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

We invite you to review our Annual Report for July 2010-June 2011, which highlights Hospice By The Bay’s accomplishments and service to our community during the fiscal year.

First, however, we’d like to share two pieces of truly outstanding financial news about your non-profit community hospice:

Since FY 2008-09, highly successful cost-containment initiatives have decreased Hospice By The Bay’s expenses by $1 million, while maintaining our high quality of care for patients, families and the community. In FY 2010-11 alone, we reduced expenses more than $340,000.

Vital to our fiscal solidity, these measures continue to be implemented by Hospice By The Bay’s Board and staff leadership in order to help the agency weather the significant financial challenges created by reductions in Hospice Medicare Benefit reimbursement rates. (See the update on our Congressional lobbying efforts to stop rate cuts on page 3.) They also allowed us to build fiscal reserves to help sustain our community hospice and meet the needs of the increasing number of patients and families requesting our care.

And, in another exciting step toward a healthy, sustainable future, Hospice By The Bay paid off the mortgage on our Larkspur headquarters.

The building, which houses HBTB’s administrative and Marin clinical staff, along with several tenant businesses, is now a permanent part of our shared commitment – yours and HBTB’s – to fulfill our caring mission in all the communities we serve.

Since 2008-09, we have decreased our expenses by $1 million

On behalf of the Board of Directors, our staff, and our patients and their families, we offer you our gratitude and appreciation for choosing to support Hospice By The Bay, your community-based hospice provider since 1975. Your continuing dedication and generosity are essential to our success, now and into the future, for generations to come.
Consolidated Financial Statement / Fiscal Year 2010-11

**REVENUE**

Reimbursements & Program Revenue $25,993,628

Contributions

- Donations $927,212
- Planned Gifts $721,012
- Grants $191,135
- Events $632,247

Other

- Investment Earnings $336,316
- Retail Sales $645,567
- Lease Income $527,677

$2,471,606

TOTAL REVENUE $29,974,794

**EXPENSES**

Program Services $20,323,549
Administration $4,129,597
Development Fundraising $1,161,094

TOTAL EXPENSES $25,614,240

**CHANGE IN NET ASSETS** $4,360,554

Hospice By The Bay is currently balancing several financial goals:

1. Continuing to deliver quality care to all regardless of their ability to pay for services.
2. Investing in programs to expand the depth and breadth of our services to patients and families.
3. Building sufficient reserves to ensure continuity of patient and family services during economically challenging times.
The Basics: About Our Care

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. Most of our patients are cared for in a family home, others in residential or nursing facilities and hospitals.

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. There is no maximum length of time an eligible patient can receive HBTB’s care.

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

- **HBTB’s 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 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.
- **Trained Community Volunteers** who provide companionship, as well as help with errands and chores.
- **Professional Grief Counselors** who offer individual and group counseling to families in our care and community members of all ages who are coping with loss.

Update: Impact of Hospice Medicare Benefit Cuts

In April, HBTB CEO, Chief Operations Officer and staff members, including Social Services Team Leader Mary Knecht (*left*), joined activists from all over the nation in Washington, D.C., to lobby against cuts in the Hospice Medicare Benefit. They touted the Hospice Evaluation and Legitimate Payment (HELP) Act, legislation which protects Medicare reimbursements and modifies regulations to meet the operational realities of hospice programs.

Current rate cuts truly threaten access to hospice care. The industry is now in its third year of a phased, seven-year rate reduction, with more cuts expected. A recent study found that the planned cuts could *lower* hospices’ median Medicare operating *Net* from *positive* 4% in 2008 to *negative* 11% by 2019, forcing some hospices to decrease services or close altogether.
Highlights: Hospice By The Bay Programs

Hospice Care

In 2011, the first wave of America’s Baby Boomers turned 65, and the number of seniors continues to grow faster than younger populations. With that growth, the need for hospice care has increased. This year, our clinical teams cared for more than 2,100 terminally ill patients, while supporting 7,350 of their family members and friends.

Palliative Care

Our palliative care services for patients in Marin General Hospital and Novato Community Hospital increased by more than 20%. Palliative care offers pain and symptom management for patients with serious or chronic illnesses who are not terminally ill.

Grief Counseling and Support

Our clients increased 21%, for a total of 790 individuals seeking emotional support before and after the loss of a loved one. New this year, Sonoma County clients were seen in Petaluma, Sebastopol and Santa Rosa locations.

HBTB’s experts in grief and loss counseling also supported 53 children and teens at our 3rd annual Camp Erin™ Oakland/Bay Area.

Volunteer Services

As a non-profit, HBTB is fortunate to have many community members who volunteer their time and talents. This year, more than 550 volunteers gave more than 35,000 hours to: our boards and committees, direct patient care, staffing our thrift and book stores, helping at fundraising events, and doing administrative tasks in our offices.

Our direct patient care volunteers were in high demand. Medicare rules mandate that these volunteers supplement the total hours worked by professional staff by 5%. Our direct care volunteers augmented staff hours by 10% — double the Medicare requirement.

A record 50% of our 2,100 patients requested volunteer support. Vigil care, attending and offering support at the bedside of a dying patient, was a growing part of our services.

Arranged by HBtB, our 17-year-old pediatric patient fulfilled a dream with a private tour of Pixar Animation Studios. She was accompanied by (from left) her HBtB nurse, her mother and her patient care volunteer.
Grantors and Foundations

Support from foundation funders helped Hospice By The Bay provide the most comprehensive care possible. In 2010-11, grant funding allowed us to expand our palliative care services, better assist low-income breast cancer patients, and reach more children through our Art & Grief Support Groups.

We are grateful to all our foundation partners.

- The Aetna Foundation
- Winifred and Harry B. Allen Foundation
- California Healthcare Foundation
- Frank A. Campini Foundation
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- San Francisco Bay Area Affiliate of Susan G. Komen for the Cure
- Koret Foundation
- The Long Family Foundation
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- Marin Community Foundation
- The Moyer Foundation
- Novato Community Hospital and Sutter Pacific Medical Foundation
- Norman Raab Foundation
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- Ellen and Douglas Rosenberg Foundation
- Sanderson Family Foundation
- George H. Sandy Foundation
- To Celebrate Life Breast Cancer Foundation
- Union Bank of California Foundation
- T. B. Walker Foundation

Community Support Makes a Difference

We’re grateful for the support of community members and volunteers in our fundraising efforts. Again this year, we were named the beneficiaries of two exciting annual events: the 11th RCP Tiburon Mile Open Water Swim in October and the 3rd Marin Sonoma Concours d’Elegance in May.

Rip City Riders, a Marin and Sonoma County service club, donated proceeds from its annual raffle of a new Harley-Davidson motorcycle to support our compassionate care.

Thank you to vintage car enthusiast Charles Goodman (with volunteer Ashley Hurd), who chaired the hardworking Marin Sonoma Concours d’Elegance Committee, organizing another spectacular day-long showcase of the art and history of the automobile.

Leave a Legacy

To provide information for supporters leaving HBTB a legacy gift, our website now has a Planned Gifts Resource Center (www.hbtb.org/Support Us). It offers personalized estate planning tips and details about how charitable gifts benefit our donors and their heirs.
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, 2010 - June 30, 2011. The full FY 2010-11 donor list will be published in our spring Community Connection newsletter.

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