A Message from the Chairman

I would like to start my first message to you as chairman of the Northeast Health Foundation by wishing Craig Duncan, former president and CEO of Northeast Health, farewell and best wishes for a happy retirement. Craig has been a leader in this organization since 1982, and has transformed healthcare in the Capital Region.

From its modest beginnings as a 19-bed nursing home, the original Eddy nursing home, Craig has guided the growth of Northeast Health to become one of the few integrated healthcare delivery networks in the nation. Today, Northeast Health encompasses 19 affiliates, serving more than 116,000 people in our community every year.

How could one man accomplish all this? With great vision and a passion for helping people, and with the assistance of many talented individuals from within the organization and the community. Craig’s passion for his work was evident in the enthusiasm and creativity with which he met the many challenges of his job. Craig also recognized the need for many great partners to create and sustain a truly great integrated healthcare network. He quickly earned a reputation for hiring the best and brightest people to share in his vision.

One of the most significant factors that enabled Craig to lead Northeast Health in its quest to provide state-of-the-art healthcare, supportive housing and community services was and continues to be your generous support. Your donations have taken many forms over the years, including endowments, bequests, trusts, charitable gift annuities, capital project donations, special events and annual fund support. Your support has given Northeast Health the tools to provide the very best care and services to our community. I thank you for your continued commitment.

In the true style of a great leader, Craig’s final task was to plan for the transition to new leadership for Northeast Health. I am very impressed with Dr. Jim Reed’s well-rounded background and experience, and am confident that Northeast Health will continue to flourish under his leadership.

I want to thank Craig for all his hard work and dedication over the past 22 years, and offer my best wishes for a happy retirement. I also look forward to working with Dr. Reed, an outstanding choice, to carry the Northeast Health torch.

John M. Scarcelli
Chair, Northeast Health Foundation

The Face of Alzheimer’s

In October 2004, Eddy Alzheimer’s Services launched “The Face of Alzheimer’s,” a moving photo exhibit by renowned area photographer Mark McCarty. The exhibit, which was on display at the Albany-Rensselaer AMTRAK station throughout November, featured a collection of powerful photographs depicting individuals living with Alzheimer’s disease in our area.

Since the 1980s, Eddy Alzheimer’s Services (EAS) has served as a regional resource for people coping with Alzheimer’s disease. After years of research and study, EAS opened Marjorie Doyle Rockwell Center, a first-of-its-kind, state-of-the-art center providing information, referral, education and support for care partners and professionals. Within only five months of operation, the center reached full occupancy. A waiting list, large in the first few years, has now doubled.

With its years of experience in Alzheimer’s care, EAS once again looks to the future needs of people in the greater Capital Region in planning a new regional center to be constructed in East Greenbush. Like Marjorie Doyle Rockwell Center, the new center will feature a convergence of architecture design, staffing and philosophy that contributes to the total quality of life for the residents.

Reaching beyond its residents, the new center will have space to accommodate expansion of The Eddy’s outreach program for family, caregivers and healthcare professionals. The new center will also incorporate expanded educational programs, support groups and day services to help them through the sometimes overwhelming responsibilities of caring for a loved one with Alzheimer’s disease.

This important initiative is part of Northeast Health’s comprehensive capital campaign, “Partners in Care ... Investing In Innovation.” If you’re interested in finding out how you can help, please contact Northeast Health Foundation at 274-0190.

Calendar Corner

Mark your calendar for these upcoming Northeast Health Foundation events:

Cuisine Magic 2005
A Culinary Competition & Taste Extravaganza
To benefit Eddy Visiting Nurse Association
Sunday, May 1 — 6 pm
Empire State Plaza Convention Center, Albany

River of Life
Boat Cruise and Dinner Dance
To benefit Eddy Alzheimer’s Services at Marjorie Doyle Rockwell Center
Wednesday, September 14 — 5:30 - 9 pm
Aboard the Captain J.P. in Troy
For more information, please call Northeast Health Foundation, 274-0190, or register online at www.NortheastHealth.com.
A Message from Karl Cote, Vice President, Northeast Health Foundation

I am pleased to welcome John M. Scarchilli, president and chief executive officer of Pioneer Savings Bank, as chair of Northeast Health Foundation’s board of directors. John has served as a member of the board for a Northeast Health affiliate since 1997. He played a key role in the integration of the Eddy, Albany Memorial and Saratoga Memorial hospital foundations. He also was the recipient of the Northeast Health Foundation’s Award in 2003.

A lifetime Capital Region resident, John joined Pioneer Savings Bank in 1977 and has been in various positions of increased responsibility before being appointed to his current role as president and chief executive officer. Currently, he also serves as vice chair of CBANYS (Community Bankers Association of New York State), and director of America’s Community Bankers, a national banking trade organization. A U.S. Army veteran, John served as a survey specialist from 1971 to 1973.

John is active in the local community, serving on numerous non-for-profit boards, including director of the Renzucker Gateway Development Corporation, a privately funded economic development entity. He also serves on the boards of the CEO (Commission on Economic Opportunity), the Center for Economic Growth, and the Rensselaer County Community Hospice Foundation Board.

As I look to the future of Northeast Health, I am awestruck by the many new and exciting advancements in care and technologies and feel fortunate to be a part of such a forward thinking organization. I am also very fortunate to have a great leader like John — someone with unparalleled financial expertise and commitment to the Northeast Health mission — to lead us through our first comprehensive capital campaign. Welcome John, to your new leadership role.
Telehomecare Grant Awarded

The Hudson River Bank and Trust Foundation recently presented the Eddy Visiting Nurse Association (Eddy VNA) with a $50,000 grant to benefit the agency’s telehomecare program. The funds will help expand Eddy VNA’s telehomecare program for patients in the Columbia and Greene county areas.

Corrections

Northeast Health Foundation would like to acknowledge the generosity of the following donors who were officially credited from our 2003 Annual Report. Please accept our apologies.

Mr. Peter G. Young - Elizabeth Hart Shield Club ($1,000+)
Soo W. Hong, MD - Companion ($250+)

Northeast Health Foundation 2004 Donors

Compass Rose Society - $25,000+
Albany Memorial Medical Staff
Estate of Beatrice Albert
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Henry Hudson Society - $10,000+
Julia O. Wells Memorial
The Jacob and Valeria
Estate of Jeanette R. Earls
Phyllis E. Dake Foundation
Estate of Beatrice Albert
Albany Memorial Medical Staff

The Cogswells attended a luncheon ceremony in November in honor of Arnold Cogswell, a longtime philanthropist who has demonstrated outstanding generosity and leadership to Northeast Health through the years. In recognition of his contribution and continued support of families and individuals living with Alzheimer’s disease, the resource center at Marjorie Doyle Rockwell Center was renamed the “Cogswell Resource Center.” Mr. Cogswell served on the first board of directors for The Eddy’s regional Alzheimer’s center when it opened in 1997.

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Mr. and Mrs. Charles S. Hotaling
Craig Duncan Retires

More than 200 people attended a retirement event honoring Craig Duncan, former president and CEO, Northeast Health, on January 6, at The Desmond in Albany.

In recognition of Craig’s vision, leadership and commitment to the growth and development of Memorial Hospital and Samaritan Hospital Schools of Nursing, the Craig Duncan Scholarship was created.

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The Charitable Gift Annuity
by James E. Prout, Esq., Vice Chair, Northeast Health Foundation

If you are looking for a way to receive a guaranteed income for life, limit your investment risk, receive a tax deduction and benefit a charitable organization, all at the same time, you may find the charitable gift annuity to be a helpful planning technique. The charitable gift annuity is not new. Donors and charities have used charitable gift annuities for many years to their mutual benefit. However, today’s low-interest rate environment makes this method especially attractive to donors who are interested in a fixed stable return for life that exceeds the two to three percent being offered for short-term certificates of deposit.

What is a charitable gift annuity?
The charitable gift annuity is established by a simple written contract between the donor and the charity. Under the terms of the contract, the donor agrees to transfer cash or securities to the charity. In return, the charity agrees to pay a fixed income amount for life to one or two people. The fixed income amount is paid monthly, quarterly, semiannually or annually, as directed by the donor in the contract. The annuity can be paid to the donor, or to the donor and the donor’s spouse, or to one or two other people designated by the donor.

The annuity can begin immediately or it can be deferred. With a deferred charitable gift annuity, the payments do not begin in the year that the gift annuity contract is established, but at some future date, chosen by the donor. For example, a donor might defer annuity payments until he or she reaches retirement, or a donor might establish a gift annuity contract to make annuity payments to a grandchild when the grandchild reaches college age.

What is the payout rate on the charitable gift annuity?
The payout rate depends on the age of the annuitant or annuitants. The older the annuitants, the more charities can agree to pay. Many charities use the payout rates published by the American Council on Gift Annuities.

Gala 2005
With 468 people in attendance, Gala 2005 was a great success. The annual event was held on January 15 at The Albany Marriott and more than $105,000 was raised to benefit Albany Memorial and Samaritan hospitals. Proceeds from this year’s Gala will be used to expand an energy of the Founding members of the hospitals. Proceeds from this year’s Gala will be used to expand an exciting new technology—Computerized Physician Order Entry (CPOE).

The highlight of the evening was the presentation of the Founders’ Awards which honor individuals who exemplify the spirit and energy of the Founding members of the hospitals. This year’s awards were presented to J. Michael Brennan, Melody A. Bruce, MD, Robert G. Burke, and Ramon A. Fabregas, MD, FACC.

A special thanks to event sponsors:

PLATINUM
Albany Memorial Anesthesiologists, PC

GOLD
Capital Cardiology Associates, PC

SILVER
Albany Associates in Cardiology, a division of Prime Care Physicians

BRONZE
Bank of America
Capital District Gastroenterology & Liver Disease, PC
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Capital Region Pathologists, PC
Carter, Conboy, Case, Blackmore, Maloney and Laird, PC

COPPER
AOW Associates, Inc.
BBL Construction
KPMG LLP
LaRette Manin Benefits Service Group

Chart of Returns

Is there any investment risk?
The annuity payments are not tied to the investment return of the charity, but are fixed for life, and are guaranteed by the charity.

Are there any Tax Considerations?
A donor who itemizes deductions gets an income tax deduction in the year that the cash or securities are transferred to the charity. The deduction is not for the full value of the cash or securities transferred, because the donor (or his or her designated annuitant) is receiving something back from the charity in the form of the annuity payments. The IRS publishes tables from which the amount of the gift, and thus the amount of the income tax deduction, can be determined. Until the annuitant reaches the age representing his or her life expectancy, a portion of each annuity payment will be a tax-free return of principal.

What’s the bottom line?
For donors who wish to live well while doing good, the charitable gift annuity offers a unique opportunity. Without the fees sometimes associated with sophisticated charitable planning techniques, a donor can make a gift to Northeast Health, and receive fixed income payments for life that are partially nontaxable. If you have questions about this technique or need additional information, please contact Karl Cote’, vice president, Northeast Health Foundation, 2224 Burdett Avenue, Troy, NY 12180, or phone him at (518) 271-5025.
James Reed, MD, Appointed President and Chief Executive Officer of Northeast Health

We are pleased to announce that James Reed, MD, has been appointed president and chief executive officer of Northeast Health, replacing retiring longtime president and chief executive officer, Craig Duncan.

Dr. Reed joined Northeast Health as executive vice president and chief medical officer in 1999. The following year, he was appointed chief operating officer, adding to his role as chief medical officer (CMO).

Dr. Reed has nearly three decades of experience in healthcare and corporate operations. Before he joined Northeast Health, he had served on its board of directors.

Dr. Reed has a bachelor’s degree in economics from Amherst College in Amherst, Mass.; a master’s degree in business administration from the Wharton School of the University of Pennsylvania; and a medical degree from Cornell University Medical College, Manhattan. Prior to his medical career, he was manager of strategic planning, and manager of acquisitions and divestitures at Union Pacific Corporation. He also served in a number of management positions for the International Paper Company, including director of corporate finance.

Prior to joining Northeast Health, Dr. Reed was a partner in the private family practice group, Partners in Family Medicine. A resident of Latham, he is a diplomate of the American Board of Family Practice.

Dr. Reed currently serves on the New York State Hospital Review and Planning Council, as well as the board of trustees of The Sage Colleges, the United Way of Northeastern New York, the Troy Redevelopment Foundation, and the Rubin Dialysis Center. He is also on the advisory boards of the Medical Liability Mutual Insurance Company and the Graduate College of Union University, and a member of The Business - Higher Education Roundtable.

He is frequently called upon to lecture both nationally and internationally on healthcare quality and the application of technology in healthcare. He is quoted in numerous periodicals, including HealthLeaders and Hospitals & Health Networks’ Most Wired Magazine.

Welcome Aboard!

Darcy Mack
Northeast Health Foundation is pleased to welcome Darcy Mack as its database specialist. Prior to joining the foundation, Darcy was a software business analyst with Johnson & Johnson and Chase Manhattan Bank. Darcy also worked for several fundraising organizations, including the National Office of the American Cancer Society and Catholic Charities. A graduate of the College of Saint Rose, Darcy resides in Wynantskill with her husband, Tom and daughter Brigid.

For information about supporting Northeast Health, contact Northeast Health Foundation at 274-0190, 274-0192 (fax), 2224 Burdett Ave., Troy, NY 12180.

If you wish to have your name removed from our fundraising request list, please contact Northeast Health Foundation at 2224 Burdett Ave. Troy, NY 12180, or call us at (518) 274-0190. You can also e-mail neh.Foundation@nehealth.com.