As we approach the tenth anniversary of Catholic Health Initiatives, we want to express our gratitude and appreciation for all who helped to establish our legacy of care and to all who continue it today.
From the Chair of the Board of Stewardship Trustees and the President and Chief Executive Officer

As leaders of the health ministry called Catholic Health Initiatives, we feel a sense of awe at being part of something so much larger than ourselves. We are all entrusted with continuing a legacy of care that has a compelling history and a limitless future.

While we take pride in being one Catholic Health Initiatives, we recognize that each board member, physician, staff member and volunteer is a unique individual who brings distinctive experiences and gifts to our legacy of care. Added together, Catholic Health Initiatives is a stunning array of talent and diversity to care for the sick and the well and build healthy communities across our country.

The people you will meet on the following pages are representative of our exceptional workforce. What makes them unique are the paths that brought them to Catholic Health Initiatives. What they have in common is pride in their work, compassion for those we serve and the satisfaction of belonging to a values-based work community.

Esther Anderson, OSF, PhD
Chair, Board of Stewardship Trustees

Kevin E. Lofton, FACHE
President and Chief Executive Officer
A Legacy of Care
The legacy of care of Catholic Health Initiatives took root many years ago as members of the founding congregations, by design or by circumstance, became involved in the healing ministry of Jesus. Often, the Sisters traveled to American cities or the frontier as teachers; and in response to urgent health care needs in their communities, they became nurses. As they grew skilled at healing, they branched into other aspects of health care, managing facilities, finances and community health as well as patient care.

Blessed by the rich history and traditions of these courageous Sisters, Catholic Health Initiatives now sponsors the health care facilities they created. Sometimes, the Sisters began their health ministries with little more than a small house in an urban neighborhood, a makeshift shanty on a wide prairie or a tent pitched on a high desert. These modest beginnings have evolved into hospitals, long-term care facilities and residential centers infused with the spirit of the Sisters. They are places for the restoration of health and preservation of wellness, but also centers of daily life for neighborhoods and communities, large and small.

Today, more than 66,000 skilled individuals continue the legacy of care of Catholic Health Initiatives, aided by medical knowledge, infrastructure, systems and equipment that the Sisters of previous centuries could scarcely have imagined. Still, Catholic Health Initiatives cares for patients and communities in mind, body and spirit, just as the Sisters always have.

On their own and with their colleagues, the employees and staff members on the following pages live the mission of Catholic Health Initiatives: to nurture the healing ministry of the Church by bringing it new life, energy and viability in the 21st century.
Be shepherds of God’s flock that is under your care, serving as overseers – not because you must, but because you are willing, as God wants you to be; not greedy for money, but eager to serve; not lording it over those entrusted to you, but being examples to the flock.

1 Peter 5:2-3
I love what I do. Caring for patients who really need me and being able to help them is very fulfilling.

Kelly Helton, RN, Critical Care
Marymount Medical Center
London, Kentucky
Pauletta McGuire loves coming to work at Holy Rosary Medical Center in Ontario, Oregon. “I’m happy every Monday morning because I get to come here,” she said. As food production charge, she ensures that the hospital cafeteria is well equipped to serve more than 15,000 meals a month, featuring made-from-scratch specialties. The food is so good that students at the local high school choose to eat lunch there. “I used to be a nurse and I’m a self-taught chef, so this combines my love of patients and food,” said Pauletta.
John Murphy marvels at the cycle of life he witnesses at Alegent Health in Omaha, Nebraska. “While one life may be ending in the emergency room, another may be beginning in labor and delivery,” he said. “I see my job as helping people, wherever they may be in that cycle.” John, who has won awards from Alegent Health and the local chapter of an international association for security officers, was attracted to working at Alegent Health because of the opportunity to contribute to the healing mission of Jesus. He helped establish a morning prayer group for employees, and is now working in partnership with pastoral care and clinical specialists to facilitate a Bible study group for behavioral health patients. “I believe in our mission, our world-class health care, and in the spirit of our security team,” he said.
In 1965, Sister Joseph Ellen, SCN, president of Marymount Medical Center in London, Kentucky, needed an executive assistant to help her manage a growth phase at the hospital. A physician who knew Barbara French from her work in medical records knew she’d be perfect for the job. Forty years later, eight different chief executive officers have relied on Barbara’s administrative skills and her knowledge of every corner of Marymount. “The caring and compassion make it special here,” said Barbara. “Plus, Marymount is always in a growth mode.”

“\textbf{We always move forward, never backward.}\textbf{}”

Barbara French, Executive Assistant
Marymount Medical Center, London, Kentucky
Gene Woods joined Saint Joseph HealthCare in May 2005, attracted by the fact that the organization had distinguished itself nationally for quality of care. “There is something truly special about this place,” he said. He finds his responsibility to continue a legacy of care started by the Sisters of Charity of Nazareth in 1877 to be a humbling honor and a sobering responsibility. “The Sisters’ sole purpose was to help those in need,” he said. “That purpose remains at the core of every decision we make at Saint Joseph. It is our goal to have every encounter with a patient serve as a moment of truth that differentiates Saint Joseph and Catholic Health Initiatives.”

“My guiding principle has always been that patients must be first in everything we do.”

Eugene Woods, President and Chief Executive Officer
Saint Joseph HealthCare, Lexington, Kentucky
Assembly of God pastor Joe Barnett has always had an affinity for hospital-based ministry. “It’s just something in me that’s always worked well,” he said. A chaplain at Holy Rosary Medical Center, Ontario, Oregon, for more than 13 years, Joe sees his role as connecting patients with their faith, advocating for them and helping them cope with their conditions.

“The leadership here at Holy Rosary has always known what research is starting to show: there are positive effects of pastoral care in hospital settings.”

Joe Barnett, Chaplain
Holy Rosary Medical Center, Ontario, Oregon
When he was the box boy at a grocery store in Ontario, Oregon, a customer who appreciated Cesar Rayo’s polite ways told him, “You’ll be of great service someday.” Young Cesar took those words to heart. After a series of customer service-focused jobs in retail, his wife, a nursing student, suggested that he apply for a job at Holy Rosary Medical Center, where he now works in material resource management.

I like the feeling here. There are lots of customers: patients and other departments. When they call, we’re here.”

Cesar Rayo, Material Resource Management Lead
Holy Rosary Medical Center, Ontario, Oregon
“I love working with patients and their families.”

Meredith Dutton, RN, Nurse Manager
Central Kansas Medical Center, Great Bend, Kansas

Meredith Dutton is advancing quickly in her career at Central Kansas Medical Center in Great Bend, Kansas. “I have opportunities here that I don’t think I’d have in a bigger place,” she said. As nurse manager, Meredith handles much of the behind-the-scenes administration — staffing, scheduling, budgeting — necessary to enable the hospital’s nurses to provide patient care. She continues to use her nursing skills as well. “I like being a nurse manager who still has the opportunity to provide direct patient care,” she said.
After nearly 25 years of medical imaging with generations of technology, Rama Vadapalli is a familiar face for many patients at Holy Rosary Medical Center, Ontario, Oregon. He’s also known as founder of the local school-age soccer league he started when his three children were young. Rama’s children are now grown with children of their own, but the league continues, 300 players strong. Rama also gives his time to provide community education about breast cancer and heart health.

“I believe in the power of a community that is well-educated about health. I’ve always had a good time living and working here.”

Rama Vadapalli, Nuclear Medicine Technologist
Holy Rosary Medical Center, Ontario, Oregon
“I believe that God puts you where He wants and needs you to be,” said Isabel Bojorquez, receptionist at St. Joseph Family Medicine, a clinic located across the street from Central Kansas Medical Center in Great Bend, Kansas. “My youngest son was in day care at the hospital when I found out that the clinic needed someone bi-lingual in English and Spanish. It’s a great job for me.” Isabel enjoys answering the clinic phones, making appointments and greeting visitors, but helping patients and co-workers with her translation skills is her favorite part of the job.

“This is what I’m meant to do.”

Isabel Bojorquez, Clinic Receptionist
Central Kansas Medical Center, Great Bend, Kansas
In 1972, Carol Wichman became one of the first flight nurses in the United States. Since then, she has helped shape standards for the operation of Flight for Life programs all over the country, as well as educational standards for medical flight crews.

“Centura Health’s Flight for Life program is the model for programs everywhere,” said Wichman, who leads the crew based at Penrose-St. Francis Health Services in Colorado Springs. “Years ago, when I worked at a hospital in Alaska, the Army would bring in sick soldiers via helicopter. No one on the helicopter even took blood pressures, because no one knew how.”

“I knew I could do better than that, and Centura gave me the chance.”

Carol Wichman, RN, Clinical Coordinator, Flight for Life
Penrose-St. Francis Health Services, Colorado Springs, Colorado
In the original administration office within Holy Rosary Medical Center in Ontario, Oregon, Joe Hardin maintains the miles of telecommunication wire that allow Holy Rosary employees and patients to connect with each other and the outside world. “I’ve enjoyed it here since day one, which was 23 years ago,” said Joe. Holy Rosary enjoys having him. “I’m what you call a company man,” said the Air Force veteran.

“I never say that’s not my job.”

Joe Hardin, Telecommunications Support Analyst
Holy Rosary Medical Center, Ontario, Oregon
Faith is an undertone to our work, and it’s never forced.

Heidi Burnett, CCCSLP, Speech Language Pathologist
Penrose-St. Francis Health Services, Colorado Springs, Colorado

Heidi Burnett always planned a career in health — specifically, on the rehabilitative end of the spectrum of care. She worked as a speech language pathologist in Cleveland, Ohio, until she fell in love with Colorado on a ski trip. “I sent my resume up and down the Front Range,” she said. Fortunately, Penrose-St. Francis Health Services in Colorado Springs had a opening. For patients who have survived injury or neurological damage, Heidi helps them to recover swallowing function, voice, language and cognition. While Heidi didn’t seek out a faith-based environment, she enjoys it.
Social worker Juan Chavarria grew up in the Nampa, Idaho area, so he knows the community well. But when he joined the staff at Mercy Medical Center five years ago, he didn’t really know what to expect in the health care environment. “What I found was a team approach to patient care, which is something I really like about working at Mercy.” Juan, who also serves as a Spanish translator, embraces the challenge of working with a diverse patient population. “I get to work with people of all ages and many different life experiences,” he said. “It’s made me an experienced generalist in social work.”

“I learn from patients and from the medical staff every day.”

Juan Chavarria, Social Worker
Mercy Medical Center, Nampa, Idaho
Six years ago, after owning and operating a small business in southern Illinois, Lionel Maggard returned to his roots in London, Kentucky. Several family members who are employees at Marymount Medical Center encouraged him to apply for the hospital courier job that he now holds. “It can be hectic,” Lionel says of his days spent transporting specimens, X-rays, mail and more from clinics in surrounding communities to the hospital and back again. “But, I enjoy it.”

“I like to talk to people, always have.”

Lionel Maggard, Courier
Marymount Medical Center, London, Kentucky
Seeking to combine her faith and her work, Vicki Jackson left her job as a business teacher in spring 1999. That August, she answered an ad in the local paper, which led to her current job as director of Faith in Action for Mercy Hospital of Valley City, North Dakota. She directs an interfaith volunteer caregiver program that makes life easier and more complete for many in the Valley City area. She also directs a program that provides prayer shawls — warm shawls, hand-knitted by area residents with love and prayers — to people in need of comfort.

“ It’s like wrapping the arms of God around these people. This is the perfect job for me. It allows me to be part of the healing ministry, which is what I wanted. ”

Vicki Jackson, Director, Faith in Action
Mercy Hospital, Valley City, North Dakota
A few years ago, Central Kansas Medical Center in Great Bend, Kansas, needed help recruiting new physicians. Hospital leaders did some recruiting on their own. They approached local business owner Mark Mingenback, a lifelong resident and tireless community supporter. “They told me they could go with a traditional recruiting firm, but they wanted someone who loved the community: they figured they could teach me the recruiting skills,” he said. As vice president of professional services, Mark also oversees the hospital’s marketing department and foundation.

“My wife and I prayed a lot before I made this career change, and it’s worked out great.”

Mark Mingenback, Vice President, Professional Services
Central Kansas Medical Center, Great Bend, Kansas
Karen Wheatley had a record of accomplishment at one of the top labor and delivery hospitals in the United States. When her husband took a position as a professor at Northwest Nazarene University in Nampa, Idaho, Karen was recruited by all three major health care providers in the area. She chose Mercy Medical Center. “Mercy is the best place for me,” said Karen, who serves as a childbirth educator, clinical educator, labor and delivery nurse and obstetrics unit nurse. “I get to know expectant parents in childbirth class, then work with them in labor and delivery and throughout their hospital stay.”

“I feel lucky to be here.”

Karen Wheatley, RN
Family Birthing Center, Mercy Medical Center, Nampa, Idaho
"I like the caring atmosphere here, and I like the people."

Homer Jordan, Laundry Processing Technician
Alegent Health, Omaha, Nebraska

Like his co-workers in Alegent Health’s laundry at Bergan Mercy Medical Center, Omaha, Nebraska, Homer Jordan really likes clean laundry. Homer, a laundry processing technician, runs a huge washing machine that produces about six million pounds of clean linens each year. When the washer isn’t in use, Homer pitches in to help with folding, stacking and other tasks needed to provide patients with a clean environment. Occasionally, he also helps search for lost stuffed animals or other items to reunite patients with their treasures.
For 24 years, histologist Donna Hansen has used beautifully colored stained tissue to help other clinicians diagnose and treat patients at Holy Rosary Medical Center, Ontario, Oregon. The former phlebotomist has had several opportunities to move on to a larger hospital, but prefers the family feeling at Holy Rosary. "That's a benefit you don't get everywhere," she said.

"Here, I work with great people and I work every day for the good of the patients."

Donna Hansen, Manager, Histology
Holy Rosary Medical Center, Ontario, Oregon
“It’s challenging and rewarding to help a woman through the process of childbirth, to reassure the mother and welcome the baby.”

Terry Wasinger, OP, RN
Family Birthing Unit, Central Kansas Medical Center, Great Bend, Kansas

Love for her tiny patients radiates from Sister Terry. She worked as a nurse and midwife, delivering babies in the villages of Nigeria for 25 years. “When I came back to the United States in 1992, there had been so much change in the technology of health care,” she said. “There were a lot of ‘black holes’ for me, which I had to fill in.” Sister Terry became re-certified as a registered nurse and has worked ever since as a childbirth educator and Family Birthing Unit nurse at Central Kansas Medical Center, Great Bend, Kansas.
A former teacher with a master’s degree in public health, North Dakota native Sharon Buhr wanted to do something to improve the health of young people. Her brainstorm — the Young People’s Healthy Heart Program — is a comprehensive wellness curriculum for school children that includes persuasive visual aids. Test tubes show kids and their families the shocking amounts of fat, salt and sugar that lurk in today’s convenience foods. Now marketed internationally, the program’s home remains where it began: at Mercy Hospital in Valley City, North Dakota.

“I’ve always enjoyed the support of Mercy Hospital in promoting health and wellness for youth.”

Sharon Buhr, Director, Nutrition, Mercy Hospital, Valley City, North Dakota
Internist David Nagata is far from his homeland of Argentina. Still, Holy Rosary Medical Center in Ontario, Oregon, feels like home to him. The community has some of the same ethnic mix — Caucasian, Japanese and Hispanic — that he grew up with. “I find the spiritual aspect of Holy Rosary very refreshing, especially the morning prayers every day at 9 a.m. I attended Catholic schools all the way through university, but I never had that before.”
System Highlights  | Core Strategy: People

International Spirit at Work Award
Catholic Health Initiatives received the 2005 International Spirit at Work Award, which recognizes organizations that promote workplace spirituality. Among other organizational attributes, the award recognized the grassroots process used to establish Catholic Health Initiatives’ core values.

Cahill Leadership Initiative Grants
Catholic Health Initiatives presented the first grants from the Patricia A. Cahill Leadership Initiative, created to provide leaders with time away from their jobs to pursue educational study, research, writing and community service. The first grants were awarded to Diane Traffas, OP, vice president of mission integration, and Allen Montgomery, Esq., vice president and senior counsel. The initiative is named for Patricia Cahill, the first president and chief executive officer of Catholic Health Initiatives.

Disaster Relief
Catholic Health Initiatives contributed $92,000 to relief efforts after the December 2004 tsunami in Southeast Asia, and contributed more than $200,000 to help survivors of Hurricanes Katrina and Rita, which struck the Gulf Coast in September 2005.

Work Communities of Choice
To help market-based organizations become employers of choice in their markets, Catholic Health Initiatives introduced the Employee Covenant and the guiding principles for the values-based work communities that comprise Catholic Health Initiatives.

During 2005, several Catholic Health Initiatives facilities were recognized as work communities of choice in their markets:

- Catholic Health Initiatives’ Northern Kentucky office, named a “Best Place to Work in Kentucky” by the Kentucky Society for Human Resource Management, the Kentucky Chamber of Commerce, Best Companies Group and Business First magazine.
- Franciscan Health System, Tacoma, Washington, named one of Washington’s “52 Best Companies to Work For” by Washington CEO magazine.
- Memorial Hospital, Chattanooga, Tennessee, named one of the top five places to work in the state by Business Tennessee magazine.
- Mercy Medical Center, Des Moines, Iowa, which won the Diversity Award from the Greater Des Moines Partnership.
- Mercy Medical Center, Roseburg, Oregon, which received a second consecutive “Best 100 Companies to Work For” recognition from Oregon Business magazine.
- Saint Francis Medical Center, Grand Island, Nebraska, which won an Optimas Award for workforce program development from Workforce Management magazine.
- TriHealth, Cincinnati, Ohio, named one of the nation’s 100 Best Companies for Working Mothers by Working Mother magazine.
New Core Strategy
The Board of Stewardship Trustees approved an update of the organization’s strategic plan, naming Information as a core strategy of Catholic Health Initiatives. A system-wide, cross-functional work group developed an information management plan to guide the organization toward becoming the trusted health information partner in the communities it serves.

Advanced Clinical Information System
The Phase I applications of Catholic Health Initiatives’ Advanced Clinical Information System, which include electronic access to patient information and emergency department triage, were successfully launched at three market-based organizations. ACIS will ultimately combine all patient information in electronic records.

New Central Business Office
Catholic Health Initiatives selected the Fargo, North Dakota, area as the site for a new Central Business Office to serve market-based organizations in North Dakota and Minnesota.

Data From Source Project
Using information provided by market-based organizations, the Catholic Health Initiatives Data From Source project constructed a database of the system’s clinical business. The data is standardized and adjusted for risk and severity to help the system accurately analyze its mix of clinical cases.
Anti-Coagulant Clinical Guideline
To improve quality and prevent injury, a Catholic Health Initiatives solution team developed a clinical guideline and tool kit for the management of inpatients on anticoagulants.

100,000 Lives Campaign
Catholic Health Initiatives and its senior leadership strongly endorsed the objectives of the 100,000 Lives Campaign created by the Institute for Healthcare Improvement. The campaign’s objective is to avoid 100,000 preventable deaths between December 2004 and June 2006 through hospital implementation of six proven interventions in health care practice.

Baldrige Award Judge
Deborah Lee-Eddie, senior vice president of operations for Catholic Health Initiatives, served on the Panel of Judges for the 2005 Malcolm Baldrige National Quality Award.

Quality Awards and Honors
Throughout 2005, many Catholic Health Initiatives’ market-based organizations earned industry recognition for quality performance:

American Hospital Association
Circle of Life Award
- Centura Health, Denver, Colorado
- St. John’s Regional Medical Center, Joplin, Missouri

American Hospital Association
NOVA Award
- Good Samaritan Health Systems, Kearney, Nebraska

American Nurses Credentialing Center
Magnet Hospital Status
- Saint Elizabeth Regional Medical Center, Lincoln, Nebraska
- Alegent Health Mercy Hospital, Council Bluffs, Iowa

CareScience Top Performer Award
- St. Joseph Medical Center, Towson, Maryland

Foster G. McGaw Prize Finalist
- Saint Francis Medical Center, Grand Island, Nebraska

HealthGrades Distinguished Hospital Award for Clinical Excellence
- CARITAS Medical Center, Louisville, Kentucky
- Good Samaritan Hospital, Dayton, Ohio
- Memorial Hospital, Chattanooga, Tennessee
- Mercy Medical Center, Des Moines, Iowa
- Mercy Medical Center, Roseburg, Oregon
- Penrose-St. Francis Health Services, Colorado Springs, Colorado

HealthGrades Specialty Excellence Awards
- Alegent Health-Bergan Mercy Medical Center, Omaha, Nebraska
- CARITAS Medical Center, Louisville, Kentucky
- Good Samaritan Hospital, Dayton, Ohio
- Memorial Hospital, Chattanooga, Tennessee
- Penrose-St. Francis Health Services, Colorado Springs, Colorado
- St. Joseph Medical Center, Towson, Maryland
- St. Vincent Infirmary Medical Center, Little Rock, Arkansas
Hospitals & Health Networks’ Most Wired Hospitals
- Alegent Health, Omaha, Nebraska
- TriHealth, Cincinnati, Ohio

Hospitals for a Healthy Environment: Making Medicine Mercury-Free Award
- St. Joseph Medical Center, Towson, Maryland

Hospitals for a Healthy Environment: Environmental Partners for Change
- St. Joseph Medical Center, Towson, Maryland
- St. Joseph Medical Center, Tacoma, Washington

J.D. Power and Associates Award for Outstanding Patient Experience
- Penrose-St. Francis Health Services, Colorado Springs, Colorado

National Research Corporation Consumer Choice Awards
- Memorial Hospital, Chattanooga, Tennessee
- Mercy Medical Center, Des Moines, Iowa
- Saint Joseph Hospital, Lexington, Kentucky
- St. Joseph Medical Center, Tacoma, Washington

Solucient 100 Top Hospitals
- Flaget Memorial Hospital, Bardstown, Kentucky
- Memorial Hospital, Chattanooga, Tennessee
- Saint Elizabeth Regional Medical Center, Lincoln, Nebraska

Solucient 100 Top Hospitals for Cardiovascular Care
- Mercy Medical Center, Des Moines, Iowa
- Penrose-St. Francis Health Services, Colorado Springs, Colorado
- St. Joseph Medical Center, Towson, Maryland

Solucient 100 Top Hospitals: Performance Improvement Leaders
- Penrose-St. Francis Health Services, Colorado Springs, Colorado
- Saint Elizabeth Regional Medical Center, Lincoln, Nebraska
- St. Vincent Infirmary Medical Center, Little Rock, Arkansas

Solucient Gold Star Awards
- Catholic Health Initiatives, Denver, Colorado
- Marymount Medical Center, London, Kentucky

U.S. News & World Report Best Hospitals List
- Good Samaritan Hospital, Cincinnati, Ohio
- Penrose-St. Francis Health Services, Colorado Springs, Colorado

Verispan’s 100 Most Integrated Health Networks
- Alegent Health, Omaha, Nebraska
- Franciscan Health System, Tacoma, Washington
- TriHealth, Cincinnati, Ohio
Top Company Award
Catholic Health Initiatives won the 2005 Top Company Award in the health care category from *Colorado Biz* magazine. The award recognizes Catholic Health Initiatives as an organization whose financial and operational excellence and commitment to the community set the standard for business.

Faithful Passage to Tomorrow
More than 600 leaders from across the system attended Catholic Health Initiatives’ fourth National Leadership Conference, “Faithful Passage to Tomorrow,” in Vancouver, British Columbia. The conference focused on meeting the challenges of maintaining a vibrant health ministry through the next decade.

Rising Patient Satisfaction
System-wide patient satisfaction rose steadily within Catholic Health Initiatives. Market-based executives, managers and staff increasingly focused on “key touch points” in patient care: the vital moments in which patients form a perception of satisfaction with the care they receive.

Healthy Credit Ratings
Three rating agencies reaffirmed Catholic Health Initiatives’ credit rating of AA, the highest rating category for bonds that are not insured. Standard & Poor’s, Moody’s Investors Service and Fitch Ratings cited Catholic Health Initiatives’ strong financial performance; solid levels of liquidity; and excellent market diversity.

New Governance Task Force
To enhance communication between local and national governing boards across the system, Catholic Health Initiatives established a Governance Task Force. In addition, about 65 board members, chief executive officers and national staff leaders participated in a Board Members’ Orientation Program in May.

Pilgrimage to the Vatican
A group of leaders representing the Catholic Health Care Federation, the pontifical public juridic person of Catholic Health Initiatives, traveled to Rome on a pilgrimage, providing the Vatican with a status report on the health ministry. The pilgrimage, planned months in advance, coincided with the election of Pope Benedict XVI.
Shareholder Activism
As part of its continuing commitment to socially responsible investing, Catholic Health Initiatives co-filed shareholder resolutions with seven pharmaceutical firms and four tobacco companies. The pharmaceutical company resolutions called for changes in board structures that would improve response to complex issues, including access to pharmaceuticals and price containment. The tobacco company resolutions focused on the control of environmental smoke and advertising on the Internet.

Helping the Uninsured
Facilities throughout Catholic Health Initiatives participated in activities that drew public attention to the plight of the uninsured during Cover the Uninsured Week. Many market-based organizations collaborated with community partners to promote health care access and coverage for all, which is one of Catholic Health Initiatives’ advocacy priorities.

Coverage for Children
Children’s Health Matters recognized 50 of Catholic Health Initiatives’ local health care facilities and community health service organizations for their efforts to enroll children in Medicaid and state public health insurance programs.

Mission and Ministry Fund Grants
The Mission and Ministry Fund of Catholic Health Initiatives awarded 11 grants, totaling more than $1 million, to improve and sustain the health of local communities in the United States and abroad. This brought the total number of grants awarded to 159, totaling approximately $19 million.

Leaders Shaping Health Care
Catholic Health Initiatives leaders who helped shape health care policy and development through participation in national industry organizations and alliances include:

- Michael Gloor, FACHE
  President and Chief Executive Officer
  Saint Francis Medical Center
  Grand Island, Nebraska
  Member, American Hospital Association Strategic Policy Planning Committee

- Kevin Lofton, FACHE
  President and Chief Executive Officer
  Catholic Health Initiatives
  Chair-Elect Designate, American Hospital Association

- Christopher Macmanus
  Chief Information Officer
  Catholic Health Initiatives
  Member, Board of Directors, National Alliance for Health Information Technology

- Kimberly Miller
  President and Chief Executive Officer
  Mercy Medical Center
  Williston, North Dakota
  Chair, Chief Executive Officers Committee, American College of Healthcare Executives

- Joyce Ross
  Senior Vice President, Communications
  Member, Board of Directors, Society for Healthcare Strategy and Market Development

- Colleen Scanlon, RN, JD
  Senior Vice President, Advocacy
  Catholic Health Initiatives
  Board of Trustees

- Barry Silbaugh, MD, MS, FACPE
  Vice President, Medical Operations
  Catholic Health Initiatives
  President, American College of Physician Executives

- Joseph Wilczek
  President and Chief Executive Officer
  Franciscan Health System
  Tacoma, Washington
  Member, American Hospital Association’s Task Force on Delivery System Fragmentation
New Facilities for Legacy of Care
Throughout the Catholic Health Initiatives system, market-based organizations expanded and renovated facilities to enhance their ability to serve their communities and continue the legacy of care:

Alegent Health-Bergan Mercy Medical Center, Omaha, Nebraska, completed the first phase of a new Procedure Center.

CARITAS Health Services, Louisville, Kentucky, opened a Bone and Joint Center for inpatient orthopedic surgery.

Flaget Memorial Hospital, Bardstown, Kentucky, opened a new campus that included a 52-bed hospital.

Mercy Hospital, Valley City, North Dakota, reached the halfway point in a reconstruction project that will expand its outpatient services area.

Mercy Medical Center, Des Moines, Iowa, started construction on a six-story hospital wing, which will house a patient- and family-centered environment for three clinical services and a health education center.

Mercy Medical Center, Durango, Colorado, broke ground for a new, 80-bed facility, to be named Mercy Regional Medical Center.

Mercy Medical Center, Roseburg, Oregon, opened a new intensive care unit entirely designed by a committee of nurses.

Penrose-St. Francis Health Services, Colorado Springs, Colorado, completed an expansion of Penrose Hospital, which created 189,000 square feet of new space for pharmacy, critical care, surgery and other departments.

Saint Francis Medical Center, Grand Island, Nebraska, announced a construction project that will include a nine-story tower for patient rooms.

St. Anthony Healthcare Center, Morrilton, Arkansas, renovated its emergency department, including a new triage and registration area.

St. Anthony Central Hospital, Denver, Colorado, announced plans to acquire land for the construction of a new campus, while St. Anthony North Hospital, Westminster, Colorado, will expand its campus through the addition of 12 acres of land.

St. Francis Medical Center and St. Francis Home, Breckenridge, Minnesota, opened a new campus with a hospital and nursing home.

St. Joseph Hospital, Lexington, Kentucky, continued a four-year expansion and renovation project that will include renovation of the emergency department, cardiac catheterization laboratory and imaging services area, as well as an 80,000-square-foot addition.

St. Joseph Medical Center, Reading, Pennsylvania, topped off the structure that will become a 212-bed acute care hospital on a new, 40-acre campus. St. Joseph also partnered with Reading Area Community College, Kutztown University and the Hispanic Center of Berks County to establish a school for health professions.

St. Joseph Medical Center, Towson, Maryland, broke ground for a 60,000-square-foot, four-story medical office building, which will also house the hospital’s Cancer Center.

St. Thomas More Hospital, Canon City, Colorado, reached the halfway point in an expansion that will include a new surgical department and intensive care unit, plus a new rehabilitation and occupational medicine facility.

St. Vincent Infirmary Medical Center, Little Rock, Arkansas, opened the Jack Stephens Heart Center and announced an expansion that will increase the size of the emergency department by 60 percent.
Board of Stewardship Trustees

Seated (left to right):

Martha Walsh, SC, RN
Administrative Director
Seton Enablement Fund
Sisters of Charity of Cincinnati
Cincinnati, Ohio

Mary Wakefield, PhD, RN
Director
Center for Rural Health
University of North Dakota,
School of Medicine and Health Services
Grand Forks, North Dakota

Esther Anderson, OSF, PhD
Chair
Catholic Health Initiatives
Board of Stewardship Trustees
Sisters of St. Francis of Philadelphia
Aston, Pennsylvania

Mary Jo Potter
Managing Partner and Chief Executive Officer
Highperlink
San Francisco, California

Kathryn M. Mershon
President
The Mershon Company
Louisville, Kentucky

Standing (left to right):

Elizabeth Wendeln, SCN
Sisters of Charity of Nazareth
Louisville, Kentucky

Fred Kammer, SJ, JD
Provincial
New Orleans Province
Society of Jesus
New Orleans, Louisiana

Bruce Siegel, MD
Research Professor
George Washington
University Medical Center
Washington, DC

Mary Margaret Mooney, PBVM, DNSc
Professor and Chair
Department of Nursing
North Dakota State University
Fargo, North Dakota

Kathryn M. Mershon
President
The Mershon Company
Louisville, Kentucky

Daniel J. Harrington, CPA
Chief Financial Officer
Saint Luke’s Foundation
Cleveland, Ohio

Phyllis Hughes, RSM, DrPH
Manager
Health-HIV/AIDS Unit
Catholic Relief Services
Baltimore, Maryland

Kevin E. Lofton, FACHE, Ex-officio
President and Chief Executive Officer
Catholic Health Initiatives
Denver, Colorado

David R. Edwards
Tacoma, Washington

Andrea J. Lee, IHM, PhD
President
College of St. Catherine
St. Paul, Minnesota

David R. Lincoln
President and Chief Executive Officer
Covenant Health Systems
Lexington, Massachusetts
Members of the Civil Corporation

Seated (left to right):
Patricia Forret, RSM
Sisters of Mercy of the Americas,
Regional Community of Omaha
Omaha, Nebraska
Barbara Hagedorn, SC
Sisters of Charity of Cincinnati
Cincinnati, Ohio
Rebecca Metzger, OSF
Sisters of St. Francis of the
Immaculate Heart of Mary
Hankinson, North Dakota

Standing (left to right):
Mary Patricia Burger, OSF
Franciscan Sisters of Little Falls,
Minnesota
Little Falls, Minnesota
Eleanor F. Martin, SCN, Esq.
Sisters of Charity of Nazareth
Nazareth, Kentucky
Lynn Patrice Lavin, OSF
Sisters of St. Francis
of Philadelphia
Aston, Pennsylvania
Gemma Doll, OP
Nuns of the Third Order
of St. Dominic
Great Bend, Kansas
Rose Marie Imig, OSF
Sisters of St. Francis
of Colorado Springs
Colorado Springs, Colorado
Maureen Walker, PBVM
Sisters of the Presentation
of the Blessed Virgin Mary
Fargo, North Dakota

Not pictured:
Judith Fischer, OSB
Benedictine Sisters
of Mother of God Monastery
Watertown, South Dakota
Celine Warnilo, CSFN
Sisters of the Holy Family
of Nazareth
Philadelphia, Pennsylvania
National Leadership Team

Seated (left to right):
- Peggy A. Martin, OP, JCL
  Senior Vice President
  Sponsorship and Governance
- Michael L. Fordyce
  Chief Administrative Officer
- Michael T. Rowan
  Executive Vice President and
  Chief Operating Officer
- A. Michelle Cooper
  Vice President
  Corporate Responsibility
- Larry A. Schulz
  Senior Vice President
  Operations

Standing (left to right):
- Mitch H. Melfi, Esq.
  Senior Vice President and
  Chief Risk Officer
- Gary S. Campbell, FACHE
  Senior Vice President
  Operations
- Herbert J. Vallier
  Senior Vice President and
  Chief Human Resource Officer
- Joyce M. Ross
  Senior Vice President
  Communications
- Susan E. Peach
  Senior Vice President
  Performance Management
- M. Colleen Scanlon, RN, JD
  Senior Vice President
  Advocacy
- Phillip W. Mears
  Senior Vice President
  Supply Chain
- Colleen M. Blye
  Senior Vice President
  Finance and Treasury
  and Chief Financial Officer
- John F. DiCola
  Senior Vice President
  Strategy and Business
  Development
- John F. Anderson, MD
  Senior Vice President
  and Chief Medical Officer
- Kevin E. Lofton, FACHE
  President and
  Chief Executive Officer
- David J. Goode, FACHE
  Senior Vice President
  Operations
- Christopher J. Macmanus
  Senior Vice President
  Information Technology and
  Chief Information Officer
- Deborah Lee-Eddie
  Senior Vice President
  Operations
- Thomas R. Kopfensteiner, STD
  Senior Vice President
  Mission
- Paul G. Neumann, Esq.
  Senior Vice President
  Legal Services and
  General Counsel
The Catholic Health Initiatives consolidated financial statements for the fiscal year ended June 30, 2005, portray continued financial strength in the balance sheet and results of operations.

The excess of revenues over expenses (net income) in 2005 was $539 million, providing a margin of 7.6 percent. The excess before investment income was nearly $293 million, for a margin of 4.3 percent. For the purposes of this summary, both net income and excess before investment income exclude $41 million in one-time impairment, restructuring and other losses, which are discussed later.

Catholic Health Initiatives achieved sound financial results despite nominal growth in utilization and significant growth in the provision of charity care. During 2005, charity care increased $125 million to $428 million: the level of charity care increased to 6.6 percent of revenues from patient services, compared to 5 percent in the prior year.

Days of total cash in 2005 were strong. Catholic Health Initiatives ended the fiscal year at nearly 205 days, despite a $145 million increase in capital spending, which reached $718 million by year end. The debt-to-capitalization ratio increased slightly to 31.9 percent, favorable to the goal of less than 35 percent.

A number of significant events during 2005 affected the financial statements:

- Issuance of $787 million in tax-exempt debt to finance capital expenditures, with concurrent refinancing and cash defeasance of certain debt instruments. These transactions resulted in additional net debt of $348 million, causing a loss on the defeasance of bonds of slightly more than $26 million.

- One-time gains of approximately $28 million due to termination of investment managers.

- Transfer of two market-based organizations: one in Merrill, Wisconsin, to another Catholic sponsor, and another in Portland, Oregon, to an external party. While the Merrill transfer did not result in a gain or loss, the Portland transaction resulted in a loss on disposition of $4.7 million.

- Asset impairment of $9.5 million at the market-based organization in Berea, Kentucky, due to anticipation that future cash flows would fall below the value of its underlying assets.

- Adoption of the equity method of accounting by the investment program for nominal investments in limited liability companies as required by new accounting guidance, increasing investment income a little more than $8 million.
Utilization of Services

As previously noted, Catholic Health Initiatives had nominal growth in most utilization categories during 2005. The number of acute admissions, emergency visits and outpatient visits each experienced growth of less than 2 percent, while ongoing declines continued in long-term care services. Somewhat higher growth rates occurred in physician, home health and residential care services. Acute admissions were nearly 1.5 percent more than the prior year. Both length of patient stay, measured by a 4.6-day average, and intensity of services provided, measured by case mix index, remained constant on a year-to-year basis. Both indicators reflected a relatively high proportion of rural providers.

Emergency visits increased 1.5 percent. In some markets, hospital emergency services have become the avenue for primary care access, primarily due to growing numbers of uninsured patients. Outpatient visits grew 2 percent, well below the 2004 growth rate of 8 percent. Trends continued to reflect the ongoing shift from inpatient to outpatient services. Physician visits showed the highest year-to-year utilization growth — nearly 11 percent — which directly relates to a similar rate of growth in the number of full-time equivalent physicians and physician extenders. Negative variances in long-term care days and positive variances in residential days were primarily due to reclassification of certain services. The number of home health patients grew 4 percent, well above the 2004 growth rate of less than 1 percent.
Total assets increased 12 percent, to $8.8 billion, in 2005. Ongoing favorable operating results, strong investment returns and sound balance sheet management contributed to the growth, which continued to support Catholic Health Initiatives’ “AA” financial rating.

While 205 days of total unrestricted cash was slightly below the 2004 high of almost 207 days, this reflected solid performance. Total investments and assets limited as to use increased 10.5 percent, representing 41 percent of total assets. These included amounts set aside for future capital and insurance needs, the Mission and Ministry Fund, the Capital Resource Pool and restricted donations.

Days of revenues from patient services in net patient accounts receivable improved slightly, to 50 days. Management will gradually transition all markets, with the exception of those supported by McKesson patient financial services applications, to centralized business office operations. This transition will help focus more market resources on patient care, access and financial counseling, as well as related community needs.

Catholic Health Initiatives raised its level of capital investment for the fourth consecutive fiscal year to $718 million: an increase of $146 million above the 2004 high of $572 million. Property and equipment increased 11 percent, indicative of ongoing capital investments. These investments included five replacement facilities, 13 major renovation projects and one new facility. Two replacement facilities in Bardstown, Kentucky, and Breckenridge, Minnesota opened during 2005.

While Catholic Health Initiatives anticipates that considerable capital investment will continue to support major facility projects, significant information technology spending is also planned to support a move from institution-based care delivery to information-based health management. Ongoing investments continue to build infrastructure, which includes a National Information Technology Center, an advanced clinical information system (to enable state-of-the-art clinical decision-making) and CHI Connect (a system to standardize and consolidate financial, human resources, payroll and supply chain information across all markets).

Self-insured reserves and other liabilities increased 25 percent, to nearly $663 million. This was due to actuarially determined loss costs exceeding paid losses for claims processed through First Initiatives Insurance Ltd.; and a $75 million charge due to a decrease in funded retirement plan status caused by a reduction in the discount rate used to value plan liabilities.

Unrestricted net assets increased 10 percent, primarily due to net income of $539 million and increased unrealized investment portfolio gains. These favorable factors were partially offset by the retirement plan adjustment. Restricted net assets grew 11.5 percent from increased donations and grants. With increasing capital needs, philanthropic support continues to be a vital funding source.
Revenues from patient services increased 6.5 percent in 2005. While improved volumes contributed, this growth was driven more by pricing, which reflected improved contracting with payers. Investment income of nearly $247 million was slightly higher than the prior year. The investment program returned a little more than 9 percent, exceeding benchmark but below the 2004 return of 14 percent. Revenues from non-patient sources increased 10.5 percent.

Though revenues from patient services increased 6.5 percent, total expenses grew at a rate of 7 percent. Management efforts are focused on the provision of safe, timely, effective, efficient, equitable and person-centered care (STEEEP), ultimately leading to a lower cost of care. Management also strives to reduce turnover and build leadership continuity. Management’s overall goal is to improve year-over-year financial performance, emphasizing revenue growth and enhanced cost management.

On a combined basis, employee compensation, benefits and supplies represented nearly 70 percent of total expenses in 2005. Employee compensation and benefits increased about 5.5 percent, driven by the cost of labor. Management of labor cost is essential to continued financial improvement. Supplies increased by nearly 10 percent, significantly exceeding growth in revenues from patient services. Supply utilization and cost management, a major part of the CHI Connect initiative, is made more necessary by reimbursement for technologically-advanced supplies and drugs, which is often insufficient to cover costs.

Patient bad debts continued to increase at a stronger pace — about 9 percent — than in previous years. The increase reflected an ongoing shift in the cost of health care to individuals, whether through lack of insurance or increased co-pays and deductibles. Patient bad debts and charity care, combined as a percentage of revenues from patient services, increased to a little more than 13 percent in 2005, compared to nearly 11.5 percent in the prior year.

Increases in building and equipment depreciation and interest on long-term debt were within reasonable ranges. Other expenses increased 8.5 percent, mostly due to reclassification of provider taxes, which were previously reported as an offset to revenues from patient services.

### Restructuring, Impairment and Other Charges

Restructuring, impairment and other losses were nearly $41 million in 2005. This total primarily consists of a $26 million loss on the defeasance of bonds; a $9.5 million asset impairment in Berea; and a $4.7 million loss on disposition in Portland, as previously discussed.

### Community Benefit

Catholic Health Initiatives’ total cost of community benefit, including the unpaid cost of Medicare, was close to $798 million in 2005, nearly 13 percent more than the prior year. Community benefit includes the cost of supplies and labor related to free clinics, donations and other services provided to the poor and the broader community; as well as the amount by which payments from Medicare, Medicaid and charity patients fall short of costs. Community benefit was slightly more than 11 percent of total revenues. Net of the unpaid portions of Medicare, community benefit was 6.5 percent of total revenues, compared to 6 percent in 2004.

### Conclusion

Fiscal year 2005 was another year of strong financial performance and significant capital investment for Catholic Health Initiatives. The organization has begun to add infrastructure costs to support its new operating model, which focuses on standardization and consolidation of information technology, human resources, payroll, supply chain and accounts payable processes.

The future of health care remains challenging, as providers experience increased need for cost management in light of revenue constraints and commitments to serve the growing number of persons without adequate health coverage. Catholic Health Initiatives will increase its focus on revenue growth and cost management, particularly in four areas: rate rationalization; documentation and coding; labor productivity; and employed physician practices.
### Balance Sheets

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash, patient accounts receivable and other current assets</td>
<td>$1,645,671</td>
<td>$1,391,685</td>
</tr>
<tr>
<td>Investments and assets limited as to use</td>
<td>3,623,189</td>
<td>3,278,949</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>2,950,269</td>
<td>2,658,950</td>
</tr>
<tr>
<td>Other</td>
<td>621,373</td>
<td>547,741</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$8,840,502</strong></td>
<td><strong>$7,877,325</strong></td>
</tr>
<tr>
<td>Accounts payable and other current liabilities</td>
<td>1,132,965</td>
<td>849,033</td>
</tr>
<tr>
<td>Self-insured reserves and other liabilities</td>
<td>662,852</td>
<td>529,050</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>2,072,195</td>
<td>1,987,466</td>
</tr>
<tr>
<td><strong>Net assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>4,822,006</td>
<td>4,376,768</td>
</tr>
<tr>
<td>Restricted</td>
<td>150,484</td>
<td>135,008</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td><strong>$8,840,502</strong></td>
<td><strong>$7,877,325</strong></td>
</tr>
</tbody>
</table>

### Statement of Operations

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues from patient services</td>
<td>$6,501,715</td>
<td>$6,103,041</td>
</tr>
<tr>
<td>Investment income</td>
<td>246,701</td>
<td>246,633</td>
</tr>
<tr>
<td>Revenues from non-patient sources</td>
<td>343,032</td>
<td>310,037</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$7,091,448</strong></td>
<td><strong>$6,659,711</strong></td>
</tr>
<tr>
<td>Employee compensation and benefits</td>
<td>3,276,359</td>
<td>3,101,446</td>
</tr>
<tr>
<td>Supplies</td>
<td>1,254,452</td>
<td>1,143,118</td>
</tr>
<tr>
<td>Building and equipment depreciation</td>
<td>338,086</td>
<td>324,361</td>
</tr>
<tr>
<td>Patient bad debts</td>
<td>429,399</td>
<td>393,060</td>
</tr>
<tr>
<td>Interest on long-term debt</td>
<td>81,511</td>
<td>78,541</td>
</tr>
<tr>
<td>Other expenses</td>
<td>1,172,287</td>
<td>1,080,137</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$6,552,094</strong></td>
<td><strong>$6,120,663</strong></td>
</tr>
<tr>
<td><strong>Income Before Restructuring, Impairment and Other Losses</strong></td>
<td>539,354</td>
<td>539,048</td>
</tr>
<tr>
<td><strong>Restructuring, impairment and other losses</strong></td>
<td>40,980</td>
<td>753</td>
</tr>
<tr>
<td><strong>Excess of Revenues Over Expenses</strong></td>
<td><strong>$498,374</strong></td>
<td><strong>$538,295</strong></td>
</tr>
</tbody>
</table>

*As of March 31, 2005, Catholic Health Initiatives transferred sponsorship of its facility in Merrill, Wisconsin, to an unrelated Catholic system. For comparative purposes, the June 30, 2004 financial information has been restated to reflect this transfer. In addition, certain reclassifications were made to the previously reported 2004 information to conform to the 2005 presentation.*
## Community Benefit Summary

### Benefit to the Poor and the Broader Community

*(in thousands)*

<table>
<thead>
<tr>
<th></th>
<th>Year Ended June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2005</td>
</tr>
<tr>
<td><strong>Cost of Benefit Provided to the Poor:</strong></td>
<td></td>
</tr>
<tr>
<td>Charity care provided</td>
<td>$184,581*</td>
</tr>
<tr>
<td>Unpaid portions of Medicaid and other indigent care programs</td>
<td>173,478</td>
</tr>
<tr>
<td>Non-billed services for the poor</td>
<td>12,812</td>
</tr>
<tr>
<td>Cash and in-kind donations for the poor</td>
<td>4,735</td>
</tr>
<tr>
<td>Other benefit provided to the poor</td>
<td>5,432</td>
</tr>
<tr>
<td><strong>Total Quantifiable Benefit to the Poor</strong></td>
<td>$381,038</td>
</tr>
<tr>
<td><strong>Cost of Benefit Provided to the Broader Community:</strong></td>
<td></td>
</tr>
<tr>
<td>Non-billed services for the community</td>
<td>20,015</td>
</tr>
<tr>
<td>Education and research provided for the community</td>
<td>27,785</td>
</tr>
<tr>
<td>Other benefit provided to the community</td>
<td>30,849</td>
</tr>
<tr>
<td><strong>Total Quantifiable Benefit to the Broader Community</strong></td>
<td>$78,649</td>
</tr>
<tr>
<td><strong>Total Cost of Quantifiable Community Benefit</strong></td>
<td>459,687</td>
</tr>
<tr>
<td>Unpaid portions of Medicare and other senior programs</td>
<td>337,621</td>
</tr>
<tr>
<td><strong>Total Cost of Quantifiable Community Benefit including the Unpaid Cost of Medicare Programs</strong></td>
<td><strong>$797,308</strong></td>
</tr>
</tbody>
</table>

*The amount shown represents the cost of charity care provided. The amount of charity care provided, determined on the basis of charges, was 2.9 percent and 2.2 percent of gross patient services revenues in 2005 and 2004, respectively.*

### Statistical Highlights

<table>
<thead>
<tr>
<th></th>
<th>Year ended June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2005</td>
</tr>
<tr>
<td>Acute inpatient days</td>
<td>1,938,410</td>
</tr>
<tr>
<td>Acute admissions</td>
<td>423,855</td>
</tr>
<tr>
<td>Acute average length of stay, in days</td>
<td>4.6</td>
</tr>
<tr>
<td>Emergency visits</td>
<td>1,193,523</td>
</tr>
<tr>
<td>Outpatient visits</td>
<td>4,421,484</td>
</tr>
<tr>
<td>Physician visits</td>
<td>3,251,150</td>
</tr>
<tr>
<td>Home health patients</td>
<td>54,170</td>
</tr>
<tr>
<td>Residential days</td>
<td>658,964</td>
</tr>
<tr>
<td>Long-term care days</td>
<td>768,860</td>
</tr>
<tr>
<td>Full-time equivalent employees</td>
<td>54,044</td>
</tr>
<tr>
<td>Employees</td>
<td>66,460</td>
</tr>
<tr>
<td>Revenues from inpatient services as a percentage of revenues from patient services</td>
<td>52.4%</td>
</tr>
</tbody>
</table>

**As of March 31, 2005, Catholic Health Initiatives transferred sponsorship of its facility in Merrill, Wisconsin, to an unrelated Catholic system. For comparative purposes, the June 30, 2004 financial information has been restated to reflect this transfer. In addition, certain adjustments were made to the previously reported 2004 community benefit information to conform to the 2005 presentation.**
CATHOLIC HEALTH INITIATIVES®

A spirit of innovation, a legacy of care.

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