, her whole family was treated with much loving kindness from everyone. Our daughter – from admitting to the time she was discharged – was treated like a little princess (which she is, of course.) ... We are aware that it takes many more people than we came into contact with to operate such a caring and effective facility as HGB. ... Please thank your employees for the fine jobs they do.”*

*– D.V., J.V., & J.C., August 1997*

**Project 2000 – Major Gift Naming Opportunities** .....

Surgical Wing .....	\$1,000,000	Physicians' Lounge .....	\$ 50,000
Surgery Suites (each) .....	\$ 250,000	Medical Library .....	\$ 100,000
Community Health Education Center .....	\$ 250,000*	Landscaping (stone entry walls) .....	\$ 50,000
Gift Shop .....	\$ 50,000*	Hayes Green Mansion Memorial Wall .....	\$ 150,000*
Surgery Waiting Area .....	\$ 100,000	Meditation Room .....	\$ 50,000*
Endoscopy Suite .....	\$ 50,000		

\* Already designated



# Appendix

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**Financials** .....

**Phase III Facility Project Costs**

- 1. Balance of pre-existing debt to be refinanced: .....None

**Construction costs:**

- 2. New construction .....\$ 5,444,000
- 3. Renovation and remodeling .....\$ 176,000
- 4. Fixed equipment .....\$ 150,000
- 5. Architect/engineer fees .....\$ 553,000
- 6. Consulting fees ..... -0-
- 7. Contingencies .....\$ 392,000
- 8. Other
- 9. Total construction cost .....\$6,715,000
- 10. Movable equipment .....\$ 250,000
- 11. Lease cost
- 12. Land purchase
- 13. Site preparation
- 14. Building purchase
- 15. Debt service reserve fund
- 16. Interest during construction ....\$ 120,000
- 17. Discount (bond, FHA)
- 18. Legal fees

**Financing and related debt issue costs:**

- 19. Banking fees .....\$ 61,750
- 20. Bond counsel .....\$ 5,000
- 21. Authority application fee
- 22. Admin. services during construction
- 23. Rating agency fees
- 24. Feasibility study
- 25. Legal counsel
- 26. Printing/miscellaneous .....\$ 8,250
- 27. Other
- 28. Total Financing Cost .....\$ 75,000
- 29. Other
- 30. Total Uses of Funds .....\$7,160,000

**HGB Fiscal Year 1998 Budget**

**Revenue:**

- Inpatient .....\$ 7,749,590
- Outpatient .....\$ 13,616,153
- Patient revenue .....\$21,365,743
- Revenue deductions
- Contractual adjustments .....\$ 3,651,811
- Charity care .....\$ 106,829
- Total revenue deduction .....\$ 3,758,640
- Net patient revenue .....\$17,607,103
- Other operating revenue .....\$ 381,158
- Net operating revenue .....\$17,988,261

**Operating Expenses**

- Salaries and wages .....\$ 9,554,841
- Supplies .....\$ 2,040,325
- Fees .....\$ 975,923
- Purchased services .....\$ 973,181
- Depreciation .....\$ 1,147,229
- Interest and amortization .....\$ 168,645
- Other expenses .....\$ 243,984
- Employee benefits .....\$ 1,609,815
- Bad debt expense .....\$ 483,023
- Total expenses .....\$17,196,966
- Net operating income .....\$ 791,295
- Non-operating revenue .....\$ 449,452
- Net income .....\$ 1,240,747

**HGB Statement of Operations**

	<i>Year ended March 31</i>	
	<i>1997</i>	<i>1996</i>
UNRESTRICTED REVENUE, GAINS & OTHER SUPPORT		
Net patient service revenue	\$17,408,039	\$15,936,090
Other revenue	344,031	190,541
Net assets released from restrictions used for operations	25,425	0
Total unrestricted revenue, gains, and other support	\$17,777,495	\$16,126,631
EXPENSES		
Salaries and wages	9,158,954	7,839,973
Employee benefits	1,401,892	1,317,768
Supplies and other expenses	2,017,726	1,740,380
Professional fees	864,340	1,042,772
Purchased services	1,089,819	1,104,869
Insurance	227,878	206,293
Depreciation and amortization	1,056,349	934,843
Provision for bad debt	480,979	440,773
Interest expense	<u>176,175</u>	<u>72,812</u>
Total expenses	<u>16,474,112</u>	<u>14,700,483</u>
OPERATING INCOME	1,303,383	1,426,148
OTHER INCOME, Net	<u>373,768</u>	<u>563,821</u>
EXCESS OF REVENUE OVER EXPENSES	1,677,151	1,989,969
CHANGE IN NET UNREALIZED GAINS AND LOSSES ON INVESTMEENTS	(3,609)	96,849
NET ASSETS RELEASED FROM RESTRICTIONS	<u>0</u>	<u>40,306</u>
INCREASE IN UNRESTRICTED NET ASSETS	\$ <u>1,673,542</u>	\$ <u>2,127,124</u>

**HGB Balance Sheet**

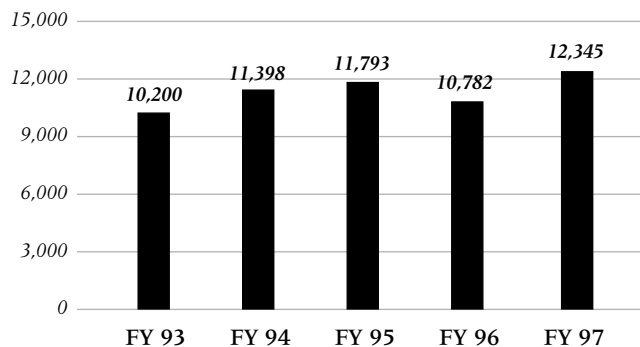
	<i>Year ended March 31</i>	
	<i>1997</i>	<i>1996</i>
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,962,917	\$ 1,378,062
Patient accounts receivable	2,372,716	2,505,381
Cost report settlements receivable	275,000	396,215
Inventories	147,375	135,084
Prepaid expenses and other	<u>240,294</u>	<u>133,456</u>
Total current assets	4,998,302	4,548,198
ASSETS LIMITED AS TO USE	3,714,997	2,828,675
PROPERTY AND EQUIPMENT	<u>10,638,891</u>	<u>10,512,992</u>
Total assets	<u>\$19,352,190</u>	<u>\$17,889,865</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES		
Current portion of long-term debt	\$ 147,598	\$ 146,262
Accounts payable	504,511	436,454
Cost report settlements payable	223,408	510,213
Accrued liabilities	<u>888,070</u>	<u>795,346</u>
Total current liabilities	1,763,587	1,888,275
LONG-TERM DEBT	<u>2,173,440</u>	<u>2,318,793</u>
Total liabilities	\$ 3,937,027	\$ 4,207,068
NET ASSETS		
Unrestricted	14,448,271	12,774,729
Temporarily restricted	94,591	88,985
Permanently restricted	<u>872,301</u>	<u>819,083</u>
Total net assets	<u>15,415,163</u>	<u>13,682,797</u>
Total liabilities and net assets	<u>19,352,190</u>	<u>17,889,865</u>



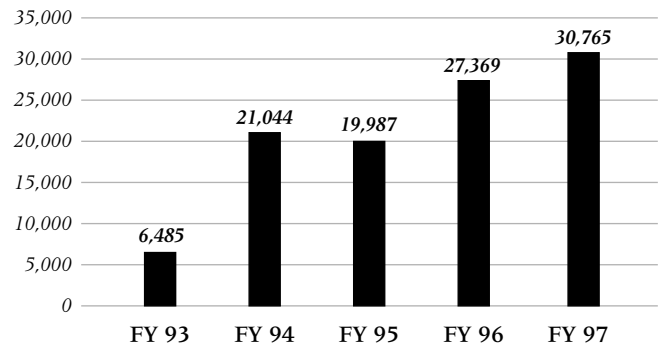
**HGB Statistics**

	<i>FY 93</i>	<i>FY 94</i>	<i>FY 95</i>	<i>FY 96</i>	<i>FY 97</i>
Patient days . . . . .	5,132	5,302	4,968	5,312	5,108
Average daily census . . . . .	14.1	14.5	13.6	14.5	14.0
Average length of stay . . . . .	4.01	3.77	3.63	3.53	3.22
Emergency room visits . . . . .	10,302	10,514	10,621	10,501	10,021
O/P registrations . . . . .	23,946	26,624	26,281	27,339	29,671
Radiology procedures . . . . .	15,658	16,347	17,198	18,102	19,083
PT/OT speech procedures . . . . .	14,119	24,008	30,175	32,465	34,338
Lab procedures . . . . .	67,142	72,074	77,420	74,623	75,585
Full-time equivalent employees . . . . .	177.5	190.7	205.9	229.2	246.4

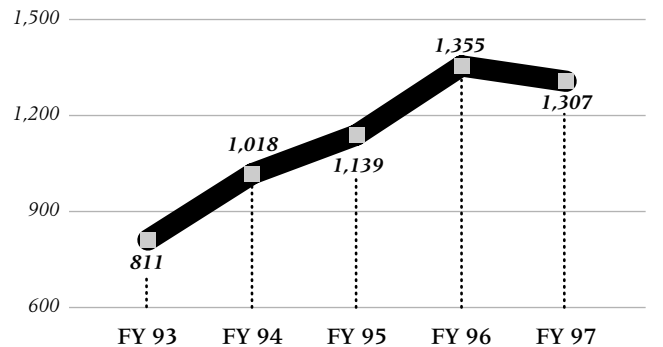
**Specialty Clinic Visits**



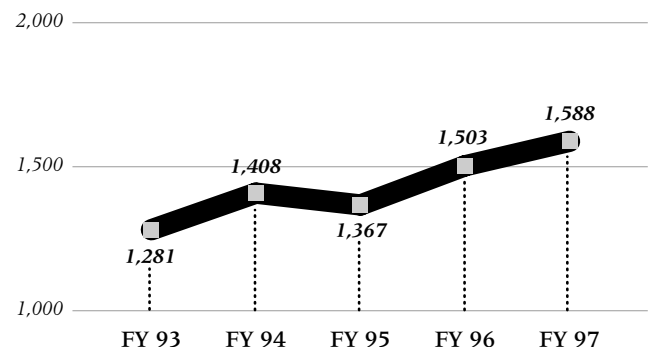
**Hospital-Owned Practices Visits**



**Surgeries**



**Inpatient Admissions (excluding nursery)**



*Officers & Committees* .....

**Corporate officers**

Stephen Mapes, MHA – *president and chief operating officer*

Scott Currie – *vice president of operations*

Deborah Leblanc, BSN, MM – *vice president,  
patient care services*

**Board of Trustees**

Robert Fulton – *chairman*

James Maatsch – *vice chairman*

Anthony Sommer – *treasurer*

Frederick Darin, OD – *secretary*

Kathy Tomlanovich – *member-at-large*

Stuart Bearup

Mona Ellard

Floyd Jewell

Virginia Lowe

Richard Trumley

**Medical Staff Officers**

Robert Leeser, MD – *chief of staff*

Dorothy Mondejar, MD – *chief of staff elect*

Kory Deason, MD – *secretary/treasurer*

James Balger, DO – *member-at-large*

Ramona Kwapiszewski, DO – *member-at-large*

### **Auxiliary Officers**

The Auxiliary acts as a direct service organization, raising money for equipment and other special needs for the hospital. Its fund-raising efforts include overseeing the Gift Shop's operations. Currently, there are 138 Auxiliary volunteers.

Phyllis Straight – *president*

Linda Lisle – *vice president*

Fran Madry – *treasurer*

Dolores Miller – *secretary*

Fran Madry & Helen Garvey – *co-chairperson, Gift Basket*

### **Red Cross Officers**

Sharon Upright – *chairperson*

Frances Jamison – *co-chairperson*

June Dygert – *time chairperson*

Marguerite Driscoll – *flower chairperson*

### **Active Medical Staff**

James Balger, DO – *family practice*

Frederick Bean, MD – *family practice*

Kory Deason, MD – *emergency medicine*

William Dunker, DO – *emergency medicine*

Sherman Horn, II, MD – *emergency medicine*

Hak Kim, MD – *general surgery*

Ramona Kwapiszewski, DO – *family practice*

Robert Leeser, MD – *family practice*

Dorothy Mondejar, MD – *internal medicine,  
geriatric, hematology*

Jon Neumann, MD – *pathology*

Sandra Russell, DO – *obstetrics and gynecology*

Thomas Sainz, DO – *family practice*

Donald Simon, MD – *radiology*

Douglas Vanator, DO – *family practice and general surgery*

Kevin Waits, DO – *obstetrics and gynecology*

Thomas Wertz, DO – *emergency medicine*

Douglas Wolford, DO – *anesthesia*

Barrett Zink, DO – *family practice*

**Specialty Clinic Medical Staff**

*Allergy* .....Ramesh Avula, MD  
 .....Michael Nosanov, MD

*Audiology* .....Julie Pabst, MA, CCC – A

*Cardiac* .....George Kleiber, DO  
 .....Daryl Melvin, MD  
 .....Aajay Shah, MD

*Dermatology* .....Mark Hatch, DO

*Ear, Nose & Throat* .....Edward Berg, DO  
 .....Mark Lebeda, MD  
 .....Michael Nosanov, MD

*Gastroenterology* .....Urvish Shah, MD  
 .....John Walling, DO  
 .....David Wiedemer, MD

*Hematology* .....Jeffrey Letzer, DO

*Neurology &*

*Electromyography* .....José Arbona, MD  
 .....Dennis Jewett, MD  
 .....Frederick Vincent, MD

*Oncology* .....Jeffrey Letzer, DO  
 .....Carol Rapson, MD

*Ophthalmology* .....David Harrell, MD  
 .....Marcus Rhem, MD  
 .....Frank Rosenbaum, MD

*Orthopedic* .....John Flood, DO  
 .....Todd Harburn, DO  
 .....J. Wesley Mesko, MD  
 .....Mark Russell, DO  
 .....Kenton Waterbrook, DO

*Pediatrics* .....Charlotte Pediatrics  
 Associates, an affiliate of  
 MSU Pediatrics Associates

*Podiatry* .....Robert Green, DPM  
 .....Brian Goosen, DPM

*Plastic Surgery* .....Edward Lanigan, MD

*Psychology* .....Klaus Sauerbrey, Ed.D

*Pulmonary* .....Arshad Abbasi, MD  
 .....Chandra Gera, MD  
 .....Gauresh Kashyap, MD

*Rheumatology* .....Niti Thakur, MD

*Thoracic Cardiac &*

*Vascular Surgery* .....Divyakant Gandhi, MD

*Urology* .....David Johnson, MD  
 .....Joseph Mashni, MD  
 .....Leonard Zuckerman, MD

*Project 2000 Committee* .....

The *Project 2000 Committee* has been appointed by the hospital's board of trustees for the express purpose of raising funds for the Phase III capital project. Working in conjunction with the Development Council, 14 community leaders are donating their time to enhance the quality of health care for Eaton County residents by reducing the hospital's long-term operating costs through large (over \$25,000) philanthropic gifts.

James & Sandy Maatsch – *co-chairs*

Keith Bazaire

Stuart Bearup

Kory Deason, MD

Robert Fulton

Floyd Jewell

Robert Johnson

Robert Leeser, MD

Stephen Mapes, MHA

Joseph Pray, Sr.

Anthony Sommer

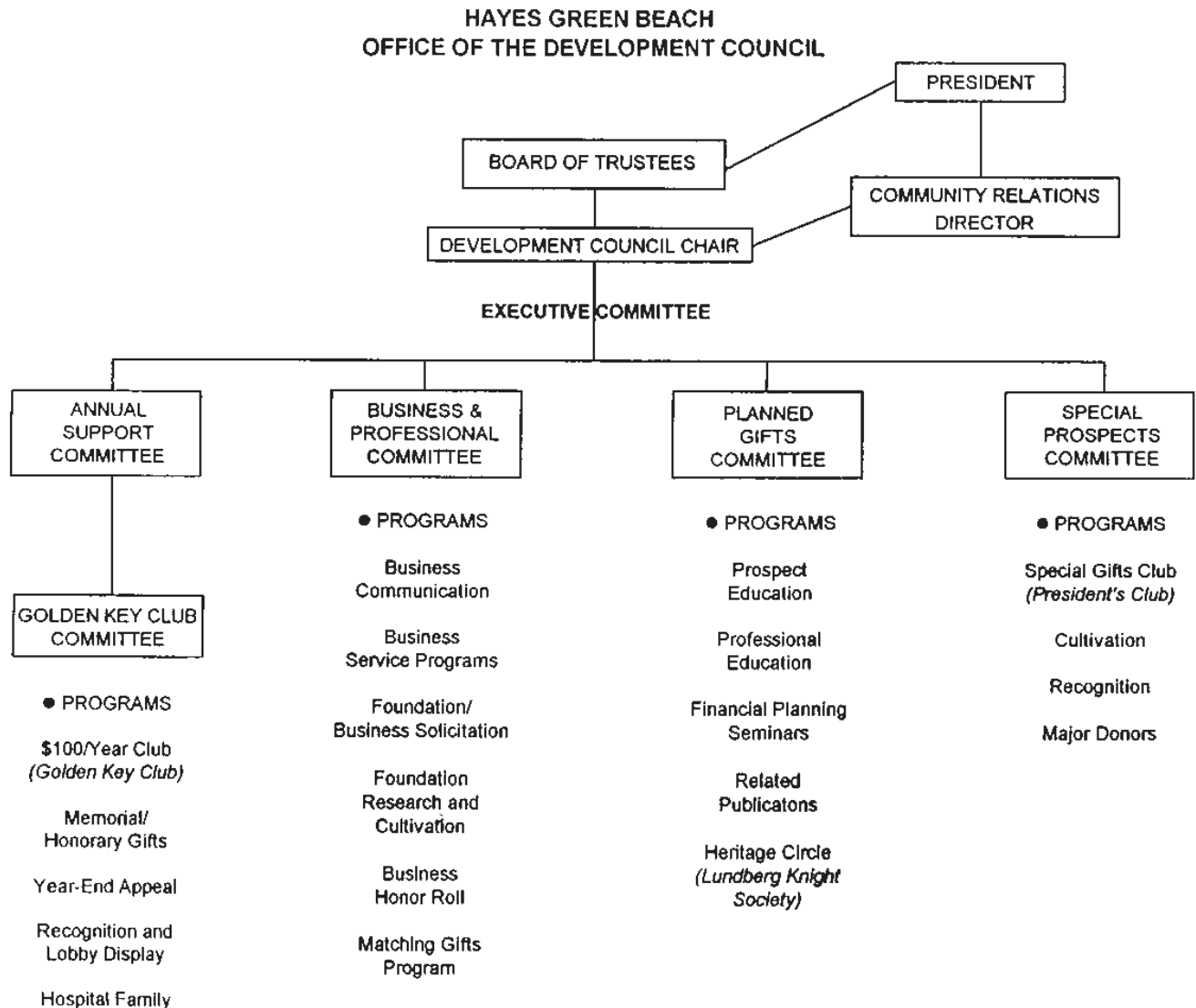
Richard Trumley

George Wildern

*Development Council* .....

Established in 1988, the Hayes Green Beach Development Council provides a working link between the hospital and the Eaton County community. Its purpose is to provide community education and involvement, community services, and personal

contact for financial support. It is composed of four committees of leading community volunteers, and an in-house committee representing employees and hospital volunteers.



*Annual Support Committee* is charged with increasing the number of donors to the institution. It oversees the Golden Key Club (\$100 per year or more of giving), Foundations Club (annual gifts of less than \$100), Memorial and Honorary Gifts program, year-end appeal, Cradle Roll, and donor recognition.

*Golden Key Committee* solicits annual gifts from employees and volunteers, and coordinates recognition for donors.

*Business and Professional Committee* seeks to increase the number of businesses with whom the hospital has a relationship. It is responsible for hosting cultivation and health programs and assisting in

identifying the health education needs of small business owners, managers and employees.

*Planned Gifts Committee* members provide educational materials and programs to increase awareness of planned giving. They oversee the Lundberg Knight Society, which was established to recognize those who have chosen to give planned gifts to the hospital.

*Special Prospects Committee's* purpose is to increase the number of major donors (\$10,000 or more) to the hospital. It cultivates prospects for the President's Club and provides appropriate recognition.