



St. Luke's Magic Valley Medical Center Report of Community Benefits Fiscal Year 2009

As a community-owned health care provider, the mission of St. Luke's Magic Valley is to improve the health of people in our region. As a not-for-profit organization, we are committed to providing all patients with the highest quality of medical care, regardless of their ability to pay. The information contained in this document is intended to supply Magic Valley citizens and the county Boards of Equalization with insight into vital benefits our community receives as a result of St. Luke's status as a not-for-profit hospital system.

The information provided in this report is required by 63-602D, Idaho Code, which states that 501c3 hospitals having 150 or more beds 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 an indication of the process the hospital has used to determine general community needs which coincide 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.

By providing this data, St. Luke's, and other reporting hospitals, intends to provide others with insight into the benefits derived by their community through the operations of their local not-for-profit, full service community hospital. Like other safety-net services such as fire and police protection, full service community hospitals like St. Luke's provide access to services 24 hours a day, 7 days a week, 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, vision and values are focused on the needs of patients rather than on providing financial returns to shareholders. A few examples of the benefits provided to the community by St. Luke's that are not easily quantifiable are provided in the following pages of this report.

St. Luke's Magic Valley Medical Center
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St. Luke's Magic Valley is south central Idaho's largest employer with more than 1,792 employees and annual payroll of \$65 million. According to the Idaho Hospital Association Economic Impact Study, the economic multiplier provided by St. Luke's generated more than \$314 million in sales transactions and more than \$6.1 million in sales and property tax. Additionally, St. Luke's Magic Valley is fortunate to have 135 volunteers in Twin Falls County and more than 160 physicians on our medical staff. St. Luke's Magic Valley has a governing board comprised of independent civic leaders who volunteer their time to serve. Fiscal year 2009 members of the St. Luke's Magic Valley Board of Directors include:

Robert Alexander
Tom Ashenbrener
Gary Babbel
Shawn Barigar
Eric Cassidy, D.O.
Cindy Collins
Brent Jussell

Judy Pollow
Ben Katz, M.D.
Terry Kramer
Robert Ward, M.D.
Mark Wright, D.D.S.
Mark Schwartz, CEO
Russ Newcomb, M.D.

St. Luke's is pleased to present its Community Benefit report for 2009 to the Twin Falls County Board of Equalization.

We believe the following information validates our ongoing and steadfast commitment to our not-for-profit mission that provides real and tangible benefits to our community.

- 1) **NAME: St. Luke's Magic Valley Medical Center**
- 2) **FEDERAL 501c3 TAX ID NUMBER: 56-2570686**
- 3) **GENERAL DESCRIPTION OF SERVICE AREA:**
St. Luke's Magic Valley provides service for the eight counties of south central Idaho and Elko County, Nevada.
- 4) **SOURCE OF DATA:**
Fiscal Year September 30, 2009 unaudited financial reports plus unaudited internal community benefit inventory
- 5) **UNREIMBURSED SERVICES:**
 - a. Total amount of charity care and bad debt at cost: **\$9,569,933 (charity care: \$2,670,649; bad debt: \$6,899,284).**

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, which 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 Guideline.

- b. Cost of under-reimbursed services provided to patients covered by Medicare, Medicaid, and other government programs:
\$7,719,018 (Medicaid: \$544,877; Medicare: \$7,174,141).
- c. Cost of other unreimbursed services not accounted for in other sections of this report:
\$879,923.

Paid to Twin Falls County as part of the sale/lease agreement for services provided to Twin Falls County residents in excess of Indigency Fund Cap.

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

- a. The total unreimbursed value of "community benefit" services and programs operated by the hospital, donations or subsidies or in-kind services to other 501c3 organizations. Value noted here excludes any figures referred to in other sections of this report: **\$3,186,087**
- b. Community Benefit reporting format used: Lyon Software based on the social accountability guidelines from the 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 Benefit Services, Programs and Other Special Services:

48,512 Staff and Volunteer hours were donated to Community Benefit programs and services.

\$619,870 – Education of Health Professionals

One of the greatest challenges that face community hospitals is the growing shortage of qualified nurses, pharmacists, technicians, physicians and other health care professionals. To help address this challenge, St. Luke's invests in the expansion and development of nursing and other health profession education programs at the College of Southern Idaho. Examples of this investment include: financial support of educational conferences, healthcare seminars, training and certification classes, internships, preceptorships, job shadowing opportunities and classroom support, lectures, in-services, and in some cases, shared staff for health occupations education. St. Luke's also provides scholarships for nursing students, and partners with the College of Southern Idaho in the Health Care Development Council (HCDC), which pursues funding opportunities in support of healthcare education and delivery of healthcare in our region.

\$1,579,139 - Community Health Improvement Services

Community health improvement services are a critical element of the benefits not-for-profit hospitals bring to the regions they 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 injury prevention education such as birth and parenting classes, outreach services to rural health care providers through Rural Connection, partnerships with providers in nearby communities, Community Connection Information and Referral Services, community cancer screenings, health fairs, wellness education, support groups, and injury prevention programs.

\$987,078 – Local Health Clinics and Programs

St. Luke's mission is "to improve the health of the people in our region". We fulfill part of this mission by supporting other not-for-profit organizations that provide valuable community healthcare services to address identified community health priorities for the region. The 2009 St. Luke's Magic Valley Community Health Improvement Fund awarded \$216,407 in grants for community organizations whose collaborative efforts improved access to care, injury and violence prevention, overweight and obesity, physical activities, and mental health.

Recipients of the 2009 Community Health Improvement grants included:

| | |
|-----------------------------------|---|
| The Mustard Tree Clinic | Family Health Services |
| Minidoka Memorial Hospital | La Posada Ministries |
| Jubilee House | CSI RSVP Senior Assisted Services |
| Safe Kids of Magic Valley | Hospice Visions |
| Pregnancy Crisis Center | CSI Foster Grandparent Program |
| Harmony PSR Services | Kids Count Too |
| Senior Companion Program | Interfaith Volunteer Caregivers |
| Southern Idaho Learning Center | CARES (Children At Risk Evaluation Services) |
| The Crisis Center of Magic Valley | CSI Nursing Dept/EMT/Paramedics/ St. Benedicts Family Center |

Other major cash and in-kind donations include support for health professions education through the College of Southern Idaho Nursing Program, as well as to directly support local quick response units.

Subsidized health services such as the Children's Specialty Clinics, Diabetes Management Services, Mobile Cardiology service, Magic Valley Paramedics and Air St Luke's 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, communication systems, warehousing of supplies, and personal protective equipment, to building decontamination areas and isolation rooms, and most importantly our regular training and drills for the entire staff inside the facility and in concert with other community partners.

Finally, in continuation of our 10-year pledge to Twin Falls County, St. Luke's Magic Valley contributed \$500,000 to the Twin Falls County Health Initiatives Trust, Ltd., which was established in 2006 with \$15,000,000 to fund various health-related initiatives for the citizens of Twin Falls County.

7) ADDITIONS TO CAPITAL

Additions to capital including all expenditures for land, facilities, equipment and other capital supporting the hospital's mission: **\$ 52,639,559**. This includes more than \$47 million in spending on the new facility. Total spending with local contractors totals \$ 28.5 million. More

300 workers are currently on site. While several of these workers are local residents, many are not local residents and contributing many dollars to local restaurants and hotels.

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.

8) COMMUNITY NEEDS DETERMINATION PROCESS

Below is a description of the process(es) used to identify general or specific community needs, which coincide with the hospital's mission.

St. Luke's Magic Valley utilizes internal information and reports from Idaho Vital Statistics, data from the Centers for Disease Control and Prevention Behavioral Risk Factors Surveillance System (BRFSS), and South Central Public Health District to determine community health priorities. As we continue to develop community partnerships, identify opportunities to provide needed services close to home, fund uncompensated and under-compensated care, and provide resources for services in the community, we are committed to the long-term health care needs of Magic Valley.

Submitted by:


Mark A. Schwartz, CEO
(208) 737-2103

December 31, 2009

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) _____

and (date) _____.

Received by:

(signature) _____