

Annual Report/Overview

FY 2008

(October 2007 – September 2008)



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Rockdale Medical Center FY 2008 Annual Report/Overview

During Fiscal Year 2008, The Rockdale County Hospital Authority Board of Trustees and the Rockdale Medical Center (RMC) Board of Directors worked together to provide a viable partner for the hospital. As the economy weakened it was determined that Signature Hospital would no longer be able to purchase Rockdale Medical Center.

Within a short period of time, the Boards reached an agreement with LifePoint Hospitals, Inc. based in Nashville, Tennessee for the purchase of RMC. While the purchasing process continued throughout the fiscal year, we continued to *strengthen the quality of care* provided to our patients and *participate in programs benefiting the community*.

Participating in Programs Benefiting the Community

These are just some of the many classes and events sponsored by Rockdale Medical Center during the year:

Community Health Fair: In May 2008, RMC hosted a Community Check-up/Health Fair providing free health screenings, discounted blood tests, and educational materials to hundreds of participants.

Heart Health: During the year, we sponsored free vascular screenings and a heart healthy luncheon featuring Dr. Michael Cecil, Cardiologist, with information on heart health.

American Cancer Society (ACS): Smoking Cessation Classes were held throughout the year in addition to the “Look Good Feel Better” programs through the ACS.

Birth Place: We provided free prenatal, breast feeding, and sibling classes, tours of the Birth Place, and newborn health and hearing screenings.

Educational Fairs: A Diabetes Health Fair, Home Health Fair, and Emergency Preparedness Fair were also held during this year.

Seminars: Seminars were held for the public on topics including: Preventing and Treating Leg and Back Pain and Vascular Disease Identification, Modification and Disease Management.



Diabetes Health Fair Sponsored by RMC

Rockdale Medical Center's family of employees, volunteers, and physicians also supported these organizations throughout the year:

American Diabetes Association

- Diabetes Walk
- Strike Out Diabetes Bowl-a-thon

American Cancer Society

- Relay for Life

American Red Cross

- Sponsored five Community Blood Drives

Conyers-Rockdale Chamber of Commerce

- Hosted Leadership Rockdale Scrub Top Tour

March of Dimes

- Walk for Babies

Rockdale County Public Schools (RCPS)

- Provided a Physical therapist and supplies for home football games
- Representative on RCPS Safety Committee
- Participated in Career Days
- RMC employees provided school supplies twice a year

Rockdale Emergency Relief

- Provided food, clothing, toys, and financial contributions

United Way of Metro Atlanta

- Recognized for making one of the largest contributions to the Conyers-Rockdale Campaign

RMC also provided space for community organizations such as the Boy Scouts of America and the Chamber of Commerce. It is estimated that the community benefit from Rockdale Medical Center's participation in community activities totaled nearly \$1 million.



RMC UGA fans solicit United Way donations with Hairy Dog



RMC Employees raise money for March of Dimes with Basket Raffle



RMC employees, families, and friends participate in the March for Babies

Recognition Highlights

In addition to the staff and physicians at RMC, we owe a great deal of thanks to the many volunteers for their outstanding contributions to our hospital and community. RMC Auxiliary members contributed more than 4,428 hours and volunteer chaplains made daily visits to the hospital.

RMC Auxiliary

- Velda Jones, first-ever “RMC Volunteer of the Year”

Employee of the Year 2008

- Rodica Varady, The Birth Place

Nurse of the Year 2008

- Sandra Hands, RN, The Birth Place

Georgia Hospital Association (GHA) Great Ambassador

- Betsy Massey, RN, Quality Management Department



Velda Jones, 2008 Volunteer of the Year, with RMC Auxiliary President, Tom Scarborough

Strengthening the Quality of Care

Rockdale Medical Center is accredited by the Joint Commission on the Accreditation of Healthcare Organizations. The Joint Commission evaluates and accredits health care organizations and programs in the United States and is the nation’s predominant standards-setting and accrediting body in health care.

During FY 2008, Rockdale Medical Center continued to exceed the 91% threshold for Appropriate Care Measures (ACM) to qualify for the Georgia Hospital Association’s Quality Honor Roll.

The Georgia Medical Care Foundation (GMCF) honored RMC as one of the top performers in the State of Georgia for our commitment to patient safety and quality patient care. We were one of four Georgia hospitals recognized.



During the year, our Main Laboratory and Blood Bank were inspected and continued to receive accreditation by the College of American Pathologists (CAP) and the American Association of Blood Banks (AABB). These accreditations, based on results of on-site inspections, are awarded for meeting high standards of medical, technical, and administrative performance.

The Commission on Cancer gave a 3-year approval with commendation to RMC for our Cancer Registry program. In addition, Rockdale Medical Center’s Respiratory Department earned Quality Respiratory Care Recognition (QRCR) from the American Association for Respiratory Care (AARC).

Fiscal Year Review

Fiscal Year 2008 showed a slight downturn in average inpatients seen, but a small growth in outpatient surgeries and visits versus 2007. Earnings before interest, depreciation, and amortization (cash flow) increased by \$540,000 for an 11% improvement. Net Patient Services Revenues increased by 4.6%. Continued improvements in cash collections and revenue cycle management contributed to the increased cash flows.

Purchasing savings were achieved which allowed us to lower our supply costs in relationship to patient revenue volumes. A second Cardiac Catheterization Lab was opened in November, 2007. Cardiac catheterization services grew by 32% and wound healing services experienced a 625% increase in volumes, since the program began in mid-year 2007. Professional fee expenses were reduced by 42% during the 2008 fiscal period.

Audited Consolidated Balance Sheet Year ended September 30, 2008 (in thousands)

Assets

	2008	2007
Cash and cash equivalents	\$ 47,359	\$ 53,161
Patient accounts receivable, net	12,430	12,815
Other current assets	<u>7,083</u>	<u>5,267</u>
Total current assets	\$ 66,872	\$ 71,243
 Assets limited as to use	 \$ 4,411	 \$ 4,719
 Property, plant and equipment	 \$ 92,690	 \$ 94,357
 Other assets	 <u>\$ 3,715</u>	 <u>\$ 3,869</u>
Total assets	 <u>\$167,688</u>	 <u>\$174,187</u>

Liabilities and Fund Balance

	2008	2007
Accounts payable and other accruals	\$ 13,578	\$ 12,897
Other current liabilities	4,092	3,272
Current portion long-term debt	<u>2,583</u>	<u>2,696</u>
Total current liabilities	\$ 20,254	\$ 18,865
 Long-term debt	 \$ 83,865	 \$ 85,107
 Minority interest in joint venture	 \$	 \$ 28
Net assets	 <u>\$ 63,569</u>	 <u>\$ 70,187</u>
Total liabilities and net assets	 <u>\$167,688</u>	 <u>\$174,187</u>

Audited
Consolidated Statement of Operations and
Changes in Net Assets
Year ended September 30, 2008
(in thousands)

	<u>2008</u>	<u>2007</u>
Total unrestricted revenues	\$118,534	\$113,334
Expenses:		
Salaries and benefits	52,659	50,498
Supplies and other	41,910	40,058
Provision for bad debt	18,629	17,977
Depreciation and amortization	7,612	7,578
Interest expense	<u>4,507</u>	<u>4,047</u>
Total expenses	\$125,316	\$120,159
Operating loss	<u>(\$ 6,783)</u>	<u>(\$ 6,825)</u>
Other income	(\$ 1,111)	\$ 3,099
Excess of revenue and gains		
Over expenses	<u>(\$ 7,893)</u>	<u>(\$3,726)</u>
Increase/(Decrease) in net assets	(\$6,627)	(\$3,566)
Net assets at beginning of year	<u>\$ 70,187</u>	<u>\$ 73,753</u>
Net assets at end of year	<u>\$ 63,569</u>	<u>\$ 70,187</u>

Volume Performance

Admissions to the Medical Center were 8,200 during the fiscal year ending September 30, 2008, representing a 1.8% decline over the prior fiscal year. This resulted in an average census of 86 inpatients a day. The number of newborn deliveries totaled 2,306 for the fiscal year, an increase of 0.8% over 2007.

Emergency Department visits declined to 39,850 annual visits, or 109 patients per calendar day. Outpatient visits increased 4% and same day surgery cases and endoscopy procedures increased by 6.1%. We saw approximately 112,000 outpatient visits and 7,210 total Surgery patients in FY 2008.

Rockdale Medical Center, Inc.
Forecasted Statement of Operations
For the Stub Year ending January, 2009
(in thousands)

Revenues:	<u>2009</u>
Total operating revenue	\$40,900
Expenses:	
Salaries and benefits	19,500
Other operating expenses	19,400
Total operating expenses	<u>38,900</u>
EBIDA	2,000
Depreciation and amortization	2,550
Interest expense	1,600
Non-operating revenue	<u>(425)</u>
Total non-operating expense	3,725
Net income (loss)	<u>(\$1,725)</u>

Note: EBIDA, earnings before interest, depreciation, and amortization, is projected to be \$2.0 million for year ending January 31, 2009. RMC is forecasted to have a bottom line loss of \$1.7 million after all expenses.