

MISSION

A BRIEF HISTORY

The Mission of Mercy Health System is to provide exceptional health care services, resulting in healing in the broadest sense.

Mercy Hospital was founded in 1883, when Dr. William H. Palmer opened Janesville's first hospital in what had been a private home. By 1903, the hospital had become such a busy enterprise that the physicians contacted the Sisters of Mercy in Chicago about operating the hospital for them. In 1907, the Sisters purchased the 30-bed Palmer Hospital and renamed it Palmer Memorial Mercy Hospital. In 1941, the name Mercy Hospital was adopted.

In 1972, control of the Mercy Charitable Corporation was transferred from the Sisters of Mercy to a self-perpetuating volunteer board of directors. By 1989, Mercy Hospital was severely losing market share. Area residents largely perceived it as a primary care hospital, and looked to Madison and Milwaukee for specialized care.

The hospital's volunteer board of directors then named Javon R. Bea as the new president and CEO, and Mercy began its nationally acclaimed transformation to today's vertically integrated health system, adding over 285 new physicians, more than 60 new specialty services, and 64 state-of-the-art facilities throughout 24 southern Wisconsin and northern Illinois communities while increasing gross revenues 12-fold over the last 18 years.

MERCY HEALTH SYSTEM TODAY

- Mercy is a comprehensive integrated health care system consisting of 64 facilities in 24 communities throughout the Wisconsin counties of Rock, Walworth, Green and Jefferson, and the Illinois counties of McHenry, Lake and Cook.
- Mercy Hospital Janesville, Janesville, Wisconsin, is a 275-bed acute care facility.
- Mercy Harvard Hospital, Harvard, Illinois, is a 77-bed combined facility.
- Mercy Walworth Hospital and Medical Center, Lake Geneva, Wisconsin, is a six-bed acute care facility.
- Patient encounters grew from 91,000 in 1989 to a projected 1.1 million in fiscal year 2007.
- Mercy Health System's development has resulted in financial stability, growth, and the preservation and creation of hundreds of community jobs. In fact, Mercy is the largest employer in Rock County, Wisconsin.
- - Algonquin, IL
 - Barrington, IL
 - Beloit, WI
 - Brodhead, WI
 - Cary, IL
 - Crystal Lake, IL (four locations)
 - Delavan, WI
 - Edgerton, WI
 - Evansville, WI
 - Harvard, IL (three locations)
 - Fox River Grove, IL
 - Milton, WI
 - Lake Geneva, WI (three locations)
 - Lake In The Hills, IL
 - McHenry, IL (two locations)
 - Niles, IL
 - Richmond, IL
 - Sharon, WI
 - Vernon Hills, IL
 - Whitewater, WI
 - Woodstock, IL

Mercy operates five physician clinics in the city of Janesville, plus medical centers in:

- Mercy Options—Comprehensive Mental Health and Addiction Treatment Services operates eight outpatient mental health clinics in Wisconsin:
 - Beloit
 - Evansville
 - Janesville (four locations)
 - Lake Geneva
 - Whitewater
- Today, Mercy provides jobs for over 3,800 individuals.

WHAT IS VERTICAL INTEGRATION?

Mercy Health System is a vertically integrated health care delivery system organized to provide comprehensive services to residents in southern Wisconsin and northern Illinois. It operates a 275-bed hospital in Janesville, Wisconsin, a six-bed hospital in Lake Geneva, Wisconsin, and a 77-bed hospital and long-term care facility in Harvard, Illinois.

Its hospital locations reflect only one part of its integrated delivery system. Mercy Health System offers 64 locations providing services that span four core service areas: hospital-based services, clinic-based services, post-acute care and retail services, and insurance products (explained below). These four core service areas make up its comprehensive, vertically integrated delivery system, and integrated delivery is what makes Mercy unique on a national level.

Mercy's integration provides seamless care for the over one million patients it serves each year. From the most basic health care services to the most complex; from retail services and durable medical goods to home care and hospice; from wellness initiatives to health care insurance, integration allows Mercy to offer it all within one coordinated system.

But what does integration mean to Mercy patients? For the working mother, it means she can have her child seen by a pediatrician, visit a specialist, pick up her glasses and have the family's prescriptions refilled all at one convenient location.

Or, for the young man seriously injured in an automobile accident and receiving care in a Mercy emergency department, it means he has neurosurgeons, heart surgeons, plastic surgeons, orthopaedic surgeons and other specialists close at hand during this most critical time. His family medicine physician can check on him during rounds, and, as he recuperates, inpatient and outpatient rehabilitation are at the ready. Durable medical supplies can be delivered right to his door, home care professionals can help care for him, and he can have his prescriptions conveniently filled at one of the System's six pharmacies.

All of this is possible under Mercy Health System's umbrella of care.

MERCYCARE HEALTH PLANS

Mercy Health System's spectrum of services is delivered to area communities most effectively through MercyCare Health Plans' "managed care" products offered to southern Wisconsin and northern Illinois residents. Our products include an HMO, consumer-driven, high-deductible HRA plans, Medicare supplement and Medicaid insurance options. Since its inception in January 2003, MercyCare's new consumer-driven product, MercyPlus, has been welcomed by employers as an innovative way to reduce their health care costs.

Since its inception in 1994, MercyCare has grown to over 34,000 members. Its insurance plans are accepted by hundreds of medical providers in southern Wisconsin. MercyCare coordinates all aspects of health care to make sure each patient receives the most effective intervention at the lowest possible cost.

PHYSICIAN SPECIALITIES

Our medical staff includes over 285 physicians. Specialties and sub-specialties represented include:

- Allergy/immunology
- Anesthesiology
- Audiology
- Bariatric surgery
- Cardiology
 - Cardiothoracic surgery
 - Interventional cardiology
 - Noninvasive cardiology
 - Vascular surgery
- Chiropractic
- Critical care
- Dermatology
- Emergency medicine
- Endocrinology
- Family medicine
- Family medicine with obstetrics
- Gastroenterology
- General surgery
- Geriatrics
- Gynecology
- Hand surgery
- Hematology
- Hospitalists
- Infectious diseases
- Internal medicine
- MOHS surgery
- Nephrology
- Neurology
- Neuropsychology
- Neurosurgery
- Obstetrics
- Occupational medicine
- Oncology
 - Medical
 - Radiation
 - Surgical
- Ophthalmology
- Optometry
- Orthopaedic surgery
- Otolaryngology (ENT)
- Pain management
- Pathology
- Pediatrics
- Physical medicine and rehabilitation
- Plastic surgery
- Podiatry
- Psychiatry
 - Adolescent
 - Adult
 - Child
- Psychology
- Pulmonology
- Radiology
- Rheumatology
- Sleep disorders
- Sports medicine
- Travel medicine
- Urology
- Vascular surgery

FINANCIAL INFORMATION

- Mercy Health System is a stable, financially strong, health care system. It has enjoyed steady growth and profitability, while investing in the infrastructure needed to deliver high-quality patient care.
- Operating revenue has climbed from \$31.4 million in 1989, when Mercy was a single hospital with one small outreach clinic, to \$833 million in 2007, as a thriving system with more than 64 facilities in two states.
- The latest published report from the Wisconsin Hospital Association (WHA), shows that Mercy's average charge per hospital stay remains below the Wisconsin state average for general medical/surgical hospitals.
- Mercy's growth has resulted in financial strength, allowing it to earn and maintain an "A2" rating from Moody's Investors Service. In 2007, Moody's added a "positive outlook" to its assessment of Mercy's bond rating.
- Out of 5,600 acute-care hospitals, Health Care Investment Analysts (HCIA) and Mercer Management Consultants, recognized Mercy as among the top 100 hospitals providing exemplary health care value and performing "Benchmarks of Success."
- With financial strength comes the ability to assist those who cannot afford to pay for health care services. During 2007, Mercy will provide an estimated \$32.7 million of uncompensated care to the residents of the communities it serves.
- Along with its growth, Mercy has also increased its profitability. Total margin was \$693,000 in 1989, compared to an estimated \$36 million in 2007. During the same period, the investment in property, plant and equipment (net of depreciation), grew from \$23.4 million to an estimated \$163 million.

COMMUNITY INVOLVEMENT

- In order to fulfill our commitment to contribute to the communities we serve, we offer:
- Uncompensated care and free services, which total an estimated \$32.7 million in 2007.
 - Free and low-cost medical services through the Community Health Center at Mercy Clinic South, Janesville and the Family Partnership in Woodstock.
 - The 25-bed House of Mercy Homeless Center in Janesville
 - Mercy Cooperative Childcare Institute, which provides residential treatment options for children ages 6 to 17 with severe emotional disorders.
 - Hundreds of community education classes and health screenings annually
 - Hospice care and hospice residence, the only one of its kind in Rock County, Wisconsin.
 - Mercy Lifeline, a personal emergency response system that helps the elderly and disabled remain in their homes and retain their independence.
 - Health Occupations Academy, which provides technical education and training to high school students who wish to pursue a health care career.
 - The Mercy Health System Association of Volunteers, with 900+ members, provides many services to the community, including:
 - Delivering Meals On Wheels
 - Providing scholarships to area students
 - Visiting home-bound and hospice patients
 - Operating the LifeLine program
 - Staffing the House of Mercy Homeless Center
 - Mercy In Motion, a low-cost, handicap-accessible transportation program for Mercy patients
 - Mercy HealthLine, a free phone service, provides:
 - Physician referrals
 - Health information
 - Community education information
 - Information about Mercy support groups
 - Community education registration
 - Symptom-based triage
 - Health career awareness projects including the Medical School for Teens and shadow programs for youths
 - Sponsorship and participation in hundreds of community events in our service area every year.
 - Our Web site, Mercy Online (www.mercyhealthsystem.org), provides free health and wellness information; listings of our upcoming community education events, support groups and health screenings; physician profiles; clinic information; and current job opportunities throughout Mercy Health System.
 - Many Janesville-area support groups are facilitated by Mercy partners
 - The Mercy Health System Speakers' Network, a free service that provides health care professionals and other speakers to community organizations
 - Scholarship support, including the Sr. Mary Michael Berry scholarship and Physician Partner scholarship
 - Parish nurse training and scholarships
 - Senior Connection, a free program for community members aged 55 and older.

OUR SERVICES

Mercy's recruiting program has brought many medical sub-specialties and new clinical programs that previously were not available in the region. Mercy Health System's complete selection of medical programs and tertiary care services include:

- Bariatric Center (two locations)
- Cardiac Fitness Center
- Cardiopulmonary rehabilitation
- Complementary Medicine
 - Acupuncture
 - Chiropractic
 - Massage therapy
- Comprehensive Inpatient Rehabilitation
- Cooperative Childcare Institute
- Critical care
- Diabetes Center
- Emergency care (three locations)
- Employee Assistance Program
- Family Medicine Residency Program (accredited by the Accreditation Council of Graduate Medical Education)
- Harvard Care Center
- Harvard Rehabilitation and Fitness Center
- Harvard Sleep Disorders Center
- Healthy Image Weight Management Program
- Hospitality House, for hospitalized patients' families from out of town
- House of Mercy Homeless Center
- Immediate care (two locations)
- McHenry Occupational Medicine Center
- Mercy Acceleration sports training program
- Mercy Assisted Care, which includes:
 - Adult Day Center
 - Mercy Hospice and Hospice Residence
 - Community Based Residential Facility
 - Medical equipment, oxygen and supplies
 - Home health
- Men's Health Center
- Mercy Centers for Corrective Eye Surgery (two locations)
- Mercy Fitness and Whitewater Aquatic Center
- Mercy Health Mall
 - Vision Center
 - Community education classes
 - Pharmacy
 - Physician clinic
 - Medical equipment and supplies
 - Uniform shop
- Healthy Image Weight Management Program
- Urgent care
- Occupational health services
- Mercy In Motion patient transport service
- Mercy Institute of Neuroscience
- Mercy Manor Transition Center
- Mercy Options–Comprehensive Mental Health and Addiction Treatment Services (eight locations)
- Occupational Conditioning Center
- Occupational Health Services
- Orthotics/Prosthetics Center (three locations)
- Outpatient Rehabilitation Center
- Outpatient Surgery and Treatment Center
- Pharmacy (six locations)
- Regional Breast Center
- Regional Cancer Center
- Regional Dialysis Center
- Regional Emergency Medical Services Training Center
- Regional Emergency Trauma Center
- Regional Eye Centers (four locations)
- Regional Hand Center
- Regional Heart and Vascular Center
- Regional Imaging Center
- Regional Lung Center
- Regional Neurosurgery Center
- Regional Plastic Surgery, Skin and Laser Centers (six locations)
- Regional Sleep Disorders Center
- Regional Urology Center
- Senior Connection
- Sports Medicine and Rehabilitation Centers (three locations)
- Travel Clinic
- Urgent care (six locations)
- Vision Centers (three locations)
- Women's Health Center

AWARDS

- Nov 07 Recipient of the Malcolm Baldrige National Quality Award, the nation's highest Presidential honor for quality and organizational performance excellence
- Sept 07 Ranked number two in the nation on AARP's Best Employers for Workers Over 50 list
- Sept 07 Named to Working Mother magazine's 2007 100 Best Companies for Working Mothers
- Aug 07 Received gold designation from the Wellness Councils of America
- Aug 07 Received the Fred Graham Award for Innovation in Improving Community Health for the Janesville Community Health Center
- May 07 Named a 2007 100 Best Adoption-Friendly Workplace by Dave Thomas Foundation for Adoption
- April 07 Outstanding Achievement Certificate for Excellence in Safety from the Wisconsin Council of Safety and the Department of Workforce Development
- April 07 Mercy Harvard Hospital and Mercy Walworth Hospital and Medical Center received the 2007 H2E Partners for Change Award and the Making Medicine Mercury Free Award from Hospitals for a Healthy Environment
- Feb 06 Received Employee Services Management Association's Innovative Program Award for Mercy's Work-Life Benefit Program
- Feb 07 Rated number 16 in the Top 100 Integrated Healthcare Networks for 2007 by Verispan
- Sept 06 Named to Working Mother magazine's 2006 Working Mother 100 Best Companies
- Sept 06 Ranked number one in the nation on AARP's 2006 Best Employers for Workers Over 50 list
- May 06 Named one of only 13 hospitals and health systems in the nation to receive the Hospitals for a Healthy Environment's (H2E) Environmental Leadership Award, the highest honor given to health care facilities for their pioneering efforts to reduce the environmental impact of the health care industry.
- Feb 06 Rated number 18 in the Top 100 Integrated Healthcare Networks for 2006 by Verispan and Modern Healthcare magazine
- Feb 06 Mercy Regional Cancer Center received the 2005 Outstanding Achievement Award from the Commission on Cancer for striving for excellence in providing quality care to cancer patients
- Jan 06 Received the Spirit of Excellence Award from Modern Healthcare Magazine and Sodexo for the House of Mercy Homeless Center
- Jan 06 Received the Forward Janesville Community Improvement Award for the House of Mercy Homeless Center
- Oct 05 Received a site visit from a panel of Baldrige National Quality Award judges
- Sept 05 Ranked number 11 in the nation on AARP's Best Employers for Workers Over 50 list
- Sept 05 Mercy Assisted Care received WAMES award from the Wisconsin Association of Medical Equipment Suppliers for showing a demonstrated commitment to clients and the community.
- Aug 05 Received the Global Excellence Award from Wisconsin Hospital Association for the House of Mercy Homeless Center
- Aug 05 Received Wisconsin Hospital Association's Wisconsin Award for Volunteer Excellence (WAVE) Community Service Program award for the House of Mercy Homeless Center
- April 05 Received the Most Innovative Program Award by Employee Services Management for innovation in employee services
- Sept 04 Received the California Pacific Award for Excellence in Patient Satisfaction
- Sept 04 Was a finalist in the American Hospital Association's NOVA Award for effective, collaborative programs focused on improving community health status
- Feb 04 Received the Wisconsin Psychological Association's Healthy Workplace Award

AWARDS CONTINUED

- Jan 04 Received the Governor's Forward Award of Excellence, the highest honor bestowed by Wisconsin Forward, for excellence in performance management practices and achievements
- Jan 04 Javon R. Bea named CEO/Employer of the Year by Employee Services Management Association
- Jan 04 Named Employer of the Year by the Northwest Herald
- Jan 04 Named Large Business of the Year by Forward Janesville
- Apr 03 Employee Services Management Association awarded Mercy its highest honor, the prestigious Eastwood Award
- Mar 03 Received the 2003 Mastery Level Wisconsin Forward Award
- Sept 02 Received membership into the McKesson Revenue Cycle Million Dollar Club
- Mar 02 Received the H2E Making Medicine Mercury Free Award and the H2E Partners for Change Award
- Mar 02 Received the Rock County YWCA's Women of Distinction Award in the Corporate category
- Jan 02 Ranked number 13 nationally in the Top 100 Integrated Healthcare Systems survey by SMG Marketing and Modern Healthcare magazine
- Feb 01 Ranked number 21 in the nation in the Top 100 Integrated Healthcare Systems survey by Modern Healthcare and SMG Marketing Group
- Sept 01 Received a national environmental award from the American Society for Healthcare Environmental Services of the American Hospital Association
- Feb 00 Received the 2000 Merit Award for Outstanding Contributions to Vocational Education by Blackhawk Technical Association and Blackhawk Technical College
- Feb 00 Received C.L. Greiber Award of Merit from the Wisconsin Vocational Association
- Jan 00 MercyCare Insurance Company received Commendable Accreditation by the National Committee for Quality Assurance
- Jan 00 Received award from HealthAtoZ for expert design and maintenance of Mercy Online website
- Oct 99 Javon R. Bea, CEO, was named the "Best of the Best" health care administrator by the Partners of Wisconsin Hospital Association, Inc.
- Nov 98 Ranked the fastest growing health system in the nation for same-store growth by the Center for Healthcare Industry Performance Studies
- Jun 94 Received the Fourth Annual Great Comebacks Award in the mid-sized hospital category, sponsored by the American Hospital Association's Hospital & Health Networks magazine and the accounting firm Coopers and Lybrand

OTHER ACHIEVEMENTS

- The Mercy Regional Cancer Center acquired the latest cancer-fighting technology, the PRIMATOM™ cancer treatment system, making Mercy the only facility in the Midwest—and one of only 11 facilities in the world—to have this leading-edge technology.
- Due to its increase in patient numbers and emergency room visits, the Mercy Walworth Medical Center now offers a higher level of care to residents in Walworth County and surrounding areas. In recognition of its recent transformation from an outpatient clinic to a licensed inpatient hospital facility, it became the Mercy Walworth Hospital and Medical Center in late 2005.
- Since its inception, Mercy's accredited Family Medicine Residency Program at Mercy Clinic South has attracted 63 top academic graduates from the finest medical schools.
- The Mercy Regional Emergency Services Training Center has trained and recertified more than 2,785 area emergency medical technicians and paramedics, increasing the availability of pre-hospital care in southern Wisconsin.
- In 2001, Mercy opened Wisconsin's first satellite emergency department at its Mercy Walworth Medical Center location.