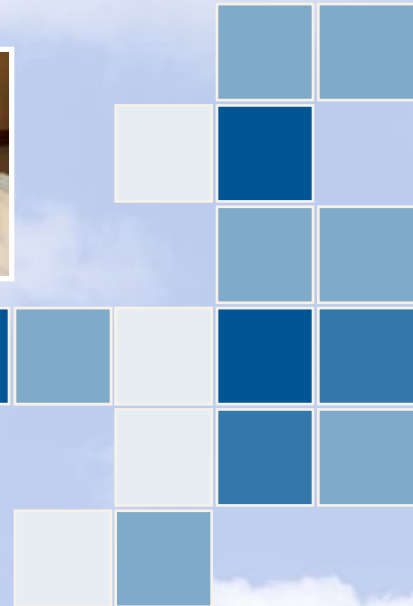


Aspen Valley Hospital's 2011 Annual Report
 The Year in Review



Opening remarks

From Dave Ressler, CEO



Never has there been a more challenging time in healthcare. While healthcare reform continues to be on the political forefront, it is also on the minds of hospital CEOs and physicians. We don't know where reform will take us as an industry, but we do know that we have an unaffordable and unsustainable healthcare system.

There are many contributors to healthcare costs, but those costs are ultimately driven by what we utilize as patients. Healthcare economists estimate that as much as 70 percent of our total healthcare spending is for chronic illness and that approximately 5 percent of the population accounts for 50 percent of the total healthcare cost in America. Therefore, managing the care of those few — and focusing on chronic disease — could result in drastic savings for individuals and employers.

As our country continues to debate the issues, here in Aspen we are working on our own brand of reform by bringing together our medical and business communities.

Our goal: To reduce the cost of healthcare while improving quality and ensuring a healthy community and sustainable delivery system. The journey ahead will be long and difficult, but it is necessary for the good of our community.

We anticipate moving from a volume-based culture to a value-based culture. That means as healthcare providers we have to change our way of thinking — incentives and compensation will be based less on volumes and fees and more on population health and quality.

In late 2011, Aspen Valley Hospital (AVH) and the community's large self-insured employers first came together to discuss the future. Since then, we have agreed that we must understand healthcare utilization in our community, ensure quality outcomes, remove redundancy from the system, set cost improvement goals, manage the continuum of care for the patient, and coordinate our resources. At AVH we have already invested in electronic records and health information exchange technologies that provide the backbone for coordinated care.

My vision is for a community where residents are assisted in achieving optimum health, where only best practices are utilized in managing health and disease, where providers are held accountable for patient outcomes, where cost is lower, and where there is enhanced care for individuals and populations at better economic value. And finally, where our incidence of expensive healthcare conditions is reduced, and where we talk more about our health than our illness.

Our Mission

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

A message from John Sarpa, AVH Board President



In 2011, most aspects of hospital board business were focused on the future. After all, day-to-day operations were managed by a proven effective CEO and executive team, as well as a group of managers who are all experts in their fields. In addition, an outstanding medical staff is led by the very capable Dr. Chris Beck.

We are privileged to have dedicated and talented healthcare professionals who deliver care to our patients, and a similarly impressive staff of support personnel behind the scenes. This is affirmed with ongoing awards for patient satisfaction.

In 2011, Aspen Valley Hospital (AVH) was again named “Overall Best Performer” by Avatar International, placing us in the 95th percentile of hospitals throughout the country. In addition, we made the country’s Top 100 List of Critical Access Hospitals.

Supporting the staff is state-of-the-art technology ranging from the new low-dose CT scanner to tomosynthesis mammography, health information exchange systems, and electronic medication administration records to name a few.

Despite slow recovery from the recession, through diligent management we have maintained a healthy financial position. And through the generosity of our community — via general obligation bonds — Phase II of the hospital’s much needed building improvements are well underway.

We look forward to the opening of a new inpatient care unit, physical therapy department, chemotherapy clinic, medical office space, and cafeteria in the fall. Once this

occurs, we will be able to move patients out of the existing building to the new area.

At that time, we will begin renovation within the walls and add a second story over the old inpatient care unit. Upon completion of this phase in 2013, we will have new and improved facilities for cardiopulmonary rehabilitation, outpatient clinics, the intensive care unit, and additional medical office space.

Phases III and IV of the expansion/renovation (addressing the needs of surgery and most of the outpatient departments: emergency, diagnostic imaging, and laboratory) will be presented to the Planning & Zoning Commission and City Council later this year for final approval.

In the meantime, our capital campaign to finance these next phases of the project continues. We are appreciative of the support of so many people in the community.

This, combined with prudent fiscal management, positions us to deliver extraordinary care well into the future.

I am honored to be a member of the AVH board, to serve this community that I love, and to sit at the table with fellow board members Lee Schumacher, Chuck Frias, Dr. Barry Mink, and Dr. Mindy Nagle. We are all pleased to represent you as AVH strives to deliver extraordinary healthcare to the residents and visitors of our community.

Board of Directors

John Sarpa, President

Barry Mink, MD, Vice President

Chuck Frias, Treasurer

Mindy Nagle, MD

Lee Schumacher

Highlights from

*Every hospital
in the USA
should be as
good, efficient,
and helpful as
Aspen Valley
Hospital!*

- AVH patient

- Approximately \$18.7 million was contributed to community benefit, including \$2.6 million in charity care.
- A new CT scanner — the GE Discovery 750 Gemstone — was installed. The scanner is the only one of its kind in Colorado and reduces radiation exposure by up to 50 percent, yet produces higher quality images faster than ever before.
- Approximately 2,000 people from Rifle to Aspen were screened at free/low-cost health fairs.
- Aspen Valley Hospital (AVH) was again named “Overall Best Performer” for patient satisfaction by Avatar International.
- Recognized by the National Rural Health Association for market, financial, and value-based strength, AVH was placed on the “Top 100 List of Critical Access Hospitals in America.”
- Approximately 150 staff members learned about “The Patient Empathy Project” regarding patients’ fears and why they’re important.
- Halfway there! On the completion of Phase II construction, that is.
- Despite the uncertainty and potential financial implications related to healthcare reform, AVH achieved an investment grade bond rating of Baa2 from Moody’s Investors Service.
- The Aspen Birth Center delivered 260 babies into the world.



*Doctors/staff made
me feel like I was
the only patient
in the hospital.
Thanks so much.*

- AVH patient

the past year

- Our pulmonary rehabilitation program was accredited by the American Association of Cardiovascular and Pulmonary Rehabilitation.
- After-Hours Medical Care improved access to care with a 65 percent increase in patients from the time of its opening in 2009 through 2011.
- With assistance from AVH and the Healthy Communities Fund, Mountain Family Health Center opened a Basalt facility, extending its services up the valley for the medically indigent.
- AVH was re-accredited as a Level III Trauma Center following a comprehensive on-site review by the Colorado Department of Public Health and Environment.
- Aspen Ambulance District made 945 ambulance runs — for a variety of emergencies ranging from those simply in need of support and reassurance to those in need of life-saving care.
- Over 90 Aspen High School students were trained in CPR and the use of automatic external defibrillators (AEDs), along with dozens of others at classes and health fairs.

I was pleased to be in and out of the emergency department in less than two hours — surprising to me because at my local hospital it would have been much longer.

- AVH patient

I have recommended Aspen Valley Hospital to all my friends, family, and acquaintances. Phenomenal job!

- AVH patient





Meeting the needs of the community

There are two different ways to measure quality in healthcare. Most obvious (and important) is the technical — or medical — quality of care. This encompasses the training and expertise of physicians and staff, technology available for diagnosis and treatment, and the ability to deliver care in an efficient and effective manner. Then, there is the quality of the patient’s experience — that which only the patient can evaluate from a very personal perspective.



At Aspen Valley Hospital (AVH), we constantly monitor how we’re doing on every front, and when we identify an opportunity for improvement, we develop, implement, measure, and modify action plans. We have rapid response teams, a hospital-wide quality council, physician initiatives led by Chief of Staff Dr. Chris Beck, and multidisciplinary teams focused on quality improvement.

We also ask our patients to rate their experience at our hospital and associated clinics. We are pleased to report that in 2011 we again received a national award as “Overall Best Performer” from Avatar International, a respected research and consulting firm, as well as awards for exceeding patient expectations, pain management, and a quiet environment.



In the graphs on the next page, you can see how AVH fared when compared to state and national averages. This data (and more) are available at www.hospitalcompare.hhs.gov.

The vast majority of our patients tell us they would recommend AVH to others and wouldn’t hesitate to return themselves if care was needed. This is undoubtedly due to the fact that we shine in these very important areas:

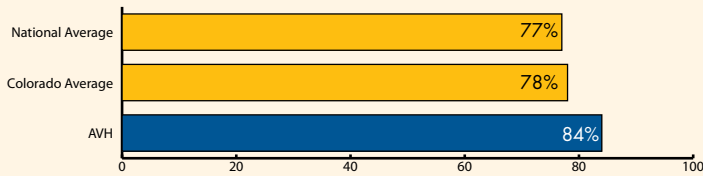
- General provision of care ■ Nursing care
- Physician care ■ Patient safety ■ Pain management
- Problem resolution ■ Community image



Survey of patients about their hospital experiences*

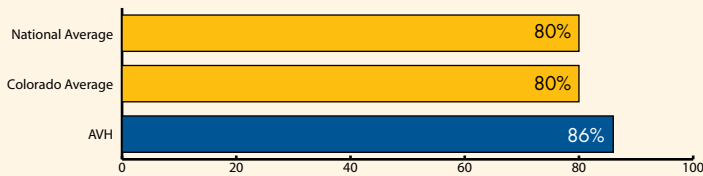
1. How often did nurses communicate well with patients?

Percent of patients who reported that their nurses "always" communicated well.



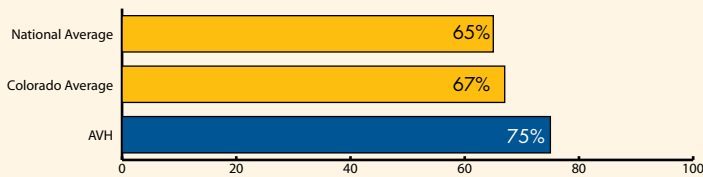
2. How often did doctors communicate well with patients?

Percent of patients who reported that their doctors "always" communicated well.



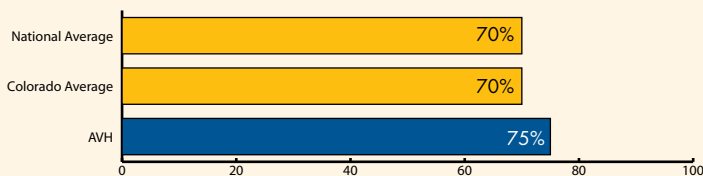
3. How often did patients receive help quickly from hospital staff?

Percent of patients who reported that they "always" received help as soon as they wanted.



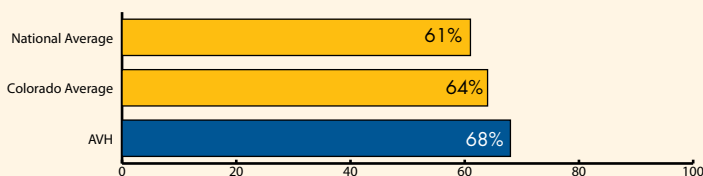
4. How often was patients' pain well controlled?

Percent of patients who reported that their pain was "always" well controlled.



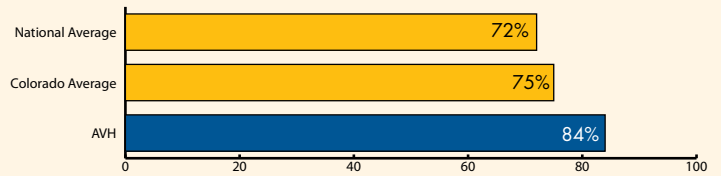
5. How often did staff explain about medicines before giving them to patients?

Percent of patients who reported that staff "always" explained about medicines before giving it to them.



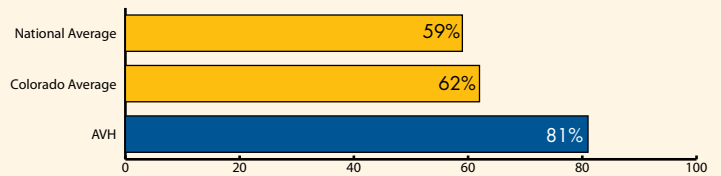
6. How often were patients' rooms and bathrooms kept clean?

Percent of patients who reported that their room and bathroom were "always" clean.



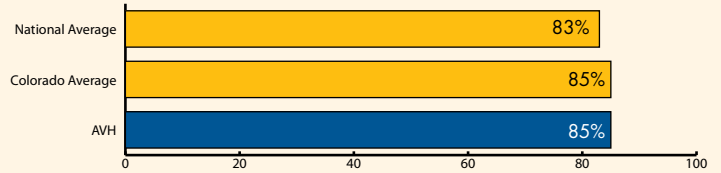
7. How often was the area around patients' rooms kept quiet at night?

Percent of patients who reported that the area around their room was "always" quiet at night.



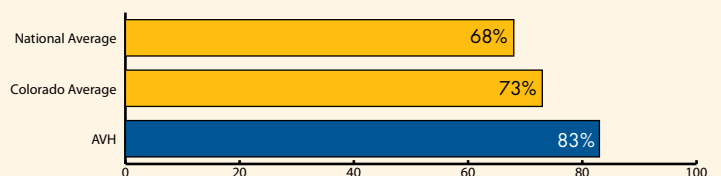
8. Were patients given information about what to do during their recovery at home?

Percent of patients at each hospital who reported that YES they were given information about what to do during their recovery at home.



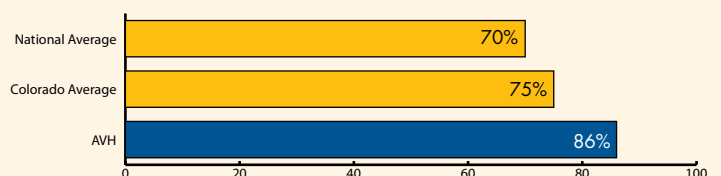
9. How do patients rate the hospital overall?

Percent of patients who gave their hospital a rating of 9 or 10 on a scale from 0 (lowest) to 10 (highest).



10. Would patients recommend the hospital?

Percent of patients who reported YES they would definitely recommend the hospital to friends and family.



*Results from patients who had overnight stays from July 2010 through June 2011.

AN EXTRA LAYER OF PERSONAL CARE

Local architect, Jim “Gus” Gustafson and his family have been Aspen residents for 42 years and have had many occasions to turn to Aspen Valley Hospital (AVH) for care.

As Gus says, “Our kids were born at Aspen Valley Hospital, and over the years, our family has visited the ER many times for a variety of minor injuries. It’s always been a good experience with the extra layer of personal care that comes with the small-town friendliness of our hospital.”



Gus himself has visited the Emergency Department twice for cardiac events — in 1997 and again in 2011. “Both times I recognized the symptoms and got to the ER quickly,” he says. “I was told that I was one of the first patients to get what was then a new, cutting-edge ‘clot-busting’ drug. As a result, I had virtually no muscle damage to my heart. With my recent event, when I got to the ER, all my vital signs were good and I thought it was a false alarm. However, they kept me at the hospital and continued to run tests, which a few hours later indicated that there was **indeed** a problem. Because the Emergency Department staff was so thorough, I again avoided muscle damage, and today — after by-pass surgery — I’m doing very well.” Gus’ cardiologist is Gordon Gerson, MD.

For the last eight months, Gus has participated in the outpatient cardiac rehabilitation program at AVH and says that again, the staff’s personal attention stands out. “Because Aspen is a resort destination, we have visitors and part-time residents who participate in rehab here as well as at hospitals near their homes. These visitors all comment on how much more personal our program is.”

Recently, the new Aspen Birth Center has been the scene of happy events for the Gustafson family: the births of their four grandchildren. “Those were wonderful experiences for us as grandparents,” Gus says. “At the new facility, our sons-in-law could stay overnight, and it was comfortable for us to visit and participate in those first few days of life.”

When the hospital was built at its current location in 1977, Gus’ firm, Caudill, Gustafson & Associates Architects (now known as Z Group Architects), played a role as the local architectural representatives. “When we do a building dedication, I like to quote Winston Churchill who said, ‘We shape our buildings; thereafter they shape us.’ With Aspen Valley Hospital, we helped shape the hospital, and since then the hospital has helped shape our lives in this community.”

WHAT A SMALL-TOWN HOSPITAL SHOULD BE

When the weather began to warm up this spring, Aspen resident and avid cyclist Joe Brown set out on a beautiful Sunday for his first ride of the year along Castle Creek Road.

Unfortunately, on that first ride, he had his worst accident in more than 30 years of cycling when he hit a pothole and was thrown from his bike. He broke eight ribs and his clavicle as well as punctured a lung.



“I don’t remember the accident,” Joe says. “I have a vague memory of looking at a coyote on the other side of the river and the next thing I knew, I was waking up in the hospital.”

Though Joe’s injuries were extensive, they could have been much worse if he had not worn a helmet. “My helmet was destroyed,” he says. “It’s scary to think that if I hadn’t been wearing it, it would have been my head that was destroyed.”

Due to the extent of his injuries, Joe required surgery at Aspen Valley Hospital (AVH) to repair his shattered ribs. “The surgeon used a new kind of pin in my ribs that had to be special ordered,” he recalls. “That shows that our hospital does whatever it takes to provide the best quality of care available.”

Describing his stay at AVH, Joe says, “The pain was much worse than anything I’ve ever experienced. It could have been such an awful experience. I’m not exactly a ‘patient’ patient, but everyone was so understanding and nice. From the doctors, nurses, and therapists to food service personnel, everyone gave me excellent care. I can’t say enough about how great my experience was. It was very positive, very enriching to feel so cared for.”

After his release from AVH, Joe continued his treatment in the Outpatient Physical Therapy program. “I have to compliment my physical therapist, Lucy (Morgan),” he says. It would be easy to let me off the hook because I was hurting, but she kept me working at it. After six weeks, I had a notable decrease in pain. It isn’t completely gone, but now I have just enough discomfort to keep me from overdoing it — something I’ve always had a tendency to do.”

Joe has nothing but praise for AVH: “Because of our beautiful location, our hospital attracts highly qualified professionals who stay here in our community a long time. That’s important because they get to know the people here and really care about their patients. Aspen Valley Hospital is what a small-town hospital should be.”

Decades of service

It is our employees who make Aspen Valley Hospital a special place. We are especially appreciative of those who have served our patients and community for 10 or more years.

10 years

Victor Argueta Environmental Services
Amy Carter, RN Trauma Services
Debby Essex Patient Financial Services
Kelly Fain, RT Diagnostic Imaging
Maggie Gerardi Whitcomb Terrace
Dawn Gilkerson Human Resources
Cheryl Heffernan, RN . . Aspen Birth Center
Diane Henry, RN Aspen Birth Center
Kelly Higdon, RN Internal Medicine Associates
Julie Jenkins, RN Inpatient Units
Sean Nevin, PA-C Emergency
John Schied Engineering
Flint Smith, EMT-P Ambulance

15 years

Genoveva Casas-Lopez . . Environmental Services
Nancee Dodge, FNP Chemotherapy/Infusion
Heather Milne, RN Same-Day Surgery
Suzanne Scheer, PT Physical Therapy

20 years

Alvaro Marquez Environmental Services
Troy Miller, RT Diagnostic Imaging
Lucy Morgan, PT Physical Therapy
Kim Taets, MT Laboratory

25 years



Ed Dubord, RN
Surgery



Don Gillow
Employee Housing

30 years



Gary O'Neill, EMT-P
Ambulance



Connie Taddune
Diagnostic Imaging

35 years



Judy Botinovch, RT
Cardiopulmonary



Nurse of the Year

Please join us in congratulating Emily Albers, RN, on being named Aspen Valley Hospital's most recent nurse of the year. Emily has been with us since 2005 as a medical/surgical nurse on the Patient Care Unit. She was selected because she serves as a role model for nursing skill and compassion. Congratulations, Emily!

Volunteers — helping hands, helping others

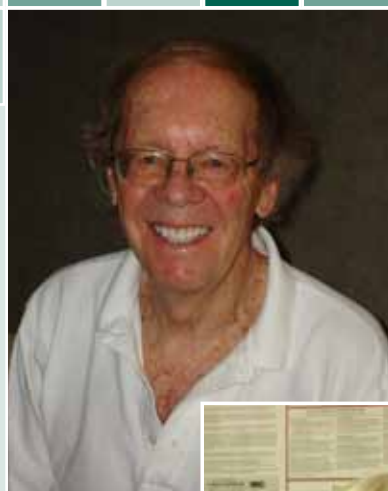
How many volunteer hands does it take to deliver flowers, stock the patient kitchens, prep the mail, replenish the book cart, turn over exam rooms, greet and escort patients and visitors, serve fresh-baked chocolate chip cookies, spread good cheer with a four-legged friend?

For these duties and more at Aspen Valley Hospital, it takes 170 hands plus 48 paws! The AVH volunteers — led by Kathleen Albert, Rita Cohen, Joyce Harris, Barbara Fretz, Donna Rowlands, and Nancy Wall — are the heart and soul of our hospital. They give freely of their time, attention, and expertise, spreading good cheer and smiles wherever they go.

We are so fortunate to have them in our community and at our hospital. Thank you, volunteers!



Nancy Wall



Doug Teegarden



Judy Schramm



Gift shop to re-open

For those of you who miss the volunteers' unique and affordable gift shop: It will be back, better than ever, when Phase II construction is completed in 2013.

Aspen Valley Hospital Medical Staff

Allergy/Immunology

Robert McDermott, MD

Anesthesiology

J. Christopher Beck, MD

Michael Gehrke, MD

Giora Hahn, MD

Eric Willsky, MD

Michelle Eisenberger, CRNA

Amy Engelmann, CRNA

Kathleen Mitchell, CRNA

Phyllis Whitman, CRNA

Anesthesiology/ Pain Management

Giora Hahn, MD

Cardiology

Morris Cohen, MD

Gordon Gerson, MD

Dermatology

Karen Nern, MD

Ear, Nose, and Throat

Matthew Goodstein, MD



Lisa Olsen, FNP

Gastroenterology

Gerard Tomasso, MD

General Surgery

William Rodman, MD

John Schultz, MD

Family Medicine

Bruce Bowen, MD

Jenny Connery, MD

Anne Goyette, MD

Kelly Locke, MD

Dewayne Niebur, MD

Kim Scheuer, MD

Emergency

J. Stevens Ayers, DO

Gregory Balko, MD

Catherine Bernard, MD

Scott Gallagher, MD

John "Bud" Glismann, MD

Kimberly Levin, MD

Chris Martinez, MD

Christina Miller, MD

Amy Covington, PA-C

Dawn Kopf, PA-C

Sean Nevin, PA-C

Lisa Olsen, FNP

Gynecology

Gail King, MD

Hospitalist

Mike Goralka, MD

Internal Medicine

David Borchers, MD

Paula Kadison, MD

Ann Mass, MD

Susan Zimet, MD

Neurology

Brooke Allen, MD

Neurology - Telemedicine

Bly Sky Neurology

Obstetrics/Gynecology

Natasha Knight, MD

Melinda Nagle, MD

Nancy Bacheldor, CNM

Carole Inglis, CNM

Elizabeth Weisenborn, APN-L





Dr. Beck

Oncology

- Ira Jaffrey, MD
- Douglas Rovira, MD
- Nancee Dodge, FNP

Ophthalmology

- Dan Weitzenkorn, MD

Orthopaedics

- N. Lindsay Harris, MD
- Tomas Pevny, MD
- Mark Purnell, MD
- Eleanor von Stade, MD
- Karen Campbell, PA-C
- Lyndsey Haynie, PA-C
- Rachel Wymer, PA-C

Pathology

- Frank Holmes, MD
- Robert Macaulay, MD
- Jerry Steinbrecher, MD

Pediatrics

- Harvey Fahy, MD
- Charlene Guggenheim, MD
- William Mitchell, MD
- Claudia Nelson, MD



Dr. Gerson

Affiliate Staff

- Michael Check, MD
- Eileen Daly, MD
- Jon Gibans, MD
- Brian Grade, MD
- Kelli Knost-Skwiot, MD
- Glenn Kotz, MD



Dr. Levin

Plastic Surgery

- Dennis Cirillo, MD
- Peter Fodor, MD
- W. Jason Martin, MD

Podiatry

- Noel Armstrong, DPM

Pulmonology

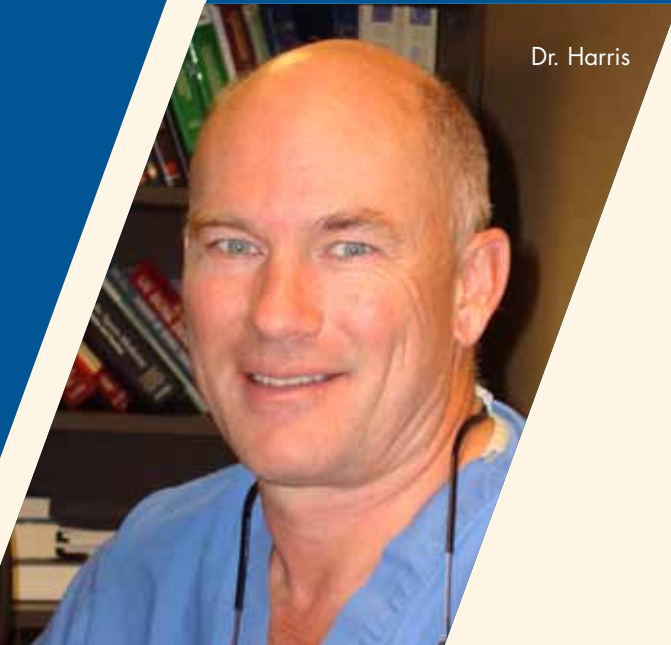
- Gary Cott, MD

Radiology

- Radiology Imaging Associates

Urology

- Jeff Fegan, MD
- Jamie Lowe, MD
- Brian Murphy, MD



Dr. Harris

**Honorary Staff/
Internal Medicine**

- Barry Mink, MD
- Carl Schiller, MD

**Honorary Staff/
Oral Maxillofacial**

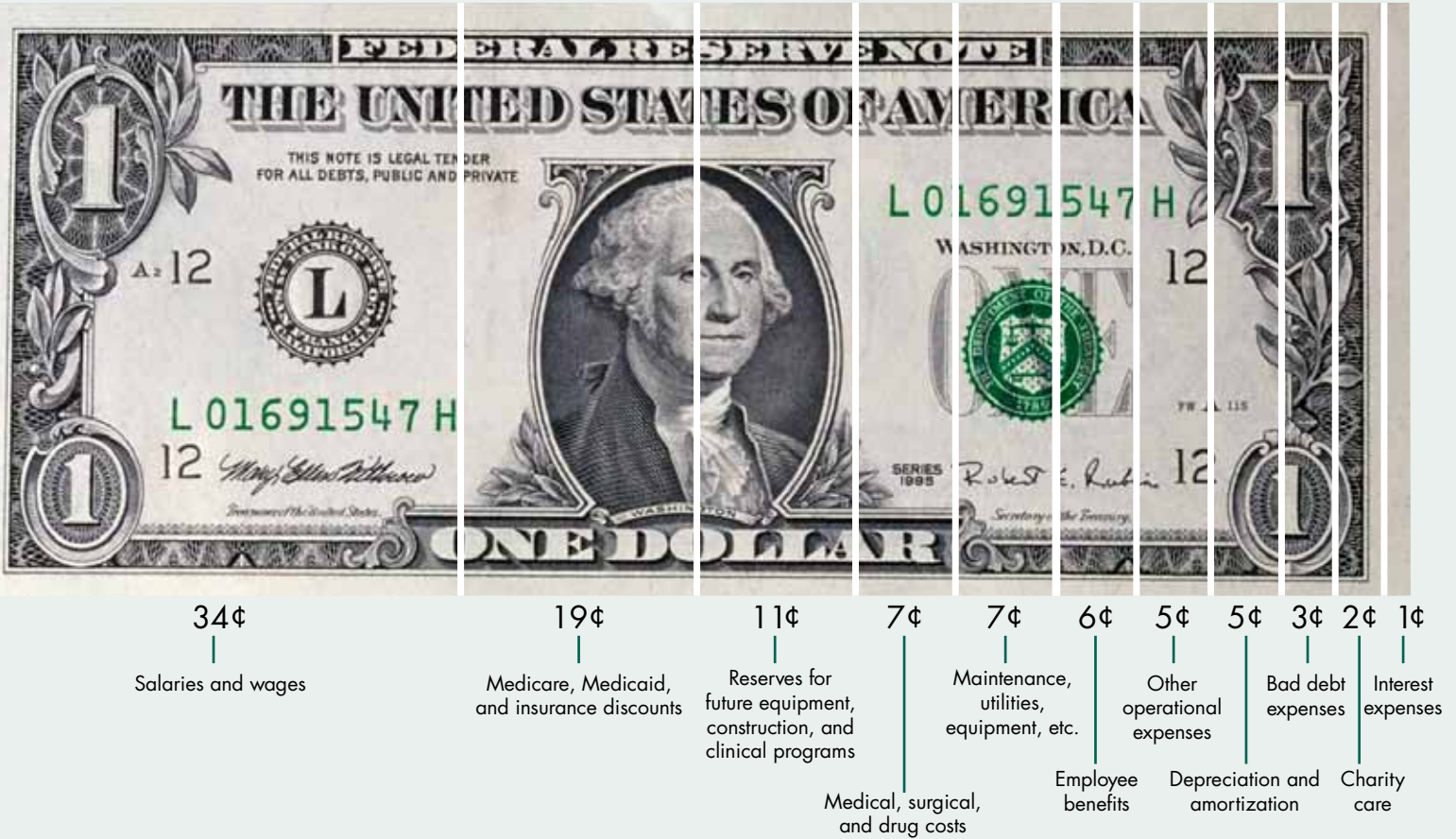
- Daniel George, DMD

**Honorary Staff/
Orthopaedics**

- John Freeman, MD

Where does the AVH dollar go?

For fiscal year 2011



Aspen Valley Hospital, through diligent expense management and local support of our services, again experienced strong finances in 2011. As each year brings us closer to healthcare reform and anticipated reductions in reimbursement, we appreciate more than ever having the resources which enable us to update medical equipment, invest in clinical services, and assist the community in funding the much-needed Master Facilities Plan. Strong financial performance also enables us to service debt at extremely low interest rates and to provide free medical care to our indigent patients. We remain committed to responsible management for a successful future.



Terry Collins, CFO

The auditing firm of BKD conducted the AVH 2011 audit in accordance with district law and auditing standards generally accepted in the United States.

Hospital construction update

It is hard to believe, but Phase II is now halfway there! With warm weather, the parking structure is progressing rapidly. Concrete has been poured on the lower levels, and the top (ground) level will soon be complete. By late summer it will be functional, and the hospital's current shortage of parking will be resolved.



The "loop" road approaches completion.

The modular affordable housing units are under construction at the factory. Site work will occur this summer, and the units will arrive in the fall. Within six weeks they will be placed and "stitched" together. Off-site construction translates to less disruption and noise on the campus, benefiting residents of Whitcomb Terrace and surrounding neighborhoods.

Evident to everyone passing by is the installation of windows and the "store-front" glass at the new entry and cafeteria. With most of the plastic removed from the exterior walls, the visible brick, stone, and glass give us a preview of the finished product. Our architects successfully captured our vision for a contemporary design.

A new patio with stone wall, sidewalks, and attractive landscaping will be a nice addition to the Pitkin County Senior Center. The "loop" road between the hospital and Senior Center is now complete with a striking stone retaining wall.

There is a great deal of activity around the Castle Creek Road/Doolittle Drive intersection due to an upgrade of the bus stop. Better lighting and an improved bus structure will be the result by summer's end.

Inside the building, frame and sheetrock work continues so that patient rooms, exam areas, family waiting, treatment rooms, and the cafeteria are all taking form. The "Swim-Ex" pool for water therapy is installed in the physical therapy area, "lifts" to assist with patient transfers from bed to chair are in place, the

infusion area for chemotherapy will clearly be a marked improvement over today's environment, and one prototype inpatient room is done.

We would like to acknowledge the impact this project has had on the community and neighbors in particular. Your patience and input are greatly appreciated. We look forward to showing off the first part of the project this fall when much of Phase II will be completed, and we will happily conduct a tour for you upon request in the meantime. We think you'll find the design, functionality, views, and patient/family orientation to be something our community can be proud of.

Please direct questions or concerns about Phase II construction to community liaison Frank Goldsmith at FGoldsmith@aspenhospital.org.



Preparing for the final concrete pour on the garage.

We look forward to showing off the first part of the project this fall when much of Phase II will be completed.

Become a fan

Join our Facebook page to stay current on events and news at Aspen Valley Hospital.

Calendar of Events

Heartsaver CPR

Saturday, July 28

9 a.m. - noon

\$30.00 per person

Oden Conference Center at AVH

Midvalley Health Fair

Saturday, October 13

8:30 - 11:30 a.m.

El Jebel Community Center

Senior Health Fair

Friday, November 2

8:30 - 10:30 a.m.

Aspen Valley Hospital

Call **544.1296** for more information.

Correction

In the last issue, the web address for advance directives was incorrect. The correct website is

www.putitinwriting.org.

Our Health Fair won rave reviews

“Beautifully done.”

“Everyone was friendly and helpful.”

“I could not believe how fast it was.”

“Love the appointment system.”

“It was such a privilege to get tests done so reasonably priced.”



Just a few of our 110 volunteers posed for a picture.