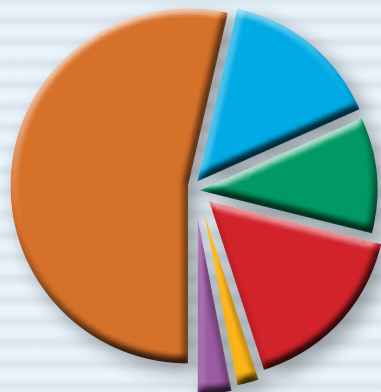


KEY HOSPITAL STATISTICS

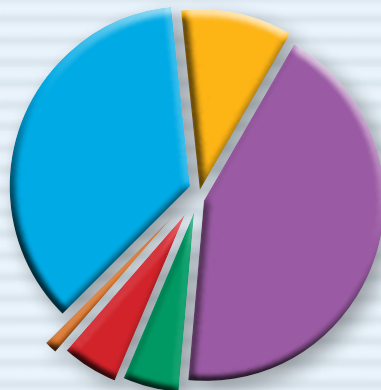
ADMISSIONS (includes newborns)	20,437
INPATIENT DAYS	93,151
AVERAGE LENGTH OF STAY	4.56
OUTPATIENT VISITS	407,026
EMERGENCY ROOM VISITS	64,697
INPATIENT SURGICAL PROCEDURES	6,538
OUTPATIENT SURGICAL PROCEDURES	17,434

OUR PATIENT CARE REVENUES COME FROM:



Medicare	48.44%
Medicaid	13.18%
Commercial insurances	8.19%
Managed care	26.54%
Self-pay	1.62%
Other	2.04%

WHERE WE SPEND OUR DOLLARS:



Salaries and wages	38%
Employee benefits	11%
Professional fees, supplies & others	40%
Depreciation and amortization	5%
Provision for bad debt	5%
Interest	1%

Highlights: Clinical and community service

July 1, 2008, to June 30, 2009

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JULY

- Staff members in the Neuroscience department, which includes the Primary Stroke Center Program, earn the American Stroke Association's Get With The Guidelines — Stroke Bronze Performance Achievement Award for implementing a higher standard of stroke care.

SEPTEMBER

- The Board of Directors unanimously accepts the recommendation of its CEO Search Committee and names Senior Vice President/Clinical Services Jerry Murray as acting president and CEO of Altoona Regional, effective Nov. 1.
- The Cardiothoracic Intensive Care Unit earns a Five-Star Excellence Award based on scoring in Professional Research Consultants' (PRC) 2008 National Patient Benchmarking Database. PRC is a national health care research provider. The unit scored in the top 10 percent nationally for responses of "excellent" in Overall Quality of Care.

OCTOBER

- The Cardiac Rehabilitation department earns its second recertification from the American Association of Cardiovascular and Pulmonary Rehabilitation, a national association promoting

strict standards for cardiac rehabilitation programs.

- The Altoona Regional Health System Foundation for Life holds its inaugural charitable event, Health Care Honors, at the Blair County Convention Center, drawing more than 400 guests and raising \$400,000. The first honoree is retiring president and CEO James W. Barner.

- As part of its ongoing quality and patient safety initiative, the health system implements a new computer-assisted system called MAK (Medication Administration Check) to make sure the right patient gets the right dosage of the right medication at the right time.

NOVEMBER

- Altoona Regional earns three Achieving Patient Care Excellence Awards from VHA Pennsylvania, the regional arm of the VHA national health care alliance, for improving care for patients who have suffered from a heart attack, and for preventing and reducing bloodstream and MRSA infections.
- The Noninvasive Laboratory staff earns recognition for their commitment to a high level of patient care and quality testing for the diagnosis of vascular disease by achieving accreditation from

the Intersocietal Commission for the Accreditation of Vascular Laboratories.

- Altoona Regional staff earns The Joint Commission's Gold Seal of Approval by demonstrating compliance with national standards for health care quality and safety. The Joint Commission is dedicated to continuously improving the safety and quality of the nation's health care.

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JANUARY

- For the seventh straight year, Altoona Regional sponsors the area's largest health fair — Health-O-Rama. The event features informative and entertaining exhibits, interactive demonstrations, screenings and hands-on product displays, as well as educational seminars by physicians.
- A new report from the Pennsylvania Health Care Cost Containment Council shows clinical staff dramatically reduced the rate of hospital-acquired infections by more than half for the latest reporting period.

MARCH

- Local patients gain access to the latest in hybrid nuclear medicine imaging technology. Known as

SPECT/CT, it aids in the diagnosis of tumors and coronary artery, inflammatory, bone and kidney diseases.

- Altoona Regional receives the American Stroke Association's Get With The Guidelines — Stroke Silver Performance Achievement Award, recognizing commitment and success in implementing a higher standard of stroke care by ensuring that stroke patients receive treatment according to nationally accepted standards and recommendations.

APRIL

- In keeping with its commitment to provide the highest quality treatment available, the Center for Cancer Care orders the Elekta Synergy® S radiation treatment system. The \$3 million linear accelerator is to be operational in the fall.

MAY

- The U.S. Department of Health and Human Services presents a Medal of Honor to Altoona Regional for achieving increased organ donation rates.

JUNE

- The Board of Directors officially names Jerry Murray president and CEO of Altoona Regional Health System.

BALANCE SHEET

Assets

Current assets	72,367,131
Assets whose use is limited	63,044,943
Other assets	87,042,652
Total assets	222,454,726

Liabilities

Current and other liabilities	81,047,345
Long-term debt	30,839,469
Fund balance	110,567,912
Total liabilities and fund balance	222,454,726

Hospital Financial Information

7/1/08 to 6/30/09

INCOME STATEMENT

Total operating revenues	313,456,002
Total operating expenses	306,009,273
Income from operations	7,446,729
Nonoperating gains	496,739
Excess revenues over expenses	7,943,468