

June 26, 2008

Dear Friends and Colleagues,

I am delighted to share with you this week two significant milestones for NCH: <u>First</u>, our most recent clinical distinction; and second, the appointment of our new Chief Nursing Officer, Linda Gipson.

• On Tuesday, we reported that the NCH Healthcare System has been recognized among the "Top 5% for women's health services/Top 5% for women's cardiac services," by HealthGrades, the nation's leading independent healthcare ratings company. NCH received the highest five-star rating, according to the HealthGrades Fifth Annual Report on Women's Health Outcomes in U.S. Hospitals, which analyzed clinical performance and quality relative to cardiac and stroke outcomes for women and maternity care at hospitals in the 17 states that publish outcomes data.

NCH was among the best-performing hospitals, with an overall risk-adjusted in-hospital mortality rate 40% lower than poor performing hospitals. Additionally the NCH Healthcare System received a five-star rating for maternity care, placing us among the top 5% of hospitals for maternity care services.

The HealthGrades study analyzed the outcomes of women admitted with heart disease and stroke to more than 1,400 hospitals. The study found the risk-adjusted mortality rates for women improved, on average, 15% from 2004 through 2006, but that a wide disparity in quality exists between the nation's best and worst hospitals.

To give you some feel for that disparity, HealthGrades reported that if all hospitals studied performed at the level of the best-performing hospitals during 2004 through 2006, an enormous number of deaths among women hospitalized for cardiovascular disease—14,023 by HealthGrades' estimate—might have been prevented.

HealthGrades is an important evaluator of quality, but it represents just one assessment. Even a "top" hospital has to continually work to improve quality.

• With that thought in mind, we welcome Linda Gipson as our new CNO, effective June 30.

Linda Gipson, a retired Lt. Colonel in the Army Reserve, has served as Chief Nurse and Interim Executive Officer for a 1,000-bed military hospital and has a strong background in ER and ICU nursing. Among other prestigious assignments, she served as Vice-President of Patient Care Services at the University of Alabama Baptist Medical Center and Vice-President of Hospital Systems at University Hospitals and Health Systems in Cleveland, Ohio.

She also has a strong academic background with both a Masters in Nursing and Business Administration. She is a Ph.D. candidate in Public Health at the University of South Florida and on the faculty at Nebraska Wesleyan University.

Linda succeeds Sue Graziano, who deserves great credit—and great thanks—for her inspired efforts as Interim CNO during the transition period. Please join me in welcoming Linda Gipson as she joins with all of us, dedicated to making a positive difference in the healthcare of the neighbors we serve.

Respectfully,

Allen S. Weiss, M.D. President & CEO