



June 2010

Dear Friend,

Construction is well underway on Madison Hospital and you will soon see steel going up on the campus on U.S. 72. It's still early in the project but so far everything is proceeding as planned and we feel confident we will meet our February 2012 opening date. One of the important issues we have been working on is the best way to finance the project. After reviewing several options we believe it is a great time to take advantage of the favorable interest rates and issue bonds to finance the project. We also want to make sure our community gets an opportunity to own some of these bonds. Contact your personal financial advisor or broker if you would like to do so. Merrill Lynch is the lead underwriter for the bonds which will be available on the retail market soon.

According to what we are told, the widening of Governors Drive through the medical district is scheduled to begin again soon. It will create some challenges for all of us, but when it is completed, we will see much progress, including the development of some much needed green space on our campus between Madison and Franklin Streets. We are looking forward to that and believe it will be appreciated by all who travel through the area. We expect the road work to last 18-24 months.

Questions on the impact of the Health Care Reform legislation continue to be asked by many people and organizations. It is anticipated that the regulations and guidelines associated with the act will require 250,000 pages of documentation. The reality is that what we don't know dwarfs what we do know about how this will impact everyone. As we learn more, we will share that with you. If you would like for us to come share what we know about this and other topics of interest with you or your organizations, please call Public Relations at 256-265-8317.

You may have heard or read that we signed a letter of intent with Decatur General Hospital to develop a closer working relationship between our organizations. As community-owned, not-for-profit institutions, both of our hospitals are committed to keeping a locally-controlled option for healthcare in our respective communities. We anticipate that we will come to a final agreement in the coming weeks.

Huntsville Hospital's success in improving our service to our patients is a great example of what it takes to build a culture of excellence in an organization. We are committed to great service and great quality of care and we continue to look for innovative ways to insure that we are doing the right things every day to help our patients. Recent scores from the national surveys that are conducted by Medicare show that our customer satisfaction scores compare well with the best hospitals in the country. That said, we are not satisfied and we will continue to focus significant resources on making sure every patient that is treated here has outstanding service.

Just recently we received several recognitions that confirm that we are on the right track in quality: The Heart Center was fully accredited by The Joint Commission; our Breast Center once again received a perfect score in its FDA inspection; the American College of Surgeons fully accredited Huntsville Hospital's Cancer Program; and the College of American Pathology (CAP) recently brought eleven inspectors to review our Laboratory which is the 13<sup>th</sup> largest lab in the nation by volume of procedures. The CAP found no deficiencies which equates to a perfect score.

Going forward, it's our vision for all areas of the hospital to excel in quality, service and cost efficiency. We believe that if we reach the top 10<sup>th</sup> percentile in the nation in quality and service, and maintain our cost at the lowest 25<sup>th</sup> percentile, we will do well for you and for our community. We also believe this will position us well for the changes that are inevitable under health care reform.

Lastly, we want to welcome Frank Caprio to the Health Care Authority board. Frank is a partner in the legal firm of Bradley Arant Boult Cummings and has been a very active volunteer in the community and with the hospital for many years. He was recently appointed by the Huntsville City Council to fill the unexpired term of Russell Brown who passed away in April.

Again, we thank you for trusting Huntsville Hospital with your family's healthcare. If we can be of service, please contact me or any member of our staff.

A handwritten signature in black ink, appearing to read 'D. Spillers'.

David Spillers, CEO