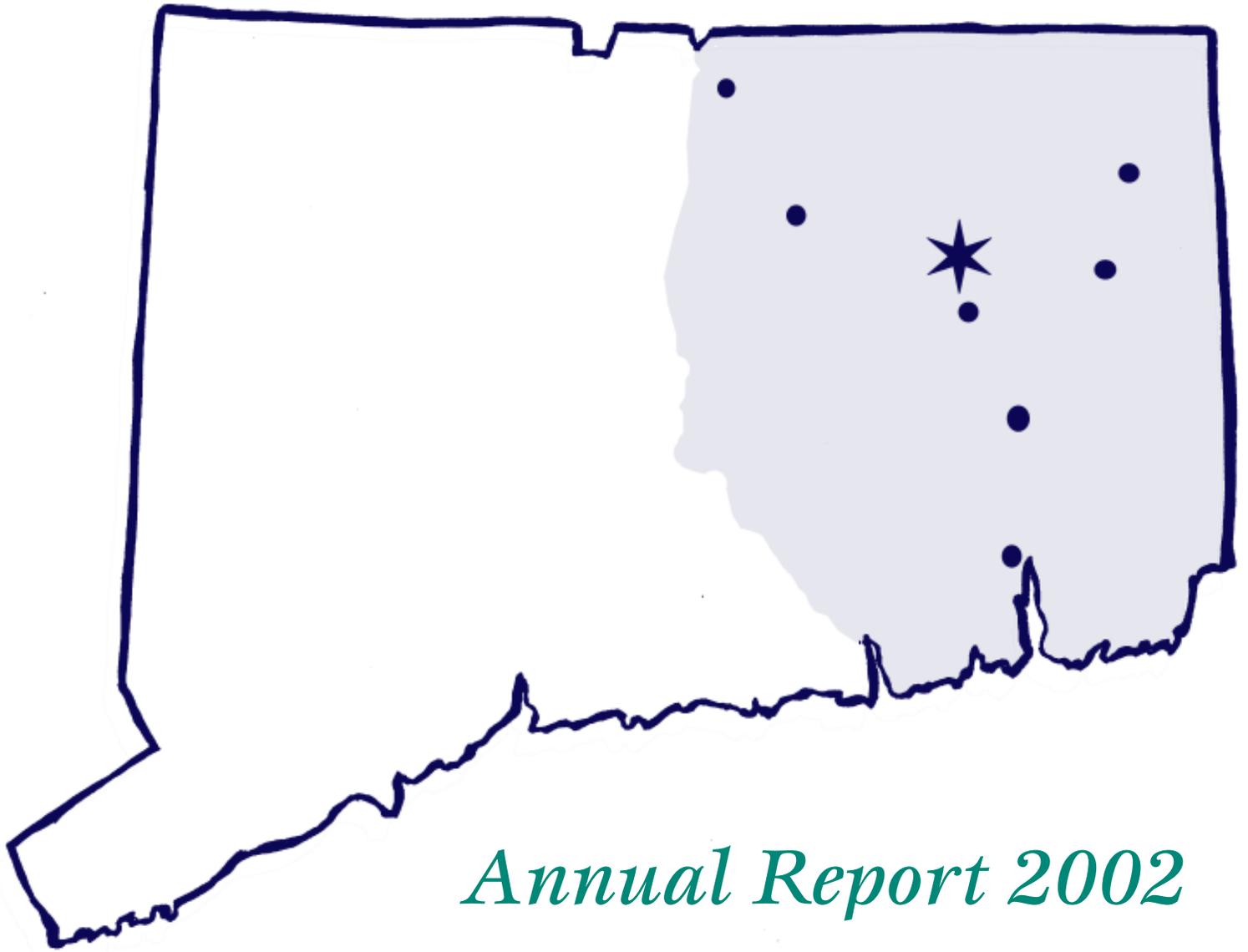




Natchaug Hospital

Behavioral Health Options for Eastern Connecticut



Annual Report 2002



Natchaug Hospital's Network of Care

Natchaug Hospital is proud and honored to provide an accessible, regional system of care for children, adolescents and adults who are struggling to recover from mental illness, emotional trauma, substance abuse and behavioral health problems.

ENTRI:

Telephone triage and referral program
800-572-0787

Inpatient Treatment:

For mental illness, emotional trauma and substance abuse in three separate units, one each for pediatric care (ages 5-11), adolescent care (ages 12-18) and adult care (ages 18 – senior citizens).
Mansfield Center, CT
860-456-1311

Day Treatment Programs, Child & Adolescent:

Partial hospital, intensive outpatient and special education programs for children and adolescents age 5-21 at five locations:

Joshua Center
Brooklyn
860-779-2101

Joshua Center
Mansfield
860-456-1311

Joshua Center
Montville
860-848-3098

Natchaug Hospital Middle and High School Program
Windham
860-450-7373

Hickory Street School
Norwich
860-892-4342

Opening in 2003: Case Street School in Norwich and Joshua Center in Enfield

Day Treatment Programs, Adults:

Partial hospital and intensive outpatient treatment for adults at three locations:

Quinebaug Day Treatment Center
Putnam
860-963-6416

RiverEast Day Treatment Center
Vernon
860-870-0119

Sachem House Day Treatment Center
Mansfield Center
860-456-1311

For more information, call 860-456-1311 or visit our website: www.natchaug.org



The Mission of Natchaug Hospital is to provide a continuum of accessible, community-based services for those suffering from psychiatric illness and chemical dependency with a commitment to the dignity and privacy of our patients, empowering them to participate in their own care and recovery.

Vision

Helping People Find Their Way

Natchaug Hospital's mission and vision are grounded in six core values:

Compassion: We care about each person as if they were family, guiding them to understand and manage their illness and health.

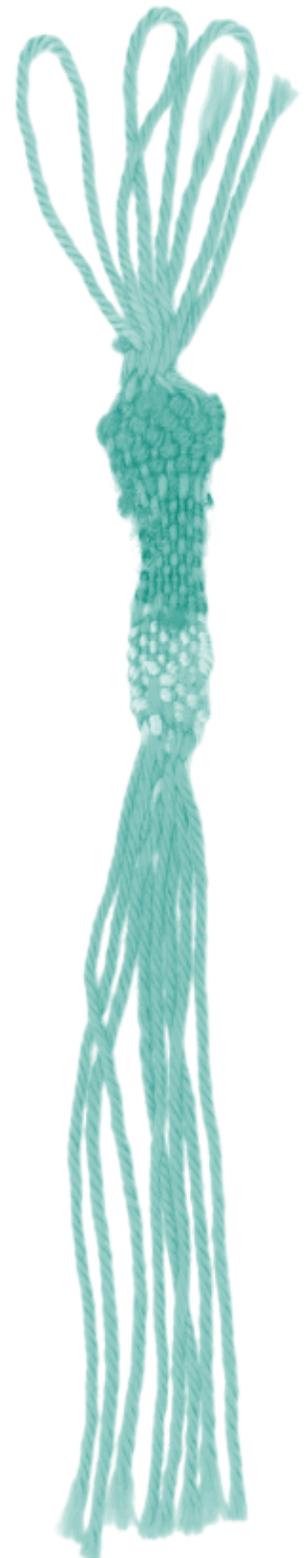
Teamwork: We actively collaborate with our fellow staff, knowing that each of us brings a special set of skills and experience that, when combined, raises the quality of care beyond the level any individual alone can achieve.

Respect: We respect every client and co-worker, embracing their inherent worth and uniqueness, and acknowledging the dignity of each.

Empowerment: We encourage consumers to exercise their right to participate in their treatment and recovery, knowing that by this participation they will determine the course of their lives.

Education: We advocate developing the ability to learn as fundamental to acquiring the knowledge and skills that will enable people to achieve their full potential to lead productive lives. We encourage consumer education and professional development as contributing to our mutual understanding and the continuous improvement of Natchaug Hospital's quality of care.

Quality: We continuously pursue opportunities to improve the quality of care we provide, the environment of care and every factor that affects our ability to fulfill our mission.



*"Bracelet Interrupted"
5th Grade Weaving Project
Natchaug Hospital Special
Education School*

With values as our guide

Natchaug Hospital is making a difference. Thousands of people in communities throughout the state benefit from Natchaug's care. Drawing on the hospital's nearly fifty years of experience in responding to community need, and guided by a clear understanding of the institution's core values, Natchaug's Board of Directors and management are able to respond quickly and effectively in areas that further its mission and vision.

Natchaug Hospital's core values – six statements that reflect the institution's soul – emerged from an extended exchange in which all employees participated. We learned what, in hindsight, seems obvious: that compassion, teamwork, respect, empowerment, education and quality are fundamental to the way we treat patients and each other. Though recently adopted, these core values are not new. In fact, they reach back to Natchaug's founders, who passed those values to us as the building blocks to create a better future for people suffering with mental illness, then and now.

A key component of Natchaug's ambitious construction and renovation project has been the expansion of our capacity for inpatient treatment of children. Natchaug doubled its admissions of children for inpatient treatment this past year, significantly reducing (but, sadly, not eliminating) the stress on area emergency rooms.

The growing need for day treatment programs for school-age youth generated waiting lists for Natchaug's child and adolescent day programs – a year-round phenomenon for the first time this year. Natchaug is pursuing funding to expand and enhance our day treatment programs in Brooklyn, Mansfield, Montville and Windham through a special initiative – *the Joshua Appeal*.

Natchaug Hospital is continuously alert to community need, assessing how, when and where Natchaug can further its mission.

- When approached by Community Health Resources and Johnson Memorial Hospital to replicate the Joshua Center program in the Enfield area, Natchaug responded. A Natchaug Joshua Center will open in partnership with these organizations this month.
- When the state of Connecticut solicited proposals for residential treatment programs to serve adolescent girls, Natchaug responded. The plan to build a facility staffed with specially trained professionals adjacent to the main hospital in Mansfield fulfills a well-recognized behavioral health need.

Natchaug is proud to serve as the primary provider of behavioral health care for Eastern Connecticut. Even in a year of national and international stress and uncertainty, the need for effective treatment of mental illness is recognized – a condition that knows no bounds of race, income, education or geography. Natchaug is confident it can help people recovering from mental illness and substance abuse find their way to living full, productive lives.



Stephen W. Larcen, Ph.D.
President & CEO



Raymond B. Johnson, M.D.
Chairman, Board of Directors



Snow did not deter Natchaug's active board members from their periodic site visits to programs in Brooklyn, Mansfield, Montville, Norwich, Putnam, Vernon and Windham. Shown here at Putnam's Quinebaug Day Treatment program are Board Vice Chair Antoinette Ellzey and Chairman Dr. Raymond Johnson.

Board of Directors, 2002-2003:

A 15-member all-volunteer board of directors representing the communities Natchaug Hospital serves governs the operations of Natchaug Hospital, Inc., a private nonprofit 501(c)(3) organization and an affiliate of Hartford HealthCare Corporation.

Natchaug Hospital

Chairman

Raymond B. Johnson, MD
Pfizer Global Research & Development,
Retired

Vice Chair

Antoinette Ellzey, APRN

Secretary

Rev. Laurence A. M. LaPointe
Eastern Connecticut State University

Treasurer

Rheo A. Brouillard
The Savings Institute

John D. Boland, JD
Boland, St. Onge & Brouillard

Karla Harbin Fox, Esq.
University of Connecticut

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Mashantucket Pequot Tribal Nation

James N. Ladd, Jr.
Savings Bank of Manchester, Retired

George A. Little, MD
Dartmouth-Hitchcock Medical Center

Colin K. Rice
Nutmeg Broadcasting

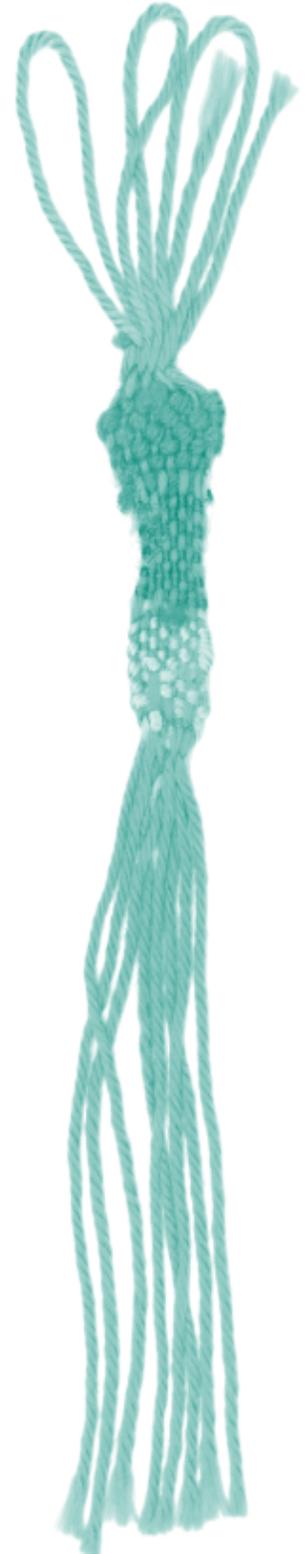
Edward S. Sawicki, MD
Internist

Leila M. Shepard, MEd, LPC, CEAP
The Center for Work & Family

Carla Squatrito
Carla's Pasta

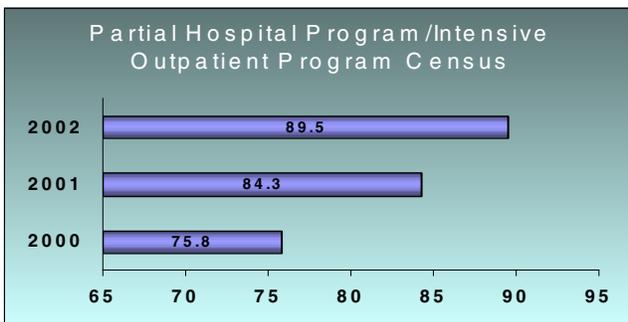
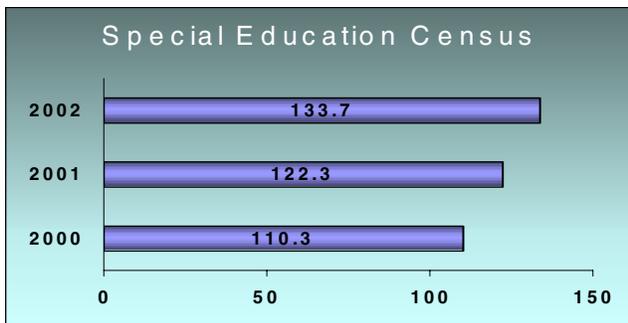
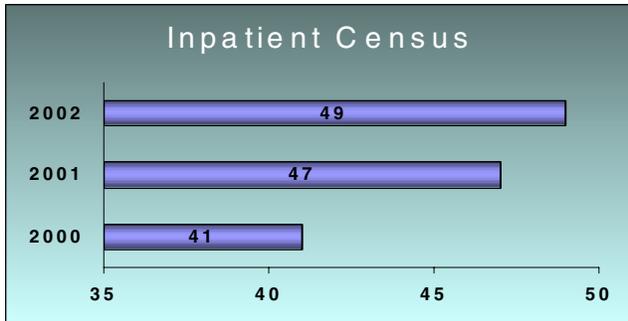
Paul A. Suprin
Liberty Bank

Carol A. Wiggins, PhD
University of Connecticut, Retired



2001-2002 Overview

Natchaug Hospital's fiscal year 2002 experienced growth in our treatment services, with an average 20% increase in all program areas. The nearly 3,000 patients admitted for care came from 113 Connecticut towns. New London County continues to average approximately 40 percent of Natchaug's annual admissions. Patients come to Natchaug Hospital from all over Connecticut, including Greenwich, Litchfield, New Fairfield and New Hartford.



CPEC Study: Natchaug Program Works

A study conducted by the Connecticut Policy and Economic Council (CPEC) of juvenile justice programs found that Natchaug's intensive outpatient program was uniquely effective in reducing recidivism. Our early intervention programs help adolescents find their way to succeed at school and in their community. For more information on this study, go to CPEC's web site at www.cpec.org



JCAHO Accreditation

The Joint Commission on Accreditation of Healthcare Organizations (JCAHO), which Natchaug Hospital invites to review its operations at least every three years, announced its award of accreditation for the full range of Natchaug Hospital's behavioral health care services in July 2002, recognizing Natchaug for its efforts to provide high quality patient care.



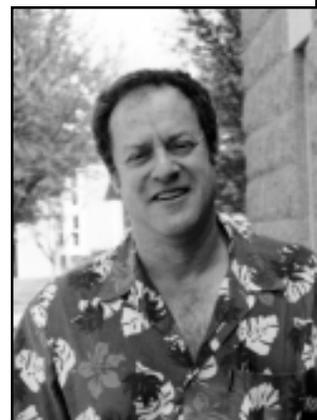
Linda Decker, Sachem House office manager and Diane Richards, mental health worker, enjoyed the program Fair that helped employees refresh their

knowledge of all hospital programs in preparation for the JCAHO accreditation visit.

Natchaug's Professional Development Seminar Series

The series, offered in partnership with the UCONN's Neag School of Education and School of Allied Health, presented six programs about behavioral health issues that had been requested by professionals who work with school-age youth. These programs help educators and professionals in every community in our region.

Marianne Carroll and Dudley Hamlin presented objective criteria on why and how one might choose to use adventure therapy with school-age youth.



Jeffrey Klugman, MD, shared insights on Bipolar disease, which he referred to as "the great pretender" because it is so often misdiagnosed in young patients.



Francis Carino, from the Office of the Chief State's Attorney and Julia O'Leary, of the Court Support Services Division, shared insights on what services the Juvenile Court Programs offer and how to access them.

Tim Carroll, director of Natchaug's Joshua program in Mansfield and a charter member of the Professional Development Seminar planning committee, is always on the lookout for high interest resources for Natchaug programs.



Underway in 2002-2003

New Juvenile Court Assessment Program

Natchaug Hospital was selected by the Department of Children and Families and the Court Support Services Division of the Judicial Court to implement a new Juvenile Intermediate Evaluation Program for the juvenile courts in Middletown, Rockville, Waterford and Willimantic. This innovative program provides an intensive two-week program for Natchaug's professional staff to observe and work with the child and his/her family in order to prepare a comprehensive report to the Juvenile Court. This intermediate level of evaluation bridges the gap between a brief outpatient evaluation or an often delayed wait for a 45-day inpatient evaluation at a state-run facility.

HIPAA Impact

Natchaug Hospital was well prepared for the April 15, 2003 implementation of the Federal Health Insurance Portability and Accountability Act of 1996, which was consistent with Natchaug's long-standing policies that have aggressively protected the privacy of our patients for decades.

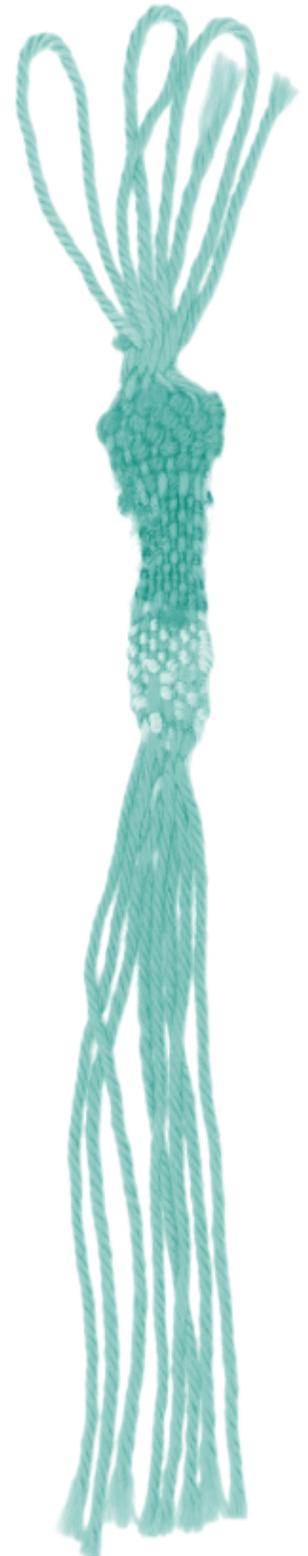
Residential Treatment Center to open in 2004



Tecton Architects, PC

A new facility will soon take shape adjacent to Natchaug Hospital's Mansfield Center campus. The building design focuses on supporting a new residential treatment program

for teenage girls with social, emotional, behavioral and mental disorders who need several months of 24/7 specialized care. This new program responds to a request for a proposal issued by the Department of Children and Families, meeting a need Natchaug was already acutely aware of within its own adolescent patient population.



A Win-Win Game



From left: Dr. Stephen Larcen, Dr. David Carter, Peter DeRosa, Dr. Raymond Johnson and Joyce Wong.

Not only did the women's team win their basketball game, Natchaug Hospital "won" the \$2,200 in proceeds from Eastern Connecticut State University's President's Charity Games for the *Joshua Appeal*. A special thanks to Dr. David Carter, who hosts the Charity Games each year as a way of drawing the attention of his students, alumni and friends to the needs of a local community organization.



Peter DeRosa, Director of Natchaug's Montville Joshua Center and Dr. Stephen Larcen, President and CEO of Natchaug, take a break from discussing program needs.

Golden Apples for Natchaug Hospital Teachers

The Connecticut Association of Private Special Education Facilities (CAPSEF) awarded Outstanding Educator Awards (Golden Apples) to three of Natchaug Hospital's special education teachers at its Annual Conference in March, 2003: Susan Cotton, teacher at

Natchaug's Montville Joshua Center, Karen Ashlaw, teacher at Natchaug's middle and high school program in Windham and Jason Shirley, educational assistant at the Montville Joshua Center. Natchaug's school programs, at six sites throughout region, offer children and adolescents with special needs a chance to thrive.



Woody Crowley, who supervises Natchaug Hospital's special education program in Montville and Norwich, is flanked by his award winning staff members Jason Shirley and Susan Cotton at the March CAPSEF conference.

Joshua Center Opening in Enfield

Natchaug Hospital is working with the Community Health Resource and Johnson Memorial Hospital to expand behavioral healthcare treatment for children and adolescents in the Greater Enfield area. The new Joshua Center will open during June 2003.



Creating classrooms and offices for the new Joshua Center in Enfield is a team effort. Shown here are Steve LeGault (L) of Johnson Memorial Hospital and David Klein (R) of Natchaug on a day of wiring decisions.

The Joshua Appeal



Colin Rice, Co-chair of Natchaug Hospital's Development Committee, welcomes committee volunteers to a meeting at Natchaug's Joshua Center in Brooklyn, Connecticut.

When Natchaug Hospital launched its first-ever fundraising campaign in 1998 for its ambitious construction and renovation project that improved patient services, few knew what the economy would look like in 2001 or now. Thanks to gifts from throughout the region, the *Century Appeal* was a resounding success. The environment of care is remarkably improved and the unique design of the *Pfizer Children's Center at Natchaug Hospital* supported a 100% increase in admissions in the last year alone.

The need for more behavioral healthcare services is escalating throughout the state, even as funding is declining. With patient care foremost in mind, the Board of Directors charged a new committee with the responsibility to identify and pursue sources of funding that will enable Natchaug Hospital to not only maintain current programs, but to expand and enhance them. Colin Rice and Paul Suprin agreed to co-chair the Board of Director's first Development Committee. The first

initiative is to strengthen and expand day treatment services for children and adolescents. For this, the *Joshua Appeal* was launched.

The *Joshua Appeal* is off to a healthy start, with nearly \$40,000.00 already contributed toward the campaign's goal of \$160,000. Early contributors to the *Joshua Appeal* include:

Leaders:

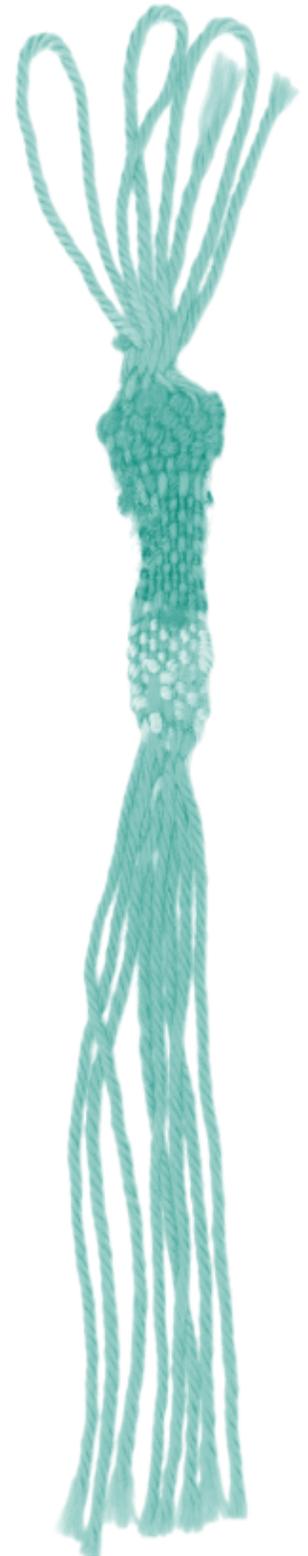
American Savings Foundation
Pfizer Global Research & Development
Bowdenwein Public Benevolent Foundation

Advocates:

Carse Robinson Foundation
Eastern Connecticut State University
The R. S. Gernon Fund
Stephen W. Larcen & Susan Graham
George A. & Grace L. Long Foundation
William & Alice Mortensen Foundation

Sponsors

Mr. Raymond A. Conti
Dr. & Mrs. William Ellzey
Federated Church of Christ
Ms. Barbara Frederickson
Dr. & Mrs. Raymond B. Johnson
Mr. James N. Ladd, Jr.
The Rev. Laurence A.M. LaPointe
Dr. Henry Mann
People's Bank
Spirol International, Inc.
Webster Bank
WestBank
Ms. Carol Wiggins



Friends of Natchaug:

Attorney & Mrs. John Boland
Mr. & Mrs. Bert A. Brine
Mr. Timothy Carroll
Mr. & Mrs. Dale & Helen Chapman
Ms. Mary DeYoung
Sandra Dykhuis, MD
Ms. Nancy English
First Church of Christ in Mansfield (UCC)
Ms. Carol Freedman
John Graham, MD
Mr. Ed Hachadourian
Ms. Betty L. Heiss
Ms. Alice Bertha Jansen
Ms. Karen Jones
Mr. & Mrs. George Jones
Mr. & Mrs. J. Kevin Kinsella
Dr. Carl W. Lindquist
Lions Club of Coventry
Ms. Emily Macko
Mrs. Carol E. McMillan
Mr. & Mrs. David D. Palmer
Ms. Donna Perron
Mr. & Mrs. Michael Rice
Ms. Catherine Roberge
Edward S. Sawicki, MD
Ms. Jacqueline R. Seide
Mrs. Leila Shepard
Mr. & Mrs. Stuart J. Sidney
Mr. Robert Simons, CLU, CHFC
Mr. Paul Suprin
Ms. Joan Walker
Doug Whittemore, MD

Special Fund:

Frank Loomis Palmer Fund, to support two Professional Development Seminars in New London.

Holiday and Special Use Funds:

Each year people come forward with extra help for Natchaug's patients, often around the winter holidays. At other times local organizations learn of a particular need in a Natchaug program that they are able to meet. The following are among the many who made these contributions during 2002.

Becca's Little Helpers
Mr. & Mrs. Bert A. Brine
Ms. Danielle Crawford
Ms. Dawn Danis
Ms. Rhoda Dyjak
Ms. Sherri Fihaley
Ms. Ellie Lamb
Ms. Susan Palmer
Mr. & Mrs. Bill Powers
Ms. Leigh St. Onge
Ms. Nora Stevens
United Methodist Church of Mansfield
Walden Books
Windham County Bar Association
Ms. Kimberlee Young
Mr. Richard Zitkus

Supporting the work of Natchaug Hospital

Natchaug Hospital is a private, nonprofit 501(c)(3) organization. Contributions to Natchaug are fully tax-deductible within IRS regulations. For information on how you can help Natchaug Hospital now or in your will through stock transfers, cash and other contributions, contact Paul Maloney, Natchaug's Chief Financial Officer, at 860-456-1311 x285.

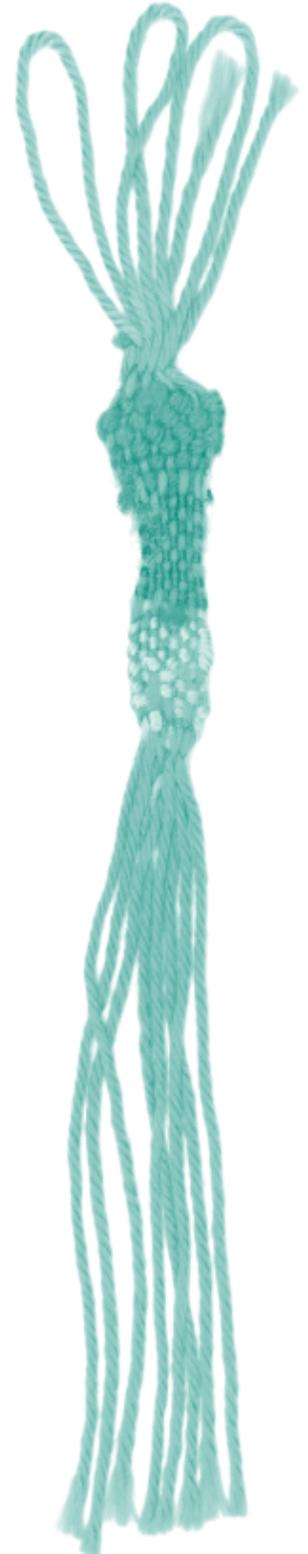
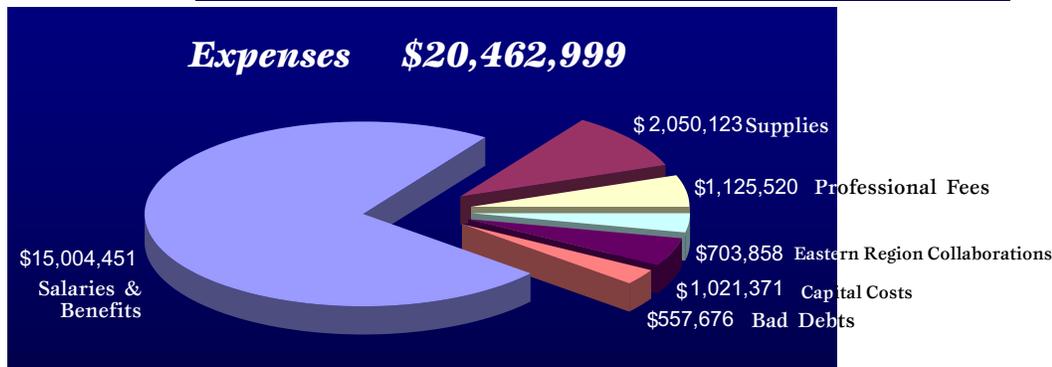
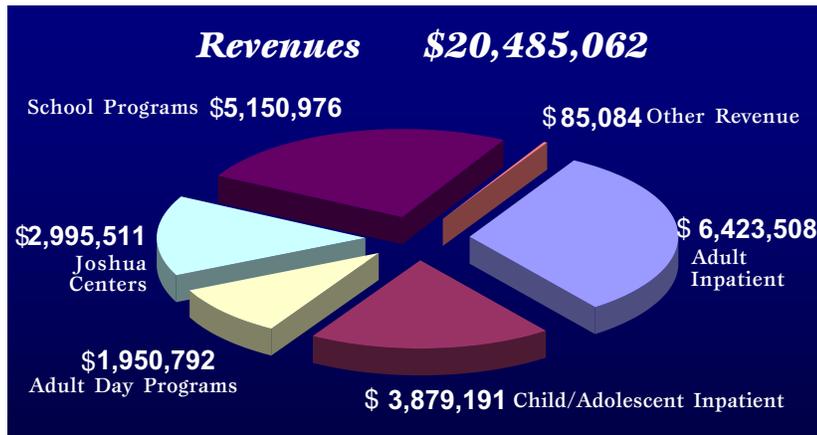


Statement of Operations

The Board of Directors at Natchaug Hospital, Inc. is proud to report that the annual independent audit of the corporation confirmed its fiscal soundness, a notable achievement at a time when behavioral health care organizations in Connecticut and nation-wide face significant fiscal challenges.

These results reflect the hard work and creativity of our staff and the generous support from the community.

	September 30	
	2002	2001
Assets		
Accounts Receivable	6,253,241	5,492,908
Other Current Assets	587,452	688,276
Property, plant & equipment	9,479,123	9,138,283
Accumulated depreciation & amortization	(2,489,607)	(2,093,644)
	6,989,516	7,044,639
Construction in Process	13,753	-
Net property, plant & equipment	7,003,269	7,044,639
Other assets	106,554	107,766
	\$13,950,516	\$13,333,589
Liabilities & Net Assets		
Total Current liabilities	4,856,594	4,074,386
Long-term debt	4,325,530	4,540,233
Net Assets:		
Unrestricted	4,418,529	4,328,025
Restricted	349,863	390,945
	4,768,392	4,718,970
	\$13,950,516	\$13,333,589





PO Box 260

Mansfield Center, CT 06250-0260

Return Service Requested

