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BEACON ANNUAL REPORT



TO ENHANCE THE PHYSICAL, MENTAL, EMOTIONAL
AND SPIRITUAL WELL-BEING OF THE COMMUNITIES
WE SERVE AS THE COMMUNITY'S PROVIDER OF
OUTSTANDING QUALITY, SUPERIOR VALUE AND
COMPREHENSIVE HEALTH CARE SERVICES.

BEACON HEALTH SYSTEM MISSION



PHILIP A. NEWBOLD, CEO
BEACON HEALTH SYSTEM

DEAR BEACON FRIENDS AND FAMILY,
Looking back at 2013, it's amazing to think just how far we've come and what we've accomplished. Now in our second year as Beacon Health System, we continue to see steady progress in the integration of our clinical services and the emergence of a new culture.

We are absorbing all of this change within a broader industry that can be confusing and worrisome to many across our region. It's now more than ever that we need to embrace our role as a community leader and health educator as we navigate this new world of health care together.

During this historic and transformative time, our outstanding associates and medical staff continue to focus on providing world-class care to patients and their families. Their steadfast commitment and devotion to the people they serve is a constant reminder of why Beacon is so vital to our region.

Each day, we are harnessing the power of more than 6,000 associates who are shining brightly in all they do. We are embracing change, while protecting the values and long-standing legacy of our organization. We are proud to contribute to our community, and we are honored to do our part to create health as we light the way to health and well-being.

A handwritten signature in white ink that reads "Philip A. Newbold". The signature is fluid and cursive, with a long, sweeping underline.

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FINANCIAL REPORT

CONSOLIDATED BALANCE SHEETS

IN THOUSANDS OF DOLLARS

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents
Accounts Receivable, Net of Allowances
Other Current Assets

TOTAL CURRENT ASSETS

Assets Limited as to Use:

Internally Designed Investments
Externally Designed Investments,
Under Debt Agreements
Externally Designed Investments,
Insurance Trust
Board-Designated Endowment
Endowment and Temporarily
Restricted Investments

OTHER ASSETS

Property and Equipment, Net
Other

TOTAL ASSETS

KEY STATISTICS

Adult & Pediatric Patient Days
Adult & Pediatric Admissions
Adult & Pediatric Average
Length of Stay (days)
Births
Emergency Department Visits
Open Heart Procedures
Surgeries

2013

\$ 134,129
138,950
50,316

323,395

558,918
28,812

2,582

20,968
6,278

617,558

543,193
28,885

\$ 1,513,031

141,544
30,905
4.58

3,922
118,792
463
19,190

2012

\$ 85,621
137,442
58,078

281,141

531,354
—

2,584

19,332
5,235

558,505

496,877
32,238

\$ 1,368,761

140,256
36,775
3.81

4,381
119,514
415
18,577

CONSOLIDATED BALANCE SHEETS

IN THOUSANDS OF DOLLARS

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable
and Accrued Expenses
Other Current Liabilities

TOTAL CURRENT LIABILITIES

NONCURRENT LIABILITIES

Long-term Debt,
Less Current Maturities
Other Long-term Liabilities
Interest Rate and Basis Swaps

TOTAL LIABILITIES

Net Assets:

Unrestricted Net Assets
Board-designated Endowment
Temporarily Restricted
Permanently Restricted

TOTAL NET ASSETS

TOTAL LIABILITIES AND NET ASSETS

2013

\$ 97,473

22,623

120,096

256,237

65,484

36,761

358,482

478,578

1,000,532

20,968

12,362

591

1,034,453

\$ 1,513,031

2012

\$ 97,390

12,983

110,373

208,140

122,563

30,017

360,720

471,093

867,771

19,332

9,974

591

897,668

\$ 1,368,761

COMMUNITY SUPPORT

Unreimbursed Medicare and Medicaid
Traditional Charity Care
Uninsured Discounts
Community Benefit Programs

Total Community Support

\$ 165,645,000

12,092,000

13,443,000

5,796,000

\$ 196,976,000

\$ 63,442,000

8,862,000

14,331,000

4,953,000

\$ 91,588,000

FINANCIAL REPORT

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

IN THOUSANDS OF DOLLARS

	2013	2012
UNRESTRICTED REVENUE AND OTHER SUPPORT		
Net Patient Service Revenue	\$ 840,408	\$ 897,737
Provision for Bad Debts	(62,724)	(51,950)
Net Patient Service Revenue	777,684	845,787
Less Provision for Bad Debt		
Other Revenue	42,726	39,670
Net Assets Released from Restrictions Used for Operations	458	620
	820,868	886,077
EXPENSES		
Salaries and Wages	329,320	302,454
Employee Benefits	90,072	94,783
Supplies and Other	192,834	208,416
Professional Fees and Purchased Services	107,094	107,310
Depreciation and Amortization	44,169	46,858
Interest	6,594	6,228
	770,083	766,049
Income from Operations	50,785	120,028
NON-OPERATING INCOME		
Investment Income (loss), Net	49,446	50,178
Unrealized Gains (losses) on Swap Transactions, Net	(6,744)	12,333
Loss on Bond Refunding	(3,734)	—
Realized Loss on Swap Termination	—	(290)
	38,988	62,221
NET INCOME	\$ 89,773	\$ 182,249

2013

REPORT TO THE COMMUNITY

ELKHART GENERAL HOSPITAL FOUNDATION

Healthy Indiana Plan Premiums	\$ 25,464
Diabetes Education for the Uninsured	32,220
Hospital Equipment	77,487
Oncology Patient Assistance	7,537
Radiology Technician CE	585
Scholarships	134,000
Medical Education	23,140
Heavily Discounted Mammograms	12,734
Gas Cards for Meals on Wheels Volunteers	3,624

TOTAL DISTRIBUTED 2013

\$ 316,791

MEMORIAL HEALTH FOUNDATION

DONOR RESTRICTED FUNDS

BrainWorks	\$ 118,211.51
Memorial Regional Cancer Center	8,367.77
Community Health Enhancement	21,790.00
Family Medicine Residency	—
Family Support Services (Social Work, Chaplaincy, etc.)	2,396.95
Memorial Leighton Heart & Vascular Center	9,047.04
Memorial Neighborhood Health Centers	25,000.00
Pfeil Innovation Center	47,017.00
Reach Out Club (Memorial Team Member Giving Society)	42,541.73
Staff Formal and Continuing Education	60,675.37
Areas of Greatest Need at Memorial	18,630.79

TOTAL DISTRIBUTED

\$ 353,678.16

MEMORIAL CHILDREN'S HOSPITAL

Memorial Children's Hospital	\$ 402,677.32
Pediatric Support Services (Child Life, Social Work, Chaplaincy)	16,012.07
Developmental Pediatrics	16,512.22
HealthWorks! Kids' Museum	147,289.84
Newborn Intensive Care Unit	39,430.51
Pediatric Hematology/Oncology	916.38

TOTAL CHILDREN'S HOSPITAL

\$ 622,838.34

TOTAL DISTRIBUTED 2013

\$ 976,516.50



GREG LOSASSO, PRESIDENT
ELKHART GENERAL HOSPITAL

THIS YEAR SAW THE FURTHER INTEGRATION of our two organizations as Beacon Health System. Our careful synthesis, which allows us to share best practices in our clinical settings, also enabled us to improve our outcomes and clinical indicators. Not only are we listening and responding to each other, but we are also listening and responding to the expertise of our patients and associates by conscientiously reviewing patient satisfaction scores and associate surveys. We'll continue this process of discernment and development over the coming year, using such responses as guides to further innovation and growth, particularly as we consider how to navigate the prestigious and inspiring "Best Place to Work" initiative.

Working with each other, with our patients and with our associates happens in conjunction with improving our individual facilities and programs. We were able to move into our new Center for Joint Replacement as well as our Sleep Disorder Center in 2013. We began our groundbreaking surgery project, with expected completion by the fall of 2015. The new surgery department will have eight operating rooms, a hybrid surgical suite and private post-surgical care rooms where patients can heal more comfortably.

Growth and change aren't always about new spaces. It is also about using new technology to improve the efficiency of current practices. For us, this means converting to the Cerner System, one more step in the direction of having unified electronic medical records.

Elkhart General and Memorial's efforts have been recognized again this year, as evidenced by numerous accreditations and awards granted by the most qualified reviewing bodies in our fields. For this, we thank you—our patients, our providers and our partners. Thanks to your continued support in 2013, we are able to promote innovation, growth, expertise and healing every day.

A stylized, handwritten signature in white ink, likely belonging to Greg Losasso. The signature is fluid and cursive, with a prominent 'G' and 'L'.



KREG GRUBER, PRESIDENT
MEMORIAL HOSPITAL

THE YEAR 2013 WAS PROOF THAT “SETTLING into a relationship” can be more about combining efforts and working together towards a common goal than “settling down.” In fact, as Memorial Hospital and Elkhart General Hospital have “settled into” our Beacon Health System relationship, we have been inspired and encouraged by each other, showing our commitment again and again to improving the quality of life in our community.

For example, this year Memorial was able to further improve our clinical indicators of care. These indicators are measures that the federal government and other agencies have defined as important for large populations of patients, such as those with heart conditions, pneumonia or who have had surgery. Our improvement in these areas is a testament to our providers’ expertise and commitment to healing.

We also made our environment better for those who work here—those who provide their expertise on a daily basis. We evaluated and began to implement innovative changes so our Associates consistently feel engaged in their roles. This has benefits for the wider community as well: “engagement” has been linked to better clinical outcomes for patients, lower costs of care and higher rates of retention. Our efforts led to a nearly 10-percent point improvement in our engagement results. But we aren’t going to stop there; we are continuing this effort until we’re on par with the best places to work in the nation.

Memorial has continued to grow to meet our community’s needs. In particular, our hybrid operating rooms were completed this year, adding clinical capabilities for the care of advanced and complex vascular disease and neurovascular interventions. We also started a project that will revolutionize the care of children in our region with the Children’s Hospital expansion project planning. This year was further evidence of our commitment to our community, both within and outside the hospital. We continue to value the expertise of our associates and their healing capacities, and we will continue to grow and innovate to better serve our patients and our region in the upcoming year.

Kreg Gruber



VINCENT HENDERSON, M.D.
CHIEF OF THE PHYSICIAN
GOVERNANCE COUNCIL OF
BEACON MEDICAL GROUP

HISTORY WAS MADE IN 2013 WITH THE joining of Memorial Medical Group and Elkhart General Medical Group to form Beacon Medical Group, the largest, most integrated physician group in the region. With more than 230 providers and more than 40 locations, we are proud that we are on the same team working in a unified vision toward common goals.

The hallmark of Beacon Medical Group is not only the diversity of our specialties, but the outstanding expertise of our providers who provide world-class care everyday from LaPorte County to Elkhart County and all points in between.

With the electronic medical records systems being merged, medical records at any Beacon Medical Group location will be available to ensure uniformity of care throughout Beacon and prevent duplication of tests. And as part of our mission, we continue to grow our care presence to improve convenience of medical support services and programs closer to home. Just consider a few of the highlights from 2013:

- More than 40 new providers added, including an expansion of child and adolescent psychiatry, nephrology, family medicine, urgent care, cardiovascular disease and medical oncology
- Cardiology Associates joins Beacon Advanced Cardiovascular Specialists - South Bend
- North Central Cardiovascular Specialists joined to form Advanced Cardiovascular Specialists RiverPointe
- Middlebury Family Physicians joins to form Beacon Medical Group Middlebury

While 2013 was an exciting year, we are just as thrilled with the opportunity for growth in 2014. Beacon Medical Group is committed to recruiting specialists, acquiring medical technology and developing innovative programs that help to improve the health and well-being of all people who depend on us for exceptional care.

A handwritten signature in white ink, appearing to read 'V. Henderson', with a large, stylized loop at the end.



GREG CONRAD, VICE PRESIDENT
BEACON HEALTH VENTURES

IN 2013, BEACON HEALTH VENTURES SAW a year full of growth, changes and achievements, as we continued to provide expert care and services to people in our community.

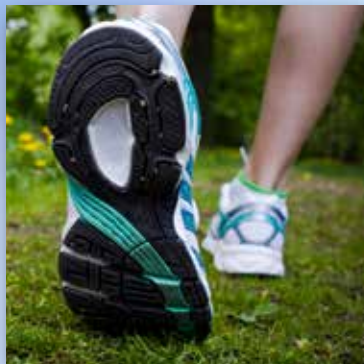
Realizing the ever-changing climate of health care, we have continued to enhance our services to bring healing, help and wellness in exciting new ways and places across the community. We doubled our personal services agencies by opening Partners in Personal Care in Elkhart and Compassionate Caregivers in Nappanee. These businesses provide essential non-medical care in the home to allow people to stay home longer. Our Advanced Pharmacy Services combined our Mar-Main compounding services and Home IV Therapy into a single comprehensive South Bend pharmacy, as well as expanding personalized compounding services to Elkhart.

Perhaps our most momentous change was the groundbreaking of the new 36,500-square-foot, state-of-the-art building for Elkhart General Home Care. This significant investment by Beacon Health System provides a centralized location for many products and services in a great space for our associates, as well as our customers. This new location supports around 300 associates and all Elkhart General Home Care service lines. This includes a Medicare- and Medicaid-licensed home health agency offering skilled nursing, home health aides, physical, speech and occupational therapy, an infusion and compounding pharmacy, private nursing care, a home medical equipment business and retail store. Additionally, we offer the newly licensed Partners in Personal Care agency, providing homemaker, attendant and aide services. The new location is fully operational and open to the public in the first quarter of 2014.

The quality of these services and our associates was recognized once again in 2013. For the fourth year in a row, Memorial Home Care was recognized as a Home Care Elite agency in the United States.

As we move into 2014, we will continue to advance the Beacon vision of wellness through helping those in need of expert home and community-based care.

A handwritten signature in white ink, appearing to read "Greg Conrad". The signature is fluid and cursive, with a large, stylized "G" and "C".



Healing often begins with a close relationship between the patient and the care provider. This means care providers do everything they can to make patients comfortable and confident in their capabilities.



NEW HEALING SPACES

Memorial's Heart & Vascular Center underwent renovations aimed at improving patient care. Adding a dozen new private rooms, caregivers can better attend to the individual needs of patients. Two of the rooms are equipped with bariatric lifts, there are five hemodialysis rooms, a dedicated isolation room, and a private, comfortable room for consultations between physicians and families.

A state-of-the-art Center for Joint Replacement opened at Elkhart General. The new unit boasts 16 larger, private, beautifully appointed rooms. Other features include a physical and occupational therapy gym equipped with a tub to practice transfers, as well as a mock car for learning how to safely get in and out of a vehicle, both challenging tasks for patients getting reaccustomed to how their bodies move.

CENTER FOR JOINT REPLACEMENT, ELKHART GENERAL HOSPITAL





OUR SMALLEST PATIENTS

Memorial Children's Hospital is one of only a few hospitals in the United States that allows mothers and babies being treated by the Newborn Intensive Care Unit to remain together while in the hospital. The program allows babies extended, intimate contact with their parents, something that is very important for brain development, especially in the first days of life outside the womb. This initiative is part of a more global effort by the hospital to empower patients and families.

Memorial Hospital was the first hospital in the region to have a trained obstetrician in the hospital 24 hours a day. This around-the-clock laborist program for both routine and emergency obstetrical care provides a comforting, safe environment for maternity and childbirth services.



NEW SERVICES FOR PHARMACIES

Today's pharmacy provides far more than prescriptions. As a result of increasing growth and the opportunity to expand offerings, Mar-Main Pharmacy, now named Memorial Home Care Advanced Pharmacy Services, moved to a new location: 3355 Douglas Road, South Bend. Elkhart General Home Care Advanced Pharmacy Services opened a new location at the southwest corner of CR-17 and Verdant Drive in Elkhart.

This new location offers facilities to support a wider range of care options: upgraded technology, private consulting space, room for educational classes, additional offerings of over-the-counter products, better access to the pharmacists and pharmacy and an overall improvement in the client experience. This growth also means the ability to offer new capabilities with electronic medical records for consultations, as well as space for offering additional services in the future.

Additionally, the pharmacy at Elkhart General was recognized nationally for reducing adverse drug effects related to anticoagulants (blood thinners). The pharmacy improved the level of safety by initiating an inpatient monitoring process and by opening the Outpatient Anticoagulation Clinic. The clinic, in addition to improved convenience and comfort, bridges the gap between physician and patient care.





Ken Elek, M.D., Memorial Chief Medical Information Officer, and Cheryl Wibbens, M.D., Memorial Vice President of Medical Affairs, were instrumental in the implementation of Memorial's computerized physician order entry system.

PIONEERING PROGRAMS FOR HEALTH

Beacon works with regional, national and international organizations in developing groundbreaking programs to help patients. For example, this past year, both Elkhart General and Memorial Hospital partnered with the Indiana Hospital Association in a program called Coalition of Care, which aims at reducing readmissions and harm over a 20-month period. The Association recognized them for decreasing readmissions and harm in a variety of areas such as obstetrics, early deliveries, catheter-associated urinary tract infections and central line associated blood stream infections.

Elkhart General also participated in the Harm Across the Board initiative for the Partnership for Patient Safety Initiative, and was one of fewer than 100 hospitals selected to share its patient-safety experience at the American Hospital Association Leadership Summit in San Diego, CA.

Memorial Hospital earned two special designations related to fitness. For the sixth consecutive year, it attained the title of "Fit Friendly Company" by the American Heart Association. Plus, the League of American Bicyclists awarded Memorial with the bronze designation as a bicycle-friendly business.

New programs can also be self-initiated, as with Elkhart General's partnership with Cerner Corporation, which further enhances patient safety through the use of the latest in electronic medical records technology. Cerner's Electronic Medical Record System (EMR), Cerner Millennium+™, to accurately and efficiently track a patient's health history and hospital stay. In addition to improved patient safety, the new system offers better communication, turnaround time and access to the medical record anytime and any place.



Beacon Health System encourages expertise among its providers to offer the highest quality of care. This expertise has been recognized not only by leading accrediting bodies but—even more significantly—by patients.



EXPERT RESOURCES AT HAND

Collaboration is the key to creating the best possible treatment plans for patients. With this in mind, Elkhart General lung cancer patients receive care through the Thoracic Oncology Clinic. The clinic starts with an entire team of physician specialists coming together with the patient and family at one time, in one setting, to discuss the patient's situation, allowing questions and concerns to be addressed, and to design the most effective and appropriate treatment plan for the patient. A typical session includes the patient and family members along with physicians from surgery, radiation oncology, medical oncology, interventional radiology, pathology and pulmonology—this means that as many as 10 physicians plus nurses and other practitioners may be strategically involved in the patient's care.

Similarly, Memorial Regional Cancer Center began a multidisciplinary approach to fighting prostate cancer with the opening of the Prostate Cancer Clinic. This was in addition to installing the most advanced linear accelerator for the treatment of tumors, including breast and prostate at the Cancer Center's Mishawaka facility.

Joining the Memorial Cancer Center team as medical director, Thomas Reid, III, M.D., Ph.D., FACP, has a particular interest in multidisciplinary clinics.

Such advances may be part of the reason why Memorial Regional Cancer Center received three-year accreditation through the American College of Surgeons' Commission on Cancer and Memorial's Radiation Oncology Center successfully renewed its accreditation from the American College of Radiation Oncology. Plus, the Ultrasound Department at Memorial Hospital and Navarre Radiology successfully passed its American College of Radiology reaccreditation process. Succeeding in these rigorous accreditation processes underscores the excellence of care the community has come to expect from Beacon.

Elkhart General's Oncology received accreditation from the Commission on Cancer, and Elkhart General's Radiation Oncology Department received accreditation from the American College of Radiation Oncology.



ELKHART GENERAL HOSPITAL
CARDIAC CATHETERIZATION LAB

YOUR RECOGNITION OUR EXPERTISE

Area residents have again graciously recognized both Memorial Hospital and Elkhart General as the preferred hospitals, according to the National Research Corporation, which annually provides Consumer Choice Awards for the most-preferred hospitals in markets across the country. Winners are determined by consumer perceptions on multiple quality and image ratings collected in the company's market insights survey.

Elkhart General's expertise has also been recognized nationally, as it received numerous accreditations and five-star rankings in 2013.

In the area of cardiac surgery, Elkhart General is not only ranked among the top five percent in the nation for two years in a row, but it also ranked first in the state of Indiana for cardiac surgery and fourth for overall cardiac services. Elkhart General has made this a tradition: it has been ranked among the top ten in Indiana for overall cardiac services for five successive years and has been the recipient of the Cardiac Surgery Excellence Award for two years running. Needless to say, Elkhart General has been five-star rated for cardiac surgery for two years, coronary bypass surgery for two years, and added a five-star rating for treatment of heart attack this year as well.

BEACON MEDICAL GROUP

NEW PHYSICIANS 2013

Dan Abel, M.D.

Family Medicine

John Baccus, M.D.

Pain Medicine

Janet Badding, M.D.

Urgent Care

Ivan Bedoya-Apraez, M.D.

Hematology-Medical Oncology

Vinil Bhooma, M.D.

Hospitalist

Vinay Bhuma, M.D.

Hospitalist

Vinod Chauhan, M.D., FACC

Clinical Cardiac Electrophysiology

Lori Checkley, M.D., Ph.D.

Urgent Care

Leah Craft, M.D.

Family Medicine

Marjorie Daoud, M.D.

Infectious Disease

Stephen Dickson, M.D.

Cardiothoracic Surgery

Ahmed Elmaadawi, M.D.

Child and Adolescent Psychiatry

Lisa Felsman, M.D.

Family Medicine

John Gilbert, D.O.

Ear Nose and Throat

Elizabeth Gingrich, M.D.

Family Medicine

Vicente Gonzaga, M.D.

Child and Adolescent Psychiatry

Arif Goreja, M.D.

Nephrology

Justin Grannell, D.O.

Family Medicine

Steven Hanberg, M.D.

Internal Medicine

M. Zubair Ul Haq, M.D.

Urgent Care

Kelvin Hsu, M.D.

Academic Hospitalist

Kristin Huynh, D.O.

Hospitalist

John Katsaropoulos, M.D., FACC

Interventional Cardiology

Jennifer Knapp, D.O.

Adult Psychiatry

John Kobayashi, M.D., FACC

Diagnostic Cardiology

Anna Kragt, M.D.

Family Medicine

Gurudutt Kulkarni, M.D.

Clinical Cardiac Electrophysiology

Lindsey Lira, M.D.

Family Medicine

Christiaan Mamczak, D.O.

Orthopaedic Trauma Surgery

Syed Asif Masood, M.D.

Pediatric Hospitalist

Charles Mathis, M.D.

Nuclear Cardiology

Bruce McClure, D.O.

Urgent Care

Vijay Mehta, M.D.

Nuclear Cardiology & Echocardiography

Ronald Nelson, M.D., FACC

Interventional Cardiology

G. Scott O'Neill, M.D.

Urgent Care

Kwabena Osei, M.D., MPH, FAAP

Pediatric Hospitalist

Rose Paul, M.D.

Urgent Care

Jagadeesh Reddy, M.D.

Child and Adolescent Psychiatry

Syed Rizvi, M.D.

Nephrology

Brandi Ross-Douglas, M.D.

Intensivist

Renata Sawyer, M.D.

Maternal Fetal Medicine

Narendra Singh, M.D.

Adult Psychiatry

Maria Torregroza-Sanchez, M.D.

Hospitalist

Norman Waggy, M.D.

Family Medicine

Donald Westerhausen, M.D.

Interventional Cardiology

Troy Weirick, M.D.

Interventional Cardiology



BEACON
MEDICAL GROUP

EXPERTISE WHERE IT IS NEEDED

Mental illness has become an increasingly important topic in the health care field. Locally, Memorial's Epworth Center is on the forefront of providing top-notch care for the mentally fragile in the region. It has added five psychiatrists, including four on an inpatient basis. Epworth Center, as the region's leading mental health resource, also increased awareness and training for regional providers by conducting educational seminars on a variety of mental illnesses.





Stacy McDowell, ACNS-BC, Clinical Nurse Specialist/Practice Manager and Gerard Duprat, M.D., both of Beacon Medical Group Vascular Interventional Radiology.

A TRADITION OF QUALITY

Receiving accreditation from leading organizations in the field proves responsibility, willingness, and ability to pass strenuous outside review. This not only gives confidence to patients, but it helps attract new, exemplary providers to Beacon. Particularly remarkable are five-star ratings, such as Elkhart General's for joint replacement and total knee replacement, which has been achieved for five consecutive years. Elkhart General added a five-star rating for hip fracture treatment this year.

Each specialty has its own accrediting body, which is why Elkhart General Sleep Disorder Center is accredited by the American Academy of Sleep Medicine, the Elkhart General Inpatient Rehabilitation Unit received CARF accreditation for Acute IP Rehab and Stroke.

The Memorial Leighton Trauma Center was re-verified as an Adult Level II Trauma Center by the American College of Surgeons. This achievement recognizes the Trauma Center's dedication to providing outstanding care. The Trauma Center has been re-verified three times since its initial verification in 2004, and remains the only verified Trauma Center in North Central Indiana, with the next closest centers hours away in any direction.

The overarching Healthcare Facilities Accreditation Program also granted three-year accreditation to Elkhart General and off-site locations, including the Sleep Disorder Center, Elkhart Cardiology, Family Practice Associates-Radiology Services, North Central Cardiovascular Specialists and the Center for Wound Healing.

Elkhart General Hospital and Memorial Hospital achieved Healthcare Information and Management Systems Society Stage 6 adoption of the Electronic Health Record. This recognition highlights efforts to improve how patient information is used throughout the health system to enhance patient care.

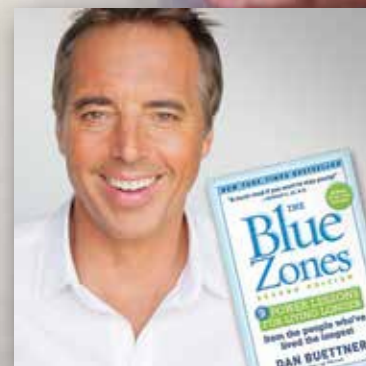
Memorial Hospital earned The Joint Commission's Gold Seal of Approval for accreditation. It also received reaccreditation for Computed Tomography by the American College of Radiology.

Elkhart General Home Care and Memorial Home Care were named to the 2013 HomeCare Elite™, a compilation of the top-performing home health agencies in the U.S.

Improving quality of life starts with education—of care providers and the community. It also involves being open-minded and creative about how to provide a more satisfactory care experience for each patient.



Jon Berg, Captain of the Universe at HealthWorks! Kids' Museum, engages kids in healthy play.



PROMOTING LEARNING IN OUR COMMUNITY

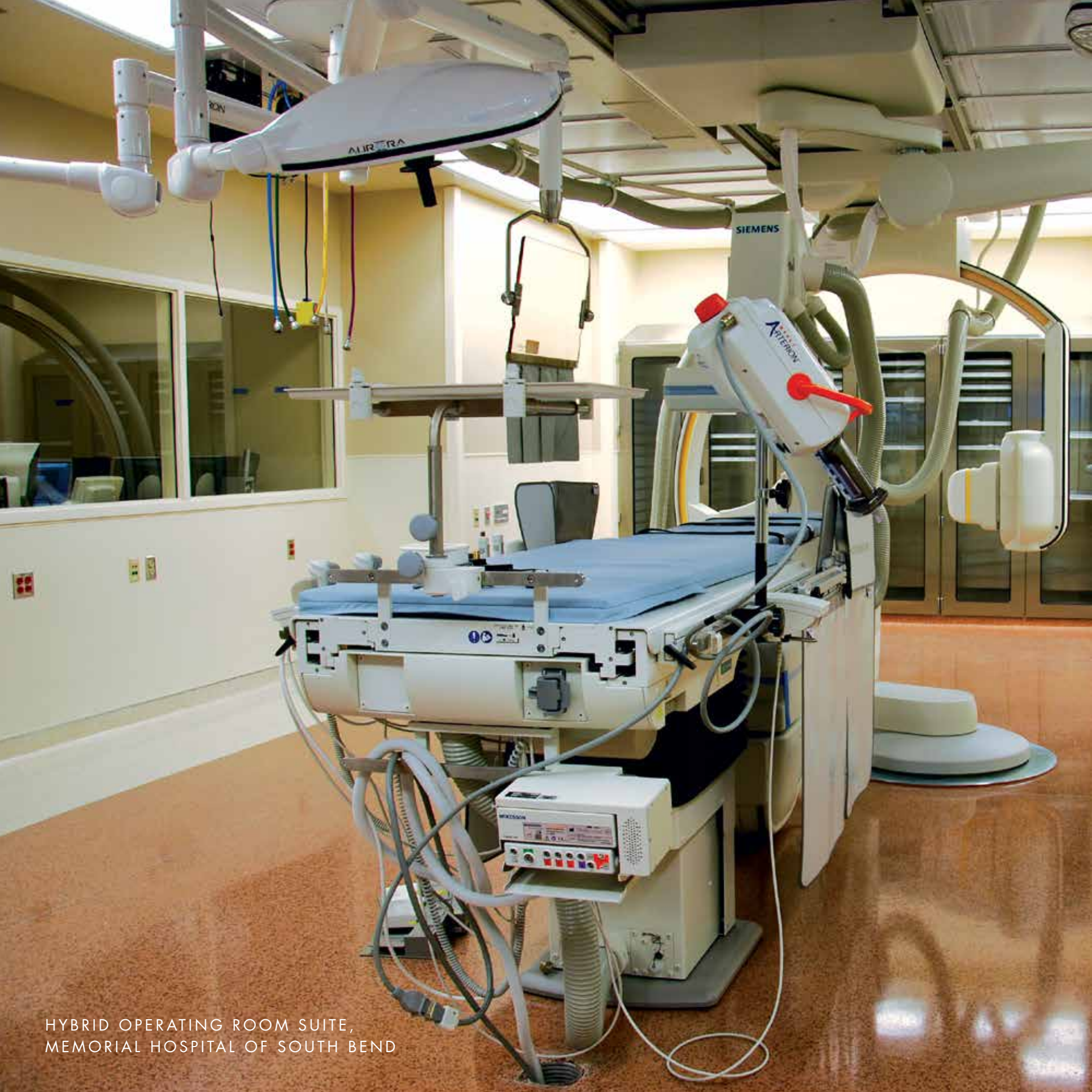
Beacon sought new avenues to educate caregivers and patients this year. Dan Buettner, *The New York Times* bestselling author and *National Geographic* writer, visited the community and shared stories, lessons and insights. Buettner spent years traveling the globe meeting and studying the areas where people live the longest and consider themselves the happiest, known as the Blue Zones. Presented by the Mary Morris Leighton Lecture series and Memorial BrainWorks, the lecture was attended by more than 600 people.

Efforts to continue medical education were recognized by the Commission on Medical Education of the Indiana State Medical Association, which awarded the CME Program at Elkhart General Hospital a six-year Accreditation with Commendation in January 2013. Memorial Hospital received a four-year accreditation for its Continuing Medical Education programs.

Plus, the health system built bridges between the caregivers and patients through increasing the use of social media, namely Twitter. Three surgeries at Elkhart General were communicated via Twitter. The goal of live tweeting a sinuplasty surgical procedure and a partial knee replacement surgery was to educate patients about what happens during the procedures and promote the exceptional surgical capabilities at Beacon.

Efforts to educate children about how to stay healthy garnered national attention this year. HealthWorks! Kids' Museum became the first children's museum in Indiana and only the eighth in the United States to be designated a Good to Grow! Museum by the Association of Children's Museums. A Good to Grow! Museum is committed to actively working with its community on behalf of children's health and wellness; incorporating health and wellness into all aspects of its organizational planning and practices; and being a recognized and valued community resource for children's well-being.

Additionally, in 2013 Beacon welcomed national business leaders into (the nation's first) innovation expert training program. This program, called the Certified Innovation Mentor Program, was launched in partnership with Whirlpool Corporation and the University of Notre Dame. Participants came from across the country to attend the launch of the program. The first of three onsite modules, centered on the business case for Innovation, kicked off at the Pfeil Innovation Center. More than 700 people have completed the two-day immersion training program at Pfeil Innovation Center, the nation's foremost center for innovation training and education.



HYBRID OPERATING ROOM SUITE,
MEMORIAL HOSPITAL OF SOUTH BEND

LIFESAVING TECHNOLOGY

Beacon Health System is noted in the region for being on the cutting-edge of lifesaving, health-preserving technology. This year again upheld that tradition of excellence. For example, newly added advanced ultrasound technology is allowing Elkhart General providers to improve the assessment of a specific kind of enlarged lymph node, which leads to faster, more accurate treatment. Specifically, this technology plays a role in diagnosing lung cancer, further helping patients get the best treatment at the earliest stage possible.

A new patient safety technology called the SurgiCount Safety Sponge® System is being implemented throughout Beacon Health System to ensure that all surgical sponges are accounted for properly. In the new system, all sponges used for an invasive procedure are scanned onto the surgical sterile area prior to use, and after use are scanned off the surgical area. At the end of the surgery, the nurse can electronically confirm that all sponges have been accounted for.

Elkhart General became the only hospital in the area to use an advanced technology called Optical Coherence Tomography (OCT). Rather than using sound waves, OCT uses light, and the image quality

is vastly superior to ultrasound. The image quality is everything when it comes to looking at diseased arteries: the better the images, the better able the medical staff is to make treatment decisions.

Memorial Hospital became the only hospital in the region to house two state-of-the-art hybrid operating rooms, dramatically enhancing the delivery of care. Hybrid operating suites allow physicians to combine imaging services and surgical procedures in a one-stop comprehensive care approach to treat stroke, aneurysms, major trauma and cardiovascular conditions.

Through the collaboration of Memorial's interventional radiologists, cardiologists, cardiovascular surgeons, general surgeons, neurosurgeons and trauma surgeons, the two hybrid operating suites are transforming the level of advanced care in Michiana. In fact, in the less than six months since their opening, the facilities have already been used by Memorial's skilled team to perform complex heart and lung cases.

COMFORT COMES IN ALL FLAVORS

IMPROVED DINING AND NUTRITIONAL EXPERIENCE

The Bistro, which opened in the summer of 2013 inside Elkhart General, serves up a coffee house-like experience: open seating, paninis, wraps and high-end pastries like truffles, cakes, cookies and scones. Also available are grab-n-go items and Caribou™ Coffee beverages, plus a custom-mixing soda machine.

A major shift in the nutritional landscape is underway at Memorial, marked foremost by implementing more sustainable models of service. Included was an effort to reduce sugar-sweetened beverage consumption by employing “stoplight marketing.” This is a way of labeling and pricing items so that consumers understand the relative healthfulness of beverage choices, as well as the costs involved with “unhealthy” drinks.

All milk products are now purchased from local farms that have pledged not to use growth hormone or antibiotics in their dairy cattle. The hospital has also committed to increasing the use of locally supplied products, including fruits, vegetables, meats and breads.



Delicious, healthy food selections are part of the experience at Elkhart General and Memorial.

BEACON

BY THE

NUMBERS

2013

3,922

BABIES BORN

118,792

ER VISITS

383,704

DIAPERS USED

19,190

SURGERIES

71,270

VOLUNTEER HOURS

441

ADULT VOLUNTEERS

37,358

GUESTS
IMPACTED
THROUGH
HEALTHWORKS!®
COMMUNITY
OUTREACH

141,544

PATIENT DAYS

97,134

CUPS OF COFFEE
SERVED TO INPATIENTS

30,905

ADMISSIONS

393,407

DINING TRAYS
SERVED TO INPATIENTS



This has been a year of growth for Beacon Health System. It has attracted new physicians, created top-notch facilities, and collaborated with trusted community caregivers—all in an effort to extend the high quality of care throughout the region.



GROWING CARE FOR PRIMARY FAMILIES

This year was an exciting first year for Beacon Medical Group. First, Elkhart General Medical Group and Memorial Medical Group came together to form the new Beacon Medical Group. While new logos and signage are being developed for both inside and outside the facilities, the exemplary care offered by physicians and caregivers continues unabated. This helps to illustrate the unified efforts to improve quality of life in the region. It will be a process of continued growth—attracting the talented physicians and clinical staff for which Beacon has become known.

One such talented physician is Lakeville Family Medicine Physician Cynthia Heckman-Davis, M.D. The Indiana Academy of Family Physicians selected Dr. Heckman-Davis as the 2013 Family Physician of the Year. She was honored because of her contributions to the health of the community.

Such a reputation for excellence was also one of the reasons Middlebury Family Physicians joined with Beacon Medical Group in 2013. Middlebury may be a small community, but it has had a top-notch family practice for 30 years. By joining with Beacon, the Middlebury Family Physicians will ensure Middlebury residents have this great care for even more years to come with the added benefit of an extended care network.

Cardiology Associates joined Beacon Medical Group's Advanced Cardiovascular Specialists - South Bend. North Central Cardiovascular Specialists joined to form Advanced Cardiovascular Specialists RiverPointe.

And for those who need care right now, Med-Point Urgent Care Center added a third location in 2013, opening a practice inside Beacon Medical Group Elkhart East on County Road 6. Providers treat a variety of everyday illnesses, from ear infections to chest congestion.



Alberta Henderson, M.D., medical director of Paragon Clinics, is surrounded by Stephanie Bortz, Terri Miller, Kellie Parker and Mary Kate McElvene.

ADVANCED SURGICAL CARE

Maintaining its reputation for staying on the cutting-edge, Elkhart General broke ground on a \$76 million state-of-the-art expansion that will replace and update surgical suites. The 168,000-square-foot expansion will provide space for eight operating rooms, a hybrid suite, three endoscopy suites, outpatient surgery area and a new inpatient floor with 43 private rooms for post-surgical care.

Advances in medical technology will enable more procedures to be delivered on an inpatient and outpatient basis. One of the largest building projects in Elkhart General's history, construction should be completed on the surgery expansion by the fall of 2015.

SURGICAL EXPANSION RENDERING,
ELKHART GENERAL HOSPITAL



PATIENT ROOM OPTION,
FIFTH FLOOR



NURSE'S STATION OPTION,
FIFTH FLOOR



WAITING AREA OPTION,
FOURTH FLOOR

ELKHART GENERAL HOME CARE STORE,
CR-17 AND VERDANT DR., ELKHART



CARE AT HOME

Beacon Health Ventures, which includes Elkhart General Home Care and Memorial Home Care, extended its reach this year. It expanded personal services by welcoming Partners in Personal Care in Elkhart and Compassionate Caregivers in Nappanee as part of the team. Elkhart General Home Care Advanced Pharmacy Services is a new addition to this location, providing a non-medical care and services to a larger geographic region of clients.

Plus, construction began on Elkhart General Home Care, a 36,500-square-foot, state-of-the-art facility and a first of its kind in Elkhart County to provide all home care services from one location. Services include a Medicare and Medicaid-licensed home health agency, a home medical equipment retail store, an infusion and compounding pharmacy and the newly licensed personal services agency, Partners in Personal Care. The new facility is conveniently located at the southwest corner of CR-17 and Verdant Drive in Elkhart.

GOING FARTHER

A larger, more powerful helicopter began servicing the region in summer 2013 as part of Beacon Health System's MedFlight program. The new helicopter, which can travel for an extended range at speeds of more than 140 miles per hour, enhances patient care by providing more lift capability and cabin space. This new helicopter equips the crew with the latest technology in communication and safety capabilities, allowing it to operate in a wider range of weather conditions.

Plus, Memorial Children's Hospital added a new pediatric intensive care ambulance to provide much-needed specialized children's care across the region. As a testament to the region's generosity and commitment to health, the ambulance was funded completely through community support. It includes all the medical equipment found in the existing pediatric transport ambulance, but the equipment is newer and positioned in ways that enhance the level of safety and care for everyone aboard.





MEDFLIGHT & TRAUMA STATS

2013 ANNUAL SUMMARY

MEMORIAL MEDFLIGHT

Inter-facility Calls	333	Requesting Hospitals	32
Scene Calls	233	Requesting EMS-related agencies	24
TOTAL CALLS	566	Education and Community Events	85
Inter-facility Transports	157	Event Attendance	1,999
(Hospital-to-Hospital Transports)			
Scene Transports	92		
Transports into Memorial Hospital	146		
Transports into Other Hospitals	27		
TOTAL TRANSPORTS	249		

MEMORIAL LEIGHTON TRAUMA CENTER

Total Number of Patients Entered into the Trauma Registry	1,238	TOP REFERRING HOSPITALS 76% of all patients are local, while 24% are from a referring hospital. 1. Franciscan St. Anthony Health Michigan City 2. Elkhart General Hospital 3. Indiana University Health – LaPorte 4. Indiana University Health – Starke 5. Saint Joseph Regional Medical Center – Plymouth 6. Porter Regional Hospital – Valparaiso 7. Indiana University Health – Goshen 8. Community Hospital of Bremen
TRAUMA ACTIVATION LEVEL		
911 (less than 15 minute trauma surgeon and trauma team response)	210	
Highest Activation Level		
912 (less than 60 minute trauma surgeon and trauma team response)	161	
Trauma Admit (Trauma Surgeon is Admitting Physician)	136	
TOP INJURY MECHANISMS		
Falls (high incident rates for patients over 60 with falls from ground level)	566	
Motor Vehicle Crashes (high incident rates for patients 16 to 24)	279	
35% of all drivers and passengers were not wearing a seatbelt.		
Firearm, Cut/Stab	106	
Motorcycle, Moped Crashes	83	
72% of all drivers and passengers were not wearing a helmet.		
Blunt Assault, Abuse	41	
Pedestrian	36	
Bicycle	25	
Other (sport, machine, animal, burn, struck and recreational vehicle)	102	



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