



Restoring Lives, Renewing Spirits
www.pinerest.org

*Growth & Renewal
... in our Mission,
... in our Vision,*



MISSION

*Growth & Renewal
... in our Mission,
... in our Vision,*

& VISION

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Pine Rest *Mission Statement*

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.

Pine Rest *Vision Statement*

Pine Rest Christian Mental Health Services will be recognized as the premier provider of behavioral health services because of:

- State of the art, innovative services responding to changing and growing behavioral health needs;
- Exceptional services and exceptional outcomes;
- Distinctive Christian values deliberately guiding our care and decision-making;
- Staff who are passionately committed to the mission and future of Pine Rest and evidence that commitment by becoming leaders and mentors in their respective professional fields;
- Financial vitality that equips Pine Rest to strengthen and extend its mission.

growth & renewal

... through vision.



Tom Rosenbach, Board Chairman
Dan Holwerda, CEO & President

Author Jeff Hiatt refers to “vision” in a business setting as “the complete articulation of the future state – the values, processes, structure, technology, job roles, and environment.”¹ Such clarity is essential in the health care industry. The environment, culture, business practices, delivery mechanisms, and regulations are constantly and rapidly changing. Successful organizations anticipate, and plan for, these changes in order to respond quickly and appropriately.

In 2003-2004, President and CEO Dan Holwerda invited a team of senior leaders to develop a new vision for Pine Rest. This new vision document provides for several new growth opportunities across the continuum of care.

“The changes we encounter will be challenging and will stretch our abilities to respond to the many opportunities ahead,” says Dan Holwerda. “For example, the industry anticipates shortages in nurses and psychiatrists in the coming years. Demand for services is expected to increase. We are preparing now by developing

new, creative recruitment strategies to maintain our high standards of care and meet these demands within a Christian environment.”

The new vision identified and addressed several imperatives to guide Pine Rest’s continued success. These included providing state-of-the-art, quality programs and facilities, staff that actively and purposefully carry out the mission, financial vitality, and becoming an integral, collaborative partner in the West Michigan health care community. Holwerda believes the implementation of these imperatives will position Pine Rest to respond positively and appropriately to internal and external environmental challenges.

“Through the changes, Pine Rest will continue to be a dynamic Christian organization that is able to meet the behavioral health needs of the West Michigan community,” says Holwerda. “Our new vision statement ensures that heritage.”

¹ “Five Steps for Creating Effective Visions,” by Jeff Hiatt. <http://www.prosci.com/visions.htm>

Over the last several years, we have reported on our history, challenges we face, the vision for the future, as well as pathways Pine Rest is making in our community. This year we examine the many positive changes taking place in the organization, in response to a rapidly-changing health care environment.

This year’s Annual Report focuses on growth and renewal. Growth, restoration, and renewal are important to any organization. This becomes successful in several ways – through passion and creativity of dedicated staff, quality care, facilities, and programs. In this Annual Report, you will learn how we are updating and developing programs and facilities in line with our Christian mission and new, expanded vision. These changes will allow Pine Rest to respond quickly, positively, collaboratively, and appropriately to each new path God shows us.

Please take a moment to enjoy the growth and renewal at Pine Rest through these next pages. Thank you for your ongoing prayers and support as we look forward to meeting the behavioral health needs of our community.

Dan Holwerda, MS
CEO & President
Pine Rest Christian Mental Health Services

Tom Rosenbach, CPA
Chairman, Board of Directors
Pine Rest Christian Mental Health Services

Restoring Lives . . .

We are preparing now by developing new, creative recruitment strategies to maintain our high standards of care and meet these demands within a Christian environment.”

-Dan Holwerda



growth through . . .

renovation.

It was 1987 when Pine Rest last completed major construction at its main campus. In March 2004, planning began for the renovated Child and Adolescent Unit in the Van Andel Center Hospital.

The \$2.7 million project, which broke ground in June, includes over 20,000 square feet of new, renovated, or refreshed space. "By starting construction in June, when patient demand is traditionally slower, we have been able to limit overall patient disruption," says Bob Swenson, BA, Director of Facilities Management.

"So many things have changed over the years, including length of stay and overall acuity of the children and adolescents," says Ruth Davis, BSN, RN, Director of Hospital-Based Services. "This renovation enables us to meet the changing needs of patients."

It will be divided into two, 14-bed pods, and one, eight-bed pod, all visible from one central nurse's station. Private rooms allow greater flexibility in patient mix and bed availability within each pod. The open floor plan, designed to encourage staff to be central to patients, includes a physical exam room, interview rooms, internal and external conference rooms, plus on-unit work space for case managers and physicians.

"The staff are very excited," says Davis. "They can't wait to have the space to more effectively work with kids in need of our services."



Ruth Davis & Bob Swenson



Renewing Spirits . . .

"Thank you for everyone's concerns & helpfulness. I feel my daughter is on the right track and will continue to develop skills for a very successful and happy life. Thank you."

-Parents of a Pine Rest Client

renewing

... hope.



Carol VanderWal



The Family Institute is involved in the community development of *Healthy Marriages, Healthy Relationships*. The program is part of a national grant, funded through the State of Michigan and the Department of Health and Human Services. It is supported with a local matching grant through the Grand Rapids Community Foundation. Grand Rapids is the first of seven communities to receive such funding. The five-year grant totals \$1.5 million.

The target is low income, central city communities who have not traditionally been able to access all of Pine Rest's services. The focus is on helping families build and enhance relationship and parenting skills. Services are provided through a ten-member, collaborative partnership, coordinated by City Vision. The partners are faith-based organizations already providing other services in the neighborhoods.

"We're not doing this by ourselves," says Carol Vander Wal, MPH, Project Director. "Our partners are trusted in their communities and more aware of

the needs. We listen to their thoughts, then look for curricula to meet the identified needs."

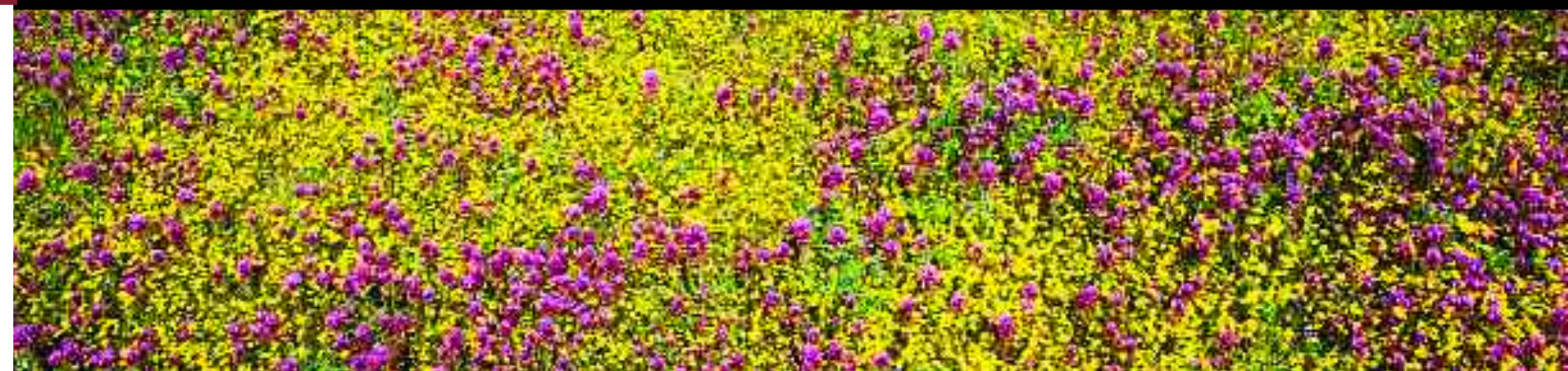
The first program introduced was *Family Wellness*, which teaches communication, listening, and conflict resolution skills with a focus on the parent remaining in charge. Held at the ten partner sites, classes have been very well received, serving 150 adults since June 2003. The goal is to serve 2,500 individuals over the next four years. Facilitators recruited through the partner organizations represent the diverse make-up of the communities. In addition, research data that will be shared nationally is being gathered, evaluated, and outcomes measured.

"Because of this grant, we are equipping parents we probably couldn't reach on our own to have much healthier relationships, which ultimately helps the children," says Mark Eastburg, PhD, Executive Director of the Family Institute. "It speaks to the essence of Pine Rest's mission and values."

Restoring Lives . . .

"Thank God for such treatment programs. Thank you all for everything, and for such complete and fulfilling treatment and counseling. God bless your staff."

-Pine Rest Client



growth & renewal . . .

through stewardship.

As Chief Financial Officer, I work with numbers every day. I tell my colleagues that reading the financial statements is like reading a story. The numbers are telling us something. If we want to know how the story ends or what will happen next, we need to read the numbers carefully and interpret what they are communicating. If we take the time to reflect and listen, the numbers tell us where we have been and give us clues about where we are going. Just like a well written story in which each chapter builds upon the next, interweaving both what the reader anticipates with the unexpected — so also do financial statements reflect the trends we can predict with those we cannot.

So, what story are the numbers for Pine Rest telling us this year? What are they saying about our past and signaling for our future? This reader observes the following:

- Pine Rest had a very strong year. The bottom line margin is the largest in recent years and is the first year since 1999 we had positive results.
- Operating results were the strongest they have been since

2000. We did a much better job of keeping expenses under budget while continuing to grow incrementally in our different lines of business.

- Operating the day-to-day business this past year required some challenging decisions to be made. In response to payer pressures, we had to make changes to certain programs and even close a long standing service. Though painful, these decisions were necessary to maintain our longer term fiscal health.
- Non-operating results were positive for the first time since 1999, reflecting the general trends of the equity markets.
- The 1990s were not kind to the behavioral health industry and Pine Rest shared in those struggles. Despite doing somewhat better on operations in the 2000s, our non-operating performance declined along with the financial markets. 2004 is a bit of a turning point in the sense that we were able, for the first time in many years, to combine positive performance on operating results with positive non-operating results. Time will tell if we have

successfully turned the page into a new chapter of growth and prosperity for Pine Rest.

As financial officer, I also know numbers tell us only part of the real Pine Rest story. They don't tell us the value of the life that has been restored or the spirit that has been renewed. They don't reflect the worth of your neighbor's ability to be productive at work and provide for his or her family. They don't quantify what it means for a family circle, once fractured, to be mended. But I do know by paying attention to the numbers that we can count, we can continue to touch lives in ways numbers can't quantify.

Thanks for your support in making Pine Rest financially strong and vibrant so that we can continue to tell our story.



Paul Karsten, M.A.
Chief Financial Officer
Pine Rest Christian Mental Health Services



Paul Karsten, CFO

Renewing Spirits . . .

My clinician "shows me Jesus' hope, love, renewal, direction, encouragement, friendship, outreach, and problem solving every time."

-Pine Rest Client

Revenue & Expense

Summary:

	June 30, 2004	June 30, 2003
Revenues		
Net patient service revenues	\$32,224,307	\$31,231,712
Contract services income	10,071,710	9,837,468
Other revenues and gains	<u>7,788,030</u>	<u>3,177,794</u>
Total Revenue	\$50,084,047	\$44,246,974

Expenses		
Salaries and employee benefits	\$34,941,452	\$34,194,718
Interest	316,118	294,272
Depreciation	1,789,997	1,871,184
Other operating expenses	<u>9,807,069</u>	<u>9,636,696</u>
Total Expense	\$46,854,636	\$45,996,870

Excess Revenue Over Expense		
To be used for debt retirement and capital expenditures	<u>\$3,229,411</u>	<u>(1,749,896)</u>

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 operating relationship with Saint Mary's Health Care.
- The numbers posted in the other revenues and gains category for both fiscal years relate to the returns on our investments, consistent with the broader financial (equity) markets. In FY 2003, our investments actually lost value by about \$500,000. In FY 2004, our investments increased in value by almost \$3,700,000.
- The increase in expenses (2% growth) relate to the added cost of doing business, primarily in the health insurance area. Our work force actually reduced slightly due to added efficiencies and some reorganization.
- The positive bottom line numbers do mean there are more funds available for debt retirement and capital expenditures than in prior years.
- Our task remains to be responsible stewards by strengthening our overall financial position as we meet the needs of the community we serve.

Patient Statistics '03-'04

	June 30, 2004	June 30, 2003
Inpatient Admissions		
Child & Adolescent	1,380	1,363
Adult	2,398	2,397
Older Adult	368	351
Psychiatric Medical Unit	564	420
Total Inpatient Admissions	4,692	4,531

Inpatient Patient Days		
Child & Adolescent	7,450	7,674
Adult	23,835	22,775
Older Adult	6,466	6,621
Psychiatric Medical Unit	6,334	6,133
Total Inpatient Patient Days	43,884	43,404

Partial Hospitalization Admissions		
Child & Adolescent	380	353
Adult	795	786
Total Partial Hospitalization Admissions	1,175	1,139

Partial Hospitalizations Program Days		
Child & Adolescent	1,198	1,038
Adult	2,865	2,949
Total Partial Hospitalization Program Days	4,064	3,987

Residential Days of Care		
The Center for Adolescent Males	5,038	5,077
Maple Lodge for Adolescent Females	4,995	5,051
Birch Lodge for Adolescent Males	6,969	7,018
Residences for Adults w/ Developmental Disabilities	24,835	26,651
Total Residential Days of Care	41,837	43,797

Home Health Care Visits	8,018	7,477
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Average Length of Stay		
Inpatient	9.4	9.6
Partial Hospitalization	3.5	3.5

Patient Assistant Fund Report 2003-2004		
Amount on Hand at the Beginning of the Fiscal Year	\$51,368	\$13,800
Contributions for Needy Patients	963,923	964,959
Amounts Available	1,015,291	978,759
Allocations to Accounts of Needy Patients	1,024,824	927,391
Amount on Hand at the End of the Fiscal Year	(9,533)	51,368

Employee/Church Assistance Activity Report 2003-2004		
Individual Contacts	2,479	2,357
Monthly Average	207	196
Contracts	82	85



2003-2004 executive council
 Wayne Creelman, MD
 Dan Holwerda, MS
 Paul Karsten, MA
 Bob Nykamp, MA
 Kathy Speeter, BSN, RN, MM, CPHQ

2003-2004 senior operations
 Wayne Creelman, MD
 Ruth Davis, BSN, RN
 Mark Eastburg, PhD
 Bruce Eckert, MBA
 Philip Ellis, PhD
 Andy George, BA
 Dan Holwerda, MS
 Paul Karsten, MA
 Carey Krause, DO
 Susan Langeland, BS
 Pam Mettler, MA
 Bob Nykamp, MA
 Sue Offenbecker, BS, RN
 Kathy Speeter, BSN, RN, MM, CPHQ
 Bob Swenson, BA
 Doug Vance, MA
 Keith VanZoeren, MA
 Scott Wagner, MSW, MBA
 Kurt Wassink, MA

2003-2004 pine rest foundation board of governors
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 Doug Bouma
 Ron Calsbeek
 Dan Holwerda
 Barb Jackoboice
 Brian McNamara
 Jim Peterman
 Jim Schreiber
 Mary Ellen Sullivan
 Larry Vander Veen
 Gary Werkman
 Kurt Wassink
 Casey Wondergem

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 Grace Shearer, Immediate Past Chairperson
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 Daniel DeVries, M.D.
 Margo Gagnon
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 James Hopewell
 Ross Hoezee
 Carl Kammeraad
 Carey Krause, D.O.
 LeMark Payne
 Rose Ramirez, M.D.
 Max Smith
 Everett Veldman

growth through...

... program expansion.



Susan Langeland

In 2004, Pine Rest's Center for Psychiatric Residential Services (CPRS) surveyed Family Independence Agencies and Community Mental Health systems. Was there a need for an Adolescent Girl's Secured Residential Program in the area? The answer was a resounding yes.

Only children with intense behavioral issues are placed in residential programs. Most of the time, agencies have to look out of state for a Girl's Secured Residential Program.

To meet this need, CPRS will absorb 12 rooms from the Child & Adolescent Inpatient Program, immediately adjacent to the Boy's Secured Program. "The two programs will actually be combined under one license, which was originally designed for this type of patient," says Bob Swenson, BA, Director of Facilities Management.

According to Susan Langeland, BS, Director of Operations for Residential Services, those beds won't take long to fill. "Due to severe psychiatric and behavioral issues, a number of girls on our waiting list really need a secured program," she says. "In a secured setting, we can better understand who they are and identify their issues and behaviors. Then when they graduate to the open program, our staff is better able to address their needs."

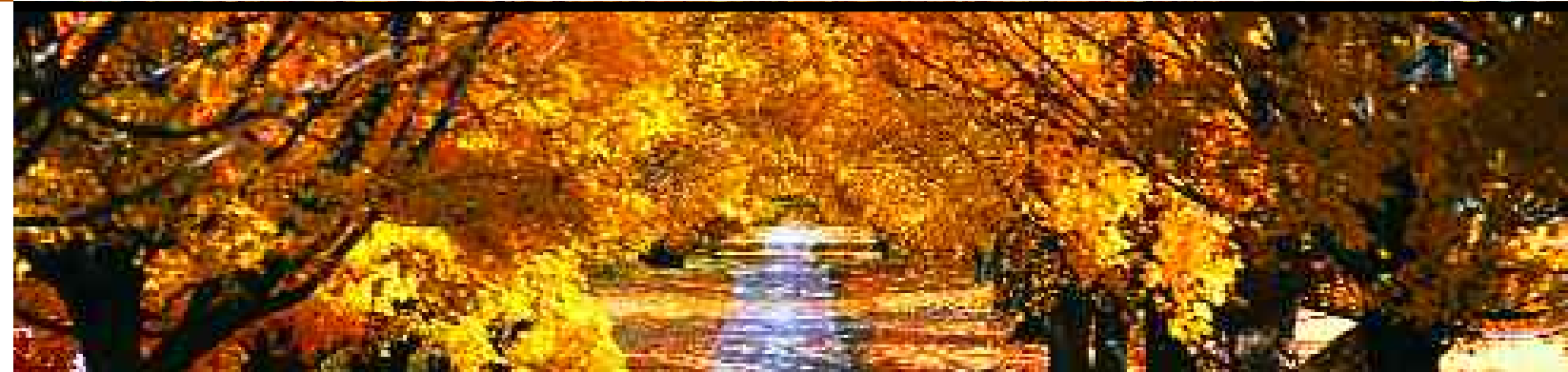
This expansion will allow Pine Rest to better utilize existing space and provide a fuller continuum of care.

Langeland agrees. "These kids come to us with significant histories of psychiatric problems, abuse, and neglect. With this expansion, I believe we will be better able to meet the needs of the community and affect more lives."

Restoring Lives . . .

"My child's attitude toward life has improved 100% during her stay at Pine Rest."

-Parent of a Pine Rest Client



growth through . . .

service provision.

Pine Rest's Professional Practice Group (PPG) of outpatient clinics and satellite offices continues to meet the needs of the community.

Outpatient visits in 2003-2004 increased by 6,000 to over 173,000. Of that number, over 8,000 visits were provided to Medicaid clients. "Generally, we aren't recognized in the community as a high-volume provider of services to persons with Medicaid," says Scott Wagner, MSW, MBA, Corporate Director of the PPG. "Actually, we have the equivalent of about six full-time outpatient clinicians carrying out Pine Rest's mission serving these people."

New services included Spanish-speaking services and Adolescent Substance Abuse services at the Campus Clinic, plus Anger Management classes for teens at the Wyoming Clinic. In addition, a Rockford office was added and the Des Moines Clinic in Iowa was expanded.

"We were invited, at the request of the physicians, to be a part of the Metro Health

Rockford Plaza," says Wagner. "They see, as we do, the value in addressing behavioral health concerns as part of a person's total health care."

Wagner believes collaborations such as this are important for patient care. "It makes sense for Pine Rest to have good relationships with primary care physicians and be an integral part of the health care community wherever we are located."

Pine Rest's Des Moines Clinic had been successfully operating out of a single office in the Meredith Reformed Church for 15 years. However, there was a need in the community for expanded services. "There really wasn't a full-service, faith-based, Christian, outpatient behavioral health provider in an area about the size of Grand Rapids," says Wagner. "Some of the local pastors, churches, and community leaders asked if we would develop something on the scale of our Pella (Iowa) Clinic and they supported this start-up with significant gifts." The five-office suite opened in July 2004.



Scott Wagner
photo by John Corriveau

Renewing Spirits . . .

"I was very pleased with the help and quick response I received. I intend to utilize your services in the future."

-Referring Physician

restoring lives by

... busting stigmas.



The National Institute of Mental Health estimates one in five American adults (18+) experience a diagnosable mental health disorder in a given year.¹ In his 2001 report, *Mental Health: Culture, Race, and Ethnicity - A Supplement to Mental Health: A Report from the Surgeon General*, the US Surgeon General cites the stigma surrounding mental illness as "a powerful barrier to reaching treatment."²

This year, Pine Rest planned numerous programs with collaborating agencies, government, and businesses to "bust stigmas" and break down barriers to mental health treatment. Through the following advocacy projects, we continued to build upon work begun several years ago to stimulate public awareness, action, and bring "mental wellness" more mainstream.

Over 150 clinicians shared their knowledge and expertise this year with parent, civic, church, and youth groups with the *Pine Rest Speaker's Bureau*. Presentations covered depression, anxiety, aging, caregiver issues, communication, relationship skills, self-esteem, goal setting, grief, stress, and more.



During Mental Illness Awareness Week, seven clinics participated in *National Depression Screening Day*. This was the tenth year Pine Rest provided free, confidential screenings to children, teens, and adults. Since 1990, Pine Rest has provided free screenings and education to more than 600 people.

alzheimer's association

During Alzheimer's Disease Month, Pine Rest partnered with the Alzheimer's Association and Holland Community Hospital to provide free screenings at area senior centers and churches during *Dementia Screening Day*.



Work began this year with the *Michigan Hospital Association (MHA) ACT Project*. Letters were sent to legislators, urging them to vote in favor of protecting health care for 200,000 Michigan children, single mothers, elderly, and disabled. News media around the state were also contacted to develop stories.

Pine Rest staff served on a community-wide steering committee with the Mental Health Foundation of West Michigan to plan and host the 2004 *Stomp Out the Stigma ... Community Walk for Mental Health*. The event gained media and community support with 500 people walking to raise \$20,000 to benefit persons needing mental health services.



Pine Rest also was chosen as the "official charity" for the 2004 Fifth Third River Bank Run. Pine Rest's exhibit booth was on display at the bank's main branch in Grand

Rapids during "Mental Health Month," and point of purchase displays containing service literature were placed at 52 west Michigan branch locations.

Pine Rest staff served on a steering committee of seven area Christian agencies, for the ninth annual *Grand Rapids Christian Parenting Conference*. During this free, half-day conference, staff presented workshops and tips for raising young people today.

The Pine Rest Family Institute continued its work in strengthening families and supporting children. *Secrets for Successful Marriage* and *Keys for Couples* marital preparation courses, plus two *FOCCUS* training and certification sessions were offered. The Family Institute also hosted its "Marriage and Family Building Series" lectures, plus the annual Family Wellness training and certification.



Pine Rest also partnered with the national Screening for Mental Health organization to host *National Alcohol Screening Day* at three clinics during Alcohol Awareness Month. These free, confidential screenings were the first step in helping individuals determine if they or a loved one had a drinking problem.

1. <http://www.nimh.nih.gov/publicat/numbers.cfm>
2. <http://www.surgeongeneral.gov/library/mentalhealth/cre/execsummary-1.html>

Restoring Lives ...
"Pine Rest is the best! Real people with real treatment answers."
-Referral Source



renewing our . . .

spirituality.

Part of Pine Rest's foundational values, mission, and heritage is the commitment to integrating faith and work. The Institute for Spiritual Care (ISC) is one way of helping staff and the community achieve that integration.

"Giving care to people comes from a deep place we have within, both personally and corporately," says Philip Ellis, PhD, Director of the ISC.

Research suggests a majority of people see faith as an important foundation of their lives. It is often what they turn to when the reservoir is running low. Since Fall 2003, the ISC has hosted public lectures on topics such as maintaining compassion, forgiveness, simplifying our lives, and maintaining communities of faith. Attendees have included mental health professionals, church leaders, probation officers, teachers, and the general public.

"People pursuing helping professions often do so to care for and be of benefit to others," says Dr. Ellis. "When you look deep below the surface, there is usually a strong spiritual component involved. Through the lectures and related programming offered, we are helping people refill and deepen that spiritual well."

Dr. Ellis envisions the ISC offering a full continuum of spiritual care services, in addition to Pine Rest's core competency of behavioral health care. "Our goal is to help people in a distinctly Christian manner become whole and have a healthy sense of spirituality that is integrated into their self every day."

"The Pine Rest Institute for Spiritual Care is a wonderful program for strong Christian foundations to be available to individuals seeking spiritual care in their lives," adds Dr. Ellis.



Above: Philip Ellis
Top Right: Dr. Roger Sider, ISC Lecture Guest Speaker
Middle Right: Pastor Paul Irwin, Grand Rapids First Assembly of God & Rev. Eleazar Merriweather, St. Luke AME Zion Church
Bottom Right: Dr. Roger Sider & Dr. Randy Christensen, Northeast Clinic

Renewing Spirits . . .

"The [Pine Rest] therapists care for their patients like Christ cared for his flock."

-Pine Rest Client

