Our vision is to be the Health System of choice in our community by enhancing the health of our patients and other customers.

Our mission is to provide quality health services to our community.

Our Corporate Values guide our success:

- The customer is first and foremost
- Respect for the individual
- The pursuit of excellence
- The promotion of positive change
- Service to the community
Dear neighbors,

In January 2012 we began performing open heart surgery in our new cardiac surgical suites in the Strickland Heart Center. We are pleased to report that in our first year, approximately 300 heart patients were able to receive the care they needed, close to home. Bringing open heart services to the region was only one of many accomplishments at Gwinnett Medical Center in 2012. A full list is included later in this annual report, but a few I’d like to highlight are:

- A new Graduate Medical Education Program for primary care physicians was founded, with the first residents expected in 2014.
- GMC expanded cancer care in the community through establishment of the Center for Cancer Care and oncology program leadership.
- Diabetes care was extended to underserved populations in our region through grants from Cisco.

In addition, GMC’s expert level of care was recognized on a state and national level by many awards and accreditations. One of these is the Beacon Award for Critical Care Excellence. This means that our most vulnerable patients – those in the intensive care unit – are receiving exceptional care. We’re especially proud that the intensive care units at both our hospitals, in Lawrenceville and Duluth, have received this award. Of the nearly 6,000 critical care units nationwide, only 121 have been recognized as Beacon Award winners.

We’re also proud to see that the community is taking notice of how GMC is transforming healthcare. In a survey conducted by a national research firm,* GMC was Gwinnett’s most preferred hospital in overall healthcare services. In addition, GMC was rated #1 in these categories:

- Highest patient safety
- Best nurses
- Most personalized care
- Best accommodations/amenities
- Best community health programs
- Hospital website used most often

As we look forward, we continue to work to transform healthcare in our community. While 2012 was an exciting year for GMC, we are working to make 2013 even better.

Sincerely,

Philip R. Wolfe, FACHE
President & CEO

*Based on 2012 National Research Corporation Market Insight results, Gwinnett County market.
Overview

Led by a volunteer board made up of community leaders, Gwinnett Hospital System, Inc. (GHS) is a licensed 464-inpatient, 89-skilled nursing bed health system providing quality health services to our community. Through the services of a medical staff of more than 800 physicians, we provide comprehensive medical services for more than 26,000 inpatient admissions and 345,000 outpatient and emergency visits annually. Our patients come from more than 70 counties in metro Atlanta and the state of Georgia. As a not-for-profit health system, all revenue generated above operating expenses is returned to the community through improved services and innovative programs. The hospital system’s charity care policy supports the provision of care for indigent patients, regardless of their ability to pay.

For the purpose of this report, the term Gwinnett Medical Center includes Gwinnett Hospital System.

Gwinnett Medical Center’s expert level of care has been recognized on a national and statewide level including:

- **Beacon Award for Critical Care Excellence** – GMC-Lawrenceville’s Intensive Care Unit was awarded its fourth AACN Beacon Award for Critical Care Excellence and GMC-Duluth’s Intensive Care Unit was awarded its first AACN Beacon Award
- **Presidential Category Award** – Core Measures Honor Roll, Georgia Hospital Association
- **Get With the Guidelines Stroke Gold Award** – American Stroke Association
- **Commission on Accreditation of Rehabilitation Facilities** – Glancy Rehabilitation Center received full accreditation and continued designation as a Stroke Specialty Program

Gwinnett Medical Center offers a full range of healthcare services through its two acute-care hospitals: Gwinnett Medical Center-Lawrenceville and Gwinnett Medical Center-Duluth. Additional facilities include: the Gwinnett Women’s Pavilion and the Gwinnett Extended Care Center (skilled nursing and long-term care) at GMC-Lawrenceville; Glancy Rehabilitation Center in Duluth; three outpatient surgical centers; four imaging centers including a mobile mammography unit; and outpatient physical, occupational and speech therapy facilities.

In 2012, GMC also opened the Strickland Heart Center, a new wing at GMC-Lawrenceville dedicated to cardiovascular surgery.
GMC Recognition/News in 2012

• GMC began performing open heart surgeries at the Strickland Heart Center. We are pleased to report that in our first year approximately 300 heart patients were able to receive the surgical care they needed, close to home.

• The Gwinnett Women’s Pavilion, which opened in 1991, celebrated the birth of its 100,000th baby.

• GMC was named one of the best employers in metro Atlanta, receiving the 2012 Best Places to Work Award from the Atlanta Business Chronicle.

• The Center for Surgical Weight Management (CSWM) received national accreditation as a Center of Excellence, and opened its newly renovated, 12,000-square-foot facility, located at the Glancy Campus.

• GMC expanded cancer care in the community through establishment of the Center for Cancer Care and oncology program leadership.

• A new Graduate Medical Education Program for primary care physicians was founded, and a director hired. The first residents are expected in 2014.

• GMC added congenital heart defect testing for infants.

• Robotic surgery at GMC was expanded to include thoracic surgery.

• Diabetes care was extended to underserved populations in our region through grants from Cisco.

• GMC entered its first college sports affiliation, partnering with Georgia Gwinnett College.

• Gwinnett Medical Group expanded its employed physician practices.

Charity Care

For fiscal year 2012, Gwinnett Hospital System reported $28,832,372 charity care costs, $17,442,892 unreimbursed Medicaid, $10,868 other means-tested government programs and $15,489,222 community benefit programs. The total community benefit expense at cost for fiscal year 2012 was $61,775,354. In addition, $232,368 was reported in community building activities for fiscal year 2012.
**Community Outreach**

GMC values cooperative efforts with community services and other healthcare providers to improve the health status of area citizens. GMC demonstrates its value for collaborative efforts within the community through many partnerships ranging from partnering with the Gwinnett Coalition for Health and Human Services as a founding and permanent member, to collaboration with AID Gwinnett, J. M. Tull - Gwinnett YMCA, Gwinnett United in Drug Education, Inc. (GUIDE), Gwinnett Foster Children’s Foundation and Boy Scouts’ Medical Explorers program. Our organization works closely with the Gwinnett Chamber of Commerce and actively participates in Partnership Gwinnett, which is a comprehensive plan that partners government, education, healthcare and business in an economic development plan. In addition to the Chamber, GMC is involved with individual cities in the county.

In our community, we have found the most effective way to meet the needs of providing community health education, self-help, preventive health and wellness programs, health screenings and support groups is by providing these services at community sites. Our largest community outreach departments, serving the communities of both GMC-Lawrenceville and GMC-Duluth, include Faith Community Nursing, Sports Medicine, Health Education & Wellness and Women’s Services.

In 2012, more than $3,278,123 was provided in community benefit programs/outreach.

**Training and Education**

GMC supports the training and education of nurses and other healthcare professionals who are employed by the system, for high school students interested in healthcare careers, and through job shadowing. We are associated with 25 local academic institutions. We also provide training to 32 other academic institutions for health professions.
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David McCleskey*
Philip R. Wolfe*

*non-voting, ex officio member
**voting, ex officio member

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Bartow Morgan, Jr.
Philip R. Wolfe

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Donny Phillips
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Bruce Still
Clyde Strickland
Larry Troutman
Richard Tucker
Judy Waters
Kathryn Parsons Willis
Philip R. Wolfe
## Financial Report/Balance Sheet

### Assets (in thousands)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>$210,715</td>
<td>$204,024</td>
</tr>
<tr>
<td>Assets limited as to use</td>
<td>$323,018</td>
<td>$320,641</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>$307,074</td>
<td>$306,230</td>
</tr>
<tr>
<td>Other assets</td>
<td>$15,960</td>
<td>$15,439</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$856,767</td>
<td>$846,334</td>
</tr>
</tbody>
</table>

### Liabilities and net assets (in thousands)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities</td>
<td>$58,234</td>
<td>$63,653</td>
</tr>
<tr>
<td>Self-insurance reserves</td>
<td>$15,029</td>
<td>$17,377</td>
</tr>
<tr>
<td>Accrued pension cost</td>
<td>$44,290</td>
<td>$27,486</td>
</tr>
<tr>
<td>Long-term debt, excluding current portion</td>
<td>$305,160</td>
<td>$312,053</td>
</tr>
<tr>
<td>Financing obligation</td>
<td>$22,458</td>
<td>$22,458</td>
</tr>
<tr>
<td>Fair Value of Interest Rate Swaps</td>
<td>$47,592</td>
<td>$25,007</td>
</tr>
<tr>
<td>Other</td>
<td>$2,526</td>
<td>$2,370</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$495,289</td>
<td>$470,404</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td><strong>$361,478</strong></td>
<td><strong>$375,930</strong></td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td><strong>$856,767</strong></td>
<td><strong>$846,334</strong></td>
</tr>
</tbody>
</table>
# Statement of Revenues & Expenses

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Our Revenues (in thousands)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inpatient revenue</td>
<td>$709,597</td>
<td>$620,899</td>
</tr>
<tr>
<td>Outpatient revenue</td>
<td>$961,496</td>
<td>$877,964</td>
</tr>
<tr>
<td>Total patient revenue</td>
<td>$1,671,093</td>
<td>$1,498,863</td>
</tr>
<tr>
<td>Deductions for indigent, charity managed care and other contractual allowances including Medicare and Medicaid</td>
<td>$1,041,435</td>
<td>$907,227</td>
</tr>
<tr>
<td>Provision for other uncollectable accounts</td>
<td>$111,460</td>
<td>$113,380</td>
</tr>
<tr>
<td>Net revenue from patient services</td>
<td>$518,198</td>
<td>$478,256</td>
</tr>
<tr>
<td>Other revenue and investment income</td>
<td>$1,844</td>
<td>$35,074</td>
</tr>
<tr>
<td>Total revenues, gains and other support</td>
<td>$520,042</td>
<td>$513,330</td>
</tr>
<tr>
<td><strong>Our Expenses (in thousands)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses such as salaries</td>
<td>$457,993</td>
<td>$433,574</td>
</tr>
<tr>
<td>Financial costs, primarily interest and depreciation</td>
<td>$49,499</td>
<td>$50,479</td>
</tr>
<tr>
<td>Total expenses for the year</td>
<td>$507,492</td>
<td>$484,053</td>
</tr>
<tr>
<td><strong>Net Results</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue, gains and other support in excess of expenses and losses available for reinvestment in the system</td>
<td>$12,550</td>
<td>$29,277</td>
</tr>
</tbody>
</table>

*Financial data for Gwinnett Health System, Inc*
## Statistical Profile

### Personnel and Facilities

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total system employees</td>
<td>4,343</td>
<td>4,179</td>
</tr>
<tr>
<td>Active and provisional medical staff</td>
<td>601</td>
<td>597</td>
</tr>
<tr>
<td>Licensed excluding rehab and long-term care</td>
<td>434</td>
<td>434</td>
</tr>
<tr>
<td>Licensed rehabilitation beds</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Licensed acute care beds</td>
<td>464</td>
<td>464</td>
</tr>
<tr>
<td>Licensed long-term and skilled nursing beds</td>
<td>89</td>
<td>89</td>
</tr>
</tbody>
</table>

### Patient Care Activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of patients admitted (excluding newborns)</td>
<td>26,571</td>
<td>24,384</td>
</tr>
<tr>
<td>Patient days of service rendered (including newborns)</td>
<td>162,911</td>
<td>155,901</td>
</tr>
<tr>
<td>Patient days of service rendered (excluding newborns)</td>
<td>144,928</td>
<td>138,223</td>
</tr>
<tr>
<td>Average daily census (excluding newborns)</td>
<td>396</td>
<td>378</td>
</tr>
<tr>
<td>Occupancy - Acute Care*</td>
<td>67%</td>
<td>63%</td>
</tr>
<tr>
<td>Average acute care length of stay (days)</td>
<td>4.3</td>
<td>4.4</td>
</tr>
<tr>
<td>Outpatient visits (hospital-based)</td>
<td>207,598</td>
<td>204,660</td>
</tr>
<tr>
<td>Total births</td>
<td>4,819</td>
<td>4,914</td>
</tr>
<tr>
<td>Inpatient and outpatient surgical cases</td>
<td>26,915</td>
<td>27,461</td>
</tr>
<tr>
<td>Emergency Department visits</td>
<td>137,796</td>
<td>132,293</td>
</tr>
</tbody>
</table>

* Occupancy based on licensed acute beds