IN THIS ISSUE: THE BEST IN VALUE" AWARDS HEALTHCARE REFORM

SIX CAPELLA HOSPITALS RECEIVE BEST IN VALUE AWARDS

As part of our mission, Capella's hospitals aim to provide quality care at an affordable price for all patients that access our hospitals.

True to that mission, we are extremely proud of six of our hospitals -Parkway, Willamette, White County, Saint Mary's, Hartselle, and National Park – which were recently recognized with a 2009-2010 Hospital Value Index: Best in Value[™] Award. The awards were given by Data Advantage, LLC, the nation's leader in measuring healthcare value.

We especially congratulate **Parkway**, ranked #28 in the nation on the Hospital Value Index's Top 100 Hospitals[™] list.

These recognitions come as a result of the hard work and dedication of our physicians and staff in providing valuable care to their communities. The Hospital Value Index[™] uses the latest objective, publicly available data to measure the key elements that healthcare consumers consider when choosing a hospital — quality, affordability and efficiency, and patient satisfaction.

The Hospital Value Index[™] awards recognize the ability of our hospitals to respond to increasing healthcare transparency and include important information for patients in our communities, who seek the highest value of care. Our hospitals have invested a lot of time and resources to best meet patient needs, and the Hospital Value Index[™] confirms our success in providing quality healthcare affordably.





Parkway celebrates their award as #28 in the nation.

ADVANCING our MISSION

VOLUME FOUR



As 2009 comes to a close, we have a lot to be proud of as a company. Together, we have weathered the toughest economic climate in decades – a climate that led to tightening of belts all across our industry.

FALL 2009

I would like to say thank you to every employee, physician, board member

and volunteer across the Capella family of hospitals. Thank you for being flexible through these troubled times and constantly focusing on improving patient care.

Your consistency has paid off in extraordinary ways. As a company, we have seen improvement in HCAHPS scores, Core Measures and physician satisfaction. Individually, our hospitals have been recognized by leading national healthcare organizations for your superb performance related to quality, efficiency and patient satisfaction.

I'd like to congratulate some hospitals in particular for outstanding performances. In September, six of our hospitals – including **Parkway, White County, Hartselle, Saint Mary's, Willamette** and **National Park** – were awarded Best in Value[™] Awards by the Hospital Value Index[™].

In addition, **Capital** was recently named #1 in the state of Washington for orthopedics by HealthGrades, **Southwestern** was designated the first and only Primary Stroke Center in Southwest Oklahoma by the Joint Commission and the **Cancer Center at Willamette** received 3-year approval with commendation from the Commission on Cancer (CoC).

Our overall improvements and these awards are a direct result of your hard work and your focus on being dependable community hospitals known for quality care.

Thank you again for your dedication, and I wish all of you and your families a happy holiday season.

SPOTLIGHT ON: HEALTHCARE REFORM

AFTER MONTHS OF DRAFTING, DELIBERATING AND POLITICKING, THE ULTIMATE HEALTHCARE REFORM BILL IS STILL A QUESTION MARK.

There are two primary bills under consideration: America's Healthy Future Act of 2009 (Senate Finance Bill) and America's Affordable Health Choices Act of 2009 (House Bill). On November 7, the House passed its bill, while a vote in the Senate is anticipated by the end of the year. For the latest updates and a side-by-side comparison of the bills, go to the Kaiser Family Foundation Web site: www.kff.org/ healthreform/sidebyside.cfm.

As you may recall, earlier this summer, the Federation of American Hospitals, of which Capella is a member, joined the American Hospital Association and the Catholic Healthcare Association in supporting the Senate Finance Bill. Essentially, we agreed to absorb \$155B in Medicare/Medicaid reimbursement cuts over 10 years, in exchange for achieving nearly universal health coverage – approximately 94% of all U.S. residents. Those numbers are shifting as the bill is revised. But, on the whole, we support legislation that expands insurance coverage for Americans. This will hopefully result in increased disease prevention across the U.S. and decreased bad debt for American hospitals.



INFECTION CONTROL TASK FORCE TEAM MAKING GREAT STRIDES

In February 2009, Infection Control Practitioners from all Capella hospitals joined together to form the Capella Infection Control Task Force Team, led by Teresa Williams, Chief Quality Officer at Capella Corporate. After attending the Association for Professionals in Infection Control (APIC) conference in June, the team has worked collectively to implement evidence-based practice standards for infection control in all 13 hospitals.

In 2009, **Grandview, Parkway, Saint Mary's, Southwestern** and **Muskogee** all had successful Joint Commission infection control surveys, with no Direct Impact Standards cited. In addition, several of the hospitals and Infection Control Practitioners have made significant strides this year, including:



The Infection Control Taskforce attended the APIC conference this past summer.

- Monica Baxter, Saint Mary's: Monica will be presenting at the IHI Conference in Orlando, FL in December. In 2008, Saint Mary's achieved a 66% decrease in Surgical Site Infections (SSI) for 2008, rates that have been sustained in 2009.
- Molimea Masaniai, **Jacksonville:** Molimea's team achieved zero SSIs between April and October 2009.
- Dee Henry, **Parkway**: Dee presented at the Alabama Quality Forum & Alabama Hospital Quality Initiative for Infection Reporting in October.
- Becky Elliott, **Muskogee**: Since 1998, Becky has served as Infection Preventionist, participating with the Oklahoma Foundation for Medical Quality as one of the pilot centers for the national MRSA project. Under Becky's leadership, Muskogee achieved flash sterilization decreases of 20% this year.
- Sue Sanders, **Grandview**: By implementing initiatives for SSIs, hospital-wide staff education and more, hospital-acquired infection rates decreased 1.5% overall.
- Carla Galbraith, **Willamette**: Carla is presenting Willamette's patient educational process for Methicillin Drug Resistant Organisms (MDRO) at the Oregon Association of Hospitals in November.

CAPELLA'S HOSPITAL HIGHLIGHTS

CAPITAL MEDICAL CENTER

Capital is ranked #1 in Washington for overall orthopedic services (2010) by HealthGrades. In addition, they rank among the top 10% in the nation for Overall Orthopedic Services for the 4th year in a row by HealthGrades. They also received the HealthGrades Orthopedic Surgery Excellence Award and the Joint Replacement Excellence Award.

GRANDVIEW MEDICAL CENTER

Grandview recently named Shirley Scarlatti as Chief Quality Officer (CQO), a new position for the hospital. She is the former Director of the Medical/Surgical/ICU department at Grandview with more than 35 years in leadership experience. Scarlatti will oversee patient safety, quality initiatives and assist with case management.

HARTSELLE MEDICAL CENTER

During the month of October, Hartselle was active with Breast Cancer Awareness Month, offering tours of the Imaging Department focused on mammography, lunch and learns for ladies groups and special information on the "Best Protection is Early Detection."

JACKSONVILLE MEDICAL CENTER

Martha Lavender, DSN, Chairperson of the Board of Trustees of Jacksonville, has received official notification from the Governor of Alabama that she has been appointed for a three-year term to the Alabama Board of Nursing. Jacksonville is honored that Dr. Lavender has received this opportunity to serve the State and the nursing profession.

MINERAL AREA REGIONAL MEDICAL CENTER

Implantations of cardiac defibrillators are now possible in the Farmington, Missouri area thanks to improvements recently made at MARMC. In September, Dr. Antoine M. Adem, Certified Cardiac Device Specialist, performed the first known implantation at MARMC to better treat patients with Congestive Heart Failure.

MUSKOGEE REGIONAL MEDICAL CENTER

A clinically proven, minimally invasive technology for treating chronic sinus inflammation is now available at Muskogee. Sinusitis is one of the most common chronic health problems in the U.S., and the Balloon Sinuplasty™ system by Acclarent™ uses a small catheter and balloon to quickly open and expand blocked sinuses.

NATIONAL PARK MEDICAL CENTER

National Park hosted a free breast cancer awareness luncheon in recognition of October's Breast Cancer Awareness Month. A panel made up of guest speakers for this event included Dr. Adriane Martin, general surgeon; Dr. Neeraj Bharany, oncologist; and Nikeba Davis, Susan G. Komen for the Cure Arkansas education director.

PARKWAY MEDICAL CENTER

Parkway has installed the first digital mammography machine in Decatur and Morgan County. The top-of-the-line technology allows

doctors to electronically enhance images and magnify and optimize different parts of the breast tissue, significantly aiding in the fight against breast cancer. The hospital will start digital mammograms December 1.

RIVER PARK HOSPITAL

River Park recently installed a new 64 Slice- GE LightSpeed® VCT XT CT scanner, a piece of equipment incorporating one the most advanced diagnostic tools for helping physicians reach confident diagnoses and provide the best patient care. This new technology provides advanced neurological imaging, cardiac imaging and orthopedic reconstructive capabilities.

SAINT MARY'S REGIONAL MEDICAL CENTER

Saint Mary's is taking an active role in influenza preparedness and prevention. In September, they partnered with the Arkansas Depart-



ment of Health, American Red Cross, area schools, and physicians to present "Spread the Word, Not the Germs" workshop and seminar. In October, twenty-five Saint Mary's staff members assisted the Arkansas Department of Health at its annual Pope County oneday mass flu vaccination clinic.

SOUTHWESTERN MEDICAL CENTER

Southwestern Neuroscience Center is the first and only facility in Southwest Oklahoma to receive the Joint Commission's Gold Seal of Approval as a Primary Stroke Center. Dr. David Pagnanelli, Dr. Geetha Kandimala, Dr. Luis Reina, Dr. Nabila Elzind, Kate Moore (Neuroscience Coordinator), and Dinah Lazarte (Chief Quality Officer) were all instrumental in the approval process.

WHITE COUNTY COMMUNITY HOSPITAL

In September, White County began renovating their ICU, which will soon have a separate isolation room, increased floor space to better care for critically ill patients and a renovated Med/Surg Nurses' station to create a more efficient layout. The project is expected to be complete by the end of the year.

WILLAMETTE VALLEY MEDICAL CENTER

The Commission on Cancer (CoC) of the American College of Surgeons has awarded The Cancer Center at Willamette with Three-Year Approval with Commendation – the CoC's highest level of accreditation achieved by only 25% of cancer centers nationwide. This designation recognizes that the Center had no deficiencies, met all 36 of the Commission's stringent standards and received a commendation rating for one or more standards.

STUDER PARTNERSHIP UNDERWAY

In our last newsletter, we announced the start to our partnership with Studer Group, a leading provider of evidence-based tools and processes to improve service excellence. Since then, we've held kick-off meetings in Nashville, Tulsa and Portland with leaders from each of our hospitals to learn more about the Capella-Studer Partnership. In December, partnership champions selected by each Capella hospital will join together in Nashville to begin discussing the roll-out of this program. **To learn more, visit www.studergroup.com.**





WHITE COUNTY PARTNERS WITH LOCAL PHYSICIANS



White County Community Hospital, located in Sparta, Tennessee, announced in September a new collaboration with local physicians.

Several members of the active medical staff became part-owners of White County in a joint venture with Capella. This move places White County among some 220 hospitals in the U.S. where local physicians have invested in the hospital they serve. This new partnership is reflective of a growing national trend of innovative community hospitals and patientfocused physicians working together to narrow the gap between those who operate hospitals and those providing care.

White County is one of three Capella hospitals partly owned by local physicians. The others include **National Park** and **Capital Medical Center**.

VACCINATION CHALLENGE

Participation across our hospitals has been astounding for the Capella Vaccination Challenge, taking place October 1 to November 30. This company-wide competition, based on Joint Commission's vaccination recommendations, is an effort to increase the number of employees who receive the seasonal flu vaccination. The top three winning hospitals and their participating employees will be awarded.

With an aggressive flu season well underway, it is never more important to provide a work environment that protects the health, safety and well-being of our employees, volunteers, physicians and patients. If you haven't already, we hope you will join your colleagues by November 30 in getting vaccinated to create a safer, healthier environment for all.

HERE TO SERVE

By Carolyn Schneider, Vice President of Human Resources

I have found whether in my work or my personal life, there are huge advantages to serving others. I feel fortunate to be part of an organization whose mission is to serve. Our patients and their families rely on us every day to provide quality service in patient care, and oh, how our employees deliver!

It's my job to make every employee's job easier, by providing you resources that give you the peace of mind that comes with physical and financial well being, so you can focus on putting patients first. From our health and retirement plans to our learning and development opportunities, our goal is to make some of the most complex decisions in life easy and convenient.

That's why Capella has spent the better part of 2009 investing in and implementing decision support tools to help you and your families.

In October, we launched the **Capella Learning Center**, dedicated to helping you develop as an individual and a professional. We offer courses that range from education on special vendor equipment to patient safety to curriculum that helps you stay up to date on your CEUs.

In November, we went live with **MyCapellaBenefits.com**, a website to assist you with Annual Enrollment and provide decision support tools for you and your family on health and welfare benefits for the coming year. This secure, private web portal is easy to use, with best in class tools and calculators to assist you with your health plan selections.

During Annual Enrollment, you may also notice some slight changes to your benefit plans. Capella found that by moving to **Prudential**, employees will save significantly on out-of-pocket costs for disability plans without sacrificing a single benefit.

We continue to focus on **wellness**. Our plans are set up to provide the most benefit by using your Capella facility and making the most out of well care and preventative services. There is no cap on well care services and only a small office visit co-pay. Let's practice what we tell our patients... Get your screenings done at the right time, at the right place.

Finally, because of outdated software with our previous partner, Capella has also changed the **payroll** vendor for many of our hospitals. Soon, employees at most of our facilities will be able to view pay history, download W-2 forms, and make PTO requests – all conveniently and privately online.

We know that you lead a busy life, and we're excited to bring you these programs, resources and tools to make your lives easier. We believe you deserve them. If you have any questions, please don't hesitate to contact me at **cschneider@CapellaHealth.com**.

ABOUT CAROLYN:



HOMETOWN: Nashville, TN

FAMILY: Married to Barrett Sutton; 5 children and one grandson.

INTERESTS: Running; tennis; community activities, including the Nashville Children's Theatre, Adventure Science Museum and Vanderbilt Children's Hospital.

LITTLE KNOWN FACT: She was a theatre major in college, and once performed as the Fairy Godmother!

EDUCATION: Southern Methodist University and Owen School of Business at Vanderbilt University.