MY HOSPITAL

Moving Forward... To Benefit Our Community

Granville Health System

Quality Care... Close To Home
A MESSAGE FROM THE CEO

Granville Health System continues to position itself as a community health partner, addressing the future medical needs of our area residents through the GHS Expansion Plan.

Moving Forward
Granville Health System enjoyed a great deal of success in 2009. The organization received a number of awards for quality service and the health system experienced record growth. With the benefit of extraordinary leadership from our Board of Trustees, and the dedicated work of our staff, volunteers and medical staff, GHS has continued to build a solid platform from which to grow.

In 2010, GHS continues to position itself to accommodate the future medical needs of our community through the GHS Expansion Plan. This ambitious construction project is the largest in the organization’s history.

GHS believes in order to ensure the organization meets the future health care needs of our community, the system must continue implementing a long-term approach of strategic growth. The expansion plan is based on a long-range focus on growth, quality and service, allowing the hospital to continue to deliver new health care technology and expand services to the community.

As we move forward, I would like to acknowledge the community’s support we have received on behalf of GHS and GHS Foundation. Through the employee giving campaign, GHS staff donated more than $27,000 in support of the expansion. Local businesses, civic leaders and area residents have each made contributions in support of our commitment to deliver the highest quality care and excellent customer service throughout our community.

L. Lee Isley, PhD, FACHE
Chief Executive Officer
Granville Health System will continue to invest further in the hospital, supporting our commitment to deliver new medical programs, technologies and expanded services to the community.

Mission
The mission of Granville Health System is to provide the community we serve with the very best health care delivered with compassion and pride.

Vision
Granville Health System will be the preferred health care resource for the communities it serves, working in partnership with physicians and staff to deliver exceptional care.

Values
Granville Health System will seek to fulfill its mission and accomplish its vision through faithfulness to the values of:

Excellence
- with a passion for exceeding expectations in clinical care and service quality

Teamwork
- to include the people we serve, each other, and our community partners

Respect
- for both patient and coworker opinions and beliefs

Integrity
- through ethical, fair, and trustworthy behavior

Stewardship
- by responsibly managing and applying our resources

Accountability
- through our conduct, actions, decisions, and commitments
Granville Health System employs the 5 Pillar system to guide its strategy and to measure its successes. The 5 pillars are: Service, Quality, Finance, Growth and People. The most important pillar is people. Our physicians, staff and leadership are the foundation upon which we focus our efforts for each of the 5 pillars. Each of the 5 pillars integrates strategic goals and objectives that serve our ultimate goal and each department/facility in our organization contributes toward achieving those goals. Our ultimate goal is to be the provider of choice for this community.

**Service**
- To build strong, constructive relationships with our medical staff
- To ensure a sufficient number, mix and geographic distribution of physicians in our community
- To provide ongoing education to our community
- To ensure that each patient will have a positive experience when they use our services

**Quality**
- To offer our patients high-quality care
- To build infrastructure capable of supporting our growth and delivery of high-quality patient care
- To score well in national quality measures

**Finance**
- To earn sufficient capital to fund our operations and growth

**Growth**
- To recruit a sufficient number, mix and geographic distribution of physicians in our community
- To expand our services

**People**
- To employ quality physicians, nurses, allied health and other needed personnel
- To foster mutually beneficial relationships with our medical staff and employees
- To earn the trust of the community
Executive Leadership

L. Lee Isley
Chief Executive Officer
Throughout his career, Mr. L. Lee Isley has specialized in working with rural health systems, focusing on building successful medical teams and providing quality care and exceptional services to the communities they serve.

In 1995, Mr. Isley joined WestCare Health System in Sylva, North Carolina, and held various executive level positions, from Assistant Vice-President to Chief Operating Officer. In 2004, he joined Morristown-Hamblen Healthcare System in Morristown, Tennessee as the Chief Administrative Officer. In August of 2006, Mr. Isley was selected as the new Chief Executive Officer for Granville Health System.

Mr. Isley has found great success in developing physician relationships and working partnerships, benefiting both Granville Health System and the community. Working in conjunction with an effective board of trustees and an exceptional medical team, he has developed real estate joint ventures, program partnerships, service line ventures, practice acquisitions, quality initiatives and an ambulatory surgery center joint venture. Mr. Isley continues to focus on developing an engaged medical staff and identifying growth opportunities that set Granville Health System apart from other regional health systems.

After attending Western Carolina University, Mr. Isley received his MBA from Elon University and earned a PhD in Community Health / Public Health at The University of Tennessee, Knoxville. While at the University of Tennessee, his research focused on, “The Profitability of Small, Rural Hospitals.” Mr. Isley is a Fellow with the American College of Healthcare Executives and is active in leadership and service activities in his community.
EXECUTIVE LEADERSHIP

Cristina Rigsbee Blalock
Senior Director of Ambulatory Services
Ms. Blalock has more than 14 years of experience in health care, specializing in physician practice acquisition and management, physician employment and retention, and other outpatient services. Ms. Blalock oversees the physician practices owned and operated by Granville Health System. In addition, she oversees Marketing, Behavioral Health Services, Community Relations, Physician Recruitment, Sleep Lab Services, and Pro-Bill.

Bruce Brooks
Chief Financial Officer
Mr. Brooks holds an MBA with a concentration in finance and has more than 12 years of health care finance experience in small to mid-size facilities. In addition to managing the diverse financial responsibilities of health care systems, Mr. Brooks’ prior experience as a consultant allows him to work one-on-one with clients in navigating the complex environment of health care finance.

Maria Calloway
Chief Nursing Officer
Ms. Calloway holds an MSN with a concentration in nursing administration and nursing education and has more than 25 years of nursing experience. Prior to embracing the challenging career of nursing administration, Ms. Calloway worked in trauma and critical care. Ms. Calloway is a member of the American Nurses Association, American Association of Critical Care Nurses, American Organization of Nurse Executives and the North Carolina Organization of Nurse Leaders.

Carolyn F. Hill, LNHA
Senior Director of Support Services
Ms. Hill manages Granville Medical Rehabilitation, GHS Laboratory Services, the Community Alternative Program for Disabled Adults and Children (CAP), GHS Dietary Services, the Harold Sherman Adult Day Center and Brantwood Nursing and Rehab Center. She also serves as the Compliance Officer for Granville Health System. A licensed long-term care administrator, Ms. Hill is nationally known for her experience in developing quality care programs in long-term care settings.
A well respected physician, who is known for his depth of knowledge and level of skill, Dr. Linga Vijaya knows our area residents and supports Granville Health System’s commitment to delivering excellent care.

**Medical Staff Development Plan**

In May of 2008, a Granville Health System medical staff development plan was established. Based on the community needs assessment performed, area residents identified urology as a needed specialty within Granville County.

**GHS Responds to Community’s Need for Expanded Urology Services**

In January, Granville Health System acquired the Henderson, NC urology practice of Linga Vijaya, M.D. In addition, Dr. Vijaya joined Granville Health System’s active medical staff.

Granville Urology Associates maintains two medical facilities. The Henderson office is located at 568 Ruin Creek Road, Suite 121. The Oxford office is located at 1016 College Street, on the Granville Medical Center campus.
Granville Health System Welcomes Joanne Fruth, M.D. to South Granville Primary Care

Granville Health System hired Joanne M. Fruth, M.D. to head up South Granville Primary Care in Butner, North Carolina. Dr. Fruth had previously practiced with Duke Primary Care and Oxford Family Physicians. She began seeing patients at the health system’s primary care facility on July 13.

South Granville Primary Care, which is located at 317 Central Avenue in Butner, is a primary care practice that offers a full range of clinical services, including laboratory and X-ray services; wellness physicals for adults and children; and work, school and disability physicals.

GHS Acquires Granville Internal Medicine and Geriatrics

Granville Health System acquired Granville Internal Medicine and Geriatrics. The medical team of Francine Chavis, M.D., Stephen Ertischek, M.D. and Beverly Anderson, NP joined the health system on August 1. Granville Internal Medicine and Geriatrics has provided primary care services to Granville County and the surrounding areas for more than 30 years.
As a public leader and educator, L.C. Adcock has left no stone unturned while seeking to improve the organizations and communities he serves.

GHS Board Chairman L.C. Adcock Receives NC Hospital Association Award

L.C. Adcock, Chairman of the Granville Health System Board of Trustees, was selected to receive a North Carolina Hospital Association Trustee Award. The award, which recognizes outstanding trustees who have contributed substantially to their hospitals and communities, was presented at a luncheon on Saturday, April 18 at the Trustee Institute in Myrtle Beach.

Mr. Adcock, a former Granville County commissioner and educator, joined the board of trustees at Granville Health System in January 1998 and began serving as chairman in January 2006. Before joining the health system’s board of trustees, Mr. Adcock had promoted the ideals of leadership and “community first” throughout his career.

Granville Health System has overcome significant challenges under Mr. Adcock’s leadership. As the surrounding population was expanding and the need for quality health care close to home was growing, he led the health system as it added new service lines, recruited medical staff and acquired new regional health care providers.

Through acquisition of numerous medical facilities, Adcock assured the expansion of access to quality health care throughout Granville County.

In a time of overwhelming economic uncertainty, Mr. Adcock has positioned Granville Health System to set its own path and it has grown instead of consolidated, improved quality instead of just maintaining services, and moved forward as a leader in the region instead of following other health care providers.
AWARDS AND RECOGNITIONS

GHS Earns Triangle Area’s Top Rating; 5-Star Total Hip Replacement
Granville Health System announced that it was awarded the 2009 and 2010 five-star rating of excellence for quality outcomes in total hip replacement from HealthGrades®, the nation’s leading independent health care ratings organization. The outstanding score sets GHS as the top provider for this orthopaedic service in the Triangle area, including Oxford, Henderson, Raleigh, Durham, Chapel Hill, Cary and Smithfield.

Hospital of Choice Award
The American Alliance of Healthcare Providers named GHS as one of the top 100 hospitals in the country in their 2009 Hospital of Choice Awards. The award celebrates hospitals that go beyond their walls in pursuit of excellence and quality care—developing collaborative relationships with not only patients, but with physicians and other health care organizations in the community.

GHS Named a Community Value Index® Five-Star Hospital
The Award places Granville Health System within the top 20% of hospitals in the United States in providing financial value to the communities they serve. They reinvest back into the facility to provide for current and emerging health needs in the community.
Granville Health System Recognized for Surgical Care Performance

Granville Health System earned a NC SCIP performance award at the North Carolina Surgical Care Improvement Project’s (NC SCIP) year two celebration.

The award is tied to the Surgical Care Improvement Project, which is a national quality partnership of organizations committed to improving the safety of surgical care through the reduction of postoperative complications.

GHS Implements a New Quality and Patient Safety Initiative

Granville Health System participated in a new quality and patient safety initiative endorsed by the North Carolina Hospital Association. The program, North Carolina System for Hospital Infection Measures (NC SHIM), includes the development of a voluntary, confidential, peer-review protected database to collect information on various measures related to infection prevention in support of the goal to eliminate hospital-acquired infections (HAI).

“Our facility relies on the expert training and experience of our staff. I appreciate and thank each of them for their vital and tireless efforts.”

Maria Calloway, RN, MSN, Chief Nursing Officer
Hospital Recognized as a Blue Distinction Center
Granville Medical Center was recognized as a Blue Distinction Center for Knee and Hip Replacement™. This designation is awarded to facilities that have demonstrated an objective commitment to quality care, resulting in better overall outcomes for patients who undergo knee and hip replacement procedures. These facilities have demonstrated experience in offering comprehensive inpatient knee and hip replacement services, including total knee replacement and total hip replacement. The Blue Cross and Blue Shield Association (BCBSA) collaborated with expert physicians and medical organizations to determine the selection criteria for all Blue Distinction programs. Candidates for Blue Distinction Centers for Knee and Hip Replacement must present clinical-based evidence to establish that they meet the selection criteria.

GHS is First in NC to Implant Orthopaedic Superion™ Device
Granville Health System announced that Ralph Liebelt, M.D. is part of a select group of prominent spine surgeons chosen to participate in a national study that evaluates the treatment of spinal stenosis, the degenerative narrowing of the spaces in the spine that can lead to spinal cord and/or nerve root compression. Granville Medical Center was chosen as the site for this study because of the hospital’s past success in working with Dr. Liebelt and the experienced staff available at the hospital.

“[I love seeing the difference made in each patient’s life and playing a part in their success stories!”
Valerie Boyle, DPT, Granville Medical Rehabilitation
“Thanks...for all you’ve done in providing wonderful medical care, not only for my daughter Megan, but for my entire family.”

Christy Dixon, Oxford, NC

**GHS Renovations Keep Quality of Care in Mind**

Granville Health System continued to move forward with a $770,000 renovation plan for Granville Medical Center and Brantwood Nursing and Rehab Center. Improvements were seen throughout public and patient care areas of each facility. Rooms for hospital patients and Brantwood residents were upgraded with both comfort and quality of care in mind.

**GHS Becomes Tobacco-Free**

Granville Health System became 100% tobacco-free. While Granville Health System’s buildings have been smoke-free for many years and patients have not been permitted to smoke in their rooms, tobacco had previously been banned only inside the medical facilities. The new policy, which took effect October 1, 2008, includes all outside areas that are owned and operated by Granville Health System.
“I’m proud to be a part of Granville Health System, where delivering quality care and excellent customer service are always a top priority.”

Stephanie Strother, MRI technologist

GHS’s Imaging Department Introduces Digital Mammography Services
Granville Health System announced that local area residents now have access to digital mammography services at the health system’s Oxford hospital, Granville Medical Center. GHS became one of the first hospitals in the area to offer this service. Digital mammography is viewed as an improved technology because the images are digitally enhanced for easier detection of abnormalities.

GHS Kicks off the Diabetes Bus Initiative
Granville Health System began working with Diabetes Management Solutions to offer free ongoing diabetes self-management classes to the community through The Diabetes Bus Initiative®. The program was launched in February at Granville Medical Center. Previously, people in Oxford and surrounding communities had to travel to Durham for diabetes education.
“Habitat for Humanity partners with organizations that are deeply involved in their communities. I am pleased to work with one of our community’s largest assets... Granville Health System.”

Mark Prokop, Executive Director

**GHS Sponsors the Granville County Habitat for Humanity**

Granville Health System signed on as a corporate sponsor of the Granville County Habitat for Humanity home, being built near downtown Oxford. Granville County HFH is a locally run affiliate of Habitat for Humanity International. Habitat works in partnership with people in need to build and renovate decent, affordable housing.

Volunteers provide most of the labor, and individual and corporate donors provide money and materials to build Habitat houses. Partner families themselves invest hundreds of hours of labor into building their homes. In addition to donating financial support, the hospital will sponsor “Team GHS,” a group of health system employees that will be on-site at the Oxford location for 2 full construction days.

**Workshop for Breast Cancer Survivors**

Granville Health System offered a free exercise and recreation therapy workshop for breast cancer survivors in the community. This innovative program, in partnership with UNC, Chapel Hill and Johnston County Health Department, offered a free interactive workshop for breast cancer survivors. The workshop was sponsored by the NC Triangle Affiliate of the Susan G. Komen for the Cure Foundation.
Meal and More: Oxford & South Granville
Granville Health System continued to host its successful Meal and More program in both Oxford and Creedmoor. The popular program has been offered at Granville Medical Center in Oxford since 2007. To date, the Meal & More program has featured presentations on over 30 health care topics and hosted more than 2,000 participants from Granville County and the surrounding communities.

GHS Sponsors Granville Schools Wellness Initiative
Granville Health System sponsored the 2009 Kids Living Healthy Art Contest at Butner-Stem Elementary School and Stovall-Shaw Elementary School.

The program is a wellness initiative designed by GHS to encourage students and their families to live healthy lifestyles. Students are challenged to select themes such as nutrition, exercise or other ways to stay healthy and illustrate their ideas through individual pieces of art. More than 600 students have participated in the contest.

Eat Smart, Move More Granville-Vance Weight Loss Challenge
GHS partnered with Granville-Vance District Health Department and Maria Parham Medical Center to offer the Eat Smart, Move More (ESMM) Granville-Vance Weight Loss Challenge, to encourage participants to lose weight and exercise more. The ultimate goal was to challenge participants on an individual and team level to improve the overall health of residents in both North Carolina counties.
GHS FOUNDATION

Board Members
Gary Bowman, Chairman
William Adcock
Lennie Blackley
Jean Blaine
Lehman Brinkley
J. David Brooks
James W. Crawford, Jr.
Carolyn Critcher
Jason Finch
Paul Kiesow
Rev. Harrison Simons
Marshall Tanner
John Wimbush
Francis Winston
Xavier Wortham

About Granville Health System Foundation
The GHS Foundation was founded in 1984 for the purpose of raising funds and accepting gifts to support the work of Granville Health System. The Foundation serves as a charitable resource for GHS, supporting its commitment to providing quality health care to all citizens of the community.

GHS Employees Raise More Than $27,000 to “Pave the Way” in Support of Community Health
Granville Health System employees raised more than $27,000 through the “Paving the Way” employee giving campaign. The funds raised will benefit the GHS Foundation and a portion of the money will be used to construct a brick walkway leading to the entrance of the new Granville Medical Center Emergency Department. GHS employees exceeded the initial campaign goal of $5,000 within the first 5 days of the 30-day program.

In mid-June, Granville Health System filed an application for a major expansion of Granville Medical Center’s Emergency Department with the Certificate of Need section of the Division of Health Service Regulation of North Carolina’s Department of Health and Human Services. The application was approved and new construction is slated to begin in 2010.

Employees that participated in the giving campaign received a “Paving the Way” pin, and those who sponsored a brick for the employee walkway were honored on a campaign mural posted in the existing emergency department during the campaign. Employees who sponsored a brick for the walkway will have their name, or a name of their choosing, imprinted on the brick.

The Foundation is a nonprofit 501 (c) 3 organization and all contributions are tax-deductible to the extent permitted by law. Information on making contributions can be found online at: www.ghsFoundation.org
The GHS Foundation Art Gala raised more than $62,000 in support of the upcoming GHS Expansion Plan

GHS Foundation Art Gala Raises More than $62,000 in Support of Expansion Plan
The Foundation hosted the first annual Granville Health System Art Gala in November, at the Granville County Shrine Club in Oxford. Proceeds from the evening benefited the Foundation in supporting Granville Health System’s mission to promote and advance the well-being of area residents. Specifically, the money raised through the gala will help fund the GHS Expansion Plan.

Granville Health System Foundation Introduces Sam Perry Memorial Scholarship
The Foundation established the scholarship in memory of Sam Perry, a physician’s assistant (PA), whose specialized medical care earned him deep respect from both patients and peers throughout his career. The scholarship promotes Sam Perry’s legacy of compassionate care and personal leadership by providing financial help to Granville County residents pursuing an allied health field career.

GHS Foundation Receives Generous Gift from Local Philanthropist
The Granville Health System Foundation received charitable gifts given by the estate of local philanthropist Harold L. Sherman and his family. The donations, totaling $174,000, will be used to further GHS’s mission to provide the community it serves with the very best health care delivered with compassion and pride.
Moving Forward: The GHS Expansion Plan

The GHS Expansion Plan is Granville Health System’s response to the present and future health care needs of our expanding and aging community. The Plan is an ambitious 32,000 square foot expansion and renovation project – the largest in the health system’s history. Through the expansion plan, we are assuring the community that Granville Health System continues to deliver the highest quality care and customer service to our patients, where they work and live.

Supporting Our Community

The GHS Expansion Plan supports the health system’s mission during a critical time. In addition to keeping pace with advances in health care technology and national patient safety requirements, we face major local challenges. Our community has seen a dramatically expanding and aging population, and with it, an increase in the need for health care services. In addition, GHS has experienced an ever-pressing rise in the hospital’s annual admissions and emergency department visits.
GHS has built a strong platform for growth and developed a financially viable plan for expansion and community investment.

Operating Statistics
Surgeries ............... 3,231
Emergency Department Visits ............... 18,200
SGMC Visits ............... 13,052

4-year System Growth
Surgery Services:
increased by 21%
Inpatient Services:
increased by 3%
Emergency Department:
utilization increased by 25%
Outpatient Services:
increased by 36%

<table>
<thead>
<tr>
<th>YTD 2009</th>
<th>Net Revenue</th>
<th>Operating Expenses</th>
<th>Non-Operating Income</th>
<th>Total Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$54,726,048</td>
<td>$51,588,732</td>
<td>$401,368</td>
<td>$3,538,684</td>
</tr>
</tbody>
</table>

Moving Forward…To Benefit Our Community
Mr. Adcock, a former Granville County commissioner and educator, joined the board of trustees at Granville Health System in January 1998 and began serving as chairman in January 2006.

L.C. Adcock, Chairman

Mr. Adcock, a former Granville County commissioner and educator, joined the board of trustees at Granville Health System in January 1998 and began serving as chairman in January 2006.
The Granville Health System Board of Trustees has led the organization through a critical time of change. They have positioned the health system as a community health partner and medical service provider of choice for the region.
“Thank you to all the physicians and nurses at Granville Medical Center for everything they did to welcome these two cherished miracles into our lives.”

Allan and Cindy Daniel
Oxford, NC