



December 14, 2018

The Honorable Dave Case
The Honorable Jim Tibbs
The Honorable Rick Visser
Ada County Commissioners
200 West Front St.
Boise, Idaho 83702

RE: St. Luke's Ada County 2018 Report of Community Benefits

Dear Commissioners:

St. Luke's is pleased to present its 2018 Report of Community Benefit to the Ada County Board of Equalization. We believe the information contained in this report validates our ongoing and steadfast commitment to our not-for-profit mission, which provides real and tangible benefits to our community.

As an Idaho-based and community-owned health care organization, the mission of St. Luke's Treasure Valley medical centers is to improve the health of people in the communities we serve. As a not-for-profit organization, St. Luke's is committed to providing all patients with the highest quality health care, regardless of their ability to pay.

The information provided in this report is required by 63-602D, Idaho Code, which states that 501(c)(3) hospitals having 150 or more beds must file a community benefit report with the Board of Equalization by December 31 of each year. According to the Code, the report is to include a description of the process the hospital has used to determine general community needs that align with the hospital's mission. In addition, the report shall include the hospital's amount of:

- Unreimbursed services for the prior year (charity care, bad debt, and under-reimbursed care covered through government programs).
- Donated time, funds, subsidies, and in-kind services.
- Additions to capital such as physical plant and equipment.

To provide consistency and eliminate ambiguity, St. Luke's uses the standards outlined in the Catholic Health Association/VHA Guide for Planning and Reporting Community Benefit as the basis to gather and report data in accordance with 63-602D, Idaho Code.

The information contained in this document is intended to supply Ada County citizens and the County Board of Equalization with insight into vital benefits our community receives as a result of St. Luke's status as a not-for-profit health system. Like other safety-net services such as fire and police

protection, full-service community hospitals such as St. Luke's provide access to services 24 hours a day, 365 days per year, to everyone, regardless of their ability to pay.

It is important to note, however, that the full value of benefits provided to the community by not-for-profit hospitals cannot be measured solely by statistics, finances, or the data contained in this document. Beyond the benefits defined in this report, Idaho's residents also benefit by having full-service, not-for-profit hospitals whose missions, visions, and values are focused on the needs of patients rather than on providing financial returns to shareholders. Examples of the benefits provided to the community by St. Luke's are provided in the following pages of this report.

St. Luke's Boise and Meridian hospitals and supporting clinics include 11,065 employees and 1,047 volunteers. In addition 897 physicians have practice privileges at our facilities. The operations of St. Luke's Ada County facilities are overseen by the St. Luke's West Region Board of Directors, which is comprised of independent civic leaders who volunteer their time to serve. St. Luke's Western Region Board of Directors as of September 30, 2018 include:

Mr. A.J. Balukoff - Chairman
Bayo Crownson, MD
Ms. Kami Faylor
Chris Keller, MD
Ms. Pamela Lindemoen
Mr. Mike Mooney
Mr. Ron Sali
Mr. Bishop Brian Thom

Ms. Jill Calhoun
Mr. Darin DeAngeli
Mr. Dean Hovdey
Mr. Lloyd Knight
Mr. Paul Lodge
Catherine Reynolds, MD
Cliff Tenley, MD

1. NAME: St. Luke's Regional Medical Center, Ltd. (Ada County Locations)

2. FEDERAL 501(c)(3) TAX ID NUMBER: 82-0161600

3. GENERAL DESCRIPTION OF SERVICE AREA:

St. Luke's primary service area includes Idaho's Ada County, with its secondary service area covering southwest and south central Idaho and eastern Oregon. Certain tertiary service areas routinely provide care to residents from throughout Idaho and into its surrounding states.

4. SOURCE OF DATA:

Fiscal Year Ended September 30, 2018 unaudited financial reports plus unaudited internal records.

5. UNREIMBURSED SERVICES:

a. Total amount of charity care and bad debt at cost:

\$43,000,823 (charity care at cost: \$22,952,907; bad debt at cost: \$20,047,916).

St. Luke's provides health care to eligible patients without charge or at a reduced rate. Eligible patients include all patients, regardless of race, color, national origin, gender, age, disability, creed or religion, or ability to pay, who meet the financial guidelines, and are not eligible for any other form of assistance. The amount eligible for charity care is determined by established hospital policy and is based upon a sliding scale derived from the Federal Poverty Guidelines.

b. Cost of under-reimbursed services provided to patients covered by Medicare, Medicaid, County Indigency, and other government programs:

\$215,417,156 (Medicaid: \$27,978,448; Medicare: \$187,438,708).

c. Cost of other unreimbursed services not accounted for in other sections of this report: **\$0.**

6. COMMUNITY BENEFIT SERVICES, PROGRAMS, AND OTHER SPECIAL SERVICES OPERATED BELOW ACTUAL REIMBURSEMENTS:

The total unreimbursed value of “community benefit” services and programs operated by the hospital, donations, or subsidies or in-kind services to other 501(c)(3) organizations. Value noted here excludes any figures referred to in other sections of this report: **\$39,254,302.**

Community Benefit reporting format used: Catholic Health Association/VHA Guide for Planning and Reporting Community Benefit and adjusted to meet the requirements of Section 63-602D, Idaho Code as amended.

Examples of Community Services:

\$11,298,131 - Education of Health Professionals

A growing challenge for community hospitals is the shortage of qualified nurses, pharmacists, technicians, physicians, and other healthcare professionals. To help address this challenge, St. Luke’s invests in the education of health professionals. Examples of this investment include: scholarships for nursing students, support for faculty positions at Idaho universities, financial support of educational conferences, and investment in capital projects at Idaho universities that provide facilities for the education of future medical professionals.

\$1,520,593 - Family Medicine Residency of Idaho

The Family Medicine Residency of Idaho has been serving the citizens of Idaho and the Intermountain West since 1974. St. Luke’s collaborates with Saint Alphonsus Regional Medical Center to provide financial support and clinical opportunities to the residency.

\$4,425,049 - Community Health Improvement Services

Community health improvement services are an integral element of the benefits not-for-profit hospitals bring to the communities we serve. St. Luke’s provides a vast number of these services to residents, many of them for free or at low cost. Examples of these health improvement services include: community health and prevention education such as birth and parenting classes, outreach services to rural health care providers through Rural Connection, free community health screenings, a health window at the Mexican Consulate located in Boise, FitOne, KTVB nutrition news, detoxification and crisis mental health services through Allumbaugh House, and many others.

\$14,260,823 - Subsidized Health Services

In support of their mission, not-for-profit hospitals such as St. Luke’s will subsidize important health services in order to ensure they are available in the communities they serve. Examples of health services subsidized by St. Luke’s include: home health services; womens’ and childrens’ community education; the training and education programs for Air St. Luke’s, the organization’s medical air and ground transport service, and behavioral health services, and high school sports medicine services and many others.

\$3,836,253 - Medical Research

St. Luke's participates in a number of advanced clinical trials and community health research. The research conducted benefits both adults and children. Investing in advancing medical knowledge and improving outcomes through research is an important aspect of our mission as a community-based health care system and our commitment to providing the best care possible to our patients. The amount listed above is the amount of subsidy provided by St. Luke's to support medical research.

\$3,913,453 - Cash, In-kind Donations and Other

St. Luke's also supported local Ada County not-for-profit organizations by providing direct cash donations and meeting rooms at no charge. These not-for-profits included United Way, Ada County Paramedics, Treasure Valley Family YMCA, American Cancer Society, American Heart Association, Boise State University, Hands of Hope Services, Boise Rescue Mission and Boise & Girls Club of Ada County.

7. VALUE OF DONATIONS

Idaho's not-for-profit hospitals and the communities they serve depend on the philanthropic support the hospitals receive each year. Charitable donations often enable the hospital to initiate needed services, subsidize programs, fund research and outreach activities, and keep rates lower than may otherwise be necessary. Some donations are given to hospitals without restrictions, allowing the hospital to use those funds where they are needed most. Restricted gifts, often related to specific program grants, research, or capital projects, are used by hospitals only as specifically directed by the donor.

Donations received: **\$7,484,709**

Number of volunteer hours contributed to the hospital: **80,714**

8. ADDITIONS TO CAPITAL

Additions to capital including all expenditures for land, facilities, equipment, and other capital supporting the hospital's mission: **\$91,783,497.**

As a local, not-for-profit organization, 100 percent of St. Luke's revenue after expenses is reinvested in the organization to serve the communities in southwestern Idaho and eastern Oregon in the form of staff, buildings, or new technology. Examples of capital investments to improve access and services in order to meet community need in FY18 include:

- Significant investments in new facilities – Downtown Boise Campus Development

Since our founding in downtown Boise in 1902, St. Luke's has been committed to the health of the communities we serve. As Boise and the greater Treasure Valley have grown over the past 116 years, so have we, consistently building and upgrading our facilities to provide nationally recognized patient care and health-related services. St. Luke's proposed Master Plan for our Boise campus provides the blueprint by which we'll continue to meet the growing healthcare needs of the community.

The creation of the plan was guided by two fundamental priorities: First and foremost, the needs of our patients; and second, urban and transportation planning objectives. The result is a plan for a world-class healthcare facility that emphasizes patient safety and evidence-based design while incorporating significant and needed public infrastructure improvements that will enhance the overall connectivity of the surrounding area. Estimated cost between \$300

and \$400 million, the multi-year project also underscores St. Luke's economic commitment and benefit to Idaho's capital city - our home city. During FY'18, St. Luke's invested \$37,110,925 for architectural, planning, and project costs related to the expansion.

- Significant investments in information technology –

St. Luke's continued to invest significant financial resources during 2018 on the implementation of information technology. St. Luke's has invested \$14,960,888 in 2018 to upgrade key information technology infrastructure. This is to ensure the patients who come to St. Luke's for care, and the physicians and other clinicians who care for them, have access to reliable patient information. This access improves efficiencies, lowers costs, and most importantly, improves safety and quality for patients.

9. COMMUNITY NEEDS DETERMINATION PROCESS

In 2016, St. Luke's completed and published our 2016 Community Health Needs Assessment (CHNA). Our CHNA is designed to help us better understand the most significant health challenges facing the individuals and families in our service area. Through our CHNA process, our community's health needs were identified and measured through the analysis of a broad range of research, including:

1. The *County Health Rankings* methodology for measuring community health. The University of Wisconsin Population Health Institute, in collaboration with the Robert Wood Johnson Foundation, developed the *County Health Rankings*. The *County Health Rankings* provides a thoroughly researched process for selecting health factors that, if improved, can help make our community a healthier place to live. A detailed description of their recommended health outcomes and factors is provided in our CHNA.
2. Building on the *County Health Rankings* measures, **we gathered a wide range of community health outcome and health factor measures** from national, state, and local perspectives. We added these measures to our CHNA to ensure a comprehensive appraisal of the underlying causes of our community's most pressing health issues.
3. In addition, we took into account input from affected population groups in our region. Utilizing the results from this primary research, we conducted in-depth **interviews with local organizational leaders** representing the broad interests of our community. During this process our community leaders helped us define and rank our community's most important health needs, and provided valuable input on programs and legislation they felt would be effective in addressing these needs.
4. Finally, we employed a rigorous prioritization system designed to identify and rank our most impactful health needs, incorporating input from our community leaders as well as the secondary research data collected on each health outcome and factor.

The information, conclusions, and needs identified in our assessment will assist us in:

- Developing health improvement programs for our community
- Providing better care at lower cost

- Defining our operational and strategic plans
- Fulfilling our mission: “To improve the health of people in the communities we serve”
- Awarding our annual Community Health Improvement Fund grants to nonprofits committed to addressing the identified community needs

In addition, we completed our CHNA implementation plan and are executing on an extensive set of health improvement programs designed to address our community’s most significant health needs.

Stakeholder involvement in determining and addressing community health needs is vital to our process. We thank, and will continue to collaborate with, all the dedicated individuals and organizations working with us to make our community a healthier place to live.

The Community Board was established to provide insight into the local community health needs and function as the primary link between the mission of St. Luke’s Health System, Ltd., and the Treasure Valley community. The St. Luke’s Treasure Valley Community Board Members as of September 30, 2018 were:

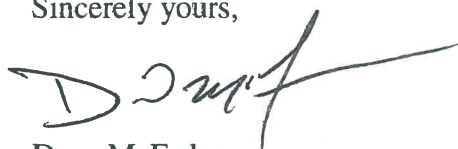
Mr. Darin DeAngeli - Chairman
 Mr. Russ Duke
 Mr. Jon Larkin
 Mr. Paul Lodge
 Alejandro Necochea, MD
 Mr. Joel Poppen
 Nicole Thurston, MD

Mr. Don Coberly
 Ms. Alice Hennessey
 Ms. Pamela Lindemoen
 Ms. Dee Jay Mailer
 Ms. Kelli Parker
 Mr. Roger Quarles
 Noreen Womack, MD

The responsibilities of the Community Board included leadership in the development, planning and execution of assessments and plans, such as the community health needs assessment, to meet the health needs of the Treasure Valley community.

A complete copy of all St. Luke’s CHNAs may be found on our website at:
<https://www.stlukesonline.org/about-st-lukes/supporting-the-community>.

Sincerely yours,



Dave McFadyen
 Vice President of Population Health
 St. Luke’s Health System, Ltd.

cc: St. Luke’s Treasure Valley Community Board of Directors
 St. Luke’s Health System Board of Directors

St. Luke's Community Benefit Report Receipt

St. Luke's Community Benefit Report was received in the Ada County Commissioner's office at (time) 12:15 p.m. and (date) 12/19/2018.

Received by: (signature) Jelli Broome
