

VHS of Michigan, Inc.
2012 Annual Report

VHS of Michigan, Inc. Annual Report

VHS of Michigan is pleased to present to the Legacy DMC Board of Directors its second annual report. This report has been prepared and is being delivered for the calendar year period ending December 31, 2012 in accordance with section 12.17 of the Purchase and Sale Agreement by and among the Detroit Medical Center, Harper-Hutzel Hospital, Detroit Receiving Hospital and University Health Center, Children's Hospital of Michigan, Rehabilitation Institute of Michigan, Inc., Sinai Hospital of Greater Detroit, Huron Valley Hospital, Inc., Detroit Medical Center Cooperative Services, DMC Orthopedic Billing Associates, LLC, Metro TPA Service, Inc., Michigan Mobile PET CT, LLC, DMC Primary Care Services II and Healthsource, as Seller, and VHS of Michigan, Inc., VHS Harper-Hutzel Hospital, Inc., VHS Detroit Receiving Hospital, Inc., VHS Children's Hospital of Michigan, Inc., VHS Rehabilitation Institute of Michigan, Inc., VHS Sinai-Grace Hospital, Inc., VHS Detroit Businesses, Inc., VHS Detroit Ventures, Inc., VHS University Laboratories, Inc., VHS Physicians of Michigan and CRNAS of Michigan, as Buyer, and Vanguard Health Systems, Inc. dated as of December 31, 2010 (Purchase and Sale Agreement).

Indigent and Low Income Care (Section 12.2)

In conjunction with the closing DMC adopted the Vanguard Health Systems, Inc. "Charity Care Financial Assistance and Billing & Collecting Policies for Uninsured Patients" policy. The VHS policy provides more opportunity for higher income level patients to qualify for financial assistance under the Federal Poverty Guidelines. Eligibility guidelines are updated and changed periodically and Vanguard/DMC is working under the most recent and more benevolent VHS published 2012 guidelines.

To make sure patients are aware that financial assistance ("charity care") is available to uninsured and underinsured, Vanguard/DMC posts patient-care hotline signage at all of its hospitals and at outpatient clinics and the patient accounting office. The patient-care hot line is a toll free number which patients can call to obtain information about financial aid or assistance applying for financial aid. This includes assistance with completing Medicaid applications. In addition to the signage, a toll free number is displayed on patient bills and found on the Vanguard/DMC Public Web-Site.

To ensure patients have access to both Medicaid and financial aid, Vanguard/DMC continues to follow the process of taking both Medicaid and Vanguard/DMC Charity Care applications at an in-patient's bedside or upon admission. Obtaining the application up front assists the patient in the financial aid process. In the event Medicaid denies patient coverage and the patient chooses to pursue access to financial assistance, the patient application is completed and the patient is made aware of what requirements and information is essential to be eligible for Vanguard/DMC's Charity Care program.

By calling the patient care hot line number printed on every bill, patients that are seen on an out-patient basis also have access to assistance with the Medicaid and Charity Care application process.

Additional assistance is provided to patients who have been denied coverage or have experienced problems with their care. Vanguard/DMC has a team of patient care representatives that assist patients who call with problems or complaints. We have also officially appointed an independent Ombudsman to personally assist patients with any complaints or unresolved problems. The Ombudsman serves as the patient's advocate and will assist eligible patients acquire financial aid. Both the patient care representatives and Ombudsman review patient cases and work to resolve issues. The Vanguard/DMC Ombudsman reports to the Compliance/Governance Officer, responsible for the oversight of the patient call log.

The Vanguard/DMC Public Web-Site also provides a Patient Financial Assistance/Patient Rights & Responsibilities web page with a link to a patient rights statement for adult patients and a link to Vanguard/DMC Children's Hospital of Michigan web-page for the "kid-friendly" version. Posters are located in each of our facilities and patients have access to copies of our Patient Rights and Responsibilities document. Additionally, each patient is required to sign a Vanguard/DMC General Consent for Admission and Treatment form which describes how patients can obtain additional patient rights information.

With the exception of the Vanguard/DMC patient rights hot line and the official designation of the patient Ombudsman all of the processes described above were in place in 2010 continued in 2011 and are practiced today. Vanguard/DMC's commitment to provide care to all of our patients regardless of ability to pay has not wavered nor has it in any respect been compromised. Attached please find a series of charts that show patient volumes from 2010 and 2011 vs. 2012; for inpatient discharges, bad debt and charity care and uncompensated care and our case mix index 2011 vs. 2012. Again, these charts show clearly Vanguard/DMC's moral and ethical commitment to provide quality care to all Southeastern Michigan citizens regardless of ability to pay remains unchanged.

Commitments to Maintain the Hospitals and Provide Core Services (Section 12.3)

Vanguard/DMC continues to maintain each of its Hospitals as a general acute hospital licensed in the State of Michigan, with Rehabilitation of Michigan licensed as a rehabilitation hospital licensed in the State of Michigan.

We continue to provide the Core Services as listed on Exhibit D. Each calendar quarter Vanguard/DMC affirms to Legacy DMC that Core Services remain operational at its hospitals. These services are essential to the patients and citizens of metropolitan Detroit and we have no intention or desire to discontinue providing Core Services.

Routine Capital (Section 12.4)(a)

VHS of Michigan is expected to make routine capital expenditures in an average amount of at least \$70 million per year, but not less than \$50 million in the first year. The routine capital budget for the two year period ending December 31, 2012 was \$120.0 million. For the calendar year 2012, \$70 million of routine capital expenditures were budgeted. Certain portions of that amount were dedicated to specific capital projects and other amounts were made available for discretionary capital needs. During the period January 1 through December 31, 2012, \$63.3 million of routine capital expenditures was spent (Exhibit A). This was \$18.4 million higher than in 2011 but lower than the \$120.0 million budgeted for the first two years. Capital spending averaged \$5.3 million per month compared to the of 2011 average of \$3.7 million per month. The actual rate of routine capital spending increased with more than \$17 million dollars spent in the first quarter of calendar year 2012 and \$46 million spent in the remaining three quarters of 2012. The Routine Capital 2012 Expenditures chart is presented in Exhibit A listing all of the routine capital project spending for 2011 and 2012.

Please understand, certain projects required a greater amount of planning and lead time than initially predicted. Delaying launch on IT and construction projects specifically, ensured project scope was thorough and complete. This included projects such as the \$3.5 million Central Lab Master Plan which has been expanded. As a result, spend was slower than originally projected and deferred by approximately 3 months.

Other projects directly impacting the 2012 spend rate are specialty clinics. To ensure Vanguard/DMC is strategically and correctly positioning itself in the market the location of planned specialty clinics have been modified resulting in deferred project start dates. Vanguard/DMC provides calendar quarter reports to Legacy DMC reporting both committed and actual spend on routine capital. Each report also includes projections indicating the anticipated spend over the next calendar quarter. Spending is based on receipt of equipment and/or invoice from vendor or supplier, which directly impacts the period in which the spending is recorded.

Requests change throughout the year due to changing hospital needs or unexpected equipment replacement which directly impacts the timing of routine capital spend. Vanguard/DMC is working with the hospitals to better define and refine its capital requirements starting with the next budget year which begins July 1, 2013. Management has communicated the need to have all FY 2013 capital budget requests processed no later than April 1, 2013 to capture as much spend as possible by June 30, 2013. Capital budget planning kick off will be before the second quarter and has produced a more refined process for FY 2014 Capital Budget.

Specified Capital Projects (Section 12.4)(b)

Project timelines have been developed and fine tuned to avoid disruption to daily operations and on-going patient care at each facility. The overall central campus projects were reviewed to successively roll out the projects with minimal inconvenience to

patients and visitors. As a result, modifications from the original scope, cost and schedule presented in as Exhibit B - Schedule 12.4 Original to Current Scope, Cost and Schedule Comparison.

Vanguard/DMC provides calendar quarter updates to Legacy DMC reporting actual spend and known changes to scope and project time lines. A brief summary on the status of each Specified Capital Project follows. Also, attached Exhibit C summarizes the full-year spend for CY 2012 expenditures on each Specified Capital Projects.

Sinai-Grace ED/ICU/FAÇADE/Radiology:

The scope and schedule of these various projects have not changed since the last report and the completion date is scheduled for July 2015.

RIM 6th Floor Renovation:

This project was finished in October 2012 and is complete.

HVSH Private Room Renovations:

This project is complete. Renovated rooms were made available to patients in October 2011. This project met the original time line and came in under budget by approximately \$700,000. Savings were realized primarily from lower construction and equipment costs.

HVSH Additional ICU Beds:

Huron Valley Sinai Hospital is undergoing a Master Plan review for its facility. As a result, the ICU Beds project has been put on hold pending the outcome of the review.

Detroit Receiving Patient Care Unit Renovations:

Scope and schedule have not changed from the last update. The Observation Unit and ICU pod renovations are complete. Work is currently underway on the first two inpatient pods.

Detroit Receiving Additional OR with Pre & Post Op:

This project broke ground on February 16, 2012. No changes to scope, schedule or project time line has been made since the last update.

Children's Hospital of Michigan Pediatric Specialty Center:

Project construction is complete and opened in June 2012. The scope of the project was modified. The structure has one more additional floor and is constructed to allow for an additional floor of vertical expansion not originally included in the original project

specifications. These modifications added cost of approximately \$9.7 million dollars to the overall project.

Children's Hospital of Michigan Tower & Carl's Backfill Project:

Master planning continues for the Tower project. Completion of this project has been pushed to August of 2017 to allow sufficient time for planning. Work on the Carl's Building Project is continuing. The 5th floor renovations are complete. 4th floor renovations are underway. Planning for the third and second floor renovations continues.

HUH Surgical Services Renovation

Scope and schedule have not changed since the last update. The completion date is projected for October 2013.

HUH Unified Lobby

There has not been any change to the scope or schedule of the Unified Lobby. The time completion date is projected for October 2014.

HUH Ground Floor Master Plan

There has not been any change to the scope and schedule of the Ground Floor Master Plan project since the last update. The construction completion date remains September 2015.

Cardiovascular (CVI) & Outpatient Services Bldg (a/k/a Heart Hospital)

Construction of the New DMC Heart Hospital, which will house the Cardiovascular Institute, broke ground on January 17, 2012. Construction has been in full force during 2012 and will continue in 2013 with the completion date scheduled for August 2014. The scope and schedule have not changed since the last update.

HUH Harper Unit Renovations

Harper Unit Renovations are complete. 10WS units were completed in February 2012, with the 9WS units completed in October 2012.

HUH ED Expansion

Scope and schedule have not changed since the last update. The construction completion date is March 2013.

Corporate Relocation of Mack Parking Deck

Completion date for this project has been changed from December 2013 to March of 2014 due to complications with the demolition of the International Guest Housing building.

Specified Projects CapEx Shortfall

On February 13, 2013 Vanguard Health Systems wire transferred \$27,816,415 to the BNY Mellon, in its capacity as Escrow Agent. These funds represent the Capital Expenditures Shortfall for the second year Anniversary Date.

Capital Expenditures Shortfall was determined in accordance with generally accepted accounting procedures:

Anniversary Date Cap Ex Commitment for 1 st & 2 nd Year	\$160,000,000
Less: Capital Expended for 24 months ended December 31, 2012	<u>\$132,183,585</u>
Specified Capital Project CapEx Shortfall:	\$ 27,816,415

None of the funds deposited relate to the Children's Hospital tower project.

Ernst and Young LLP has been engaged by Vanguard Health Systems, Inc. to perform an independent review as required under Section 12.17. The review is limited to the agreed upon procedures set forth in Schedule 12.17 and Buyer's compliance with Section 12.4. This review is anticipated to be completed no later than February 28, 2013.

Warrant (Section 12.5)

At Closing, Vanguard delivered to the Escrow Agent an initial Warrant Certificate for the Warrant. In connection with Vanguard's initial public offering of its common stock in June 2011, Vanguard delivered to the Escrow Agent (in exchange for the Warrant Certificate then in the possession of the Escrow Agent) the Note in the original principal amount of \$500,000,000. In accordance with Section 12.5 of the Purchase and Sale Agreement, the principal amount of the Note is automatically reduced on a continuous basis by the amount of any reduction in the Remaining Capital Expenditures Commitment.

No Sale of Hospitals (Section 12.7)

VHS did not sell, transfer directly or indirectly assets which constitute one or more of the Hospitals or any equity interest in any Subsidiary of VHS to any person during 2012.

Commitment to Education Mission (Section 12.8)

VHS of Michigan, Inc is honored and proud to continue the DMC's education and research mission with a strong partner like Wayne State University as we share the enthusiasm of the community as we see results beginning to emerge from our commitment in new facilities technology, patient care and safety. Vanguard/ DMC continued to train medical and osteopathic residents in 2012 (1,023 FTEs) and continue to maintain our prior commitment to train students of medicine, osteopathy and allied health at the same level as prior years. In addition to medical education Vanguard/DMC continues its support of nursing education. Placements come from over 35 nursing training programs within Southeast Michigan.

Commitment to Research Mission (Section 12.9)

Vanguard/DMC continues to work closely with Wayne State University (WSU) in connection with ongoing groundbreaking research taking place at the Perinatal Research Branch located in Hutzel Women's Hospital. The importance of this research is highlighted by the following excerpt, released in April 2011:

“For years, Detroit has been known to have a high rate of premature birth and infant mortality. To address these important problems, Dr. Roberto Romero and Dr. Sonia Hassan, along with a team of brilliant researchers, conducted a groundbreaking study as part of the Perinatology Research Branch of the National Institute of Child Health and Human Development of the National Institutes of Health on the campus of the Detroit Medical Center at DMC Hutzel Women's Hospital and Wayne State University.

“On Wednesday, April 6, 2011, the world learned the results of a groundbreaking clinical study of a new method for preventing premature birth in millions of women each year. Published in the authoritative *Ultrasound in obstetrics & Gynecology*, the study shows that the rate of early preterm delivery in women (<33 weeks) can be reduced by 45 percent – simply by treating pregnant women at risk for preterm delivery with a low-cost natural progesterone gel” during the mid-trimester of pregnancy until term. This breakthrough will become a care protocol for all applicable DMC patients.” See the website for the Perinatal Research Branch.

We continue to actively conduct, and work cooperatively with WSU in its conduct of, research activities at Vanguard/DMC facilities. In total there are more than 900 active and ongoing clinical research projects.

Karmanos Cancer Center (Section 12.10)

Vanguard/DMC continues its relationship with Karmanos Cancer Center which has not materially changed since closing of the deal.

Health and Wellness Initiatives (Section 12.11)

Vanguard/DMC continues its support and commitment to the community. Initiatives and accomplishments during 2012 include the transfer of ownership of a building located near the DMC Central Campus to the Detroit Community Health Connection (DCHC).

New initiatives for DMC during 2012 included partnering with the Detroit Coalition Against Diabetes (DCAD) aimed at combating and increasing awareness about diabetes, setting up a Northwest Detroit Farmers' Market to improve health and life expectancy, provided a 2012 Summer Employment Program's "Mobility Assist Team" in which filled 20 summer spots for young teens to get hands on experiences in the medical field by assisting nursing units with turning, lifting, and transferring patient to their beds, stretchers, and chairs. 400 families were fed through the Kem- Feed the Homeless Food Drive and we continued coordinating in dressing dolls for the Goodfellows Doll Giveaway. We provided more than 300 dolls for distribution to underprivileged children in Detroit. In addition to the Corporate Community Affairs, each hospital provides its own programs and events. Attached as Exhibit F is a description of hospitals "Community Affairs/Outreach Annual Report."

Supplier Diversity Program (Section 12.12)

Vanguard/DMC continues to support "Seller's Supplier Diversity Program"; there were no amendments or changes made to the Supplier Diversity Program Policy since closing. Overall diversity spending for FY 2012 was \$51.4 million dollars as compared to FY 2011 spending of \$40.6 million dollars.

Project Genesis (Section 12.13)

During the summer of 2012 Vanguard/DMC completed its 7th year sponsoring Project Genesis. We employed 100 students from the Detroit area high schools and colleges placing students in various departments through out the DMC, both healthcare and non-healthcare fields. Each student worked 30 hours per week for 8 consecutive weeks. The 2012 program has started with the distribution of applications to high school counselors. Typically more then 500 students apply for the 100 available positions. Project Genesis was created by the Vanguard/DMC in order to give students exposure to hospitals and careers in healthcare.

Detroit Based Systems (Section 12.14)

Vanguard/DMC continues to operate its hospitals as a Detroit-based system with its regional headquarters located in the City of Detroit, Michigan.

National Support Centers (Section 12.15)

Vanguard established a “Vanguard Information Technology Operations and Data Center” (National Support Center) in Troy, Michigan during 2012. Since the Vanguard Hospital System is spread over a wide geographic area, there has been an information technology need to transmit data between its many locations. The solution was to divide the Company into two Vanguard regions, Detroit, (Troy, Michigan) as the primary data center and San Antonio, Texas as the secondary data center. These two data centers will support all Vanguard regions as part of their national effort to improve technology infrastructure.

Naming Conventions (Section 12.16)

Vanguard/DMC continues to honor all naming conventions as designated in donor agreements.

This completes VHS of Michigan, Inc. 2012 Annual Report.

VHS of Michigan, Inc. 2012 Annual Report

EXHIBITS:

- A. Routine Capital 2012 Expenditures
- B. Schedule 12.4 Original to Current
Scope - Cost and Schedule
Comparison
- C. Specified Project Anniversary
Capital Expenditures
01/01/2012- 12/31/2012
- D. Schedule 12.3 – Core Services
- E. Care for Indigent and Low-Income
Patients
- F. Community Affairs Annual Report and
Hospital Outreach Summaries

Exhibit A – Routine Capital 2012 Expenditures

VHS of Michigan, INC. (DMC)
Routine Capital 2012 Expenditures

Projects	Total 01/01/11 to 12/31/2011	1st Qtr. 01/01/12 to 3/31/2012	2nd Qtr. 04/30/12 to 6/30/2012	3rd Qtr. 07/01/12 to 9/30/2012	4th Qtr. 10/01/12 to 12/31/2012	Total 2012	Total 2011-12
Cath Lab Replacement	1,152	229	2,005	-	-	2,234	3,386
EP Lab Replacement	-	539	1,761	-	-	2,300	2,300
Cath Lab Renovation	13	395	3	-	-	398	411
DaVinci Robot	2,175	-	-	-	-	-	2,175
NeuroNavigator: Brain Labs & BodyTom	326	879	-	-	-	879	1,205
Central Lab Master Plan	465	991	2,494	-	-	3,485	3,950
Facility Infrastructure	667	297	1,325	111	131	1,864	2,531
Information Technology - Carryover Projects	7,713	2,258	11,519	1,485	1,121	16,383	24,096
2013 IT	-	-	-	-	2,416	2,416	2,416
Linear Accelerator	3,869	536	294	-	-	830	4,699
Cyclotron	82	5,440	-	-	-	5,440	5,522
New Clinics/Specialty Centers	2,279	1,501	1,834	-	-	3,335	5,614
Routine Equipment Replacement/Upgrades	25,497	4,259	7,554	572	3,304	15,689	41,186
Syringe and Infusion Pumps	700	-	-	-	-	-	700
Strategic Capital - Yet to be Defined	-	-	795	-	-	795	795
2013 Capital Reallocation	-	-	-	-	1,656	1,656	1,656
Strategic Initiatives	-	-	-	1,435	2,544	3,979	3,979
Other Carryover Projects	-	-	-	7	113	120	120
Harper BiPlane/CT	-	-	-	11	679	690	690
Radiology	-	-	-	96	430	526	526
CHM-Clinical Decision Unit (CDU)	-	-	-	-	37	37	37
CHM-Transplant program	-	-	-	-	164	164	164
DRH-Oral Surgery	-	-	-	-	19	19	19
CVI - Robotic Angio	-	-	-	-	47	47	47
Medical Group - Nashville Allocation	-	-	-	-	58	58	58
Grand Total	44,938	17,324	29,584	3,717	12,719	63,344	108,282

Exhibit C – Specified Project Anniversary
Capital Expenditures
01/01/2012 – 12/31/2012

Exhibit C

Specified Project Anniversary Date Capital Expenditures
 (Period January 1 through December 31, 2012)

PROJECTS		FINANCIALS			
Hospital	Project Name	Net Vendor Commitments 2012 year end (Mils.)	Expenditures		
			2011 Year End Actual (Mils.)	2012 Year End Actual (Mils.)	Current Lifetime Projection (Mils.)
Sinai Grace	ED/ICU/Façade/Radiology	\$ 63.5	1.8	15.2	\$ 74.6
Rehabilitation Institute of Mich.	6th Floor Renovation	5.1	0.0	4.4	5.4
Huron Valley Sinai	Private Room Renovation	5.8	4.6	1.1	6.7
Huron Valley Sinai	Additional ICU Beds	-	-	-	3.6
Detroit Receiving	Patient Care Unit Renovations	5.5	1.7	1.9	19.4
Detroit Receiving	Addl OR with Pre & PostOp	5.4	0.2	2.6	7.9
Children's Hospital	Pediatric Specialty Center	40.3	22.9	18.3	40.6
Children's Hospital	New Tower and Carl's Backfill	9.3	-	5.4	157.9
Harper Hutzel	Surgical Services Renovation	23.6	0.9	14.8	24.7
Harper Hutzel	Unified Lobby	1.3	0.3	0.6	9.9
Harper Hutzel	Ground Floor Master Plan	-	-	-	11.6
Harper Hutzel	CVI & Outpatient Services Bldg	35.0	1.9	10.5	73.1
Harper Hutzel	Harper Unit Renovations	6.8	0.6	5.9	6.8
Harper Hutzel	ED Expansions	9.7	0.2	6.3	9.7
Corporate	Relocation of Mack parking Deck	35.1	0.2	4.6	37.3
	Central Costs	13.0	3.0	2.3	13.8
	Central Program Contingency	-	-	-	12.9
		\$ 259.6	\$ 38.2	\$ 93.9	\$ 516

EXHIBIT C

SUMMARY OF SPECIFIED CAPITAL PROJECT STATUS

Specified Capital Projects (Section 12.4)

Project timelines have been developed and fine tuned to avoid disruption to daily operations and on-going patient care. As a result, modifications from the original scope, cost and schedule are presented as Exhibit B - 12.4 Original to Current Scope, Cost and Schedule Comparison”

Sinai Grace ED/ICU/ Façade/ Radiology:

The scope and schedule of these various projects have not changed since the last report and the completion date is scheduled for July 2015.

RIM 6th Floor Renovation:

This project was finished in October 2012 and is complete.

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Scope and schedule have not changed from the last update. The Observation Unit and ICU pod renovations are complete. Work is currently underway on the first two inpatient pods.

Detroit Receiving Additional OR with Pre & Post Op:

This project commenced in February, 2012. No changes to scope, schedule or time line has been made since the last update.

Children’s Hospital of Michigan Pediatric Specialty Center:

This project is complete and opened in June 2012.

Children's Hospital of Michigan Tower & Carl's Backfill Project:

Master planning continues for the Tower project. Completion of this project has been pushed to August of 2017 to allow sufficient time for planning. Work on Carl's Building Project is continuing. The 5th floor renovations are complete. 4th floor renovations are underway. Planning for the third and second floor renovations continues.

HUH Surgical Services Renovation:

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HUH Unified Lobby:

There has not been any change to the scope or schedule of the Unified Lobby. The completion date is projected for October 2014.

HUH Ground Floor Master Plan:

There has not been any change to the scope and schedule of the Ground Floor Master Plan project since the last update. The construction completion date remains September 2015.

Cardiovascular CVI & Outpatient Services Building, (AKA Heart Hospital):

Construction of the new DMC Heart Hospital, which will house the Cardiovascular Institute, broke ground on January 17, 2012. Construction has been in full force during 2012 and will continue in 2013 with the completion date scheduled for August 2014. The scope and schedule have not changed since the last update.

HUH Unit Renovations:

The Harper Unit Renovations are complete. 10WS units were completed in February 2012, with the 9WS units completed in October 2012.

HUH ED Expansion:

Scope and schedule have not changed since the last update. The construction completion date remains 2013.

Corporate Relocation of the Mack Parking Deck, (AKA South Deck):

Completion date for this project has been changed from December 2013 to March of 2014 due to complications with the demolition of the International Guest Housing building.

Exhibit D – Schedule 12.3 – Core Services

Exhibit D

Schedule 12.3 - Core Services

SERVICE	DETROIT RECEIVING	HARPER/HUTZEL/ CVI/DSH	SINAI-GRACE	HURON VALLEY-SINAI	REHABILITATION INSTITUTE OF MICHIGAN	CHILDREN'S HOSPITAL OF MICHIGAN
Emergency Department/Services	X	X	X	X		X
Trauma designated ED	X		X			X
General Medical Services	X	X	X	X		X
Inpatient and Outpatient Surgery	X	X	X	X		X
Radiology and Diagnostic Services	X	X	X	X		X
Obstetrics		X	X	X		
Neonatal Intensive Care Unit		X				X
Comprehensive Cardiology Services*		X	X	X		X
Intensive Care Services	X	X	X	X		X
Inpatient Rehab Services					X	
Outpatient Rehab Services					X	

*Service availability subject to CON approval

Exhibit F – Community Affairs Annual Report
and Hospital Outreach Summaries

2012 Community Outreach Summary

OUTREACH AND EDUCATION

360 events reaching nearly 128,000 people, including:

Injury Prevention Team:

- Smoke Alarm installation; 26 events reaching 2400 children and adults
- Bike & Pedestrian Safety; 28 schools reaching 9543 students
- Car Seat checks; 14 events reaching 1077 people
- Bullying; 18 schools reaching 5035 students and adults
- Fire & burn prevention: 33 events reaching 11,304 people
- General injury prevention: 35 events reaching 18,000 people
- Safe baby university: 26 events reaching 1390 adults
- Plus: bike helmet information/distribution, booster seat education, child safety, choking/suffocation/strangulation, health fairs, home safety, motor vehicle/bus/pedestrian safety, poison prevention, safe sitter, safe sleep, Zoo Boo at the Detroit Zoo.

Danielle Karmanos Work It Out (DKWIO) program:

- DKWIO – yoga in 10 schools, reaching 400 children
- MOOVE Detroit initiative, 11 schools reaching 700 children

Radio Disney and CHM presented the "Move It" program to 14 schools, reaching 5079 children

April 25: Career Day at Medicine and Community Health Academy at Cody High School; reaching 284 students

Cereal Drive: In Southeast Michigan, more than 315,000 children receive free and reduced-price school meals. For many of these children, breakfast and lunch at school are the only meals they can rely on. In 2010 the Children's Hospital of Michigan inaugural Cereal Drive, in partnership with Gleaners Community Food Bank, collected 160,000 servings of cereal for hungry children during the summer. In **2012**, we collected **1,087,144 cereal servings**.

Our **Poison Control Center**, the only one in the state of Michigan, answered more than 7,000 calls per month, totaling more than 86,000 calls in 2012.



2012 Corporate Community Affairs Annual Report

The Corporate department of Government and Community Affairs actively initiate, support and engages in multiple outreach activities through out the year.

The main objective is to improve the health of our community.

The following is our activity report for 2012:

COMMUNITY OUTREACH

273	Public, faith and community based events
114	Health Fairs and Lectures
4, 117	Individuals were screened for Diabetes, Hypertension and Cholesterol
9,050	Friend and Family enrollments (to date)
25,000	Community Encounters
114	Project Genesis Teen Summer Employees

SPECIAL EVENTS

Get Your House in Order Health Conference
Mount Olive Baptist Church
50 in attendance
January 2012

African American History Month Program
KEI Auditorium
200 in attendance
February 2012

No Pain/No Gain Health Lecture
Perfecting Church
123 in attendance
February 2012

A Night of Health Talk
Woodhouse Day Spa
40 in attendance
February 2012

Cinco de Mayo Parade Southwest Detroit
2000 in attendance

May 1, 2012

MotorCity Makeover

In partnership with City of Detroit

MotorCity Makeover

In partnership with City of Detroit

Organized volunteers and coordinated the clean up of Forest Playfield and Park

May 2012

Choose Life Health Fair and Lecture

Second Ebenezer

300 in attendance

June 2012

Healthier Black Elders Conference

Greater Grace Temple in partner with WSU IOG

500 in attendance

June 2012

Mack Alive Parade

Eastside Detroit

1500 community participants

August 2012

Kem: Feed the Homeless Health Fair and Food Drive

Coordinated contribution of non-perishable food by employees to feed Detroit homeless

August 2012

Angel's Night

In partnership with City of Detroit

350 volunteers to city-wide anti arson initiative

October 2012

Goodfellows Doll Giveaway

Coordinated the dressing of 250 dolls to be distributed to underprivileged children in Detroit

October 2012

HAND Homeless Walk

November 2012

Community Health fair

Congress member Hansen Clarke

Health on Wheels

Partnership with Wayne County Mobile Health Unit

December 2012

DPS Garden and Kids Collaboration

2012 Detroit Receiving Hospital Community Outreach Activity

Detroit Receiving Hospital sponsored, hosted and/or participated in the following community outreach events and activities during 2012:

- People Medical College Seminars
 - Joint Pain Seminars, 149 attendees in November and December, 2012
 - DRH Holiday Cards sent to affiliated community organizations and DRH/UHC employees, December 19 & 20, 2012.
 - Unify Detroit Coalition Health Fair, November 17, 2012, Russell Bazaar, health fair for the Greater Detroit community, 500 attendees.
 - Just Us Girls Health & Wellness Expo 2013, Sistas Reaching Out, October 2012
 - Regional Burn and Fire Safety Seminars, October 30, 2012.
 - Moving With Success Empowerment Brunch, Rhonda Walker Foundation, Sponsor, October 7, 2012.
 - 25th Rosa Parks Institute Anniversary Celebration, September 15, 2012, St. Regis Hotel, Detroit, health and resource fair and prayer brunch, 300 participants.
 - United Negro College Fund (UNCF) Run, August 25, 2012. Sponsor and run participants; nearly 2,000 people attended the 24th annual event.
 - The McKinney Foundation Cool Blue Monday, Sponsor, August 13, 2012.
 - You Make A Difference Prayer Breakfast, Metro-Detroit Chapter of the National Organization of Black Law Enforcement Executives, for 150 at-risk youth, held at the American Serbian Hall, Detroit, Sponsor, August 4, 2012.
 - HEMS Golf Fundraiser, Sponsor, July 24, 2012
 - MOTTEP Life Walk, July 12, 2012. 1,000 attended the 15th Annual Walk.
 - Detroit Seniors Day, July, 2012 on Belle Isle.
 - Detroit RiverWalkers, (Exercise, Health & Wellness) June - August, 2012. 969 participants.
 - Moans, Stones and Groans, May 16, 2012 at the Fischer Theater. 82 attendees
 - American Heart Association Walk, May 12, 2012, 20,000 participants, \$1.2 million raised.
 - Society for the Arts in Healthcare, Sponsor, May 5, 2012.
 - Art Tours
 - Huntington Woods Association, September 20, 2012, 25 people attended;
 - Society of Art in Healthcare Conference Art Tour, May 2, 2012, 100 conference attendees participated;
 - Art Tour, March 13, 2012, 25 people attended;
 - Detroit Historical Society, January 5, 2012, 25 people attended.
 - Gift of Life Literature Distribution, April 30, 2012 and December 12 & 19, 2012.
 - American Diabetes Association Literature Distribution, March 27, 2012.
 - Martin Luther King Day Celebration, Speaker Reverend Hood, 100 community residents attended, January 16, 2012.
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- **Joint Camp Picnic**, Over 150 patients who have received hip and knee replace surgeries and DRH attended, August, 2012.
 - **Go Red for Women's Heart Disease Day**, Over 150 DRH employees dressed in red, February, 2012.
 - **Free Diabetes, Hypertension and Stroke Screenings**
 - Tigers Games
 - Detroit Free Press Marathon
 - AME Church Michigan Conference
 - Baptist Church Convention
 - **Southeast Beacon Community**, Over 7,000 free diabetes screenings have been done in the Emergency Department this year, taking the amount of free screening performed at Receiving since 2010 over 12,000.
 - **Friends and Family**, Year-round referrals for program sign-up.
 - **Clothing Drives**, Two clothing drives held annually to receive donated adult clothing, outerwear, shoes and boots for DRH Clothing Closet for needy patients, January 27, 2012 and September 17, 2012.

Community Outreach Strategies for 2012

Women Healing Women "Faces to Watch" event - February 2012

A metropolitan based organization whose mission is to empower women to take charge of their health, wealth, spirit and well being.

Harper-Hutzel provides medical experts featured on physician panel addressing an audience of over 100 women.

March of Dimes March for Babies Walk – April 2012

Each year, 50 Hutzel employees raise money and participate in the walk

National Association of Negro Business and Professional Women – Every first Thursday of April

To promote and protect the interests of African American business and professional women; to serve as a bridge for young people seeking to enter business and the professions; to improve the quality of life in the local and global communities; and to foster good fellowship.

We partner with organization each year for Community Baby Shower we accept donations from community of infant items to provide to mothers that deliver at Hutzel and don't have initial baby items

People's Medical College – Held once a quarter

Health education panel discussions featuring our DMC physicians and hosted at hospital. In 2012, topics covered were: bariatric, cardiac, gyn, pulmonary, diabetes

This year, we held two PMC's that focused on epilepsy and asthma

American Heart Association's My Heart! My Life! Community wide event – November 2012

In partnership with the American Heart Association, DMC and AHA partnered to put on community wide health screening event and health education panels geared toward heart health.

Tonita Cheatham serves as chair and coordinators of this event. 300 people screened.

The Sophie Womack Women's Health Empowerment Series June and November 2012

A community based educational programming that features DMC physicians and health experts that teach seminars designed to help women live healthier lives. When appropriate, free health screenings are offered. This series is named in honor of Sophie J. Womack, MD, former DMC executive, physician, well respected community leader and prominent Detroitier. **Hosted 500 women in June and our November event hosted 200 women.**

National Diabetes Walk - Every October

Harper partners each year with the National Diabetes organization to raise money and awareness for organization. 25 of our employees participate in the walk.

Dearborn Chamber Love My Heart. Love My Style event - Every February

This event boasts of physician panel discussion featuring our DMC physicians. The event is for both men and women and averages around 250 guests each year



2012 Community Outreach Summary

Highlights of FY 2012 Community Outreach Activities

- **Big Shot:** the Big Shot program at DSH visited local organizations, such as the police station and fire departments, to provide 175 free flu shots.
- **Health Care Professional Education:** three physical students were on site for training.
- **CPR Classes:** 40 people participated in BLS classes.
- **Community Contributions:**
 - **Forgotten Harvest Turkey Donation:** Each year, DSH contributes at least 15 free full turkeys to feed local communities in need. DSH staff members are offered an employee gift of a complimentary turkey during the holiday season. Those interested can opt to donate their turkey instead of collecting it.
- **Support Groups:** Mental Health Family Education Group meets weekly and provided education and support to 416 to family and support persons that focused on mental health topics.



2012 Community Outreach Summary

17,000 community contacts were made in FY 2012 through a variety of health and wellness programs and events including but not limited to support groups, birthing classes, Speaker's Bureau requests, programs, health fairs and expos.

Highlights of FY 2012 Community Outreach Activities

- **Speaker's Bureau Programs-** Thirty-one (31) programs were completed and included health topics career days and health exhibits. These programs reached approximately 5200 people.
 - **People's Medical College (PMC)** continued with nine programs in 2012 for a total of 750 attendees (this total includes the participants from the *Just For You* event).
 - **Blood drives -** HVSH continues to have successful blood drives with 343 pints collected for the year with the potential of saving 1029 lives. There were four blood drives in 2012.
 - **Health Expos and Fairs-** HVSH participated in the Walled Lake Schools Parenting Fair, HWLBA Women's Enrichment Day, Huron Valley Showcase and the International Women's Expo.
 - **Job shadows and career day presentations** were provided to 86 students.
 - **Health Screening -** In June 2012, we held the first monthly heart screenings in the lobby in conjunction with the Heart Aware online risk assessments. We had 42 people participate.
 - **Community Contributions-** HVSH participated in the Harvest Gathering campaign as well as the Adopt a Family with the Lakes Area Youth Assistance
 - **The Healthy Harvest Bash 2011** was held on September 18. The event was success with an estimated 3000 attendees. The event included children's activities, vendors, Radio Disney™ D-Tour Show, presentations from Fitness guru Peter Nielsen and Mike and Ron Morelli from *The Biggest Loser*, miniature golf, tot trot Teddy Bear Clinic and adult health screenings.
 - **Support Groups-** CHE Attendance at these monthly meetings remains consistent and includes a variety of medical conditions. The hospital also partners to be a host site for AA and AL-ANON weekly meetings. To continually adjust to our customer needs the Mother's and More group has changed to a quarterly meeting. HVSH also started hosting a T.O.P.S. (Taking Off Pounds Sensibly) meeting at the hospital on Tuesdays.
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2012 Community Outreach Summary

OUTREACH AND EDUCATION

Living without Limitations Camp

More than 50 stroke and brain injury survivors gathered for an unforgettable weekend at DMC Rehabilitation Institute of Michigan's (RIM) 5th Annual Living without Limitations Camp Retreat, held August 17-19 at Echo Grove Camp in Leonard, Michigan.

The purpose of the retreat is to allow campers and their families a chance to relax and enjoy camp activities, share similar experiences, learn adaptations for recreational activities and find support among each other. Camp participants enjoyed crafts, boating, painting, swimming, dancing, talent shows and much more.

More importantly the camp gives them confidence to try a new activity or relearn an activity they thought they wouldn't be able to do again after their disability.

RIM Talks to Students about Brain Injury Awareness

March is National Brain Injury Awareness Month. On March 22nd DMC Rehabilitation Institute of Michigan's Inpatient Neuroscience Team co-sponsored a Brain Injury Awareness event with Wayne County Community College to educate high school students looking forward to Spring Break and Prom about the risks and prevention of brain injuries.

More than 100 students from Romulus and Belleville high schools participated. Students learned about brain injuries and then participated in hands-on activities that simulated how drunkenness or drug use causes impaired judgment and can lead to a potential brain injury. Students also got to hear from a former RIM patient who was drinking and driving, how his brain injury permanently changed his life.

2012 Community Affairs Summary

COMMUNITY AFFAIRS HEALTH PROGRAMS AND OUTREACH

Sinai-Grace hospital participated in over 182 events during 2012 which included:

- 12 Speaker Bureau
 - 33 Health Fairs
 - Resource Tables
 - 86 Community Meetings
 - 1 First-Aid Table
 - 49 Injury Prevention
 - Fall Prevention
 - Stop the Violence
 - Distracted Driving
 - Bullying
 - Car Safety Seat Check
 - Teen Dating Violence
 - Prom Safety
 - Slip and Fall
 - Heat Exhaustion
 - Senior Driving Safety
 - We reached over 9,300 people through community awareness programs and provided health screenings to 1300. We reached 10,000 through injury prevention and trauma education programs.
 - Signed-up 1,569 people for Friends and Family Program
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OTHER COMMUNITY INITIATIVES

Detroit Coalition Against Diabetes (DCAD) Partnered with Detroit Coalition Against Diabetes (DCAD) on the following projects aimed at combating and increasing awareness about diabetes:

- o Sponsored the Healthy Soul event to educate the community about the dangers of diabetes and how to cook a healthy soul dinner without the fat.
- o Co-hosted the Bon Voyage Cruise for Good Health.
- o Supported the 100 Men Motorcycle Ride which was a cause to fight diabetes.
- o Held screening of the Urban Roots Documentary

Groundbreaking Ceremony We hosted a celebration to commemorate the \$77 million renovation and expansion of our emergency department, ICUs and front lobby.

Martin Luther King Day Celebration Held 2012 Martin Luther King Day Celebration to honor the legacy and life of Rev. Dr. Martin Luther King. Over 150 people attended the event.

Community Signage Purchased community signs for the following block clubs/community groups:

- o West Outer Drive Block Club
- o 7/8 Mile Lodge Association
- o San Bernardo Block Club
- o Freeland Block Club

Holiday Meals – Thanksgiving Sinai-Grace partnered with Wayne County Commissioner Irma Clark Coleman's office to feed members of the community during the holidays. Sinai-Grace provided financial support to feed 250 families.

Mentoring in Medicine Mentoring in Medicine, Inc. is a national organization that inspires and equips low-income students and underrepresented minorities with the experiences and resources to become healthcare professionals. In partnership with the Mentoring in Medicine, Sinai-Grace Hospital hosted the National Mentoring in Medicine Day on April 21. During the event, 150 middle school, high school and college students were given the opportunity to listen to guest speakers discussing healthcare careers and network with health care professionals in a fun and relaxed environment.

2012 Summer Employment Program's "Mobility Assist Team" The 2012 eight-week Summer Employment Program at Sinai-Grace Hospital was highly competitive; just 20 summer spots were available for 200 potential candidates to get hands-on experiences in the medical field. Two of the summer spots were given to Cory Newman and Darcy Dunham who were a part of the Mobility Assist Team under the guidance of nurses Meghan Smith and Joan Van Heck. Decked out with their Mobility Assist shirts and pagers, they assisted nursing units with turning, lifting, and transferring patients to their beds, stretchers, and chairs. In the end, they helped complete over 200 assists during their internship!

Northwest Detroit Farmers' Market To improve health and life expectancy, Sinai-Grace embarked on a mission to make access to healthy foods easier in our northwest community. The Sinai-Grace Community Affairs group, along with the Health and Wellness Foundation of Greater Detroit, partnered with Grandmont Rosedale Development Corporation to create awareness and introduce more people to the local farmer's market. With funding from Sinai-Grace and Health and Wellness, the market employed a free shuttle service to pick senior citizens up from five local senior housing complexes and give them rides to the farmers' market. In addition, Sinai-Grace provided once-a-month cooking demonstrations by DMC's Chef Antonio and free health screenings.

Beam Topping Ceremony The final steel beam was raised at DMC Sinai-Grace Hospital to mark the completion of the structure for the \$77 million Emergency Room/ICU during a "beam topping ceremony" on November 2. With inscriptions and signatures from hospital staff, the beam will serve as a time capsule for many years to come. In addition, a live erected evergreen was erected, a construction industry tradition, which will eventually be planted on the Sinai-Grace campus. Many members of the community attended the event.

Say No to Soda Pop Initiative Adults who drink one or more sodas or other sugar-sweetened beverages each day are 27 percent more likely to be overweight or obese. Therefore, DMC Sinai-Grace Hospital President and CEO Reginald Eadie, M.D. launched a month-long campaign in November to say no to soda pop. Sinai-Grace Hospital hosted a campaign kick-off pep rally on October 31 in the hospital auditorium that included a health conversation with Dr. Eadie and inspiring testimony from Detroit City Council President Charles Pugh; state Rep. Thomas Stallworth II; Director of Wayne County Health-Human Service Edith Killins; Wayne County Commissioner Irma Clark-Coleman; Detroit City Councilman André Spivey, Dr. Benjamin Carson High School of Science & Medicine, and Cornerstone Health High School.

Some of the other partners included Detroit Public Schools, Whole Foods Market, DMC Detroit Receiving Hospital, and The Water Station.

Sinai-Grace Hospital/United Way Early Literacy Initiative DMC Sinai-Grace Hospital has partnered with the United Way for Southeastern Michigan to launch an Early Literacy Initiative. The effort will provide new families with the keys to their child's educational success, starting at birth. The 3 East staff at Sinai-Grace Hospital will be the pilot site for trained volunteers to introduce new mothers to helpful resources in a box. Signing up for the Early Literacy Initiative includes Imagination Library, promotes websites/smartphone app and follow-up to family literacy programming, and a free book for each participating child every month until the age of 5. This approach provides families with tools to help their child reach their full potential.

Pathway to Excellence Mentoring Program Provided 30 young men employment opportunities at Sinai-Grace as part of a partnership with Iota Boulé and the Detroit Parent Network. The program's mission is to promote the development of successful African American young men by empowering them with the skills and knowledge needed to foster academic success; establish a support network; support the goal of graduation; and improve personal achievement by influencing leadership through representing unity and a commitment to collective betterment of the community.

Christmas Sinai-Grace distributed food baskets and giftcards to patients and members of the Community who were in need of a meal for Christmas.
