



December 21, 2018

The Honorable Terry Kramer  
The Honorable Don Hall  
The Honorable Jack Johnson  
Twin Falls County Commissioners  
P.O. Box 126  
Twin Falls, Idaho 83303

RE: St. Luke's Magic Valley 2018 Report of Community Benefits

Dear Commissioners:

St. Luke's is pleased to present its 2018 Report of Community Benefits to the Twin Falls 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 Magic Valley Regional Medical Center 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 Magic Valley 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.

As a not-for-profit organization, St. Luke's is exempt from some, but not all, taxes. For example, in fiscal year 2018, St. Luke's Magic Valley paid approximately \$123,434 in direct sales tax. Like all employers, St. Luke's also pays normal payroll taxes. For fiscal year 2018, St. Luke's Magic Valley paid \$8,699,543 in payroll taxes. St. Luke's provided **\$149,112,979** of community benefits locally, as outlined throughout this report. Additional examples of the benefits provided to the community by St. Luke's are provided in the following pages of this report.

St. Luke's Magic Valley is south central Idaho's largest employer with an annual payroll of \$128 million. In addition to the 2,733 St. Luke's Magic Valley employees, 257 physicians have practice privileges and 194 volunteers in our Twin Falls County facilities. St. Luke's Magic Valley is governed by the St. Luke's East Region Board of Directors, comprised of independent civic leaders who volunteer their time to serve. St. Luke's East Region Board Members as of September 30, 2018 include:

Ms. Cynthia Murphy - Chairman  
Tracey Jones MD  
Mr. Peter Becker  
Robert Wasserstrom MD  
Mr. George Kirk  
David A. McClusky MD  
Brian Fortuin MD  
Mr. Charles Coiner

Ms. Pamela Lindemoen  
Mr. Scott Standley  
Mr. Terry Kramer  
Mr. Terry Ring  
Ms. Jane Miller  
Mr. Rosa Davila  
Mr. R. Todd Blass

**1. NAME:** St. Luke's Magic Valley Regional Medical Center, Ltd. (Magic Valley Locations)

**2. FEDERAL 501(c)(3) TAX ID NUMBER:** 56-2570686

**3. GENERAL DESCRIPTION OF SERVICE AREA:**

St. Luke's Magic Valley's service area includes the eight counties of south central Idaho and Elko County, Nevada.

**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: **\$24,853,335 (charity care at cost: \$13,953,074; bad debt at cost: \$10,900,261).**

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: **\$66,924,613 (Medicaid: \$14,137,109; Medicare: \$52,787,504).**

c. Cost of other unreimbursed services not accounted for in other sections of this report: **\$473,704**  
Paid to: Twin Falls County as part of the sale/lease agreement for services provided to Twin Falls County indigent residents in excess of the \$1 million plus Indigency Fund Cap.

## **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: **\$10,561,617.** Value noted here excludes any figures referred to in other sections of this report.

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:**

#### **\$4,045,875 - Education of Health Professionals**

A growing challenge for community hospitals is the shortage of qualified nurses, pharmacists, technicians, physicians, and other health care 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 college’s/universities, financial support of educational conferences, and partnership with the College of Southern Idaho and St. Luke’s Jerome in the Health Care Development Council (HCDC), which pursues funding opportunities in support of delivery of health care and health care education.

#### **\$752,700 - Community Health Improvement Services**

**(SLMV: \$745,211; MSTI: \$7,489)**

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 health improvement services, community benefit, and community building activities include: community health and prevention education (i.e., childbirth and parenting classes), free community cancer screenings, partnerships with providers in nearby communities, information and referral services, health fairs, wellness education, support groups, injury prevention programs, and others.

#### **\$5,203,978 - Local Health Clinics and Programs**

St. Luke’s supports other not-for-profit organizations that provide valuable community healthcare services to address identified community health priorities in the region. The 2018 St. Luke’s Magic Valley Community Health Improvement Fund awarded \$284,000 to 36 organizations. Subsidized

health services such as Women's and Children's Services and Behavioral Health Services ensure the unique health issues of our rural communities are addressed in the most effective and efficient manner.

In addition, St. Luke's Magic Valley serves a vital role within our communities in the preparation of resources and provision of services in the event of a disaster. Disaster preparedness encompasses everything from our investments in infrastructure items like back up power resources, to ensuring decontamination areas and isolation rooms, and most importantly, training and drills for the entire staff inside our facilities and in concert with other community partners.

### **\$559,064 - Cash, In-kind Donations and Other**

St. Luke's also supported local Twin Falls County not-for-profit organizations by providing direct cash donations and meeting rooms at no charge. These not-for-profits included College of Southern Idaho, Wellness Tree Community Clinic, Twin Falls County, Voices against Violence, South Central District Health, Interlink Volunteer Center, Idaho Food Bank and Boys & Girls Club of Magic Valley.

## **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 start needed new services, subsidize programs, fund research and outreach activities, and keep their 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: **\$1,155,237**

Number of volunteer hours contributed to the hospital: **36,789**

## **8. ADDITIONS TO CAPITAL**

Additions to capital including all expenditures for land, facilities, equipment, and other capital supporting the hospital's mission: **\$46,299,710**. As a not-for-profit organization, 100% of St. Luke's revenue after expenses is reinvested in the organization to serve the community in the form of staff, buildings, or new technology.

St. Luke's has invested \$39,839,836 for architectural, planning and construction cost to improve and expands its St. Luke's Magic Valley Hospital and clinics in Twin falls and surrounding areas. This includes a surgical center and a medical office building at St. Luke's Magic Valley Campus. This also includes the clinic added in Buhl. This additional space and improvements to existing facilities will allow St. Luke's to continue to meet the medical needs of the growing community.

St. Luke's continued to invest significant financial resources during 2018 on the implementation of information technology. St. Luke's has invested \$4,341,826 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 2017-2019 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. 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 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

St. Luke's community health effort in Magic Valley is directed by the community needs assessment, community board and community health manager. The Community Health Manager is 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 Magic Valley community. St. Luke's Magic Valley Regional Medical Center/Jerome Community Board Members as of September 30, 2018 were:

Mr. Scott Standley - Chairman  
Ms. Julie Ellis  
Joshua Kern, MD  
Mr. Curtis Maier  
Mr. Dave Snelson  
Mr. John Shine  
Ms. Melody Bowyer

Mr. Tom Ashenbrener  
Ms. Julia Oxarango-Ingram  
Mr. Terry Kramer  
Ms. Becky Nelson  
Ms. Edna Pierson  
Ms. Janet Olmstead  
Mr. Mike Fenello

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 Magic Valley community.

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

Sincerely yours,



Mike Fenello  
Vice President of Population Health  
St. Luke's Health System, Ltd.

cc: St. Luke's Magic Valley /Jerome 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 Twin Falls County Commissioner's office at (time) 3:04 and (date) 12/20/18.

Received by: (signature)

