



October 2010

In this quarterly series of letters, *Perspectives*, we've examined several issues and trends that impact the future of health care. But one of the great untold stories we have yet to discuss is the difference philanthropy makes.

While there is endless debate over the government's role in health care, one thing you don't hear much about is the role of philanthropy. Yet behind the scenes, private individuals throughout the country are doing their part to strengthen the health-care safety net by making charitable donations to community hospitals and health-related causes. It's a spirit of generosity that is quietly transforming – and helping to save – nonprofit health care in the United States.

### **Philanthropy critical to nonprofit mission of hospitals**

There was a time when hospitals considered philanthropy “nice to have.” But today, charitable gifts are critical to the mission of every nonprofit health institution. Even as hospitals work to reduce expenses and operate as efficiently as possible, the funding they receive from Medicare and private insurance companies still doesn't come close to covering the true cost of meeting the health-care needs of local populations.

The generosity of private individuals and foundations makes it possible for nonprofit hospitals to serve the uninsured and indigent populations. It also supports vital health programs and services, and helps fund needed facilities and equipment upgrades. Just as important, philanthropy also goes towards innovations in health care, ranging from new treatments and techniques to new models of delivering care. (In fact, some of the greatest medical advances of the last century have been funded through philanthropy.)

Still, hospitals throughout the country have felt the impact of the economic downturn on their fundraising initiatives. According to the National Association of Healthcare Philanthropy, about 85 percent of hospital respondents said they were negatively affected by the recession and about half failed to reach their fundraising projections in 2009.

## **Swedish experiencing unprecedented support**

Despite a tough year for hospitals locally and nationally, it is a privilege to report that the story for Swedish was quite the opposite. Thousands of people in the community contributed a record \$17.4 million to Swedish in 2009, up from \$14.67 million the year before. We also had more supporters than ever before. A total of 15,400 individuals gave to Swedish last year, an increase of 11 percent.

As a result of this outpouring of support, Swedish was the only health-care institution in Greater Seattle that saw an increase in donations last year. Meanwhile, all of our other hospital colleagues experienced a decline consistent with the national trend. What this tells me is that Swedish's mission has struck a chord with the community.

I can't begin to tell you how inspiring and motivating it is to know that so many people believe in what we do and are willing to invest their personal resources into our nonprofit mission. Whether it's supporting our ambitious but unwavering quest to cure brain cancer or expanding our intensive care unit for sick and premature newborns, the community has been behind us every step of the way.

Thanks to your support, Swedish also continues to meet basic needs, such as caring for the underserved, a role that has become even more critical as more local residents are losing insurance coverage due to unemployment. I am deeply proud of the fact that Swedish provides more than \$70 million in uncompensated care and other community benefits each year.

One other telling aspect about the enthusiasm around our mission is the level of charitable contributions we receive from our own physicians, managers and employees. The medical staff has donated more than \$6.5 million in the past 3 years. Our senior leadership team has contributed more than \$1.1 million, and our employees contributed more than \$300,000 this year alone. Not only do they support Swedish by directly serving patients every day, it speaks volumes that they are also willing to give of their personal resources to ensure that everyone in the community has access to quality health care.

## **The Campaign for Swedish**

With all of this as background, I am pleased to announce that Swedish has embarked on an ambitious, \$100 million fundraising campaign, *The Campaign for Swedish*. Over the past few years, Swedish has been quietly securing leadership gifts from community philanthropic leaders, grateful patients and our own physicians and employees. It is an honor to report that we have already raised more than \$65 million towards our goal, and we hope to surpass our target by the end of 2013. Gifts have come from many types of donors – from wealthy individuals, to corporations and foundations, to local Girl Scout troops – and they

have supported a wide range of important programs and services at Swedish. We are now seeking the help of the broader community, specifically those who recognize the critical role philanthropy will play in the future of healthcare in the Puget Sound region.

If you would like to learn more about *The Campaign for Swedish* and some of our top priorities, please don't hesitate to contact me directly at [Rod.Hochman@swedish.org](mailto:Rod.Hochman@swedish.org) or Don Theophilus, Executive Director of the Swedish Medical Center Foundation at [Don.Theophilus@swedish.org](mailto:Don.Theophilus@swedish.org) or via phone at (206) 386-2819.

Sincerely,

A handwritten signature in black ink, appearing to read "Rod Hochman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Rod Hochman, MD  
Chief Executive Officer  
Swedish Medical Center