

December 15, 2011

Mr. Robert Murray, Executive Director
Health Services Cost Review Commission
4160 Patterson Avenue
Baltimore, MD 21215

Re: Fiscal Year 2011 Community Benefit Report

Dear Sir:

Attached is the Fiscal Year 2011 Community Benefit Report for Southern Maryland Hospital, Inc. (“SMH”). While the hospital is the only taxable acute care hospital in the State, we choose to file the report in order to show the community benefits provided in addition to the taxes paid.

SMH is committed to the health and wellness of our community. As such, we dedicate ourselves to the mission of providing quality health care that is accessible to all constituencies, and moreover remain focused on the core mission of the hospital with the investment in time, talent and resources necessary to achieve goals and sustain programs and services through ongoing strategic planning initiatives. And, to enhance the wellness of our community (as highlighted later in this report) we commit ourselves, and our resources to a diverse array of education, health screenings, and community outreach programs. This is our value proposition that upholds the hospital’s mission and vision.

Hospital Demographics

Since its inception in 1977, the vision of SMH and its affiliated organizations has been dedicated to providing accessible, quality healthcare to all patients regardless of their ability to pay. The hospital provides a comprehensive range of wellness/health promotion, disease risk reduction and safety education classes, and support groups.

Southern Maryland Hospital is currently licensed for a total physical capacity of 235 beds under the Maryland regulatory system. For the Fiscal Year ending 6-30-11 there have been 15,307 admissions to the facility and approximately 90,000 outpatient visits such as emergency room visits, outpatient surgeries, psychiatric day program, clinic, and other types of one-day services.

Community Demographics

Southern Maryland Hospital Center is located in Clinton, Maryland within the epicenter of southern Prince George’s County and nearby Charles County, Maryland. The region has pressing community development and community health care needs that are complicated by a set of diverse geographic and socioeconomic factors. A detailed set of maps and charts in **Appendix A (Pages 8 – 13)** graphically depict characteristics of the population served by the Hospital accompanied by projected growth estimates by the year 2011 within the Hospital’s primary service area based on zip code assessment, and summarized as follows:

1. Based on 2006 resource data, the estimated population within the Hospital's primary and secondary service area within southern Prince George's County is 351,638, and is expected to increase 6% by 2011. As reported by the United States Census Bureau in March 2009, the cumulative estimated population for Prince George's County was 834,560. SMH serves the needs of 42% of the county population, not to mention populations in adjacent Charles County.
2. Among the highest 5-year growth rate from 2006 to 2011 in certain segments within this population, it is estimated that females aged 35+ will represent 11% growth, adults age 65+ will grow 32%, and those in the age category 45 – 65 (a.k.a. the so called "baby boomer" generation) will grow 14%.
3. With respect to the demographic make-up of the Hospital's service area, 97% is non-Hispanic and 3% Hispanic. Segments within the non-Hispanic population are African-American 73%, Caucasian 21%, Asian 3%, and other 3%.
4. Prince George's County statistics reveal the median income for a household in the county was \$71,696. The per capita income for the county was \$23,360. About 5.30% of families and 7.70% of the population were below the poverty line including 9.20% of those under age 18 and 6.90% of those aged 65 or over. Of all the patients treated at Southern Maryland Hospital Center 23.2% have no insurance or are enrolled in a State sponsored medical assistance program.

Gaps in Service Specialties

Responsive to the HSCRC request for a written description of gaps in availability of specialist providers to serve the uninsured in the community, the following perspective is provided:

Over a period of several years, various medical specialty practitioners as well as primary care physicians on the active medical staff within our service areas gradually began to notify the hospital that they would no longer be able to participate in emergency room call coverage for their specialty or continue to directly admit patients to the hospital. Researching the dynamics of this experience with other hospitals in our region, we found our situation was clearly not unique with respect to gaps in coverage from the available pool of providers that could potentially be drawn upon to serve the emergency service needs of the hospital. It also became apparent that the solution other facilities gravitated to out of necessity, was to essentially contract with providers or employ them directly to ensure they secured the coverage needed.

For the specialties of Obstetrics and Gynecology, Pediatrics and Neonatology, Orthopedics, Neurosurgery, Urology, and Primary Care, the hospital found that these independent medical groups encountered the most consistent trend in which their patient encounters had the potential of leading to no reimbursement or constraints on services provided. The hospital quickly came to the realization that these specialty services were critical to the continued operation of this facility as an acute care hospital offering immediate access to the full range of acute care services responsive to the needs of all segments of the patient population we serve.

Measured steps have been undertaken by the hospital to mitigate gaps in provider coverage:

1. **Hospitalist physicians:** the hospital was proactive years ago in responding to a recognized need for attending to unassigned Emergency Room admissions. Hospitalist physicians are available on a 24/7 basis fulfilling a pivotal role in filling gaps in coverage for primary care that is in such short supply in the County. According to a comprehensive study by the Rand Corporation (as elaborated below), Prince George's County has a lower per capita of primary care physicians compared with other neighboring jurisdictions.
2. **Anesthesia:** Likewise, an internal staffing model was created for anesthesia to assure optimal 24/7 obstetrical coverage.
3. **Emergency Medicine:** The hospital established an Emergency Medical Group three years ago employed and managed by the hospital.
4. **Obstetrics, pediatrics and perinatology:** The hospital employs and manages a group of house-based obstetrical practitioners, and pediatricians. With respect to the latter, in mid-year 2011, the hospital engaged an independent pediatric/neonatology group in a professional services agreement to provide 24/7 coverage of the newborn nursery and special care nursery.
5. The hospital underwrites specialty coverage for *Orthopedics, General Surgery, Urology, Otolaryngology*, and *Neurosurgery*, from local providers on a 24/7 basis.

Identification of Community Health Needs

SMH embraces a process for identifying the health needs of the community that follows some of the primary initiatives set forth by the *Prince George's County Health Department* under the leadership of *Health Officer, Donald Shell, M.D., M.A.* SMH clinical and administrative leadership has benefited from direct interaction with Dr. Shell regarding the identification of programs and services that best meet community needs. In addition, a key reference source for identifying health needs within the County is a comprehensive 2009 Rand Corporation report sanctioned and funded by the Prince George's County Council (hereinafter the "**Rand Report**"), *Assessing Health and Healthcare in Prince George's County Maryland*, which addresses the many challenges of ensuring the health and well-being of the community. Dr. Shell refers to the *Rand Report* as a definitive reference for County needs assessment and SMH has directed its attention to a host of health concerns identified by the County Health Department and the *Rand Report* such as:

1. **Adult and Childhood Obesity:** The Prince George's County *Center for Healthy Lifestyle Initiatives (CHLI)* is dedicated to educating the public and civic organizations on topics related to nutrition, weight management, and physical activity. The *Rand Report* highlights a study commissioned by the *Maryland Department of Health and Mental Hygiene* that found high rates of obesity among children and adolescents in Prince George's County. SMH is closely aligned with *CHLI* objectives through its

Weight Management Support Group that meets 24 times per year, and this is augmented by a special weight management program devoted to the growing concern of childhood obesity, i.e., the “*Fit n’ Fun Weight Management Program.*” Just to elaborate, the Fit n’ Fun Weight Management Program is for children age 6 to 11 as well as teens age 12 to 16. According to a study undertaken by the American Heart Association, the number of overweight children tripled between 1980 and 2000. A child’s health influences his or her adult health and sets the foundation for future adult living. Chronic diseases that began to manifest in middle-age adults are now seen in overweight children.

The Fit n’ Fun Weight Management Program is dedicated to promoting healthy lifestyles by offering direction and support to children and their families. A multi-disciplinary team consisting of a nurse, a dietitian and exercise physiologist provides services. A new member of the program should expect a thorough health assessment, nutritional evaluation, a food and exercise plan tailored to the needs of the child, fun learning and group exercises three times a week, weekly weight monitoring and body assessment, education on healthy lifestyle eating and activities for kids and parents.

2. **Health Screening Programs (Cardiac & Diabetes):** The *Rand Report* indicated that Prince George’s County residents were significantly more likely to report cerebrovascular disease, and chronic conditions such as hypertension and diabetes. SMH has been prominent in its support of community health fairs where an assortment of free screening exams are provided to attendees to check for diabetes, high cholesterol, and high blood pressure. Over the course of the year, SMH conducted more specific information and health screening for the local community through a Cardiac and Wellness Expo (>1,000 attendees) and a Diabetes Expo (>300 attendees).
3. **Health Screening Program for Prostate Cancer:** The *Rand Report* describes Prince George’s County as having the second highest incidence and mortality rate of prostate cancer after Baltimore City. With high rates of prostate cancer reported in the County, SMH dedicates resources to an educational seminar accompanied by annual free screening evaluations for men in the community. In 2011, over 165 men underwent prostate evaluation through the annual prostate screening event. SMH is also host to a Prostate Cancer Support Group that meets monthly in the hospital library.
4. **Designated Stroke Center:** With many individuals in Prince George’s County have elevated risk for stroke SMH offers a complete spectrum of emergency services through its regionally designated Stroke Center status, and this is augmented by a Stroke Support Group that meets once a month in the hospital.
5. **Support Group (Mental Health):** With behavioral health issues so pervasive in Prince George’s County, SMH conducts a Mental Health Support Group that meets monthly throughout the year.

6. **Alignment with Prince George’s County Health Department objectives:** Programs and services offered by SMH parallel Prince George’s County Health Department initiatives and those set forward in the *Rand Report*. The process directed to identification of community need is comprehensive and ongoing, and is in consultation with Health Department leadership. Principle officers at SMH involved in the decision making process include the Chief Executive Officer, the Chief Medical Officer, the Chief Nursing Officer, the Vice President of Professional Services, the Vice President of Community Relations, and the Vice President of Business Finance.
7. **Spiritual Support:** Our Chaplaincy Department provides pastoral care and support for staff and patients, and also assists community spiritual leaders and clergy who visit the hospital in matters of health, grief counseling, end-of-life concerns, and advance directives.
8. **Patient Care Advocacy:** In addition to normal duties, the Patient Relations staff provides resource to patient and their families. They conduct patient interviews and proactively visit patients throughout their hospital stay. In the primary role of a patient advocate, they document and track patient concerns and communicate issues or trends directly to senior management in nursing and hospital administration.

Community Health Services (25,116 encounters)

As a provider of services to those suffering from the effects of chronic illness, SMH is acutely aware of the benefits that prevention and early detection of disease provide to the community. This is in keeping with the *Rand Report* that identified how health behaviors can be modified to promote healthy lifestyles through ongoing education made available by health care providers in the community. The hospital and its staff have consistently focused over the years on educating the community about various resources available to them. It is thus that SMH offers a variety of free educational outreach programs and resources designed to promote community wellness.

1. **“Ask the Doctor” free community seminars:** SMH physicians and professional staff give presentations on a variety of health topics in a relaxed, welcoming environment. After the presentation, an open discussion and question and answer session takes place. By way of example, seminars have focused on:
 - a. Asthma and allergy
 - b. Bariatric Surgery & Weight Management
 - c. Stroke
 - d. Diabetes
 - e. Hip and knee replacement surgery
 - f. Osteoporosis
 - g. Alzheimer’s disease
 - h. Arthritis
 - i. Coronary artery disease
 - j. Childhood & adolescent obesity
 - k. Chronic lung diseases.

2. **Community Education Classes:** Knowledge to us is the key to helping individuals and families stay healthy, make positive lifestyle changes or manage a chronic condition. It is a vital resource to the community. In that light, SMH offers classes on a variety of subjects, including:
 - a. Heart failure management
 - b. Cardiac risk reduction
 - c. Freedom from smoking
 - d. Total joint replacement
 - e. CPR and,
 - f. A range of maternal child health classes covering topics such as childbirth, breastfeeding, and the first year of life.

3. **Support Groups:** Sometimes it helps people in our community to know they're not alone with respect to health care concerns. As a professional courtesy to our community, SMH hosts an array of support groups for a range of health issues such as:
 - a. Alzheimer's disease
 - b. Stroke
 - c. Prostate cancer
 - d. Breast cancer
 - e. Lupus disease
 - f. Overeaters Anonymous
 - g. Mental health & emotional well-being
 - h. Perinatal loss

4. **Health and Fitness programs for Body and Mind:** Community members are encouraged to take a positive step toward a healthy future by partaking of programs structured with practical application and educational components such as:
 - a. Adult and adolescent weight reduction
 - b. Swimming lessons
 - c. Exercise for arthritic patients or help individual understand and manage diabetes or heart disease.
 - d. One important, well-established and ongoing program is the daily, "Mall Walkers" group that engages in a popular indoor cardiovascular fitness regime.

5. **Participation in Health Programs Sponsored by Others:** Several staff members including a nurse are dispatched to participate in:
 - a. Local community health fairs
 - b. Annual Charles County Fair, and St. Mary's County Fair.
 - c. Local churches and community centers, where basic health screening exams such as blood pressure, prostate screening, cholesterol, blood glucose level and other lab tests are offered.
 - d. Influenza vaccinations are also facilitated at these events during the flu season.

6. **Health Professionals Education (18,895 encounters):** It bears mentioning that SMH is strongly committed to the ongoing development and education of health care professionals from a variety of specialties. SMH is host to local colleges where students with diverse background and educational preparation in nursing, rehabilitation medicine (physical therapy, speech therapy and occupational therapy), diagnostic radiology, laboratory and phlebotomy, undergo practical clinical training or internship.

Attached is a copy of the hospital's charity care policy. Southern Maryland Hospital Center's mission, vision and values statement currently in place is on pages 14 – 16.

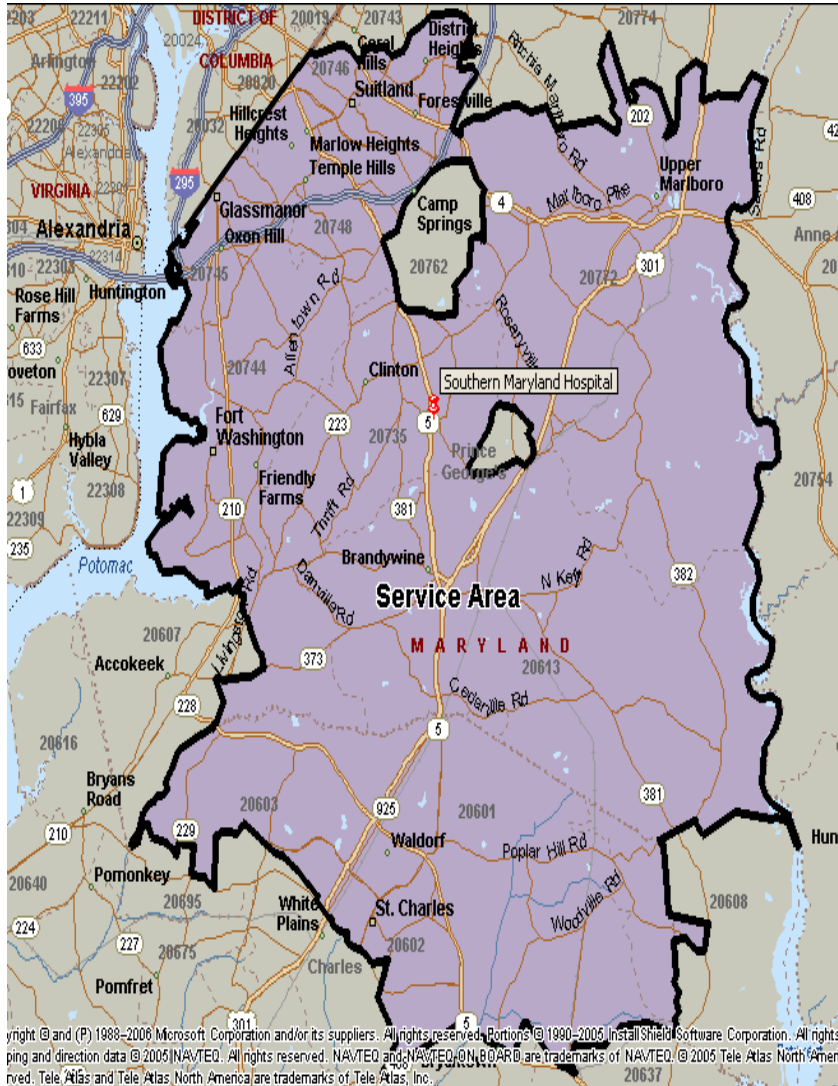
If you need any additional information, please let us know.

Sincerely,

Charles R. Stewart
Vice President, Business Finance & Corporate Compliance

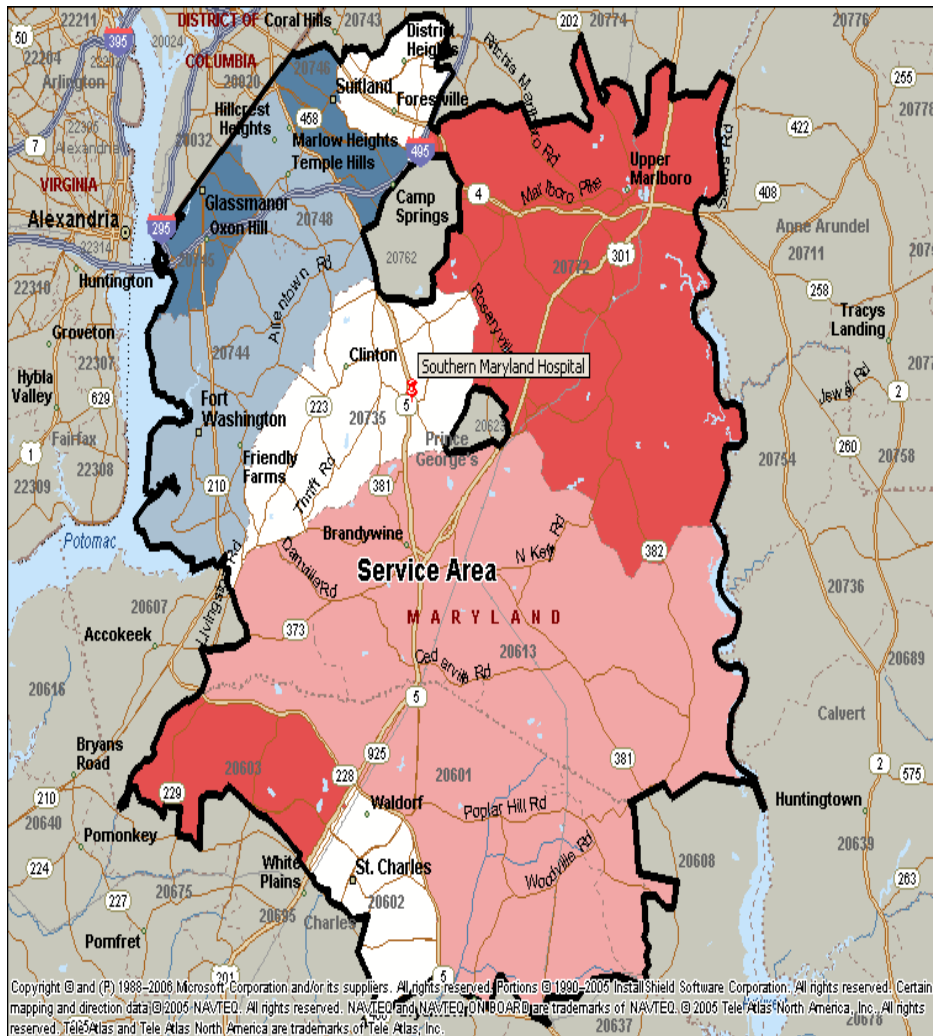
APPENDIX A

SMH PRIMARY & SECONDARY SERVICE AREA—DECEMBER 2010



ZIP CODE	CITY	COUNTY	STATE
20601	Waldorf	Charles	MD
20602	Waldorf	Charles	MD
20603	Waldorf	Charles	MD
20613	Brandywine	Prince George's	MD
20735	Clinton	Prince George's	MD
20744	Fort Washington	Prince George's	MD
20745	Oxon Hill	Prince George's	MD
20746	Suitland	Prince George's	MD
20747	District Heights	Prince George's	MD
20748	Temple Hills	Prince George's	MD
20772	Upper Marlboro	Prince George's	MD

Estimated 5-Year Population Growth in SMH Primary & Secondary Service Area



ZIP CODE	2006	2011	5-Yr % Growth
20603	26,166	30,582	16.9%
20772	41,587	47,048	13.1%
20601	25,159	27,680	10.0%
20613	9,423	10,206	8.3%
20735	35,819	38,136	6.5%
20747	41,543	43,563	4.9%
20602	22,538	23,618	4.8%
20744	50,793	53,047	4.4%
20748	41,458	42,773	3.2%
20746	29,138	29,875	2.5%
20745	28,014	28,415	1.4%
Totals	351,638	374,943	6.6%

Copyright © and (P) 1988-2008 Microsoft Corporation and/or its suppliers. All rights reserved. Portions © 1990-2005 Intel/Shell Software Corporation. All rights reserved. Certain mapping and direction data © 2005 NAVTEQ. All rights reserved. NAVTEQ and NAVTEQ ON BOARD are trademarks of NAVTEQ. © 2005 TeleAtlas North America, Inc. All rights reserved. TeleAtlas and TeleAtlas North America are trademarks of TeleAtlas, Inc.

SMH Primary Service Area Demographics by Zip Code

Zip Code	Total Population			65+ Years Population		
	2006	2011	5-yr. Growth	2006	2011	5-yr. Growth
20601	25,159	27,680	10.02%	1,620	2,375	46.60%
20602	22,538	23,618	4.79%	1,561	2,012	28.89%
20603	26,166	30,582	16.88%	1,215	1,893	55.80%
20613	9,423	10,206	8.31%	1,152	1,438	24.83%
20735	35,819	38,136	6.47%	3,616	4,788	32.41%
20744	50,793	53,047	4.44%	5,266	6,926	31.52%
20745	28,014	28,415	1.43%	2,276	2,877	26.41%
20746	29,138	29,875	2.53%	2,270	2,823	24.36%
20747	41,543	43,563	4.86%	3,119	4,094	31.26%
20748	41,458	42,773	3.17%	4,495	5,413	20.42%
20772	41,587	47,048	13.13%	3,338	4,836	44.88%
Total	351,638	374,943	6.63%	29,928	39,475	31.90%

Zip Code	"Baby Boomers" 45 - 65 Years Population			"Pediatrics" 0 - 17 Years Population		
	2006	2011	5-yr. Growth	2006	2011	5-yr. Growth
20601	6,258	7,661	22.42%	6,863	6,921	0.85%
20602	5,144	6,055	17.71%	6,415	6,264	-2.35%
20603	6,015	8,283	37.71%	7,928	8,594	8.40%
20613	2,777	3,181	14.55%	2,413	2,477	2.65%
20735	10,487	11,699	11.56%	9,211	9,120	-0.99%
20744	16,161	17,050	5.50%	12,126	11,810	-2.61%
20745	6,885	7,300	6.03%	8,006	7,805	-2.51%
20746	6,669	7,345	10.14%	8,556	8,443	-1.32%
20747	10,012	11,433	14.19%	11,980	11,860	-1.00%
20748	11,020	11,818	7.24%	10,538	10,442	-0.91%
20772	11,176	13,554	21.28%	10,812	11,822	9.34%
Total	92,604	105,379	13.80%	94,848	95,558	0.75%

Zip Code	"Child Bearing Years" 15 - 44 Years Female Population			35 Years + Female Population		
	2006	2011	5-yr. Growth	2006	2011	5-yr. Growth
20601	6,034	6,174	2.32%	6,418	7,505	16.94%
20602	5,458	5,338	-2.20%	5,674	6,304	11.10%
20603	6,446	6,958	7.94%	6,441	8,005	24.28%
20613	1,730	1,735	0.29%	2,791	3,030	8.56%
20735	7,442	7,311	-1.76%	10,894	11,778	8.11%
20744	10,205	9,975	-2.25%	15,485	16,544	6.84%
20745	6,503	6,166	-5.18%	7,551	8,083	7.05%
20746	7,043	6,719	-4.60%	7,910	8,646	9.30%
20747	10,064	9,721	-3.41%	11,520	12,677	10.04%
20748	9,035	8,717	-3.52%	12,478	13,421	7.56%
20772	9,093	9,424	3.64%	11,606	13,614	17.30%
Total	79,053	78,238	-1.03%	98,768	109,607	10.97%

SERVICE AREA SUMMARY

A ESTIMATED 2006 POPULATION OF 351,638 IS EXPECTED TO INCREASE BY 7% BY 2011

B THE LARGEST GROWING POPULATION IN THE SMH SERVICE AREA ARE:

1. SENIOR CITIZENS 65+		32%
2. BABY BOOMERS		14%
3. FEMALE 35+		11%

C FLATEST POPULATION GROWTH IN SMH SERVICE AREA

1. FEMALE 15-44 YRS	-1.03%
2. PEDIATRICS	0.75%

MISSION AND VALUES

Our Mission is Clear.



Southern Maryland Hospital Center is a full-service, regional health care facility founded in 1977 to provide a complete range of inpatient, outpatient and community services for the residents of Southern Maryland. At SMHC, highly skilled health professionals efficiently deliver respectful and compassionate care using the most advanced medical technology.



Southern Maryland Hospital Center is a resource center seeking to prevent illness and promote health through education and screening. Our goal is to assist the residents of Southern Maryland in achieving the highest possible level of physical and mental health, and thereby improve the quality of life in our community.



Southern Maryland Hospital Center continuously evaluates all services and seeks to improve the delivery of care. Each SMHC employee, medical staff member and volunteer is motivated by an uncompromising commitment to quality as measured by the satisfaction of our patients and their families.

Our Values Never Change

The employees, medical staff and volunteers of Southern Maryland Hospital Center hold in common these values with respect to our patients and our professional relationships.

Quality - We perform each task to the best of our abilities and never cease to try to do better.

Respect - We acknowledge the dignity of every individual and appreciate the differences and uniqueness of each.

Integrity - We are forthright with our patients and each other and fulfill our tasks promptly, accurately, and completely.

Safety - We are committed to improving patient safety and reducing risks in the care environment for patients and others, including health care providers.

Flexibility - We continually adjust our methods to better serve our patients and we readily embrace change and new technology.

Efficiency - We manage our work so as to conserve resources and hold down the costs of health care without compromising patient care.

Confidentiality - We protect the rights of our patients and their families and safeguard their privacy.

Accountability - We accept responsibility for the results of our work and set aside personal interests for the good of our patients.

A History of Change



In the early 1970's, Dr. Francis P. Chiamonte, a practicing board certified Urologist, recognized the need for a full service hospital in Southern Maryland. The population was growing rapidly and, for many types of specialty care, residents were traveling miles to the university hospitals of Baltimore and Washington. Following countless hours of planning and development, ground was broken for Southern Maryland Hospital Center (SMHC) and on November 28, 1977, the hospital opened its doors.

In the past 25 years, services and equipment have rapidly expanded. First, a physicians' office building was completed. Subsequently, the Outpatient Services, Mammography Center, MRI, Bone Densitometry, and Lithotripsy services were opened. A second Professional Office Building was opened in 1992, housing outside services provided by the hospital.

To serve Southern Maryland's growing population, a second patient bed tower was built in 1987, which allowed for the opening of a new Maternal Child Health Center in 1992 and a Sub-Acute Care Center in 1996.

SMHC is now the region's most complete, high tech health care facility – a 235 bed, acute care medical center with the capability to meet all of the health care needs of the population. But while the equipment and technology are state of the art, patient care remains rooted in our tradition

A Vision of Total Community Service

Southern Maryland Hospital Center is committed to the health, education, and overall well-being of our community as demonstrated by the nearly \$6.4 million in community benefits expended in 2005 alone. Free care or charity care in 2010 amounted to \$1.5 million.

SMHC's Community outreach activities include \$1.0 million in community health education, and more than \$685,000 towards training student nurses and technicians within our hospital. Further, our Mallwalkers program, free transportation services, and baby safety seat giveaways amount to over \$359,000 per annum. Perhaps the most significant number comes through the nearly \$6.1 million of unreimbursed physician support offered by SMHC that allows us to fulfill our mission as the region's only full service general hospital.

By developing programs for the community and participating in special events and health fairs, SMHC consistently provides its neighbors with the healthcare resources to fight disease and promote prevention. Community outreach at SMHC is continually growing. Being active in the community does make a difference. It can improve the quality of life, help reach individuals that are in need of healthcare resources, and increase awareness of health related issues.