

Overview

Day Kimball Healthcare reported a consolidated loss of \$6.3 million for Fiscal Year 2015, which runs from October 1, 2014 through September 30, 2015.

Revenue

A moderate decline in volume of services occurred, which was largely consistent with current healthcare industry trends. This, combined with a \$1.1 million rescission in state funding and significant reductions in Medicaid reimbursement rates for several key services, resulted in a \$6.5 million decline in revenue.

Expenses

In 2015 Day Kimball Healthcare implemented an expense reduction plan designed to streamline operations and create new efficiencies. We were successful in carrying out that plan, which resulted in a \$1 million improvement from initial FY15 budget projections and nearly a \$6.5 million reduction in expenses as compared to FY14. However it was not enough to achieve a positive bottom line given the significant reductions in funding and reimbursement rates and the decline in volume of services.

To offset those effects, efforts will continue into our Fiscal Year 2016, during which we will implement a new expense reduction plan totaling \$7 million in annualized savings. This plan is projected to have Day Kimball end Fiscal Year 2016 with a break-even bottom line.

Achievements

Despite and amidst the continued financial and industry-driven challenges of Fiscal Year 2015, Day Kimball Healthcare earned significant achievements in quality measures, accreditations, certifications and services to improve the overall health of the communities we serve. Please see the reverse for further details.



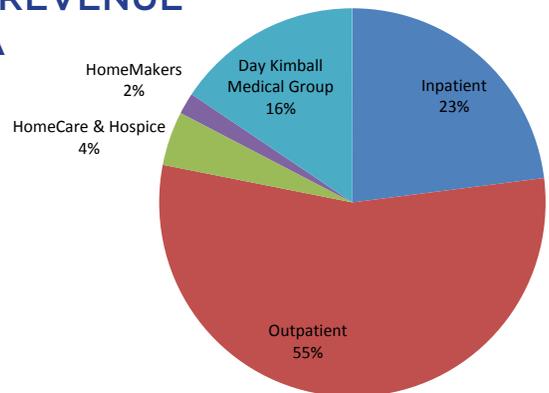
Entrance to the new Townsend Emergency Medical Center, dedicated November 30, 2015.

REVENUE TO EXPENSE COMPARISON

Fiscal Years Ending September 30, 2014 and 2015 | Consolidated financials for Day Kimball Hospital, Day Kimball Medical Group and Day Kimball In-Home Services.

	2015	2014
Total Net Revenue	\$129,027,298	\$135,658,435
Total Expenses	\$135,095,779	\$141,577,219
Non-operating gains	\$849,196	\$519,164
Failure of State of CT to pay 4th Quarter Subsidies	(\$1,101,849)	n/a
Excess (deficiency) of revenues over expenses	(\$6,321,134)	(\$5,399,620)

BREAKDOWN OF REVENUE BY SERVICE AREA



SUMMARY OF SERVICES

Day Kimball Hospital Inpatient, Outpatient and Healthcare Center Services	
Discharges	4,451
Emergency Department Visits	22,564
Births	532
Operating Room Cases	3,514
Inpatient Operating Room Cases	553
Outpatient Operating Room Cases	2,961
Diagnostic Services	70,910
Laboratory Exams	499,976
Physical Medicine (Rehab) Services Exams	72,424
Cardiopulmonary Rehab Visits	3,332
Oncology Center Visits	5,161
Endoscopy Procedures	4,041
Day Kimball Medical Group	
Office Visits	132,652
Active Patients	44,887
Day Kimball HomeCare	
Patient Visits	36,902
Hospice & Palliative Care of Northeastern Connecticut	
Patient Visits	9,633
Day Kimball HomeMakers	
Client Hours of Service	167,306

Community Benefit

The term 'Community Benefit' describes programs or activities that provide treatment and/or promote health and healing as a response to identified community needs.

In 2015, Day Kimball Healthcare updated our Community Health Needs Assessment, which helps us to determine which health initiatives are most needed by the community.

Here are just a few highlights of the initiatives undertaken in 2015 to answer the needs identified by our Community Health Needs Assessment:

Diabetes and Obesity

- Diabetes Management Program offered through DKMG Primary Care practices
- Weekly Overeaters Anonymous program
- Nurse education at school and community-based health fairs

Breast Cancer Awareness

- Breast cancer awareness and breast health education at community health events
- "Stop and Pink" breast health event in October engaged women in breast health education and facilitated free or low-cost mammograms for women in need

Tobacco Cessation

- Community education during "Great American Smokeout" in November included a social media awareness campaign
- First "Freedom from Smoking" certified smoking cessation program began in November

Flu Immunization

- More than 2-dozen community flu and pneumonia vaccination clinics were held in the Fall

Child Abuse

- DKH's Stewards of Children program raises awareness of the prevalence and consequences of child sexual abuse. DKH Family Advocacy Staff passed the half-way point in their goal to train 100% of DKH employees in the Darkness to Light child abuse prevention program.

Learn more about our mission and services at daykimball.org.

OPERATIONAL HIGHLIGHTS

Quality Measures

- Day Kimball Hospital is the only acute care hospital in CT to achieve zero adverse events in 2014 (CT Dept. of Public Health Adverse Events Report - November, 2015)
- Day Kimball Hospital is one of only 5 CT hospitals rated 4 out of 5 stars for patient satisfaction and quality in patient outcomes and processes; no CT hospitals scored 5 stars (Medicare's Hospital Compare website - December, 2015)
- Day Kimball Hospital is among top 25% of hospitals in CT for preventing Hospital Acquired Conditions (Centers for Medicare and Medicaid Report on Hospital Acquired Conditions - December, 2015)
- Day Kimball Hospital received Blue Distinction designations for both Hip and Knee Replacement and Specialty Care - Maternity from Blue Cross Blue Shield (Awarded December, 2015)
- Day Kimball Hospital received Cigna's Center of Excellence Designation in hip and knee replacement and pulmonary medical care for 2016 (Awarded December, 2015)
- Day Kimball Hospital has maintained the lowest or second lowest readmission rates in CT over the last two years, due to our unique transitions of care team and processes, designed to help patients prevent readmission (Latest data for Hospital Readmission Rates, not yet published)

New Accreditations and Certifications

- **Commission on Cancer (CoC) | 3-Year Accreditation with Commendations**
The CoC recognizes cancer programs for their commitment to providing comprehensive, high-quality, and multidisciplinary patient-centered care. In addition to accreditation, Day Kimball Hospital received five commendations for exceeding accreditation standards in the areas of clinical trials, cancer registrar education, public reporting of outcomes, pathology and nursing care.

Renewed Accreditations and Certifications

- **American Academy of Sleep Medicine (AASM) | 5-year accreditation** as a fully Accredited Sleep Disorder Center for inpatient and in-home sleep studies
- **College of American Pathologists (CAP) | 2-year accreditation** for Laboratory services