



Better health on every horizon



 Pardee
2008 Report
to Our Community



Just as the quality of your health affects every area of your life, the quality of your community hospital affects every area of the community you live in, and every person in it. To ensure the robust health of Henderson County and its residents, in 2008 Pardee Hospital continued to expand services and build on our foundation of exceptional care.



embrace this community and are committed to exceeding service expectations. We have enhanced our safety, risk management and quality monitoring systems. We have strengthened our financial capability and streamlined our processes to lower costs and increase accessibility. We have improved efficiency and our communications to our patients, our donors and all of our community. And we are moving forward with continually upgrading our facilities and medical information technology—all to better meet the health care needs of our community and all of us who live here.

This year, as you will read in this report, we have advanced our operational excellence “on every horizon.” We have collaborated with medical staff to add needed clinical services and ensure that our outcomes are at national benchmark levels. We have attracted as part of our team highly motivated health care professionals who

At Pardee Hospital, being the best community hospital means providing health care value to our patients by efficiently delivering superior clinical outcomes with an emphasis on managing costs. Thank you for trusting us with your most precious asset—your health. It is a trust we revere and commit ourselves to every day, in every department of Pardee Hospital.

~Kris Hoce, CEO, Pardee Hospital

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Better health on every horizon

New Horizons In Care, Operations and Accountability

Providing the best care has always been a priority at Pardee Hospital. Excellent outcomes for our patients are a result of continually improving every department, every procedure, every action taken by our associates and physicians. The relationship between a patient and their physician is supported by a network of staff, systems, technology and facilities that is constantly progressing to meet the health care needs of this community. In 2008, Pardee Hospital met those needs by achieving national benchmark performances in clinical outcomes, quality, cost efficiency and certification throughout all areas of care.

Several programs were set in motion in 2008 to upgrade systems hospital-wide and improve clinical outcomes.

Installation of a bedside medication verification system moved forward, which matches barcodes on hospital medications and patients' wristbands to ensure the right person is getting the right medicine in the right dosage.

Pardee Hospital is in the process of upgrading to a 64-slice Catscan. With the new CT scanner, patients will benefit

from higher resolution images, thus more accurate diagnoses and faster scans. Faster scans help to ensure that patients with pulmonary disease or congestive heart failure can hold their breath for the required time for the clearest images.

Pardee's Surgery Department added Spyglass™ technology that increases the capabilities of endoscopy. Spyglass uses an incredibly small dual probe with imaging at an amazing 6,000 pixels. With Spyglass, surgeons are able to physically enter and look into areas such as ducts and actually see blockages and disease once only visible by X-ray. This capability immensely improves diagnosis and decreases the need for additional testing, physical biopsy and repetition of the procedure.

This year also saw a continued emphasis on quality initiatives at Pardee Hospital. Through our automated health information network, Pardee collects data throughout the hospital and measures clinical outcomes for many

procedures. The information system keeps health records centralized. And eventually, the electronic medical or health record (EHR), now being emphasized by the Federal Government, will allow for easy and secure exchange of health records throughout the hospital, the region and nation in a Web-based application. When fully implemented, the information organized by the EHR will increase the quality, accuracy and efficiency of care to our patients; significantly decrease waste; and thus improve clinical outcomes and the health and well being of our patients.

Participation in quality initiatives such as North Carolina's Surgical Care Improvement Project (SCIP) focus on surgical outcomes. Pardee's voluntary participation in this statewide program, implemented by the Centers for Medicare and Medicaid (CMS) and the

Centers for Disease Control (CDC), link Pardee's surgical outcomes and improved monitoring of procedures. Pardee has met or exceeded the state benchmarks for the SCIP program.

The Joint Commission has developed National Patient Safety Goals and Pardee has met all 11 of these goals, which include benchmarking and monitoring our services in areas including:

- > Using two patient identifiers when providing care or services
- > Improving the safety of using medicines
- > Reducing the risk of health care associated infections
- > Reducing the risk of patient harm resulting from falls
- > Encouraging patients' active involvement in their care. Through the Speak Up patient safety initiative program, patients are provided education about asking questions related to their care, reporting and developing a communication base with their caregivers.



Patient Satisfaction is key.

Pardee staff respond to patient and family inquiries in a timely fashion and provide an ongoing avenue for patients to provide feedback on their care through patient satisfaction surveys. We have established goals to benchmark Pardee's patient satisfaction scores in comparison to other facilities of our size. As reported monthly to our staff and Board, Pardee is meeting and exceeding the established goals.

Transparency is also key.

We believe as a community hospital, patients and their families, governmental leaders, donors and the community-at-large should be kept informed of our performance and standards in meeting and exceeding patient care and in providing true value to you—our community. Through our community report, annual financial audits, 990 reports, and on our Web site, Pardee offers you a variety of ways to view our latest results and news about patient enhancements.

All of these technological improvements add to Pardee Hospital's ability to meet and exceed benchmarks in performance—which means a more effective, safer and less costly hospital experience for our patients.

New Horizons in Premier Programs

At Pardee Hospital, our premier programs have grown to meet the needs of the population we serve. In 2008, each of these impressive programs advanced even further by upgrading systems and incorporating the input and suggestions of our patients.

Pardee Hospital's Comprehensive Cancer Center—the only comprehensive community cancer program in the county—made its nationally recognized program even more responsive to its patients this year. Accredited by the American College of Surgeons with commendation, the center delivers a full range of services with a multidisciplinary approach. The center has five medical oncologists on staff,

three of whom practice exclusively at Pardee. It offers state-of-the-art diagnosis as well as the most advanced treatment options—including linear accelerator, brachytherapy, chemo and drug therapies, and superior surgical facilities for tumor removal.

Highlights for the Cancer Center in 2008

include the reorganization of the medical/oncology unit to better support our patients in living fully while receiving cancer treatments. The unit now allows for outpatient services at the patient's convenience, 24 hours a day, seven days a week. In 2008, more than 1,200 outpatient visits were accommodated on the unit.

Prostate cancer patients benefited from the advent of cryoablation surgery. Cryoablation uses needles and gas to freeze and kill cancer cells in the prostate. The procedure requires no open incisions, and the patient goes home the same day.

To further support breast cancer patients, the center's recently expanded Elizabeth Reilly Breast Center features

a Nurse Navigator on its team. The nurse navigator guides patients through treatment options, assists with quality of life and financial issues, and is a support to the patient and her family. Because of the success of this program, the Comprehensive Cancer Center hopes to add a navigator for men's cancer patients in the near future.

Cancer Center patients also benefited from a practice of no delays in appointments, a rehabilitation program designed specifically for cancer patients, and an expansion of cancer outreach services to include Camp Liberty. A weekend retreat for adult cancer patients and survivors in Henderson County, Camp Liberty gives participants a chance to relax, socialize and take their minds off cancer.

As part of Pardee Hospital's commitment to improving cancer treatment and finding a cure for cancer, the center's Cancer Research Program grew to 52 clinical trials open with a total enrollment of 299 patients. Along with other guidelines for ACOS accreditation, cancer centers are required to have a 2% participation rate in research; Pardee's current rate is 10%.

Pardee Hospital's Center for Joint Replacement consistently ranks among the top orthopedic programs in the nation.

Perhaps most important, however, it enjoys a great reputation among patients for giving them back their ability to lead an active lifestyle. This year, 521 joint replacement surgeries were performed at Pardee Hospital by the center's nationally recognized team of board-certified orthopedic surgeons. Part of the joint replacement program—known as Joint Camp—provides patients with thorough pre- and post-operative care that includes extensive education, as well as prehab and rehab therapy (exercise before and after surgery).

In 2008, the center began offering custom-fit total knee replacements. This procedure uses a custom-sculpted replacement to fit the patient exactly instead of modifying the patient's

bones to fit the replacement. The fit means the surgery itself takes on average just 45 minutes and recovery time for the patient is cut nearly in half.

Because of the strength of the entire joint replacement program, the caliber

of its team of professionals and the level of demand for this service in the community, Pardee Hospital is enhancing the program in 2009 to include treatment for spine injuries, osteoporosis and sports medicine.



Bill Moyer—Back in the swing after Double Hip Replacement

A familiar face around Henderson County, Bill Moyer, chairman of the Henderson County Board of Commissioners, had been fighting more than budget battles in the last few years. He was fighting intense pain in both hips. "I was walking in a stooped position; I couldn't even bend to tie my shoes." So in December 2008, he decided to have both hips replaced, and chose Pardee's Center for Joint Replacement and Dr. Edward Lilly for the surgery. Though he was reluctant to enter Pardee's Joint Camp ("I'm independent and didn't think I needed group support."), Moyer quickly realized the many benefits to the group experience and being with others going through joint replacement. "Dr. Lilly did a tremendous job. The staff was excellent. I feel that my recovery (less than two months) has been swift, and I am able to do many things that hurt me in the past. My hobbies include gardening and walking, and I have been able to enjoy both again. I also look forward to returning to my golf game, and I plan to participate in the Pardee Foundation Golf Tournament in May."



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Premier Programs, continued

Pardee's Center for Women's Health continued its commitment to holistic approaches to women's health—from pregnancy to post-menopausal care. Our Women and Children's Center offers women choices in providers and birth methods. Delivery options such as water labor and water birth are available. Education classes in childbirth, breast feeding and infant care are offered. Each patient has access to a team of certified OB/GYNs, accredited and licensed nurse midwives, registered nurses and lactation consultants. And Pardee is the only hospital in the county with a pediatrics unit. In 2008, we added two OB/GYN physicians, outpatient lactation services and extended services for post-menopausal patients.

Pardee Hospital's Rehab & Wellness Center broadened its services in 2008 in direct response to community needs.

In addition to conducting extensive physical therapy and rehabilitation services at its state-of-the-art facility, the center expanded its sports therapy component. With the most advanced equipment, a therapeutic pool and the latest research, therapists and trainers accelerate recovery from injury for area athletes and coach them in preventing sports injuries. Also at the community's request, the center now offers services on a self-pay basis to the general public, allowing

Nita Stepp: Ready to run after Arthroscopic Surgery and Physical Therapy

Nita Stepp, a 15-year-old sophomore at North Henderson High School, likes to ride horses, play basketball and play soccer. Unfortunately, after her knee was dislocated in a soccer game in the spring of 2008, those activities were off limits. "The brace didn't help much. I had a lot of trouble walking." Nita had arthroscopic surgery at Pardee Hospital in October. Post-surgery, she met with Jason Morgan, physical therapist at Pardee Rehab & Wellness Center. "Jason put me at ease. He always explained what he was doing and what to expect. He was funny, and I actually enjoyed therapy." Back on her feet now, Nita says, "I plan to take it easy for a while. I feel fine and have no trouble walking. I should be ready to run by spring."

people to return to an active lifestyle in a safe, monitored environment. Licensed athletic trainers design effective exercise routines tailored to the needs and goals of each client. Licensed dietitians help clients maintain healthy weights and increase nutrition. Physical and occupational therapists are onsite to answer client questions. And our education component sponsors seminars on everything from stress management to dieting.

Community Outreach Highlight:

The Pardee Health Education Center is a unique community outreach program of Pardee Hospital. The Center provides an array of services from health fairs and screenings to seminars and support groups. When Pardee Hospital opened the Health Education Center in October 1989, it was one of the first mall-based hospital education centers in the country. More than 50,000 people attended health and wellness programs, fitness classes, support groups, and health screenings at the Pardee Health Education Center in the Blue Ridge Mall last year.



"I see my work and that of Pardee Hospital as a mirror of what is needed in the national health care solution. We must deliver appropriate care in a cost effective manner. Our goal is to expeditiously obtain an accurate cancer diagnosis, reach a consensus on care among the cancer specialists with attention to proven standards of care, and then deliver treatment as soon as possible.

It is not enough for caregivers to be able; we must be available to our patients, listen carefully to them and attend to their needs in a comfortable and nurturing environment."

W. Mark McCollough, M.D.
Chief of Radiation Oncology

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New Horizons in Top Medical Talent

Pardee Hospital attracts top medical professionals in every department. Our facilities, our cutting-edge technology, our highly skilled support staff and a solid patient base have always enticed the best; and the quality of life in Henderson County has often sealed the deal.

You don't have to go to Yale, Duke or the Cleveland Clinic for treatment.

They've all come here.

We are proud to have on staff board-certified physicians who have trained at some of the nation's leading medical universities, including Duke University, Wake Forest, Yale University, and Cleveland Clinic, among others, and who continue to pursue continuing education opportunities and national certifications to provide the latest medical treatments and advancements

to our patients. Two of our physicians—pulmonologist Gail Clary, M.D., and oncologist James Radford, M.D.—were named to *Business North Carolina's* annual Best Doctors list last year.

In 2008, we focused our recruitment effort even more to the benefit of the community by identifying areas of practice where need and demand were most likely to grow, and seeking out the physicians who would add a specific expertise to those needs. This year, Pardee welcomed two new board-certified OB/GYN physicians—Maridee Spearman, M.D., and David Beaty, M.D. Both physicians serve on the associate medical staff at Pardee Hospital and as MAHEC faculty members. Pardee OB/GYN Associates deliver

at Pardee Hospital's Women & Children's Center featuring family-centered birthing in private, single birthing rooms. Pardee OB/GYN Associates also provide surgical services and wellness care for women of all ages. The Pardee Nurse-Midwifery practice also welcomed a new midwife—Barbara Davenport, C.N.M.

To help meet the need for primary care physicians in our region, Pardee added several new physicians to its internal and family medicine practices. Natascha Lautenschlager, M.D., and Andrew Morris, M.D. joined Pardee Hendersonville Family Health Center as MAHEC faculty members, and Michael Malone, M.D., joined Pardee Hendersonville Family Health Center's Etowah

location. Nathaniel Jablecki, M.D., who specializes in sports medicine, joined Pardee Family Medicine Associates in Fletcher. The physicians and staff of the well-known Quality Healthcare Associates practice also became employees of Pardee, and are part of either the new Pardee Family Medicine Associates or Pardee Internal Medicine Associates, depending on their specialty. All of Pardee's physician practices have an electronic health record system that is connected to the hospital's system. This increases the quality and efficiency of care provided to our patients.

To meet the growing demand for surgical services, we welcomed general surgeon Daniel Timmerman, M.D., to our medical staff. A new hospitalist, Amy Ramsak, M.D., will help manage patients' care during in-hospital stays.

Physician/Staff Highlight:

There are 238 physicians representing 40 medical specialties, and more than 86 allied health providers available through Pardee's active, associate, coverage and consulting staff.



New Horizons in Community Benefits & Accountability

Hospitals and their associates and physicians positively affect almost every aspect of community life. Some hospitals provide the funding for nursing educators, which enables people in our community to step toward careers in health care. Many loan executives and staff to lead worthwhile community causes, such as United Way. Most often, hospitals provide free care or low-cost care for those who lack sufficient resources. Pardee does all this and more for our community.

Community benefits calculations have previously focused solely on the provision of charity care. Most hospitals, regardless of their ownership type, provide community benefits that governments would otherwise have to provide. When hospitals provide these community benefits, the need for public tax increases or other funding is eliminated.

At Pardee, the community benefits provided to our community in 2008 totaled \$18.9 million. While this dollar amount is important, the impact that was made on our community's citizens is even more important.

Here are the ways in which Pardee supported our community in 2008:

Community health improvement services: \$670,000

Outreach activities to improve community health, but not specifically related to hospital services; services included health education materials and programs

More than 50,000 visits were made to Pardee's Health Education Center in 2008 for health screenings, health education and fitness programs, cancer conferences to educate the public about how cancer is treated, support groups for osteoporosis, cancer, diabetes and more. For over 20 years the Pardee Health Education Center has been located at the Blue Ridge Mall, a convenient location for access by the public.

Cost of treating charity care patients: \$1.3 million

Care directed to the community's poor who cannot pay for services and who qualify under Pardee's charity care policy (income 220% or below poverty guidelines)

Annually, an average of 120 women receive financial assistance with breast cancer treatment through funds raised by Pardee Hospital Foundation. Women (or men) who meet the hospital's charity care guidelines and need support for diagnosis, treatment and surgery for breast cancer and related services represent a part of the charity care provided by Pardee Hospital.

The North Carolina Hospital Association recommends guidelines for the reporting of community benefits hospitals provided to their communities: "Saving lives, restoring health, and providing jobs are just the beginning of hospitals' and health systems' contributions to their communities."



One patient's grateful words: "I faced stage four cancer and the staff at the Free Clinics referred me to Pardee's Cancer Center. With the assistance of local physicians and Pardee, I am now following through with my treatment and anticipate good outcomes."

Unreimbursed costs of treating Medicare/ Medicaid patients, other non-negotiated government programs and bad debts: \$14.8 million

As reimbursement rates decline relative to the costs of care, hospitals continue to serve Medicare and Medicaid patients. Without these services, these patients would become an obligation of the government. The unreimbursed costs are a community benefit provided by the hospital to the community and its governing bodies.

While Pardee Hospital makes every attempt to collect for services provided, there are times when this is not possible; for example, when care has already been provided, but the economy affects patients' ability to pay.

Community Outreach Highlight:

In September 2008, the Comprehensive Cancer Center at Pardee introduced a new annual weekend retreat for cancer patients called Camp Liberty. The camp, held at Bonclarken Conference Center, is for cancer patients and survivors age 25 and older. The camp includes two nights of lodging, meals and various activities. During the weekend, patients and survivors have the opportunity to interact with each other in a relaxed and supportive environment. A "Celebration of Life" picnic is held on the final day of the camp for family members. The Pardee Hospital Foundation was awarded a grant of \$2,500 by the Community Foundation of Henderson County, to help fund Camp Liberty.



Community Benefits, continued



Community building activities: \$694,000

As identified by an assessment of the community's health care needs, Pardee provides support for recruitment and practice development of primary care and specialty physicians.

Research, health profession education, cash and in-kind contributions to community groups: \$1.5 million

The "Kenmure Fights Cancer" program provided more than \$11,000 in research funding to Pardee's Cancer Research program to assist patients participating in clinical trials. Over \$40,000 was provided to community organizations such as American Cancer Society's Relay for Life, United Way, Children & Family Resource Center, Free Clinics of Henderson County, Four Seasons Hospice and more to further their work in health-related activities.

Community Outreach Highlight:

Pardee operates an adult day health center— Pardee Pavilion—located in Flat Rock. The Pardee Pavilion offers a safe, protective and stimulating environment that provides daytime activities, health care and health monitoring, healthy meals and socialization for adults with physical or mental impairments. The Pavilion believes that through offering quality daytime care for impaired adults, they are able to provide support to family caregivers. Services include health monitoring, meals, snacks, bathing and personal care assistance. Benefits to participants include: planned and structured activities, socialization, wellness and health screenings, peaceful areas for those who prefer to rest, secured areas for walking and gardening activities, assistance with medication administration and personal care.



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Board of Directors



Joseph W. Smith, III
Retired Senior Director
of Operations
ArvinMeritor, Inc.
(Chair)



Peter Goodfield, M.D.
Cardiologist
Hendersonville Cardiology
(Vice Chair)



John Bell, M.D.
Retired Physician,
Businessman
(Secretary)



J.W. Davis
President
Carolina First
(Treasurer)



Robert Boleman, M.D.
Chief of Medical Staff
(Ex-officio Member)



Sherri Brewer
Attorney at Law



Marcia B. Caserio
Regional Director of
Education
Outreach, Western
Carolina University



Robert Eklund
Retired Businessman



Larry B. Freeman
News Director
WHKP AM Radio



Bill Lapsley
President
William G. Lapsley
& Associates



Jeff Miller
President
Miller's Laundry



Kathy Watkins
Co-owner
Preferred Real Estate



Bill Moyer
Henderson County
Commissioner
(Ex-Officio Member)



*R. Kendall Shelton
Chief of Medical Staff
(Ex-Officio Member)



*Linda Sokalski, Ph.D.
Retired Director of Quality
Engineering
AT&T

New Horizons in Financial Strength and Transparency

All of the care, technology, services and outreach Pardee Hospital provides for our community, of course, depends on the hospital's continued fiscal strength. In 2008, Pardee Hospital's fiscal condition was improved and enabled us to grow in ways that genuinely improved health in Henderson County, kept health care accessible and allowed us to plan for the future. Keeping our financials healthy means maintaining the faith and trust of all our stakeholders—our patients, our supporters and our entire community. This is achievable through true transparency and open communications. In 2008, Pardee Hospital kept our stakeholders informed through our annual report; regular updates in *Healthy Horizons*, our newsletter; as well as interviews and news releases to various media outlets. As your community hospital, it is our duty to keep you informed of where and how your health care resources are invested. Our growth strengthens when you keep investing in us so we can invest in you.

*These are excerpts from the independent auditors report by LarsonAllen, LLP, available for inspection at Pardee Hospital, 800 N. Justice Street, Hendersonville, NC.

* New in 2009

Fiscal Years ending Sept. 30, 2008 and Sept. 30, 2007 Henderson County Hospital Corporation, Inc. d/b/a/ Margaret R. Pardee Memorial Hospital and Affiliates Consolidated Balance Sheets*

	2008	2007
Current Assets	\$32,186,000	\$32,974,000
Property and Equipment	69,679,000	73,380,000
Other Assets	42,520,000	26,997,000
Assets Held for Sale	-	3,692,000
TOTAL ASSETS	\$144,385,000	\$137,043,000
Current Liabilities	19,320,000	18,732,000
Long-Term Liabilities	13,374,000	13,143,000
Net Assets	111,691,000	105,168,000
TOTAL LIABILITIES & NET ASSETS	\$144,385,000	\$137,043,000

Henderson County Hospital Corporation, Inc. d/b/a/ Margaret R. Pardee Memorial Hospital and Affiliates Consolidated Statements of Revenues & Expenses*

	2008	2007
OPERATING REVENUES		
Net Patient Service Revenue	\$124,709,000	\$125,169,000
Other Operating Revenue	5,721,000	4,205,000
Total Revenue	\$130,430,000	\$129,374,000
EXPENSES		
Salaries, Wages and Benefits	67,230,000	69,179,000
Other Expenses	49,251,000	48,766,000
Depreciation and Amortization	11,175,000	11,995,000
Total Expenses	\$127,656,000	\$129,940,000
NON-OPERATING REVENUE		
	3,741,000	1,790,000
EXCESS REVENUES OVER EXPENSES	\$6,515,000	\$1,224,000

New Horizons in Giving, New Horizons in Caring

When individuals and families choose Pardee as their health care home, Pardee responds with individual care, quality performance and experienced staff. Likewise, when you choose to make a charitable gift to support Pardee services, Pardee Foundation staff and volunteers respond with the same caring and appreciation. When you receive a phone call or note of thanks from Foundation staff, Board members and hospital leadership, you are receiving the genuine expression of appreciation for your gift.

When you make a charitable gift to Pardee Foundation you are assisting in providing valuable equipment, expanding services such as cancer research, and building endowment resources for future projects. When you participate in proven successful fundraising events like the Tournament of Champions and Women Helping Women educational events, you are helping create much more than just a fun afternoon.

This past year, Pardee Foundation received \$3,349,287 million in bequest distributions, event sponsorships, endowment funds, memorials, and unrestricted gifts through the "Generations of Excellence Society." Many donors chose to thank the unit, caregivers or

physicians who provided quality care to them or their families and these restricted gifts will benefit programs like the Women and Children's Center, Comprehensive Cancer Center, Cardiac Rehab program, and Pardee Pavilion.

The Foundation Board manages your gifts wisely.

In 2008, the Foundation used your gifts to support equipment purchases for the Emergency Department and



Surgery area; to upgrade the patient environment with improvements to patient rooms; to help with the cost of patient care for breast cancer, other cancers, and therapy. In the Women and Children's Center, donor gifts provided equipment for newborns.

Grants from Foundations and state agencies provided support to low-income patients at Pardee's Hendersonville Family Health Center in Etowah and supported the staffing role of the Breast Center Nurse Navigator. A long-time donor continues to provide funds to help with emergency medications for home health patients. Robes purchased for the Breast Center patients offer a more personal touch. The family of Dr. Richard Porter, through

his estate, helped with renovations to the Chapel area. Generations of Excellence Society unrestricted gifts assisted in the purchase of a new MRI and a nurse-to-patient digital communication system. All these valuable improvements totaled \$1.9 million.

It has been my privilege to serve as a Foundation volunteer and board member for the past 4 years and as President of the Board in 2008. In 2009, I will continue to work with Pardee as a member of the Foundation staff. These dedicated individuals work alongside volunteers to produce great results. Now, I want to add to that dedication and responsiveness to donor needs through my work as Senior Development Officer. I look forward to continuing the relationship I have with many of you and with the community we need to reach in order to broaden the charitable support of Pardee.

Thank you so much for your generosity!

*Debbie R. Patrick,
2008 Board President*

Pardee Hospital Foundation 2008

Board of Directors



Debbie Patrick
(President)



William F. Gold, Jr.
*(Vice President-
Public Relations)*



Albert Gooch, Jr.
*(Vice President-
Development)*



Todd A. Webb
*(Vice President-Board
Development)*



Michael Wollinger
(Treasurer)



Carol Adams
(Secretary)



Jack H. Davis



Larry Freeman**



Greg Gibson



Kris Hoce, FACHE
President/CEO
Pardee Hospital



Mary B. Jackson



Nancy Kussrow



Dr. Edward G. Lilly, III



Lynn S. Matykiewicz



T. Matthew Mullinax



Bonnie P. Short



Jane O. Swafford



Grace J. Vineyard



Deborah W. Wilkinson



Ryan Harmon*



W. Mark McCollough, M.D.*



Donalee Wermeister*



Pardee Foundation Staff

(left to right)
Linda Lucha, Jennifer Boone,
Rick Prudhomme, Jane Thompson,
Myra Grant, Libby Hodan

* New in 2009

**Denotes Hospital liaison members

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Statements Of Financial Position

Pardee Memorial Hospital Foundation, Inc. September 30, 2008 and 2007

	2008	2007
ASSETS		
Cash and Cash Equivalents	\$ 854,657	\$ 985,773
Interest Receivable	895	5,893
Prepaid Expenses	4,658	2,774
Investments	5,625,513	4,913,590
Fiduciary Assets	26,262	34,775
Promises to Give, Net of Allowance and Discounts	279,612	342,623
Property and Equipment, Net of Accumulated Depreciation of \$37,422 in 2008 and \$33,453 in 2007	10,345	14,314
Total Assets	\$ 6,801,942	\$ 6,299,742
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 15,232	\$ -
Annuity Obligations	\$ 15,571	\$ 17,574
Deferred Revenue –Grants	23,761	8,532
Total Liabilities	54,564	26,106
TEMPORARILY RESTRICTED NET ASSETS	6,747,378	6,273,636
Total Liabilities and Net Assets	\$ 6,801,942	\$ 6,299,742

These are excerpts from the independent auditors report by LarsonAllen, LLP, available for inspection at the Foundation office in the Romeo Medical Building at Fleming St. and Sixth Ave. The Foundation also files a form 990 with the IRS. This form is available for review at the Foundation office.



Why do people choose to support Pardee? One note and gift the Foundation received this year says it all:

“Once again this year our family has decided to make charitable giving an important part of our Christmas season. One of our family members has been an outpatient of the hospital many times during this year in connection with treatment of Stage IV breast cancer. We have experienced outstanding service throughout all levels of the Pardee organization... from the registration process through radiology and oncology. We could not ask for more personal care than what we receive at Pardee.”

Statements Of Activities

Pardee Memorial Hospital Foundation, Inc. Year ended September 30, 2008

	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Contributions from Fundraising	\$ -	\$ 3,328,781	\$ 3,328,781
Contributed Support	568,323	-	568,323
Investment Loss	-	(801,884)	(801,884)
Net Assets Released from Restrictions	2,053,155	(2,503,155)	-
Total Revenue and Support	2,621,478	473,742	3,095,220
EXPENSE			
Contributions to Margaret R. Pardee Memorial Hospital	1,888,203	-	1,888,203
Salaries and Benefits	407,673	-	407,673
Professional Fees	39,525	-	39,525
Investment Fees	33,448	-	33,448
Depreciation	3,969	-	3,969
Donor Gala Expenses	10,617	-	10,617
Donor Signage Expenses	277	-	277
Golf Tournament	36,479	-	36,479
Maintenance	4,997	-	4,997
Office Expenses	12,475	-	12,475
Printing	27,132	-	27,132
Public Relations	16,191	-	16,191
Travel	9,938	-	9,938
Women Helping Women Expenses	38,487	-	38,487
Other Expenses	92,067	-	92,067
Total Expenses	2,621,478	-	2,621,478
INCREASE IN NET ASSETS	-	473,742	473,742
Net Assets – Beginning of Year	-	6,273,636	6,273,636
NET ASSETS – END OF YEAR	\$ -	\$ 6,747,378	\$ 6,747,378



Community Outreach Highlights:

More than 1,200 associates and 240 physicians are dedicated to giving back to our community through donations of time or money to worthy causes. Eight Pardee teams, comprised of approximately 200 associates, participated in the 2008 Henderson County Relay for Life to benefit the American Cancer Society. Associates raised \$28,000 for the ACS. <> A team of Pardee walkers participated in the 2008 Walk for Babies to benefit the March of Dimes, and contributed \$3,000 to this fundraiser to help fight birth defects in children. <> A group of our associates also participated in the annual Memory Walk to benefit the Alzheimer's Association. Associates from the Pardee Pavilion Adult Day Health Services Center donated more than \$5,000 to this event. <> Over the holiday season, hospital associates donated 619 pounds of non-perishable food to the IAM Annual Food Drive. <> Together with the American Red Cross, Pardee held a total of 12 blood drives bringing in a total of 546 units of blood for the community and region. <> In 2008, Pardee associates continued to sponsor “Jean Day” fundraising drives to benefit local charities. On designated Fridays, associates pay \$2 for a special sticker that allows them to wear denim to work. Jean Days raised \$4,174 with proceeds benefitting Boys and Girls Club, Four Seasons Hospice, Mainstay, Free Clinics, Council on Aging, and other not-for-profit community organizations.

Pardee Hospital Foundation

Highlights of 2008

\$3.3 million—an 82% increase in your generosity over 2007

> 603 Pardee associates participated in giving \$124,000 to United Way and Pardee Foundation and received the “Overall Employee Giving Award” from United Way of Henderson County.

> Through thoughtful planning and advice of professional advisors, the families of Richard Porter, Anne Rose, Dorothy Stowell, Norman Hyde, Helen Ludwig, Frances Riley, Charles Felton and Charles Larus dedicated all or a portion of their estates to benefit Pardee Hospital services. These gifts totaled \$1,908,192.47.

> The Foundation established an endowment in 1998 to provide for the long-term needs of Pardee. A portion of unrestricted estate gifts annually help build this pool of funds along with other individual gifts. In 2008, endowment gifts totaled \$502,715. Pardee Foundation’s endowment strategy allows for unrestricted gifts of cash, stock, and pledges and restricted gifts to support specific Pardee services such as nursing education, women and men’s health services, cancer and orthopedic services and technology.

> Generations of Excellence Society, established in 2002, encourages individuals and businesses to make

unrestricted gifts to Pardee Foundation—which can be used to fund priority services of Pardee. Last year, 177 donors contributed \$156,714. These gifts purchased equipment, upgraded patient rooms and helped install a new patient-to-nurse digital communication system.

> Grants from the Duke Endowment and North Carolina Office of Rural Health totaled \$93,020 and supported the work of the nurse navigator at the Elizabeth Reilly Breast Center and provided funding for lower income patients at Pardee’s Hendersonville Family Health Center—Etowah location.

During the Foundation’s 14 years of operation, grants and Foundation gifts have totaled \$21.1 million.

> The ABC Board of Laurel Park provided a grant of \$1500 for educational and treatment needs of Pardee’s eight-bed detox unit.

> Underwriting from Carolina First Bank, Kim and Bill Gold, Lebensburger and Gilreath/Evan Gilreath and Champion Hills Club enabled the Foundation to “say thanks for giving” at the Annual

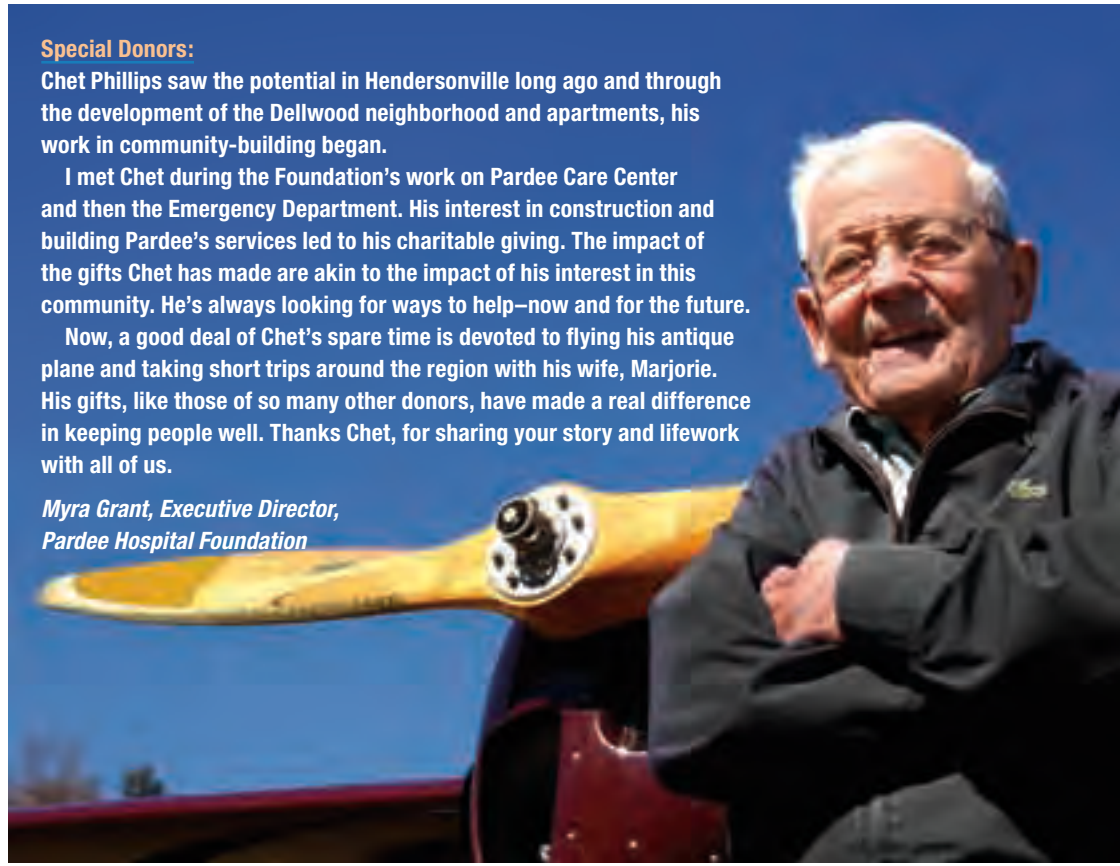
Special Donors:

Chet Phillips saw the potential in Hendersonville long ago and through the development of the Dellwood neighborhood and apartments, his work in community-building began.

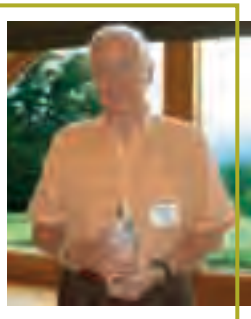
I met Chet during the Foundation’s work on Pardee Care Center and then the Emergency Department. His interest in construction and building Pardee’s services led to his charitable giving. The impact of the gifts Chet has made are akin to the impact of his interest in this community. He’s always looking for ways to help—now and for the future.

Now, a good deal of Chet’s spare time is devoted to flying his antique plane and taking short trips around the region with his wife, Marjorie. His gifts, like those of so many other donors, have made a real difference in keeping people well. Thanks Chet, for sharing your story and lifework with all of us.

Myra Grant, Executive Director, Pardee Hospital Foundation



Donor Recognition event. By being able to direct all other gifts to Pardee patient care needs, the Foundation can provide this event through the generosity of businesses and individuals in our area. Approximately 230 people attended the July event at Champion Hills and L. Howard Carl, Jr. was honored as the “Health care Philanthropist of the Year.”



He and his wife, Maryett, have been dedicated and long-time supporters of Pardee. Howard served on the Pardee Hospital Board of Directors and Pardee Foundation Board for many years. He is a dedicated

Special Donors:

As you know, Ken and Betty Buchen were “quiet givers” who never sought much recognition during their lifetimes. I know they had very warm feelings about Pardee for many years... Their annual and estate gifts established an endowment for the capital needs of Pardee Hospital. I think Ken and Betty would be pleased to know how much good their funding can do for an institution like Pardee.

Van Bear, Executor



volunteer for FISH (Friends in Service to Humanity), driving elderly and handicapped people to medical visits. He also volunteers with Four Seasons Hospice at Elizabeth House.

> Matching gifts are an exceptional way to increase the donor’s contribution to Pardee. Many retiree companies allow their cash gifts to be matched and some allow volunteer hours to be matched with cash contributions. In 2008 the following matching gift companies gave a total of \$23,031:

- Abbott fund
- AIG
- Bank of America Charitable Foundation
- BorgWarner Foundation
- BP Foundation, Inc.
- Citigroup Matching Gifts Program
- GE Foundation Matching Gifts
- IBM Corporation Matching Grants
- The IQ Business Group
- Johnson & Johnson Matching Gifts Program
- Merck Partnership for Giving
- Merrill Lynch & Co Foundation
- Pfizer Foundation
- Matching Gifts Program

> The 13th Tournament of Champions held at Kenmure raised \$83,300 to assist with purchasing defibrillators for the Emergency Department at Pardee—life-saving equipment in a critical cardiac situation. Pardee has been recognized throughout WNC and North Carolina for timely stabilization of heart attacks as a part of the RACE Initiative (Reperfusion

Acute MI in Carolina Emergency Departments). A record 140 players participated in the day-complete with rewards, prizes and great weather.

In its 11th year, Women Helping Women events raised \$163,600 for breast cancer treatment and equipment at Pardee. Low-income patients received diagnostic services and care in a timely way at Pardee’s nationally recognized Comprehensive Cancer Center—thanks to the generosity of more than 400 donors.

Dr. Yvonne Thornton, OB/GYN and Director of Maternal/Fetal Health at Jamaica Hospital Medical Center in New York, provided insight into broader women’s health issues in her educational program.



> New Women of Hope photographic inspirations were dedicated to breast cancer survivors Maryett Carl and Marty Payton.



Special Donor:

I am braver than I thought possible and by sharing this journey, my life has been enriched. Recently, I finished my first painting...and I was not timid. The canvas is 3’x5’ and hangs in my living room.

Marty Payton

Special Donors:

Charles Larus and his wife Ethel lived in Hendersonville for many years, following Charles’ career in the financial industry. Through his advisors’ support and his interest in Pardee’s services, the Estate of Charles Larus combined with the gift he made during his lifetime represent, at the time of this report, the largest gifts made by an individual donor.

Charles was a quiet man, interested in the arts, education and gardening. He had an avid interest in the work and growth of the North Carolina Arboretum—right here in the Asheville area. Both Charles and Ethel enjoyed playing bridge with their friends.

Prior to Charles’ death, each year the Foundation would typically receive a call in late December to let us know of his intention to make a gift of stock. His very special handwritten notes of these instructions will be a continued reminder of his generosity.

Ways to Give

Through Pardee Hospital Foundation, you can fulfill your philanthropic interests by making an unrestricted gift to benefit the needs of Pardee Hospital or create a fund that addresses specific interests you have. Special funds that have been established can be added to and include:

- > Cancer Services
- > Women Helping Women (breast cancer treatment and equipment)
- > Kenneth and Betty Buchen Capital Endowment
- > Wendy Wilkins Fund—for cancer services
- > Means A Lot Endowment for family support of ICU patients
- > Sam Morgan fund for organ replacement education
- > Cash gifts are often the simplest and most convenient way to have the Foundation carry out your charitable goals.

The Foundation distributed gifts to Pardee in 2008 totaling \$1.8 million. Here are the ways you helped:

- Improvements to patient rooms**
- Nurse communication system**
- Assistance to low-income patients for radiology and breast cancer treatment**
- Equipment for Cardiac Rehab and Surgery**
- Patient robes for Breast Center**
- MRI upgrade**
- Ultrasound equipment for Operating Room**

Financial assistance to patients at Etowah Family Health Center

- > Appreciated property, such as stock and bonds and real estate gifts can be advantageous for donors where capital gains can be avoided.
- > Bequests are distributions from an estate which also provide tax benefits.
- > Life insurance can be given by naming the Foundation as the owner or irrevocable beneficiary of a life insurance policy, which can provide an immediate tax deduction.
- > Charitable trusts and gift annuities also provide options for donors

wishing to receive income for themselves or their families.

- > You may also choose to make a memorial gift, a gift in honor of a loved one or to recognize special care received from a physician, nurse or staff member.
- > Sponsorships for events, including the Tournament of Champions golf event, annual donor recognition events, and Women Helping Women events are tax deductible (as per IRS guidelines) and offer special recognition opportunities.

> Annual unrestricted gifts of \$1,000 or more are recognized through membership in the “Generations of Excellence Society.”

> Pardee Foundation’s Endowment, with a value at September 30, 2008 of \$5,759,297, is conservatively invested and managed for long-term and future needs of Pardee. Gifts can be made to this fund or special purpose funds may be established.

Named endowment funds begin at \$50,000, preferably given at one time, but will be accepted as three or five-year pledges. Donors may add to their fund or they may create additional ones, honoring or remembering other family or friends or Pardee services. All endowment fund donors (as well as annual donors) are prominently recognized in the hospital foyer and are listed in the Pardee Hospital Foundation’s annual report. Membership and gifts are recognized for endowment and planned gifts through the “Pardee Circle of Distinction.”

The Next Horizons

We will provide the highest quality of care and strong, stable finances, accountability and transparency in every area. We are committed to serving our community’s many health care needs in the ways that provide the most value for all who live here. With anticipated changes in the national health care system, Pardee is poised to provide value-driven health care services which are high quality, efficient and safe.



Our recently adopted strategic plan focuses on the community’s needs, but specifically emphasizes enhancements in cancer and orthopedic services, men’s and women’s health needs, nurse retention and training, and technology. We have every confidence we can achieve our goals successfully with our team of exceptional physicians, highly-trained staff, dedicated volunteers and loyal donors.

To find a physician who’s right for you or to learn more about health services and programs at Pardee, call **1-866-790-WELL (9355)** or visit www.pardeehospital.org



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