

JULY & AUGUST 2008

CONTINUING PROGRESS

Last month was an exceptional month in many areas, and our momentum continues to increase. The leadership team, QHR consultants and many employees are managing numerous work initiatives. The curtain-wall construction project continues to progress well, but is increasingly disruptive.

We continue improvement of our financial performance in spite of the extra ordinarily difficult environment. We have new ED On-Call Agreements with several physicians in the specialties of Urology and Hematology-Oncology. The On-Call Agreements also provide the hospital assurances of physicians in these specialties being available for consultation and treatment of acute care patients in the hospital for all financial classes of patients.

CURTAIN WALL—The curtain wall project is well underway. It has made a big difference in the cosmetics of the facility, but one of the real benefits upon completion of the project will be the energy savings and elimination of water leaks. We will experience substantial annual savings in energy costs.

OTHER CAPITAL PROJECTS—The following projects have been approved and are in various phases of completion:

1. Boiler replacement
2. Chiller and Cooling Tower replacement
3. Emergency Generator Replacement
4. Room Preparation for New Nuclear Medicine and CT Equipment
5. Preparation of Site for MRI modular building
6. Planning of room renovation for the angiography equipment
7. Ordering of patient beds and stretchers
8. Planning the Surgery Department renovation and equipment replacement

JULY 3RD DISASTER

July 3rd a “power black-out” occurred as the result of loss of power from the City and the failure of our emergency generators to properly function. This “power black-out”, which lasted nearly 50 minutes, occurred when our 3 emergency generators shut-down after only 10 minutes of operation, and the external diesel-fueled emergency generator failed to come on-line. The problem that caused the failure of the 3 natural gas generators has been resolved, and we currently have reliable and appropriate back-up emergency power. We further determined that the outside commercial diesel-fueled emergency generator that was installed by the former owner was not installed correctly and would not come on automatically.

FINANCIALLY SPEAKING

Our financial performance improvement continued during the month of June. Our loss for June was (\$553,000) and is an improvement of over \$100,000 compared to prior month. Medical/Surgical admissions were up 3 over June, and most out-patient volumes were strong. Surgeries for the month were up 16 from June.

PERSONNEL

Bill Benson recently joined our Leadership team as our Interim Director of Plant Engineering, and is a representative of Sodexo. Bill has an excellent background and is already making improvement in Plant Engineering. Sodexo area management is currently interviewing for a permanent Director of Plant Engineering. Sodexo is also conducting a full-analysis of our Plant and Facilities and will submit to us a report of their findings and recommendations.

PERSONNEL CONTINUED

Ron Curry is the new permanent Director of Food Services. Ron has over twenty years of experience in the Food Service industry and has previously worked with Aramark. He brings a wealth of knowledge, experience and enthusiasm that will certainly improve our delivery of food service to our patients, staff and visitors.

Linda Jaecks began as Director of Quality Improvement on August 11, 2008. We have also employed **Jennifer Stinson** as Director of Case Management and she begins in the month of September. We will share their backgrounds with you next month.

Joyce Williams, our current OHR Interim Director, has implemented many new initiatives that have already begun to show results. Elsie Gilley has accepted a new position as Nurse Auditor in Financial Services.

MAKING THE GRADE...

Health Grades is an independent health rating organization, and they can be found on [Healthgrades.com]. We recently had a comparison prepared showing the Health Grades "Actual vs. Predicted Mortality Ratings" for UMC (formerly shown as GSCH) and five other hospitals in the DC metro area (see chart below). A five star rating is the highest rating.

MEDICAL STAFF

Our Medical Staff Organization continues its restructuring with the revision of the Medical Staff Bylaws and Rules & Regulations. Several new physicians have joined the staff and several more are expressing interest in getting Medical Staff Appointments and Privileges.

The good news about our many improvements is being talked about in the community and among physicians. Physicians are coming back and our patient volumes should begin to increase.

FOR YOUR INFORMATION

DEPARTMENT NAME CHANGE—The Telecommunications Department is now called Communications Services Department. This change was made to establish a more definitive recognition of the services that are provided by this department.

DEPARTMENT RELOCATIONS—As a result of the Curtain Wall project, several services have been temporarily relocated. The Dialysis Center has been temporarily relocated to Room 162. 7th Floor Secure (D.O.C.) was relocated to 7E rooms 701-706. Behavioral Health Service was relocated to 4E rooms 452, 456 & 457 on the fourth floor and 3E rooms 352, 356 & 357 on the third floor. Financial Services was relocated to their former offices on the second floor and Medical Staff Services was relocated to room 024 on the ground floor.

Healthgrades.com 2008 Ratings (2004-2006 data) Actual vs. Predicted Mortality Rates Comparative Ratings

	Greater Southeast	Providence Hospital	Washington Hosp Ctr	Howard Univ Hosp	Fort Washington	George Washington
Heart Failure	☆☆☆	☆☆☆	☆☆☆☆	☆☆☆	☆☆☆	☆☆☆
Hosp plus 6 months	☆☆☆	☆☆☆	☆☆☆☆	☆☆☆☆	☆☆☆☆	☆☆
Heart Attack	☆☆☆	☆☆☆	☆	☆☆☆	☆☆☆	☆☆☆
Hosp plus 6 months	☆☆☆	☆☆☆	☆☆☆☆	☆	☆☆☆	☆☆
COPD	☆☆☆	☆☆☆	☆☆☆☆	☆☆☆	☆☆☆	☆☆
Hosp plus 6 months	☆☆☆	☆☆☆	☆☆☆☆	☆	☆☆☆	☆☆☆
Sepsis	☆	☆☆☆	☆☆☆☆	☆	☆☆☆	☆☆
Hosp plus 6 months	☆	☆☆☆☆	☆☆☆☆	☆	☆☆☆☆	☆☆
Respiratory Failure	☆☆☆	☆☆☆	☆☆☆☆	☆	☆☆☆	
Stroke	☆☆☆	☆☆☆☆	☆☆☆☆	☆☆☆☆	☆☆☆	☆☆☆
Pneumonia	☆☆☆	☆☆☆	☆☆☆☆	☆☆☆	☆☆☆	☆☆☆
Prostatectomy (compl)	☆☆☆	☆☆☆	☆☆☆☆	☆☆☆	☆☆☆	☆☆☆☆

Data current through September 30, 2006 (Medicare fiscal year).
Blank cell indicates no rating for the period.

We thank each of our employees for a job well done. Things are rapidly getting better. We need to continue making improvements everyday.

Thank you,

Gary L. Rowe, Interim Chief Executive Officer

WITH PRIDE WE CELEBRATE OUR MOST OUTSTANDING EMPLOYEES

The employee of the month program was established to recognize and celebrate the most outstanding employees at United Medical Center. The recipients of the prized recognition are nominated by any staff member at the hospital. They are then reviewed by the Employee of the Month Committee, approved by the CEO and celebrated each month. They are given a special gift and a VIP parking space, in addition, their accomplishment is announced via the PA System and their picture is on display in the lobby of the Hospital. Two people are selected each month, one from the clinical staff and one from non-clinical. This honor is bestowed by our CEO and other members of the Executive Team and also the Department leadership. It is our hope that all of our employees strive to become the "Employee of the Month" here at United Medical Center. It is an honor that speaks to the kind of extraordinary people who make United Medical Center the place to receive quality care. Join me in celebrating the winners for the last three months.

JUNE EMPLOYEES OF THE MONTH

Donna Johnson— Clinical

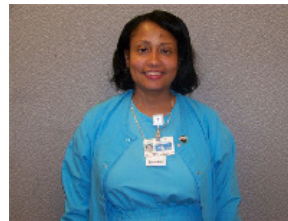


Marvin Waters—Non-clinical



JULY EMPLOYEES OF THE MONTH

Donna Hargrove—Clinical



Charlie Beard—Non-clinical



AUGUST EMPLOYEES OF THE MONTH

Sandra Cooks-Montgomery—Clinical



Gloria Ellis—Non-clinical

