In health care, precision counts.

Proton therapy, the most powerful combination of high-energy physics and radiation technology, is propelling cancer treatment into the 21st century and beyond. As a health care leader and innovator, Scripps is committed to transforming medicine, improving health care, and saving patients’ lives.

In the field of cancer treatment, nothing is as precise as the proton beam. The beam is so precise that it is measured at approximately one millimeter – smaller than the size of the head of a pin.

This life-enhancing therapy, used to treat cancerous tumors, is one of the key technological advances in our lifetime. In a unique partnership, Scripps is bringing it to San Diego for the benefit of cancer patients throughout the Southwestern United States. Construction is now under way on Scripps Proton Therapy Center, which will be the second proton therapy center in California and the West.
While other health care organizations are bracing to deal with the financial effects of health care reform, Scripps is leading the way. Across our five hospital campuses and 23 outpatient centers throughout San Diego, we have initiated a comprehensive restructuring effort to identify and eliminate unnecessary variations in how we deliver care and how we operate our facilities. We are adopting new best practices that improve quality and access to care, while being more efficient in how we provide it.

We will make these improvements through the work of our dedicated physicians and employees. We are proud to be one of Fortune magazine’s 100 Best Places to Work For, and recognize the vital role of our team in our success.

As a nonprofit health care system, these changes will ensure we remain financially strong so that we continue to meet the health care needs of our patients and their families now – and for generations to come. It’s our promise.

That promise is kept daily by more than 13,000 employees and 2,600 physicians caring for a half-million patients annually.

Always looking forward, we continue to grow to meet the health care needs of San Diego and beyond – from the expansion projects on each of our campuses, to plans to build Scripps Cardiovascular Institute, which will be a leading center for the diagnosis, treatment and research of heart disease.

In this report, you will see examples of how Scripps physicians, nurses and other health care professionals make a profound difference in the lives of our patients through innovation, education, research and collaboration. Our founder, Ellen Browning Scripps, once said, “The most important gift one person can give to another is to make life a little better to live.” And I am proud to say that Miss Ellen’s legacy of care and compassion has never been stronger than it is today at Scripps.

Chris Van Gorder, FACHE
Scripps President and CEO
A New Frontier in Cancer Care

When a Scripps cancer patient talks, a team of compassionate experts from across the Scripps system listens.

Scripps Cancer Center patients have a network of advanced care at their fingertips – no matter at which Scripps hospital or clinic they are treated, or which physician they see. As the first multi-hospital cancer program in California to receive the prestigious Network Cancer Program Accreditation from the American College of Surgeons Commission on Cancer, Scripps Cancer Center provides patients with access to cancer care resources across the Scripps system. Leadership of the cancer center is based on a co-management model, with physicians working in collaboration with hospital leadership to ensure the highest-quality and most cost-effective care.

That translates into the resources of five hospital campuses and more than 300 affiliated physicians in 22 different specialties working collaboratively on the prevention, early detection and coordinated treatment of cancer. Network accreditation also fosters cancer research through clinical trials with new diagnostics and drug therapies for patients.

A myriad of leading-edge services are currently available to every cancer patient across the network:

- In 1980, Scripps opened San Diego County’s first blood and marrow transplant program, and during the past 30 years the program’s patient survival rate has doubled. In 2010, the program received the Center of Excellence designation from the California Department of Health Care Services.

- Scripps Polster Breast Care Center, which is nationally accredited by the American College of Surgeons, offers personalized, compassionate breast care in one convenient location.

- Scripps minimally invasive robotic surgery program provides unparalleled treatment options and is the fastest growing robotic surgery program in the county.

- The most recent development in Scripps’ never-ending quest to bring the best and most advanced care to patients is Scripps Proton Therapy Center, currently under construction.
Beam of Hope

When Scripps Proton Therapy Center opens its doors in spring 2013 in Mira Mesa, cancer patients will have access to one of the most advanced technologies and treatments of the 21st century – the proton beam.

As part of a unique partnership that is funded by Advanced Particle Therapy, the 102-square-foot facility is the first proton therapy center in San Diego County and only the second in the Western United States. The centerpiece is the superconducting 90-ton cyclotron with magnets and electric fields that can accelerate protons to super speed, about 100,000 miles per second. It sends the protons through computer-guided piping into five treatment rooms to destroy cancer malignancies up to 14 inches deep. While a patient lies comfortably on a bed, a beam of protons targets the tumor with control and precision unavailable through other radiation treatments.

Protons destroy tumors just as X-rays do, but they are far more precise because they can release most of their radiation directly onto the tumor and nowhere else, sparing healthy tissue. Since proton beam therapy is an outpatient service, patients will find the treatment convenient and efficient. The patient is able to walk out and return home after completing treatment that day.

“Scripps is committed to consistently providing the highest quality of cancer care across our network of hospitals, clinics and affiliated physicians’ offices. Our patients have peace of mind knowing they’ll receive the very best cancer care close to home, while having access to the latest specialized technologies, clinical trials and services as needed at other Scripps locations.”

– William Stanton, MD
Chair, Scripps Cancer Center Network Program
Another tool in Scripps’ arsenal against cancer is a new state-of-the-art radiation oncology center, which will open in 2012. Scripps Radiation Therapy Center will feature one of the most advanced technologies of its kind in the world for treating cancer.

In May 2011, Scripps celebrated the groundbreaking of the $44 million treatment center. Located on the Torrey Pines Mesa, the 41,000-square-foot facility will consolidate all of the existing radiation oncology programs at Scripps Green Hospital and Scripps Memorial Hospital La Jolla under one roof, making it more convenient for patients to receive care. All cancer center patients and Scripps-affiliated physicians will be able to use the services at the two-story center.

In the vanguard of radiation treatment, Scripps Radiation Therapy Center will feature three powerful and precise linear accelerators that deliver beams of radioactive particles. Carefully calculated doses of high-energy radiation speed along a straight line, damaging or killing cancer cells with pinpoint accuracy.
Rebounding from Prostate Cancer

As men’s basketball coach for San Diego State University, Steve Fisher knows what it takes to win: teamwork. And as a cancer survivor, he knows what it also takes to beat the odds: a stellar team of cancer specialists armed with state-of-the-art technology.

Fisher’s life changed the day he was diagnosed with prostate cancer. After diligent research, Fisher discovered the minimally invasive robotic surgery program at Scripps. An alternative to more invasive surgery, robotic surgery using the da Vinci surgical system is performed through minimal incisions and results in less blood loss, less risk of infection, less pain and less scarring.

“I’m old school,” says Fisher with a chuckle. “I was the last on the block to get direct deposit of my paycheck. I had to feel it, take it to the bank and put in the bank myself. But, once you learn about robotic surgery, you see the benefits.”

Fisher declares his was a “textbook” surgery at Scripps Mercy Hospital. He spent one night in the hospital and then the next day was able to relax and sit out on the patio with his wife, Angie. He says most people never even knew he had the surgery.

“If I had to tell my own son where to go, it would be right here at Scripps. I could have gone anywhere in the world and not have been treated better than I was at Scripps. I feel great.”

– Steve Fisher, San Diego State Men’s Basketball Coach
Leading the Way in Heart Care

At the forefront of cardiovascular care, Scripps is consistently honored as a heart care leader for innovative care, expansive scope of services and unparalleled commitment to quality, including being named in 2010-11 as one of America’s Best Hospitals for Heart Care and Heart Surgery by U.S. News & World Report.*

Scripps offers the latest in detection and treatment of heart disease, including the newest cardiovascular treatments, electrophysiology procedures, valve replacement and cardiac robotic surgery. Through wireless health care, Scripps is transforming medicine in unprecedented ways, through the use of sensors to monitor heart rhythms, blood pressure, vital signs and more. These technologically sophisticated procedures — many of which are available nowhere else — are frequently performed by physicians who have earned international acclaim for cardiac care. In addition, landmark clinical trials and other scientific endeavors translate research results into improved patient care, often bringing results from “bench to bedside” to immediately benefit patients.

More than 55,000 patients receive their heart care from Scripps every year. Scripps is a statewide leader, performing more cardiovascular procedures than any other heart care program in California. Studies show that higher volumes result in better patient outcomes. Simply, those who do more, do it best.

This powerful synergy of quality, expertise and experience has established Scripps as the premier provider of heart care in the region.

* See page 37.
Technology Meets Expertise with Robotic Cardiothoracic Surgery

Scripps has the fastest growing robotic cardiothoracic surgery program in San Diego County.

Robot-assisted cardiothoracic surgery provides surgeons and patients with a highly effective, less invasive treatment alternative for even the most complex cardiothoracic procedures. Rather than making a large incision through the sternum to gain access to the heart, Scripps cardiothoracic surgeons use remotely controlled instruments to repair damaged mitral valves through a smaller incision at the side of the chest. The surgical instruments are connected to thin, robotic arms; the surgeon controls their movements from a nearby console where a high-definition camera provides a magnified, three-dimensional view of the operating field. The robotic movements mimic the real-time movements of the surgeon’s hand, down to the slightest turn of the wrist.

Among the potential benefits of robot-assisted cardiothoracic surgery are smaller incisions, a reduced risk of infection, shorter hospital stays, less pain and scarring, faster recovery and a quicker return to normal activities.

“From investment in the technology and ongoing funding for the program to having world-class proctors come to the hospital and train us in these procedures, Scripps is fully committed to being the leader in robotic surgery.”

– James Hemp, MD
Scripps Cardiothoracic Surgeon

Heartfelt Thanks

When Murray Galinson, 74, was diagnosed with a leaking mitral heart valve in 2008, he wanted the best possible treatment. An active community supporter who had founded San Diego National Bank and was its president and chief executive, Galinson was not willing to risk the respiratory symptoms and congestive heart failure that could result from his leaky valve, so he turned to Scripps for care.

Scripps Clinic cardiothoracic surgeon James Hemp, MD, repaired Galinson’s mitral valve via minimally invasive robotic surgery using the da Vinci robotic surgical system. After four and a half days in the hospital, Galinson returned home. Within three weeks, he was back to his routine of walking to the office, and was soon able to resume his daily two- to three-mile walks.

“I’d heard of robotic surgery before, but never for cardiac surgery,” Galinson says. “I was very pleased that this amazing technology was recommended for my surgery. It got me out of the hospital in a matter of days, rather than weeks.”

Galinson has since retired from the bank, but he is as active as ever. He serves on the board of directors for The Weingart Foundation, is vice chair of the board at The Leichtag Foundation, and is a board member at San Diego Grantmakers and California Western School of Law. He still takes his daily walks, works out several times a week, and plays with his grandchildren. He hasn’t needed any additional heart care, and says he is feeling great.

“Scripps is as good as it gets,” says Galinson. “The quality of care was impeccable, the innovation incredible, plus the concern for me and my family far exceeded my expectations. Quite simply, we were treated like family.”
Scripps’ unparalleled innovation and technological advances continue to set new standards for heart care. A Scripps physician invented the cardiac stent, now a standard treatment in repairing blocked arteries. Scripps was the first hospital in the United States to use minimally invasive tools to remove plaque from coronary arteries. Scripps was also first in the U.S. to use a dual chamber implantable defibrillator in the prevention of sudden death.

Recently, Scripps became one of the first institutions to replace aortic valves using a catheter inserted through the femoral artery, a much less invasive procedure compared to conventional open heart surgery. Scripps cardiologists participated in the innovative PARTNER (Placement of AoRtic traNs catheterER valves) clinical research trial, which compared transcatheter aortic valve replacement (tAVR) with conventional open heart surgery in high-risk patients.

Annually, about 200,000 people in the U.S. need a heart valve replacement, but nearly half do not receive one because they’re too sick to tolerate conventional open heart surgery. In the PARTNER trial, the valve is placed via a catheter inserted through an artery in the patient’s leg, or directly through the left ventricle of the heart via a small incision in the chest. These techniques eliminate the need for a major open heart surgery.

“This procedure may represent a new treatment option for heart valve replacement that is less invasive, safer and more cost effective compared to open heart surgery. It can potentially improve the quality of life for hundreds of thousands of heart patients suffering with severe aortic stenosis.”

– Paul Teirstein, MD
Scripps Interventional Cardiologist
The Regional Destination for Heart Care: Scripps Cardiovascular Institute

When Scripps Cardiovascular Institute (SCI) opens it doors in 2015, it will usher in a new era of medicine and will redefine the heart care of tomorrow. Combining the renowned cardiac programs across the Scripps system with Kaiser Permanente, SCI will be the largest facility of its type in San Diego County and will serve as the destination hospital for heart care on the West Coast. Patients will have access to the nation’s top cardiac experts, most advanced diagnostics, innovative treatments and latest research findings in the fight against heart disease.

SCI will be an impressive addition to the campus of Scripps Memorial Hospital La Jolla. The building will have eight floors and will span 358,000 square feet of integrated patient care, from prevention and health promotion to advanced diagnostics, surgical and interventional procedures.

- In new catheterization labs, angioplasty and stent procedures will repair blocked arteries, while electrophysiology procedures will regulate erratic heart rhythms.
- Operating suites will accommodate robotics.
- Care for patients with complex cardiovascular conditions will be streamlined in hybrid suites where catheter-based procedures will be performed in tandem with heart surgery.
- Up-to-the-minute cardiac imaging will guarantee timely diagnosis. As an added plus, much of the imaging equipment will be portable, bringing imaging services directly to patients.
- Wireless technology will monitor patients’ vital signs, heart arrhythmias and more.

“Our vision is to build the world’s finest cardiovascular institute right here in San Diego. Scripps Cardiovascular Institute will bring together the clinical expertise of world-renowned physicians, the most advanced technology and groundbreaking clinical research.”
– Chris Van Gorder
Scripps Health President and CEO
Imagine being able to accurately predict your individual risk of developing certain diseases five, 10 or 20 years from now – and know how well your body will respond to various treatments. Though such highly individualized medicine sounds like a revolutionary concept, it’s already happening at Scripps.

By studying the unique genetic structures and DNA that create a customized blueprint for every human being, Scripps researchers and physicians are more accurately and effectively diagnosing and treating illness, assessing future risk, and even helping prevent disease in individual patients.

During the past several years, Scripps has spearheaded a number of landmark studies designed to categorize and evaluate the genetic profiles of individual patients through state-of-the-art science and technology. From a first-of-its-kind genetic scan that identifies increased risk of a wide range of serious diseases to studies that help physicians tailor treatments according to specific gene variations, Scripps is at the forefront of individualized medicine research. Results of these groundbreaking genetic studies have already enabled Scripps physicians and researchers to offer individualized care to patients.

“Medicine today is widely practiced at a population level, with general guidelines for large groups,” says Eric Topol, MD, director, Scripps Translational Science Institute. “At Scripps, we recognize that each individual is completely unique. Part of that can be determined through genomes, and part through physiological measurements like glucose, blood pressure, heart rhythm and other metrics. These enable us to establish far more information about individual patients than ever before, and translate that into valuable knowledge about their risks for disease, responses to treatment and prevention strategies.”

“We can define a human being today in a way that has never been possible in the past, and that enables this whole concept of individualized medicine and true prevention, which is so exciting. This is a momentous time in medicine – to be able to understand an individual’s unique ‘black box.’”

- Eric Topol, MD, Director
  Scripps Translational Science Institute
In 2007, Scripps was the first and only health system in the nation to offer an innovative genetic study that gave participants a detailed scan of their individual genome based on DNA. Scripps Genomic Health Initiative (SGHI) assessed individual genetic risk for more than 20 health conditions, including such diseases as breast cancer, colon cancer, glaucoma, heart attack, multiple sclerosis, Type 2 diabetes, Alzheimer’s, lung cancer and macular degeneration.

Each participant received a personal genetic report, along with information and recommendations to help prevent various conditions through healthier behavior, such as diet and exercise. Participants agreed to track their lifestyle changes through follow-up studies over the next 20 years.

In January 2011, The New England Journal of Medicine published the first results from the study. More than a quarter of participants reported improving their diet and exercise, and about half said they planned to seek additional medical screenings, such as a mammogram or glucose test, as a result of their genetic profile.

“My mother and I enrolled in the Scripps Genomic Health Initiative together to see if we were genetically predisposed to any health conditions. As a result, we have both made lifestyle changes. I incorporate exercise in my daily routine, from taking the stairs at work to walking and riding my bike around the neighborhood.”

— Sarah Clarke, Nurse Practitioner
Scripps Clinic Interventional Cardiology
Genetic Testing in Heart Care

Scripps was also first in the United States to apply genotyping to improve heart care. Already a renowned leader in cardiovascular care, Scripps now offers genetic testing to patients about to undergo stent procedures to determine their ability to respond to Plavix (clopidrogel), an anti-clotting drug given to most coronary stent patients. The test identifies common gene variants linked to the inability to metabolize Plavix; patients who have these variants carry double or triple the risk of death, heart attack or stroke compared to people without them. As a result of the testing and other metrics, physicians can offer these higher-risk patients treatment options and follow-up care tailored to their genetic profiles. Moreover, Scripps is moving forward with groundbreaking research to accelerate the genotyping process, enabling physicians to obtain results in less than an hour rather than several days.

“Thank you for helping me access the gene test. Though I had planned to switch to clopidrogel, the results indicated that I am a non-responder. I truly appreciate the wonderful work Scripps is doing in genomic medicine.”

– Ed Funkhouser
Plavix Study Participant

Genetic testing for this population carries significant implications for patient care. More than 1 million people undergo stent procedures in the U.S. every year. The gene variants associated with an inability to metabolize Plavix occur in more than 30 percent of people of European ancestry and more than 40 percent of those of African or Asian ancestry.

In addition to genotyping, Scripps physicians use a bedside test to measure patients’ platelet response to Plavix and determine how well the drug is working. Scripps also led an international multicenter randomized clinical trial, published in The Journal of the American Medical Association in March 2011, which studied the effectiveness of Plavix dosage changes based on patients’ measured responses.

“We’re not only using individualized medicine with our patients, we’re moving the field forward,” says Scripps Clinic interventional cardiologist Matthew Price, MD. “We know that people metabolize and respond to drugs differently and much of that is based on DNA. By using genetics and other novel diagnostic tests, we can select the right amount of the right drug for a particular patient, as well as measure the response to ensure the best results.”
Personalizing Hepatitis C Treatment

Genetic testing under way at Scripps offers hope to the more than 4 million U.S. patients diagnosed annually with hepatitis C, many of whom suffer unpleasant side effects from interferon therapy. Commonly prescribed for this condition, interferon causes flu-like symptoms and costs more than $50,000 annually per patient. Scripps researchers use genetic testing to identify a common gene variant that predicts successful treatment using a combination therapy of interferon and ribavirin.

Specialists at Scripps Clinic now routinely order this genotyping on all hepatitis C patients who are potential candidates for antiviral therapy. Patients who have a favorable genotype can follow the current standard of care; for those with a less favorable genotype, doctors can recommend waiting for FDA approval of direct-acting antiviral drugs to improve their chances of response.

“I’m very impressed with the research Scripps is doing and glad to be able to contribute to it,” says Loretta Roberts, a study participant. “The more information they find out about each viral type, the more it will help other patients in the future, including my son who contracted hepatitis C during my pregnancy.”

Later this year, Scripps researchers plan to offer an additional test to accurately predict anemia in hepatitis C patients taking the pegylated interferon and ribavirin drug combination. Anemia is one of the most common side effects of the regimen; this new genetic test will enable doctors to individualize therapy to prevent this problematic side effect.

“This is a huge step forward in the movement toward individualized medicine. As a physician, knowing which drug therapies will have benefit and which ones won’t based on a patient’s genotype is a significant breakthrough. Now, we are able to target each patient’s treatment.”

-Paul J. Pockros, MD, Clinical Director of Research
Scripps Translational Science Institute

As part of a clinical trial for hepatitis C patients, Loretta Roberts has received genetic testing to determine that for the best response, she needs a combination of antiviral therapies.
Scripps Clinic is celebrating more than 30 years as the official health care provider of the San Diego Padres. Orthopedic specialists at Scripps Clinic are focused on new and innovative ways of caring for the team, and how their work with the Padres can translate from the specialized treatment of these high-performing professional athletes to the enhanced care of other orthopedic patients.

Technology is at the forefront of sports medicine, including the development of a new iPad app, a Wii remote range-of-motion device, and the use of 3-D imaging of the shoulder to measure stress on muscles—all to keep better tabs on a player’s health.

“Scripps doctors and Padres trainers have done a great job of keeping our players on the field—and if they do get injured, helping them return as high performers,” says San Diego Padres Manager Bud Black.

A first-of-its-kind program using the Wii video game device is used to measure shoulder movement. Now in its second generation with enhanced technology, the application gives physicians an accurate starting point to work from, in case players encounter trouble later in the year. Heinz Hoenecke, MD, and Daryl D’Lima, MD, collaborated on the development of the technology. The goal of the device is to help doctors to measure players’ flexibility and spot potential trouble spots early, before they become injuries.

In his fourth season with the San Diego Padres, relief pitcher Mike Adams throws a fastball at more than 90 mph. The repetitive motion can cause strain on his shoulder.
Technology Firsts

The San Diego Padres are believed to be the first team in Major League Baseball to use iPad and iPhone technology as part of a pitcher’s care. Dr. Hoenecke says the new app he developed will provide trainers with accurate day-to-day reporting of their health symptoms, charted out clearly with graphics and statistics. Data is stored on a secure server and is accessible only by the team – and Scripps doctors if medical intervention is needed.

These examples and more are part of extensive research conducted over the last eight years at Scripps. Dr. Hoenecke's work has led to important changes in how shoulder injuries are treated. His breakthrough research began with the goal of finding the best way to implant and align prosthetic shoulders, which he found was different and more complex than other weight-bearing extremities, such as knees and hips.

Knowledge gained from the research has enabled Scripps to develop an expertise in positioning and refining the alignment of shoulder prostheses. Using a 3-D shoulder simulator model, physicians have the ability to perform virtual surgeries on a laptop computer in preparation for a procedure.

The research, technology and care helps lead to “saves” on the field for Padres pitchers and better health assessments and treatment options for recreational athletes who rely on Scripps for orthopedic care.

“Throwing a baseball at a high speed is not a natural movement. Whenever I have an ache or pain, I turn to my Scripps doctors, and they explain the mechanics of the pitching motion. I have learned a lot about how to avoid shoulder injuries that way.”

– Mike Adams
San Diego Padres Relief Pitcher

Orthopedic physicians at Scripps are focused on finding innovative approaches to preventing injuries and treating athletes, and technology plays a big role in that quest. We’re proud that a wide range of athletes trust us with their care, from elite-level competitors all the way to the recreational sports enthusiast.”

– Heinz Hoenecke, MD, Scripps Clinic Surgeon and Head Team Physician for the San Diego Padres

As the official health care provider of the San Diego Padres, Scripps Clinic orthopedic physicians are using innovative approaches to treating athletes, including San Diego Padres relief pitcher Mike Adams. Heinz Hoenecke, MD, is using Wii video game technology to identify potential problems with players’ range of motion to avoid injuries.
Scripps is preparing for significant changes coming in the next several years as a result of health care reform and the struggling economy.

Scripps President and CEO Chris Van Gorder announced a major strategic move in 2010: a proactive new co-management structure designed to prepare Scripps to meet these challenges head on while continuing to provide superior quality care to patients and the community.

Working together horizontally across campuses instead of just vertically within them, Scripps administrators, physicians and employees are collaborating on rigorous, in-depth decisions that will benefit the organization and patients by eliminating redundancies, reducing variations and adopting consistent best practices in policies, procedures, equipment and services – all to help create a sustainable, seamless health system where quality, efficiency and value are strengthened, not sacrificed.

“Scripps’ intention is that our patients will receive the same consistent, quality standards of care at every Scripps facility across the system, inpatient and outpatient,” explains Mary Ellen Doyle, corporate vice president of nursing operations. “At the end of the day for our patients, it is about value, and value is delivering the highest-quality care at the lowest cost.”

Examples from across the Scripps system illustrate how horizontal co-management is already improving care, reducing costs and enhancing patient satisfaction across the system – and many more are in the works.
Scripps Mercy Hospital was the first in California to implement an innovative, patient-focused process that has transformed emergency care and virtually eliminated wait times.

The transformation began in early 2010, when physicians, nurses and technicians partnered with ancillary and support leaders from across the Scripps system in a six-day workshop focused on improving patients’ emergency care experience, including streamlining processes, improving “door-to-doctor” assessment times, eliminating the need to send ambulances to a different site, and reducing the number of patients who left without being treated. A computer simulation model and 30-day pilot project with real patients helped refine the process; both Scripps Mercy San Diego and Chula Vista campuses put it into action in February 2010.

Now, patients are greeted, quickly registered, and immediately assessed by a nurse to determine whether they will likely be treated and discharged, or admitted to the hospital. A detailed assessment by a physician and nurse team follows, and tests are ordered, if needed. The physician then treats the patient, who is cared for by a team of nurses until discharge. Radiology, laboratory, engineering and information services departments have also made changes to support the new protocol.

From increased efficiency and patient satisfaction to decreased wait times and shorter stays, the redesign has been a resounding success. As a result of Scripps Mercy’s achievement, the new process is now in place at all four Scripps emergency departments and Scripps Clinic Torrey Pines Urgent Care.

“Our physicians, nurses and staff worked together to develop a consistent, patient-focused approach to delivering emergency care. The patients’ responses to the shortened wait times have been overwhelmingly positive.”

– Davis Cracroft, MD
Emergency Medicine Physician
Scripps Medical Laboratory is another horizontal integration success story. For several years, management from clinical laboratories across the system has been working to streamline, standardize and integrate all lab services. The new co-management structure brings pathologists and administration together to design, build and operate one unified lab at Scripps.

Formulating More Effective Lab Services

Scripps Medical Laboratory uses automation to reduce the number of analyzers, processing steps and manual tasks. The automation solution provides a more efficient work flow, improves productivity and decreases the cost and complexity of managing the laboratory.

Already, patients and the organization are enjoying real benefits from this new structure. Patients can now call one number to find out about available lab appointments anywhere in the system, rather than just at one site. Procedures that used to be outsourced are now done in-house with less expense because of shared access to staff and equipment. In-house testing also brings quality improvement to patients and physicians, with faster turnaround times than were previously possible from an outside laboratory.

Specialized technical committees composed of clinical laboratory scientists and pathologists have systematically reviewed every lab test offered at Scripps and made decisions to standardize instrumentation, procedures and reference ranges where possible. Variations in laboratory computer programming are also being eliminated, so that all labs will use the same codes to order tests and enter results. These decisions to standardize laboratory testing will reduce the risk of errors, improve efficiency and bring about cost savings.

“Once separate laboratory information systems are now being integrated into a single database, so that no matter where a patient has their lab work done – in the physician’s office, at a laboratory site, in the emergency room or hospital – the systems communicate with each other and with the patient’s electronic medical record,” explains Chris Nicholson, senior administrative director of Scripps Medical Laboratory.
Rethinking Rehab Care

The horizontal alignment between hospitals is already having a profound effect on rehabilitation care, as a growing partnership between Scripps Mercy Hospital San Diego and Scripps Memorial Hospital Encinitas changes the way acute inpatient rehabilitative care is delivered to patients.

With nearly 90,000 emergency department visits annually, Scripps Mercy has one of the busiest trauma centers in San Diego County. Many of these patients, such as stroke or car accident survivors, require rehab before being discharged. Prior to the restructuring, Scripps Mercy patients had historically been transferred outside of Scripps for rehab care – despite the fact that Scripps Encinitas has a nationally recognized, 30-bed inpatient rehab center.

Scripps brought together a team of physicians, nurses, case managers, social workers, therapists and financial staff from both campuses to develop a process for the safe, effective and timely transfer of these patients from Scripps Mercy to Scripps Encinitas. The new system approach enables patients to receive comprehensive, coordinated care using resources from across the Scripps system.

Upon discharge from inpatient rehabilitation at Scripps Encinitas, some patients continue their rehab care with Scripps home health therapists. This is often followed by outpatient rehab at a Scripps facility. The partnership enables patients to consistently receive the Scripps’ personalized rehab care they need from start to finish to regain independence and restore quality of life.

“The Scripps Encinitas has one of the best rehabilitation facilities in Southern California, and by working together we’re helping ensure our patients receive the most comprehensive rehab care available in this region.”

– Michael Lobatz, MD
System Medical Director for Rehab Services
An Idea Ahead of Its Time

Physician Co-Management

More than a decade before health care reform mandated that physicians and administrators work together to develop smarter, more cost-effective approaches to medical care, Scripps was already making it happen.

In 2001, Scripps President and CEO Chris Van Gorder established the Physician Leadership Cabinet (PLC). His vision was to bring medical and administrative leaders together to focus on a common goal – to make joint decisions that are in the best interest of every patient, every time.

Founded on the basic tenet that neither physicians nor administrators could be truly successful independent of one another, the PLC includes chief executive officers, chiefs of staff, chiefs of staff-elect from each of the five hospital campuses, and the corporate vice president of nursing operations.

Van Gorder co-chairs the PLC with Chief Medical Officer and Corporate Senior Vice President Brent Eastman, MD. The group meets to share information and address challenging issues as a team. Though the PLC was established as an advisory group, Scripps has accepted 100 percent of its recommendations to date.

“It made sense that if physicians, administrators and executive leaders all had the same information and analyzed the same data with the goal of doing what is best for our patients, we would all come to the same conclusions,” says Dr. Eastman. “Over the past 10 years, that collaboration has helped us reach solutions together that neither side would likely have arrived at separately.”
One example of how physician co-management is directly benefitting Scripps patients is cancer care. When Scripps was preparing for accreditation by the Commission on Cancer in 2006, our oncology physicians and executive team jointly committed to achieving quality and operational standards at our five hospital campuses. The collaboration and operational transparency required to achieve accreditation was the springboard for a co-management model that continues to evolve to improve patient care and outcomes.

Scripps now uses a multidisciplinary co-management model to ensure the best possible quality and outcomes for patients at every site. Additionally, Scripps leadership has established quality and operational task forces and work groups to identify and implement best practices for areas, including breast cancer, lung cancer, chemotherapy, colorectal screening and genetic testing; with each work group chaired by a physician. The benefits of this co-management structure include improved outcomes and patient satisfaction, increased operational efficiencies and greater physician communication.

In 2009, Scripps added the Physician Business Leadership Cabinet (PBLC), which includes elected medical group leaders.

Through the PLC and PBLC, Scripps continues to build the foundation for more physician co-management and more effective management of clinical care. Increasing collaboration throughout the organization will lay the groundwork for integrated delivery systems.

In 2011, Scripps selected physician leader James LaBelle, MD, to serve as corporate vice president of quality, medical management and physician co-management. Working in conjunction with our chief executives, Dr. LaBelle leads the work to develop a co-management structure that empowers the physicians to improve the value of care. In addition, he supervises our case management, hospitalist and intensivist programs.

“The key to the future is providing value by managing quality and cost. We don’t know the exact business model that will result from health care reform, but if we wait to find out it will be too late. The time to come together and get in front of this is now.”

— James LaBelle, MD

Corporate VP of Quality, Medical Management and Physician Co-Management
Scripps Health has been training future physicians longer than any other institution in San Diego, and that legacy continues today with three nationally respected graduate medical education programs.

Measured by in-training scores, board pass rates, trainee research productivity, national leadership appointments and ongoing community service, Scripps residents rank among the top in the nation. And with 58 percent of program graduates remaining within the Scripps Health system, GME remains one of our strongest physician recruitment tools.

Scripps Mercy Hospital’s Graduate Medical Education (GME) Program began in 1946, and through the years has set a gold standard for innovation and leadership. With a list of graduates including dozens of nationally prominent researchers and clinicians, the program’s 16-year internal medicine board pass rate of 100 percent establishes Scripps Mercy’s place among outstanding institutions like Harvard and Johns Hopkins.

In March 2011, Scripps Green Hospital was named one of the nation’s top teaching hospitals by Thomson Reuters. The Scripps Clinic and Scripps Green Hospital Internal Medicine Residency Program engages young physicians in basic science and clinical research as an integral part of their education.

Scripps’ newest GME program, the Scripps Mercy Hospital Chula Vista Family Medicine Residency Program, is celebrating its tenth graduating class in 2011, and draws from a deep pool of talented medical students. Many program graduates grew up in San Diego and commit to stay here, providing excellence in patient care in their home communities.
Excellence Rooted in the Community

Training physicians who come from and remain in the local community is one of the unique strengths of the Scripps Mercy Hospital Chula Vista Family Medicine Residency Program.

Marianne McKennett, MD, program director for the family medicine residency, is proud of all the program’s residents, especially the current graduating class. “This program attracts many outstanding medical students who grew up in the South Bay, went to great medical schools all across the country, then came home to care for their community,” says Dr. McKennett.

Of 60 program graduates, 70 percent have stayed in the San Diego region. Graduates provide much-needed primary care for diverse patient populations in the South Bay, serving patients in community clinics based in San Ysidro, Imperial Beach and National City. Many also maintain privileges at Scripps Mercy Hospital, Chula Vista, where they admit and treat patients long after their graduation.

“I grew up 10 minutes away from Scripps Mercy Hospital, Chula Vista,” says Esther Dalugdugan, MD, a third-year resident. “When I found an outstanding family medicine program right in my own hometown, I knew I had to come back. After graduation, I’ll be staying in the South Bay and practicing locally.”

A graduate of the program and emerging physician leader, Willard Chung, MD, was recently elected co-chair of the family medicine department at Scripps Mercy Hospital, Chula Vista. “We see a wide variety of patients and medical problems here because of our proximity to the international border,” says Dr. Chung. “By the end of our training, there’s nothing this group of residents isn’t prepared for. That’s a distinct advantage over residency programs in other geographic areas.”
The highly competitive Scripps Green Graduate Medical Education (GME) Program began in 1986 with four residents. Today, the program, which combines clinical excellence with rigorous research and community service, receives more than 800 applications each year for 12 available positions. In addition to conducting original research that commonly leads to publication and national poster presentations, residents also staff the St. Vincent DePaul Village Family Health Center Clinic in downtown San Diego one evening per week, providing much-needed care to homeless and low-income patients.

“Young physicians bring with them leading-edge knowledge of the latest advances in molecular and genetic biology,” says Dan Dworsky, MD, internal medicine division head for Scripps Clinic Medical Group. “Health care is undergoing a fundamental transformation. In the future, teams of specialized caregivers will work together to meet all a patient’s needs. GME lets us prepare young physicians for this kind of practice, and help them develop the leadership skills they’ll need to direct such teams.”

Research and Service

“Graduate Medical Education is an integral part of being a physician at Scripps,” says Natalie Sweiss, MD, chief resident of the Scripps Clinic and Scripps Green Hospital Internal Medicine Residency Program in 2011. “When you train young physicians, you become a better physician.”

Research and Service

Graduates of all three Scripps Graduate Medical Education programs are providing outstanding patient care, conducting innovative research and educating future physicians through leadership positions at Scripps and at prominent institutions across the nation, including: Stanford University; University of California at San Francisco; Emory University; Harvard University; Cleveland Clinic; Mayo Clinic, Cedars-Sinai Medical Center; University of North Carolina School of Medicine; Loyola University Chicago Medical Center; Tufts University; University of Oregon Health Sciences Center; Mercer University; University of Illinois Chicago; Boston University; Brigham and Women’s Hospital, a Harvard teaching affiliate; University of Oklahoma; University of Arizona; University of Utah; University of Pennsylvania; and University of Florida.

Where They Are Now
Physician Leadership

Kevin Hirsch, MD, president of Scripps Coastal Medical Group, is a case study in home-grown physician leadership. A 1989 graduate of the Scripps Mercy Hospital Internal Medicine Residency Program, Dr. Hirsch says he was initially attracted to the program by the visionary leadership program of Stanley Amundson, MD, and Jack Geller, MD, who together shaped the future of Scripps Mercy.

The program, based at the hospital’s San Diego campus, emphasizes outstanding care delivered according to common values: service, compassion, integrity, professionalism and stewardship. “Technical expertise alone isn’t sufficient,” says Dr. Hirsch. “This is an innovative, humane program that consistently creates and adopts best practices in GME.”

As San Diego’s longest established GME provider, the Scripps Mercy Hospital Internal Medicine Program has trained generations of nationally recognized leaders in clinical and academic medicine. “This program is, first and foremost, a premier program for technical training of outstanding internists,” says Dr. Hirsch. “But it is much more than that. Scripps Mercy has a rich history, culture and tradition of nurturing and developing physicians who have the ability and desire to lead. It’s a compliment that so many outstanding graduates choose to remain with us after they graduate and build their careers at Scripps.”

“The Scripps Graduate Medical Education Program doesn’t just create great doctors — it creates great human beings.”

– Kevin Hirsch, MD
President, Scripps Coastal Medical Group
When Ellen Browning Scripps founded Scripps Memorial Hospital more than 87 years ago, she envisioned meeting the health care needs of the community for years to come. The Sisters of Mercy had a similar vision when they established Mercy Hospital decades earlier. Today, Scripps has generous supporters following in these auspicious footsteps, leaving a legacy that will benefit San Diegans for future generations.

Philanthropy advances the prevention, diagnosis and treatment of disease, which will help people live longer and healthier lives. It funds robotic technology for physicians to treat patients with a variety of conditions, such as cancer and heart disease, with precise surgical techniques that will result in less pain and scarring, and a quicker recovery. Community support allows Scripps to build Scripps Cardiovascular Institute, which will bring together the clinical expertise of world-renowned physicians, the most advanced technology and groundbreaking clinical research. It also furthers discoveries in genomic medicine that determines the genetic underpinnings of diseases and develops more effective, personalized treatment for patients.
Philanthropy Supports Innovation and Growth

Through the years, philanthropy has played a critical role in Scripps’ growth. The Polster Breast Care Center at Scripps Memorial Hospital La Jolla; the Shiley Center for Orthopaedic Research and Education at Scripps Clinic; the Leichtag Family Birth Pavilion at Scripps Memorial Hospital Encinitas; and the Conrad Prebys Emergency and Trauma Center under construction at Scripps Mercy Hospital, are just a few examples of how generous donors have invested in the health of their community.

As the longest-established health care system in San Diego, Scripps has a demonstrated commitment to our patients – and those patients, and the community, are generous in return. Capital campaigns are under way to support growth and expansion across the region.

“As a nonprofit health system, Scripps relies on community support. From our founder Miss Ellen to the many generous philanthropists of today, our donors leave a legacy that will help save the lives of countless patients who trust Scripps with their care. Philanthropy makes progress possible.”
– John Engle, Scripps Corporate Senior Vice President and Chief Development Officer

“It feels good for me to be able to give back in such a meaningful way to a community that has been so good to me. I really get a kick out of it.”
– Conrad Prebys, Philanthropist
### Scripps Health at a Glance

#### Inpatient Visits

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inpatient Days of Care Provided</td>
<td>303,349</td>
</tr>
<tr>
<td>Average Length of Stay</td>
<td>4.3</td>
</tr>
<tr>
<td>Average Daily Inpatient Census</td>
<td>831</td>
</tr>
<tr>
<td>Total Inpatient Discharges/Visits</td>
<td>71,174</td>
</tr>
</tbody>
</table>

#### Selected Services

<table>
<thead>
<tr>
<th>Service</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surgical Cases – Inpatient</td>
<td>22,277</td>
</tr>
<tr>
<td>Diagnostic Imaging Exams Total</td>
<td>868,063</td>
</tr>
<tr>
<td>CT Scan</td>
<td>144,595</td>
</tr>
<tr>
<td>Interventional Radiology</td>
<td>24,725</td>
</tr>
<tr>
<td>MRI</td>
<td>53,483</td>
</tr>
<tr>
<td>Nuclear Medicine</td>
<td>16,256</td>
</tr>
<tr>
<td>PET</td>
<td>5,843</td>
</tr>
<tr>
<td>Ultrasound</td>
<td>92,417</td>
</tr>
<tr>
<td>X-ray</td>
<td>530,744</td>
</tr>
<tr>
<td>Cardiac Procedures</td>
<td>55,224</td>
</tr>
<tr>
<td>Maternity – Number of Newborns</td>
<td>9,903</td>
</tr>
<tr>
<td>Rehab Services – Number of Visits</td>
<td>915,168</td>
</tr>
<tr>
<td>Radiation Therapy Visits</td>
<td>44,628</td>
</tr>
</tbody>
</table>

#### Outpatient Visits

<table>
<thead>
<tr>
<th>Service</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital Outpatients</td>
<td>444,617</td>
</tr>
<tr>
<td>Emergency Services</td>
<td>131,449</td>
</tr>
<tr>
<td>Surgery Cases</td>
<td>18,426</td>
</tr>
<tr>
<td>Joint Venture Ambulatory Surgery</td>
<td>9,480</td>
</tr>
<tr>
<td>Clinic Outpatient Visits/Surgeries</td>
<td>1,502,062</td>
</tr>
<tr>
<td>Home Health Visits</td>
<td>72,164</td>
</tr>
<tr>
<td>Total Outpatient Visits</td>
<td>2,028,323</td>
</tr>
</tbody>
</table>

#### Philanthropy Revenue

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Gifts/Cap Campaigns</td>
<td>$20,436,748</td>
</tr>
<tr>
<td>Special Gifts &amp; Tributes</td>
<td>$3,873,079</td>
</tr>
<tr>
<td>Direct Mail Annual Giving Program</td>
<td>$1,831,729</td>
</tr>
<tr>
<td>Special Events</td>
<td>$2,852,494</td>
</tr>
<tr>
<td>Planned Gifts and Bequests</td>
<td>$4,908,950</td>
</tr>
<tr>
<td>Total Net Contributions</td>
<td>$33,903,000</td>
</tr>
</tbody>
</table>

#### Uncompensated & Charity Care

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Education &amp; Research</td>
<td>$34,845,254</td>
</tr>
<tr>
<td>Charity Care &amp; Under-reimbursed</td>
<td>$102,443,001</td>
</tr>
<tr>
<td>Community Health Improvement Services</td>
<td></td>
</tr>
<tr>
<td>&amp; Community Benefit Operations</td>
<td></td>
</tr>
<tr>
<td>&amp; Subsidized Health Services</td>
<td></td>
</tr>
<tr>
<td>&amp; Cash and In-kind Contributions</td>
<td>$16,016,598</td>
</tr>
<tr>
<td>Bad Debt</td>
<td>$14,689,084</td>
</tr>
<tr>
<td>Under-reimbursed Medicare Shortfalls</td>
<td>$169,100,309</td>
</tr>
<tr>
<td>Community Building Activities</td>
<td>$690,103</td>
</tr>
<tr>
<td>Total</td>
<td>$337,784,350</td>
</tr>
</tbody>
</table>

---

Scripps Health at a Glance
### Facilities & Staff

<table>
<thead>
<tr>
<th>Facility</th>
<th>Employees</th>
<th>Licensed Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Number of Employees</td>
<td>13,445</td>
<td></td>
</tr>
<tr>
<td>Total Number of Medical Staff</td>
<td>2,531</td>
<td></td>
</tr>
<tr>
<td>Total Number of Licensed Beds</td>
<td>1,409</td>
<td></td>
</tr>
<tr>
<td>Total Number of Medical Residents/Fellows</td>
<td>153</td>
<td></td>
</tr>
</tbody>
</table>

**Scripps Memorial Hospital Encinitas**

<table>
<thead>
<tr>
<th>Employees</th>
<th>1,424</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licensed Beds</td>
<td>154</td>
</tr>
</tbody>
</table>

**Scripps Memorial Hospital La Jolla**

<table>
<thead>
<tr>
<th>Employees</th>
<th>2,488</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licensed Beds</td>
<td>382</td>
</tr>
</tbody>
</table>

**Scripps Green Hospital**

<table>
<thead>
<tr>
<th>Employees</th>
<th>1,479</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licensed Beds</td>
<td>173</td>
</tr>
</tbody>
</table>

**Scripps Mercy Hospital**

**San Diego Campus**

<table>
<thead>
<tr>
<th>Employees</th>
<th>2,514</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licensed Beds</td>
<td>517</td>
</tr>
</tbody>
</table>

**Chula Vista Campus**

<table>
<thead>
<tr>
<th>Employees</th>
<th>1,092</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licensed Beds</td>
<td>183</td>
</tr>
</tbody>
</table>

**Scripps Home Health Care**

| Employees | 155   |

**Scripps Health Administrative Services**

| Employees | 1,151 |

**Scripps Clinic**

<table>
<thead>
<tr>
<th>Employees</th>
<th>2,318</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locations</td>
<td>10</td>
</tr>
</tbody>
</table>

**Scripps Coastal Medical Center**

<table>
<thead>
<tr>
<th>Employees</th>
<th>474</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locations</td>
<td>12</td>
</tr>
</tbody>
</table>

**Scripps Cardiovascular and Thoracic Surgery Group**

<table>
<thead>
<tr>
<th>Employees</th>
<th>13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locations</td>
<td>3</td>
</tr>
</tbody>
</table>

**Scripps Research**

<table>
<thead>
<tr>
<th>Employees</th>
<th>185</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locations</td>
<td>3</td>
</tr>
</tbody>
</table>

**Scripps Health Plan Services**

<table>
<thead>
<tr>
<th>Employees</th>
<th>152</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locations</td>
<td>1</td>
</tr>
</tbody>
</table>
## Scripps Health Financials

### Consolidated Statement of Financial Position

**Year ended September 30, 2010**

**(In thousands)**

<table>
<thead>
<tr>
<th>Assets</th>
<th>Liabilities and Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets:</strong></td>
<td>Current Liabilities:</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>Current Portion of Long-term Debt $39,883</td>
</tr>
<tr>
<td>Accounts Receivable, Net</td>
<td>Accounts Payable 86,378</td>
</tr>
<tr>
<td>Assets Limited As To Use</td>
<td>Accrued Liabilities 232,803</td>
</tr>
<tr>
<td>Other Current Assets</td>
<td><strong>Total Current Liabilities</strong> $359,064</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>Total Liabilities</strong> $1,049,565</td>
</tr>
<tr>
<td>Assets Limited As To Use</td>
<td>Net Assets:</td>
</tr>
<tr>
<td>Investments</td>
<td>Unrestricted $1,382,742</td>
</tr>
<tr>
<td>Property, Plant and Equipment, Net</td>
<td>Temporarily Restricted 121,099</td>
</tr>
<tr>
<td>Other Assets</td>
<td>Permanently Restricted 76,150</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>Total Net Assets</strong> 1,579,991</td>
</tr>
<tr>
<td></td>
<td><strong>Total Liabilities and Net Assets</strong> $2,629,556</td>
</tr>
</tbody>
</table>
### Consolidated Statement of Operations

**Year ended September 30, 2010**

*(In thousands)*

#### Liabilities and Net Assets

<table>
<thead>
<tr>
<th>Operating Revenues:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Patient Services</td>
<td>$1,995,814</td>
</tr>
<tr>
<td>Capitation Premium</td>
<td>226,350</td>
</tr>
<tr>
<td>Other</td>
<td>63,121</td>
</tr>
<tr>
<td>Net Assets Released from Restrictions Used for Operations</td>
<td>13,324</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td><strong>$2,298,609</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Expenses:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and Benefits</td>
<td>$1,028,610</td>
</tr>
<tr>
<td>Supplies</td>
<td>364,286</td>
</tr>
<tr>
<td>Services</td>
<td>590,827</td>
</tr>
<tr>
<td>Provision for Uncollectible Accounts Receivable</td>
<td>69,016</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>89,997</td>
</tr>
<tr>
<td>Interest</td>
<td>14,801</td>
</tr>
<tr>
<td>Loss on Impairment</td>
<td>8,455</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>$2,165,992</strong></td>
</tr>
</tbody>
</table>

**Operating Income** $132,617

<table>
<thead>
<tr>
<th>Nonoperating Gains (losses):</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Income</td>
<td>35,226</td>
</tr>
<tr>
<td>Holding Gain on Trading Portfolio</td>
<td>42,841</td>
</tr>
<tr>
<td>Contributions</td>
<td>2,265</td>
</tr>
<tr>
<td>Gain on Disposal of Property</td>
<td>15</td>
</tr>
<tr>
<td>Market Adjustment on Interest Rate Swaps</td>
<td>(8,054)</td>
</tr>
</tbody>
</table>

**Excess of Revenues Over Expenses** $204,910
Scripps Health Board of Trustees

Chairman, 2010 & 2011
Robert Tjosvold
Market President, Bank of America, Retired

Vice Chair, 2010 & 2011
Maureen Stapleton
General Manager, San Diego County Water Authority

2010 Board

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Health Care Executive, Retired

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Executive Vice President, Chief Operating Officer, TSRI

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Clinical Psychologist, Retired

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President and CEO, National Steel and Shipbuilding Co., Retired

Abby Silverman Weiss
Attorney, Dispute Resolutions

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Douglas A. Bingham, Esq.
Executive Vice President, Chief Operating Officer, TSRI

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Clinical Psychologist, Retired

Katherine A. Lauer, JD
Partner, Latham & Watkins LLP

Marty J. Levin
Broadcast Journalist, Retired

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Attorney, Dispute Resolutions

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Marty J. Levin
Broadcast Journalist, Retired

Chris Van Gorder, FACHE
President and CEO, Scripps Health

Abby Silverman Weiss
Attorney, Dispute Resolutions
Physician Leadership Cabinet

**Chief Executive**
Robin Brown, FACHE, Scripps Green Hospital
Carl Etter, FACHE, Scripps Memorial Hospital Encinitas
Gary Fybel, FACHE, Scripps Memorial Hospital La Jolla
Tom Gammier, FACHE, Scripps Mercy
Larry Harrison, Scripps Medical Foundation

**Chief of Staff**
Tom Chippendale, MD
Kent Diveley, MD
Scott Eisman, MD
Shawn Evans, MD

**Chief Nursing Executives**
Lori Burnell, RN
Mary Ellen Doyle, RN
Cindy Steckel, RN
Marlys Vespe, RN
Valerie Walsh, RN
Jan Zachry, RN

---

Physician Business Leader Cabinet

**Chair**
Chris Van Gorder, FACHE

**Co-Chair**
A. Brent Eastman, MD

---

James Mason, MD
Paul Pockros, MD
Marc Sedwitz, MD
Ricardo Soltero, MD
Juan Tovar, MD
Donald Vance, MD

Davis Cracroft, MD
Dan Dworsky, MD
Kevin Hirsch, MD
Jim LaBelle, MD
Michael Lobatz, MD
Robert Sarnoff, MD
Mark Sherman, MD
Frank Stewart, MD
Awards and Recognition

Best Employer

– Working Mother Magazine

Named one of Fortune Magazine’s 100 Best Companies to Work For (2010, 2009, 2008).
– FORTUNE Magazine

Quality
Scripps Green Hospital, Scripps Memorial Hospital Encinitas, Scripps Memorial Hospital La Jolla and Scripps Mercy Hospital earned Certificates of Excellence for superior health care quality, patient experience and safety measures.
– California Hospital Assessment and Reporting Task Force

Scripps Coastal Medical Group and Scripps Clinic Medical Group ranked No. 1 and No. 2 in San Diego region for health care (2010).
– California Cooperative Healthcare Reporting Initiative

Scripps Memorial Hospital La Jolla was the first hospital in San Diego to be re-designated as a Magnet Hospital by the American Nurses Credentialing Center

Top Hospitals
Scripps Health selected as one of America’s top 10 health systems based on quality, safety, efficiency and patient satisfaction (2009).
– Thomson Reuters

Scripps Green Hospital recognized as one of the nation’s “100 Top Hospitals,” in 2010.
– Thomson Reuters

Best Respiratory Therapy
Scripps Memorial Hospital La Jolla earned Quality Respiratory Care Recognition from the American Association for Respiratory Care.

Imaging Excellence
– American College of Radiology

Top Stroke Programs
Scripps Mercy Hospital (San Diego campus) certified as an Advanced Primary Stroke Center, joining Scripps Green Hospital, Scripps Memorial Hospital Encinitas and Scripps Memorial Hospital La Jolla in stroke accreditation. – The Joint Commission

Blood and Marrow Transplant
Scripps Green Blood and Marrow Transplant Center received Center of Excellence designation.
– California Department of Health Care Services

Surgical Intensive and Cardiac Care
* Scripps Memorial Hospital La Jolla and Scripps Green Hospital, Scripps Clinic and Kaiser Permanente, San Diego, ranked 34th nationally in heart and heart surgery.
– U.S. News & World Report’s 2010-11 Best Hospitals

The surgical intensive care unit and cardiac care unit at Scripps Memorial Hospital La Jolla awarded the Beacon Award for Critical Care Excellence.
– American Association of Critical Care Nurses

Scripps Mercy Hospital ranked in the top 4 percent of U.S. hospitals for survival after heart failure.
– Centers for Medicare & Medicaid Services

Cancer Network
Scripps Cancer Center earned network accreditation – the first multi-hospital cancer program in California and one of only 28 nationally.
– American College of Surgeon’s Commission on Cancer

Scripps Polster Breast Care Center one of two centers in California to be granted a three-year full accreditation for breast cancer care.
– National Accreditation Program for Breast Centers
Mission, Vision, Values

Mission
Scripps strives to provide superior health services in a caring environment and to make a positive, measurable difference in the health of individuals in the communities we serve.

We devote our resources to delivering quality, safe, cost-effective, socially responsible health care services. We advance clinical research, community health education, education of physicians and health care professionals, and sponsor graduate medical education. We collaborate with others to deliver the continuum of care that improves the health of our community.

Vision
Scripps strives to be the health care leader in San Diego and nationally by becoming:

The provider of choice for patients
The employer of choice for the community
The practice environment of choice for physicians, nurses and all health care professionals

Values

We provide the highest quality of service.

Scripps is committed to putting the patient first, and quality is our passion. In the new world of health care, we want to anticipate the causes of illness and encourage health behavior for all who rely on us for service. We teach and encourage patients to participate in their care and to make well-informed decisions. We will be their advocate when they are most vulnerable. We measure our success by our patients’ satisfaction, their return to health and well-being, and our compassionate care for dying patients, their families and friends.

We demonstrate complete respect for the rights of every individual.

Scripps honors the dignity of all persons, and we show this by our actions toward one another and those we serve. We embrace the diversity that allows us to draw on the talents of one another. We respect and honor the cultural, ethnic and religious beliefs and practices of our patients in a manner consistent with the highest standards of care. All this is done in a compassionate setting. Our goal is to create a healing environment in partnership with all caregivers who are committed to serving our patients.

We care for our patients every day in a responsible and efficient manner.

Scripps serves as a major community health care resource for San Diego County and, as such, we are accountable for the human, financial and ecological resources entrusted to our care as we promote healing and wholeness. We begin from a base of excellence and collaborate with co-workers, physicians, patients, and other providers to find new and creative ways to improve the delivery of health care services. All members of our community will have access to timely, affordable and appropriate care.