



CEO Report

October 21, 2009



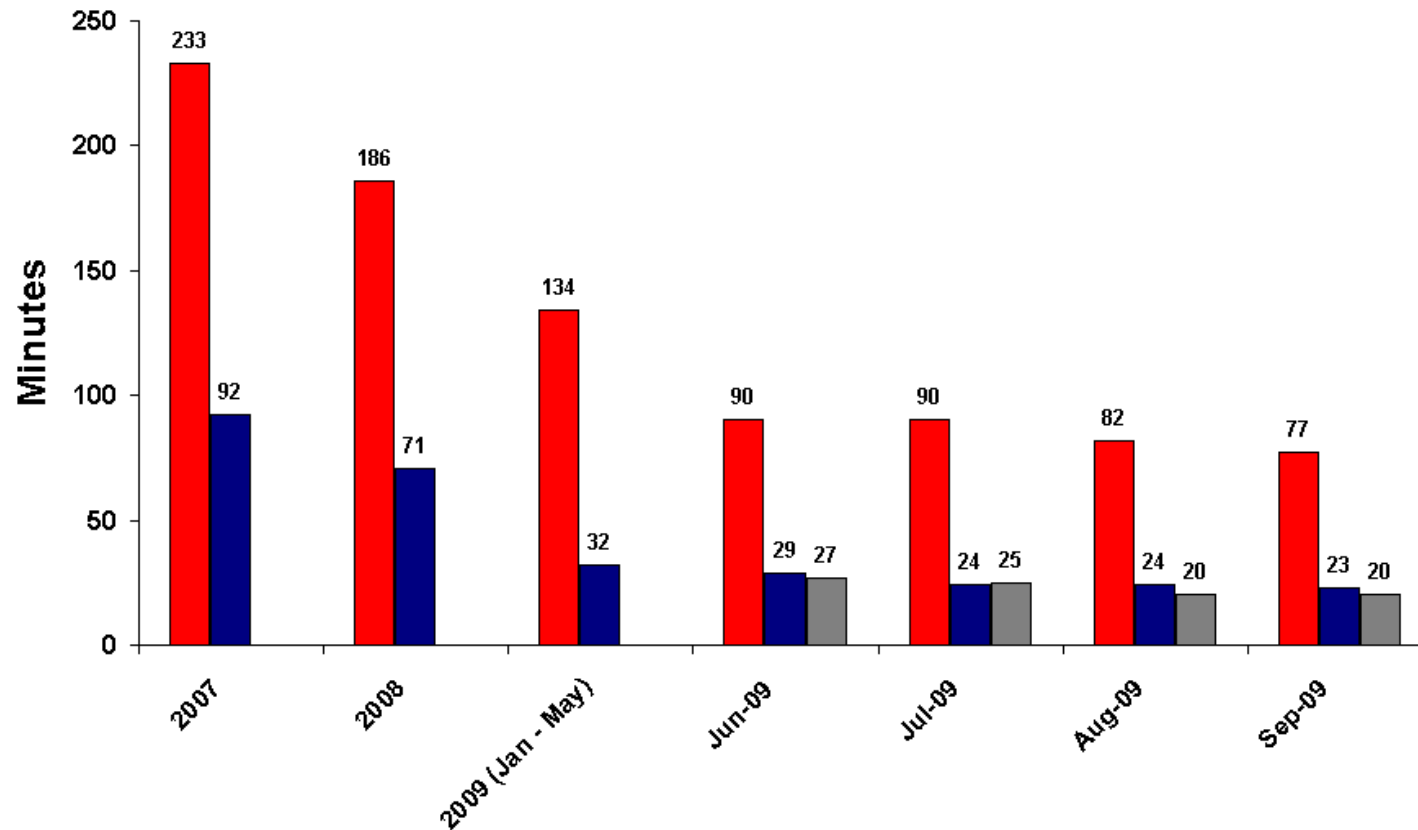
Access to the Health System

- Volume (YTD 09 v. YTD08)
 - Admissions are up approx. 11.1%
 - ED visits up 3.3%
 - Overall clinic volume up 8.5%
 - NHC volume up 11.2%
 - Outpatient Surgeries up 17.5%
- Expansion of Services
 - Clinic Expansion Plan
 - Additional MRI Unit
 - Completion of Outpatient Burn Center
 - Approximately 40% complete with the construction of the Marcus Stroke Center project - design in process for the Marcus ER/Trauma Expansion project
 - 410 RNs hired since July of 2008

Access to the Health System

Main Outpatient Pharmacy Wait Times

■ Average Same Day Rx ■ Next Day Pickup ■ Express



Cost Reductions

- Length of Stay
 - 5.8 September YTD09; 1.1 days better than September YTD08
- Significant reductions in Overtime and Agency
- Revamped and began implementation of a new managed care strategy.
- Kronos time and attendance
 - Annualized savings estimated at \$7 million
- Employee Insurance Coverage switch to Self Insured
 - Approximately \$5 million in savings
- Cut loss in ambulance service by \$4 million

Investment (People)

Our Professionals

- Grady University has trained 2363 staff members.
- Senior Leadership training on strategy and execution
- Trained a significant number of Grady employees in the revenue cycle process
- Upgraded tools and processes related to billing and collections and have significantly reduced accounts receivable
- Improved charge capture processes in many departments with roll-out to remaining departments in process
- Developed productivity standards and monitoring tools which are being installed

Investment (Capital)

Infrastructure and Equipment

- Redevelopment of Trauma Unit
- Replacement of the nurse call system underway on a unit by unit basis through June 2010
- Replacement of the fire alarm system in process through May 2010
- Installation of 22 Major Imaging Devices, including a 1.5T MRI, a 64 Slice CT for the ER, Cardiac Cath Lab and Nuclear Medicine equipment
- Replacement of more than \$10m in medical equipment including Patient Beds and Room Furniture, Surgical instrumentation, scopes and equipment, Ultrasound equipment, Ventilators, Dinamaps, Pulse Oximeters, Infant Incubators and Laboratory equipment
- Installed replacement equipment in Central Sterile Supply to support and enhance Operating Room efficiency
- Implemented Alaris Smart Pump equipment and technology to provide a safer medication administration program

Investment (Capital)

Information Technology

- Electronic Medical Records
- Enterprise Resource Planning System
- Implemented IT upgrades which increased first-pass billing accuracy from 21% to greater than 75%
- Installed and implemented the Teletracking Bed Management System that provides real time data on bed availability and expedites patient placement
- Installation of Picture Archiving and Communication System (PACS) in both Radiology and Cardiology
- Implemented the 3M Softmed Chartscan program that allows for scanning of POS financial documents and ER discharge records
- Installed the Perioptimum OR patient tracking system to provide a real time update of patients as they move through the OR

Other

- Preparation and submission of a Federal Stimulus Funding G20 Grant aimed at renovating space in GMH and the Ponce Center to consolidate and expand research capabilities