A Message from Hospice By The Bay
CEO Sandra Lew and Board of Directors
Chairman Stephen A. Thal

Be prepared – words to live by. As a non-profit, community service agency, Hospice By The Bay is committed to ensuring that the vital care we provide patients and families never falters. We can make that promise because we plan ahead, instituting strategies to build the financial stability that safeguards our future. We can fulfill that promise because of you, because your support for our caring mission never wavers.

Previously, we reported that cost-containment initiatives decreased expenses by more than $1 million without sacrificing the quality and breadth of our care. Despite current Medicare Hospice Benefit reimbursement cuts, we have been building financial reserves so care can continue regardless of economic conditions. While this year’s downturn produced a loss in our investments, we leveraged our financial stability to care for 2,267 patients – more than ever before in our 37-year history.

To date, we’ve deflected the worst effects of the Medicare cuts, but our projections reflect increasing fiscal concerns (see graph below). Even with our cost-containment initiatives factored in, revenue flattens in FY 2013-14 as expenditures for care continue to rise. Add the growing need for hospice care for our aging population to this scenario. The coming years will require responsive fiscal strategies and continued vigilance.

Despite these challenges, we stand by our commitment to provide care for all those in our community who need us at the end of their lives. Thank you for your continuing commitment and loyalty.

This year, we cared for more patients than ever before in our history.

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**REVENUE**

Reimbursement for hospice care and other program revenue $31,359,876

Contributions
- Donations $857,598
- Planned Gifts $1,206,899
- Grants $254,662
- Events $279,585

Other
- Investment Earnings – $249,381
- Retail Sales $685,604
- Lease Income $467,822

$2,598,744

TOTAL REVENUE $34,861,665

**EXPENSES**

Program Services $22,901,970
- Administration $4,904,384
- Development Fundraising $983,519

TOTAL EXPENSES $28,789,873

CHANGE IN NET ASSETS $6,071,792

**Hospice By The Bay Priorities**

1. Investing in our community to provide programs to expand the depth and breadth of our service to patients and families.

2. Continuing to deliver quality care to all, including those not covered by Medicare, Medi-Cal or other insurance.

3. Building sufficient reserves to ensure continuity of patient and family services as we face the Medicare Hospice Benefit reimbursement cuts.
Hospice By The Bay is one of the largest regional providers of compassionate hospice and palliative care, grief counseling and support to terminally ill patients of all ages, their families and the community.

Patients are eligible for our care any time after a physician diagnoses them with a terminal illness and a prognosis of six months or less.

Our hospice and palliative clinical teams, which strive to meet each patient’s unique needs, include:

- **Medical Directors** who consult with the patient’s physician and oversee clinical decisions.
- **Registered Nurses** who supervise the patient’s care and physical comfort.
- **Social Workers** who provide counseling and emotional and practical support.
- **Home Health Aides** who assist with personal care, such as bathing and dressing.
- **Interfaith Spiritual Support Counselors** who offer emotional comfort and spiritual care.
- **Direct Care Volunteers** who provide support, including companionship, help with errands and chores, massage, energy work, and animal-assisted and music activities.
- **Grief Counselors** who offer individual and group counseling to families in our care and community members of all ages who are coping with loss.

### The Basics: Facts About Our Care

**By Age**
- Newborn–64: 14%
- 65–84: 37%
- 85+: 49%

**By Ethnicity**
- African-American: 4%
- Asian Pacific Islander: 3%
- Caucasian: 81%
- Chinese: 3%
- Hispanic: 4%
- Other: 5%

**By Residence Type**
- Patient’s Home: 57.8%
- Residential or Nursing Facility: 41.7%
- Hospital and Other: 0.5%
Highlights: Hospice By The Bay Programs

Hospice Care
The number of Americans choosing hospice care at the end of life continues to grow, and HBTB’s patient census this year mirrored that trend. We cared for a total of 2,267 patients, up 28% from two years ago.

Palliative Care Consultation Program
Palliative care offers pain and symptom management for patients with chronic or life-limiting illnesses who are not terminally ill. In partnership with Sonoma Valley Hospital, HBTB started a new palliative care program at the SVH Skilled Nursing Facility. This is in addition to our continuing palliative consultation programs at Marin General and Novato Community hospitals.

Pediatric Care
This was a year of growth for By The Bay Kids, our palliative and hospice care program for children up to age 17. With staff who are specially trained in family-centered pediatric support, we cared for children receiving curative treatments concurrently with hospice care, including support from music, art and massage therapists.

Grief Counseling and Support
The number of individuals seeking grief support increased by 9.6% over last year to 866 clients. We met the growing need for services for hospice families and community members with the assistance of five MFT interns.

We Appreciate Our Volunteers!

| Total Volunteers (Boards, Direct Care, Committees, Retail, Events, Administrative and Special Projects) | 550 |
| Direct Care Hours | 10,339 |
| Other Volunteer Hours | 18,887 |
| Total Hours | 29,226 |
| Value of Donated Volunteer Hours: | $666,060 |

Volunteer Services
Requests for Direct Care volunteers to support patients and their families continued to increase. Medicare mandates that volunteers supplement the total hours worked by professional staff by 5%, and our volunteers exceed that requirement.

Seven teams of volunteers and trained service dogs from the Marin Humane Society visited campers ages 6-17 at our annual, youth grief support weekend, Camp Erin Oakland/Bay Area.

www.hbtb.org
Hospice By The Bay Needs Ongoing Community Support Because:

- Every dollar you give improves the quality of life in immeasurable ways for a mother, a grandson, a daughter, a brother, a friend, a neighbor, a co-worker – people who come to us for help every day.

- We are serving 28% more patients than two years ago, and census projections show a significant increase in those who will need hospice care in the coming years.

- In 2009, the hospice industry began feeling the effects of a seven-year, phased Medicare rate-reduction. That reduction will, over the remaining four years, have a negative $1.5 million impact on HBTB’s revenue.

- We invest in programs to address unmet community needs. The donations we receive make it possible to provide charity care, offer specialized grief support to children and expand our palliative care services. These programs served 1,749 individuals in FY 2011-12.

- Sufficient cash reserves ensure the continuity of HBTB’s patient and family services. Six months of operating expenses is $14.6 million.

What Kind of Legacy Will You Leave?

Many of our loyal supporters include Hospice By The Bay in their estate plans because they have experienced the comfort of hospice care. An estate gift honors your connection with our work and ensures that we will always be here for families like yours.

This year, $1.2 million was donated to HBTB through planned giving. Ensure your legacy by creating an estate plan that provides for you and your loved ones, meets your financial goals and supports Hospice By The Bay.

For comprehensive information, please visit our Planned Gift Resource Center at www.hbtb.org, or call (415) 526-5500. Support us today and into the future.
Community and Corporate Donors Make All the Difference

We are deeply grateful for our community’s financial support. The following individuals and businesses were especially supportive during the Fiscal Year July 1, 2011–June 30, 2012. A complete FY 2011–12 donor list will be published in our spring Community Connection newsletter. **Legacy Gift

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