Every aspect of The Institute for Transfusion Medicine’s (ITxMSM) impact lives—from our nationally recognized public cord blood program to the patients treated by our Therapeutic Apheresis department; from the ability of Clinical Services to type and match a rare blood recipient to our state-of-the-art donor testing lab and from our blood centers, which distribute hundreds of thousands of products each year to the patients in the more than 100 hospitals we serve.

Business, like life, is a journey full of hope and promise, but also burdened by detours, challenges and the unknown. Success depends on knowing where you’re headed, how to navigate the challenges and the best way to get there.

These are evolving times in the transfusion medicine field. Healthcare reform uncertainty, pricing pressures, identification and implementation of new technology and reduced blood needs at our hospitals contribute to these conditions. Now more than ever, it’s critical to have a strong sense of direction.

Operational Excellence helps define our direction because it defines our primary market discipline focus; it ensures we deliver reliable products and services at competitive prices, with minimal difficulty or inconvenience for our customers. Leveraging our strong operational efficiencies allows us to contain cost and improve the bottom line in this tough environment.

In this year’s annual report we are pleased to share with you how our focus on Operational Excellence has begun to offset negative market forces to keep our path clear. Smoothly transitioning our Chicago corporate headquarters to a new location is one example of the type of success we celebrated in Fiscal Year 2011 (FY11).

We have traveled far, thanks to the hard work and dedication of our employees, customers and partners, but there’s still plenty of open road ahead.
In the communities serviced by ITxM, the two blood centers – LifeSource in Chicagoland and Pittsburgh-based Central Blood Bank – serve as our primary landmarks. On many levels, the blood centers fuel ITxM community growth.

This past year wasn’t without challenges for the blood centers and the industry. FY11 saw significant declines in hospital demand for all blood components driven by hospital consolidations, heightened supply chain focus for blood purchases and continued industry efforts to improve blood utilization. In addition to these product demand shifts, the continuing sluggish economy negatively impacted donor group staff levels (fewer employees) and attitudes toward giving. Despite these obstacles, growth was accomplished in key collection areas.

Mobile collections grew approximately 2 percent, with the Pittsburgh market leading with approximately 3 percent growth over prior year collections. Automated red cell collections represented the highest percent of overall collections in our history. Mobile collection increases were powered by the implementation of several new blood programs and by enhancing key donor group relationships.

Sustained collections growth can be achieved through multiple paths. Our strategy reflects an organizational emphasis focused on increasing donor frequency and retention. Donor experience impacts both metrics—the more fulfilling the donation experience, the more likely a donor will be to return and donate.

In FY11, after diligent preparation, the blood centers began implementing DonorID, a new computer-based system that fully automates donor registration, health history screening and phlebotomy documentation. During FY11, DonorID was successfully implemented at all ITxM Community Donor Centers (33 locations in Pittsburgh and Chicago).

Our staff and donors responded favorably to the DonorID process, finding it preferable to the manual method. Moving to a fully electronic donor record, ITxM blood centers have decreased the potential for documentation errors and omissions, improving donation safety, reducing costs and enhancing the donation experience for our donors and staff.

Following the same road to success, enhanced system-wide inventory management strategies strengthened our ability and efficiency for leveraging blood component inventories across the Chicago and Pittsburgh markets. This strategy has improved our ability to deliver the right product at the right time to the right patient. Additionally the frequent blood sales program has been used to supplement the combined market inventories, resulting in fewer blood product imports and fewer outdated products – another example of how our pursuit of Operational Excellence delivers strong results.

Organizationally FY11 saw the seamless relocation of ITxM/LifeSource offices from Glenview, IL to a new state-of-the-art facility in Rosemont, IL. This move provides the organization increased space, improved operational processes, greater access to transportation hubs and an environmentally responsible footprint.

Substantial alignment of processes and resources occurred during FY11, driving operational efficiencies and cost savings. These initiatives, such as the creation of an Enterprise Data Warehouse, which will contain collections, manufacturing, appointments, distribution data and established targets, will be expanded in Fiscal Year 2012 (FY12), to deliver further cost reductions and enhance the donation experience.

While blood centers across the nation continue to chart new paths in a changing environment, ITxM will continue to be a leader in the industry.
Blood Science Foundation  |  Founded almost 60 years ago, the Blood Science Foundation provides philanthropic support to not-for-profit research and educational organizations that fit the mission of ITxM. The Foundation advances, promotes and supports the expressed purposes of ITxM and the transfusion medicine community, making some of the key milestones highlighted this year possible.

Each year, the Grant Review Committee is challenged to increase the scope of Foundation-funded projects, raising ITxM leadership efforts to a higher level. This year, the Foundation made new commitments totaling $171,000 for education and research purposes.

In addition to supporting new projects in FY11, the Blood Science Foundation continued its funding of active projects, allocating $916,000 this fiscal year bringing the total financial commitment to more than $1 million.

Currently, there are discussions with various tax-exempt organizations whose initiatives align with that of the Blood Science Foundation for future partnerships.

Financial donations aside, in FY11, ITxM revised its cash management processes to transfer excess cash to the Foundation to maximize investment earning potential. Making this change enabled ITxM to invest additional monies and maximize the return on investment. Ensuring strong processes like this help guarantee funds are available for future efforts that advance transfusion medicine and the institutions, medical facilities, research facilities and, most importantly, the patients that it supports. As of June 30, 2011, Foundation assets have grown to more than $90 million, an increase of 25 percent from the prior fiscal year.

The efforts noted above are key steps toward sustaining the lifesaving mission of ITxM for the future.
ITxM Clinical Services

Working with medical professionals from around the world, ITxM Clinical Services specializes in the delivery of evidence-based transfusion medicine services that benefit the hospital, the doctor and the patient. Clinical Services also provides immunohematology-reference testing and manages Pennsylvania’s only public cord blood bank, The Dan Berger Cord Blood Program.

The move of the Clinical Services Chicago laboratories into the new corporate facility in Rosemont afforded Clinical Services the opportunity to map out a successful redesign of its cord blood operating space. Adhering to our market discipline of Operational Excellence, the new workspace was driven by lean Six Sigma methodologies and includes the bulk distribution of LN2 (a liquid nitrogen dry shipper material needed to preserve the cord blood) and a clean room where all product handling is completed.

These enhancements were essential for ITxM to proceed with a cord blood unit licensure with the Food and Drug Administration (FDA). The move to Rosemont also provided Clinical Services with the space required to accelerate growth in an untapped Chicago market and beyond.

Other key advancements for Clinical Services this past year reflect the emphasis ITxM places on employees and technology. The development of additional IT interfaces with our Centralized Transfusion Services (CTS) customers eliminated paper order requisitions. Orders are now immediately transmitted to transfusion services staff who complete the request. The change has increased the quality of service, enhanced the security of patient data and delivered an environmentally responsible solution in line with ITxM’s core values.

Shifting gears from technology to employees, Clinical Services completed a blood bank training class for four transfusion services staff members in FY11. In response to a market deficiency of qualified and experienced medical technologists, Clinical Services developed a classroom and laboratory training program for existing support staff that have a baccalaureate degree in the sciences. At the completion of the training, staff members are eligible to sit for national certification as blood bank technologists.

The constant drive toward improvement is a hallmark of ITxM, but the development of the new lab space, implementation of technology and aggressive staff training is also being driven by external forces. Hospitals remain under financial pressure to find cost-effective alternatives to existing services. The Clinical Services operational model will remain stable to offset these external influences – continued staff training and strong promotion of our medical experts full utilization of industry technology and average of the opportunities the new Rosemont building offers us.

The road ahead for Clinical Services is lined with continued growth, especially in the Chicago market with the expansion of CTS.
last year’s volume by a significant number of procedures, well above FY11 plan. The program maintained Foundation for the Accreditation of Cellular Therapy (FACT) accreditation and implemented Good Tissue Practices (cGTP) as needed for cellular therapy programs. These activities set the stage for expansion at the end of FY11 with the implementation of a hemapheresis program in Chicago. Diagnostics will use key learnings and proven experience to create a successful presence in the new market in FY12.

Last year, Diagnostics began a strategic marketing and sales relationship with SpringFire Laboratory Network. SpringFire matches pharmaceutical, medical device and biotech companies with specialty clinical laboratories to provide superior clinical trial testing solutions. Diagnostics’ skills and expertise align well with the SpringFire model, as they have assembled pathology and genetics experts in a variety of therapeutic areas to support clinical trials for Clinical Research Organizations (CRO) and pharmaceutical companies.

This coming year, the group will continue to deploy Pathways to new and existing clients, train and expand implementation of Good Laboratory Practices (cGLP) in preparation for clinical trial work, upgrade the electronic medical record to enhance patient management and maximize reimbursement and expand the ITxM Hemapheresis program in Chicago.
On March 21, 2011, the LifeSource Donor Testing Laboratory relocated to the new ITxM facility in Rosemont, where it began operating in a 17,000-square-foot space – more than double the size of its previous space.

Driven by the focus on Operational Excellence, a lead Six Sigma process was used to design the laboratory layout. By doubling the size of the lab, we will enable the laboratory to participate in clinical trials and other research projects. Already several clinical trials have been scheduled for FY12.

Working with Quality Assurance staff, laboratory management designed the move, plus validation plans and other information, to obtain approval of the move by the FDA. Though it is a traditionally time-consuming process, ITxM was able to reach this destination in an expedited timeframe. Throughout the move, regulations and processes were meticulously maintained and communications from staff were timely and consistent, resulting in minimal client service impact.

In addition to the relocation efforts and achievements in FY11, the LifeSource Donor Testing Lab successfully implemented testing system and billing system interfaces to streamline financial reporting and ensure accuracy.

Focusing on outstanding service and high-quality standards, the LifeSource Donor Testing Lab will sustain growth in FY12, despite an increasingly price-competitive market. With the enhanced amenities from its new location, the LifeSource Donor Testing Lab will continue a strong tradition of excellence along with a promise of growth and innovation in the future.
Research

When it comes to research, ITxM transcends its regional prominence in Chicago and Pittsburgh and moves to the national stage. The organization’s commitment to research and its success in this field position ITxM as a leader in the industry, currently ranking among the top national blood centers.

In FY11, the organization experienced sustained growth. In March, ITxM medical staff received a multi-million-dollar seven-year National Institutes of Health (NIH) Blood Institute contract for the Recipient Epidemiology and Donor Evaluation Study (REDSIII). ITxM and its partner, UPMC, were awarded one of only four such US contracts. The study will use the comprehensive electronic health records at ITxM Clinical Services, Central Blood Bank and UPMC to perform outcomes studies on transfused patients, donor safety studies and studies to improve the blood supply.

ITxM is also one of a handful of institutions involved in the NIH-funded Transfusion Medicine Hemostasis Clinical Trials Network. Established in 2002, the network promotes efficient comparison of novel management strategies to potentially benefit patients with transfusion medicine and hemostatic disorders. One key research project led locally by ITxM investigators and partner hospitals demonstrated that low-dose platelets are efficacious in cancer patients. This was translated into practice by ITxM CTS to reduce the number of whole blood platelet doses for our patients. The reduced dose results in less donor exposure, less volume, lower cost and preservation of a scarce resource.

Impactful research can only occur with competent researchers. ITxM cares as much about the researcher as the research, which is why the organization drives a robust transfusion medicine fellowship training program. This past year, the transfusion medicine fellowship training program at ITxM and the University of Pittsburgh underwent an Accreditation Council for Graduate Medical Education site evaluation and received the highest level of commendation and a five-year accreditation renewal. In addition, the current fellow was successfully recruited to join the ITxM medical staff and strengthen our therapeutic apheresis capabilities. Other critical staff moves included the recruitment of Dr. Ron Strauss, a nationally known transfusion medicine expert, to enhance medical capabilities at LifeSource.

Research
Financials | The blood operations and lab services of ITxM generated more than $167 million in revenues and investment income for the fiscal year ended June 30, 2011. ITxM uses these revenues to ensure that the hospitals and customers we support have a sufficient supply of safe blood products to meet the needs of the communities they serve. Additionally, we utilize these revenues to upgrade equipment, technology and facilities to ensure that ITxM is a recognized leader in transfusion medicine.

In FY11, ITxM serviced approximately 180 hospitals and other customers in the Pittsburgh and Chicago communities. The organization distributed more than 383,000 red blood cell units and more than 346,000 units of plasma, platelets and other manufactured blood products. More than 48,000 diagnostic tests and procedures, 267,000 clinical services tests and 1,391,000 exterior donor panels were completed.

An expense reduction initiative partially offset the negative impact of the unstable healthcare environment and will generate returns expected in FY12 and beyond.

A better understanding of our operating costs to recruit, collect, manufacture and distribute blood products was applied to a pricing strategy that helped sign the majority of our full-supply blood customers to three- to five-year contracts. These long-term contracts will stabilize revenue generation to allow for a more systematic and structured way to remove costs from our operation.

We made equally substantial improvements in blood inventory management between the two blood centers and CTS to reduce unnecessary imports and outdates while maximizing blood product utilization.

Finally, completing the bond financing for the new home of LifeSource and implementing cash management procedures to maximize invested funds were also key financial milestones in FY11.

The Institute for Transfusion Medicine

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