United Health Services is a family of health services organizations whose mission is to improve the health of the communities we serve through a values-based, comprehensive, and cost-effective regional health system.

Our vision
To be one of the best health systems in the country, based on the care we provide, the teamwork of our staff, and the health of our community.

Our values
These values guide our actions and decisions:
- Caring
- Service
- Partnership
- Learning
- Integrity
- Respect
- Stewardship

Our mission
United Health Services is a family of health services organizations whose mission is to improve the health of the communities we serve through a values-based, comprehensive, and cost-effective regional health system.

We’re there for you.
www.uhs.net

United Health Services’ 2001 Annual Report is a publication of United Health Services. Corporate offices are at 10-42 Mitchell Ave., Binghamton, NY, 13903. Peter V. McGinn, Ph.D., President and Chief Executive Officer. The report is produced by the Community Relations Department; Michael G. Dole, Vice President; Christina Boyd, Director of Marketing; William Michael, Communications Coordinator; Carol Garrett, Graphic Designer.

607.762.2336

It is available online at: www.uhs.net.
People from around the community gathered at the Anderson Center on August 1, 2001, to enjoy a free concert during the Binghamton Summer Music Festival. United Health Services sponsored the event, featuring the Binghamton Philharmonic performing Beethoven, as a community appreciation evening marking the 20th anniversary of system incorporation.

To be able to provide quality health care services to the people of the Twin Tiers — today and in the future — United Health Services takes seriously its mandate to operate in a fiscally responsible manner. In the difficult economic times now facing the health care field, good stewardship and management of resources are more important than ever before.

Despite continued cutbacks in federal reimbursement for hospitals and the soaring costs of labor, pharmaceuticals and indigent care in 2001, United Health Services managed to finish the year with a near break-even performance, recording a loss of $3.2 million — or less than one percent — on revenues of more than $361 million.

At the same time, United Health Services served more patients than ever before, posting record numbers of inpatient and outpatient discharges, and more than 650,000 patient visits to hospital clinics and physician offices. And, despite the year’s tough economic challenges, the system invested nearly $18 million in capital improvements, including facility renovations, continued development of clinical information and business systems and purchases of state-of-the-art medical equipment.

Much of our system’s ability to remain strong and viable for the future can be attributed to the commitment of our member organizations to work together to identify efficiencies, share opportunities and achieve common goals.

Despite these extraordinary increases in expense, Medicare and Medicaid reimbursement for hospital inpatient services — which represent over 50 percent of total revenue — remained flat. The combined effect of soaring expenses and lagging government reimbursement pushed more than two-thirds of New York’s hospitals into the red.

A similar outlook for 2002 will be more pressure on private payers, who will be asked to make up the difference between rising costs and inadequate reimbursement by the federal and state governments.

Community Benefit

Beyond meeting the day-to-day health care needs of the community, United Health Services has a profound social and economic impact on the region it serves. We guarantee that everyone in the community will receive the care they need, regardless of income or life circumstance.

With a budget that totals nearly $360 million, our economic impact on the region exceeds $1 billion annually. Nearly two-thirds of our budget — or just over $350 million — goes for salaries and benefits for some 5,000 employees. Today, United Health Services stands as the region’s second largest employer.

In addition to the millions of dollars we provide in free care for the poor, United Health Services also subsidizes services that lose money because we know there are people who can’t do without them. These include programs for patients suffering from kidney failure, traumatic brain injury and rare blood disorders, as well as high-risk newborns.

As a not-for-profit, community benefit organization, United Health Services is devoted to improving the quality of life and overall health of the people of our region, offering a wide array of prevention and wellness activities designed to keep people healthy and avoid illness.

In 2001, we provided educational information, health classes and screenings for more than 84,000 people.

At the same time, we are our region’s leading teaching hospital, providing educational programs for new physicians and allied health professionals, as well as continuing education for experienced doctors, nurses and technicians. Some two-thirds of the community’s supply of family practice physicians trained in our hospitals.

Finally, United Health Services’ commitment to education extends to the training of new health workers in a wide variety of fields. Through a broad array of scholarships, internships and sponsorships, we help hundreds of local students become the caregivers of tomorrow.

The above statements are a preliminary financial draft for the year 2001. Final numbers are not expected to change substantially. Included in total surgeries.

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<th>Expenses (Thousands)</th>
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<td>Supplies &amp; services</td>
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<table>
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<th>Revenue (Thousands)</th>
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<td>Total</td>
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Financial Challenges

Our financial health is determined not just by what we do, but by the considerable challenges that confront the entire health care field. After a decade of near zero growth, the nation’s health care costs soared by more than seven percent in 2001, driven chiefly by advances in medical science and technology, as well as a nationwide shortage of nurses, pharmacists and clinical technicians.

During 2001, United Health Services invested more than $8 million in improving salaries for its workforce, while benefit costs rose by more than $5 million. In addition, recruitment costs for the small supply of new or available health care workers were up by more than $1 million.

Double-digit increases in the cost of pharmaceuticals pushed supply expenses up by $5 million during the year, while the cost of providing care to the poor and medically indigent in the communities we serve remained at over $18 million.

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Leadership

**WE’VE HAD IT IN US ALL ALONG**

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Dear Friends,

When the United Health Services system was born some 20 years ago, it was based on a simple philosophy: “To Serve.” For our founders, service was not merely an abstract concept. They understood that the first members of the new system each had a long tradition of providing quality care to the residents of the Twin Tiers. People trusted their neighborhood hospital. They expected a certain level of helpfulness and warmth. They knew they could count on friendly, smiling people to treat them with that special brand of Triple Cities hospitality – offering not just good medicine, but tender loving care.

The leaders of consolidation believed in this type of personal service when they ensured that the new organization would be operated not for financial gain, but for the benefit of patients. They had it in mind when they created a structure that is governed by local residents who give of their own time as unpaid board members. And they held to it when they brought together a range of clinical programs and services that is truly exceptional for a region our size.

Of course, the system has grown and changed over the decades. It functions in a world quite different from that of 1981, the year of incorporation, let alone 1888, the year Binghamton General Hospital opened its doors. Technology has transformed not just the operating room and boardroom, but every aspect of life in the medical center, nursing home, doctor’s office and health agency of today. From lasers to fiber-optics, bedside computers to telemedicine, health care is delivered in ways that a few years ago we could scarcely imagine.

Yet one thing has not changed, and that is the special understanding between patient and caregiver. Both know that caring at its best is essentially a human endeavor, and always will be. It’s people who matter most. This understanding guided our founders, and continues to guide every step in the growth and transformation of our system today.

The milestone year of 2001, our 20th anniversary, was a time for us to renew our commitment to this patient-centered approach to our work, and consider how we will best serve others in the years of challenge and opportunity that lie ahead.

Sincerely,

Peter V. McGinn, Ph.D.
President and CEO

James E. Lee, Ph.D.
Chairman of the Board
Not long ago, Health Forum Journal reported that the successful health care organizations of the future will be those that put their values into action.

The challenge for health systems is to decrease both clinical and administrative costs, replace aging buildings and keep up with the latest technology, all without losing the basic human touch that’s so integral to quality care.

At United Health Services, we’re determined to build on our strengths, and on the skills we’re acquiring today, to achieve the long-term vitality our community deserves.

During 2001, we established six priorities on which we will be concentrating our efforts as we begin the new decade. These are:

- Become a great place to work and a great place to receive care
- Increase our financial strength and surpluses
- Establish and measure standards for quality and patient safety
- Upgrade our facilities
- Expand the innovative use of information technology
- Work well together as system members

During our first decade, we concentrated on integrating our first three members – Wilson, Binghamton General and Ideal. In our second decade, we focused on creating a comprehensive system, adding partners like Chenango Memorial and Delaware Valley hospitals. Our next decade will be determined by how well we meet the needs of a region faced with such challenges as a troubled economy and an aging and a declining population.

To accomplish this, we must take the strengths of the past, what we learned from our founders and the attainments of our first 20 years, and turn them into solutions for the new century: We know we’re doing the right things. Now we must make sure we’re doing all of them . . . the right way.

Vision
WE’VE HAD IT IN US ALL ALONG

Professional Home Care
and Twin Tier Home Health
4401 Vestal Parkway East, Vestal, New York

In the fall of 2001, Twin Tier Home Health began implementing the HomeMed system in patients’ homes, becoming the first home care agency in New York State to monitor patients’ vital signs at a distance. The system is especially useful in the care of patients with congestive heart failure or uncontrolled hypertension, and others who require regular monitoring in the home. The bedside monitoring device collects information about the person’s pulse, blood pressure, temperature, weight and blood oxygen levels, which is then sent to a computerized observation center at Twin Tier for evaluation and follow-up by a physician.

Professional Home Care cared for a record number of patients during the year. Of particular note was the expansion of its Respiratory Services program, which furnishes comprehensive services to patients requiring home oxygen therapy, respiratory medications and treatment for sleep disorders.

Professional Home Care offers advanced home care services including both nursing and pharmacy home infusion services, comprehensive respiratory services, medical equipment, and a wide range of medical supplies and services supporting the homebound and semibound patient across a six-county region. Twin Tier Home Health, a Medicare-certified home health agency, provides nursing, physical therapy, home health aides and other specialized care to support the home care needs of residents of Broome County. The agency also offers personal emergency response units that help patients remain safely in their homes.

United Health Services Foundation
10-42 Mitchell Avenue, Binghamton, New York

Early in the year, the United Health Services Foundation was able to exceed a challenge grant from an anonymous donor via the Greater Broome Community Foundation, raising $802,000 toward completion of an expanded Neonatal Intensive Care Unit at United Health Services Hospitals. By year end, the Foundation had raised a total of $1 million to contribute to the $2 million project, which will enlarge the unit from 1,700 to 7,300 square feet, and from 14 beds to 16. The unit cares for some 250 premature and low-birth-weight infants each year.

Also during 2001, the Foundation held its annual Women Fore Women golf outing, with proceeds benefitting mammography equipment and patient service, and began planning its 2002 Casino Royale event to raise dollars for new Emergency Department equipment.

“Today’s donors don’t just make gifts, they make investments. Our focus has changed from merely raising dollars to showing the tangible results of what those dollars do for quality care.”

Betsy Pietryk
Executive Director

The United Health Services Foundation seeks privately donated funds to support the medical equipment, facility and program needs of our system and its member organizations. The Foundation raises hundreds of thousands of dollars each year, which it provides as grants to United Health Services Hospitals, Local Senior Living Center and Twin Tier Home Health. It also provides management support to some 776 hospital auxiliaries and volunteers.

“We introduced many innovative clinical programs to better meet the home health needs of the communities we serve. This came at a time when our field experienced fundamental changes in how we are paid.”

Joseph Cerra
President and CEO

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During 2001, our Board of Directors and senior management completed the redesign of the governance structure of our organization, reaching back to an example set by some of America’s founding fathers generations ago.

The board sought greater system cohesiveness by reorganizing the way trustees are chosen for the various member and affiliate governing boards. To create a stronger union, it modeled the new structure on the federalist system of governance first proposed by Alexander Hamilton, John Jay and James Madison in America’s formative years.

On each member panel, 2/3 of those serving are now chosen from among the local community, while 1/3 are selected by the system board. This new approach maintains the vigor and independence of each system member, while strengthening each one’s ties to the overall, system-wide governing body.

During 2001, we also established common definitions of care and service across the system. By concuring with each other on how to measure service, we will be better able to chart our progress year by year on satisfaction, safety and service.

Cooperation across the system means better service for patients. At Chenango Memorial Hospital, patients received care from United Medical Associates specialists, who now hold a regular pulmonary clinic at the hospital, and other patients saw UMA gastroenterologists, who visit to provide a clinic of their own. People coming to Delaware Valley Hospital received on-site pulmonary care from UMA doctors as well.

During our 20th anniversary year, we worked to expand the scope, quality and effectiveness of the service we provide, and took time to reflect on what we have attained in our first two decades. We can say confidently that we have preserved hometown ownership of our institutions, saved the community millions of dollars through operational efficiencies and extended care to those in need by maintaining a cost-effective and responsive organization.
Chenango Memorial Hospital
179 North Broad Street, Norwich, New York

In 2001, Chenango Memorial was awarded a $240,000 grant through the Primary Care Initiative Program to improve and expand primary health care services to its community. The hospital, along with the Chenango County Board of Cooperative Educational Services (BOCES), received a $64,690 grant from the Department of Health’s New York State Health Workforce Retraining Institute to conduct hospital-wide training for employees in computer and customer service skills.

In September, JCAHO completed a reaccreditation survey of Chenango Memorial, giving the campus very good scores— the hospital received a 92 out of 100 possible points, and the Residential Health Care Facility a 96.

Also in 2001, Chenango Memorial Hospital began developing a new service-improvement program that in 2002 will help women cope with the pain of childbirth. The new program uses a single-dose pain reliever, allowing mothers-to-be more freedom of movement during labor and delivery. While some mothers opt for natural childbirth, without using pain medicine, the new program provides another option for those who prefer pain management.

And the hospital’s Mammographic Imaging Services during the year were surveyed by the American College of Radiology, receiving a three-year accreditation.

"Community hospitals, especially those in rural areas, face many challenges today. But we also have a unique opportunity to provide friendly, helpful service and outreach that can enable people to improve their lives and well-being."

Frank Mirabito
President and CEO

When facing the unpredictable, the people of United Health Services have always had the courage to pull together and try new ideas. Today, as was the case 20 years ago, health care is challenged on every side. We continue to grapple with rising costs. Federal reimbursement for Medicare, for example, has averaged well below inflation, and payments from commercial insurance firms haven’t kept up either.

The recent economic slowdown, layers of government regulation, the cost of implementing new technologies, the growing demand for high-cost clinical services, a nationwide health care worker shortage—all of these have put a strain on our organization. Moreover, in much of upstate New York, the population is shrinking, and many of the people who remain are entering their senior years.

But we are determined to rise above these difficulties. The kind of courage that led our system members and affiliates to join together as one organization, starting in 1981, is evident today as we set ambitious goals and begin to realize improvements in some areas of market, clinical and financial performance.

Looking to the future, we know that we must be flexible—prepared to respond to hard challenges and to act swiftly. These are difficult times for health care systems. If we are to be successful, we must reconfigure our services to cut costs and to attract new patients.

Recently, the Institute of Medicine concluded that the most successful health care providers of the future will be those that serve people in a way that is safe, effective, patient-centered, timely, efficient and equitable. The institute said that all health organizations should concentrate on continually reducing the burden of illness, injury and disability, and Improving the day-to-day well-being of Americans.

“The system of care should be designed to meet the most common types of needs, but have the capability to respond to individual patient choices and preferences,” an institute report said. “Patients should be given the necessary information and the opportunity to exercise the degree of control they choose over health care decisions that affect them. And the health system should anticipate patient needs, rather than simply reacting to events.”

That’s what we’re trying to do at United Health Services. It will take discipline and perseverance. It will mean that we will have to move ahead with the same kind of courage and teamwork that have brought us this far. It will require that we anticipate the needs of our community, not just for a year or two, but for the next generation and beyond.

"Thank you for being a nurse."
Members of the United Health Services team showed their good citizenship and humanitarianism in many ways following Sept. 11. Several staff members from around the system, including Connie Naughton of the Candor Family Care Center; Victor Carr and Amy Carr of Chenango Memorial; Rolland “Boomer” Bojo of Delaware Valley Hospital; and John Prindle, M.D., and Amedeo Cimini of United Medical Associates, responded to Ground Zero as part of the search for bodies after the terrorist attack on the World Trade Center. Employees throughout the system packed up supplies at their work sites and shipped them to New York City to help the families of attack victims.

In the wake of the attack and subsequent anthrax mailings, United Health Services’ emergency medical sites went into high gear to expand preparations for chemical, biological and radiological terrorism should they ever occur here.

Also during the year, political leaders visited United Health Services to meet with health care leaders, employees, members of the news media and community residents. In January, U.S. Sen. Charles Schumer held a news conference here, announcing that $7.9 million in funding from federal Balanced Budget Act relief would be earmarked for United Health Services facilities. In July, we hosted a news conference featuring former First Lady and current U.S. Sen. Hillary Rodham Clinton. Sen. Clinton announced a new initiative to expand New York’s child health insurance program to include coverage for kids whose parents earn up to 300 percent of the federal poverty limit. She also toured the telemedicine project for school children that is directed by United Health Services pediatrician Cheryl Kerr, M.D.

To round out the year, a Strategic Business and Facility Master Planning Task Force was appointed by the president of United Health Services to study the system’s campuses and buildings for possible renovation and new construction in the years ahead. And we began the planning process for “Our Campaign for Excellence,” a transformation of our organizational culture that will take care and service in our system from good to great, starting in 2002.

The multi-specialty group medical practice this year launched an orthopedic section, recruiting two experienced, board-certified orthopedic surgeons from the Pittsburgh area – Norman Krause, M.D., and Robert Mantica, M.D. – and establishing plans to add two to three more surgeons during 2002. The orthopedic specialty office is located in the Summit Building on the Binghamton General Hospital campus.

In addition, UMA re-energized its Sleep Center with the hiring of medical director Michael Slattery, M.D., who has studied at Tufts and Emory universities and is board-certified in internal medicine, sleep medicine, neurology, psychiatry and clinical neurophysiology. Plans are under way to double the size of the center from a four-bed facility to an eight-bed.

In all, 14 new physicians joined the UMA team during 2001. They are: Mahmood Butt, M.D., John Chang, M.D., Anser Lone, M.D., Radha Putcha, M.D., Robert Mantica, M.D., Norman Krause, M.D., Jacqueline Parkin, M.D., Regina Frants, M.D., Michael Slattery, M.D., Donald Calebaugh, M.D., Aqeel Haidar, M.D., Bozena Slota, M.D. and Edgar Bacaeres, M.D. and John Deuel, D.O.

“We’re pleased to have been able to attract excellent specialists in key areas of medical practice. We believe this will complement the fine physicians we already have in the community, resulting in better care for everyone.”

Floyd Metzger
Executive Director
United Health Services Hospitals attained a goal during 2001 that few institutions ever reach: The Joint Commission on Accreditation of Healthcare Organizations notified the hospitals that they had obtained a full three-year accreditation with no “Type I recommendations.” This means the JCAHO surveyors found a lot to be pleased with in the way Wilson Memorial, Binghamton General and the Family Care Centers operate. It’s the highest level of achievement that can be obtained by a hospital in the three-year survey process, and puts United Health Services Hospitals in the top 8 percent of all hospitals in the country surveyed by JCAHO.

In addition, the hospitals made major clinical advances during the year. They launched a project to renovate and greatly expand their regional Neonatal Intensive Care Unit and completed the expansion of cardiac catheterization services by opening a new Cardiac Cath Ambulatory Care Unit at Wilson Memorial. In addition, they focused on improving the health status of our community by intensifying the pediatric asthma and social problem-solving student education programs offered by the Center for Community Health.

Efforts to address the national health care worker shortage began to pay off, with 135 registered nurses – a record high – choosing to join United Health Services Hospitals, many of them in the most hard-to-fill positions. Nursing turnover at the hospitals dropped from 13.4 percent to 9.4 percent, a big stride forward. Moreover, the organization significantly reduced the time it takes to hire a new nurse – from the point at which an application is filled out to the day the job offer is made – from 17 days to just three or four days.

In 2001, the information technology necessary to access patient information was improved. The hospitals began providing physicians with the ability to access information through the Internet in a secure manner; increased the length of time the lab, radiology and transcription records are kept in the computer system; and improved their ability to transcribe medical records rapidly and efficiently.

In the area of financial improvement, the Denied Claims Task Force was notably successful in recovering dollars that had previously been denied by third-party payers. In a year’s time, the recovered claims amounted to $1.3 million, far exceeding the group’s original target. Just as impressively, the hospitals were able to reduce the number of days outstanding bills stay in accounts receivable from 73 days in January to only 55 days by the end of the year.

United Health Services Hospitals is a 516-bed, tertiary-care hospital organization consisting of Wilson Memorial Regional Medical Center in Johnson City, Binghamton General Hospital in Binghamton and a network of Family Care Centers in Broome and surrounding counties. It is an indication and outpatient regional center for heart care and open heart surgery, cancer care, trauma care, neurosurgery, neonatal intensive care, renal dialysis, reconstructive and orthopedic surgery, medical rehabilitation, mental health services and chemical dependency treatment.
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In 2001, Chenango Memorial was awarded a $240,000 grant through the Primary Care Initiative Program to improve and expand primary health care services to its community. The hospital, along with the Chenango County Board of Cooperative Educational Services (BOCES), received a $64,690 grant from the Department of Health’s New York State Health Workforce Retraining Institute to conduct hospital-wide training for employees in computer and customer service skills.

In September, JCAHO completed a reaccreditation survey of Chenango Memorial, giving the campus very good scores—the hospital received a 92 out of 100 possible points, and the Residential Health Care Facility a 96.

Also in 2001, Chenango Memorial Hospital began developing a new service-improvement program that in 2002 will help women cope with the pain of childbirth. The new program uses a single-dose pain reliever, allowing mothers-to-be more freedom of movement during labor and delivery. While some mothers opt for natural childbirth, without using pain medicine, the new program provides another option for those who prefer pain management.

And the hospital’s Mammographic Imaging Services during the year were surveyed by the American College of Radiology, receiving a three-year accreditation.

When facing the unpredictable, the people of United Health Services have always had the courage to pull together and try new ideas. Today, as was the case 20 years ago, health care is challenged on every side. We continue to grapple with rising costs. Federal reimbursement for Medicare, for example, has averaged well below inflation, and payments from commercial insurance firms haven’t kept up either.

“The system of care should be designed to meet the most common types of needs, but have the capability to respond to individual patient choices and preferences,” an institute report said. “Patients should be given the necessary information and the opportunity to exercise the degree of control they choose over health care decisions that affect them. And the health system should anticipate patient needs, rather than simply reacting to events.”

That’s what we’re trying to do at United Health Services. It will take discipline and perseverance. It will mean that we will have to move ahead with the same kind of courage and teamwork that have brought us this far. It will require that we anticipate the needs of our community, not just for a year or two, but for the next generation and beyond.

“Community hospitals, especially those in rural areas, face many challenges today. But we also have a unique opportunity to provide friendly, helpful service and outreach that can enable people to improve their lives and well-being.”

Frank Mirabito
President and CEO

Courage

WE'VE HAD IT IN US ALL ALONG

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The recent economic slowdown, layers of government regulation, the cost of implementing new technologies, the growing demand for high-cost clinical services, a nationwide health care worker shortage—all of these have put a strain on our organization. Moreover, in much of upstate New York, the population is shrinking, and many of the people who remain are entering their senior years.

But we are determined to rise above these difficulties. The kind of courage that led our system members and affiliates to join together as one organization, starting in 1981, is evident today as we set ambitious goals and begin to realize improvements in some areas of market, clinical and financial performance.

Looking to the future, we know that we must be flexible—prepared to respond to hard challenges and to act swiftly. These are difficult times for health care systems. If we are to be successful, we must reconfigure our services to cut costs and to attract new patients.

Recently, the Institute of Medicine concluded that the most successful health care providers of the future will be those that serve people in a way that is safe, effective, patient-centered, timely, efficient and equitable. The institute said that all health organizations should concentrate on continually reducing the burden of illness, injury and disability, and improving the day-to-day well-being of Americans.

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United Health Services sought to recognize and recruit nurses through a series of TV and newspaper messages during the year that said simply, “Thank you for being a nurse.”
During 2001, our Board of Directors and senior management completed the redesign of the governance structure of our organization, reaching back to an example set by some of America’s founding fathers generations ago.

The board sought greater system cohesiveness by reorganizing the way trustees are chosen for the various member and affiliate governing boards. To create a stronger union, it modeled the new structure on the federalist system of governance first proposed by Alexander Hamilton, John Jay and James Madison in America’s formative years.

On each member panel, 2/3 of those serving are now chosen from among the local community, while 1/3 are selected by the system board. This new approach maintains the vigor and independence of each system member, while strengthening each one’s ties to the overall, system-wide governing body.

During 2001, we also established common definitions of care and service across the system. By concuring with each other on how to measure service, we will be better able to chart our progress year by year on satisfaction, safety and service.

Cooperation across the system means better service for patients. At Chenango Memorial Hospital, patients received care from United Medical Associates specialists, who now hold a regular pulmonary clinic at the hospital, and other patients saw UMA gastroenterologists, who visit to provide a clinic of their own. People coming to Delaware Valley Hospital received on-site pulmonary care from UMA doctors as well.

During our 20th anniversary year, we worked to expand the scope, quality and effectiveness of the service we provide, and took time to reflect on what we have attained in our first two decades. We can say confidently that we have preserved hometown ownership of our institutions, saved the community millions of dollars through operational efficiencies and extended care to those in need by maintaining a cost-effective and responsive organization.
Not long ago, Health Forum Journal reported that the successful health care organizations of the future will be those that put their values into action.

The challenge for health systems is to decrease both clinical and administrative costs, replace aging buildings and keep up with the latest technology, all without losing the basic human touch that’s so integral to quality care.

At United Health Services, we’re determined to build on our strengths, and on the skills we’re acquiring today, to achieve the long-term vitality our community deserves.

During 2001, we established six priorities on which we will be concentrating our efforts as we begin the new decade. These are:

- Become a great place to work and a great place to receive care
- Increase our financial strength and surpluses
- Establish and measure standards for quality and patient safety
- Upgrade our facilities
- Expand the innovative use of information technology
- Work well together as system members

During our first decade, we concentrated on integrating our first three members – Wilson, Binghamton General and Ideal. In our second decade, we focused on creating a comprehensive system, adding partners like Chenango Memorial and Delaware Valley hospitals. Our next decade will be determined by how well we meet the needs of a region faced with such challenges as a troubled economy and an aging and a declining population.

To accomplish this, we must take the strengths of the past, what we learned from our founders and the attainments of our first 20 years, and turn them into solutions for the new century. We know we’re doing the right things. Now we must make sure we’re doing all of them... the right way.
United Health Services is governed by representatives from our community who volunteer to serve on its boards of directors, and on those boards’ committees and work groups. These are caring, dedicated individuals who give generously of their time, energies and talents.

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People from around the community gathered at the Anderson Center on August 3, 2001, to enjoy a free concert during the Binghamton Summer Music Festival. United Health Services sponsored the event, featuring the Binghamton Philharmonic performing Beethoven, as a community appreciation evening marking the 20th anniversary of system incorporation.

Financial Challenges
Our financial health is determined not just by what we do, but by the considerable challenges that confront the entire health care field. After a decade of near zero growth, the nation’s health care costs soared by more than seven percent in 2001, driven chiefly by advances in medical science and technology, as well as a nationwide shortage of nurses, pharmacists and clinical technicians.

Despite continued cutbacks in federal reimbursement for hospitals and the soaring costs of labor, pharmaceuticals and indigent care in 2001, United Health Services managed to finish the year with a near break-even performance, recording a loss of $3.5 million – or less than one percent – on revenues of more than $361 million.

At the same time, United Health Services served more patients than ever before, posting record numbers of inpatient and outpatient discharges, and more than 650,000 patient visits to hospital clinics and physicians offices. And, despite the year’s tough economic challenges, the system invested nearly $10 million in capital improvements, including facility renovations, continued development of clinical information and business systems and purchases of state-of-the-art medical equipment.

Much of our system’s ability to remain strong and viable for the future can be attributed to the commitment of our member organizations to work together to identify efficiencies, share opportunities and achieve common goals.

Despite these extraordinary increases in expense, Medicare and Medicaid reimbursement for hospital inpatient services – which represent over 50 percent of total revenue – remained flat. The combined effect of soaring expenses and lagging government reimbursement pushed more than two-thirds of New York’s hospitals into the red.

A similar outlook for 2002 will place greater pressure on private payers, who will be asked to make up the difference between rising costs and inadequate reimbursement by the federal and state governments.

Community Benefit
Beyond meeting the day-to-day health care needs of the community, United Health Services has a profound social and economic impact on the region it serves. We guarantee that everyone in the community will receive the care they need, regardless of income or life circumstance.

With a budget that totals nearly $360 million, our economic impact on the region exceeds $1 billion annually. Nearly two-thirds of our budget – or just over $350 million – goes for salaries and benefits for some 5,000 employees. Today, United Health Services stands as the region’s second largest employer.

In addition to the millions of dollars we provide in free care for the poor, United Health Services also subsidizes services that lose money because we know there are people who can’t do without them. These include programs for patients suffering from kidney failure, traumatic brain injury and rare blood disorders, as well as high-risk newborns.

As a not-for-profit, community benefit organization, United Health Services is devoted to improving the quality of life and overall health of the people of our region, offering a wide array of prevention and wellness activities designed to help keep people healthy and avoid illness.

In 2001, we provided educational information, health classes and screenings for more than 84,000 people.

At the same time, we are our region’s leading teaching hospital, providing educational programs for new physicians and allied health professionals, as well as continuing education for experienced doctors, nurses and technicians. Some two-thirds of the community’s supply of family practice physicians trained in our hospitals.

Finally, United Health Services’ commitment to education extends to the training of new health workers in a wide variety of fields. Through a broad array of scholarships, internships and sponsorships, we help hundreds of local students become the caregivers of tomorrow.

The above statements are a preliminary financial draft for the year 2001. Final dollars we provide in free healthcare for the poor, United Health Services also subsidizes services that lose money because we know there are people who can’t do without them. These include programs for patients suffering from kidney failure, traumatic brain injury and rare blood disorders, as well as high-risk newborns.

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Our vision
To be one of the best health systems in the country, based on the care we provide, the teamwork of our staff, and the health of our community.

Our values
These values guide our actions and decisions:
• Caring
• Service
• Partnership
• Learning
• Integrity
• Respect
• Stewardship