



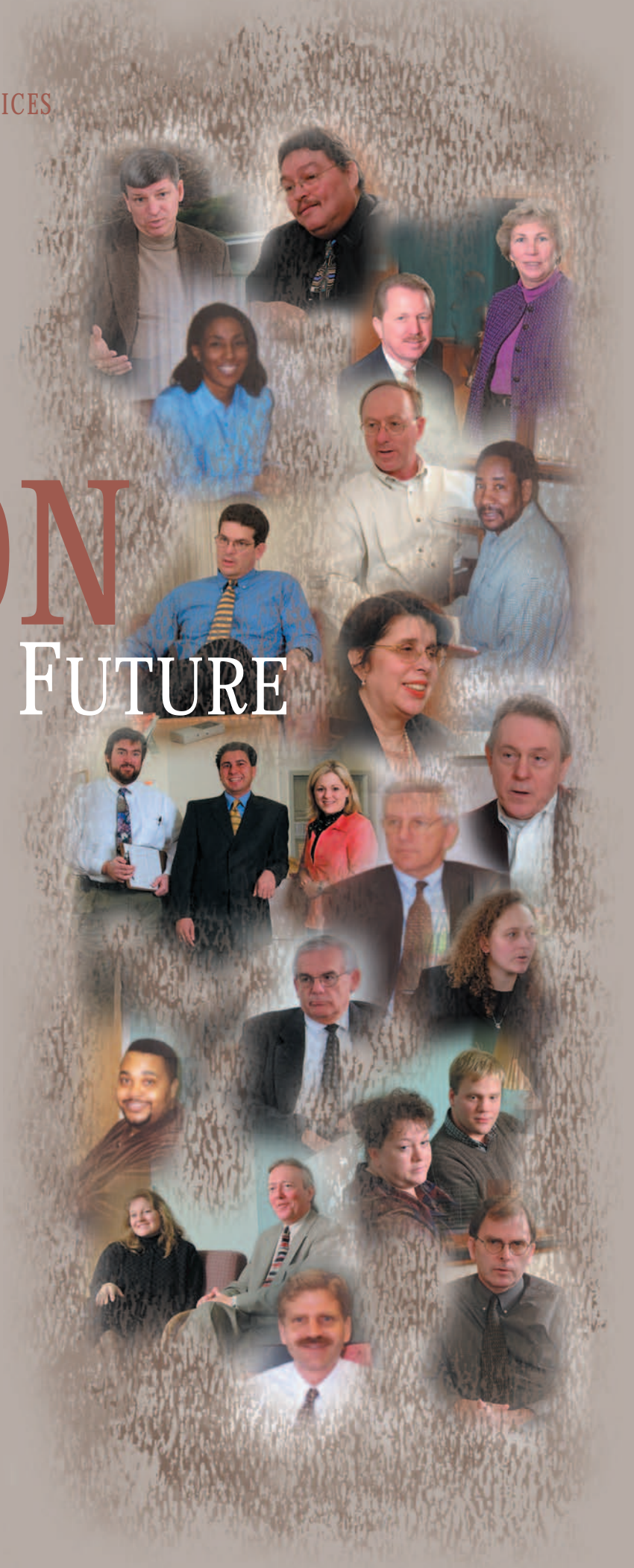
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 Restoring Lives, Renewing Spirits

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PINE REST CHRISTIAN MENTAL HEALTH SERVICES
 ANNUAL REPORT 2000 - 2001

A VISION FOR THE FUTURE



Restoring Lives, Renewing Spirits



EXPANDING BORDERS

The Lakeshore Clinics

Expanding the borders and building alliances have been part of Pine Rest's strategic vision for several years. The achievement of that vision can be seen in many areas.

Over the last three years, Pine Rest's Grand Haven Clinic has been planning with North Ottawa Community Hospital and Horizon Medical Services to provide the behavioral health component at the new Harbor Dunes Health Center. During the 2000-2001 fiscal year, the plans were finalized and in August 2001, the Grand Haven Clinic moved into its new offices.



Randall Johnson and Paula Seastrom at the new Grand Haven Clinic

"This move has allowed us to double our office space and staff, and enhanced our ability to serve our clients," says Randall Johnson, MA, LLP, Lakeshore Clinics Manager. "It also gives us the opportunity to continue to develop primary care integration and strengthen our relationships with the medical community."

Changes have also been taking place at Pine Rest's Mercy-Muskegon Clinic. "We created an office within a medical specialty practice at Mercy General Health Partners' Health Pavilion," says Johnson. "We have our own suite of six clinical offices and have also integrated into two primary care settings."

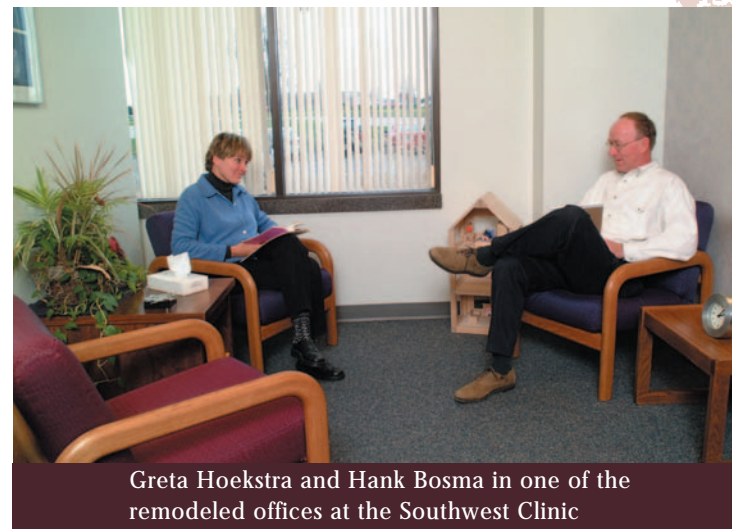
Johnson also notes the shift in the image of Pine Rest within these communities from competitor to affiliate partner, something he feels is extremely important.



The Southwest Clinic

What do you do when you are part of a growing community in a great location with an increasing number of requests for services, but you have limited space? If you are Pine Rest's Southwest Clinic, you expand.

The expansion, completed in early 2001, added seven new offices and a conference/meeting room, while also expanding the patient intake and lobby areas. The clinic was fortunate to have available space nearby so normal activity was not interrupted during construction. As a result, a child psychiatrist, an adult psychiatrist, a psychology intern, and additional therapists joined the staff. The clinic now offers substance abuse services, eating disorder groups, groups for children with anxiety disorders, groups for children from divorced or blended families, and a women's group. Previously this would not have been possible because of space constraints.



Greta Hoekstra and Hank Bosma in one of the remodeled offices at the Southwest Clinic

"The Southwest Clinic is part of Pine Rest's continuum of care," says Hank Bosma, MSW, Clinic Manager. "With this expansion, we are better able to serve this community." Overall, Bosma feels the expansion has had a positive impact. "Fortunately for the Southwest Clinic and its clients, doubling the size has not changed the professional, caring and friendly way we deliver services."

SERVING THE UNDERSERVED

Serving the Heartside District

In 2000, Pine Rest began looking at ways to extend its mission into the underserved communities, where the lack of affordable care often prevents people from seeking and receiving behavioral health care. Pine Rest clinicians were currently working at Belknap Commons, Browning Claytor Health Center, and Breton Health Center but more was needed. Discussions and alliances with agencies in Grand Rapids' Heartside district and other urban areas followed. "The idea behind this approach was to engage other agencies in discussion of the community needs," says Keith Van Zoeren, MA, Corporate Director and Chair of Pine Rest's Urban Ministry Task Force, "and determine how we could assist them in their work."



Jennifer Harrison, Carl Kammeraad, and Keith Van Zoeren

Over the past year, Pine Rest participated in community based fairs including Convoy of Hope, Soul of the City, the African American Festival, and National Night Out in the Belknap neighborhood, providing residents of these underserved communities with basic information about Pine Rest, its mission, and services; developed services that complemented those currently being offered in the Heartside district, including psychiatric services, staff and community educational programs available to all Heartside providers, and a weekly men's support group; and began working with Grand Rapids Public Schools, providing staff members with educational inservices.

This ministry also gives Pine Rest's staff the opportunity to invest personally and professionally in this partnership. "Clinicians and staff members can dedicate a portion of their time to an underserved ministry without committing the whole of their work or clinical practice," says Jennifer Harrison, MSW, Pine Rest clinician and Clinic Manager.



Cliff Barnes, Ombudsperson

"From the beginning, we saw this as a challenge to our dedicated staff to live out Pine Rest's mission by doing what they can to help meet the needs of the urban underserved," adds Rev. Carl Kammeraad, Pine Rest Board Member and member of the Urban Ministry Task Force.

"Our goal is to develop a longer term vision for this ministry, beyond what is currently being done," says Keith Van Zoeren. "These actions represent only the first phase of this ministry."

In addition to the work Pine Rest is doing in the Heartside district, the Diversity Committee works to heighten awareness about racial sensitivity and other issues by sponsoring presentations by and about people of color. A new Ombudsperson position is also being added for staff.



Pine Rest Psychologist Gus Hopson works with clients in the underserved community at Browning Claytor Health Center and through Pine Rest's Diversity Committee initiatives.



Reverend Carl Kammeraad Pine Rest Board Member

The beauty of this initiative is that Pine Rest is resourcing with other agencies in the urban underserved community and providing our expertise in a way that is helpful and non-threatening. It widens the boundaries of mission, in terms of what Pine Rest is all about.

REACHING MORE LIVES: THE FAMILY INSTITUTE

For the last five years, the Pine Rest Family Institute has been dedicated to improving the well being of children in West Michigan by supporting marriage and strengthening families through programs of prevention, education, and research. This program is unique, however, in that the services provided to the community are often indirect.

"We help the community by providing training and certification programs for agencies, people, and churches," says Mark Eastburg, PhD, Family Institute Executive Director. "These programs help them work more effectively with families and couples."

In Fall 2000, the Family Institute hosted the second season of its *Marriage and Family Building Series*. This monthly lunchtime lecture series is designed for pastors and lay leaders. It focuses on practical themes such as ministering to blended families or single parents, adapting to aging parents, and more. Eastburg notes the 2000-2001 series drew an average of 15 people per lecture from a wide range of faith backgrounds as well as geographic locations. "During the 2000-2001 season," boasts Eastburg, "we had a pastor drive in each month from Detroit because he couldn't find a similar program in his area."

Eastburg feels the Family Institute's purpose is to enhance Pine Rest's mission in the community. "By interfacing with other organizations, we are able to reach people and communities in ways that Pine Rest never could on its own." He sees that purpose continuing into the future as the Family Institute collaborates with additional existing community resources, bringing skill-building and training, plus community education programs, like "Secrets for Successful Marriage" and the "Christian Parenting Conference."

"Many of the agencies that attended the training and certification programs we offer, such as *Family Wellness/Survival Skills for Healthy Families* and FOCCUS, tend to be smaller agencies who do not have the resources to bring in such programs on their own. The Family Institute, however, can facilitate so these smaller agencies will have the opportunity to learn these skills," says Eastburg. "There is no lack of programs to help families and couples. The challenge is to connect the proven programs to the people who need them."



Family Institute Staff: Sharon Chapin, Lola Collier, and Mark Eastburg, PhD



INTEGRATION WITH MEDICAL CARE

"Another thing to note," adds Carey Krause, DO, PMU psychiatrist, "is that we are one of only a few such units in the country to operate at this level of severity. We act as a referral center for the entire lower peninsula of Michigan, from as far east as Saginaw to as far north as Traverse City."

The PMU psychiatrists are also providing consultation services to all other area hospitals. Through this service, the psychiatrists see patients and provide psychiatric evaluation and treatment at the main hospital at Saint Mary's, both Spectrum Health campuses, Mary Free Bed, and Metropolitan Hospital, at the request of the patient's physician. The service is available 24 hours a day, seven days a week.

"I feel that we are psychiatrist ambassadors for Pine Rest when we are working in conjunction with these other physicians," says Denise Gribbin, MD, PMU psychiatrist. "They really appreciate our assistance and expertise. Before, they might have had difficulty finding a psychiatrist to do a consultation. Now we have a busy service and can take up to ten consults a day."

In addition to the work being done at the PMU, Pine Rest is continuing to bring clinicians into medical offices. In January 2001, Jim Chambers, MSW, CSW, began working with the Family Practice residents, attending physicians, and internists at Saint Mary's Wege Center. Many of the clients he treats have been very typical referrals for depression, anxiety and panic disorders, stress, or ADHD. Other clients present more complex issues. "We often receive referrals for clients who are medically fine but are experiencing physical symptoms," says Chambers. "We look for the underlying behavioral or psychological causes."

Chambers stresses the importance of making Pine Rest clinicians available to primary care physicians, both on a consultation and follow-up basis. "Doctors make referrals based on relationships and trust. The best way for our clinicians to build those trusting relationships is to be there - in the office down the hall or just around the corner - and to maintain an ongoing line of communication with the doctor."

"One of the greatest compliments that was paid to me," says Chambers, "was given by one of the young doctors I work with at the Southwest Plaza, where Pine Rest's Wyoming Clinic is located. He had been out of medical school about a year and said that he couldn't imagine being in practice without the clinicians there."



Carey Krause, DO, Jack Mahdasian, MD, and Denise Gribbin, MD



"Through the PMU, Pine Rest is able to reach out to those who have co-occurring medical and psychiatric illnesses and those who are severely and persistently mentally ill. By doing so, we are helping fulfill Pine Rest's mission."

Jack Mahdasian, MD

IMPACTING YOUTH FOR TOMORROW'S WORLD



Michael Annison in his book, "Managing the Whirlwind," states that without a vision for the future, you succumb to the pressures of the moment. At Pine Rest, we are continuously looking to the future and the changing face of behavioral health care.

As we celebrate 91 years of the healing ministry of Jesus Christ, we recognize the important role that Vision has played in our organization. Each year the Board of Directors and Senior Management re-examine our goals, initiatives, and strategic plan to ensure that our vision is clear. In the articles that follow, you will learn about the programs the Family Institute hosts to help families and couples, the expansions in our outpatient clinic network, our focus on ministering to the urban underserved and Hispanic populations in West Michigan, and our continued commitment to the integration of behavioral health care with medical care. These programs and services will keep Pine Rest on the cutting edge and shape our future as a leader in Christian-based behavioral health care in the new millennium.

Please take a moment to read these articles and accept our sincerest appreciation for your support and sharing in our vision for the future.



One of the goals of Pine Rest's Center for Psychiatric Residential Services (CPRS) is to make the adolescents who live there feel like community members. "We're taking kids who would normally fall through the cracks and giving them a chance to acquire some skills in a safe setting and practice those skills in the community," says Lesley Menhart, MSW, CSW, Program Director.



"Many of our kids present a lot of behavioral and mental health issues," adds Pam Brown, MA, LLP, Clinical Supervisor. "Despite these challenges, we are very committed to helping them."



The CPRS program began four years ago with 14 residents, and has more than tripled its occupancy to 48 residents. They often are survivors of abuse or neglect, have severe behavioral or mental health problems, have experienced severe trauma, and more.

CPRS is different from most of the programs at Pine Rest in that patients stay for an extended period of time. "We have the opportunity to impact and change the direction of their lives," says Phil Ellis, PhD, Corporate Director of Hospital-Based Services. "In addition to helping them deal with their behavioral and mental health issues, the various activity-based therapies they participate in help the kids normalize and develop some important skills, including work skills, social skills, and interacting with adults and peers on a different level than they may have in the past."

One of the newest activities that CPRS residents can participate in is Young Life. This international program provides adolescents with spiritual guidance through club meetings and team-building activities, such as camping trips. In January 2001, Jereme Vanden Heuvel, Director of Pine Rest's Young Life club, began going into the homes to build relationships with the residents. Now all five CPRS homes are invited to monthly meetings, which include live music and games for both residents and staff.

Dr. Ellis adds that Young Life helps create a very visible example of the healing ministry of Jesus Christ that residents can take with them. "Since Young Life is an international program, they are likely to find a club when they walk back into the high school in their local community." Vanden Heuvel agrees. "We hope that Young Life will provide these kids with something stable, something that will last long after they leave Pine Rest - a relationship with God and with Christ."



From left: Lesley Menhart, Phil Ellis, PhD, Pam Brown, Jereme Vanden Heuvel

According to Dr. Ellis, CPRS is probably the fastest growing program at Pine Rest. Menhart notes that there are at least 20 adolescents waiting to be placed in the program at any given time. "This program represents a component in the psychiatric continuum of care," Dr. Ellis says. "As Pine Rest celebrates its 91st anniversary, this program benefits the organization, our graduates - the leaders of tomorrow, and the unique Christian care we provide."

Dan Holwerda
President and CEO
Pine Rest Christian Mental Health Services

Grace O. Shearer
Chairwoman, Board of Directors
Pine Rest Christian Mental Health Services

OUR MISSION

Pine Rest Christian Mental Health Services is called to express the healing ministry of Jesus Christ by providing behavioral health services with professional excellence, Christian integrity and compassion.

Credits

The Annual Report for Pine Rest Christian Mental Health Services is published by the Marketing and Community Relations Department and printed by Spectrum Graphics. Photography by John Corriveau.

SERVING THE UNDERSERVED

Serving the Bilingual Community

VISION



When Dr. Carlos Marcano joined Pine Rest's Outpatient Psychiatry staff in the summer of 2000, his primary assignment was Child and Adolescent Psychiatry. As he worked, he noticed a definite need for a bilingual psychiatrist to treat Pine Rest's Hispanic clients.

"Unfortunately, there are very few Hispanic psychiatrists," says Dr. Marcano. "Since Grand Rapids has a large Hispanic population, I wanted to help. So I decided to begin working with Hispanic adults, along with my other clients."

The importance of this work lies not so much in his ability to communicate with Spanish-speaking clients, but in his ability to understand them on a cultural level, as well. "It is much easier for the Hispanic patient to express him or herself in his or her native language. Even though I am from a different Hispanic country than most of the patients I see, we also inter-relate on a cultural level."

Dr. Maria Gallardo is a Psychiatrist on Pine Rest's Inpatient Child and Adolescent unit. She also works with Hispanic patients of all ages, and has a similar viewpoint with Dr. Marcano. "Things that are culturally acceptable in a Hispanic community may be interpreted as psychosis in non-Hispanic environments," says Dr. Gallardo. "That could lead to a misdiagnosis if a non-Hispanic interpreter cannot distinguish between these cultural differences."

Dr. Marcano and Dr. Gallardo continue to build relationships and educate the Hispanic community about the disease of mental illness. Their work is an important part of extending Pine Rest's healing ministry to an often underserved population.



VISION

INTEGRATION WITH MEDICAL CARE

Medical Integration refers to the connection between an individual's psychological health and his or her physical health. Some estimate that 40-50% of all doctor visits for physical complaints in the United States today are actually stress-related. In speaking with many of Pine Rest's clinicians, there is a feeling that integration with medical care is the wave of the future.

The Psychiatric Medical Unit (PMU), a joint venture between Pine Rest and Saint Mary's Mercy Medical Center, celebrated its tenth anniversary in 2000. The 20-bed unit is located on the eighth floor of Saint Mary's Mercy Medical Center. Patients are treated there for a medical condition coupled with a psychiatric illness, such as an acute confusional state following surgery.

"Other medical personnel are very grateful when one of our psychiatrists is available to evaluate one of their patients. Many times we find the patient to be appropriate for transfer to the PMU," says Jack Mahdasian, MD, psychiatrist on the PMU.

"I think that you get the absolute best outcomes for patients when you form a team between the patient, the medical provider, and a behavioral health counselor."

Jim Chambers, MSW, CSW



PINE REST IS IN YOUR NEIGHBORHOOD

VISION

During the 2000-2001 fiscal year, Pine Rest's 17 outpatient clinics handled over 132,000 patient visits. "Actually, about 75% of all persons who come to Pine Rest receive help through our outpatient clinics," says Scott Wagner, MSW, Corporate Director of Pine Rest's Professional Practice Group.

Outpatient services is seen as a growing part of behavioral health care. Wagner sees it as one of the strengths in the continuum of care that Pine Rest offers. Tom Graham, MA, CSW, LLP, Clinical Director of the Professional Practice Group, agrees. "Historically, Pine Rest has been viewed as a place people go for acute care," says Graham. "With the growth of outpatient services, we are emphasizing the convenience - that there are counseling services available in your neighborhood."

"I think it is about simply being responsive to community needs," says Wagner. "In many cases, our growth has been by invitation into a community because needs have been identified. Pine Rest is able to provide services for the whole spectrum: all ages, incomes, problem areas, and areas where people live."

Last year, in response to community need, Pine Rest demonstrated a renewed commitment to substance abuse treatment services. It increased -- from two to eight -- the number of outpatient clinics licensed to provide services that are sanctioned by the State of Michigan. "This represents a dramatic growth over what we've done in the past," says Graham. "We used to have two or three clinicians doing outpatient substance abuse work. Now we have about 15 with this expertise."

Both Wagner and Graham feel that by providing quality behavioral health services in convenient, non-restrictive, outpatient environments, people will receive help before acute care is needed which is better for everyone.



Tom Graham, MA, CSW (back) and Scott Wagner, MSW



Monica Taylor, Clinic Manager at Pine Rest's Campus and Northwest Clinics, and Scott Wagner discuss growth opportunities for both clinics, including substance abuse services and medical integration.

REVENUE AND EXPENSE SUMMARY 2000 - 2001

FOR THE YEAR	JUNE 30, 2001	JUNE 30, 2000
Revenues		
Net Patient Service Revenues	30,064,938	26,072,306
Contract Services Income	8,424,688	7,369,572
Other Revenues and Gains	1,255,731	4,416,829
TOTAL REVENUE	39,745,357	37,858,707
Expenses		
Salaries and Employee Benefits	29,183,062	27,263,321
Interest	849,911	904,642
Depreciation	1,907,118	1,832,759
Other Operating Expenses	9,325,233	8,312,167
TOTAL EXPENSE	41,265,324	38,312,889
Excess Revenue Over Expense		
To be Used for Debt Retirement and Capital Expenditures	(1,519,967)	(454,182)

A copy of the audited financial statement is available upon request.

As you review these numbers, please note the following:

- The contracted services income figure relates to those amounts reimbursed to Pine Rest for expenses incurred in relation to our joint venture relationship with Saint Mary's Mercy Medical Center.
- The decline in the other revenues and gains category between the two fiscal years relates to the substantial decline incurred on our investments, consistent with the broader financial markets, during Fiscal Year 2001.
- The 7% increase in expenses relates to the overall growth in demand for our services as an organization as well as the increase in our operating costs from year to year.
- Our task remains to be responsible stewards by matching the resources of today with the expenses of today. We remain focused on this goal.

PATIENT ASSISTANCE FUND REPORT 2000 - 2001

FOR THE YEAR	June 30, 2001	June 30, 2000
Amount on Hand at the Beginning of the Fiscal Year	\$305,119	\$290,895
Contributions for Needy Patients	\$983,719	\$1,287,312
Amounts Available	\$1,288,838	\$1,578,207
Allocations to Accounts of Needy Patients	\$1,297,971	\$1,273,088
Amount on Hand at the End of the Fiscal Year	\$9,133	\$305,119

A change in how we account for our annual gift from the Pine Rest Foundation explains the decline in contributions as well as the amount on hand at the end of the Fiscal Year. As contributions are being made, we apply those dollars to the accounts of needy patients.

EMPLOYEE/CHURCH ASSISTANCE ACTIVITY REPORT 2000 - 2001

FOR THE YEAR	JUNE 30, 2001	JUNE 30, 2000
Individual Contacts	2,750	2,073
Monthly Average	229	173
Contracts	84	80

Clinics

midign

Belknap Commons
616/742.9940
Jennifer Harrison, MSW, CSW

Browning Claytor Health Center
616/913.8313
Jennifer Harrison MSW, CSW

Caledonia Clinic
616/891.8770
John Neilsen, MSW, CSW

Campus Clinic
616/455.5270
Monica Taylor, MPH

ECT Clinic
616/281.6341
Donna Ecklesdafer, RN

Grand Haven Clinic
616/847.5145
Randall Johnson, MA, LLP

Holland Clinic
616/820.3780
Randall Johnson, MA, LLP

Kalamazoo Clinic
616/343.6700
David Thayer, PsyD

Muskegon Clinic
231/733.8231
Randall Johnson, MA, LLP

Northeast Clinic
616/364.1500
Lori Bain, MS

Northwest Clinic
616/222.3720
Monica Taylor, MPH

Psychological Consultation Center
616/281.6382
June Ludy-Klink

Southwest Clinic
616/222.3700
Hank Bosma, MSW

Wyoming Clinic
616/252.8371
Sherry Oegema, RN, MSW

Zeeland Clinic
616/741.3790
Randall Johnson, MA, LLP

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Des Moines Clinic
515/334.9911
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Pella Clinic
641/628.9599
Cal Meuzelaar, LISW

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PATIENT STATISTICS 2000 - 2001

FOR THE YEAR	JUNE 30, 2001	JUNE 30, 2000
Inpatient Admissions		
Child & Adolescents	1,358	1,407
Adult	2,536	2,406
Older Adult	351	401
Psychiatric Medical Unit	456	465
TOTAL	4,701	4,679
Inpatient Patient Days		
Child & Adolescents	8,050	8,275
Adult	21,960	21,038
Older Adult	6,658	6,482
Psychiatric Medical Unit	6,038	5,612
TOTAL	42,706	41,407
Partial Hospitalization Admissions		
Child & Adolescents	296	364
Adult	771	714
Older Adult	31	68
TOTAL	1,071	1,146
Partial Hospitalization Program Days		
Child & Adolescents	883	1,164
Adult	2,911	2,892
Older Adult	237	642
TOTAL	4,031	4,698
Residential Days of Care		
The Center for Adolescent Males	5,024	4,990
Maple Lodge for Adolescent Females	4,830	2,891
Birch Lodge for Adolescent Males	7,036	5,955
Residences for Adults with Developmental Disabilities	28,055	28,146
TOTAL	44,945	41,982
Home Health Care Visits	7,767	7,904
Average Length-of-Stay		
Inpatient	9.1	8.8
Partial	3.8	4.1
Outpatient Visits		
Belknap Commons	576	432
Browning Claytor	342	—
Caledonia Clinic	4,737	3,989
Campus Clinic	33,001	35,204
Community Care Plan	1,867	1,170
ECT	1,545	1,695
Grand Haven Clinic	6,280	5,815
Holland Clinic	11,771	9,898
Iowa Clinics	9,135	9,380
Kalamazoo Clinic	7,951	10,658
Mercy-Muskegon Clinic	3,472	—
Northeast Clinic	6,753	6,430
Northwest Clinic	8,563	8,375
Psychological Consultation Center	12,760	11,900
South Clinic	1,556	6,352
Southwest Clinic	14,189	12,840
Wyoming Clinic	2,607	2,467
Zeeland Clinic	5,394	4,520
TOTAL	132,499	131,125

25,930 LIVES TOUCHED 2000 - 2001