

BELLIN HEALTH SYSTEMS

Sharing a common heritage with the Wisconsin Conference, Bellin Health Systems offers a full range of health care services to the people of Northeast Wisconsin and Michigan's Upper Peninsula. Bellin is accredited by the JCAHO and in 2003 was recognized by Solucient, Inc. as one of the 100 Top Hospitals in the country. Bellin also received prestigious clinical and service awards during the past year from HealthGrades and J. D. Power and Associates respectively. Bellin practices an open admissions policy and is committed to treating persons regardless of race, creed, sex, national origin or ability to pay.

Throughout the past year Bellin has maintained a solid financial base and a strong market share despite increased competition. A three-year facilities upgrade continues on schedule. New orthopedic and rehabilitation centers have opened and a new boiler plant became operational since our last report. Currently, a new building is under construction that will include Bellin's Heart and Vascular Center, new maternity wing, heliport, chapel and main entrance. The completion of this building in the fall of 2004 will be followed by the demolition of the oldest portions of the existing structure. To help fund the building project, The Bellin Foundation received more than \$500,000 this past year in gifts from community donors, and nearly \$7 million for the total project since 2001.

Bellin remains committed to ministry and its relationship with the Wisconsin Conference through its Chaplaincy program, under the direction of the Rev. John R. Machek. At the 2004 Annual Conference, however, Rev. Machek will retire, following 30 years as Bellin's chaplain. A search currently is underway for his (United Methodist) successor.

Bellin continues to upgrade existing services while adding new ones. In addition to opening a level 3 Emergency Department, oculoplastic surgery and cardiac atrial ablation procedures have been introduced. Twenty-four hour family medical center appointment scheduling enables patients more timely access to Bellin's primary care physicians and other providers. Health Risk Assessments for employees have been introduced to improve overall health and reduce the long-term costs of health care for both employees and Bellin Health.

Bellin looks to the future mindful of its responsibilities as a premier health care system in covenant with the Wisconsin Conference. We look forward to meeting the emerging clinical, financial and ethical problems that confront both health care providers and the church.

George Kerwin, President and CEO

CEDAR CREST, INC.

A Dynamic Community for Senior Adults

Cedar Crest is a spiritually-based, not-for-profit organization that builds and sustains a dynamic community where senior adults at all levels of independence and health may achieve a high quality of life. Established in 1963, Cedar Crest is in partnership with the Wisconsin Conference of United Methodist Church and consists of a 20-member volunteer board of directors that guides its ministry. About 215 full- and part-time employees help fulfill the mission of Cedar Crest. Cedar Crest provides senior adults with physical, social, psychological, and spiritual needs that contribute to their health, independence, happiness, and security.

Nestled on 75 scenic acres of naturally-wooded grounds adjacent to the Rock River, Cedar Crest offers a full range of living accommodations including 100 independent-living apartments with RCAC services available, 18 condominium units, 44 assisted-living suites (Community-Based Residential Facility), and 95 skilled nursing facility beds.

Living in a friendly and supportive environment, residents enjoy the camaraderie of peers who are both their neighbors and fellow members of Cedar Crest's social community. Amenities such as maintenance-free living; transportation to and from community events, personal appointments, and shopping; underground parking; on-site dining; and a fully-equipped woodworking shop add to the carefree lifestyle at Cedar Crest. A wide range of recreational and social opportunities makes Cedar Crest the perfect home for the active senior adult.

Highlights for 2003 and Plans for 2004

It has been a fast-paced and exciting year for us at Cedar Crest. We have focused on strengthening our financial position, enhancing the quality of resident services, updating our technology, planning for the future, and we even created fresh, new marketing materials that portray Cedar Crest as the high-quality community that it is. We believe our greatest resource is our staff and, based on this fundamental belief, we have committed to a significant leadership and staff development program. The fruits of these efforts have given us increased quality of resident care and services, lower staff turnover (staff turnover for 2003 was under 20%), enhanced productivity, and a greater sense of community.

Cedar Crest has completed a feasibility study for a 24-hour dementia-specific care unit, and plans are now underway to create this facility in the coming year. Also focusing on the important objectives outlined in its Master Plan, construction began last fall on the renovation and expansion of Cedar Crest's resident amenities area. Named The Plaza, the area covers more than 8,000 square feet and includes a multimedia room, wellness center, a country store offering snacks and sundries, activity room for arts and crafts, fitness center, beauty salon, business center, and solarium. Plans continue for the renovation of existing independent-living apartments including the conversion of numerous smaller units into spacious, updated two-bedroom apartments, along with remodeling and updating of the common areas.

With these renovations nearly complete, Cedar Crest continues its long-term capital improvement assessment, identifying future needs for major maintenance and replacement of existing equipment and buildings. This planning will allow the community to continue to provide for the needs of current and future residents.

Marion Wozniak, CEO

EVERGREEN RETIREMENT COMMUNITY

Introductory Comments

Evergreen Retirement Community, a continuing care retirement community located in the Fox River Valley, is in its 37th year of operation. This ministry, on behalf of the Wisconsin Conference of the United Methodist Church, is guided by an 18-member volunteer Board of Trustees and staffed by 243 full and part-time employees (188 full-time equivalents). Evergreen has been accredited by the United Methodist Association of Health and Welfare Ministries as an EAGLE (Educational Assessment Guidelines Leading toward Excellence) facility since 1987. Evergreen participated in the self-assessment process during 2002 and received its fourth consecutive EA-GLE accreditation for 2003-2008 on April 25, 2003.

Evergreen offers seven different living options which include 44 cooperative residences, 22 individual homes, 49 studio, one and two bedroom independent apartments, 10 one-bedroom assisted living apartments (Residential Care Apartment Complex - RCAC), 20 congregate assisted living private rooms (Community-Based Residential Facility - CBRF), two ten-resident group homes for persons experiencing the symptoms of Alzheimer's disease and related dementia (CBRF), and a 108-resident skilled nursing facility (three 36 resident units) of which one unit is certified for Medicare. The average occupancy in 2003 was 282.9 residents or 94.8 % of capacity.

Total cash and investments at the end of 2003 was \$7,905,000. Of this total, \$538,000 was held by Evergreen Retirement Community and \$7,367,000 by Evergreen Foundation. In addition, Evergreen was the sole beneficiary of the earnings from a trust in the amount of \$1,293,000 (Howard Rowland Trust).

Highlights and Accomplishments in 2003 and Plans for 2004

1. Construction was started in June 2003 on a 44 resident replacement skilled care facility utilizing the household/neighborhood design originated by Evergreen in Creekview I, a 36 resident demonstration project opened in 1997. Creekview II, which will open in July 2004, incorporates many improvements learned from six years' experience with Creekview I.
2. Evergreen is in the process of building a Wellness Center that includes two different temperature therapeutic pools, a group exercise room, an exercise equipment room, a therapy area, and a café. It will open in July 2004.
3. Evergreen is conducting a special 35th Anniversary Appeal to raise \$1.5 million for the Creekview II and Wellness Center projects and for the Care Assurance Fund. At the end of 2003, after more than 25 volunteers personally contacted over 250 prospects, a total of \$1,054,565 was received. The appeal will continue through spring of 2004.
4. In partnership with neighboring Davis Child Care Center, Evergreen opened an on-site pre-kindergarten class for up to 24 children. This project included a complete renovation of a large storeroom into a classroom and the addition of a playground area on the Evergreen grounds. The primary goal of this project is to offer intergenerational programming on a daily basis to benefit both Evergreen residents and the children.
5. Evergreen began providing Meals on Wheels for the City of Oshkosh and serves approximately 80 people each week.
6. The Evergreen Foundation, Inc. received \$934,646 in contributions during 2003. Combined with return on investments, a total of \$450,000 was transferred from the Evergreen Foundation to Evergreen Retirement Community to help meet the Care Assurance need in 2003 which was \$990,000. Financial assistance was received by 73 residents (an average daily census of 40) who had insufficient funds to pay the full cost of their care.
7. Evergreen's annual employee turnover in 2003 was 16.0% compared to 9.2% in 2002. The national average for the nursing home industry is 60-80%.
8. The senior management team comprised of the President/CEO and the four directors are involved in a CEO succession planning process that includes the study of spiritually-based leadership books, time spent together in retreat, and individual mentoring by heads of other corporations.
9. Utilizing the \$2,000 grant received in 2002 from the United Methodist General Board of Discipleship Church Center on Aging and Older Adult Ministries, the newly-formed United Methodist Connection for Older Adults (UMCOA) committee was comprised of members from each church and Evergreen for the purpose of creating a connection between older adults and the Oshkosh United Methodist family through programs, education and fellowship. The committee implemented a program utilizing the Evergreen bus to transport "home bound" persons to the Oshkosh United Methodist Church of their choice. This service program begun in September was discontinued due to insurance issues that are currently being addressed. UMCOA has offered several social/fellowship opportunities for the older members of the three UM churches.
10. The Leave a Legacy Guild was reestablished by visits to those who had informed Evergreen that they had remembered Evergreen in their wills or through other planned gifts. Their names were placed on a special plaque.

11. Evergreen President/CEO was awarded the United Methodist Association 2003 Administrator of the Year – Older Adult Ministries award, an honor chosen from nominations solicited nationwide.
12. Three board members along with residents and staff attended the Annual Convention and Exposition of the American Association of Homes and Services for the Aging (AAHSA) in Denver. Board members find this national educational meeting particularly beneficial in understanding national trends in long-term care.
13. The entire Residency Agreement was rewritten to incorporate changes in state regulations related to the various living options.
14. Policies and procedures were rewritten for clarity and to better protect resident rights. They are being prepared for computerization in 2004.
15. All Evergreen programs, activities and services are now being planned with emphasis on the seven dimensions of Wellness: educational, spiritual, physical, intellectual, vocational, social and environmental.
16. The Order of the Good Shepherds program begun in 2001 with twenty-three participating staff members had 30 employees participating in 2003. The mission of the program is “to recognize, affirm and nurture the connection between employee’s faith and their ministry in the workplace.”
17. The Ladies Benevolent Society established an annual grant to be used for educational scholarships for qualifying Evergreen employees. Additional funds for scholarships came from the Evergreen Residents Council, the Oshkosh Foundation Evergreen Education Fund, Evergreen, and an anonymous donor.
18. Evergreen residents hold membership in many local, state, and national, organizations. Some include the Gideons, Mercy Auxiliary, Wisconsin P.E.O. Sisterhood, and Retired Teachers.
19. Residents were offered a new Better Balance Class. Designed to help improve leg strength, flexibility, balance, and coordination, the class also highlights safety awareness and fall prevention tips.
20. The Men’s Muscle Madness Class begun in 2003 offered male residents the opportunity to strengthen bonds of friendship and fellowship with other men in addition to strengthening muscles and joints.
21. The Residents Council Getting-to-Know-Evergreen Committee was formed to offer personal visits to new independent residents and to answer their questions about day-to-day activities at Evergreen.
22. The residents’ monthly Writer’s Group members enjoy sharing their love of writing, critiquing one another’s stories, and preparing works for publication.
23. Evergreen volunteered to participate in the Wisconsin Collaborator Group of the national Nursing Home Quality Initiative (NHQI). The project is supported by the federal Centers for Medicare and Medicaid quality improvement organization. Evergreen will be one of more than 125 other nursing homes to work with the Collaborator Group that will participate in quality improvement activities and interventions to share best practices with other nursing homes throughout Wisconsin.
24. Evergreen utilized the services of three University of Wisconsin Oshkosh student interns whose tasks included gathering wage data, assisting with the review of policies and procedures, assisting with Evergreen’s corporate compliance program, and assisting in the development of a health insurance policy.
25. Spiritual Resources Coordinator Kris Ingram, a certified Laughter Leader trained in laughter therapy, provides “Laughter Club” opportunities to residents. Based on current

research in both India and the United States regarding the physical and psychological benefits of laughter, Laughter Club experiences are held throughout the Evergreen campus with approximately 70 residents participating on a regular basis.

26. The STARS (Staff That Are Reliable Shine) employee award program established in 2003 rewards staff members monthly and quarterly for perfect attendance. Staff qualifying for a one year period will be honored at the Annual Recognition Event.
27. Tours to share the Evergreen concepts of environmental design, organization, and operation were given to representatives of the Hebrew Rehabilitation Center for the Aged of Boston; the Sunshine Terrace Foundation of Utah; the Virginia Mennonite Retirement Community; the Jewish Homes and Hospital of New York; and to three Japan students from Keyoto University.
28. The new position of Quality Coordinator was formed to work with teams of staff members to improve processes for greater efficiency and reduced budget costs.
29. Evergreen employees and residents continue to work neighborhood volunteers and wildlife interest groups to restore to its natural state a rare ten-acre Oak Savanna woodland which is part of the Evergreen campus.
30. Greeting cards and magazine pictures were compiled by a resident into Learning Books that were sent to Peru, South America.
31. The Evergreen Resident Talent Show included the talents of residents, staff, and family members.
32. Weekly concerts were held in the outside gardens during the summer months. Entertainment was provided by local artists and included singers Evergreen President/CEO David Green and Events Resources Coordinator Linda Greene and accompanist Community Resources Director Carol Staszkiwicz.
33. Evergreen continued the remodeling of its independent apartments, Homes, and Village units as well as the hallways serving the Manor apartments.
34. The second annual "World of Thanks" event brought together as an expression of appreciation donors; volunteers; Board members; Residents Council members; staff celebrating one, five, ten, fifteen, and twenty year service anniversaries; and staff receiving a "Living Continuous Quality Improvement (CQI) at Evergreen" award.

David A. Green, President/CEO

MORROW MEMORIAL HOME & APARTMENTS, SPARTA

Under God's continued blessings Morrow Memorial Home has had another very successful corporate year. Operationally, we continued to provide quality Christian care to those entrusted to our care. Our major services have now expanded to include independent living with services, assisted living, nursing care, and dementia care.

Our Home continually experiences changes, yet many of our caregivers have not changed. All our key management individuals have remained the same this past year. They lead our wonderful team of almost 200 caring, compassionate, and competent caregivers.

The housing component of Morrow Home continues to be a growing focus of our care. Both of our housing buildings, Parkview and Homestead, were consistently over 95% full during 2003 with waiting lists. Parkview Apartments consists of 22 units of one and two-bedroom apartments for independent senior living with services. Homestead consists of 24 one-bedroom apartments also for independent seniors.

In 2003 we began assisted living services in our Homestead Apartments converting 12 of our 24 units to certified residential care apartment complex (RCAC) apartments. We currently have 10 assisted living residents. We will begin construction of a 24-unit assisted living building this June.

Our 111-bed nursing home also had a very positive year. In July we received our second “perfect inspection” by the State Department of Health. We always understand our quality service must continue each day, for the Lord commands us to serve. Occupancy was consistently over 95% and ranged from 90% to 100%. Many nursing facilities are struggling now with low occupancy and the challenge of mere survival. Unlike these homes, we have been able to keep our occupancy high this past year through a combination of quality services and effective marketing. Being a Medicare certified facility has benefited our home and the area’s older citizens by our ability to provide a more acute level of care.

Morrow Home responded to the need to serve those with progressive dementia by remodeling one of our wings. It is now called the Olive Branch Special Care Household. We serve 12 individuals with dementia and their families in a homelike, therapeutic and individualized environment. The program maintains dignity and enables the resident with dementia to maximize his or her remaining mental capabilities and spiritual being. Many families have complimented this new excellent service.

The year 2003 has again been a financial struggle with Medicaid reimbursement lagging far behind our audited costs by over \$11 per day. We hope and pray the upcoming Wisconsin state budget crisis will not affect the most vulnerable people – the oldest and the sickest – those in our nursing home.

The Morrow Home Foundation expensed over \$14,000 in educational scholarships to further the education and experience of individuals interested in Long-term Care occupations. We are “growing our own”. Again this past year our Golden Cross donations were designated toward parish nursing. The Foundation’s past four Christmas appeals and other monies contributed over \$50,000 towards the \$90,000 remodeling cost of our dementia unit. Our Home is thankful to the Foundation for its willingness to further and continue the ministries of this Home.

The Board of Directors, residents, staff, and volunteers of our Home thank you for your continuing support, prayers, and interest in our organization. Together with God's blessings, we all produce quality Christian service. God’s call to serve compels us to address future challenges of His family’s ever-changing needs. We serve God by serving His people.

Michael Bonello, Executive Director

SHEBOYGAN RETIREMENT HOME AND BEACH HEALTH CARE CENTER, INC

The Sheboygan Retirement Home and Beach Health Care Center consists of an 84 bed skilled nursing facility and a 70 bed Community Based Residential Facility. The home is situated in a historic district of central Sheboygan, overlooking Lake Michigan.

The organization is certified for Medicare and Medicaid and is a participant in the Community Options Program.

In 2002 the organization abandoned efforts to develop a separate campus, in partnership with another not for profit organization. In it’s place, the organization is pursuing the purchase of property adjacent to the current site that would allow for the expansion of the present campus. A

marketing study was begun in February of 2003 to investigate the demand for independent housing for mature adults in the Sheboygan area. Sufficiently positive results were achieved that the Board of Directors has chosen to move forward with the next step of “pre-sale” marketing. Property is being purchased adjacent to the home and the marketing efforts are being targeted for a May 1, 2004 launch.

The home continues to provide a significant amount of charity care in all areas of it’s operation, providing subsidies to residents in need while also subsidizing shortfalls in the Medical Assistance program. It is estimated that for the current fiscal year the Medicaid shortfalls will exceed \$500,000.

A significant challenge lies ahead with the budget crises being experienced by both the State and Federal governments. Medicaid reimbursement has proven to continue in it’s downward trend, insufficient to meet costs. This makes the success of the upcoming project even more critical to the survival of the organization into the future.

Michael Basch, Executive Director

UNITED METHODIST CHILDREN’S SERVICES OF WISCONSIN, INC.

Introductory Comments

Established in 1962, United Methodist Children’s Services of Wisconsin, Inc. (UMCS) is an independent, not-for-profit social service agency affiliated with the Wisconsin Conference of The United Methodist Church through a Covenant of Affiliation Statement. Located in the City of Milwaukee, UMCS serves low-income children and families through a sixteen unit transitional living program that provides safe, affordable housing and on-site supportive social services, a family resource center that distributes food and clothing on an emergency basis to needy individuals and families, and a licensed childcare center that serves primarily low-income families participating in the W-2, welfare to work program. UMCS is governed by a fifteen member Board of Directors.

Highlights and Accomplishments in 2003

1. During 2003 UMCS served 16,508 people (18 families with a total of 32 children in its transitional living program, 43 children in its childcare program and 16,415 individuals in its family resource center).
2. For a second consecutive year UMCS received a grant from the Milwaukee County/Milwaukee Public Schools Quality Improvement Partnership Program for its Growing Tree Children’s Center. The \$10,000 grant was used to continue quality improvements in its childcare center programming designed to help the program receive national accreditation.
3. The community’s use of the UMCS Resource Center has grown almost exponentially. At the end of 2000, the program had served about 6,000 people. In 2001 the number climbed above 9,600. In 2002, the number reached 14,616. In 2003 we served 16,415 people with emergency food, clothing and information and referral services. An estimated 114,905 pounds of food was distributed to hungry children, families and individuals coming from 29 different zip code areas both in and beyond the City of Milwaukee.

4. The Seeds of Faith, Inc. provided a grant of \$30,000: \$20,000 for the operating expenses and \$10,000 to support a newly created Fund Development Director position. UMCS held its first annual United Methodist Children's Services Day at the Brewers with over 200 in attendance. Everyone had a great time with ideal weather, a great tailgate party, and an almost win by the Brewers. The Brewers donate one half of the ticket price to UMCS. The second annual United Methodist Children's Services Day at the Brewers will be August 5, 2004.
5. UMCS received a donation of a vacant lot located on the same block as its apartment building. The donation was timely as UMCS is participating in a neighborhood revitalization planning process funded in part by the Annie E. Casey Foundation, Making Connections Initiative. The lot will be transformed into a quality green space with planing beds, and vegetable gardens. UMCS will be using transitional living program residents, neighborhood residents and volunteer groups to help transform the lot into a safe, welcoming space for area residents.
6. UMCS is a member of The United Methodist Association and Project Equality.

Rev. John C. Stubbs, President, Board of Directors

Perry G. Huyck, Executive Director