



Denver Health Annual Report

Serving a Diverse Community

2011



Letter from the CEO

Denver Health is seen as a model for the nation because of its outstanding quality of care and its ability to provide an enormous amount of care to people without insurance and still be in the black. We have had numerous visits from Washington leaders who have come to see for themselves and have all left amazed. While we appreciate this national reputation, what is most important to us is the impact that our organization has had on our own community.

Denver Health has served Denver's most vulnerable residents for more than 150 years. 2011 was no exception – in the face of the deepest financial recession since the Great Depression, Denver Health remained true to its commitment to care for special needs of all populations and for the needs of special populations.

One of the most significant special populations Denver Health cares for is the uninsured – a commitment that has placed huge demands on Denver Health's facilities and staff, as each month throughout the year, uninsured patients continue to seek care. This brought the tally of charges for uninsured care up to nearly \$38 million a month – \$455 million for the year, which is up from \$275 million at the start of the recession in 2007.



Patricia A. Gabow, M.D.
Chief Executive Officer

As a safety-net facility Denver Health cares for the vast majority of Denver's uninsured and underinsured patients. More than 40 percent of Denver Health's patients do not have insurance, thus no way to pay for the services they receive. What may seem to be a nightmare business model to most is a challenge Denver Health has met and it has been in the black every year for almost 20 years.

Many of the new patients we see were people who lost their jobs, and thus their health insurance. Just as generations before, those in need turned to Denver Health for medical care. We were there to give them not just some care but the best care available in this nation.

Denver Health has been ranked among the three top hospitals in the University Healthsystem Consortium's 114 prestigious academic health centers, for nine of the last 12 quarters. Our exceptionally low patient mortality meant that 247 patients walked out of Denver Health alive who would have been expected to die. This is what all the statistics mean to this community and that is what makes us proud.

Letter from the Chairman of the Board

On behalf of the Denver Health and Hospital Authority Board of Directors, I want to express my pride in the achievements of this great institution in 2011.

This was another outstanding year, during which we have continued our commitment to the highest quality health care, access for the metro area's most vulnerable citizens, and service to the citizens of Colorado and others throughout the Rocky Mountain region. Denver Health was challenged in 2011 with yet another significant increase in uncompensated care to patients; but the institution has responded by expanding our care capacity, adding to our work force, and continuing the progress of our LEAN transformation journey.

The use of LEAN principles has led to enormous savings for the enterprise, and meaningfully contributed to the financial stability of the organization. In the face of soaring health care costs, and a significant increase in uncompensated care for patients, LEAN has allowed Denver Health to become an innovative hub, transforming patient care while reducing costs to the health care system. As a Board, we applaud the impressive progress in creativity, efficiency and waste reduction at Denver Health that has saved the enterprise millions of dollars.

The year 2011 also brought more and different challenges, as Dr. Patricia Gabow announced her retirement effective September 1, 2012, after two decades as CEO of Denver Health. Denver and Colorado, and the nation as a whole, owe a great debt to Dr. Gabow for her tireless commitment to the improvement of health care delivery. Her diligence, and

extraordinary insights, have made Denver Health both an effective haven for all people who need care, and an exemplary health care system where high quality and best practices medicine has set national standards. Dr. Gabow has been the change-agent for, and the face of the national reputation we now enjoy.

A prestigious CEO search committee has been charged to identify and nominate Dr. Gabow's successor, who will assume management and operational control of the \$800 million Denver Health enterprise. The Committee, and this Board, are determined to select that person who will recognize and understand both the community we serve and the intricacies of management for a complex, nationally renowned academic healthcare institution.

The Board salutes the unwavering dedication to mission, the high level of effectiveness and efficiency, and the consistently high quality health care outcomes of the people who make Denver Health a national model for public health care in the United States.

Congratulations to all of you, the professionals and support staff who make up this great enterprise.



Hubert Farbes, Jr.
Chair, DHHA
Board of Directors

Caring for a diverse community



For more than 150 years, Denver Health has been a leader in demonstrating how managed care is a cost-effective way to provide quality care.

Denver Health, like many safety-net hospitals, is built on two foundations: Caring for special needs of all populations and caring for needs of special populations. Our community continues to grow and evolve in both areas. In addition to providing many specialty medical programs to our community, Denver Health's enrollment team approved 54,676 applications covering 74,318 beneficiaries for otherwise uninsured individuals.

Reaching out to patients to ensure that they have the most appropriate assistance program, and providing continuity of care is all in a day's work for Denver Health. Level One Care for ALL is much more than just a slogan, it means providing high-quality care for everyone, including society's most vulnerable.

36% of Denver's babies are born at Denver Health



Serving patients from **173 countries**



Translations for **91 languages**

\$1.25 million dollars in translation services

Denver Health Patients

13.8% African-American

29.5% Caucasian

3.2% Asian

49.6% Hispanic

4.6% Unknown

Revitalizing a neighborhood

On October 24, Denver Mayor Michael Hancock; Patricia Gabow, M.D., CEO; Denver City Councilman Chris Herndon and members of the Montbello community cut the ribbon and opened the doors to Denver Health’s most recently built Community Health Center – the Montbello Family Health Center.



The brand new, 18,000 square foot health center provides family medicine, adult care, child/adolescent services, and women’s care to Montbello residents. The clinic’s expansion allows the Montbello Family Health Center to offer additional services including Women, Infant and Children (WIC) services and pediatric dentistry with dedicated facilities.

Additionally, there is a pharmacy and medical laboratory within the building for patients’ convenience. The new health center was paid for in part by a \$2.2 million grant from the Colorado Health Foundation and \$3.064 million from the City and County of Denver. The grant helped with the expansion of services, a new building and the addition of dental services. The new building doubled the exam rooms to 16 with

an additional four dental rooms.

The Montbello Family Health Center is part of Denver Health’s Community Health Services which includes eight community health centers, two hospital-based urgent care centers, and 13 school-based health centers that are strategically located in low-income urban neighborhoods throughout the City and County of Denver. Community Health Services provides primary care services (medical, dental and mental health) to approximately one out of five Denver residents and 37 percent of Denver’s children.

Prior to the expansion, Montbello Family Health Center cared for 4,600 patients a year. The expansion enables it to serve an additional 4,000 patients.



More Montbello photos continued on inside back cover.

Reaching out to the community

- During the 2010-2011 school year, Denver Health staff completed 1,763 Medicaid, CHP+, CACP and DFAP applications for 4,801 beneficiaries via outreach events at Denver Public Schools.
- The Denver Health Access Express Enrollment Van processed 1,231 applications for publicly funded health coverage with 2,709 beneficiaries.
- Denver Health Community Voices served more than 508 clients in Denver barbershops with cardiovascular disease screenings and care coordination.
- Denver Health Community Voices employed two Community Health Advisors, 16 patient navigators and two program managers.
- “Open Your Hearts to Newborns in Need” held a large public baby shower on April 30th called, “Denver Throws a Baby Shower!” to collect new baby items for thousands of low income babies born each year at Denver Health. In 2011, public donations, corporate drives and a record number of 116 charity baby showers allowed the Newborns in Need program to provide \$286,380 in new baby items to 3,182 newborns and families in need – making life sweeter for some of Denver’s tiniest and most vulnerable citizens.
- The Reach Out and Read program celebrated its 14th anniversary in 2011. More than 20,000 new books and literacy messages were given to children and their parents at well-child check-ups from six months to five years, and several thousand gently used books for pediatric patients of all ages and their siblings were given at Denver Health visits during the year.

•37% of Denver children use Denver Health



•Denver Health cares for approximately 174,000 individual patients

In addition to the Adolescent Psychiatric Unit, Pavilion M, a four-story, 78,000+ square foot building, includes an enrollment center with specialists to help patients apply for medical financial assistance; an outpatient kidney dialysis center; and an outpatient ambulatory surgery center.



The enrollment center allows specialists to help Denver Health

patients apply for medical financial assistance. The new facility also allowed both

the dialysis center and outpatient surgical procedure units to move out of the hospital and into a more convenient location for patients.

Pavilion M used Recovery Zone Facility bonds and New Market Tax Credits to help finance the construction. The \$39.5 million project brought together a consortium of eight public and private sector entities to support Denver Health's expanded services. The Colorado Growth and Revitalization Fund, a partnership between the City and County of Denver, Colorado Enterprise Fund, and Colorado Housing and Finance Authority, partnered with NCB Capital Impact and RBC Capital Markets' Tax Credit Equity Group.



Colorado is plagued with one of the nation's highest rates of teenage suicide. In fact, suicide is the second leading cause of death among Colorado teenagers.

Mental health issues affect one in every five young people at any given time. According to the U.S. Department of Health and Human Services, an estimated two-thirds of all young people with mental health problems are not getting the help they need. In the

past few years, budgetary issues have eliminated state and other health care facilities; critical resources for mental health treatment.

“Given the recent budget cuts at the state level and the very poor reimbursement rates at the national level, mental health in general, whether it be inpatient or outpatient, is severely underfunded,” said Janice Whittleton, director of business development, Colorado Regional Health Information Organization. “With the

state budget cuts in December 2009 and shutting down Fort Logan, Colorado as a whole lost a total of 34 beds.”

At a time when other Colorado institutions were retracting their commitment to psychiatric care, Denver Health reaffirmed its belief in early intervention by expanding its adolescent psychiatric services program by constructing a brand new facility, Pavilion M, which provides a high-quality, safe environment for adolescent psychiatric patients.

“It’s hard to talk about the Pavilion without smiling,” says Vince Collins, M.D., associate director, Psychiatry. “The new facility allows us to match the level of skill and passion that the staff experiences with a setting that is warm, inviting and removes stigma.”

The brand new, 16-bed Child and Adolescent Psychiatry Inpatient Unit is designed especially for children and adolescents, ages 8-17 years. Equipped with a basketball court, a rooftop garden, kitchen, classroom, and play area, the new facility allows patients to explore themselves through music, play, cooking, gardening and working as a team.

“It’s heart-breaking to see what happens in the absence of effective treatment, because what happens is these people grow into adults who have not had their problems addressed and their problems continue to fester and it is much more difficult to address these issues definitively in adulthood,” says Dr. Collins. “The program’s expansion helps to ensure that we don’t miss those opportunities.”



Addressing substance abuse at an early age

In the interest of early intervention, Denver Health acquired the Substance Abuse Treatment Education and Prevention (STEP) program in 2004 to provide outpatient, psychiatric and substance abuse treatment to clients ages 12 - 21.

STEP delivers treatment for young patients and their families and works with schools, faith-based

organizations, community groups and juvenile justice systems to address the psychiatric and substance abuse needs of adolescent patients.

The treatment typically ranges 12 - 16 weeks and is delivered in weekly sessions that last about one hour. Usually, three sessions are devoted to family sessions that involve the adolescent and parents/guardians.



On September 5, Anna Beninatti, then a carefree 17-year-old freshman, and three friends were returning from a visit to Denver. They planned to return to school at Colorado State University by catching a free ride on a freight train that would drop them right in the middle of campus.

As the train came down the tracks, one friend jumped and made it, while another fell off uninjured. It was at that moment that Anna made the decision to jump on the

train – a decision she admits was wrong and one she will be reminded of for the rest of her life.

After jumping, Anna briefly dangled off the side of the train before she was suddenly sucked underneath it and both of her legs were severed instantly. Anna recalls feeling her femur snap and as she lay bleeding on the tracks, she remembers thinking she was going to die.

That's when two Longmont United Hospital employees – emergency medical technician Nicole Crowley and nurse Kathy Poiry – rushed on the scene and controlled her bleeding. From the scene of the accident, Anna was taken to Longmont United Hospital before being flown to Denver Health Medical Center.

“In my career as an intensivist in the Air Force, and at the University of Maryland Shock-Trauma Center, I had the privilege of visiting Denver Health several times,” said Anna’s father, Dr. William Beninatti. “I knew of the magnificent trauma care system that Dr. Moore and colleagues had built, and our first comfort was to know that she was in the best possible hands.”

At Denver Health, Anna underwent 11 surgeries performed by Robert Stovall, M.D., surgeon and David Hak, M.D., orthopaedic surgeon. “Under Dr. Stovall’s leadership, all went just right.” said Dr.

Beninatti. “Dr. Hak and his large, energetic Orthopaedics team took meticulous care of Anna’s legs to ensure her the best possible long-term function.

Today, Anna is a shining story of triumph and perseverance. She is back to pursuing her degree in music therapy, and has even returned to doing one of her favorite activities – skiing. She uses her tragic accident as an opportunity to educate other young people and encourage them to follow their gut and think twice before engaging in dangerous activities.

“Anna and the rest of our family will never escape the consequences of her accident, but we will always be grateful that when this happened she made it to Denver Health,” said Dr. Beninatti. “Denver Health is a world-class medical center and truly a place of healing, all the more remarkable in a center with a strong public service mission.”

95% overall survival rate

96% blunt trauma survival rate

86% penetrating trauma survival rate

The only one of its kind, the ACUTE Center for Eating Disorders draws critically ill eating disorder patients from all over the U.S. This nationally acclaimed center is unique in that it offers comprehensive stabilization and expert care for the most medically compromised eating disorder patients who cannot seek care in a traditional inpatient or residential treatment setting due to the severity of their weight loss or other medical complications.

Generally, ACUTE Center for Eating Disorder patients suffer from the most severe forms of eating disorders, causing them to weigh less than 70 percent of their ideal body weight. Additionally, these patients often suffer serious medical complications such as electrolyte imbalance, fluid problems, and organ failure.

“There are a litany of medical complications that accompany both anorexia and bulimia,” says Phillip Mehler, M.D., chief medical officer and director, ACUTE Center for Eating Disorders. “As an internal medicine physician, it has been a fascinating career for me. Really, every body system is affected by anorexia and bulimia.”

Dr. Mehler has dedicated his career to the research and medical care of patients suffering from severe anorexia and bulimia

nervosa. Dr. Mehler has authored more than 300 publications including the textbook, A Guide to Medical Care and Complications, and multiple articles on the medical treatment for the complications of eating disorders. Dr. Mehler is widely recognized as the nation’s foremost expert on the medical complications associated with eating disorders.

Under Dr. Mehler’s direction, Jennifer Gaudiani, M.D., assistant medical director of the ACUTE Center for Eating Disorders, specializes in and welcomes the nation’s most severe cases.

Depending on the severity, ACUTE patients typically stay at the center for 14-21 days. During the stay, a multi-disciplinary staff consisting of board-certified internal medicine doctors with expertise in caring for the medical complications of eating disorders and a medical team of nurses, physical therapists, nutritionists and other support staff provide comprehensive stabilization and expert care needed to get patients on the path to recovery.

Once patients are physically strong enough to engage in traditional inpatient or residential programming, they are discharged to an eating disorder treatment facility.

- ACUTE experienced significant growth in 2011 with a dramatic increase in both inquiries and admissions. In 2011, ACUTE received 258 inquiries (100% increase over 2010) and admitted 60 of the nation’s most critically ill eating disorder patients (30% increase over 2010).
- ACUTE also gained a significant national presence in 2011 with increased outreach efforts resulting in admissions from more than 20 states.



Patient during her ACUTE stay at Denver Health.



Patient with Dr. Mehler after her ACUTE stay at Denver Health.

Leading a revolution

Since 2005, Denver Health has integrated the Toyota Production System or LEAN into its daily operations. The use of LEAN has revolutionized health care at Denver Health and has allowed the hospital to become a national model for health care.

LEAN has resulted in a financial benefit of \$143 million since 2006 and has allowed Denver Health to achieve a high-level of quality for its patients. According to the University HealthSystem Consortium, Denver Health has the lowest mortality rate of any of the nation's 114 academic health centers for 9 of the past 12 quarters. Thus, Denver Health has managed to improve outcomes while driving down costs.

This is especially important at a time when uncompensated patient care expenses are increasing significantly from year to year and have increased from \$100 million in 1991 to the \$453 million in 2011. LEAN has helped Denver Health to remain in the black and make health care obtainable to its vulnerable patient population. In fact,

charges for an inpatient stay at Denver Health are nearly 35 percent less than a stay at one of the Metro Denver hospitals.

The LEAN manufacturing model is based on five principles, according to the LEAN Enterprise Institute: 1) Identify the value of the product for the customer; 2) Map the process for creating the product and eliminate elements without value; 3) Create a flow for the value-creating steps; 4) Let customers pull value from that flow; and 5) Begin the process again and seek perfection.

“The philosophy is that waste is disrespectful to humanity because it squanders scarce resources, and waste is disrespectful to individuals because it asks them to do work with no value,” says Patricia Gabow, M.D., CEO. “We’ve added that waste is disrespectful to our patients because it asks them to endure processes with no value.”

RIE + Blackbelt Combined Total Financial Benefit Trend Cumulative Through December 2011



The Denver Health “Getting it Right:

Perfecting the Patient Experience” initiative, has trained 234 “Black Belts” in Toyota LEAN Production tools to facilitate system-wide improvements.

The LEAN Academy is born

Denver Health has experienced unparalleled success integrating LEAN into their culture. As a pioneer in bringing LEAN to the health care industry, Denver Health has been utilizing LEAN since 2005 with great success, a success that the organization now wants to share with others.



Having mastered the philosophy, principles and tools of LEAN, Denver Health set out to assist other organizations in implementing this system by opening the LEAN Academy at Denver Health.

“There is great potential for hospitals and health care systems across the nation to improve patient care and reduce inefficiency by utilizing this system for operational excellence,” says Phil Goodman, director, LEAN Systems Improvement at Denver Health. “Together we can change the health care industry, making it safer and more efficient for patients.”

The LEAN Academy at Denver Health provides numerous LEAN training workshops to accommodate the needs of various organizations.

Since the LEAN Academy at Denver Health began in 2011, more than 16 organizations have come to Denver Health to learn more about LEAN.

“LEAN tools help Denver Health provide Level One Care for ALL every day! Our hope is to inspire others in America to begin their own LEAN journey toward operational excellence so that America can achieve Level One Care for ALL,” says Patricia Gabow, M.D., CEO.

denverhealth.org/LeanAcademy

- The Denver Health “Getting it Right: Perfecting the Patient Experience” initiative, has trained 234 “Black Belts” in Toyota LEAN Production tools to facilitate system-wide improvements.
- In 2011, conducted more than 75 LEAN Events, involving more than 500 employees, realizing more than \$57 million in financial benefit, without a single reduction in services or staff.
- Since the inception of LEAN in 2005, more than 1,800 employees have participated on Rapid Improvement Events and Denver Health has realized \$143 million in financial benefit by employing the use of LEAN tools. Of the \$143 million, Black Belt projects were responsible for \$35 million.
- Employees from city and state government, private organizations and numerous vendors have joined the Denver Health staff and participated in Rapid Improvement Events.
- Patients and patients’ family members have participated in LEAN events.

Denver Health recognized for operational excellence

Nationally Ranked.

In 2011, Denver Health was awarded the Shingo Bronze Medallion for Operational Excellence, becoming the first health care delivery organization to ever win this prestigious prize.

Denver Health received the award for its LEAN process improvement in its eight family health centers and 13 (at the time) school-based health centers which care for 123,000 unique patients with more than 400,000 annual patient visits.

“Since our journey started, more than 1,800 employees have been involved in creating operational excellence at Denver Health, and during the course of this we have saved lives, we have saved money and

we have saved jobs,” said Patricia Gabow, M.D., CEO. “Our total financial benefit has been \$143 million, which has let us continue our mission to serve the most vulnerable and those who cannot pay for the care that they need.”

“For 23 years, The Shingo Prize has been searching for, and recognizing, excellence in companies that make things,” said Robert D. Miller, executive director, The Shingo Prize for Operational Excellence. “This is the first time we have recognized an organization whose mission is about saving lives.

“Our entire assessment team came away from our visit at Denver Health with far more energy than

we took in,” continued Miller. “Denver Health is an organization made up of amazing people who have devoted their considerable talent to create greater and greater value for patients with less and less associated waste. They have demonstrated a commitment to a long-term journey of continuous improvement. We are very happy to recognize the people of Denver Health with the Shingo Bronze Medallion and are certain that this represents only a milestone (albeit an important one) in their lifelong pursuit of perfection in health care delivery.”

Work force development at Denver Health

Denver Health employs more than **5,600 employees** making it the fourth largest employer in Denver

41% of Denver Health’s full-time workforce is from the minority community

Denver Health’s payroll of \$445 million per year helps **sustain the economy**

A total of \$87,527,580 supported **minority workers** in 2011



From left, Robert D. Miller, Phil Goodman, Vickie Lesnansky, RN; Patricia Gabow, M.D.; Pete Gutierrez; Nancy McDonald, RN; Lucy Loomis, M.D. and Carol Lewis, CHS Board member, pose with the Shingo Prize Bronze Medallion.

Secretary Sebelius and Dr. Donald Berwick praise Denver Health

Nationally Ranked.

United States Department of Health and Human Services Secretary Kathleen Sebelius and Centers for Medicare and Medicaid Administrator Donald Berwick, M.D., visited Denver Health June 22, 2011 to celebrate the Partnership for Patients, a new partnership that will help improve the quality, safety, and affordability of health care for all Americans.

Secretary Sebelius and Dr. Berwick toured the Medical Intensive Care Unit with Ivor Douglas, M.D., chief, Pulmonary and Critical Care, and Rick Albert, M.D., director, Medicine, who demonstrated error-preventing standards like hand washing/foaming reminders and simple checklists that doctors and nurses must fill out at every bedside visit to a patient on a ventilator, as part of an effort to lower ventilator-associated pneumonia.

Following the tour, Secretary Sebelius and Dr. Berwick addressed a standing-room-only crowd, where Secretary Sebelius described Denver Health as an example to other hospital groups in reducing patient harm. "They (Denver Health) not only have found ways to cut costs, but their health results are dazzling," said Secretary Sebelius.

Dr. Berwick said Denver Health's systematic pursuit of infections, mistakes and redundant testing should serve as an example to major hospitals in the federal "Partnership for Patients" program.

Denver Health Chief Executive Officer, Patricia A. Gabow, M.D., is widely credited with instilling carefully monitored protocols and standardization throughout the Denver system. The hospital was recently ranked first out of more than 114 academic hospitals in low mortality rates. Models and practices borrowed heavily from business have reaped financial benefit of more than \$143 million, freeing up resources to provide more than \$453 million in care to the uninsured.

Denver Health's large population of uninsured or underinsured, with an urban population of homeless and other challenges, is "as tough" as found anywhere, Berwick said after the tour.

"If you can do it here, we can model it anywhere," he said.

In addition to Secretary Sebelius and Dr. Berwick, the following health policy leaders visited Denver Health in 2011:

- Jonathan D. Blum, Deputy Administrator, Center for Medicare, CMS
- Judy Miller Jones, Director, National Health Policy Forum
- Marsha Lillie-Blanton, M.D., Chief Quality Officer for the Center for Medicaid, CHIP, and Survey & Certification (CMCS), CMS
- Andreas Schneider, Senior Advisor, Kaiser Family Foundation
- Aaron McKethan, National Program Director for the Beacon Communities Program in the Office of the National Coordinator for Health Technology at the U.S. Department of Health & Human Services
- David Blumenthal, M.D., MPP, former Director, Institute for Health Policy
- Lisa Simpson, President & CEO Academy Health



Accolades

Accomplishments & Appointments

Awards

Good Day Café wins IIDA Best Award

The Good Day Café remodel project won the International Interior Design Association's BEST Award for Brilliantly Executed Spaces and Thinking. Judges said, "There are so many great details throughout! You'd never know this space was in a basement because of brilliant design."

Denver Health receives a surprise Komen award

Denver Health received the 2011 Karen Hornbostel award at a ceremony for Komen grant recipients.

Denver Health ranks well on UHC data rankings

University HealthSystem Consortium ranked Denver Health as one of the top 10 academic medical centers in the U.S. for key inpatient quality indicators (Imperatives for Quality Report, July 2010 – June 2011). Denver Health's 30-Day All Cause Readmission Rate was 8.7% (ranking #7). Length of stay index, which compares observed to expected length of stay, was 0.89 (ranking #8). Denver Health's mortality index (observed to expected mortality rate) was the **best** in the nation at 0.50.

Denver Health receives American Heart Association's Get with the Guidelines Gold Performance Achievement Award

Denver Health received the American Heart Association's Get with the Guidelines (GWTG) Gold Performance Achievement Award. The award recognizes Denver Health's commitment and success in implementing a higher standard of cardiac care that effectively improves treatment of patients hospitalized with coronary artery disease (CAD).

The Gold Award is presented to sites in recognition for achieving at least two years of 85 percent or higher adherence to all GWTG program quality indicators to improve patient care and outcomes. Denver Health also received the Gold award in 2010.

Denver Health wins Downtown Denver Partnership Award

The Downtown Denver Partnership named Denver Health as one of six award winners at their 50th annual Downtown Denver Awards Dinner. Denver Health was honored for its 150 years of exceptional health care services and commitment to serving the needs of the urban core of Denver.

Denver Health receives Most Wired Award

Denver Health has received the Top 100 Most Wired Hospitals Award for information technology use, according to the 2011 Most Wired Survey and Benchmarking Survey. This is the sixth time Denver Health has received this prestigious award. The survey focuses on how the nation's hospitals use information technology for quality, customer service, public health and safety, business processes and work force issues.

Community Health Services earns NCQA Patient-Centered Medical Home Level 3 Designation

Community Health Services earned the National Committee on Quality Assurance (NCQA) Patient-Centered Medical Home Level 3 Designation, its highest designation. The patient-centered medical home is a health setting that enables partnerships between patients and their physicians.

Dr. Gabow named one of 50 Most Influential Physician Executives in Health care

Patricia Gabow, M.D., CEO, was named one of Modern Healthcare's 50 Most Influential Physician Executives of 2011. Dr. Gabow was selected out of more than 11,700 nominees and ranks 16 on the list.

Anne Hammer, RN, nursing clinical coordinator, Community Health Services, was named as the inaugural 2011 Metro-Denver Sure Shot Award winner by The Colorado Children's Immunization Coalition (CCIC). Hammer was recognized for her leadership, collaboration and advocacy in the field of immunizations.

David Hak, M.D., MBA, associate director, Orthopedics, was named to serve a three-year term as Chief Financial Officer for the Orthopaedic Trauma Association.

Kerry Broderick, M.D., Emergency Medicine Services was selected to serve as a director at-large on the Board of Directors of the American Board of Emergency Medicine (ABEM).

Peg Burnette, chief financial officer, was appointed to the Hospital Provider Fee Oversight and Advisory Board by Governor John Hickenlooper.

Lucy Loomis, M.D., M.S.P.H., director, Family Medicine program, was named President of the Denver Medical Society for a one-year term.

Lee Shockley, M.D., medical director, was selected by The American College of Emergency Physicians (ACEP), to serve as a mentor in the Emergency Department Directors Academy.

Paul Melinkovich, M.D., director, Denver Community Health Services (DCHS), received the Lifetime Achievement Award from the Colorado Association for School-Based Health Care (CASBHC) for his 20 years of dedication and contributions to school-based health. DCHS has 13 school-based health centers stretching from Kennedy High School in southwest Denver to Montbello High School in far northeast Denver.

Patricia A. Gabow, M.D., CEO, recently received the Lifetime Health care Achievement Award from the American

Red Cross for her 36 years of dedication to serving and providing high quality health care to Denver's residents.

Rod Rushing named Advocate of the Year

Rod Rushing, addictions counselor, Behavioral Health Services, received the Advocate of the Year award from Advocates for Recovery (AFR).

Denis Bensard, M.D., director, Pediatric Surgery and Pediatric Trauma, received the Golden Apple Teacher of the Year Award from the University of Colorado School of Medicine Department of Surgery. He was selected by University of Colorado medical students. Dr. Bensard also received The Bartle Faculty Teaching Award from the University of Colorado School of Medicine and was selected by the surgical chief residents.

Philip Mehler, M.D., chief medical officer, was named a fellow by the Academy for Eating Disorders (AED) for his outstanding contributions to the field of eating disorders. AED recognized Mehler for his clinical, teaching, and research excellence in the field of eating disorders. In addition to his responsibilities at

Denver Health, Mehler also serves as the medical director of Denver Health's Acute Comprehensive Urgent Treatment for Eating Disorders Center (ACUTE).

Fifty-eight Denver Health physicians, representing 24 specialties, were named to the 2011 - 2012 Best Doctors in America list.

2011-2012 Best Doctors in America List:
Jennifer Adams, M.D., Internal Medicine
Irene Aguilar, M.D., Internal Medicine
Rick Albert, M.D., Pulmonary Medicine, Critical Care Medicine
Mark Anderson, M.D., Pediatrics
Alicia Appel, M.D., Internal Medicine
Carlton Barnett, M.D., Surgical Oncology
Holly Batal, M.D., Internal Medicine
Denis Bensard, M.D., Pediatric Specialist
Dan Bessesen, M.D., Endocrinology and Metabolism
Joshua Blum, M.D., Internal Medicine
Patricia Braun, M.D., Pediatrics
Jeff Brown, M.D., Pediatrics (Retired)
Bill Burman, M.D., Infectious Disease
Chris Carey, M.D., Obstetrics and Gynecology
Mark Chandler, M.D., Anesthesiology
Christopher Ciarallo, M.D., Pediatric

Specialist, Anesthesiology
Dave Cohn, M.D., Infectious Disease (Retired)
David Collier, M.D., Rheumatology (Retired)
Rick Dart, M.D., Clinical Pharmacology, Emergency Medicine
Ivor Douglas, M.D., Pulmonary Medicine, Critical Care Medicine
Ray Estacio, M.D., Internal Medicine
Steve Federico, M.D., Pediatrics
Henry Fischer, M.D., Internal Medicine
David Hak, M.D., Orthopaedic Surgery
Simon Hambidge, M.D., Pediatrics
Rebecca Hanratty, M.D., Internal Medicine
Richard Hughes, M.D., Neurology
Fernando Kim, M.D., Urology
Steve Kolpak, M.D., Internal Medicine
Richard Kornfeld, M.D., Family Medicine
Lela Lee, M.D., Dermatology
Stuart Linas, M.D., Nephrology
Andrew Liu, M.D., Allergy and Immunology, Pediatric Specialist
Carlin Long, M.D., Cardiovascular Disease
Jeremy Long, M.D., Internal Medicine
Kathryn Love-Osborne, M.D., Pediatrics
Tom MacKenzie, M.D., Internal Medicine
Jody Maes, M.D., Pediatrics
Vince Markovchick, M.D., Emergency Medicine (Retired)

Accolades

Phil Mehler, M.D., Internal Medicine, Addiction Medicine, Eating Disorders
Lora Melnicoe, M.D., Pediatrics
Howard Miller, M.D., Anesthesiology
Katherine Miller, M.D., Family Medicine
Ernest (Gene) Moore, M.D., Critical Care Medicine, Surgery
Mary O'Connor, M.D., Pediatrics
John Ogle, M.D., Pediatrics, Pediatric Specialist
Malcolm Packer, M.D., Pediatric Specialist
Ricardo Padilla, M.D., Internal Medicine
Katherine Pehl, M.D., Family Medicine
Connie Price, M.D., Infectious Disease
Randall Reves, M.D., Infectious Disease
Adam Rosenberg, M.D., Pediatric Specialist
Jeanne Rozwadowski, M.D., Internal Medicine
Eric Schmidt, M.D., Critical Care Medicine
Andy Steele, M.D., Internal Medicine
Steve Vogler, M.D., Pediatrics
Kathryn Wells, M.D., Pediatric Specialist
Robin Yasui, M.D., Internal Medicine

Twenty-nine Denver Health physicians were named Top Doctors by 5280 Magazine. The top doctors were nominated and voted on by their peers throughout the Denver metro area.

2011 Denver Health's Top Doctors by 5280 Magazine:

Katie Bakes, M.D., Pediatric Emergency Medicine
Denis Bensard, M.D., Pediatric Surgery
Daniel Bessesen, M.D., Endocrinology, Diabetes and Metabolism
Antonia Chiesa, M.D., Child Abuse Pediatrics
Susan Davidson, M.D., Gynecologic Oncology
Ivor Douglas, M.D., Critical Care Medicine
Monica Federico, M.D., Pediatric Pulmonology
Greg Gutierrez, M.D., Sports Medicine
Taru Hays, M.D., Pediatric Hematology and Oncology
Kennon Heard, M.D., Medical Toxicology
Robert House, M.D., Psychiatry
Claudia Kunrath, M.D., Pediatric Critical Care
Sharon Langendoerfer, M.D., Neonatal-Perinatal Medicine
Jay Lee, M.D., Family Medicine
Laurent Lewkowiez, M.D., Clinical Cardiac Electrophysiology
Kevin Lillehei, M.D., Neurological Surgery
Stuart Linas, M.D., Nephrology
Lora Melnicoe, M.D., Pediatrics

Ernest (Gene) Moore, M.D., Surgical Critical Care
John Ogle, M.D., Pediatric Infectious Disease
David Patrick, M.D., Pediatric Surgery
Adam Rosenberg, M.D., Neonatal-Perinatal Medicine
William Sauer, M.D., Clinical Cardiac Electrophysiology
Michael Schaffer, M.D., Pediatric Cardiology
Judith Shlay, M.D., Public Health and General Preventive Medicine
Christian Thurstone, M.D., Addiction Psychiatry
Kathryn Wells, M.D., Child Abuse Pediatrics
Sterling West, M.D., Rheumatology
Robin Yasui, M.D., Geriatric Medicine

Twelve Denver Health physicians were recently named U.S. News Top Doctors. The list of *U.S. News Top Docs* was developed in collaboration with Castle Connolly Medical Ltd., publisher of *America's Top Doctors* and other guides

Denver Health's U.S. News Top Docs are:
Grace Alfonsi, M.D., Community Health Services
Carlton Barnett, M.D., Surgery/Trauma
Denis Bensard, M.D., Pediatric Surgery
Emmett Bishop, M.D., A.C.U.T.E. Center for Eating Disorders
George Bock, M.D., Community Health Services

Lauren DeAlleaume, M.D., Community Health Services
Jeffrey Johnson, M.D., Surgery
Fernando Kim, M.D., Urology
Stuart Linas, M.D., Medicine
Phil Mehler, M.D., Patient Safety and Quality
Ernest (Gene) Moore, M.D., Surgery and Trauma Service
John Ogle, M.D., Pediatrics

Denver Public Health receives a \$3 million Community Transformation Grant

Denver Public Health was awarded a five-year, \$3 million grant to reduce cardiovascular disease in Denver. This grant is part of the U.S. Department of Health and Human Services' (HHS) Community Transformation Grants to support public health efforts to reduce chronic disease, promote healthier lifestyles, reduce health disparities, and control health care spending. "This type of innovation and commitment to community partnership is exactly what's needed to tackle some of the toughest health problems we're facing," said Mayor Michael Hancock. "Our most vulnerable populations are particularly at risk for obesity and cardiovascular disease, and

Accolades

Denver Public Health's focus on prevention and education is the right priority. The city will not only be an engaged partner in this effort, but will be looking to augment their good work by combining other city initiatives like Denver Seeds, which helps improve education and access to healthy foods and to Park and Recreation programs."

"Denver Public Health will partner with City agencies, community-based organizations, and primary care providers in this effort. Interventions will be directed at the entire

Denver population, with a focus on ethnic minority and underinsured populations that have higher rates of cardiovascular disease and its risk factors," said Bill Burman, M.D., director, Denver Public Health.

The project entails teams working in three areas: 1) decreasing exposure to tobacco smoke, 2) improving the diagnosis and treatment of high blood pressure and high cholesterol, and 3) decreasing obesity by improving access to healthy foods and increasing exercise.

Denver Health continues to exceed expectations by providing the kind of high-quality care given at most private hospitals while still delivering \$453 million in uncompensated care in 2011.

Denver Health remains the hospital of choice in nationally ranked specialties of trauma, orthopaedics, infectious disease, complications due to eating disorders and urology and has become the hospital of last resort for the increasing number of Denver's citizens who are either unemployed and without insurance, or are employed but simply cannot afford insurance.

The steady increase of uninsured and underinsured patients leaves Denver Health with a significant amount of uncovered costs each year – a number that steadily increases by 10 percent each year. As has often been said, "not a dream business model."

Denver Health is grateful for the support from our community as we move closer toward health care reform and a model that supports our diverse community.

2011 Denver Health Board Members

Hubert A. Farbes, Jr. - Chairperson

Caz Matthews - 1st Vice Chair

Rus Heise - 2nd Vice Chair

M. Douglas Jones, Jr., M.D. - Director

James Q. Crowe - Director

Diedra Garcia - Director

Johnny Johnson, Jr., M.D. - Director

Kevin P. Kauffman - Director

Susan Powers - Director



Financials

DENVER HEALTH AND HOSPITAL AUTHORITY Balance Sheets December 31, 2011 and 2010 Assets

	2011	2010
Current Assets		
Cash and cash equivalents	\$46,895,027	\$48,897,649
Restricted cash and cash equivalents	1,421,823	28,025,218
Patient accounts receivable, net of contractual allowances of approximately \$95,420,000 and \$69,582,000 in 2011 and 2010, respectively, and estimated uncollectibles of approximately \$31,147,000 and \$29,676,000 in 2011 and 2010, respectively	63,231,892	57,736,500
Due from other governmental entities	43,314,214	40,494,850
Due from City of Denver	2,037,812	773,932
Estimated third-party payor settlements receivable	—	—
Other receivables	10,112,740	10,240,207
Interest receivable	936,901	777,538
Due from and investment in discretely presented component unit	875,553	1,014,806
Inventories	10,376,883	9,948,506
Deferred outflows on accumulated decrease in fair value of hedging activities	2,139,430	2,280,584
Prepaid expenses and other assets	3,292,707	2,277,847
Total current assets	\$184,634,982	202,467,637
Noncurrent Assets		
Note receivable	28,961,015	28,961,015
Deferred outflows on accumulated decrease in fair value of hedging activities	16,587,397	6,947,007
Estimated third-party payor settlements receivable	17,640,947	16,025,339
Equity interest in joint venture	598,105	415,408
Restricted investments	20,827,308	33,523,745
Capital assets, net of accumulated depreciation	22,658,419	405,803,554
Long-term investments	13,505,490	83,991,529
Unamortized bond fees and other long-term assets	3,053,982	3,385,696
Total noncurrent assets	\$623,832,663	579,053,293
Total assets	\$808,467,645	\$781,520,930

DENVER HEALTH AND HOSPITAL AUTHORITY Balance Sheets December 31, 2011 and 2010 Liabilities and Net Assets

	2011	2010
Current Liabilities		
Current maturities of bonds payable	\$4,555,000	\$4,335,000
Current maturities of capital leases	48,188	148,642
Current maturities of notes payable	185,000	175,000
Current portion of liability for estimated third-party settlements	9,149,439	6,027,672
Accounts payable and accrued expenses	43,298,349	40,512,317
Accrued salaries, wages and employee benefits	18,235,700	16,689,636
Accrued compensated absences	22,984,590	22,558,450
Deferred revenue	1,826,865	461,566
Derivative interest rate swap liability	2,139,430	2,280,584
Accrued claims	4,935,000	4,072,000
Total current liabilities	\$107,357,561	\$97,260,867
Long-term Liabilities		
Long-term portion of liability for estimated third-party settlements	4,149,526	6,493,370
Long-term portion of compensated absences	478,016	515,979
Bonds payable, less current maturities, net of deferred loss on refunding of \$5,769,683 and \$6,066,083 in 2011 and 2010 respectively	211,563,338	215,802,212
Capital lease obligations, less current maturities	45,710	88,039
Notes payable	42,197,231	42,382,231
Derivative interest rate swap liability	16,587,397	6,947,007
Postemployment benefits	2,312,984	1,490,931
Total long-term liabilities	277,334,202	273,719,769
Total liabilities	\$384,691,763	\$370,980,636
Net Assets		
Invested in capital assets, net of related debt	187,746,105	204,421,393
Restricted expendable	—	2,503,274
Unrestricted	236,029,777	203,615,627
Total net assets	423,775,882	410,540,294
Total liabilities and net assets	\$808,467,645	\$781,520,930

Financials

Montbello Family Health Center

DENVER HEALTH AND HOSPITAL AUTHORITY
Statements of Revenues, Expenses, and Changes in Net Assets
Years ended December 31, 2011 and 2010

	2011	2010
Operating Revenues		
Net patient service revenue	\$332,700,434	\$289,957,235
Capitation earned net of reinsurance expense	125,643,318	\$103,424,160
Medicaid disproportionate share and other safety net reimbursement	115,434,512	131,118,516
City of Denver payment for hospital services	28,477,302	27,977,301
Federal, state and other grants	58,016,896	59,773,343
City of Denver purchased services	18,178,776	18,340,198
Poison and drug center contracts	22,984,087	21,113,148
Other operating revenue	19,535,379	18,181,149
Total operating revenues	720,970,704	669,885,050
Operating Expenses		
Salaries and benefits	423,047,977	400,983,097
Contracted services and nonmedical supplies	137,522,726	123,001,739
Medical supplies and pharmaceuticals	66,854,927	65,775,829
Managed care outside provider claims	33,052,207	32,314,222
Depreciation and amortization	42,154,436	39,649,067
Total operating expenses	702,632,273	661,723,954
Operating income	18,338,431	8,161,096
Nonoperating Revenues (Expenses)		
Increase in equity in joint venture	182,697	415,408
Distribution from discretely presented component unit	3,000,000	2,000,000
Interest income	4,148,090	3,951,213
Interest expense	(11,701,853)	(11,081,670)
Net increase (decrease) in fair value of investments	(2,097,011)	118,261
Loss on disposition of capital assets	(129,995)	(3,575)
Total nonoperating revenues (expenses)	(6,598,072)	(4,600,363)
Income before capital contributions	11,740,359	3,560,733
Contributions Restricted for Capital Assets		
Increase in net assets	1,495,229	2,989,871
Total Net Assets, Beginning of Year	410,540,294	403,989,690
Total Net Assets, End of Year	\$423,775,882	\$410,540,294





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