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we are UHS

2010 ANNUAL REPORT



We are devoted to giving back to our community.

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- UHS Wilson Medical Center
- UHS Binghamton General Hospital
- UHS Chenango Memorial Hospital
- UHS Delaware Valley Hospital
- UHS Home Care
- UHS Senior Living at Ideal
- UHS Primary Care
- UHS Medical Group
- UHS Foundation

We are partners in care and service

*We are a team of dedicated people
who live the values of quality care.*



*Michael A. Scullard
Chairman of the Board*



*Matthew J. Salanger
President and CEO*

Three years ago we had a vision to transform United Health Services from a loose collection of related organizations into a tightly integrated health care system. We knew there was a better way to provide care and service, and we acted on that knowledge. We aligned our members more closely than ever before, with shared ownership and teamwork to make the system more cohesive. Along the way, we implemented a new, more clearly defined brand. We did so by adopting a new UHS logo, which we proudly display as our “first name,” but also by launching other meaningful actions that reflect our unity of purpose. Due to the efforts of all of our board members, management, employees, volunteers and medical staff, we took the promise of our strategic direction and made it a reality. Today we can proudly say, with one voice, “We are UHS.”

Outstanding centers. A precisely timed “Pop!” sent balloons and confetti showering onto the crowd at Wilson Place on June 8 as UHS leaders, physicians and staff cut the ribbon to officially open new clinical centers at 52 Harrison St. in Johnson City. A large crowd attended the grand opening of the UHS Ambulatory Surgery Center and Pre-Admission Testing Center. The ambulatory facility offers outpatient surgical care in the ophthalmic, gynecologic, orthopedic and podiatric specialties, as well as in ear, nose and throat surgery, and general surgery. The pre-admission center brings testing conveniently to the patient.

We are all one organization

*We are committed to clinical excellence,
service excellence, market growth
and financial strength.*

During 2010 we began referring to United Health Services as UHS. People throughout our communities could begin identifying us in an easier, more user-friendly way: as one set of initials that linked all of our member organizations in the eyes of our community. This was an exciting, positive step in itself. But more importantly, it reflected the greater cooperation and integration that is taking place in our organization in more practical ways. At every level of the system, there is evidence of subsidiary members, departments and individuals working more closely together. Whether it is the ongoing convergence of UHS Hospitals and UHS Medical Group, the unification of many of our ancillary services, the collaboration of our system-wide nursing council or the way we all answer the phone “UHS,” we are a more united team than ever before. And our patients are noticing. They see the benefits of the way we provide services, not as a stand-alone hospital, but as a well-coordinated system of care that has their best interests at heart.

Projecting growth. The year 2010 was a busy one for renovation at UHS Chenango Memorial. As expansion of the primary care office in Oxford was finished in the summer, the hospital embarked on a renovation of the Maternity Department. UHS Primary Care Sidney, along with its laboratory and radiology services, moved from the second floor to remodeled space on the first floor of the Gelder Building; the new area has eight examination rooms, plus work stations for providers and nurses.

We are centered on our patients

Before we adopted our new UHS brand, we talked with a lot of people in the Southern Tier. In a series of meetings and discussions with consumers and patients, we asked them what they expect from a health care system. They were candid in their responses. First, they want a system to treat them with respect, to respond to their needs and to show regard for their time. Second, they want value, from a system that delivers care in a convenient, affordable way. And third, they want high-quality care and service that guides them to the best possible answers and outcomes. So during the year we renewed our commitment to taking three important steps every time we provide service. In each of our interactions, we will listen to people, we will show them respect and we will give them hope. Through our attitude and actions, we are devoting ourselves, every day, to making their time with us the best health care experience of their lives.

*We are here to make
each patient's time with us
the best health care experience
of their lives.*



Scoring high. UHS Delaware Valley Hospital posted scores that were better than those at most other New York and national hospitals, in the Hospital Consumer Assessment of Healthcare Providers and Systems Survey. The scores, released by the federal government in Summer 2010, show positive strides at the Walton hospital. The results are an average accumulated from the fourth quarter of 2008 through the third quarter of 2009. The hospital excelled in most categories, but staff were proudest of the achievements in the overall rating, with a score of 78 based on a state average score of 58 and a national of 66.

We are making health care better now

We are introducing a new generation to the health care professions.



We've all heard that better health care is coming. But at UHS, we can't wait until it gets here. We can't wait to make people's lives easier, to offer care that's more accessible and less complicated. So we're not waiting. During 2010, we worked to ensure that patients had access to the best family doctors and other practitioners at more than 30 conveniently located primary care sites. We offered services such as Stay Healthy, Nurse Direct and Care-A-Van, providing rides to doctors' appointments. We opened a new, centrally located Ambulatory Surgery and Pre-Admission Testing Center. We became the first clinical organization in the region to be designated a "Medical Home" by the National Committee for Quality Assurance, highlighting our devotion to continuity of care and use of more efficient, electronic medical records. We can't wait for the whole world of health care to get better. So we're making our part of the world better — right now.

20 Ideal years. UHS Senior Living at Ideal marked its 20th anniversary with a commendation from the New York State Assembly in recognition of its "20 Years of Ideal Living," signed by Assemblywoman Donna Lupardo. Ideal has been providing skilled nursing, assisted living, independent living, adult care and home care services to the residents of Greater Binghamton since 1990. The campus is on the site of the former Ideal Hospital, which opened in 1927.

we are committed to leadership

UHS is a regional leader in providing care and in making that care more efficient, more accessible and more meaningful to patients. In 2010 we introduced a number of services that enhance people's lives. We expanded our primary care and walk-in services, conducted scores of baby showers for new moms and wellness classes for folks of all ages, and launched Caring Bridge, a link on our website that helps friends and family stay up-to-date with loved ones in the hospital. What's more, we introduced online bill-pay and helped patients with their billing questions by stationing financial advocates at our primary care sites. For us, leadership means offering our community the latest technology and medical care. But it also means making the health care experience a time of comfort, convenience and warmth.

Board of Directors

2010 CHAIRS

UHS: *Michael Scullard*

UHS Hospitals: *Michael Scullard*

UHS Chenango Memorial Hospital:

Thomas Emerson, Esq.

UHS Delaware Valley Hospital:

Edward Schott

UHS Senior Living at Ideal:

Ann McNichols

UHS Home Care: *Diane Brown*

UHS Medical Group: *James Jewell, M.D.*

United MedManagement: *Sean Brady*

UHS Foundation: *Carolyn Mancini*

*We are all about
leadership, at every level
of our organization.*



Elite company. UHS Home Care received a 2010 Top 500 Agency HomeCare Elite Award. This is a national recognition that affirms UHS' commitment to high-quality, well-coordinated care of patients in their homes. It's the fifth year in a row that UHS Home Care has won the honor, placing it among the top 5 percent of home health agencies nationwide. To earn the designation, leadership and staff demonstrated that they are devoted to each person they serve and communicate in an open and supportive way.

we are stewards of our resources

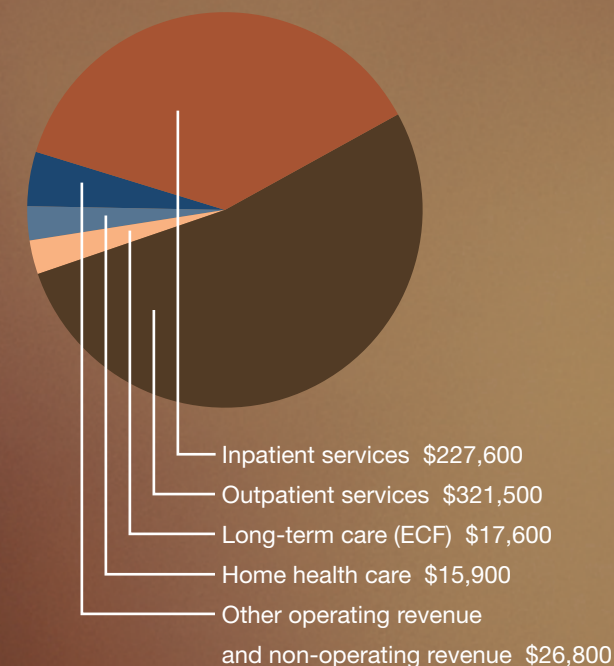
In 2010, UHS faced the recession that is affecting every sector of the economy. We also dealt with the demands of pension funding and threats to reimbursements posed by the state and federal budget process. Yet we were able to meet these challenges by relying on the direction of our strategic plan and the strengths of our centralized leadership, the alignment of UHS Hospitals and UHS Medical Group, and several million dollars in savings that have resulted from system integration and a reduction in duplication of services. Our response to the fiscal challenges affecting the entire health care field included savings generated by the consolidation of laboratory and radiology services, discounted 340B pharmacy pricing and key initiatives to reduce supply expenses and improve our revenue cycle. We define value as delivering quality, service and cost-efficiency. We define stewardship as using prudently the resources entrusted to us and providing wisely the care people have come to expect.

Leaning forward. Using principles of Lean engineering and Six Sigma process improvement developed by Motorola and adopted by leading hospitals nationwide, UHS expanded its Lean Six Sigma program during 2010. More than 30 projects were under way or completed during the year, with improvements demonstrated in such areas as preventing readmissions, reducing hospital-acquired infections, avoiding denied insurance claims and enhancing survey scores for staff courtesy and customer service.

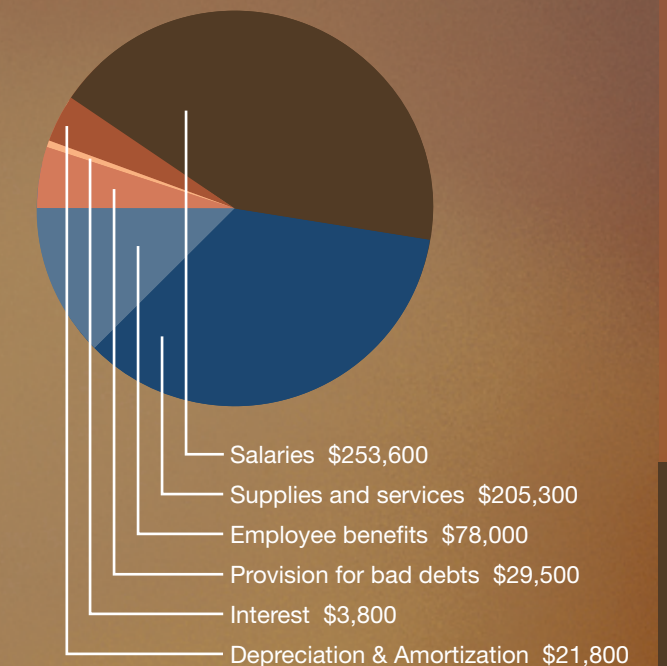
2010 Financial Profile: United Health Services Revenue and Expenses* (in thousands)

Total Revenue \$609,400
 Total Expenses \$592,000
 Net Surplus \$17,400
 Net Uncompensated and Charity Care \$29,500

Total Revenue (in thousands) \$609,400



Total Expenses (in thousands) \$592,000



*The information here is a preliminary financial draft for the year 2010. Final numbers are not expected to change substantially.

We are a regional provider

We are a system with multiple locations around the Southern Tier.



At UHS, we serve a region made up of dozens of communities and over 600,000 residents, many of whom routinely seek us out for care. To ensure that we will continue to provide the access, convenience and quality that our patients seek, wherever they enter our system, we are moving forward with greater alignment of our services and improvements to our facilities. These include plans we launched in 2010 to build a new outpatient center near Binghamton University in Vestal, modernize and expand our Intensive Care Unit, recruit and retain the best physicians and other health care professionals, and expand such needed services as wound care. At over 40 locations, from Owego to Sherburne and from Candor to Downsville, our goal is to ensure that people think of us first for care and service — that they say with satisfaction and enthusiasm, “We choose UHS.”

Walk right in. People in Greater Binghamton who are looking for high-quality, convenient walk-in care now can find it in one of the most central locations in the region. UHS in 2010 opened UHS Walk-in at 4401 Vestal Parkway East. Staffed by providers with UHS Medical Group, the center began seeing patients on Oct. 1 and features laboratory and imaging services, as well as walk-in medical care. It’s another way UHS is making health care more convenient and accessible for people in the Southern Tier.