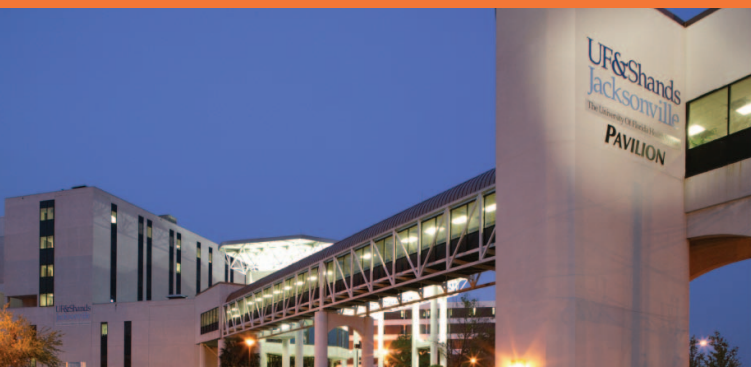


A History of Success and Innovation



UF&Shands Jacksonville
The University of Florida Academic Health Center



January 2011

Dear Friends,

The University of Florida College of Medicine and Shands Jacksonville share a rich tradition with our community. Whether through direct care of a patient, research that brings new discoveries to the bedside or the training of tomorrow's healthcare providers, the nearly 5,000 professionals and staff of our organizations focus their energy and skill to improve the health of every person in our region.

In this publication, we are sharing our past, our successes and our hopes for the future. Our team would be honored to have you join us on this exciting journey. We are ready to face our next challenges and are excited to offer our unique resources to meet the medical needs of Northeast Florida.

Always feel free to contact any of us with your questions and insights. Thank you so much as we move forward together!

Sincerely,



A handwritten signature in black ink that reads "R. Nuss".

Robert C. Nuss, MD
Dean of the Regional Campus, University of Florida College of Medicine-Jacksonville
Associate Vice President for Health Affairs, University of Florida



A handwritten signature in black ink that reads "Jim Burkhart".

James R. Burkhart, MHA, FACHE
Chief Executive Officer, Shands Jacksonville



A handwritten signature in black ink that reads "David S. Guzick".

David S. Guzick, MD, PhD
Senior Vice President for Health Affairs, University of Florida
President, UF&Shands Health System
Chairman, Shands Jacksonville Board of Directors

Forward Together

Together, the University of Florida Health Science Center–Jacksonville and Shands Jacksonville form the region’s premier academic health center–UF&Shands, a leader in the education of health professionals, a hub for clinical research and a unique provider of high-quality patient care. Our commitment to innovation and discovery has improved the lives of our patients and has made a significant impact on the local economy.

With more than 5,000 faculty and staff, our academic health center in Jacksonville is by far the largest UF campus outside of Gainesville. At 37 clinical sites throughout Northeast Florida, UF physicians tallied more than 600,000 outpatient visits and more than 34,000 inpatient admissions last year. A local payroll of more than \$372M is returned directly to the local economy. In the past 10 years, capital spending on major projects in Jacksonville has been substantial: more than \$200M was invested in improving the patient-care environment and an additional \$125M was invested in the development of the University of Florida Proton Therapy Institute.

Education is fundamental to a mature academic health center. UF faculty members have been based on the Jacksonville campus since 1969, with the urban campus officially established in 1988. Currently, more than 360 UF College of Medicine faculty members care for patients in Jacksonville, as well as teach and lead advances in clinical research. More than 300 residents and fellows are trained by UF medical faculty in Shands Jacksonville facilities, making this the third-largest postgraduate medical training program in Florida. Since residents and fellows often remain

in the community in which they train, these teaching programs provide new physicians for all Northeast Florida hospitals. In recent years, about 35 percent of UF Jacksonville residency and fellowship graduates remained in the community to practice. UF medical students spend, on average, approximately 25 percent of their third year in required clerkships in Jacksonville, with individual students having the option to spend as few as 3 weeks and up to as many as 41 weeks in Jacksonville during that year. Fourth-year students complete electives at Shands Jacksonville as well. In addition to residents, fellows and medical students, 200 pharmacy students and 85 nursing students are based in Jacksonville.

As an innovation hub, the Shands Jacksonville campus was selected by the University of Florida for development of its Proton Therapy Institute. With only seven proton therapy facilities nationwide, this service attracts patients from nearly every state and from many countries. Development of this extraordinary institute was only possible because of UF’s partnership with the Jacksonville community, as well as attributes available only in a city of Jacksonville’s size and accessibility. Important clinical programs at Shands Jacksonville, such as the first Level I trauma program in Florida and the only trauma center in Northeast Florida, are community assets that are well-respected regionally. Equally noteworthy are the UF&Shands primary care programs that were recently accredited by the National Committee for Quality Assurance (NCQA) as certified Patient-Centered Medical Homes, the first academic institution in the Southeast to receive this certification.

In July 2009, UF recruited David S. Guzick, MD, PhD, from the University of Rochester, where he had served as Dean of the School of Medicine and Dentistry, to serve as Senior Vice President for Health Affairs at UF and President of the UF&Shands Health System. Under Dr. Guzick’s leadership, the UF regional campus in Jacksonville and Shands Jacksonville worked in collaboration with Shands at UF and with all of the colleges in the University of Florida Health Science Center to produce a unified strategic plan, published in May 2010. In September 2010, governance of the Shands facilities in Gainesville and Jacksonville was realigned such that they became closely collaborating “sister” entities with parallel roles, each having a direct relationship with UF leadership. Both hospitals now operate with their own boards, each focusing on the unique needs and attributes of the communities they serve. The communities will benefit from a common mission focused on shared goals for patients, students and research programs.

Although the UF Health Science Center–Jacksonville and Shands Jacksonville are well-positioned to grow and provide cutting-edge service and innovation to the region, past economic challenges must be acknowledged. On the verge of financial collapse in 2002, Shands Jacksonville is a rare example nationally of the successful turnaround of a safety-net hospital. This extraordinary result was made possible through the hard work of the Shands Jacksonville leadership and the UF faculty and staff, as well as through the steadfast support of the University of Florida, Shands HealthCare in Gainesville, the state of Florida and the city of Jacksonville.

Recognizing a widening gap between the cost of providing care to those who are uninsured or underinsured, it now becomes essential for the community to address the funding required to continue Shands Jacksonville's special safety-net mission. Continued subsidy by Shands Jacksonville of services that should be funded by the community constrains its potential to collaborate with UF in the training of the next generation of health professionals, in supporting clinical and translational research that can spur economic development, and in the development of novel clinical programs that can improve the health of our community.

UF&Shands Jacksonville plans to enhance its partnership with the local community to grow new programs and develop new facilities

throughout the area. Recruitment of new faculty is planned as well. Further, with dedicated resources, the opportunity to develop new residency and fellow positions can be achieved. To reach these goals, new partnerships with interested citizens, philanthropic organizations, as well as public funding, will be required.

Shands Jacksonville's record of close collaboration with the University of Florida to create a vibrant academic health center is an extraordinary success story. Reaching ambitious objectives for the future is far less daunting given this history and the current momentum. An even brighter future for UF&Shands Jacksonville is possible because of the commitment of the University of Florida and Shands leadership, the hard work and dedication of faculty and staff, and the enthusiastic support of

the Jacksonville community and business leaders who recognize the foundation that has been built by UF&Shands, and its promise for the future.

The UF&Shands strategic plan is titled "Forward Together." It is in this spirit that the organization envisions moving forward in its partnership with the Jacksonville community.



Working in close collaboration, the University of Florida Health Science Center–Jacksonville and Shands Jacksonville form the region’s premier academic health center—UF&Shands. In this unique role, UF&Shands Jacksonville has a significant impact on many aspects of Jacksonville and North Florida as it works to fulfill its missions. Its faculty and staff provide top-notch primary and specialized patient care services, ensure a major safety-net mission, educate a multidisciplinary healthcare workforce for the future, and conduct research that attracts extramural grants and spurs technology, commercialization and economic development.

Residents and fellows who have graduated from University of Florida postgraduate medical training programs in Jacksonville practice at every hospital in Northeast Florida, and 35 percent of these newly trained primary care and specialist physicians remain in the Jacksonville community. Through innovative and internationally recognized services such as the University of Florida Proton Therapy Institute, new approaches to treating cancer are being developed in Jacksonville.

From leading practices in care delivery to new scientific discoveries and the education of the next generation, UF&Shands is focused on furthering the strong foundation and partnership it shares with the city of Jacksonville. This collaboration will enable the development of exciting initiatives that serve the community in new and innovative ways. This white paper reviews the history of commitment and dedication of UF&Shands Jacksonville to its community, describes an extraordinary turnaround success story—from near default to a vibrant campus of patient care, education and research—and highlights substantial recent momentum.

Through dedicated community commitment, support and investment, this momentum can be accelerated so the full potential of UF&Shands Jacksonville can be realized to enhance its benefit to patients, students and trainees, to medical knowledge, and to the Jacksonville community at large.

History

The hospital’s origins date to 1870 as Florida’s first non-military hospital. Known then as Duval Hospital and Asylum, it became the cornerstone for the medical complex that is known today as UF&Shands Jacksonville. In 1901, Brewster Nursing School, which later became Methodist Medical Center (MMC), opened to care for victims of the great fire of Jacksonville.

In 1971, University Hospital, a city-owned 485-bed medical facility, opened across the street from MMC. In 1982, University Hospital became University Medical Center (UMC), a private not-for-profit organization that contracted with the city of Jacksonville to operate the facility and provide care for the uninsured. The next year, UMC opened the first Level I trauma center in Florida, complete with long-range air ambulance service.

The Jacksonville Health Education Program based at UMC became an extension service of the UF College of Medicine in 1969. UMC and the UF faculty programs were designated as an urban campus of the University of Florida in 1988, strengthening the educational relationship between the hospital, the University of Florida and the city of Jacksonville.

In 1999, UMC and MMC combined to become Shands Jacksonville, affiliated with the University of

Florida. When Shands Jacksonville was established, both organizations were in significant financial distress and the infrastructure of the facilities was weak and dated. A program of fiscal and operational restructuring was initiated in 2001 and in 2003, Shands Jacksonville became a subsidiary of Shands Teaching Hospital and Clinics. Fiscal stability was established through the combined support of the city of Jacksonville, the state of Florida, Shands Teaching Hospital in Gainesville and the University of Florida.

Over the ensuing decade, this partnership grew stronger and both Shands Jacksonville and the Jacksonville UF faculty practice became increasingly successful. Shands Jacksonville has been able to invest more than \$200M during this period from internally generated funds, bringing its facilities and equipment up to and beyond current standards. At the same time, the UF College of Medicine–Jacksonville has been able to invest in program growth and recruit superb faculty. Taken as a whole, UF&Shands Jacksonville is now poised for accelerated clinical growth, greater reputation in educational and scientific programs, and enhanced economic impact through job creation and technology transfer.

In July 2009, UF recruited David S. Guzick, MD, PhD, from the University of Rochester, where he had served as Dean of the School of Medicine and Dentistry for seven years, to serve as Senior Vice President for Health Affairs and President of the UF&Shands Health System. In this role, he serves as the designee of the President of the University of Florida for all matters related to UF governance of Shands HealthCare on both the Gainesville and Jacksonville campuses. Accordingly, in September 2009, he was voted Chair of the Board of Shands Teaching Hospital and Clinics, and in January 2010,



he was voted Chair of the Shands Jacksonville Board.

Beginning in August 2009, under the leadership of Dr. Guzick, UF&Shands Jacksonville worked in collaboration with Shands Teaching Hospital and with all of the colleges in the University of Florida Health Science Center to produce a unified strategic plan. This plan (forwardtogether.health.ufl.edu), first published in May 2010 with updates since then, provides an overarching vision and pathway for the colleges and hospitals that

comprise UF&Shands as a whole. It also includes a specific roadmap for growth and development of the Jacksonville campus, as described in its own strategic plan that builds on the principles of the “Forward Together” plan.

In September 2010, governance of the Shands facilities in Gainesville and Jacksonville was realigned such that they became “sister” entities under common UF governance, with advice and input provided by a UF-appointed Strategic Cabinet. In recognition of the tremendous

progress made by Shands Jacksonville, and to focus each campus on its respective operations and strategic affiliations, the two Shands campuses now have parallel roles. Each campus has an appropriate direct reporting relationship to UF leadership, with system-wide oversight by the Strategic Cabinet. Each hospital now operates with its own board and focuses on the unique needs and attributes of the community it serves, yet benefits from shared governance and strategic oversight by the University of Florida.

Education

Educating the health professionals of tomorrow is a key mission of UF&Shands Jacksonville. This mission is accomplished through educational programs for medical students, residents and fellows, pharmacy students and nursing students.

At the completion of medical school, students seek residency training in their discipline of choice through a national match program and therefore typically leave the community in which they receive their education. In contrast, residents and fellows often remain in the community in which they train. A successful graduate medical education (GME) program—i.e., the training of medical residents and fellows—is directly linked to the retention of physicians as practitioners in the community. GME comes under the auspices of the University

of Florida, with the UF Health Science Center—Jacksonville having direct operational responsibility. This dedication to GME has resulted in significant program growth in the Jacksonville community over the past 10 years. UF has increased the number of accredited residency and fellowship programs at Shands Jacksonville from 19 to 27 between 2002 and 2010. In addition, three new UF GME programs (anesthesiology, psychiatry, pediatric surgery) are on the immediate horizon in Jacksonville.

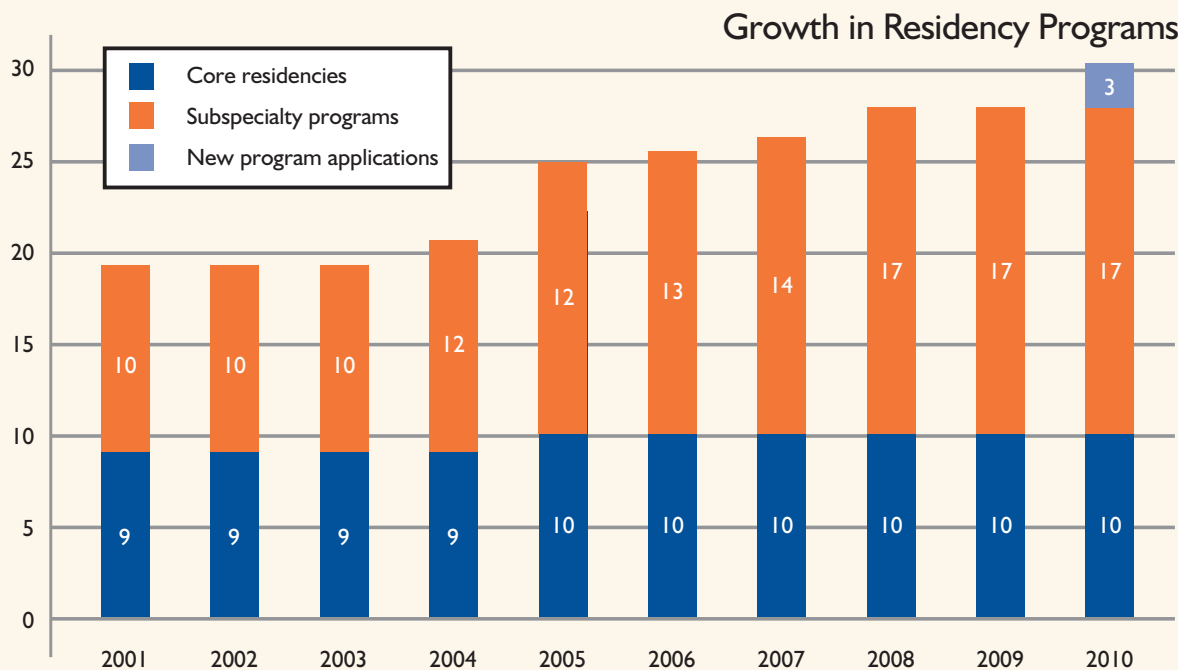
The programs added during the interval described above include UF residencies and fellowships in interventional cardiology, podiatry, surgical critical care medicine, minimally invasive surgery, neurology, vascular neurology, pediatric endocrinology, nephrology, ophthalmology, endocrinology (adult), pulmonary disease/critical care and clinical cardiac electrophysiology. The UF College of Medicine—

Jacksonville campus has also supported Gainesville programs, including those training in anesthesiology, ophthalmology, otolaryngology, and radiation oncology over the same time period.

Overall, UF GME programs support 316 residents and fellows at UF&Shands Jacksonville. As such, the size and scope of GME on the UF&Shands Jacksonville campus ranks third in Florida, behind only its sister campus in Gainesville and the University of Miami/Jackson Memorial Hospital in Miami.

In 2010, 34 percent of UF Jacksonville graduating residents and fellows remained in Northeast Florida and 54 percent remained in the state. This is a significant improvement from 2002, when only 17 percent remained in Northeast Florida and 50 percent remained in the state overall. Because resident and fellow education is crucial to the local economy and welfare of the area's population, UF&Shands Jacksonville is dedicated to increasing residency positions on the Jacksonville campus within existing programs as well as by adding new programs that may be needed. To achieve this objective, UF&Shands Jacksonville will partner with other organizations to help fund program expansion. Development of a dedicated fund to enhance this training will be the key to growth of the organization's teaching mission and training the region's physicians of tomorrow.

The Jacksonville campus is an integral part of the medical student education program of the UF College of Medicine. All UF medical students spend, on average, approximately 25 percent of their third year in required clerkships in Jacksonville, with individual students having the option to spend as few as three weeks and up to as many as



41 weeks in Jacksonville during that year. Fourth-year students from UF and other medical schools choose UF&Shands Jacksonville for elective rotations as well. In 2010, third-and fourth-year students will complete 3,058 student weeks in Jacksonville. Students and department chairs consistently agree that the learning experience is greatly enhanced by the complementary experiences provided by both the Gainesville and Jacksonville campuses.

In addition to residents, fellows and medical students, there are 200 UF College of Pharmacy students and 85 UF College of Nursing students on campus, providing a ready source of health professionals in these disciplines for the region. Aside from the UF&Shands campus in Gainesville, there is no other organization in Florida that provides this level of health professional education in size and scope.

Shands Jacksonville and the University of Florida College of Pharmacy (UFCOP) have a long standing relationship in which fourth-year pharmacy students are able to complete many of their clerkships at Shands prior to graduation. It was determined that there was a great need for pharmacists in the state, and in the fall of 2002, UFCOP developed three distance education sites (St. Petersburg, Orlando and Jacksonville) for their professional program. Given the long standing relationship between UFCOP and Shands Jacksonville and the need for practicing pharmacists to act as facilitator faculty in the program, the UFCOP program in Jacksonville has benefited both the students and the practitioners. Students have close proximity to many of the faculty facilitators while practicing pharmacists have a unique opportunity to teach in their hometown. Approximately 50 students each year are accepted for the four-year pharmacy program (200 students are located at the campus overall),

which allows students to complete their entire pharmacy education at the Jacksonville campus. Many pharmacists at Shands Jacksonville have taken on roles as preceptors, facilitators, faculty advisors and mentors for the UFCOP Jacksonville students. The campus houses multiple shared classrooms, a laboratory, administrative offices and the Borland Library. Attending classes intermingled with patients and practitioners on a daily bases provides professionalism training that is unique to our campus setting.

The University of Florida College of Nursing (CON) began offering coursework through the Jacksonville campus in 1979 for students seeking a Master's Degree in Nursing (MSN). In 1985, the campus became home to the Nurse Midwifery clinical track, which enabled a strong collaborative relationship between the College of Nursing, the UF Department of OB-GYN and the obstetrical nursing department at Shands Jacksonville (then University Medical Center). That relationship remains strong today. Advancing distance education technology over the ensuing years supported a closer relationship between the Jacksonville and Gainesville campuses, facilitating the growth of both nursing programs. In 2001, CON opened access to its PhD in Nursing degree program via the Jacksonville campus, the first nursing doctoral degree program in the area. Five years later, it began offering one of Florida's first clinical nursing doctoral degree programs, the Doctorate of Nursing Practice, through both campuses. Today, Jacksonville is home base for approximately 85 graduate nursing students pursuing MSN, DNP, and PhD degrees. It contributes approximately one third of the college's total graduate students each year, and its graduates hold leadership positions throughout the Jacksonville clinical and academic communities. The campus is



supported by eight on-site nursing faculty members who serve on various Shands Jacksonville and UF campus committees.

Excellence in teaching, research and patient care all require an exceptional faculty. Over the past eight years, the UF medical faculty in Jacksonville has increased to 360 physicians. This is a notable increase from the 269 UF Jacksonville faculty members in 2002. In addition, under the leadership of Robert Nuss, MD, Dean of the Regional Campus for the University of Florida College of Medicine–Jacksonville and Associate Vice President for Health Affairs at the University of Florida, the college has recruited highly sought-after faculty for key leadership roles. Of particular note are:

- Arshag Mooradian, MD, Chair of the Department of Medicine, who joined the faculty in May 2006 from St. Louis University

- John Kirkpatrick, MD, Chair of the Department of Orthopaedics, who joined the faculty in November 2006 from the University of Alabama at Birmingham
- Moeen Panni, MD, Chair of the Department of Anesthesiology, who joined the faculty in June 2008 from the University of Texas in Houston
- Michael Nussbaum, MD, Chair of the Department of Surgery, who joined the faculty in July 2008 from the University of Cincinnati
- Steven Cuffe, MD, Chair of the Department of Psychiatry, who joined the faculty in April 2008 from the University of South Carolina
- Nipa Shah, MD, Chair of Community Health and Family Medicine, who will join the faculty in February 2011 from the University of Illinois-Chicago

Additionally, UF&Shands Jacksonville has developed a unique simulation center for the training of faculty, students, resident, fellows and other healthcare professionals. Since its inception, the military has used this state-of-the-art facility for training its medical personnel. Housed in the former Methodist Medical Center emergency department and operating rooms, this program has trained numerous professionals in an innovative environment that has the added benefit of enhancing safety for patients. Until 2010, this center was the largest non-military simulation center in the country. It has been recognized regionally and nationally for the high quality of its training and its resources. Each year, UF residents compete nationally in simulation proficiency tests with other training programs and consistently outperform many prestigious residency programs.

Research and Innovation

A key element of an academic health center is a passion to explore, discover and innovate. The University of Florida College of Medicine–Jacksonville is currently the recipient of approximately \$18.5M of external grant-funded research. This is a significant increase since 2002, when only \$2M of research was funded. In 2009, federal research funding at the UF College of Medicine–Jacksonville increased by 72 percent and total funding increased by 48 percent.

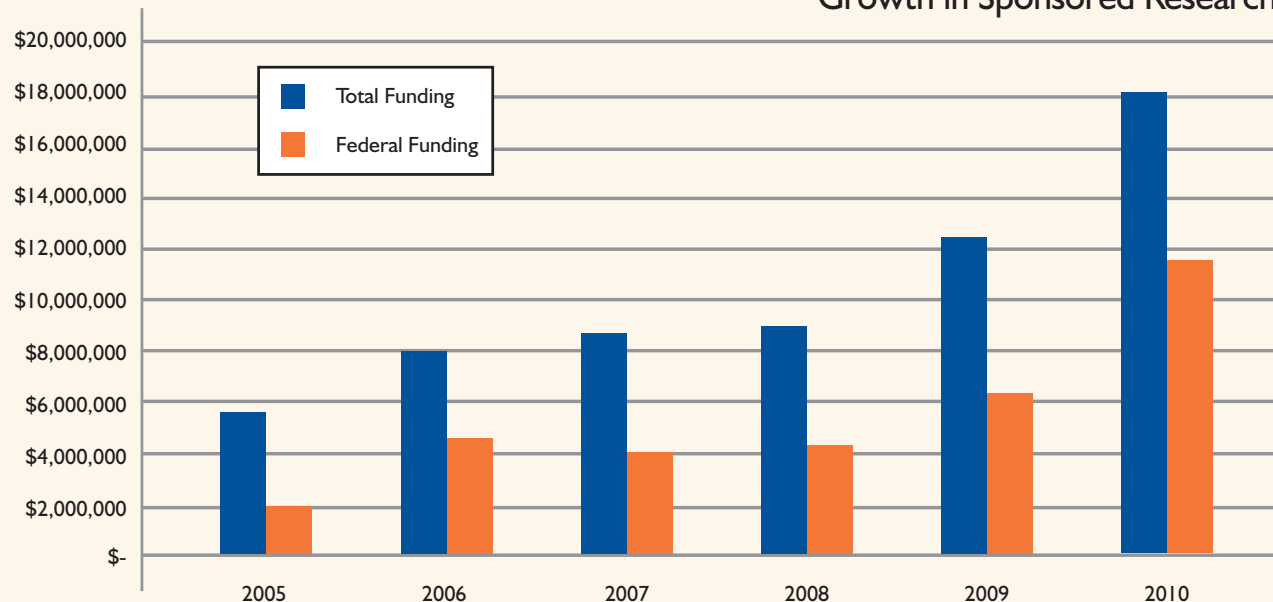
The University of Florida Health Science Center–Jacksonville currently has more than 550 total Institutional Review Board (IRB)-approved studies and protocols being conducted by UF faculty in Jacksonville, of which 225 are externally funded. These studies afford patients access to novel clinical programs that are often available only at an academic health center. This robust research platform was

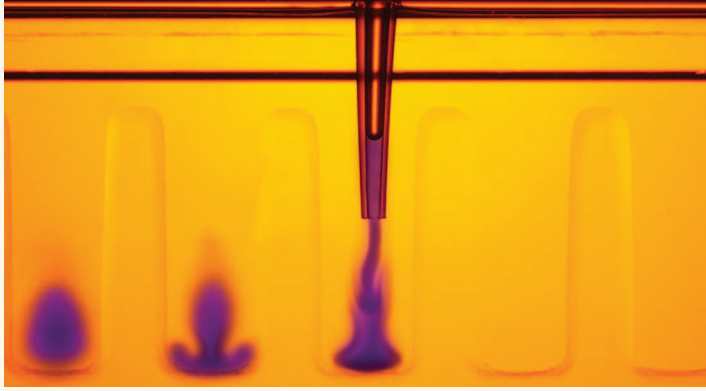
created over decades and provides the foundation for further development. Through these efforts, the federal government and private organizations invest new dollars in the community each year.

The UF Health Science Center–Jacksonville has recently added a 16,000-square-foot research laboratory building, including space dedicated to translational research, which is focused on bringing discoveries to patients as rapidly as possible. The Jacksonville campus also houses a clinical research unit to perform specialized inpatient studies and has designated resources for extensive outpatient studies.

The National Institutes of Health (NIH) created the Clinical and Translational Science Award (CTSA) to transform how clinical and translational research is conducted. The 55 organizations that have received the award comprise a national consortium. Working

Growth in Sponsored Research





together, they share a common vision to improve human health by transforming the research and training environment to enhance the efficiency and quality of clinical and translational research. In 2009, UF became the only academic institution in Florida to receive a CTSA. The presence of the Jacksonville campus created a unique advantage in the application for the award and its collaborative role was a significant factor in NIH's final selection of UF as a CTSA award recipient.

In 2006, the University of Florida Proton Therapy Institute (UFPTI) opened on the Jacksonville campus. A truly innovative addition to Jacksonville, UFPTI is one of only seven facilities in the United States equipped to treat cancer with protons. Hailed as the "next generation" of radiation treatment, proton therapy is gaining recognition in the medical

and scientific community. Proton therapy greatly reduces the damage to surrounding tissue, which is a significant improvement over traditional radiation therapy. Unlike other forms of therapy, it allows patients to continue their daily activities.

The initial investment to develop UFPTI was \$125M. Since its opening, more than 2,200 patients have received approximately 79,000 individual treatments. More than 70 percent of these patients come from more than 60 miles away. Patients from 49 states as well as a number of other countries have been treated here in Jacksonville. Proton patients typically stay in and around the city for their average six-week treatment. Currently, there are approximately 105 proton patients treated each day. UFPTI is among the top 10 proton therapy centers worldwide for the number of patients treated.

UFPTI is a designated National Health Service (United Kingdom) proton therapy treatment center for pediatric and adult patients. The first patients under this agreement were treated here in December 2009. St. Jude Children's Research Hospital and UFPTI began a proton therapy clinical trial in December 2009 for brain cancer patients younger than 3 years old. Approximately 98 percent of UFPTI patients are treated on a clinical protocol. Currently there are 29 open clinical protocols. The facility was built with additional space dedicated to expanding research programs.

Patient Care

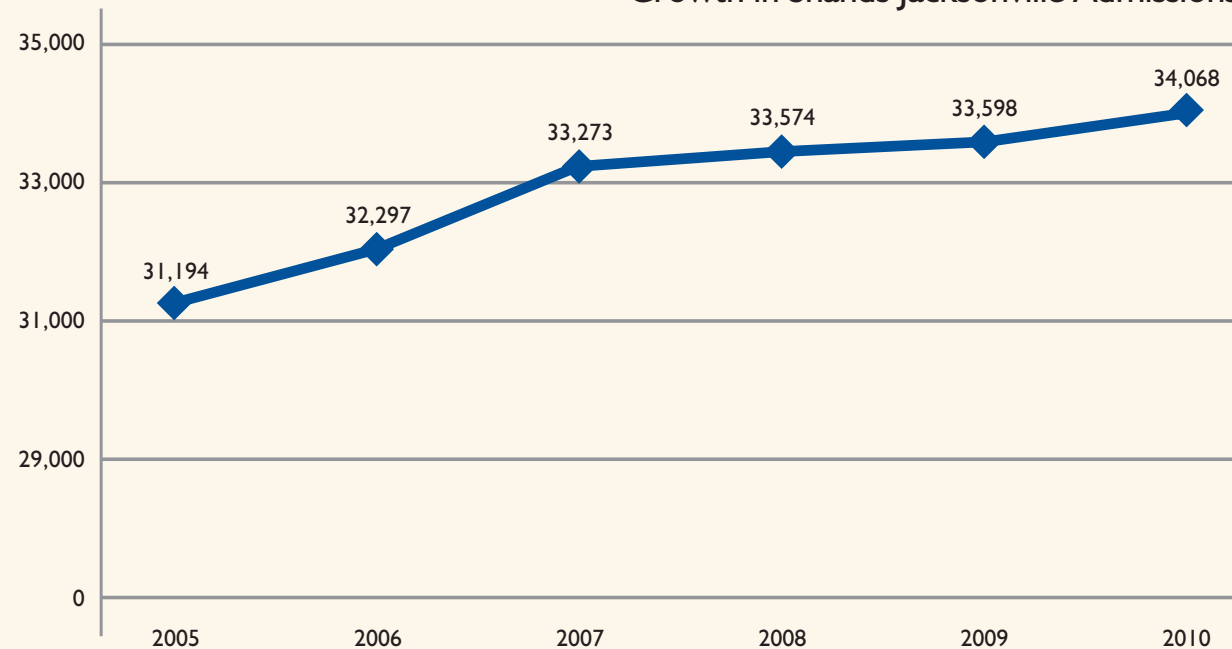
UF faculty in Jacksonville, in close collaboration with Shands Jacksonville, provide a wide range of healthcare services on both an inpatient and outpatient basis. Taken as a whole, UF faculty offer more than 70 specialty services, including key programs in:

- Cancer Services
- Pediatrics
- Cardiovascular Services
- Poison Information Center
- Neurologic and Neurosurgical Services
- Trauma & Critical Care Services
- Orthopaedic Services
- Women's Services

As an academic health center, UF&Shands Jacksonville is on the leading edge of the latest treatments and technologies. Participation in clinical trials brings the latest research advances to the clinical setting, pioneering medical advances today to benefit patients tomorrow.

As shown in the graph to the right, Shands Jacksonville had approximately 34,000 admissions in fiscal year 2010, a 6.4 percent increase from 2002. Moreover, under the leadership of Jim Burkhart, Shands Jacksonville's CEO, and with active support by leadership from both the University of Florida and Shands at UF in Gainesville, improvements in the quality of care and operational performance of Shands Jacksonville have reversed substantial operating losses. Currently, Shands Jacksonville generates a modest financial margin sufficient to invest in the academic mission of the faculty at the UF College of Medicine–Jacksonville and in its capital needs to support a higher level of patient care with appropriate facilities and technologies.

Growth in Shands Jacksonville Admissions



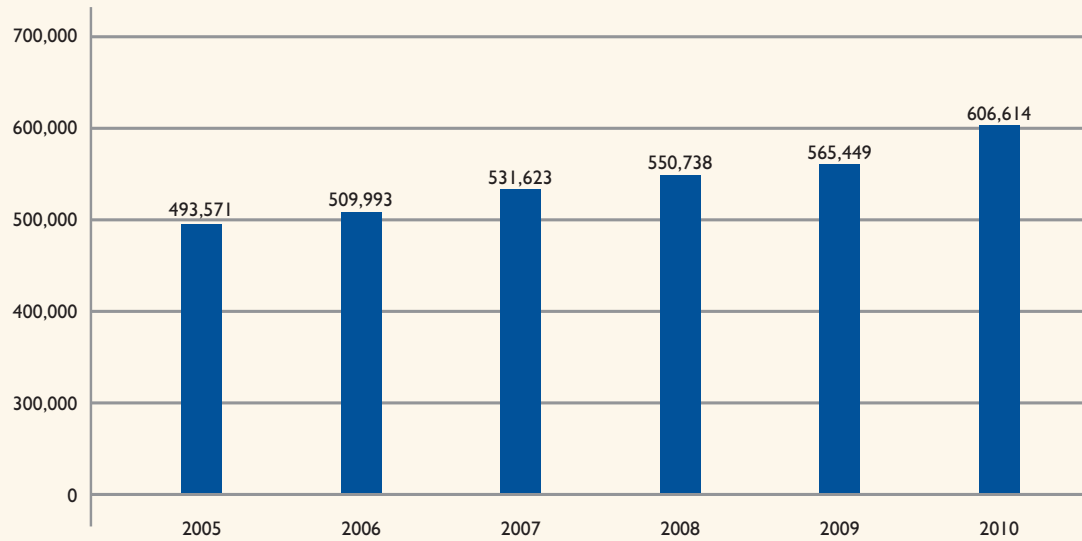
Under the leadership of Dr. Nuss, and with active support by UF leadership, the faculty practice of the UF College of Medicine–Jacksonville had approximately 607,000 provider visits in fiscal year 2010, a 32 percent increase over 2002. Currently, UF faculty practice at 37 off-site clinical care locations throughout the region. The latest addition is the Emerson outpatient campus, which houses a multispecialty practice, advanced imaging, rehabilitation services and a surgery center.

Over the past 10 years, UF&Shands Jacksonville has made substantial investments in primary care throughout the region. Primary care centers are now established in many areas of the Jacksonville community (24 offices with 83 providers). In addition,

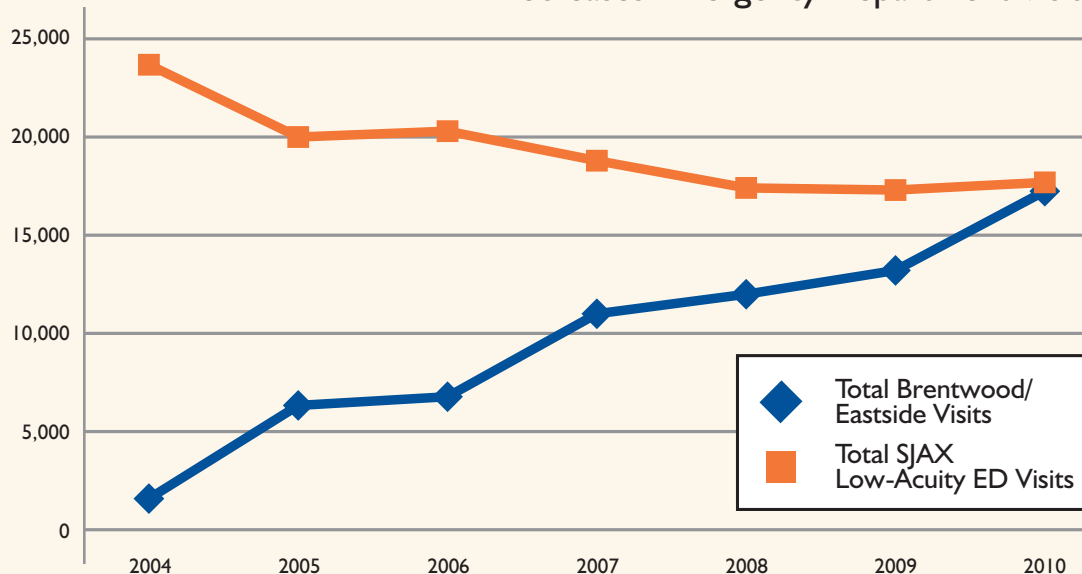
special emphasis was given to creating alternatives to the emergency department for low-acuity patients. Helping patients to receive care in the most appropriate setting is not only economically beneficial, it is also better for the patient. This effort resulted in the development of six targeted primary care sites and medical disparity clinics located in significantly underserved areas near the downtown Jacksonville campus. The graph on the next page shows the growth in primary care visits and the simultaneous reduction in low-acuity ED visits from the area immediately surrounding the Shands Jacksonville emergency department.

In July 2010, six of our primary care sites were designated by the National Committee for Quality

Growth in UF Providers Visits



Growth in Medical Home Visits Improves Care, Lowers Costs and Decreases Emergency Department Visits



Assurance (NCQA) as Patient-Centered Medical Homes. The NCQA describes the Patient-Centered Medical Home as a model for care provided by physician practices that seek to strengthen the physician-patient relationship. These practices replace episodic care based on illnesses and patient complaints with coordinated care and a long-term healing relationship. This challenging certification process recognizes the exceptional results these practices have achieved. This is the only primary care program in the region to be recognized by NCQA and the first academic program in the Southeast to achieve certification.

Development of dedicated inpatient units at Shands Jacksonville for specific UF services has enabled the organization to provide specialized resources for the most complex patients. These units include a unique cardiovascular unit where all inpatient, outpatient and professional services are in a single location. A dedicated neurological intensive care unit was the first of its kind in the region. The transformation of the Shands Jacksonville Pavilion into a home for continuity-based programs such as transitional care, hospice, mental health and infusion services, has assisted both staff and faculty to provide the best possible experience for the patients they serve.

In 2008, a major realignment of imaging services allowed for the development of the UF&Shands Jacksonville Center for Advanced CT and MR Imaging. This on-campus, outpatient facility houses a PET-CT, 3-T MRI and dual-source CT, the only one of its kind in the region.

Because of the distinctive resources present at the UF College of Medicine, faculty based in Jacksonville provide physician services at the Neonatal Intensive Care Units at Baptist Health/Wolfson Children's Hospital, Memorial Hospital, Orange Park Medical Center and Halifax Health Medical Center. UF medical faculty also provide services for a number of other pediatric programs at Baptist/Wolfson.

A new 120,000-square-foot Veterans Affairs (VA) Clinic will soon be developed on land adjacent to the Jacksonville campus. The University of Florida and Shands Jacksonville have a long history of partnering with the VA. This collaboration will be further enhanced by the development of this new site.

Additionally, new programs and systems will enhance both safety and efficiency in all areas of patient care. Long before the national call for electronic health records, the UF College of Medicine—Jacksonville faculty practice led the region with the first major installation of a fully automated medical record. The Allscripts system has been used for more than nine years in Jacksonville and is in place at 58 UF clinical locations, where it is used by more than 500 UF providers.

UF&Shands Jacksonville is now joining with its sister organization in Gainesville to implement the next generation of electronic health records. The EPIC

system will encompass both the faculty practice and hospital environment and will allow the organization to have a fully integrated clinic platform. This new information technology system will enhance both safety and efficiency in all areas of patient care at UF&Shands Jacksonville.

UF&Shands Jacksonville continues as the area's major safety-net provider. In this role, a large volume of services are provided with limited economic support from local, state and federal sources. Over the past five fiscal years (FY05-FY09), Shands Jacksonville alone has provided \$172M in services on a cost basis in excess of funding received for these patients. For the campus to reach its full potential, this underfunding must be addressed.

Since 2002, the indigent care funding provided by the city of Jacksonville to Shands Jacksonville has been constant at \$23.7M per year. Since that time, the cost of caring for the underserved has increased significantly, to the point where the current model is not sustainable. In 2009, for example, the cost of providing such care was \$67M, resulting in \$43M in uncompensated care net of the city's contribution.

Mission: Community Initiatives

In 2006, the Florida Legislature designated Duval and Broward counties for piloting a new way to finance and deliver care to those insured through the Medicaid program. Public and private insurers were invited to participate in the pilot program. In response, UF faculty established a provider service network called First Coast Advantage (FCA) to coordinate health benefits for the Medicaid-eligible population in Duval County. FCA has grown from 16,000 enrollees in its first year to approximately 46,000 members today. A study conducted by the University of Florida's Department of Health Services Research, Management and Policy and reported in June 2009 indicated that these pilot programs achieved significant savings during the first several years of operation. These conclusions were reached by comparing the costs per member per month to the cost before the pilot programs, as well as to similar counties in the state. As healthcare reform evolves, this program may prove to be an important model for Florida and the nation.

UF&Shands Jacksonville operates more than 20 health education and outreach initiatives aimed at improving the quality of life in the region. Registered nurses, UF physicians, physician assistants, pharmacists and volunteers provide routine health screenings,



education, disease counseling and case management. They also make referrals and link clients to other community service partners, regardless of insurance or ability to pay.

UF&Shands Jacksonville is committed to decreasing disparities in healthcare delivery across ethnic and economic lines. Current programs reflect the city's major causes of morbidity and mortality in both purpose and location. UF&Shands Jacksonville is especially vested in improving the health of residents living in the community surrounding the hospital, the most populated area of Jacksonville's urban core.

The Jacksonville urban core has the largest number of minorities, lowest household income and level of education, and highest unemployment rate in the city. It also has the city's highest mortality rate from heart disease, diabetes and HIV/AIDS, as well as the highest infant mortality rate. UF&Shands Jacksonville offers community-responsive programs for expectant parents and people with conditions such as diabetes, high cholesterol, high blood pressure, HIV/AIDS, sickle cell and other blood disorders. The success of these programs is evidenced by their longevity and community support. Some of these programs are listed below:

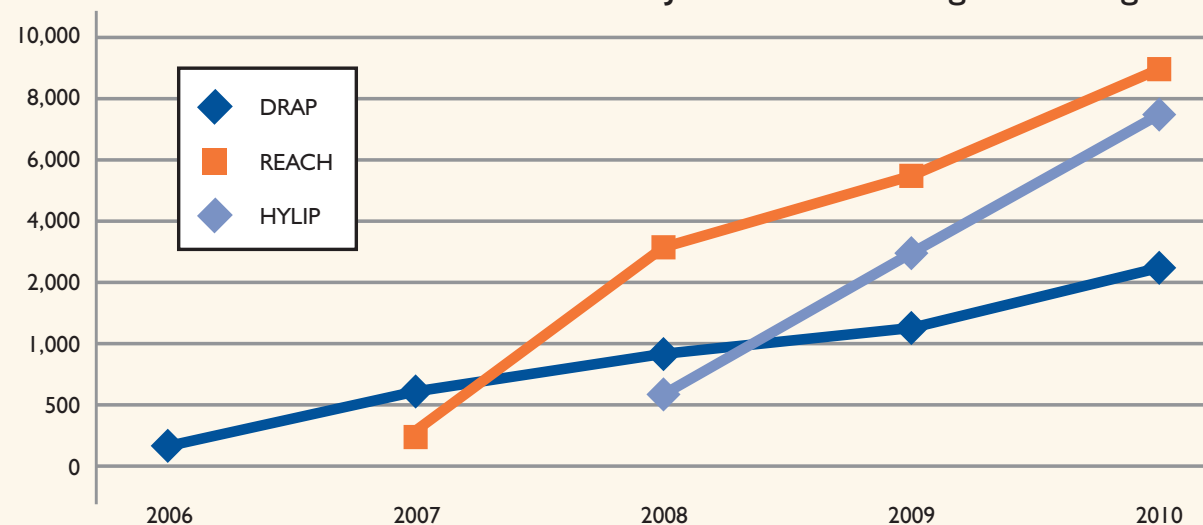
- Heal Thy People is a partnership between Shands and more than 54 local churches to promote wellness and improve access to healthcare through education, outreach and community activities.
- Ryan White Part A Program identifies and tracks people living with HIV/AIDS. The program provides education, screening, counseling and spiritual support for those living with the disease.
- C.B. McIntosh Pediatric Sickle Cell Program provides genetic counseling, medical management, education and emotional support to children living with sickle cell disease and their families.

- Shands Jacksonville Trauma Prevention Program encompasses seven initiatives aimed at reducing the number and severity of injuries in children.
- Little Miracles/Healthy Start reduce infant mortality by providing education, counseling and healthcare for expectant and new mothers and infants.
- Shands has formed a partnership with Darnell-Cookman High School's medical magnet program.
- Shands has a partnership with the Second Harvest Food Bank to provide healthy food to expectant mothers during their prenatal visits.

The Jacksonville Urban Disparity Initiative (JUDI) was created in 2008 to unite many of these efforts with a common goal—to reduce the health disparities identified by the U.S. Centers for Disease Control and Prevention that adversely impact residents with a low socioeconomic status. JUDI addresses specific healthcare needs by building partnerships with physicians, local healthcare providers and community organizations or agencies.

These groups work together to make significant outcomes, such as reduced nonessential use of emergency rooms, improved birth weights, fewer infant deaths, decreased mortality rates and improved health literacy through disease management programs, including our Diabetes Rapid Access Program (DRAP), Review Evaluate and Control Hypertension (REACH), and Hyperlipidemia (HYLIP).

Enrollment in JUDI Disease Management Programs



Selected Achievements

With a dedicated faculty and high-level staff, Shands Jacksonville has been recognized by numerous organizations in a broad number of areas. Selected achievements include:

- 2008 Governor's Sterling Award (for 16 years, the Governor's Sterling Award has recognized organizations and businesses in Florida that have successfully achieved performance superiority within their management and operations).
- The region's first stroke program to achieve the Gold Seal of Approval and Primary Stroke Center Certification from the Joint Commission as well as full accreditation by Florida's Agency for Healthcare Administration.
- One of Thomson Reuters 100 Top Hospitals: Cardiovascular Benchmarks for Success Study in 2002 and 2004.
- Area's first multidisciplinary thoracic oncology program.
- Jacksonville's only hospital—and one of few hospitals around the country—using unique 3D ultrasound mammography.
- Home to the first Level I trauma center in Florida and the only adult and pediatric Level I trauma center in Northeast Florida and Southeast Georgia. TraumaOne serves 30 counties in Northeast Florida and Southeast

Georgia and is one of the busiest trauma centers in the nation.

- As one of the region's busiest emergency departments, Shands Jacksonville sees nearly 90,000 visits a year.
- One of Jacksonville Magazine's Companies that Care in 2007, 2008, 2010 and 2011.
- More than 30 physicians and nurses honored as Jacksonville Business Journal Healthcare Heroes from 2005-2010.
- Recipient of the Gold-Level Worksite Wellness Award for being one of Jacksonville's Healthiest 100 companies two years in a row.
- PRC, an independent organization that measures and benchmarks patient satisfaction, recognized Shands Jacksonville with seven 2010 Patient Satisfaction 5-Star Awards for Overall Quality of Care. The 5-Star Award is given to units/departments whose scores were at or above the 90th percentile of excellence for each month of calendar year 2009.

Economic Impact

The close collaboration between the University of Florida, Shands Jacksonville, the state and the city of Jacksonville has resulted in an extraordinary turnaround—from a fiscally fragile status in 2001 to a robust and stable provider of care locally and

regionally. Unique to UF&Shands Jacksonville are the proud teaching and educational missions that extend beyond the traditional clinical mission shared with other hospitals and physician groups in the region. In addition to training many local physicians and providing a platform for innovation, the most significant impact on the local economy comes from being one of the largest local employers.

- In 2010, Shands Jacksonville employed 3,486 FTEs, an 8.6 percent increase over 2002.
- UF employees numbered 2,118 in 2010, a 31 percent increase over 2002.
- Shands Jacksonville payroll increased from \$123M in 2002 to \$186M in 2010, an increase of 51.1 percent.
- UF payroll increased from \$107M in 2002 to \$187M in 2010, an increase of 75 percent.
- Net operating revenues for Shands Jacksonville increased from \$452M in 2002 to \$586M in 2010, an increase of 30 percent.
- Net revenues for UF increased from \$140M in 2002 to \$212M in 2010, an increase of 52 percent.
- The UF Proton Therapy Institute, which opened only four years ago, now generates annual revenues of \$45M per year. In addition, it is estimated that the average patient's family spends between \$2,500 and \$5,000 monthly in the Jacksonville economy.





Shands Jacksonville and the UF Colleges of Medicine, Pharmacy and Nursing make a direct and substantial economic impact on Jacksonville from the purchase of labor, supplies, capital improvements and goods and services. Each of these expenditures has a multiplier effect in the community. As one of the region's largest employers, the organization has been stable through the current recession.

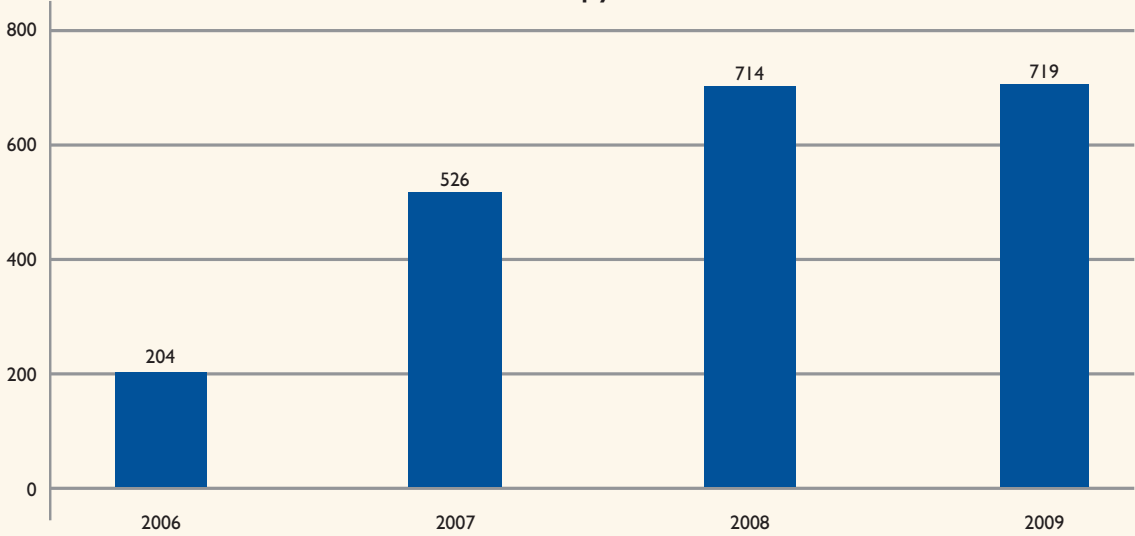
As UF&Shands Jacksonville looks to the future, commitment to the patients served on our 8th Street campus must be maintained, but regional expansion

to meet future growth is also imperative. Property purchased near Jacksonville International Airport is poised for development of UF faculty practice sites, with permitting and other pre-construction activity moving forward.

Expansion will also include new space for education and research on the downtown campus. Funding for facilities and faculty recruitment to support this growth will require partnering with granting organizations, philanthropy and support from the city and state.

Further expansion of our Emerson Street outpatient campus is anticipated. The third building on the site includes 10,000 square feet of shelled space intended to house additional UF faculty-led clinical services. In addition, steady growth of the UF primary care network to meet local demand and to enhance access to the overall UF&Shands Jacksonville network is expected.

UF Proton Therapy Institute Growth in Patient Volume



A Vision for Tomorrow

Jacksonville can be proud of the history of success and innovation at UF&Shands Jacksonville. To ensure excellence at the UF&Shands academic health center for future generations, several key programs are essential for near- and long-term development.

- New facilities dedicated to education and research are needed on the Jacksonville campus to enhance the educational mission and to foster clinical and translational research that spurs technology commercialization.
- UF&Shands Jacksonville campus should partner with state and local officials and attract philanthropic resources to establish a new education and research building and to support recruitment of new UF faculty investigators. The purpose is to attract research grants to Jacksonville that will produce new knowledge that improves health and spurs innovation and technology commercialization.
- To enhance the number of medical residents and fellows who train on the Jacksonville campus, UF&Shands Jacksonville should partner with granting and philanthropic organizations. The establishment of a fund dedicated to this purpose will enable new physicians to practice in the Jacksonville community.
- Concurrently, a loan forgiveness fund dedicated to keeping medical residents in the community after their residencies would enhance the attractiveness of Jacksonville to new graduates.
- The mission to care for the medically underserved patients in Jacksonville requires a reliable source of funding. UF&Shands Jacksonville is committed to supporting the region's safety-net mission and is prepared to work with local leaders to secure stable funding for this vulnerable population.



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UF&Shands Jacksonville

The University of Florida Academic Health Center

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