



A REPORT TO OUR COMMUNITIES 2009



NEIGHBORHOOD HEALTHCARE

“We are a critical part of the communities we serve and we partner with our local hospitals to prevent unnecessary emergency room visits. We also serve our local cities in the event of a disaster.”

– Tracy Ream

OUR STORY

Neighborhood Healthcare has provided healthcare services to Escondido and surrounding communities for the past 40 years. In 1969, the nonprofit health center opened and was named Escondido Community Clinic. Dr. Oliver Thomas and Dr. Bill Boyce helped to open the free clinic to see children who were staying home sick because their parents couldn't afford to pay a doctor.

Who would have guessed that 40 years later our name would change to Neighborhood Healthcare, that the patients depending upon us would range from poverty level to middle class, that multiple languages could be heard spoken at our centers and that our annual budget would grow to \$32 million dollars to support 11 health centers caring for 65,000 patients a year?

San Diego and Riverside counties are home to our health centers and our service area is 80 miles long by 30 miles wide. Our physicians and staff consistently receive awards from the communities they serve and they are passionate about caring for those who would go without healthcare if we did not exist. We compare our patients' clinical outcomes against national standards and consistently rank high in managing and improving our patients' health.

4 Healthcare for the Future



5 Sweet Success



6 Our Champions



7 A Family Legacy



It takes over 450 employees at Neighborhood Healthcare to provide primary medical care, cancer screenings, dental care, behavioral counseling and wellness education.

On an average day, more than 800 patients will walk through our doors. Pregnant teens rely on us for education, counseling and prenatal care while seniors visit our Grand Avenue health center: a calm, quiet office where geriatric needs are understood and respected. Our patients rely on our compassionate staff for excellent and affordable care. If you would like to know how we are doing, ask to see our most recent patient satisfaction surveys.

We are a critical part of the communities we serve and we partner with our local hospitals to prevent unnecessary emergency room visits. We also serve our local cities in the event of a disaster.

Thank you for investing in Neighborhood Healthcare. Your confidence and trust in us helps us to excel at keeping our neighbors healthy and responding to their changing healthcare needs. The health of the individuals, families and children we care for affects us all.



Tracy Ream, CEO

A handwritten signature in cursive script that reads "Tracy Ream".

Tracy Ream, Chief Executive Officer

8
Saving Lives



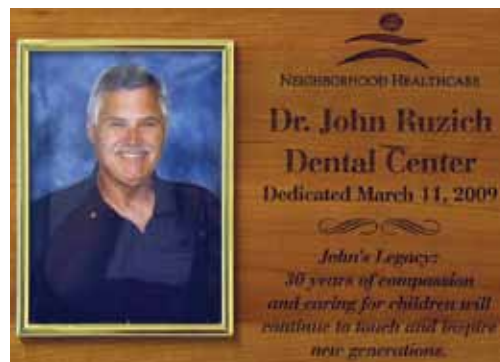
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People Helping
People



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Financial
Trends



11
Dr. John Ruzich
Remembered



12
Board of
Directors

1969-
1984



1969-1984: In 1969, community volunteers and physicians opened Escondido Community Clinic. By 1971, volunteer doctors were working fulltime two days a week to meet a growing need as their practice grew to 370 patients a year. In 1984, only 13 years later, our patient population exploded by 900% totaling 4,000 patients.



Neighborhood Healthcare is leading the way and improving patient care by moving to an electronic medical records system for the 65,000 plus patients it serves annually.

INNOVATIONS: HEALTHCARE FOR THE FUTURE

It is an exciting time for community health centers as we move forward with new innovations and technology that benefits our bottom line and improves patient care.

Electronic Medical Records – As the nation seeks innovative solutions for reforming health care and reducing costs, Neighborhood Healthcare is leading the way and improving patient care by moving to an electronic medical records system for the 65,000 plus patients it serves annually. The benefits of using this advanced technology includes an ability to help save lives, manage chronic conditions, access any patient record and test result from any of our 11 locations.

Counseling visits through Telepsychiatry – Our behavioral staff meet and counsel patients through the use of our telemedicine equipment that acts similar to webcam interaction. This saves travel time and expenses for staff allowing them to see more patients. Patients like the convenience as well.

Internal Website – We have developed an internal website to optimize our staff's ability to work collaboratively and access data in an easy manner. This was especially helpful when we posted daily updates regarding H1N1 pandemic.

SWEET SUCCESS

Sixty-seven-year-old Lourdes Dureza of Escondido has been a patient of Neighborhood Healthcare for six years. “I owe my health to Neighborhood Healthcare—I feel better now than when I first came. The people at Neighborhood Healthcare are more compassionate, more helpful and that kind of care is priceless. They’re always trying to be a help to you in any form. They really want to meet your needs.”

“Before I came to Neighborhood Healthcare, I was always tired, always sleeping a lot. Now I have more energy, I’m enjoying life, and seeing a lot of pleasant people. Dr. Chen is a very compassionate, understanding doctor. She takes time for me and she tells me when I need to do more, like walk farther. When you go to her, you feel important. I don’t feel any discrimination in regard to language or financial disadvantage.”

Dr. Chen prescribed insulin, other medications, and referred Lourdes to Project Dulce, a program that teaches patients about managing their diabetes.

HELPING TO PREVENT OR REVERSE CHILDHOOD OBESITY

Obese children and adolescents are at risk for health problems during their youth and as adults. For example, obese children and adolescents are more likely to have risk factors associated with cardiovascular disease such as high blood pressure, high cholesterol, and Type 2 diabetes.

Neighborhood Healthcare is helping to prevent and reverse Childhood Obesity through its KP KIDS Health Promotion program, combining nutrition education, fitness activities and behavior modification. This program was developed by Kaiser Permanente to help children and their families reduce their weight, improve their health and introduce healthy habits for the entire family.

“I never want to see a 100-pound first grader again.”

*– Dr. James Schultz,
Neighborhood Healthcare’s
Chief Medical Officer*



Lourdes Dureza

1985
1999



By 1985, our doctors and nurses were caring for 4,300 patients at our Escondido health center. With growth, came an urgent need to expand our current facilities and open new centers in low income neighborhoods.

By 1999, Neighborhood Healthcare wasn't a tiny little health center anymore. We had opened and staffed 5 health centers: three in Escondido, one in Temecula and one in rural Pauma Valley. If we were in private practice, we would have considered our medical office a success as our practice jumped to 26,750 regular patients per year.

OUR CHAMPIONS



INVEST IN THE HEALTH OF YOUR NEIGHBORS TODAY

A complete list of donors can be found on our website at www.nhcare.org/oursupporters.

Often people think they should send in a large donation to a nonprofit or not give at all. They believe it's only the wealthy who are able to invest and help a cause near and dear to them. The truth is that most of the donations we receive are modest amounts. They are given with joy because investing in something you value just makes you feel better.

So think about it? What's your favorite cause? Whatever it is, feel proud of the amount you contribute. Because, after all, you are privileged when you invest in a cause that you feel passionate about.

WHO IS GIVING TO NEIGHBORHOOD HEALTHCARE?

- Our patients
- A local physician and his wife
- A local psychiatrist
- Elementary school nurse helped to start Neighborhood Healthcare
- Pauma Valley Country Club members
- Church Outreach Groups in Escondido, Lakeside and Temecula

A FAMILY LEGACY: INVESTING IN POWAY'S HEALTH

Lifelong residents of Poway, Alan and Debbie Gold, have partnered with Neighborhood Healthcare to build a new community health center in Poway.

The community of Poway is one of the only areas in San Diego County without a community health center.

“Alan and I are committed to making sure that every child in Poway will be able to see a doctor regardless of their parent’s ability to pay for care. Our partnership with Neighborhood Healthcare is a great opportunity to reshape healthcare for our community for generations to come. We look ahead with a shared sense of responsibility to succeed in building Poway’s first community health center,” said Debbie Gold.

The Poway health center will be named in memory of Alan Gold’s late parents, Martin and Delia Gold.

“My parent’s legacy will live on in a community they called home for nearly 50 years. They raised their family in Poway and were very involved with their grandchildren who were also born and raised in Poway. Through the years, they promoted the importance of good health and encouraged us to give back to our community by being active in scouting and volunteering,” said Alan Gold.



*“Our partnership with
Neighborhood Healthcare
is a great opportunity
to reshape healthcare
for our community for
generations to come.”*

– Alan & Debbie Gold

2000-
2009



By 2000, Neighborhood Healthcare had grown to six health centers serving 38,000 people a year. By 2009, we were managing 11 health centers and providing a medical home for over 65,000 patients a year. East County Community Services merged with Escondido Community Health Center in 2002 and the organization's name was changed to Neighborhood Healthcare to reflect its diversity.

*The past two years
Dr. James Schultz,
Chief Medical Officer,
and Dr. Lucy Moore were
both chosen as "Physicians
of Exceptional Excellence"
by the San Diego
Medical Society.*

SAVING LIVES

A joint effort between Neighborhood Healthcare, Project Access San Diego and Kaiser Permanente San Diego is helping uninsured patients in need of surgery for hernias, gallstones and colonoscopies. Over 150 volunteers donate their time to perform these surgeries free of charge. Fourteen of our patients have benefited from this wonderful program. One of our patients that benefitted from the free surgery is Kelly J., a homemaker, who has been suffering in pain for the past year. Kelly has been in the emergency room four times since being diagnosed with gallstones. At one point, Kelly weighed only 75 pounds. She struggled to care for her three children because of her decreased energy level and associated pain. "I am grateful for the opportunity Project Access San Diego has offered me, my life has changed."



TOM JENKINS, VOLUNTEER OF THE YEAR

Neighborhood Healthcare honors a very special volunteer every year. This individual is someone who goes above and beyond in his or her service, commitment and passion for Neighborhood Healthcare.

Neighborhood Healthcare selected Tom as the volunteer who has served Neighborhood Healthcare in so many caring and important ways this past year.

Some of his contributions that we appreciate include:

- Providing 360 to 400 hours of service every year since 2006
- Regularly sharing a spirit of commitment and passion for our organization and mission
- Inspiring others and serving as a role model for other volunteers

His dedication and humble spirit inspires staff and volunteers alike. He means so much to all of us and the staff at Neighborhood Healthcare send him an enthusiastic round of applause.



PEOPLE HELPING PEOPLE

Jamie Dean says it is the prayers of her church choir members that are responsible for changing her life. Jamie said, “This is a miracle. We’ve been praying that I would get a wheelchair. I just can’t believe it!”

At age 60, Jamie has been living with a rare condition of very low blood pressure the past two years. The condition, called diabetic autonomic neuropathy and orthostatic hypotension, causes her to suddenly pass out sometimes when she goes from a sitting to standing position or while walking. As a result, she has endured many injuries from the sudden falls and has developed a fear of going outside alone.

Two years ago, Jamie spent three days in the hospital enduring many tests to determine what was wrong with her. “Thank goodness for Dr. Schiff. She is the one who figured out what was wrong with me. Medically she is the best and it’s amazing...she really cares about me.”

Neighborhood Healthcare’s Dr. Karin Schiff thought of Jamie immediately when a wheelchair was donated to the health center by a local woman. With the help of East Escondido Rotary who paid to replace the batteries, the wheelchair was delivered to Jamie in excellent working order.

*“This is a miracle. We’ve been praying that I would get a wheelchair. I just can’t believe it!”
– Jamie Dean*

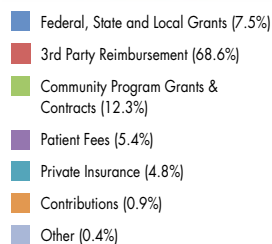
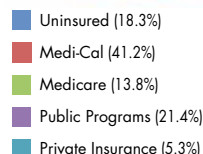


Patient Jamie Dean and Dr. Karin Schiff

GROWTH AND VISION OF THE FUTURE

The financial information contained in this report represents a condensed version of the Fiscal Year 2009 audited financial statements. A complete set of the audited financial statements with accompanying notes and report of the independent audit for the fiscal year ending June 30, 2009 is available by calling 760-737-6934.

2009



Visits by Program

FY	Medical	Dental	Behavioral Health	Inpatient	TOTAL
2009	179,995	17,408	11,188	49,952	258,543

Visits by Payor (5-Year Trend)

FY	Uninsured	Medi-Cal	Medicare	Public Programs	Private Insurance	TOTAL
2005	29,809	76,936	13,790	47,906	7,238	175,679
2006	31,641	83,796	24,469	57,047	12,731	209,684
2007	37,008	88,903	28,031	51,921	13,287	219,150
2008	44,268	93,433	33,402	47,397	12,978	231,478
2009	47,239	106,519	35,743	55,325	13,717	258,543

Note: Public Programs includes EAPC, FPACT, CMS, MISP, CDP, Ryan White, MHSA, CI, and Impact programs.

Revenue

FY	TOTAL	Federal, State & Local Grants	3rd Party Reimbursement	Community Program Grants & Contracts
2009	34,076,393	2,541,522	23,368,975	4,215,735
	Patient Fees	Private Insurance	Contributions	Other
	1,852,152	1,647,715	297,987	152,307

Growth (5-Year Trend)

FY	Annual Visits	Total Expense	Total Asset	Total Net Assets
2005	175,679	18,743,938	11,445,928	7,535,640
2006	209,684	22,731,401	14,321,850	10,519,052
2007	219,150	25,147,812	17,451,201	12,742,510
2008	231,478	29,010,792	20,116,014	14,031,746
2009	258,543	31,620,862	23,817,039	16,487,277

DENTAL PROGRAM NAMED IN HONOR OF DR. RUZICH

Neighborhood Healthcare recently renamed its Dental Program in honor of the late Dr. John Ruzich. John was a longtime Escondido resident, private dentist and served on Neighborhood Healthcare’s Board of Directors for 30 years.

He was instrumental in creating the agency’s dental program. The much needed program started in 1979 to serve low-income individuals especially children who had no other place to turn for dental care.

We miss him and are grateful for his service, vision and leadership.



Neighborhood Healthcare CEO Tracy Ream (far right) presents Robert Ruzich (John’s son) with a plaque honoring his father’s legacy. Joining them is Annamarie Dawber.

REMEMBER US IN YOUR WILL

“A lot of people say they have a big family so they can’t afford to leave anything to a nonprofit organization,” says Lorraine Boyce of Escondido. “I tell them,” she continues, “that we’ve got 22 grandchildren and 7 great grandchildren. Giving a gift of real estate doesn’t cut anybody out of an inheritance. People can do both—take care of their community and their family.”

Supporters of Neighborhood Healthcare since the late 1960’s, Dr. Boyce was one of the original physicians who volunteered to see children for free when the center was first founded. Culminating their long relationship and commitment to Neighborhood Healthcare, the Boyces have established a gift arrangement known as a charitable gift annuity. This arrangement financially benefits both the Boyce’s and Neighborhood Healthcare.



“We’ve done this three times now with three different pieces of property. It allows the money to stay in the community while benefiting us now.”

– Dr. Bill and Lorraine Boyce



WANT TO GET INVOLVED?

Call Connie Burke, Director of Philanthropy at (760) 473-6125 or email her at connieb@nhcare.org

You can find a list of all our health centers with contact information and hours on our website at www.nhcare.org.

Mission Statement:
Neighborhood Healthcare is committed to providing quality health care and promoting wellness to everyone in our communities, focusing on those most in need.

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NEIGHBORHOOD HEALTHCARE

425 North Date Street
Escondido, California 92025
www.nhcare.org