



December 18, 2019

The Honorable Diana Lachiondo
The Honorable Rick Visser
The Honorable Kendra Kenyon
Ada County Commissioners
200 West Front St.
Boise, Idaho 83702

RE: St. Luke's Ada County 2019 Report of Community Benefits

Dear Commissioners:

St. Luke's is pleased to present its 2019 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 10,424 employees and 1,941 volunteers. In addition, there are 941 physicians and 449 advanced practice providers who have practice privileges at our facilities. The operations of St. Luke’s Ada County facilities are overseen by the St. Luke’s Health System Board of Directors, which is comprised of independent civic leaders who volunteer their time to serve. St. Luke’s Health System Board of Directors as of September 30, 2019 include:

Mr. Rich Raimondi - Chairman
Ms. Brigette Bilyeu
Mr. Tom Corrick
Lucie DiMaggio, MD
Mr. Mark Durcan
Ms. Lisa Grow
Mr. Alan Horner
Allan Korn, MD

Mr. Dan Krahn
Mr. Bob Lokken
Mr. Jon Miller
Mr. Arthur F. Oppenheimer
David C. Pate, MD, JD, President/CEO
Mr. Andrew Scoggin
Ms. Karen Vauk
Mr. Bill Whitacre

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, 2019 unaudited financial reports plus unaudited internal records.

5. UNREIMBURSED SERVICES:

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

\$46,438,576 (charity care at cost: \$28,045,457; bad debt at cost: \$18,393,119).

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:

\$243,357,790 (Medicaid: \$46,809,055; Medicare: \$196,548,735).

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: **\$41,425,928.**

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:

\$13,480,570- 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.

\$1,165,582 - 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.

\$4,135,475 - 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, free community health screenings, Idaho Perinatal Project, Child Care Coordination, Childlife Program, Children’s Hospital School, FitOne, KTVB nutrition news, detoxification and crisis mental health services through Allumbaugh House, and many others.

\$13,502,391 - 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; women’s and children’s 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.

\$4,476,774 - 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.

\$4,664,865 - 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, Killbrew-Thompson Memorial, Treasure Valley Family YMCA, American Cancer Society, American Heart Association, Boise State University, Hands of Hope Services, Boise Rescue Mission, Boise & Girls Club of Ada County and many others.

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: **\$8,236,853**

Number of volunteer hours contributed to the hospital: **89,910**

8. ADDITIONS TO CAPITAL

Additions to capital including all expenditures for land, facilities, equipment, and other capital supporting the hospital's mission: **\$128,230,339.**

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 FY19 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. The multi-year project also underscores St. Luke's economic commitment and benefit to Idaho's capital city - our home city. During FY' 19, St. Luke's invested \$102,055,923 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 2019 on the implementation of information technology. St. Luke's has invested \$11,902,770 in 2019 to upgrade key information technology infrastructure. This is to ensure the patients, physicians and other clinicians who provide care, 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 2019, St. Luke's completed and published our 2019 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. Community input is at the center of our CHNA process. **In-depth interviews are conducted with a diverse group of representatives** possessing extensive knowledge of community health and wellness. Our community representatives help us define our most important health needs and provide valuable input on programs and legislation they feel would be effective in addressing the 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.

St. Luke's will use the information, conclusions, and health needs identified in our assessment to efficiently deploy our resources and engage with partners to achieve the following long-term community health objectives:

- Address and improve high priority health needs in the communities we serve by collaborating with mission-aligned partners.
- Foster a culture of health resulting in reduced healthcare costs for patients, communities, and healthcare providers.
- Build a firm foundation for community health improvement within St. Luke's Health System that enables us to transform community health now and for future generations.
- Strengthen and expand the continuum of care and support throughout our communities: at schools, worksites, food banks, farmers markets, social service providers, etc. – ensuring people have access to the health resources they need.
- Support and strengthen the array of community resources, organizations and providers actively addressing community health issues by studying, advocating for, and deploying best practices and sharing what we learn.
- Build trust with our communities, partners, providers and other health care systems by collecting and promoting data and outcome metrics that substantiate the impact and value our community health investments provide.

St. Luke's community health effort in Ada County is directed by the community needs assessment, community board and the community health managers. The Community Health Managers are responsible for planning, developing, implementing and maintaining optimal community health initiatives in collaboration with internal and external stakeholders. The initiatives are 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, 2019 were:

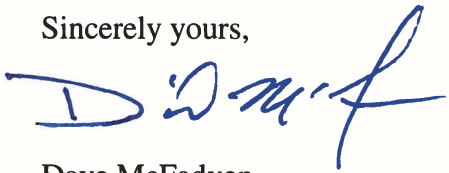
Alejandro Necochea, MD - Chairman
Mr. Don Coberly
Mr. Darin DeAngeli
Mr. Russ Duke
Ms. Alice Hennessey
Mr. Jon Larkin

Ms. Kelli Parker
Mr. Roger Quarles
Nicole Thurston, MD
Noreen Womack, MD
Mr. David Bishop, (ex-officio)
Ms. Dee Jay Mailer, (ex-officio)

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,

A handwritten signature in blue ink, appearing to read "D. McFadyen". The signature is fluid and cursive, with a large initial "D" and a long, sweeping tail.

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) _____ and (date) _____.

Received by: (signature) _____