The booming economy of the last two years has brought more and more people to our region. Medical Center Health System has worked diligently to meet the medical needs of our growing population by expanding our services and increasing access to care.

One of the most significant expansion projects to take shape in 2011 was the construction of our $42 million Center for Women & Infants. This state-of-the-art maternity center features all-private rooms, 12 labor & delivery rooms, 20 newborn nursery beds, 30 private Neonatal Intensive Care Unit (NICU) rooms, 3 state-of-the-art cesarean-section suites, and new Ronald McDonald Family Room.

To meet the area’s growing primary healthcare needs, MCHS has partnered with Midland Memorial Hospital to offer BURNERSE, an innovative toll-free hotline answered by local nurses who provide free medical advice and guidance on where and when to seek out medical attention.

Convenient, affordable primary care is an ongoing need in our area. In February 2012, we opened our newest Urgent Care location at 315 North Coldie, adjacent to Medical Center Hospital campus. This location, along with the Urgent Care location in the MCH Center for Health & Wellness, provides treatment for moderate injuries and ailments seven days a week with no appointment necessary. These centers complement our two existing Clinics at Walmart locations, which also provide quick, convenient treatment for minor illnesses six days a week with no appointment necessary.

In October 2011, we celebrated the first anniversary of the opening of the MCH Center for Health & Wellness, which includes Mission Fitness, a state-of-the-art, medically-integrated fitness center featuring the latest equipment, a lap pool, therapy pool and exercise classes. The facility also includes services such as Urgent Care, Laboratory, Diabetes Center and Radiology, including the MCH Women’s Imaging Center. Other services include Sports Medicine, Physical Therapy, Cardiac & Pulmonary Rehabilitation, and ProCare Orthopedics and Internal Medicine.

Integrating information technology into daily operations has become a major priority for MCHS. We are currently developing systems within our hospital and outpatient centers which facilitate quick and efficient management of patient healthcare data. Whether you are seeing a physician or are hospitalized, this advanced technology will track your activity every step of the way. Technical advancements such as these will provide greater convenience and help ensure better outcomes for patients seeking care through our growing system.

While new services and technology are extremely important to us, quality remains our number one priority. We work diligently to provide the best healthcare possible to patients from across the region and have received numerous quality accreditations, certifications and achievements awarded by the nation’s leading accreditation programs. These accolades, which are listed in this report, are a testament to our commitment to serving our community.

In the coming year, we will continue on the path to expanding our facilities, introducing innovative healthcare solutions and maintaining a laser focus on providing the best care possible to the people of the Permian Basin.

Bill Webster
Medical Center Health System
Chief Executive Officer
According to data provided by the American Hospital Association, Medical Center Health System (MCHS) contributed over $254 million in salaries, wages and benefits and infused over $583 million in purchases and expenditures into the state economy in fiscal year 2011.

The momentum generated by this period of unprecedented economic growth helped launch MCHS into yet another exemplary year characterized by technical innovation, such as the installation of a new da Vinci Surgical System and continued expansion, as demonstrated by the development of a second Urgent Care location in Odessa.

This report will provide an in-depth review of how we are working to grow our capabilities, expand our services and elevate our status as the leading healthcare provider in the region.

As a mother raising two very active children, I have to be on the go, all the time. So when I learned I’d have to undergo a major GYN surgery that could require up to six weeks of recovery, I thought… No way.

Then my doctor recommended robotic surgery at Medical Center Hospital. And it’s a good thing that he did. I had surgery in the morning and was on my way home later that same day. Within a week, I was back to full swing doing what I love most… taking care of my family.”

The Ector County Hospital District Board of Directors is elected by the voters of Ector County. Terms are four years. An election is held every two years with districts 1, 3, 5 and 7 alternating with districts 2, 4 and 6. Any of the ECHD Board Members can be contacted through the Board Office at (432) 640-1132.

ELEVATING HEALTHCARE IN OUR COMMUNITY

MISSION, VISION AND VALUES

MISSION
Medical Center Health System is a community-based teaching organization dedicated to providing high quality healthcare and improving the health and wellness of all residents of the Permian Basin.

VISION
To be the premier source for health and wellness.

VALUES
“I CARE”
- Integrity
- Customer Centered
- Accountability
- Respect
- Excellence

FISCAL YEAR 2011 STATEMENT OF OPERATIONS

<table>
<thead>
<tr>
<th>Sources of our Revenues</th>
<th>Fiscal Year 2011</th>
<th>Fiscal Year 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patient Receipts</td>
<td>$202,834,699</td>
<td>$213,051,356</td>
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<tr>
<td>Investment Income</td>
<td>$321,838</td>
<td>$153,409</td>
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<tr>
<td>Tax Revenues</td>
<td>$33,397,074</td>
<td>$26,208,410</td>
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<tr>
<td>Other Income</td>
<td>$13,799,036</td>
<td>$11,614,997</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$250,352,647</strong></td>
<td><strong>$251,028,172</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Uses of our Revenues</th>
<th>Fiscal Year 2011</th>
<th>Fiscal Year 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Benefits</td>
<td>$135,402,471</td>
<td>$132,144,857</td>
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<tr>
<td>Supplies, Utilities &amp; Other</td>
<td>$64,139,981</td>
<td>$65,167,639</td>
</tr>
<tr>
<td>Med Specialist Fees</td>
<td>$2,816,467</td>
<td>$6,167,639</td>
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<tr>
<td>Purchased Services</td>
<td>$27,966,659</td>
<td>$21,485,408</td>
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<tr>
<td>Depreciation &amp; Interest</td>
<td>$21,624,390</td>
<td>$20,132,446</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$251,779,968</strong></td>
<td><strong>$245,097,051</strong></td>
</tr>
</tbody>
</table>

| Change in Net Assets  | $ (1,427,321)   | $ 5,931,121     |

Audited by Deloitte & Touche LLP
MCH CENTER FOR HEALTH & WELLNESS

October 2011 marked the one-year anniversary of the opening of the Center for Health & Wellness, the area’s most advanced medically integrated health and fitness complex. This one-of-a-kind facility demonstrates a truly multi-disciplinary approach to healthcare delivery, combining outpatient medical and diagnostic services, rehabilitation and fitness into one beautiful location. The Center for Health & Wellness offers:

- Cardiac & Pulmonary Rehabilitation
- Diabetes Center
- Imaging and Mammography
- Laboratory
- Mission Fitness
- Physical Therapy and Sports Medicine
- Physician Offices
- Urgent Care

MCH CENTER FOR WOMEN & INFANTS

MCHS closed 2011 on a high note after reaching a much-anticipated milestone – the completion of the state-of-the-art Center for Women & Infants. The new maternity center, which officially opened in January 2012, set a new standard of care by virtue of being the newest and most advanced maternity center in the region. The new center is a crowning achievement for the system and is representative of the visionary leadership that made its construction possible. The center, which features all-private rooms in a beautiful modern facility, includes:

- 12 Labor & Delivery Rooms
- 30 Postpartum Rooms
- 20 Nursery Beds
- 30 NICU Private Rooms
- 3 Cesarean-Section Suites
- Ronald McDonald Family Room

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- 30 NICU Private Rooms
- 3 Cesarean-Section Suites
- Ronald McDonald Family Room
For over 36 years MCHS has worked in collaboration with Texas Tech University Health Sciences Center (TTUHSC) to implement a number of residency programs, including: Family Practice, Obstetrics and Gynecology, Internal Medicine and a Geriatric Medicine Fellowship. MCHS is also pleased to work with TTUHSC Third and Fourth Year Medical Students and offer support in the following activities:

- Worked with TTUHSC to launch a Hospitalist Fellowship program in 2011
- Supporting the new Geriatric Assessment Center at the Center for Health & Wellness
- Committed space at MCH and construction dollars for a new Simulation Center - Spring 2012

The past year not only brought technical advances to our healthcare system, it also was the year that we took a major step in formalizing our philanthropic efforts by establishing the Medical Center Health System Foundation, a non-profit organization whose sole purpose is to help MCHS provide outstanding healthcare to our community.

The MCHS Foundation’s fundraising efforts help our community and our system in many ways, such as securing capital for the purchase of new medical equipment, implementing programs, and providing outreach to patients and their families.

This type of support is central to our success as a healthcare provider and plays an important role in helping us to improve the health and wellbeing of our community.

MCHS Foundation Mission
“Through philanthropy and volunteerism, the Medical Center Health System Foundation supports the mission of Medical Center Health System toward providing quality healthcare, education, and outreach to all residents of the Permian Basin.”

Executive Director
Courtney Wardlaw

Board of Directors
Jack Wood, President
Toby Eoff, Vice-President
Linda Terrell, Secretary/Treasurer
Alfred Karickhoff, M.D., CMN Council Chair
Delma Abalos, Member-at-Large
David Boulin
Pat Canty
Robert Chappell, M.D.
Frank Deaderick
Peggy Dean
Renée Earls
Kirk Edwards
Dan Hollmann
Providing the highest levels of quality care to our patients is the cornerstone of our organization. We are proud to share the many quality accreditations, certifications and achievements awarded to Medical Center Health System by the nation’s leading accreditation programs.

"Two heart attacks, an emergency flight to Odessa and a life-saving heart catheterization – all in less than 24 hours. If it didn’t happen to me, I wouldn’t have believed it. What the Cardiac Team at Medical Center Hospital did to save my life was… simply amazing."

Mike Emmerson
MCH Cardiovascular Patient