



**Murphy
Medical
Center**

Our Mission:

To provide our communities with high-quality, patient-centered care

828-837-8161

3990 E. US Highway 64 Alt., Murphy, NC 28906

www.murphymedical.org

2011 Community Benefit Report

Murphy Medical Center

To the citizens of our community,

Murphy Medical Center is an integral part of our community, and it is my pleasure to present this annual update of our involvement in, and contribution to, our area. We provide high-quality healthcare for our citizens and contribute to the economy as the largest employer in three counties and as a property tax paying business. We have a very real sense of responsibility and commitment to our role in the physical and fiscal health of our community.

We've experienced lots of activity this past year: some positive, some challenging. Under the positive heading, we affiliated under a management service agreement with Carolinas HealthCare System, one of the nation's leading and most innovative healthcare organizations. They're helping us navigate our nation's complicated healthcare system, including identifying new growth opportunities.

We're also a year into our Journey to Excellence which is our programmatic, goal-oriented endeavor to provide our patients with a positive WOW! experience when they choose us for their healthcare. Our mission is to provide our communities with high-quality, patient-centered care and our vision is to be both the provider and employer of choice. That means we're focused on providing the best possible service to "Every Patient, Every Time".

We've also had some good success in the past year recruiting new physicians to our area and expect some additions over the next several months.

Earlier, I referenced some challenges experienced this past year. As you watch the national news, you see reports of the nation's poor economy and the government's struggle with our national budget, of which Medicare and Medicaid are a part. In October, Medicaid cut our reimbursement for hospital inpatients by 9.5% and all other service lines by 2%. Medicare has slashed our skilled long-term care reimbursement rates by over 11%.

We are further affected by residents delaying healthcare in this weak economy and by our provision this year of almost \$11 million in uncompensated care (charity care and bad debts). In just the past five years, Murphy Medical Center has provided over \$48 million in uncompensated care, which is a significant amount for an organization our size.

In response to reduced reimbursement, lower patient volumes and increased uncompensated care, we have undertaken a benchmarking labor study to help us become more operationally efficient. We recently made some hard decisions regarding staffing. It's never easy to lay off valued employees, but we understand we must remain financially solvent to be positioned to take care of our community members for years to come.

We are confident we will continue to be successful in taking care of our community, but we cannot do it alone. We are a community non-profit organization dedicated solely to our local area. All profits are plowed back in to our operations and services and assist in our recruiting and expansion when needed. When we don't have a margin, which has been the case lately with all of the factors I've mentioned, we are forced to use reserves and make operational adjustments.

You can help. Through our Foundation, you can support our organization in ways you find personally rewarding. By donating, you can truly make a positive difference in your own community. We also have the largest number of volunteers in our history serving you daily throughout our organization and we appreciate the great gift of their time. Your input helps us, too. It's how we'll continue to improve our services and care. So, I encourage you to support your local hospital in whatever way you can.

As our logo represents, with the corners of the 'M' touching multiple points in the life cycle represented by the circle, Murphy Medical Center touches its community members throughout their entire lives. From our labor and delivery unit to our end-of-life hospice service and everything in between, we are here to help foster your good health. We appreciate the opportunity to serve you and your loved ones.

On behalf of our dedicated employees and physicians,

Mike Stevenson
Administrator
828-835-7502

**MURPHY MEDICAL CENTER'S FY2011
COMMUNITY INVESTMENT ***

Capital Investments (Equipment and Technology)	\$ 1,894,100
Charity and Uncompensated Care Provided **	10,807,300
Local Education Involvement	127,400
Health Fairs	25,600
Physician Recruitment	271,800
Far West Dental Clinic Facility Donation	13,500
Payroll and Benefits	37,813,900
Property Taxes	47,100
Scholarships	34,100
Charitable Donations	4,900

TOTAL COMMUNITY INVESTMENT \$51,039,700

* Fiscal Year 2011; rounded to nearest 100

** See graph below for 6-year history of Charity and Uncompensated Care

**MURPHY MEDICAL CENTER'S
CHARITY AND UNCOMPENSATED CARE - FISCAL YEARS 2006-2011**

