Care for Today and Tomorrow

FIND WHAT YOU’RE LOOKING FOR
Poised for the future.

Pacific Medical Centers, best known by the distinctive Beacon Hill tower that has been part of Seattle’s skyline since 1933, has gone through many changes since its early days as a U.S. Public Health Service hospital.

What has not changed over the years is the special bond between the diverse communities we serve and our physicians and staff. We are proud of our early roots as a healthcare institution founded on public service – just as we are proud of the kind of healthcare provider we have become. We are an organization that welcomes patients from the well insured to those who cannot afford healthcare.
Regardless of how we have been structured through the years – public health hospital, public development authority or, now, as a private, nonprofit organization – Pacific Medical Centers’ physicians and staff have remained committed to serving people from all walks of life.

As a Public Health Service hospital, our initial mission was to provide high-quality care to merchant seamen. Later, that focus expanded to include active duty and retired military personnel and their dependents; Native Americans; and low-income, uninsured people who could not afford to pay for care. In the 1970s, refugees who were arriving in our communities with special health needs were also cared for at Pacific Medical Centers. Today, we serve people in the greater Seattle area from every walk of life, with every type of insurance coverage, as well as many who come to us for help because they have no coverage.

Our unique focus, which continues today has helped us to forge strong bonds with those we serve. In fact, we credit our existence today to the massive community effort mounted in 1981 to save Pacific Medical Centers from closure. The result was a shift in control from the federal government to a local public development authority.

Then on June 1, 2003, Pacific Medical Centers achieved another landmark moment when we transitioned to a private, nonprofit organization.

As a private nonprofit organization, we gained the ability to respond more quickly and compete more effectively in a rapidly changing healthcare market. We also have the flexibility to achieve long-term financial stability and reinvest in our organization.

In 2006, we celebrated our twenty-fifth anniversary and were pleased by Governor Gregoire’s declaration that recognized Pacific Medical Centers’ mission “to benefit the community [by] providing respectful, high-quality, patient-focused healthcare to each person in the clinically and culturally diverse communities it serves.”
Putting our patients first by providing an excellent patient experience.

When Pacific Medical Centers was formed more than 25 years ago, it had one clinic on Beacon Hill. Today, we are one of the largest healthcare networks in the Puget Sound area, with nine convenient clinic locations of primary and specialty care. Our King and Snohomish County neighborhood locations include First Hill, Beacon Hill, Lynnwood, Northgate, Renton, Federal Way and Totem Lake, and in 2010, we will open a multi-specialty center in Canyon Park, Bothell.

We attribute our growth primarily to the people who deliver care – skilled, trained professionals who have a strong sense of empathy for their patients. Under their attention, patients get the respect they deserve and the level of care they need. We recognize that access to physicians when patients want it is important. In the last four years, we have accommodated 99% of requests for same-day appointments.

Providing state-of-the-art technology in our clinics attracts patients seeking high-quality care in a convenient setting. Since we became a private, nonprofit organization, we have invested in the technology necessary to deliver care and rebuilt our clinical information systems as a foundation for an electronic medical record. We are particularly proud of:

- Our advanced pain management clinic with fluoroscopically guided interventional pain management techniques that can change a patient’s life by restoring comfort and mobility.

- Our Nuclear Cardiology Center, which offers patients a new state-of-the-art stress test lab to aid in the detection and management of heart disease. It provides a highly accurate method to diagnose ischemic heart disease and measure heart function.
Having worked as a doctor in the community clinics, I came to Pacific Medical Centers because I was attracted to the diverse patient population. It gives me a sense of satisfaction to overcome barriers like language and finances and to provide this service to the community. Our goal has always been to provide great service to people who come in the door, whatever their background, and I think we’ve held up to that pretty well.

“At Pacific Medical Centers, we have a group of people who have a level of compassion that you may not find elsewhere.”

—Rick Ludwig, MD
Serving those who serve our country has always been a part of our healthcare practice.

Today, Pacific Medical Centers is one of only six healthcare providers in the country offering the Uniformed Services Family Health Plan [USFHP] – and the only one on the West Coast.

As a USFHP provider for more than 25 years, we take pride in the care we offer to active duty family members, military retirees and their family members. Beginning in 2003, the plan also began serving the families of mobilized reservists stationed in Iraq. Today, as a TRICARE Designated Provider, we serve nearly 12,000 USFHP members.
Being a USFHP provider has given us the insight to develop a holistic approach to healthcare – an approach that helps all our patients stay healthy and enjoy life to the fullest.

Through the health plan, we have learned how to track patient needs in order to assess and comprehensively manage the care they need to lead healthier lives. This includes regular preventive checkups and screenings for such conditions as high cholesterol, high blood pressure, and cervical or colon cancer. But Pacific Medical Centers goes a step further by tracking the need for timely visits to monitor and control the progression of chronic diseases, such as diabetes. We are duplicating this successful approach for all of our patients, and it is leading to significant reductions in complications from chronic diseases and the need for hospitalization.

“I’ve been with PacMed since the mid-1980s. I think Eugene Partridge was my first assigned provider, and we’ve been together pretty much for 20 years. When my wife and I go in there, it’s a friendly atmosphere. No one intimidates us, which is important for us older people. They seem to know what I’m about and know about problems I might be having or am going to have. My provider has correctly diagnosed me twice on serious conditions, once for prostate cancer.

“I felt quite good about being picked up on that I go to the Renton clinic, only 10 miles from home. There’s a lot of great care there and a lot of convenience hooked into that.”
—USFHP Patient, Lt. Colonel Deryl Sadler (Ret.)

It’s clear to us that our proactive approach to care translates into better health partnerships and increased patient satisfaction. Based on the 2008 Consumer Assessment of Healthcare Providers and Systems (CAHPS®) adult survey, 89% of USFHP members rated their plan an 8 or above on a 10-point scale.
Providing care for those who cannot afford to pay.

Pacific Medical Centers has always helped our community provide care for those who are medically underserved or unable to pay for healthcare services. In 2008, these individuals accounted for slightly more than 10% of our total patient visits. We serve this population in many ways:

• We have long-term partnerships to provide specialty care for patients of King County community-based clinics. In 2008, more than 29% of our general surgery services and approximately 24% of our otolaryngology, gastroenterology, gynecology and nephrology services went to underinsured individuals.

• Similarly, our hospital provider, Virginia Mason Medical Center, one of the nation’s foremost hospitals, accepts numerous referrals of patients who cannot pay but need to be hospitalized.

• We are a founding member of the King County Project Access. This initiative encourages local specialty physicians to provide care at no cost to low-income, uninsured individuals.

• We have dedicated staff who focus full time on helping low-income individuals navigate the healthcare system. With these dedicated positions, we have seen a dramatic improvement in low-income patients coming back for the follow-up care they need.

• Our physicians and staff provide health screening events in homeless shelters and transitional housing communities. Through these programs, we have reached out to hundreds of people underserved in our region.
With many area physicians closing their doors to new Medicare, Medicaid and Basic Health patients, the need for care is great – and Pacific Medical Centers is proud of its track record in providing for those in need.

CHARITY CARE AS A PERCENTAGE OF SELECTED SPECIALTIES’ TOTAL CHARGES, 2008

- 29% General Surgery
- 26% Otolaryngology
- 24% Gastroenterology
- 23% Gynecology
- 22% Nephrology

“For more than 30 years, Pacific Medical Centers has been a very special and important partner with all of the area’s community health centers in providing specialty care. They have caring professionals – both physicians and administrators – which makes them good partners for us to meet the needs of our patients.”

— Thomas Trompeter, Board Chair, Community Health Council of Seattle-King County, and CEO, Community Health Centers of King County

PACIFIC MEDICAL CENTERS:
PERCENTAGE OF PATIENT VISITS, 2008

- 89.94% Commercial and Government Payors
- Underserved: 10.06% of Visits
- 1.21% Patient Assistance
- 4.24% Medicaid
- 4.61% Basic Health/Healthy Options
A focus on quality care management is leading to healthier people.

Effective management of chronic disease is one of the most challenging issues facing healthcare providers today. To help people lead healthier lives – and to hold down healthcare costs – we must either prevent or control chronic illness to minimize more drastic, invasive measures such as surgery.

At Pacific Medical Centers, we understand that prevention is pivotal. Whether it is a Pap smear to prevent cervical cancer, routine eye exams for patients who have diabetes or a colonoscopy to prevent colon cancer, our medical staff ensures each patient receives the preventive testing they need through patient visits, aggressive chart reviews and often a personal phone call from the physician to their patient.

We also understand that those living with chronic diseases should receive ongoing monitoring to help them lead healthier, more fulfilling lives. That’s why we have developed a robust quality management program that tracks our rates of screening patients for diabetes, osteoporosis, colon cancer, heart disease and others. The National Committee for Quality Assurance (NCQA) has recognized Pacific Medical Centers for consistently providing a high level of diabetes care for our patients, with the majority of our primary care doctors achieving recognition in the Diabetes Physician Recognition Program (DPRP). They are part of an elite group of physicians nationwide that is publicly recognized for their skill in providing the highest level of diabetes care.

But our quality improvement is not about numbers. It is about the people – and the personal outreach and touch that’s needed to see that our patients get the care they need.
“Pacific Medical Centers gives physicians lists of our patients who haven’t had services they need, which is a big help to me because there is so much to keep up with in healthcare these days – any automation or support like that is welcome. Debra and I can compare the names to our schedule and see who’s coming in and talk to them about it. If they’re not on our schedule, we send them letters or just call them up.

“The result is better care for my patients. I think Pacific Medical Centers is ahead of the game in a lot of ways in focusing on this.”
—Betsy McCarthy, MD

That means our physicians and their medical assistants have weekly meetings to review a list of individual patients who should be receiving certain tests, such as a colonoscopy or diabetes screening. This is followed by letters or calls to patients to discuss their conditions and to schedule appointments.

Pacific Medical Centers constantly looks for new and better ways to care for patients. For example:

• Our Cardiology department offers an Echo/Vascular Lab, a stress testing facility and a new, state-of-the-art Nuclear Cardiology Center to allow more testing with less invasive technology.

• Our Capsule Endoscopy service is less invasive and more comfortable for patients. A mini camera in pill form is swallowed by the patient and allows physicians to view the esophagus and small intestine, with no sedation or recovery time for the patient.

• Our Diagnostic & Wellness Center for Women provides state-of-the-art breast ultrasound and digital mammography screening in a relaxing, spa-like environment. For our patients’ comfort and convenience, the center offers DXA bone density screening, therapeutic massage, heated robes and extended hours.

We believe our personalized approach to healthcare means stronger relationships with our patients and leads to healthier lifestyles.
Financial accountability for continued growth and success.

PacMed, led by CEO Harvey Smith, has been working to build a practice with a long-term, stable future and a plan for growth and prosperity for the next 30 years. During the past six years, we have stabilized the business through prudent operating principles and set a path for continued financial health. We have also reinvested in our people, processes and technology, all of which are key to being able to fulfill our important role as part of our community’s healthcare safety net.

Our people, of course, are our most important asset. That’s why we make staff training and development a high priority. With solid business performance, we have been able to initiate several tuition reimbursement programs, which enable employees to get training in degree and certificate programs, healthcare technology programs, as well as for advanced degrees in management.
“I’m proud to be a part of Pacific Medical Centers, an organization whose beginnings can be traced back to the late 1700s. At that time, congress mandated that healthcare for returning seamen was needed to protect the country and designated seaport locations to provide this care. Much has changed over the years at Pacific Medical Centers, but our dedication to providing care in a special and compassionate way has never wavered.

—Mark C. Gary, Pacific Medical Centers Board Chair

Scholarship programs are also available to our staff as they pursue their educational goals, and ongoing training in customer service, management skills, technical skills and business systems are a way of life at PacMed.

By investing in our people, we believe they invest their hearts and minds in Pacific Medical Centers and our mission and values. Our success is their success. As a result, we have a group of people who are focused on serving all of our patients, recognizing that each one is different with his or her own special needs. We have developed an organization filled with people dedicated to helping our patients live their best lives. As a tribute to this philosophy, PacMed was named by Seattle Business Monthly as one of the 100 best companies to work for in Washington State.

Over the years, PacMed has grown into the largest freestanding, nonprofit group practice in the Puget Sound area. Our growth has come through a focus on giving patients the kind of healthcare relationship they want . . . respectful, flexible and responsive. Today, we partner with all major health insurance plans to offer care throughout our community. For those who are insured through their employers; for military retirees and their dependents who are members of the Uniformed Services Family Health Plan; and for those in our community who are underinsured, we provide a place where health care fits the needs of the patient. This care model continues to help us grow our practice with strength through diversity.

In short, the reason we know that Pacific Medical Centers will flourish for another three decades of service and beyond is because we are following a fundamental strategy: organize good people around the purpose of serving our community. It is proving to be a winning strategy.
Specialties and Services

Behavioral Medicine
Neuropsychology
Psychiatry: Adult & Geriatric
Psychotherapy
- Individual: Child/Adolescent & Adult
- Couples Therapy
- Family Therapy

Neuromuscular Medicine
Neurology
Neuropsychology
Orthopedics
Pain Management
Physical Therapy
Podiatric Medicine & Surgery
- Foot & Ankle Surgery
Rheumatology
Sports Medicine

Primary Care
Family Medicine Including OB
Geriatrics
Gynecology
Internal Medicine
Nutrition
Pediatrics

Surgical Specialties
General Surgery
Gynecology
Ophthalmology
Orthopedics
Otolaryngology
Head & Neck Surgery
- Chronic Ear Surgery
- Functional Endoscopic Sinus Surgery
- Salivary Gland Surgery
- Sleep Apnea and Snoring Surgery
- Thyroid Surgery
- General Otolaryngology
Podiatric Medicine & Surgery
Pulmonology
- Pulmonary Function Laboratory
Urology

We are continually expanding our specialty and service offerings. For an updated list of specialties offered, please visit our Web site periodically.

Specialties we are considering include:
Acupuncture
Vascular Surgery

Cancer Screening
Colonoscopy
Mammography

Clinical Trials
Alzheimer's
Oncology

Cosmetic Services
Botox

Eye Care Services
Ophthalmology
- Cataract Surgery
- Corneal Transplantation Surgery (DSEK / PKP)
- Glaucoma
- Oculoplastic Surgery
- Retinal Surgery
- Vision Correction Surgery (LASIK / PRK / Visian ICL / Clear Lens Exchange)

Optometry
- Contact Lenses
- Diabetic Examinations
- Glaucoma
- Refractions

Optical Shop

Neurology
Neuropsychology
Orthopedics
Pain Management
Physical Therapy
Podiatric Medicine & Surgery
- Foot & Ankle Surgery
Rheumatology
Sports Medicine

Sleep Medicine
Apnea
Insomnia
Narcolepsy
Restless Leg Syndrome (RLS)

Women's Health
DXA Bone Scan
Gynecology
Mammography

Medical Specialties
Cardiology
Dermatology
Diabetes & Metabolism, Endocrinology
Gastroenterology
Liver Disease
Oncology & Hematology
- Chemotherapy & Infusion

Nephrology
Physiatry

We are continually expanding our specialty and service offerings. For an updated list of specialties offered, please visit our Web site periodically.

Specialties we are considering include:
Acupuncture
Vascular Surgery

Find What You're Looking For

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www.PacMed.org
Corporate Office 206.621.4466
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Harvey W. Smith
Tom J. Yetman, MD
### Financial Highlights

#### Selected Operating Results:

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<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
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<td>Operating Revenues</td>
<td>$140,803,833</td>
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<td>Operating Expenses</td>
<td>131,382,156</td>
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<td>Net Operating Income</td>
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#### Selected Year-End Balances:

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<th>2006</th>
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<td>Current Assets</td>
<td>$38,622,832</td>
<td>$21,055,212</td>
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<td>Investments</td>
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<td>30,094,221</td>
<td>26,581,172</td>
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<td>Land Building &amp; Equipment (Net of Accum. Depr.)</td>
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<td>23,921,924</td>
<td>22,506,760</td>
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<td>Other Assets</td>
<td>861,177</td>
<td>1,619,673</td>
<td>580,063</td>
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<td>Total Assets</td>
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<td>$76,691,030</td>
<td>$82,942,817</td>
<td>$96,605,047</td>
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<td>Current Liabilities</td>
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<td>$19,706,085</td>
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<td>Long-Term Liabilities</td>
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<td>6,931,791</td>
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<td>Total Liabilities</td>
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<td>26,637,876</td>
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<td>Unrestricted Net Assets</td>
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<td>55,741,171</td>
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<tr>
<td>Total Liabilities and Unrestricted Net Assets</td>
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<td>$76,691,030</td>
<td>$82,942,817</td>
<td>$96,605,047</td>
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*Source: Annual Audited Financial Statements*