

We are continually reviewing financial indicators and during the past 6 months we've seen growing pressures from the economy as well as reduced payments due to Health Care Reform which has required us to reduce all types of expenses including the elimination of some positions over the past 6 months just as other hospitals have here in our region and across the country. Although we have eliminated positions in some areas, we are still recruiting staff in other areas such as pediatric specialties.

We face the difficult job of balancing our costs and maintaining the wide range of health services we've provided for over 115 years. This is increasingly more challenging as we see more people losing their jobs and their health insurance and as we anticipate further payment reductions from changes in Federal health programs such as Medicare and Medicaid. We are proud of our leadership record in providing care for those with limited ability to pay during down economic times and look forward to the day when other hospitals in the region do the same.

We will continue to closely monitor what Health Care Reform will mean to our ability to balance expenses and services. This is an ongoing expense management process with no targets or end date. As we review expenses, patient safety and our commitment to assemble the most advanced technology and medical expertise for those who need our life saving care is at the center of all decisions. We've also recently launched a new organization-wide effort to identify cost-savings opportunities where all of our team members will contribute.

In addition to expense management, we continue to look at new ways to build revenue while creating health. The recent expansion of our Medpoint 24 operation in Granger with 24 hour urgent care has been very well received by families in our community and we are working on a variety of other new services to meet patient needs.