



Children's[®]
Healthcare of Atlanta

Hughes Spalding Update

Grady Memorial Hospital Corporation
September 14, 2009



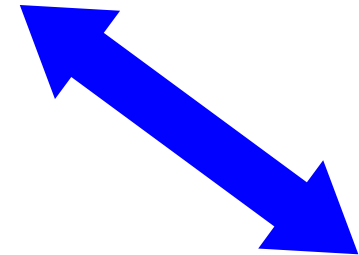
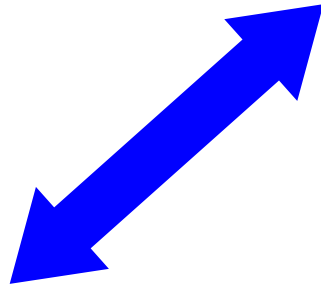
- Hughes Spalding Pavilion transitioned from adult to pediatric care in 1992.
- In 2005, Grady approached Children's Healthcare of Atlanta and asked Children's to manage and operate Hughes Spalding.
- Children's Healthcare of Atlanta at Hughes Spalding was created in February 2006 via a management agreement.

Hughes Spalding Structure & Management Agreement



- Maintains ownership and holds the license
- Governmental and some pre-existing provider agreements
- Ownership of medical records
- Underlying obligation to regulatory bodies, including CON filings
- Shared services agreement
- Pursuit of government and donor funding
- Day-to-day management of operations
- Make every effort to continue ED, inpatient service and outpatient clinics
- Maintain medical education
- Full authority to use license
- Invest \$15 million in 5 years
- Can convert to purchase or lease at any time
- Pursuit of government and donor funding

A System Approach to Serving Children



Hughes Spalding Accomplishments

2006



+



=



- 220 employees
- 200 physicians
- \$2 million face-lift

2007



Only 2
RFIs

- New Service Plan
- Fundraising
- Sickle Cell Center
- Transfusion Center
- 750 physicians



2008



- Asthma Center
- After Hours Clinic
- Child Protection Center
- Get Insured Program

Better than budget
3 consecutive years

Operational Excellence



Hughes Spalding Today

2009

Centers of Excellence

Quality

44,000 Emergency Visits

28,000 Clinic Visits

1,100 Inpatient Admissions

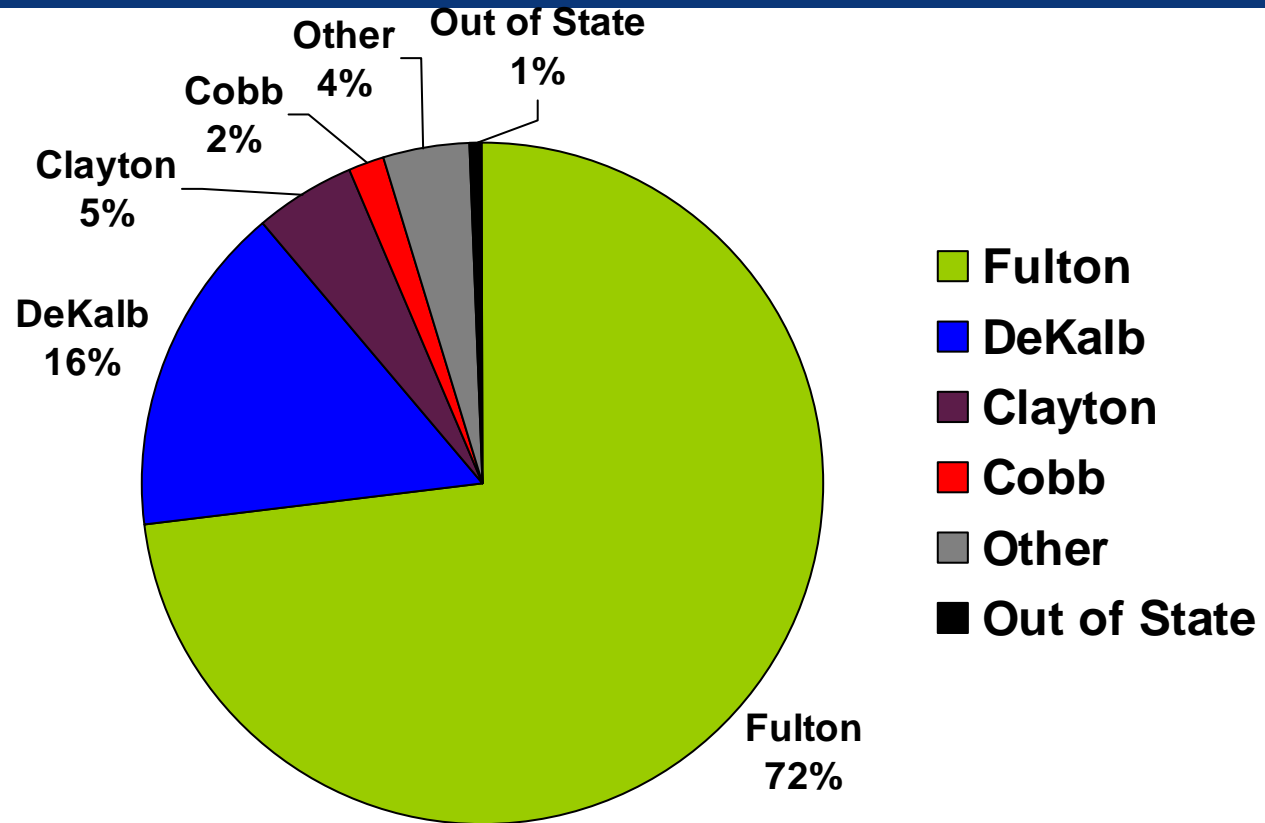
More insured children

\$36 Million Raised



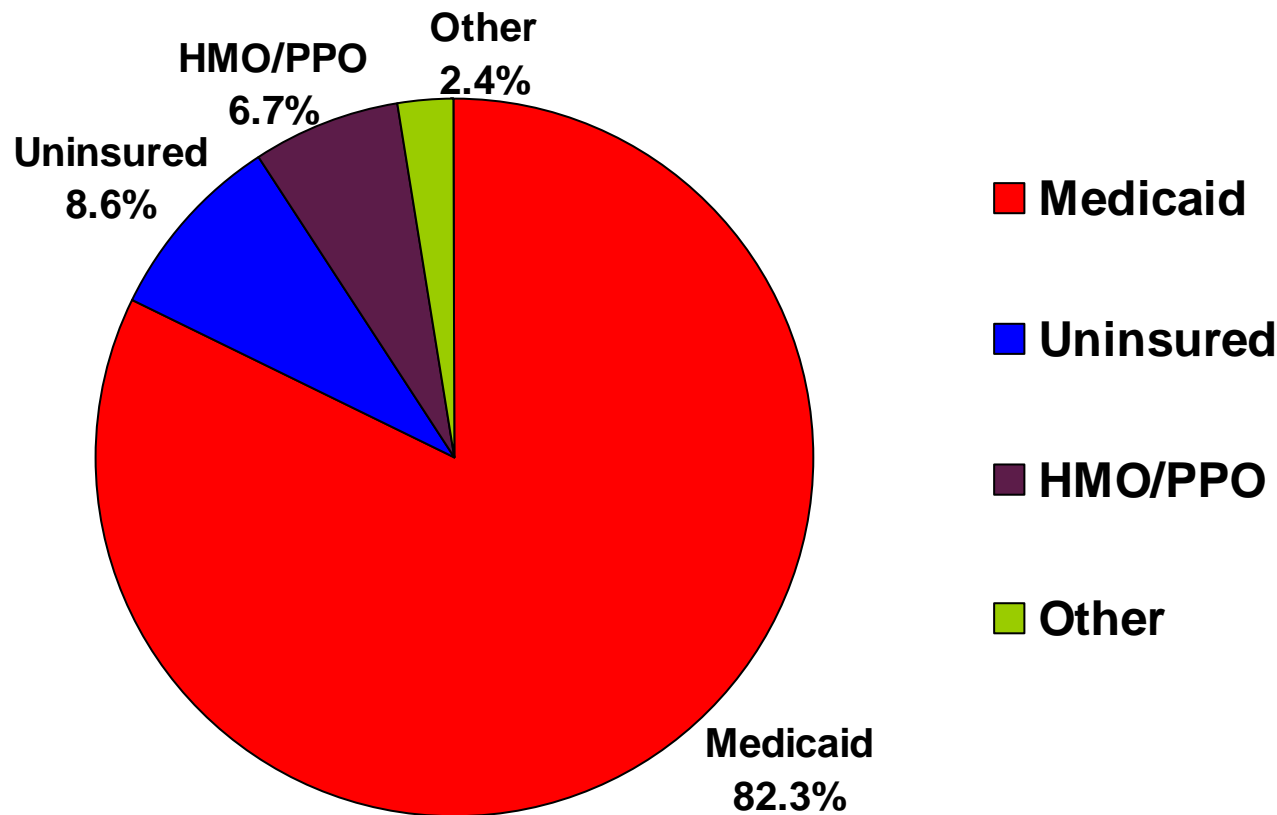
Operational Excellence

Hughes Spalding Patient Origin



- 89% percent of Hughes Spalding's patients are from DeKalb and Fulton Counties
- The average age is 5 years old, however, most of the children are younger than 3 years old

Hughes Spalding Payer Mix



- Payer mix August YTD is 90.9% percent Medicaid/Unfunded

Hughes Spalding Annual Operating Losses

2006	2007	2008	2009 Projected
(\$7.8 million)	(\$9.2 million)	(\$6.0 million)	(\$9.7 million)

- Payor Mix
- Medicaid Reimbursement

New Facility Opening October 2009



CHILDREN'S HEALTHCARE OF ATLANTA at HUGHES SPALDING

The Future is Bright for Hughes Spalding!

