

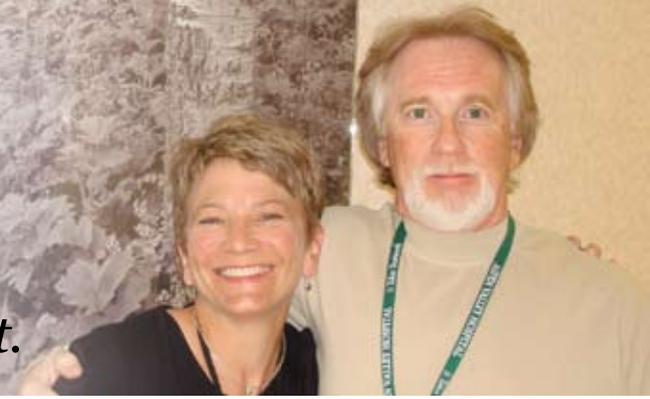
THE YEAR IN REVIEW

Aspen Valley Hospital's
2007 Annual Report



Our mission

*To deliver extraordinary
healthcare in an environment
of excellence, compassion, and trust.*



Opening remarks

from Dave Ressler, CEO/Administrator

Aspen Valley Hospital's (AVH) accomplishments this past year were many and varied. We received full accreditation from The Joint Commission (TJC) following an unannounced, intensive two-day survey. We diligently managed both our expense and revenue cycle, thus exceeding our financial goals. The Aspen Birth Center expansion was completed on time and within budget, and our conceptual Master Facilities Plan was finalized and submitted to the City of Aspen for review.

However, I believe our most remarkable accomplishments relate to the quality of care AVH provides. Perhaps I am biased because I personally was hospitalized and have a new appreciation for our staff. Perhaps I'm biased because, to a person, I couldn't have been treated by more caring, competent professionals. Or perhaps I'm biased because the level of personal commitment I witnessed each day of my hospitalization was so remarkable.

But when I review patient satisfaction surveys, administered by a third party, I find that my experience at AVH is the norm. In fact, we consistently exceed our patients' expectations, and AVH is ranked in the top 10 percent of hundreds of hospitals throughout the nation.

I am so proud to be associated with AVH, knowing that the extraordinary care I received is extended to every patient who comes to our facility. There is a reason AVH has a reputation for an uncommon level of personalized care, care that is among the best in the country.

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**Check out our new Web site
at www.avhaspen.org**

Aspen Valley Hospital

Representing the best of two worlds: *the warmth and friendliness of a small town, the technical expertise of a major medical center*

The essence of Aspen Valley Hospital (AVH) is its personalized care, the expertise of the staff, and state-of-the-art medical technology. It is unique for a 25-bed critical access hospital to have a 64-slice CT scanner, a 1.5 Tesla Open Bore MRI, nuclear medicine capabilities, sophisticated information technology, over 20 different medical specialties, and a plethora of inpatient and outpatient services.

The following is a brief synopsis of our many services, which we hope will be helpful to you.

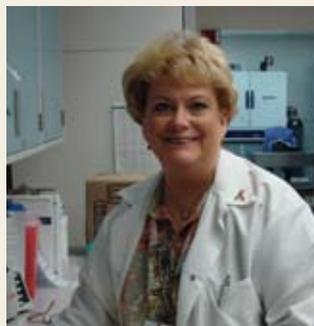
Outpatient services

We offer comprehensive capabilities in **diagnostic imaging; laboratory; cardiopulmonary;** and **physical, speech,** and **occupational therapy.** With cutting-edge equipment, diagnosis is efficient and accurate. Filmless technology ensures patients and their doctors have timely access to imaging studies.

An extremely important aspect of meeting your needs is our **specialty clinics.** In a small community like ours, it is impossible to provide every specialty service, but AVH has developed relationships with other providers in order to bring a variety of specialists right here to Aspen. Allergy/immunology, gastroenterology, neurology, oncology, psychiatry, pulmonology, and urology clinics are offered on a regular basis. Cardiology and pain management clinics are also available on a full-time basis.

Cardiopulmonary rehabilitation is a growing service offering rehab, diet, and exercise education, as well as a monthly “life skills” program that addresses stress, anger, and other emotions that can impact optimum health. In addition, a support group is now available to those with a body mass index greater than 30. Called “**A Healthy Weigh,**” the program helps people achieve and maintain a healthy weight.

With two certified diabetes educators on staff, AVH is addressing the national and local trend of increasing numbers of people with **diabetes** or metabolic syndrome. Monitoring, medications, stress, diet, and exercise are discussed, along with self-management techniques that help minimize the impact of the disease and prevent a medical crisis.



Cancer care is also provided at AVH. With an aging population, two oncologists on staff, nurses with specialized training in cancer care, and chemotherapy, AVH's oncology unit is quite busy. While most patients receive chemotherapy in Aspen, we collaborate with other facilities that provide radiation or unique therapies. A breast health liaison enhances patient education for women receiving mammograms and works closely with physicians and other providers should any abnormalities be found.

Same-day surgery is one of the busiest departments of the hospital. Whether it's orthopedic, abdominal, gynecologic, cosmetic, reconstructive, urologic, eye, ear, nose, or throat, we perform most types of surgeries. Many surgeries are performed using a scope, decreasing the risk and recovery time associated with more invasive procedures. Endoscopy clinics enable visualization of the gastrointestinal tract.

The Valley's only freestanding **ambulatory surgery center** is located at the Midvalley Medical Center where a large number of orthopedic surgeries are performed, and inpatient hospitalization is avoided.

Inpatient services

Most of AVH's inpatients are cared for in the **patient care unit**. With an all-RN nursing staff and low nurse-to-patient ratios, patients and their families receive an extremely high level of care. The three-bed **intensive care unit** is supported by RNs with ICU-specific certifications, respiratory therapists, and a variety of physician specialists.

Our "**hospitalist**," Dr. Mike Goralka, is board-certified in both internal medicine and pediatrics. His practice is solely focused on inpatients, ensuring timely care for the newborn or acutely ill inpatient. Nurses appreciate the consistency of one physician, and access to an in-house physician enhances patient care.



The **Aspen Birth Center** now occupies a brand-new wing of the hospital, with the expansion opening this past spring. While the obstetrical unit has always featured personalized care and extensive guidance to new parents, the facility itself now makes this experience of a lifetime even better. Childbirth preparation classes are offered on a frequent basis, and lactation experts help with breast-feeding after delivery.



In addition to the many outpatient procedures performed in the **surgery department**, it is also equipped for major surgery. With modern, fully digitized operating suites, surgeons are provided with an optimal environment for their work.





Emergency care

AVH's **emergency department** is classified as a **level III trauma center**. Board-certified emergency medicine specialists are on duty around the clock, and they are supported by specialty-trained nurses and physicians from each of the medical specialties on staff. A trauma surgeon is available at all times and has access to specialists, diagnostic services, and the operating room 24 hours a day. Extensive pre-hospital care is available through various ambulance systems, and an FAA-approved helipad is on-site when transfer to a tertiary center is required.

Support services

While clinical departments of the hospital have the most interaction with our patients, many other services are provided behind the scenes. For instance, the **medical records department** assists patients and physicians with records; **infection control** continually reviews systems to reduce the potential for transmission of infection among patients, employees, and visitors; the **biomedical staff** keeps our medical technology running smoothly; and **nutritional services** provides tasty meals and consultations.

Whitcomb Terrace

Named after Dr. Harold Whitcomb, our **assisted living facility** is located just below the hospital on Castle Creek Road. Residents have private living space, yet they enjoy meals with other residents in a communal dining area. A common living room and library, as well as activities in the Pitkin County Senior Center (located in the same building), afford opportunities for socialization. Residents receive help with medications, laundry, cleaning, and, if needed, activities of daily living. The staff is on-site 24 hours a day, seven days a week.

AVH is truly a *unique hospital*. Our staff strives to bring *personalized, comprehensive, quality care* to every patient, every day. If you would like more information about our services, call 544-1296.

The Master Facilities Plan

Phase I of the plan (The Aspen Birth Center) will be completely finished by summer's end, but we are well on our way already, with the most important part of the project open since April.

The labor/deliver/recovery and postpartum rooms are now fully functioning, and our patients love them. With rave reviews about the décor, views, spacious rooms, and amenities like whirlpool tubs and accommodations for Dad, it is safe to say that Phase I has met our expectations.

Future components of the Master Plan are now under review by the City of Aspen. Our application explains the results of our needs assessment and the gaps between contemporary facilities and our 30-year-old hospital. It stresses the importance of not only improving the patient experience, but also our sensitivity to the environment, neighbors, and the community at large.

The plan is designed to accommodate the healthcare needs of the community for the next 20 years. Parking, employee housing, services, and an aging population have all been taken into account. If you'd like to learn more about the Master Facilities Plan, please join us at public meetings in August or contact Project Manager John Schied at **544-1149**.



These artistic renderings show the front entrance of Aspen Valley Hospital at full build-out and an interior view of the new lobby.

Bold, daring, and gutsy

Aspen Valley Hospital receives national Innovation Award

Aspen Valley Hospital's (AVH) laboratory and mammography departments were named Innovation Award winners in healthcare service quality for 2007 by Avatar International, a leader in healthcare research and consulting. Avatar administers AVH's patient surveys, and the awards are based on the results of those surveys.

In making the announcement at a national conference last month, Michael Everett, PhD, Avatar Founder and CEO, said, "An amazing theme emerged from the Innovation Award winners. What we found is that they are bold, daring, and gutsy."

Everett further explained that innovation is often thought of as merely brilliant ideas. However, true innovation encompasses the hard work required for turning those ideas into reality. It also requires a culture where innovation can take root.

"The Aspen Valley Hospital laboratory and mammography departments are to be congratulated for listening carefully to the voice of their patients," he noted, "and then for implementing changes that dramatically improved the patient experience."

Giving for the benefit of the community

Most people know that Aspen Valley Hospital (AVH) is a not-for-profit hospital; as such, all revenues in excess of expenses are reinvested into the organization. These funds help us to recruit and retain the highest quality professionals, as well as provide a comprehensive array of services and state-of-the-art technology.

But we also believe it's important to contribute to the benefit of the community at large. We do this in a number of ways:

- Community education and health screenings for early detection
- Sponsor local events and partner with other businesses to promote injury prevention
- Subsidized healthcare for the medically indigent via Mountain Family Health Center
- Charity care to qualified individuals

When a parent tells us an educational program helped her be a better parent, a young man discovers early prostate cancer through one of our health fairs, a skier ruins a helmet but prevents a head injury, or a diabetic gets advice before a crisis occurs, we know we are contributing to a healthier community.

And when a person down on their luck gets needed care — either at AVH or through our relationship with Mountain Family Health Center — we know our efforts are well-founded.

It is our philosophy that prevention and early detection are part of providing the extraordinary healthcare we refer to in our mission, as is providing care to those less fortunate. If you would like more information about our community benefit programs, call **544-1296**.

'In a heartbeat . . .'

"I would recommend your emergency services in a heartbeat . . ." That's what one patient wrote on his survey after receiving care at Aspen Valley Hospital (AVH).

Another wrote, "From provider to patient in sixty milliseconds. After 35 years as a physician, my status changed suddenly — announced by a pop in my left leg and intimate contact with the snow." He acknowledged his orthopedic surgeons, the X-ray and physical therapy departments, and the many nurses who provided care to him.

"They all made me feel as if it were their personal privilege to care for me," he said. "But it wasn't just attitude. They were competent to a level I have not seen before." Furthermore, this Florida pulmonologist noted that when he returns to work, he will "crank it up to match the example at Aspen Valley Hospital."

When patients express themselves with such praise and gratitude, we are so very proud of the work we do. But we're most proud of the results of our patient satisfaction surveys that compare AVH to hundreds of other hospitals throughout the country.

From January 2007 through March 2008, AVH's overall rating places us in the top 10 percent of hospitals in the database. Our particular strengths include pain management, responsiveness of staff, communications about medications, and communications with doctors and nurses.

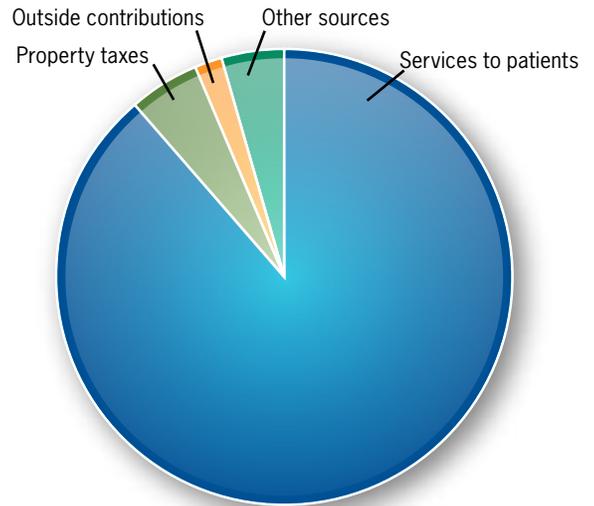
Our mission is to provide "extraordinary" healthcare, and we are pleased to see that our most valued critics — our patients — have given us top scores!

2007 Statement of Revenues and Expenses

The year continued the past successes of Aspen Valley Hospital in maintaining and enhancing a strong financial position. With a net margin in 2007 of over \$10 million, we continue to position ourselves well for the future.

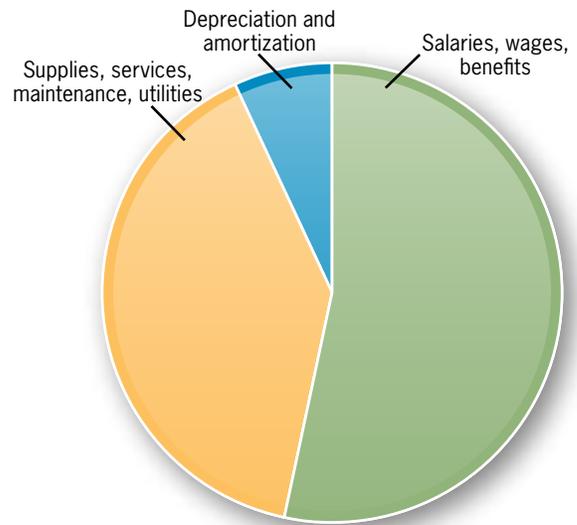
Revenues:

Services to patients	\$52,348,427
Property taxes	3,036,555
Outside contributions	1,001,810
Other sources	2,604,898
Total	\$58,991,690



Expenses:

Salaries, wages, benefits	\$25,698,556
Supplies, services, maintenance, utilities	19,104,129
Depreciation and amortization	3,220,608
Total	\$48,023,293



Increase in fund balance: \$10,968,397

There are three major contributors to our 2007 financial success:

- A strong ski season helped us maintain our volume of patients.
- Our ability to quickly process patient accounts greatly improved our collections from insurance companies.
- We continue to operate in a cost-efficient manner.

The auditing firm of Grant Thornton conducted Aspen Valley Hospital's 2007 audit in accordance with district law and auditing standards generally accepted in the U.S.

Commitment spanning the decades

Aspen Valley Hospital (AVH) recognized its long-term employees in a special awards ceremony at the Sky Hotel. Receiving gifts and accolades were:

10 years

Maralyn Bloomer, RN Obstetrics
 Rene Fisher, RN Emergency
 Peggy Graybeal Obstetrics
 Linda Killian, RN. Patient Care Unit
 Terry Larson, RN Patient Care Unit
 Julie Puchkoff, MS, CSCS Cardiopulmonary Rehab
 Li Zhu Nutritional Services

15 years

Scott Arthur, EMT-P Ambulance
 Lucy Morgan, PT Physical Therapy
 Sally Owen, RN Obstetrics
 Linda Spada-Magill, RN Surgery
 Jennifer Sparkman. Medical Records
 Lisa Van Tine, RT Diagnostic Imaging

20 years

Jan Alling, PT. Physical Therapy
 Melody Durham, RN. Cardiopulmonary Rehab
 Mary Fran Powell, RN Intensive Care Unit
 Terri Sharp, MT Laboratory

25 years

Jaclynn Derosier, PT Physical Therapy
 Lois Evans, RN. Patient Care Unit
 Charlie Holloway Environmental Services

30 years

Judy Botinovch, RT Cardiopulmonology



Judy Botinovch, RT, has been employed at AVH for 30 years.

Nurse of the year



Julie Jenkins, RN, began her career at Aspen Valley Hospital (AVH) in 2001. She worked in admissions and then progressed to unit clerk in the Patient Care Unit. With more exposure to the nursing profession, she then decided to pursue a career in nursing.

She graduated from Colorado Mountain College in the spring of 2006 and was quickly offered a job as an RN at AVH. After all, Julie was already respected for her professionalism and willingness to lend a helping hand. And since becoming an RN, she has earned the respect of fellow nurses. “Julie always puts the patient first and provides top quality care,” said one of her colleagues.

Congratulations Julie!

AVH volunteers

The heart of the community



Our volunteers give the gift of their time and talents throughout the year. They truly are at the heart of the community. Whether offering direct service to our patients, operating Sally’s Gift Shop, or assisting behind the scenes, they are an indispensable and unique asset, always ready to lend a hand with compassion, commitment, and care.

Thank you to all these generous and caring individuals. We value your efforts and sincerely appreciate the invaluable contributions you make to Aspen Valley Hospital and the entire community.

If you’d like to join this dedicated team, make new friends, or simply brighten others’ lives in meaningful ways, call **544-1296**. We welcome new members, provide training, and offer numerous benefits!

Aspen Valley Hospital Medical

Allergy/Immunology

Richard Weber, MD

Anesthesiology

Chris Beck, MD

Giora Hahn, MD

Jeff Paffendorf, DO

Eric Willsky, MD

Kathleen Mitchell, CRNA

Amy Munro, CRNA

Greg Read, CRNA

Phyllis Whitman, CRNA

Anesthesia/Pain Management

Giora Hahn, MD

Cardiology

Morris Cohen, MD, FACC

Gordon Gerson, MD, FACC

Ear, Nose, and Throat

Matthew L. Goodstein, MD

Emergency Medicine

J. Stevens Ayers, DO

Gregory Balko, MD

Catherine Bernard, MD

Scott A. Gallagher, MD

John Glismann, MD

Kimberly Levin, MD, MPH

Chris Martinez, MD

Sean Nevin, PA

Lisa Olsen, FNP

Family Medicine

Bruce Bowen, MD

Michael Check, MD

Anne Goyette, MD

Glenn Kotz, MD

Karen C. Locke, MD

Kelly T. Locke, MD

Dewayne Niebur, MD

Kim Scheuer, MD

Gastroenterology

Gerard Tomasso, MD, FACP

General Surgery

William Rodman, MD, FACS

John Schultz, MD, FACS

Hospitalist

Mike Goralka, MD

Internal Medicine

David J. Borchers, MD

Mike Goralka, MD

Ann Mass, MD

Susan Zimet, MD

Neurology

Gary M. Weiss, MD, FAAIM

Obstetrics/Gynecology

Mallory Harling, MD

Gail King, MD

Natasha Knight, MD

Melinda Nagle, MD

Nancy Bacheldor, CNM

Teresa Hall, MSN, CNM

Karen M. Owens, CNM

Linda Vieira, CNM

Oncology

Ira Jaffrey, MD, FACP

Douglas Rovira, MD

Ophthalmology

Dan Weitzenkorn, MD

Oral Maxillofacial

Daniel George, DMD

Orthopedic Surgery

N. Lindsay Harris, MD

Tomas Pevny, MD

Mark Purnell, MD

Thomas St. John, MD

Nick Armano, PA-C

Lindsey Paul, PA-C

Pathology

Robert Macaulay, MD

Jerry Steinbrecher, MD

Pediatrics

Harvey Fahy, MD

Mike Goralka, MD

Charlene Guggenheim, MD

William Mitchell, MD

Claudia Nelson, MD

Staff

Plastic Surgery

Dennis Cirillo, MD
W. Jason Martin, MD
Daniel A. Thimsen, MD

Podiatry

Noel Armstrong, DPM

Psychiatry

Alan Nelson, MD
Michael Newberry, MD

Psychology

Martin Manosevitz, PhD

Pulmonology

Gary R. Cott, MD

Radiology

David S. Hollander, MD

Urology

Jeffrey E. Fegan, MD
Jamie Lowe, MD
Brian Murphy, MD

Honorary/Emeritus

John Freeman, MD
Barry Mink, MD
Carl Schiller, MD

Aspen Valley Medical Foundation

*35 years of supporting Aspen Valley Hospital
and the health needs of the community*

This year, the Aspen Valley Medical Foundation (AVMF) is celebrating its 35th anniversary. Our founders envisioned a foundation that would focus on meeting the health needs of all the people of the valley by supporting Aspen Valley Hospital (AVH) and community organizations dedicated to AVMF's mission.

When an important need is identified — either by the hospital or the community — the Aspen Valley Medical Foundation is there. For instance:

- AVMF raised \$1.5 million to build the hospital on Castle Creek Road in 1977.
- AVMF raised \$1.4 million to build an assisted living facility, now known as Whitcomb Terrace, on the campus of AVH in 1987-89.
- AVMF established a scholarship program for healthcare professionals with its own resources and the families of Dr. Rodney Kirk and Audrey Owings. The program now grants nearly \$75,000 per year.
- AVMF created a direct assistance fund with the Schuss Family Trust in 1997. Today, it assists more than 300 patients with over \$40,000 per year.
- AVMF provided AVH with the capacity for digitized (paperless) radiography with a grant of \$600,000 in 2000.
- AVMF raised \$1 million for a new hospital conference center, named for Dr. Robert Oden, with the significant support of the William Getz family and seven other donors.
- AVMF has outfitted the diagnostic imaging department with state-of-the-art technology with grants totaling over \$3.5 million, including two new X-ray machines, bone density machine, digitized mammography, 64-slice CT scanner, and 1.5 MRI.
- AVMF continues to partner with AVH to support the AVH patient representative, the new Aspen Basalt Healthcare Center, and the development of a new continuum of care facility for seniors.

The Aspen Valley Medical Foundation will continue to fulfill its mission, fervently making a difference in the lives of thousands of people in our community. For further information, please visit our Web site at www.avmfaspenspen.org or call **544-1298**.

A picture of health

By John Sarpa, President, Aspen Valley Hospital Board of Directors

This past year, Aspen Valley Hospital received confirmation of its successes on a number of fronts. With top ratings and national awards for patient satisfaction, the opening of the new Aspen Birth Center, continued financial health, and full accreditation from The Joint Commission following an intensive, unannounced survey, it is with pride that we present this annual report to the community.

As President of the Board, I have witnessed the commitment and earnest efforts of my fellow Board members, the leadership team, employees, and physicians. As a result of our collective work, Aspen Valley Hospital is a picture of health.

With so many positive achievements, there couldn't be a better time than now for the development of the Master Facilities Plan. After a lengthy needs assessment and planning process, diligence on the part of the design team, and a careful review by the Board, the conceptual plan was submitted to the City in early 2008. We are confident in the plan and pleased to have received positive feedback from neighbors and other community members in

our communications to date. Public hearings are taking place this summer, and we look forward to public comment on a broader level.

One of the most important facets of our future planning is employee housing. Like other community businesses, the hospital faces challenges with recruitment and retention of employees and physicians due to the high cost of housing.

We are working with other agencies, such as the City of Aspen and the Aspen School District, in pursuit of creative solutions. This will be a major focus of the Board both in 2008 and upcoming years.

Finally, I would like to acknowledge Dr. Greg Balko for four years of outstanding service on the Board. Dr. Balko decided not to seek re-election when his term was fulfilled this past May. His balanced and thoughtful approach

to all decisions earned our respect and gratitude. At the same time, it is a pleasure to have Dr. Barry Mink with us for another four years and to welcome Dr. Mindy Nagle as a new Board member. We are all committed to the delivery of the highest quality of medical care.

Board of Directors

John Sarpa, President

Barry Mink, MD, Vice President

John Jellinek, Treasurer

Lee Schumacher

Mindy Nagle, MD



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