Presentation Overview

- Cardinal Health System, Inc. (CHS) Overview
- CHS Growth and Economic Contributions
- Future Healthcare Challenges
CHS Mission and Vision

**Mission:** Cardinal Health System will promote wellness and improve the health status of the people of East Central Indiana and surrounding areas through patient care, health education, and medical research.

**Vision:** Cardinal Health System will be the destination provider for a broad array of sophisticated services to support the healthcare needs of East Central Indiana.
CHS Strategic Goals

- **Goal #1**: Deliver Healthcare Services and Programs that are of Value to Multiple Stakeholders.
- **Goal #2**: Provide the Community with the Latest in Proven and Effective Medical Technology.
- **Goal #3**: Create a Safe Environment to Work and Care for Patients.
- **Goal #4**: Strive for Excellence by Exceeding Clinical Quality and Organizational Performance Standards.
- **Goal #5**: Increase Access to Services and Programs.
- **Goal #6**: Create and Maintain an Organization That is Fiscally Sound. (Benchmark = Moody’s A-Rated Medians)
Cardinal Health System, Inc.

Corporate Structure

Obligated Group

Blue: Non-Profit

Red: For-Profit
Summary of CHS Joint Ventures

### Company (For Profit)

<table>
<thead>
<tr>
<th>Company</th>
<th>Percent Owned</th>
<th>Date Started</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pathologists Associated</td>
<td>50.0%</td>
<td>1988</td>
<td>Clinical/Reference Lab</td>
</tr>
<tr>
<td>Surgicenter LLC</td>
<td>47.7%</td>
<td>1994</td>
<td>Surgery Center (eye)</td>
</tr>
<tr>
<td>Eye Center Group LLC</td>
<td>32.6%</td>
<td>1994</td>
<td>Physician Group</td>
</tr>
<tr>
<td>Cardinal Health Alliance</td>
<td>50.0%</td>
<td>1995</td>
<td>PHO</td>
</tr>
<tr>
<td>East Central Radiology</td>
<td>49.0%</td>
<td>1997</td>
<td>Imaging Center</td>
</tr>
<tr>
<td>River View Surgery Center</td>
<td>8.0%</td>
<td>1997</td>
<td>Surgery Center (general)</td>
</tr>
<tr>
<td>Mid-America Surgery Center</td>
<td>30.0%</td>
<td>2003</td>
<td>Surgery Center (general)</td>
</tr>
<tr>
<td>Progressive Cancer Care</td>
<td>10.0%</td>
<td>2003</td>
<td>Cancer Center</td>
</tr>
<tr>
<td>Jay County Medical Facility</td>
<td>35.0%</td>
<td>2004</td>
<td>Medical Office Building</td>
</tr>
</tbody>
</table>

**TOTAL**

### Percent

<table>
<thead>
<tr>
<th>Company (Not-For-Profit)</th>
<th>Percent Owned</th>
<th>Date Started</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mid-West Health Strategies</td>
<td>67.0%</td>
<td>2003</td>
<td>Rehabilitation Services</td>
</tr>
<tr>
<td>St. Vincent/Randolph Hospital</td>
<td>10.0%</td>
<td>2003</td>
<td>Hospital</td>
</tr>
<tr>
<td>Cardinal Behavioral Health</td>
<td>49.0%</td>
<td>2006</td>
<td>Opening March, 2006</td>
</tr>
</tbody>
</table>
Scope of Service

- Ball Memorial Hospital operates as a teaching hospital and a regional referral center providing tertiary services including:
  - neurology and neurosurgery
  - cardiology (including cardiac catheterization and open heart)
  - oncology
  - neonatology
  - orthopedics (including joint replacements)
  - physical rehabilitation
## Statistics

<table>
<thead>
<tr>
<th>Category</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acute Beds in Service</td>
<td>304</td>
<td>301</td>
<td>301</td>
</tr>
<tr>
<td>Transitional Care Beds</td>
<td>48</td>
<td>48</td>
<td>48</td>
</tr>
<tr>
<td>Acute Inpatient Days</td>
<td>75,598</td>
<td>76,780</td>
<td>75,721</td>
</tr>
<tr>
<td>Acute Inpatient Admissions</td>
<td>15,718</td>
<td>16,255</td>
<td>14,774</td>
</tr>
<tr>
<td>Newborn Days</td>
<td>3,418</td>
<td>3,434</td>
<td>3,354</td>
</tr>
<tr>
<td>Average Acute Length of Stay</td>
<td>5.04</td>
<td>4.83</td>
<td>5.08</td>
</tr>
<tr>
<td>Average Daily Census (Acute)</td>
<td>207</td>
<td>210</td>
<td>207</td>
</tr>
<tr>
<td>Emergency Room Visits</td>
<td>46,468</td>
<td>52,057</td>
<td>56,138</td>
</tr>
<tr>
<td>Surgical Cases - Inpatient</td>
<td>6,541</td>
<td>6,460</td>
<td>6,484</td>
</tr>
<tr>
<td>Surgical Cases - Outpatient</td>
<td>11,767</td>
<td>11,186</td>
<td>8,673</td>
</tr>
<tr>
<td>Radiology Procedures</td>
<td>124,474</td>
<td>131,079</td>
<td>135,949</td>
</tr>
<tr>
<td>Laboratory Procedures</td>
<td>896,995</td>
<td>919,596</td>
<td>970,509</td>
</tr>
<tr>
<td>Medicare Case Mix Index</td>
<td>1.51</td>
<td>1.47</td>
<td>1.55</td>
</tr>
<tr>
<td>Occupancy % *</td>
<td>75%</td>
<td>75%</td>
<td>77%</td>
</tr>
</tbody>
</table>

*Excludes Nursery and Skilled Care Unit
Medical Staff

- Ball Memorial Hospital has an experienced medical staff.
- Board Certification Rate: 87.5%
  (2002 National rate- 70.1%)
- Average Age of Active Staff: 46
  (Three-fifths of all U.S. physicians are over age 45)

(BSOURCE: Pinnacle Health Group, 2003
http://www.dpo.uab.edu/~cheo/kpnu/physician.htm)
Percentage of Cases by Payer
(Source: Internal Data from CHS)

Commerical: 37.30% (2004), 35.76% (2005)
CHA: 5.01% (2004), 4.51% (2005)
Medicaid: 17.11% (2004), 18.20% (2005)
Self Pay: 8.02% (2004), 8.93% (2005)
Workers Comp: 7.10% (2004), 6.90% (2005)
CHS Growth and Economic Contributions
Ball Memorial Is the Only Tertiary Referral Center in East Central Indiana
Inpatient Market Share by Geographic Cluster

**BLACKFORD:** 15 bed critical access; 20 miles from BMH
1. **Ball Memorial:** 46%
2. **Blackford Community:** 22%
3. **Bluffton Regional:** 11%
4. **Lutheran:** 4%
5. **Marion General:** 4%

**JAY:** 35 bed critical access; 32 miles from BMH
1. **Jay County:** 33%
2. **Ball Memorial:** 31%
3. **Bluffton:** 11%
4. **Lutheran:** 7%
5. **Parkview:** 5%

**RANDOLPH:** 24 bed critical access; 25 miles from BMH
1. **Ball Memorial:** 37%
2. **St. Vincent Randolph:** 30%
3. **Reid Hospital:** 18%
4. **St. Vincent Indianapolis:** 2%
5. **Jay County:** 2%

**DELAWARE:**
1. **Ball Memorial:** 83%
2. **St. John’s Health System:** 3%
3. **Community Hospital Anderson:** 2%

**GRANT:** 150 bed; 39 miles from BMH
1. **Marion General:** 69%
2. **Lutheran:** 5%
3. **Ball Memorial:** 5%
4. **St. Vincent Indianapolis:** 4%
5. **The Heart Center:** 2%

**MADISON:** 18 miles from BMH
1. **St. John’s:** 35% (234 bed)
2. **Community Hospital Anderson:** 34% (207 bed)
3. **St. Vincent, Indpls.:** 5%
4. **Ball Memorial:** 3%

**HENRY:** 107 bed; 22 miles from BMH
1. **Henry County:** 46%
2. **Ball Memorial:** 14%
3. **St. John’s:** 8%
4. **Hancock Regional:** 6%
5. **St. Vincent Indianapolis:** 5%
Physician Recruitment

9 Primary Care Physicians in last 12 months
38 Specialists in last 2 years

- Anesthesiology
- Thoracic and General Surgery
- Cardiothoracic Surgery
- Internal Medicine
- Electrophysiology
- Emergency Medicine
- Oral Surgery
- Radiation Oncology

- OB/Gyn
- Gastroenterology
- Pathology
- Ophthalmology
- Radiology
- Psychiatry
- Podiatry
- Pulmonary Disease/Critical Care
Cardinal Access, a health cost assistance program for the uninsured, was initiated by the BMH Foundation, Inc. in conjunction with several community supporters on October 1, 2004. Since its inception, Cardinal Access has over 170 participating physicians and over 2,300 participating patients.

As a general rule, CHS financial counselors first attempt to identify and enroll uninsured patients who are potentially eligible for existing government programs such as Medicaid and Hoosier Healthwise. For those patients who do not qualify for government programs, but have gross incomes of 200% or less of the Federal Poverty Guidelines, enrollment in Cardinal Access takes place. Cardinal Access offers patients discounted fees and/or payment options for primary, specialty, and hospital services according to each participating provider’s internal policies and procedures.

Cardinal Access benefits physicians by pre-screening patients for government programs and streamlining the financial assistance process, thus saving valuable office time. In addition, a new web-based enrollment system is being developed that will allow financial counselors to screen patients for available programs more efficiently as well and engage in enrollment outreach. Participating physician practices will be able to access the website to see if an application for a government program was processed or enrollment in the Cardinal Access program occurred.

Cardinal Access has several supporters throughout the community, which has been a key element in its early success. Some of the participating providers include, Ball Memorial Hospital, BMH Family Medicine Residency Clinic, BMH Medicine Clinic, Associates in Surgery, Associates in Women’s Health, Central Indiana Orthopedics, Comprehensive Mental Health, East Central Indiana Vascular Lab, Emergency Physicians of Delaware County, Medical Consultants, Midwest Health Strategies, Open Door/BMH Health Center, Pathologists Associated, Southview Urgent Care, Urology Associates, and Voss Center for Women.

CHS financial counselors are located off the main hospital lobby and are available to assist patients Monday through Friday from 8:00 – 4:30 p.m. or by appointment by calling 281-6672, 281-6675, or 281-6678. Physicians interested in participating in the program should contact the BMH Foundation at 765-747-3420.
Service Line Development and Marketing
Ball Memorial Hospital to undergo $120M renovation

Plans call for private rooms throughout and a five-story cardiac center

"WE WILL BE RAISING THE BENCHMARK FOR ALL OTHER HEALTHCARE ORGANIZATIONS TO MEASURE THEMSELVES AGAINST"

- Robert S. Curtis, President and CEO, Cardinal Health System
Ball Memorial Hospital
Master Facility Plan

➤ $120M Project
➤ 400,000+ SF of New and Renovated Space
➤ Private Acute Care Patient Rooms
Future Healthcare Challenges

- Demographics (aging and decreasing population)
- Increasing Costs (people, technology, cost shifting)
- Un-insured or Under-insured
- Recruitment and Retention of Best Practitioners