



St. Francis

HEALTHCARE SYSTEM OF HAWAII

A Legacy of Caring for Hawaii's People

Report to the Community 2007
A Year of Positive Transformation

St. Francis Healthcare Foundation of Hawaii
St. Francis Community Health Services
St. Francis Healthcare Enterprises
St. Francis Residential Care Community
Our Lady of Kea'au

Rising to the Challenge of Meeting Hawaii's Health Care Needs

"I do not think of reward, I am working for God and do so cheerfully."

-- Mother Marianne Cope

The health care needs in our community are great, and at times, can seem overwhelming and insurmountable. We may not be able to come up with solutions overnight, but in keeping with the words of Mother Marianne, we can make a positive difference by doing everything cheerfully. The love of Christ impels us to move forward while we hold steadfast to the values that have been the hallmark of St. Francis Healthcare System in Hawaii: peacemaking, simplicity, charity, and joy.

Historic Turning Point

The year 2007 began on a high note, and that positive momentum reverberated throughout the system during the year. The transfer of St. Francis Medical Center and St. Francis Medical Center-West to Hawaii Medical Center, LLC was realized on January 13, 2007, nearly two years after plans for the divestiture was first announced. Following the sale, St. Francis Healthcare System focused on pre- and post-acute care services, particularly for the needs of Hawaii's senior population.



The transition of the new St. Francis Healthcare System featured multi-cultural entertainment including Chinese lion dancing.

A memorable conglomeration was held in March at Our Lady of Kea'au for employees and their families, Sisters, and board members to celebrate this important turning point in our history and the birth of the new St. Francis Healthcare System. The daylong celebration of fellowship and fun included a Mass, transition ritual, multi-cultural entertainment, games, and delicious food.

Despite being a much leaner organization with some 200 employees, in 2007 St. Francis was able to deliver its re-defined core businesses and at the same time expand services and launch new programs.

To effectively manage the transition process, St. Francis Healthcare System commissioned a comprehensive marketing brand study to ensure the community understood that the operations of St. Francis' entities and programs were continuing. The rebranding process, which is continuing into 2008, is aimed at bringing out the enduring characteristics of strength, innovation, ethical leadership and advocacy as well as warmth, caring and compassion. The development of a new System logo, print and radio ads, printed materials, and the website all reflect the new St. Francis, communicating the relevance of our individual programs and the role of St. Francis in Hawaii's overall health care continuum.

Caring for Our Kupuna

St. Francis Residential Care Community

The needs of Hawaii's fast-growing aging population continue to weigh on our hearts. In 2007, St. Francis reached an important milestone to meet the needs of this important group. In a collaborative effort, Stanford Carr Development, LLC will serve as the development consultant for Franciscan Vistas Ewa, St. Francis Residential Care Community's master planned senior community in Ewa Villages. The proposed model community, targeted for completion in 2010, will offer affordable, accessible housing and supportive care services in one location.



Stanford Carr Development has been selected as the development consultant for Franciscan Vistas Ewa. From left to right: Pamela Witty-Oakland of St. Francis Residential Care Community, Stanford Carr and Sister Agnelle Ching.

Concurrently, St. Francis is moving forward with a program called "Stay Healthy at Home," a new initiative that will serve as a one-stop resource for information and refer-

als. St. Francis has already begun to offer this concierge for services to seniors at existing affordable housing developments, beginning with the state's "Honuakaha" complex in Kakaako.

St. Francis received a two-year state contract to provide medical management services to adults age 60 and older as part of the Stay Healthy at Home program. Jacob Silva, previously with St. Francis Home Care Services, oversees Stay Healthy at Home as program director. It is important to note that this new program is in line with the Joint Legislative Committee on Family Caregiving's findings for centralized accessibility to supportive care. State Senator Les Ihara, Representative John Mizuno and Hawaii's health care leaders who specialize in the care of the elderly, participated in St. Francis Healthcare System's strategic planning retreat to further refine the Stay Healthy at Home concept.

In addition, enrollment at the Franciscan Adult Day Center in Manoa increased to a daily average of 30 participants. The adult day center now has a new program director, Theresa Basta, to continue this positive momentum.

Providing the Basics

St. Francis Health Services for Senior Citizens

St. Francis Health Services for Senior Citizens celebrated 25 years of providing bathing services to frail elderly in 2007. St. Francis was awarded a \$1.785 million contract from the City and County of Honolulu's Elderly Affairs Division of the Department of Community Services, to continue Kupuna Care Personal Care Services to frail elderly for another two years. St. Francis Health Services for Senior Citizens gave 27,475 baths and met its annual quota of serving 490 clients.

Lifeline, a personal emergency response system for seniors and disabled individuals, is part of St. Francis Health Services for Senior Citizens, and increased its client base by 50 percent as a result of more referrals from community presentations.

Bringing Care into the Homes

St. Francis Home Care Services

St. Francis Home Care Services received the "Gold Seal of Approval" from The Joint Commission for demonstrating compliance with rigorous national standards for health care quality and safety. The accreditation

recognized Home Care's excellence in clinical care and is good for three additional years. Last year, the Home Care staff on Oahu and Kauai had 1,549 admissions and made 24,627 home visits.

A Renewed Commitment to End-of-Life Care

St. Francis Hospice

St. Francis Hospice, the only hospice program in the state that is accredited by The Joint Commission, provides hospice care in people's own homes as well as two facilities – The Sister Maureen Keleher Center in Nuuanu and the Maurice J. Sullivan Family Hospice Center in Ewa. The center in Nuuanu opened in 1988, and the center in West Oahu opened in 1997.

In 2007, St. Francis Hospice served 1,141 patients and the number of patient days of hospice care provided in a home setting increased 12 percent over the previous year, from 34,610 patient days to 38,908 days. We anticipate that demand will continue to grow, and St. Francis will be investing in renovations to maintain the two inpatient facilities to prepare for the future.

St. Francis is also known for looking after the psychosocial needs of family members who have loved ones receiving hospice care. St. Francis Hospice continued its series of cultural workshops by highlighting the "Korean Perspective on Death and Dying." St. Francis Hospice also observed National Hospice Month in November with its annual interdenominational memorial service followed by its annual "Light Up a Memory" events at the two hospice centers in December.



St. Francis Hospice's workshop highlighting the Korean perspective on death and dying featured Korean rites.

The hard work and dedication of the St. Francis Hospice staff has not gone unnoticed. In July, Sister Miriam Dionise Cabacungan, OSF received the Professional with Heart Award from the Healthcare Association of

Hawaii (HAH), part of HAH's Home Care and Hospice Caring Awards. And this past fall, St. Francis Hospice's Bereavement Program received a Family Caregiving Award in the "Support" category from KHON's Elderhood Project and the Hawaii Family Caregiver Coalition.

Earlier in the year, Felicia Marquez-Wong, bereavement coordinator, was among those who received a Mother Marianne Award for exemplifying the System's mission and living out the core values of charity, peacemaking, simplicity, and joy. The awards, started in 1999, were especially poignant this past year for two reasons. It was Blessed Marianne's first official Feast Day, the first time it was recognized by the Church, and it was also the last time St. Francis recognized outstanding employees from St. Francis Medical Center and St. Francis Medical Center-West.

Health Education to Prevent Chronic Disease

Parish Nurse/Community Outreach

Parishes continued to play a critical link to reach people with life-changing health information in 2007. In collaboration with a number of parishes, the St. Francis Parish Nurse/Community Outreach program provided monthly health notes to more than 10,000 people. In addition, the parish nurses provided breast cancer awareness sessions to more than 1,350 at Holy Family/St. Philomena parishes, nutrition education to nearly 600 students in grades 3 to 6, and diabetes education to more than 300 young students. In partnership with the Blood Bank of Hawaii, the Parish Nurse/Community Outreach program also provided a faith-based workshop on blood donations, and in 2007 held two blood drives to serve 150 patients in Hawaii.

Community Partnerships That Are Making a Difference

Mobile Care Health Project: Dental Care for the Underserved

The Mobile Care Health Project on the Island of Hawaii is a joint program of St. Francis Community Health Services and the Office for Social Ministry of the Roman Catholic Diocese. It is a shining example of what can happen when people with a shared mission work together:

The Mobile Care Health Project was supported by visiting dentists from the University of Iowa and Columbia University. Through

the Healthy Children, Healthy Smiles Keiki Dental Project, the dentists provided dental services to some 175 underserved children. In May, Mobile Care and the Hamakua Health Center partnered with Waimea schools and the University of Iowa School of Dentistry to provide comprehensive dental services to 97 children. Volunteer dental pediatric residents under the supervision of Dr. Richard Burke received Community Service Licenses and traveled to Hawaii as volunteers to bring needed dental care to underserved children ages 2 through 13.



Dr. Richard Burke, left, of the University of Iowa School of Dentistry was joined by four dental pediatric residents in providing dental services to underserved children in Waimea on the Island of Hawaii.

In June, Pediatric Dentist Dr. Shantanu Lal of Columbia University School of Dentistry contracted with Mobile Care to continue specialized care for 72 children in clinics in Honokaa and Kailua-Kona. Dr. Lal presented "Oral Health and the Physician" to the Medical Staff at Hamakua Health Center and to the West Hawaii Peri-Natal Consortium.

In August, at the Statewide Pu'ukohola Heiau Cultural Festival in Kawaihae, Mobile Care partnered with Papa Ola Lokahi, North Hawaii Community Hospital - Heart/Brain Center and Hamakua Health Center to provide 62 Hawaiian men and women with oral health assessments and education that linked the importance of oral health in the prevention, control and treatment of diabetes, hypertension and heart disease.

Reaching Out to the Homeless in Waianae

Our Lady of Kea'au

Our Lady of Kea'au observed its first full year of serving the homeless who live at Kea'au Beach Park. In 2007, Our Lady of Kea'au volunteers prepared and delivered more than 6,900 meals and also clothing to the homeless who make the beach and surrounding bushes

their home. The St. Francis ministry also hosted more than 30 different religious or other non-profit organizations for retreats, conferences and celebrations with at least three groups each month.



Our Lady of Kea'au staff and community members prepare food for the homeless every Wednesday.

Sister Beatrice Tom, OSF, Chief Administrator of Our Lady of Kea'au, was recognized for her efforts. She received a Distinguished Service Award from the Healthcare Association of Hawaii for her "sustained exemplary service to the health care industry and the citizens of Hawaii" during her tenure as chief executive officer of St. Francis Healthcare System of Hawaii.

Providing Resources for Our Programs St. Francis Healthcare Foundation of Hawaii

Eugene N. Tiwanak retired in January as president of St. Francis Healthcare Foundation after 30 years of dedicated service. He was instrumental in helping the Sisters of St. Francis realize many projects over the years. Sister William Marie Eleniki, OSF, a longtime educator who has been associated with our healthcare system since the 1990s, succeeds him in this key role. The Foundation team works tirelessly to raise funds to keep our programs in operation. One of the major fund raising activities was its annual Golf Healthy Challenge. Held at Kapolei Golf Course, the golf tournament enlisted the support from two major sponsors, Bank of Hawaii and McCorriston Miller Mukai MacKinnon LLP. Continuing a long tradition of success over the past 25 years, the popular annual event netted more than \$57,000 for the Sisters of St. Francis' ministries in Hawaii. In addition, the Foundation presented wealth preservation seminars twice a year as a community service, to provide the public with valuable information on financial planning.



The picturesque Kapolei Golf Course was the setting for St. Francis Healthcare Foundation's Golf Healthy Challenge.

Exploring Complex Issues Behind Health Care

International Ethics Center

The St. Francis International Center for Healthcare Ethics continues to bring difficult issues to the table for open discussion. In 2007, 18 individuals from Hawaii, California and Singapore were trained to become ethics consultants following an intensive five-day course presented by the Ethics Center. The program reviews basic principles for understanding bioethical issues and provides experience in writing ethics consultations through the use of simulated patients and families.

St. Francis Healthcare System Consolidated Balance Sheets as of June 30, 2007

Assets

Total current assets	34,709,257
Total assets whose use is limited or restricted, less current portion	11,498,095
Property, plant and equipment, net	39,183,996
Receivable from sales of businesses, less current portion	59,240,376
Other assets	<u>5,462,215</u>
Total assets	<u>150,093,939</u>

Liabilities and Net Assets

Total current liabilities	21,159,076
Notes payable and long-term debt, less current portion	9,240,000
Other liabilities, less current portion	<u>39,114,308</u>
Total liabilities	69,513,384

Total net assets	<u>80,580,555</u>
Total liabilities and net assets	<u>150,093,939</u>

Consolidated Statements of Unrestricted Revenues and Expenses for the Year Ended June 30, 2007

Unrestricted revenues	28,159,751
Expenses	(28,813,038)
Other revenue	<u>3,527,117</u>
Excess of revenues over expenses	2,873,830
Loss from discontinued operations	<u>(5,453,672)</u>
Deficiency of revenues over expenses	<u>(2,579,842)</u>

St. Francis Healthcare Foundation TOTAL PHILANTHROPY

(Fiscal Year July 1, 2006 - June 30, 2007)

Individuals	\$1,041,387
Foundations and Eleemosynary Organizations	\$214,422
Corporations, Business, Government	\$295,722
TOTAL	\$1,551,531

PERCENT OF TOTAL PHILANTHROPY



TOTAL DONORS

(Fiscal Year July 1, 2006 - June 30, 2007)

Individuals	599
Foundations and Eleemosynary Organizations	17
Corporations, Business, Government	214
TOTAL	830

Transforming Into a Vibrant, Resilient Health Care Organization

Making quality health care accessible and affordable continued to be a top priority in Hawaii as well as the rest of the nation in 2007. As medical costs continue to rise, there is unprecedented pressure on health care facilities to provide more for patients with less reimbursement. No health care facility has been immune from these challenges. Yet it is against this backdrop that St. Francis Healthcare System has emerged as a new, more vibrant organization to meet the needs of Hawaii's people this past year.

The Bible reminds us that "God can multiply his favors among you so that you may always have enough of everything and even a surplus for good works." We have definitely witnessed God's grace bestowed upon St. Francis this past year that has allowed us to move forward with our strategic plan and develop new programs to meet the needs of others.

Defining Our Niche

The divestiture of our two acute care medical centers in early 2007 was the first step in our vision to refocus our energies. This set the stage for St. Francis Healthcare System and our entities to focus exclusively on services outside a hospital setting in keeping with our long-range strategic plans. Preventive care and post-acute care have always been strengths of the St. Francis Healthcare System team; and in 2007, we better defined our role in the community. We fill an important niche as virtually all of our services alleviate the financial pressure on Hawaii's other health care organizations as well as consumers with programs designed to provide affordable alternatives to hospital stays or to eliminate or delay the need for them altogether.

The Vision Unfolds

Providing a fair and equitable health care delivery system that values the dignity of all continued to be a driving force behind our decisions. To move our mission forward, we also looked at partnerships to strengthen and augment our experiences in health care.

Health care and the needs of Hawaii's people are rapidly changing. The St. Francis team puts tremendous effort in anticipating these needs and investing resources to remain at the forefront. On behalf of the boards of our various St. Francis entities and the staff and volunteers, I would like to share my heartfelt appreciation for all of our supporters who also care deeply for Hawaii's people and share our vision to improve the quality of their lives.

Mahalo and God bless you,



Sister Agnelle Ching, OSF
Chief Executive Officer
St. Francis Healthcare System of Hawaii

MISSION STATEMENT

We are a Catholic healthcare system, sponsored by the Sisters of St. Francis, committed to creating healthy communities in the spirit of Christ's Healing Ministry.



St. Francis Healthcare System of Hawaii
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Celebrating the Legacy of Caring

The Sisters of St. Francis kicked off a yearlong celebration of their 125th anniversary in Hawaii on November 8 with a Mass at the Cathedral of Our Lady of Peace. The celebration will culminate this coming November 8 with a closing liturgy featuring a reenactment of the Sisters' arrival in Hawaii with a royal welcome and a horse-drawn carriage through downtown Honolulu. The theme of the celebration is "Women of Vision, Women of Risk: Celebrating 125 Years of Service in Hawaii."



The Sisters of St. Francis held their opening liturgy presided by Bishop Larry Silva at the Cathedral of Our Lady of Peace. From left, Sister Alicia Damien Lau, Sister Marie Jose Romano, Bishop Silva, Sister Jovita Agustin, Sister Agnelle Ching and Sister Frances Kowalski, General Councilor for the Sisters of St. Francis.

commemorative calendar featuring "The Kalaupapa Collection," stunning images taken at Kalaupapa, Molokai by Hawaii's prominent fine arts photographer Kim Taylor Reece.

Throughout their 125 years in Hawaii, the Sisters have been committed to meeting the health and educational needs in the community. They came to Hawaii in response to King Kalakaua's plea to care for the people afflicted with Hansen's disease. No other religious community in the United States, Canada and Europe was willing to come to the aid of the forsaken people.

One of the major anniversary activities was the production of a 2008 limited edition,

----- Cut along dotted line and mail back in an envelope -----

YES! I would like to support the Franciscan Sisters' health care services and programs in Hawaii. Here is my gift to St. Francis Healthcare Foundation.

I would like my donation to be designated for:

(name of service or program)

Enclosed is my donation of \$ _____

Please charge my credit card (check one):

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3 Digit Security Code _____
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Signature _____

Name(s) _____

Address _____

City _____ State _____ Zip _____

Daytime Telephone _____

St. Francis Healthcare Foundation of Hawaii is a 501(c)(3) Tax Exempt Organization, Federal Tax ID #99-0240060. Your gift qualifies as a charitable deduction for income tax purposes.

Please make your check payable to St. Francis Healthcare Foundation. Mail this completed form along with your donation to:

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 2228 Liliha Street, Suite 205 • Honolulu, HI 96817 • 808-547-6877

Mahalo for your consideration.

NOTICE OF PRIVACY PRACTICES Please write to us at our address if you wish to have your name removed from the list to receive fundraising requests supporting St. Francis Healthcare System of Hawaii and its subsidiaries.