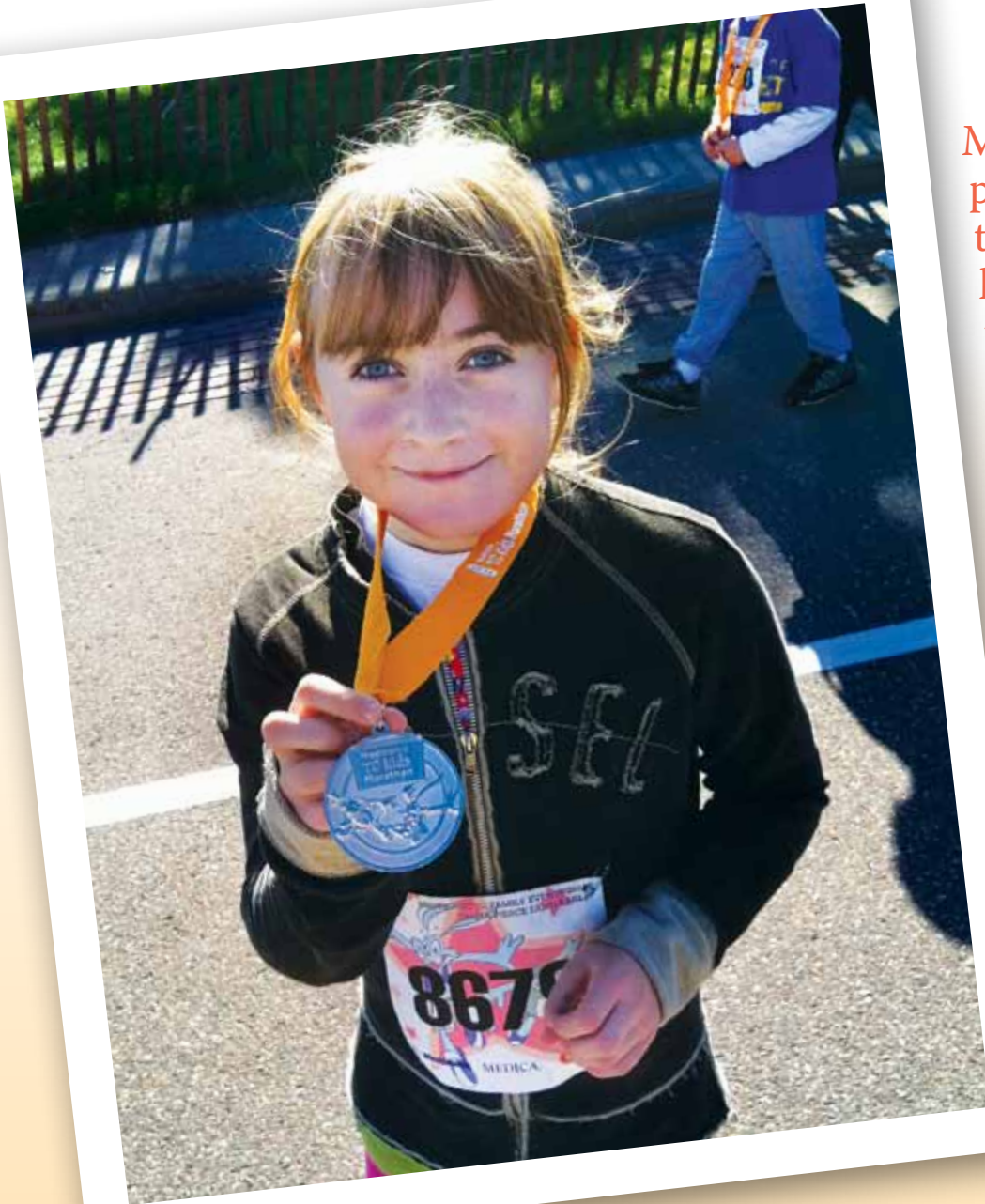




HEALTHWELL
FOUNDATION®

When health insurance is not enough.®



Making it possible for thousands like Sophie to cross their own finish lines

2010 highlights

Granted more than \$144 million in awards to over 54,500 patients

Launched new funds to help patients with Hepatitis B or C, Cytomegalovirus (CMV) disease, Dupuytren's disease, and Post-menopausal Osteoporosis (PMO)

Handled over 240,000 calls and processed more than 100,000 applications and 370,000 claims. This represents a 25% growth over 2009

Unveiled a new and more user friendly interactive phone system that allows callers to access more information about their grants 24 hours a day, 7 days a week, 365 days a year

Spread our message with over 100 million media impressions in news outlets, including *Wall Street Journal*, *AARP The Magazine*, *Chicago Tribune*, *St. Petersburg Times*, *Yahoo! Finance* and *CNN.com*

Premiered new HealthWell video featuring six grant recipients to spotlight the ever-growing crisis of the underinsured

Launched new outreach initiatives to diversify support, including a planned giving and mobile giving campaign

Recognized by *Forbes* as one of the most efficient charities in the country for a third year in a row. HealthWell is the only organization in its field to achieve 99 percent fundraising efficiency



Asthma is no longer stopping Sophie

"I am very grateful for your generous donation for my daughter's asthma medication. Each month we have to come up with about \$300 for her meds. Since I lost my job in February, I have had a very difficult time paying for all of our needs. My daughter's medication is a paramount need.

At no time in my life have I had to ask for help. In fact, I have tried to help others. I simply can't express to you how grateful I am that I found your foundation. I don't know who any of you are, your motivations for generosity, whether faith based or simply humanitarian. I can only say thank you! Whoever is paying for my daughter's asthma medication . . . thank you! Whoever you are, wherever you are. You not only help my daughter breathe, but you are the reason people around the world live better lives. You are the donors of the world."

—Patrick, *Sophie's father*
Minneapolis, MN

View other stories like Sophie's



All too often, health insurance is not enough

For many Americans, having health insurance does not mean being able to afford the critical medical treatments they desperately need.

This gap is all too common in America. The number of underinsured adults — those whose health insurance is inadequate to cover costs for prescription drugs and who have high financial burdens associated with their copayments, coinsurance, deductibles and health insurance premium obligations — rose by 80 percent between 2003 and 2010, affecting 29 million people by 2010. Low-income families are most at risk of being underinsured, but in 2010 the risk of being underinsured rose up the income scale. This year, 16 percent of adults with incomes between \$40,000 and \$60,000 were underinsured, compared to just 5 percent in 2003.¹

The HealthWell Foundation® is an independent, non-profit organization that is committed to closing this gap. We provide financial assistance to insured individuals living with chronic and life-altering illnesses who cannot afford their prescription drug copayments, deductibles, and health insurance premiums.

As patients are required to pay a larger share of health care costs each year, out-of-pocket expenses for essential medications can add up to hundreds or thousands of dollars a month — *even for people with insurance.*

When medical expenses become too large, patients forego care or basic necessities such as groceries, rent and mortgage payments. They may cut pills in half to make them last longer, a potentially harmful practice, or give up life-sustaining treatment to send a child to college. Many go bankrupt as 60% of US bankruptcies are related to medical expenses.

Our vision is to ensure that no patient, adult or child, goes without essential medications because they cannot afford them. Since 2004, we have helped more than 150,000 patients afford their medical treatments and lead healthier, more fulfilling and productive lives.

Thank you for helping our patients thrive when health insurance is not enough. Your support is more important than ever as demand for our services continues to grow.

Together we are making a very big difference in so many lives.

¹ Commonwealth Fund, Sept. 2011.

“I wouldn’t be walking or moving if it weren’t for HealthWell. They have saved my life. Nothing I could ever do could ever repay them.”

– Matthew (Los Angeles, CA)

From our Board Chair



STEPHEN M. WEINER

In 2010, HealthWell built upon its successes and initiatives, and continued to observe the effects of national health care reform on its mission.

Last year, I wrote that the legislation would be of great benefit for the uninsured of America but it would be less beneficial for the underinsured. I predicted that we would still see an enormous and probably increasing demand for HealthWell’s financial support. That prediction has proven accurate.

In 2010, HealthWell granted more than \$144 million to individuals, the highest one-year amount in our history.

As we fulfilled these funding requests, we also continued to monitor the changes taking place in the health care arena, assess how those changes impact the people we serve and create flexible services and options to meet our mission. Regular fund reviews enable us to ensure that we are addressing needs that might otherwise go unattended, continually seeking new funding to avoid closing funds, and creatively formulating new funds that serve more people.

Our operations and support systems are functioning at the highest level of efficiency. At the same time, our overhead remains exceptionally low and 100 percent of donor dollars go directly to patients in need. We follow and set “best practices” among patient support foundations. We

take pride in being lean so we can stretch our dollars and provide maximum direct financial support. This is our mission and our commitment.

This year brought us a new opportunity to inform the medical profession and raise awareness of the challenges of underinsurance via studies we commissioned. We have been working with two remarkable young researchers, one at Duke and one at the University of Pennsylvania. Using information from HealthWell beneficiaries who had consented to participation, they explored the very personal decisions underinsured people make to balance the costs of their care with other financial priorities. The preliminary results of one of the research projects received wide publicity in the spring of 2011.

Even if the implementation of health reform is successful, I can predict that in 2011 we will face further escalation in demands for our help.

We are grateful that our donors continue to recognize the need for our services and maintain their generous support for what we do, and that our base of support is growing. We could not do this work without you.

Warm wishes,

A handwritten signature in black ink that reads "Stephen M. Weiner".

Stephen M. Weiner
Board Chair

Independence for John

In December 2006, I was diagnosed with Glioblastoma Multiforme, a rare form of brain cancer with a life expectancy of about 15 months. I was 23 years old, a new college graduate and working as a financial analyst. Four years later, I am a survivor thanks to the support of a great family, doctors and the HealthWell Foundation.

Prior to my diagnosis, in June 2006, I began to have periodic seizures. I would breathe rapidly, my eyes would dilate and my heart would race. They would only last about 20 seconds, and once they were over I would be completely normal again. Doctors had a difficult time trying to figure out what was happening, until that November when I suffered a seizure at my neurologist's office. He scheduled an MRI right away.

When I was diagnosed, I had health insurance through my job, so I was able to get the treatment I needed. Eventually I couldn't work and I had to switch to a supplemental insurance plan that was expensive and really hard to manage.

Through all of this, my family has been an incredible source of strength and support, but we've struggled to make ends meet with medical bills for chemotherapy and medication adding up to more than \$2,000 per month.

In 2010, my doctor referred me to the HealthWell Foundation. I was so grateful to be accepted. The extra help they provide means I don't have to rely so much on my parents for financial help, so I can live more independently. That means a lot to me.

Several years after my diagnosis, I'm doing really well. And I'm telling my story all over the place. For example, my assist dog Dreamy and I went to San Francisco to talk about my experience to people in the health care and medical research industry. I have a fuller life as a result of the support I've received from the HealthWell Foundation and I can't thank them enough!

—John
Alpharetta, GA



"...we've struggled to make ends meet with medical bills for chemotherapy and medication adding up to more than \$2,000 per month."

“I work in dialysis centers. Secondary hyperparathyroidism is a common problem with dialysis patients. Without the help of the HealthWell Foundation, many of our patients would face excessive metabolic bone disease, high calcium and phosphorous levels, and calcification of peripheral arteries, mitral valves, and general vasculature that could be avoided or minimized. On behalf of the 150 patients I help care for, thank you.”

– Scott (Hendersonville, NC)

From our President



MARY P. SUNDEEN

Over the past year, it seems that uncertainty has been ever present in our nation. It was most certainly present in our conversations with patients, providers and donors and it was the shawl wrapped around major issues such as employment, health care, and prescription drug costs. Uncertainty also touched the lives of millions of Americans when they received a new diagnosis, or lost their jobs, and didn't know how they were going to pay for medications they desperately needed to survive. Thankfully, many people in just those situations found their way to the HealthWell Foundation. People like Sophie — the little girl on our annual report cover this year — and her hardworking father who experienced a sudden change of circumstance that made it impossible for him to afford the very medication that helped his daughter breathe. We touched their lives — and they touched our hearts. Theirs is but one of the thousands of health success stories that were made possible this year through the gifts of our munificent donors.

While overall uncertainty, combined with downward-trending economic conditions, could have provided a credible excuse for donors to reduce, or decline, financial support of the HealthWell Foundation, we saw the precise opposite. **In full realization of the extreme difficulties faced by so many Americans living with life-altering and life-limiting illnesses — our donors gave more in 2010 than they ever had before.** And another stunning trend revealed itself: the majority of our individual gifts came

from the very people we had helped just one year earlier. Many of our individual donors are still battling serious health concerns, yet they were strengthened at a critical time by a HealthWell grant and now wish to provide the same opportunity for others. We were, and remain, touched by their kindness in immeasurable ways.

Through the generosity of our donors, both individual and corporate, we did not reduce our efforts in the midst of the recession — instead, they were amplified. We launched new funds and provided direct access to an armamentarium of drugs and therapies for over 54,500 people. By working together, we gave thousands of patients improved opportunities for positive health outcomes and proper disease management.

On behalf of our Board of Directors and staff, I extend my heartfelt thanks to each of our donors and to each of the exceptional individuals we met this year through our grants program. You have enriched our lives significantly.

We have challenging work to do, in very challenging times, but in partnership, I know every goal to be achievable.

With warm regards,

A handwritten signature in dark ink, appearing to read 'MPSundeen', written in a cursive style.

Mary P. Sundeen
President

A breath of hope for Joji

How do you say thank you to an angel?

That's what the HealthWell Foundation has been to me, and that's why "thank you" doesn't even begin to convey the depth of my gratitude. I've had rheumatoid arthritis for five years. When my doctor told me about a new arthritis therapy, I finally felt real hope that it might change my life.

Then I found out what it cost.

I'm a disabled widow living on a very modest fixed income. And even with my insurance coverage, the co-pay would simply have been too much. It seemed that change in my life might not be coming after all. That's when I found out about something else. I found out about HealthWell.

From my very first call to HealthWell, I knew your organization was different. Your agents were wonderfully kind and — unlike other organizations — not at all condescending. They quickly approved a grant to enable me to receive the therapy, and it has indeed changed my life. I don't mean just the medication — although that has been very effective in treating my arthritis. I mean the breath of hope that HealthWell gave me, and that I know you've given to so many others.

—Joji
Orem, UT



"They quickly approved a grant to enable me to receive the therapy, and it has indeed changed my life."

“This is the first time in our fifty years together that someone reached out and helped us.”

—Jerry (Cruces, NM)

The diseases we cover, the individuals we help

In 2010, we assisted over 54,500 insured individuals in affording their medical treatments in the following disease areas:

Acute Porphyria
Age-Related Macular Degeneration
Anemia Associated with Chronic Renal Insufficiency/Chronic Renal Failure
Ankylosing Spondylitis
Asthma, Moderate to Severe
Breast Cancer
Carcinoid Tumors and Symptoms Related to Carcinoid Tumors
Chemotherapy Induced Anemia
Chemotherapy Induced Neutropenia
Colorectal Carcinoma
Cutaneous T-Cell Lymphoma
Cytomegalovirus
Dupuytren’s Disease
Glioblastoma Multiforme and Anaplastic Astrocytoma
Head and Neck Cancer
Hodgkin’s Disease
Idiopathic Thrombocytopenic Purpura
Immunosuppressive Therapy
Iron Overload Due to Multiple Transfusions
Multiple Myeloma
Myelodysplastic Syndromes
Non-Hodgkin’s Lymphoma
Non-Small Cell Lung Cancer
Psoriasis
Psoriatic Arthritis
Rheumatoid Arthritis
Secondary Hyperparathyroidism
Wilms’ Tumor

Our grant recipients have health insurance, either private insurance or Medicare/Medicaid. Because of their plan and/or income, they cannot afford the copays and other direct costs left over after insurance pays its share

Our patients’ average income by household size is between 155% and 184% of the Federal Poverty Level (155% = \$16,700 for a 1-person household; 184% = \$40,600 for a 4-person household)

Average grant amount in 2010: \$2,400.00

Top ten states assisted: Arizona, California, Florida, Georgia, North Carolina, South Carolina, Ohio, Pennsylvania, Tennessee and Texas

Age: 65+ (56%), 50-64 (31%), 35-49 (11%), below 35 (2%)

Gender: 67% women, 33% men

45% of our patients live in a household of 2

50% of our patients are single, 49% are married, and close to 1% are minors

Referral Sources: Providers (35%), Other Copayment Foundation (21%), Reimbursement Hotline (20%), Pharmacy (9%), Other Sources (8%) and Social Workers/Case Managers (7%)

Disease Areas: Oncology (38%), Autoimmune and Arthritis (32%), Nephrology (21%), Other Conditions (6%), and Blood Diseases (3%)

While we are able to assist over 50,000 people each year, there are many other callers we have to refer to other resources or turn away. We continually work to raise additional resources to open more funds and serve more people.

“I am a stage four kidney failure patient. Without the help of the HealthWell Foundation, I wouldn’t be able to receive my treatment which gives me energy to get through the day. I live on a limited income but I find it in my heart to give to this great foundation. With the economy being as it is, if we all could just give a little what a difference it would make.”

—Brenda (Charlotte, NC)

Restoring health nationwide — a success story thanks to our donors

Our Donors

HealthWell receives corporate and individual donations from a variety of sources, ranging from pharmaceutical manufacturers and other health care organizations to individuals who are touched by the work we do. Many of our more than 10,000 individual donors are the very patients and families that we have assisted.

Under guidance governing copay foundations issued by the Office of Inspector General, we may not disclose the identity of our donors. This helps ensure that we are able to operate independently and in the best interest of our patients.

We are extremely grateful to our donors for making our program possible and for allowing us to provide hope and help to thousands of patients in need through their generosity.

Our Supporters and Partners

We also work with hundreds of organizations and businesses — some of whom are also donors — to help us fulfill our mission by providing information to patients; enhancing our program services; and raising awareness about copayment assistance. We want to recognize a number of organizations for their support of the HealthWell Foundation.

AB Data
Accredo
American Cancer Society
Association of Community Cancer Centers
Association of Oncology Social Work
BioMedical Insights
CVS/Caremark
CancerCare
Covance Market Access Services
DaVita
Document Management Solutions
Hunterdon Hematology Oncology
InterCall
McKesson
Metropolitan Group
Mid-Atlantic Renal Coalition
Mintz, Levin, Cohn, Ferris, Glovsky and Popeo P.C.
National Brain Tumor Society
National Kidney Foundation
Ober | Kaler
Pitney Bowes
Prescription Solutions
Raffa & Co.
Ricoh
Tri-State Hematology & Oncology
Tennessee Cancer Specialist
Tennessee Oncology
THC of Nevada
US Oncology
VoxVerde

Connect with us online:

 Facebook.com/healthwellfoundation

 Twitter: @HealthWellOrg



Would you like to make a difference with us?

Corporate Giving

Corporations are significant supporters of our mission and have come mainly from the pharmaceutical and health care industries. Opportunities are available to launch new programs and cause marketing campaigns or to support one of our current disease funds. We are also engaging other industries and companies across the corporate sector to support our mission through corporate and matching gifts and workplace giving campaigns. Several new companies have already joined us this year. We welcome the opportunity to create the program that's right for you.

Planned Giving

Grateful recipients of our assistance are paying it forward to help others in need by remembering HealthWell in their wills. This year we launched a formal planned giving program so we can acknowledge the generosity of those who have already named HealthWell as a beneficiary, and to encourage others who believe in our work to consider making a planned gift as part of their legacy.

Individual Giving

There are a number of ways to make a tax-deductible gift, including direct giving; mobile giving; workplace and matching gifts; planned gifts and estate planning. For example, through our new mobile giving campaign, supporters now can simply text GIVEMEDS from their cell phone to 20222 and donate \$5 to HealthWell. Your generous gift at any level will help patients pay for life-changing medical treatments they otherwise would not be able to afford.

The Simple Gift of the Story

One of the best ways to inspire new donors to give to HealthWell is to share stories of our work. To make it even easier for recipients to tell their stories and for others to spread the word, we are developing a new Facebook storytelling application. Please visit us at www.facebook.com/healthwellfoundation.





We continue to develop strategic fundraising opportunities that allow new donors to join us, and that increase our effectiveness. To learn more about any of these opportunities or to discuss a new idea, please contact our Development Office at 240-632-5300.

“One of the most efficient charities in America.”
— **Forbes**

We change lives, you can too

Ranked one of America’s most efficient charities for a third year in a row by *Forbes*, HealthWell ensures that your generous gift directly supports patients in need. All administrative and fundraising costs are financed by HealthWell and are not taken out of your donation.

Individual gifts

-  Give online: www.HealthWellFoundation.org
-  Text **GIVEMEDS** to **20222** – \$5 donation
-  Phone: HealthWell’s Development Office
240-632-5300
-  Mail: Make your check payable to the HealthWell Foundation and mail to:

HealthWell Foundation
9801 Washingtonian Boulevard, 9th Floor
Gaithersburg, MD 20878

Corporate partnerships, planned gifts, workplace gifts and appreciated stock donations

-  Phone: HealthWell’s Development Office
240-632-5300
-  Email: support@healthwellfoundation.org

*Our financial information can be obtained by contacting us at the above address or by visiting our website at www.HealthWellFoundation.org.

By using a green printer and a 100% recycled paper we conserved 33.6lbs. of wood, 33.6 gallons of water, 7.3lbs. of solid waste and 12.4lbs. of greenhouse gases in the creation of this annual report.

BOARD OF DIRECTORS

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Wai Boger
Accountant

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Executive Assistant

Our 2010 Finances

REVENUE AND EXPENSE SUMMARY

Expense Ratios

Management	1.30%
Education and Outreach	.26%
Fundraising	.26%
Patient Grants and Services	98.18%

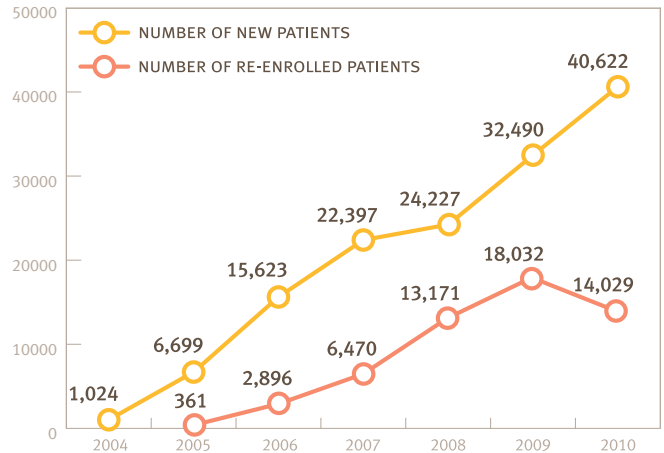
Revenue

Donations and Other Income	\$ 77,404,453
Interest Income	\$ 799,850
Total Revenue	\$ 78,204,303

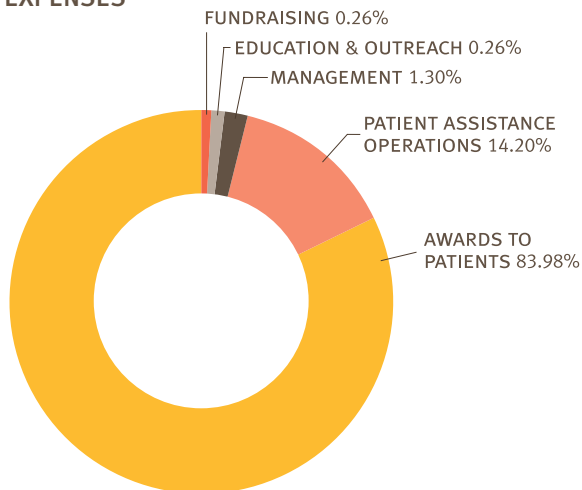
Expenses

Patient Grants and Services	\$ 98,473,986
Management	\$ 1,307,916
Education and Outreach	\$ 261,849
Fundraising	\$ 260,794
Total Expense	\$100,304,545

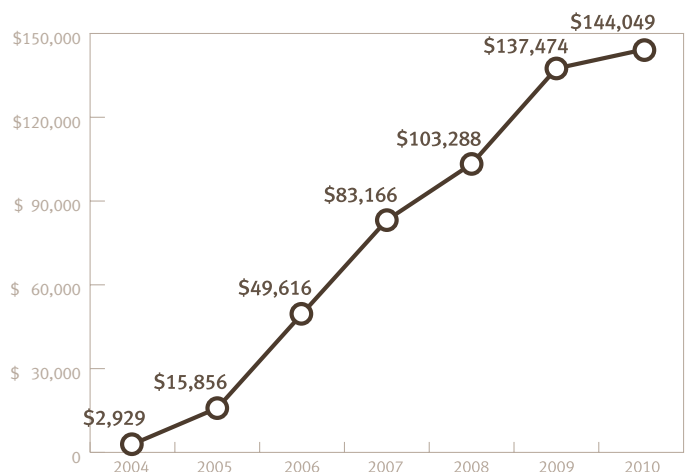
PATIENTS ASSISTED – RISE IN DEMAND FOR OUR SERVICES DUE TO ECONOMIC CONDITIONS



EXPENSES



GRANTS AWARDED – MEETING THE RISING DEMAND THROUGH THE GENEROSITY OF OUR DONORS



HealthWell's Grant Process

To ensure continuity of care, we award a grant to a patient for an entire year. However, not every patient uses his or her full grant. In these cases, we reallocate the unused grant to other patients in need as quickly as possible. This means we award some of our grant dollars more than once. In fact, in 2010, we re-awarded \$54 million in grants to other patients in need.

Statement of Financial Position

Assets

Cash and cash equivalents	\$	47,740,703
Pledges receivable		2,000,000
Interest Receivable		434,837
Deposits		741,851
Investments		36,059,719
Computer Software and Equipment, net		109,863
TOTAL Assets	\$	87,086,973

Liabilities and Net Assets

Accounts payable and accrued expenses	\$	1,363,916
Patient commitments payable		34,116,862
TOTAL Liabilities	\$	35,480,778

Net Assets

Unrestricted	\$	2,152,091
Temporarily restricted		49,454,104
TOTAL Net Assets	\$	51,606,195

TOTAL LIABILITIES & NET ASSETS	\$	87,086,973
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WWW.BARBARAKORNFELDARTS.COM

The HealthWell Foundation would like to thank Barbara Kornfeld of Boulder, Colorado for donating the image of her painting, “Hope for Peace.” Barbara, who is living with post menopausal osteoporosis, told us she made this generous offer to express her gratitude to HealthWell for helping people like her pay for the costly treatments they need to fight chronic and life-altering medical conditions. She says HealthWell has made it possible for her to continue to make art and to make contributions in her own way to the lives of others.