



Our specialty is you.

2006 Annual Report



Lewis Shepley, Chairman of the Board and  
Gary Olson, President and CEO on the future site  
of St. Luke's West Campus Outpatient Center

# Welcome to St. Luke's 2006 annual report

The past year has evoked nearly unprecedented excitement about the future of St. Luke's Hospital, while also providing a wonderful opportunity to reflect on our past, as we celebrated our 140th anniversary of providing compassionate care to our community.

In March the Brain and Spine Center at St. Luke's Hospital opened. This Center, the only one of its kind in the region, provides a variety of neurosurgical and neurological treatments.

While St. Luke's experienced tremendous growth in 2006, our biggest opportunities to meet the healthcare needs of our community still lie before us. Growth and expansion plans include groundbreaking for the 148,000-square-foot West Campus Outpatient Center, across from the main campus on Highway 141.

Any discussion of the past year would not be complete without mentioning some of our many accolades and awards. One of our proudest achievements is our continued recognition as a Top 100 Hospital in the nation by Solucient, which we received in 2005 for the sixth year out of 10. St. Luke's strives to be the workplace of choice in St. Louis and we were gratified to be the only hospital named one of the Best Places to Work in the region by the *St. Louis Business Journal*.

A March 2006 article in the *Post-Dispatch* about hospital core measures for heart attack and heart failure again highlighted St. Luke's culture of excellence. Of the 28 hospitals in the St. Louis area, only St. Luke's met or exceeded each of the 12 national best practice criteria.

St. Luke's strategies for growth are many-faceted and include our first marketing brand campaign. By now most of you have seen or heard our television commercials, billboards and radio ads highlighting our tagline, "Our specialty is you." Considerable work has gone into the planning and implementation of this campaign, with the goal of making the entire region aware of our vast medical resources, while stressing our personal touch.

Finally, the upcoming year will see our first campaign in nearly 20 years: Advancing Excellence with Exceptional Care. The Campaign, under the thoughtful leadership of Jack Biggs Jr., will help us implement a comprehensive development plan to expand and strengthen our services.

Our future is bright, and illuminated by our past. Please join us as we continue on our journey.

Sincerely,  
Gary Olson, President and CEO



Lewis B. Shepley, Chairman of the Board of Directors



# Safety, Quality and Recognition

## Core Measures for Heart Attack and Heart Failure

A March 5, 2005 article in the *Post-Dispatch* highlighted 12 hospital core measures for heart attack and heart failure. Of the 28 hospitals in the St. Louis area, only St. Luke's met or exceeded each of these 12 national best practice criteria. These indicators have been put in place by the U.S. government because they are proven to improve the rates of positive patient outcomes. As the trend toward transparency in hospital data reporting grows, St. Luke's finds itself in a good position for such review.

## Top 100

In 2005 St. Luke's was named one of the nation's 100 Top Hospitals® by Evanston, Ill.-based Solucient®. The award recognizes hospitals that have achieved excellence in quality of care, operational efficiency, financial performance and adaptation to the environment. This is the sixth time in ten years St. Luke's Hospital has been recognized with this honor, making it the only hospital in Missouri to achieve this designation six times or more – a claim only 34 hospitals nationwide can make.

This is a particularly rewarding achievement when you consider that the criteria for the award are the very foundation upon which hospitals are built: clinical outcomes, patient safety, efficient operations and financial stability.



## Best Places to Work

As a premier healthcare provider in the region, St. Luke's Hospital is also an employer of choice. In 2006 the *St. Louis Business Journal* ranked St. Luke's as one of the top 20 best places to work in the area. This is the fourth time we have been so honored and St. Luke's was the only hospital on the list. We were evaluated by our own employees in several categories, including benefits, flexible work schedules and more.



## World Wide Web Health Award

St. Luke's Hospital has once again received a national award of excellence for its Web site, [www.stlukes-stl.com](http://www.stlukes-stl.com), from the *World Wide Web Health Awards* Program. St. Luke's Web site received a Bronze (third place) award from more than 1,100 entries honors for Patient Education Information for a Hospital/Healthcare system Web site. The World Wide Web Health Awards recognizes the best health-related Web sites for consumers and professionals. The Web site includes many innovative features, including an area just for physicians, patient care quality reports, online requests for physician appointments and online Health e-Updates.



## 140th Anniversary

St. Luke's Hospital celebrated its 140th anniversary of providing compassionate care to our community this year. The opportunity to reflect upon the changes and advances in medical treatments, diagnostics and facilities was timely, as the Hospital heads into a period of growth and expansion. We are confident that we will be ready for whatever our future holds.

## Continuing Medical Education (CME)

St. Luke's Hospital, in accordance with its mission to improve the quality of health and well-being of those it serves, recognizes that continuing medical education is a life-long process and supports a program for this purpose. Continuing medical education opportunities are provided for physicians of St. Luke's Hospital and the St. Louis Metropolitan area, as well as physicians from regional, national and on occasion, international locations.

In 2005, St. Luke's hosted 24 CME programs, totaling 264 credit hours. The programs drew a total of 5,107 attendees - 3,858 physicians and 1,249 non-physicians.

## Core Measure Data

St. Luke's is proud to report core measure data for three health care conditions: heart attack, heart failure and pneumonia.

### Heart Attack Care

July - Dec 2005	St. Luke's Hospital	Missouri Average	National Average
Aspirin at arrival	98%	90%	92%
Aspirin at discharge	96%	89%	89%
ACE for LVSD**	96%	84%	80%
Beta Blocker at arrival	93%	81%	85%
Beta Blocker at discharge	91%	85%	87%

\*\*ACE inhibitor for left ventricular systolic dysfunction (LVSD)

### Heart Failure Care

July - Dec 2005	St. Luke's Hospital	Missouri Average	National Average
LVF assessment*	100%	76%	80%
ACE for LVSD	99%	80%	80%
Smoking cessation	100%	74%	74%
Discharge Instructions	97%	52%	52%

\*Left Ventricular Function

### Pneumonia Care

July - Dec 2005	St. Luke's Hospital	Missouri Average	National Average
Antibiotics within 4 hours	80%	78%	77%
Oxygenation assessment	100%	99%	99%
Pneu screen and vaccine	91%	60%	56%
Blood cultures before anti-biotic	78%	82%	82%
Smoking cessation	90%	68%	71%

Missouri and national averages are based on January to June 2005 data published on the hospital compare Web site.



# Leader in Health Information and Education

## Web site

St. Luke's takes great pride in maintaining the region's most comprehensive Web site for health information, [www.stlukes-stl.com](http://www.stlukes-stl.com). With an average of more than 2,700 visitors a month, the site features an illustrated health encyclopedia, wellness calculators, pregnancy health center with week-by-week newsletter, drug interaction information, hospital services and information about physicians on staff, and online appointment capabilities.

## Physician Referral and Recruitment

St. Luke's connects patients with physicians and specialists through its physician referral service. Last year, registered nurses received over 20,000 calls and made more than 16,000 referrals.

## Community Commitment

St. Luke's commitment to its mission of "improving the health of the community we serve" is best evidenced by the ongoing health and wellness education programs provided, most of which are free of charge. Annual special events include the *Conversations for Women* and *Girl Talk* programs, the *A Fair of the Heart* health fair, *Just for Men* screening and informational forum and the *Concepts in School Nursing* workshop.

Ongoing Healthy Living classes are offered to the community and employees at St. Luke's Hospital. Class topics range from nutrition and exercise tips to tobacco cessation and heart disease prevention. Whenever possible, screenings are part of the program presentation, such as blood pressure checks, bone density screenings, grip strength and free cholesterol/glucose checks.

This past fiscal year, almost 30,000 people attended a program at the Hospital campus, Urgent Care Center or community site and received information from healthcare professionals. The "Ask the Expert" table at special events and health fairs, staffed by St. Luke's physicians, was always popular with participants.



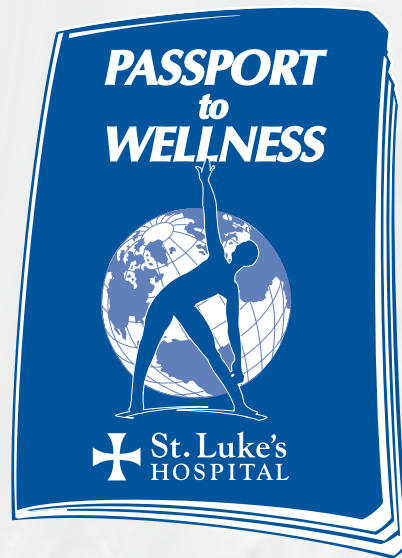
## The Passport to Wellness Program

The objective of the Passport to Wellness program is to help St. Louis area employers identify, address and reduce the health risks associated with their workforce as a means of controlling health costs.

The Passport to Wellness program brings service lines from throughout St. Luke's Hospital onsite for St. Louis area employers. This is combined with high quality aggregate reporting and financial analysis reporting for employers to engage in a wellness initiative that is targeted and measurable.

Since the inception of the Passport to Wellness program in October 2005, 54 companies have enrolled for Passport to Wellness services, representing 51,595 full-time employees.

The Passport to Wellness program is also offered to St. Luke's employees. Since July 2005, more than 900 employees have enrolled in the program, each making a personal pledge to lead a healthier lifestyle. In return, employees can earn quarterly incentives by participating in health screenings and classes and earning Passport Rewards through an interactive fitness Web site customized for St. Luke's employees. Programs such as the "Weigh-to-Stay" and "Biggest Loser" contests engaged employees in healthy habits and friendly competition.



## Operating Results

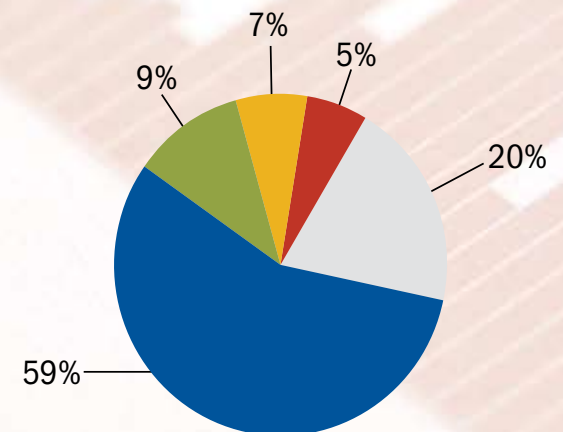
St. Luke's gain from operations for the fiscal year ending June 30, 2006 was \$10,088,000, representing an operating margin of 3.0 percent. Based on the hospital activity shown below, total operating revenue grew to \$339 million, a ten percent increase over the prior fiscal year. St. Luke's provided more than \$12 million in charity care to the community in fiscal year 2006.

The components of operating expenses are shown in the accompanying chart.

## Utilization Summary

	Fiscal Year 2005	Fiscal Year 2006
Admissions	18,412	18,404
Average Length of Stay (days)	4.6	4.6
Average Daily Census	232	233
Outpatient Registrations	167,073	164,851
Surgeries	20,180	19,598
Births	2,284	2,117
Emergency Department Visits	31,744	31,629
Surrey Place Average Residents per day	128	131

- Salaries and Benefits
- Supplies
- Depreciation
- Purchased Services
- Other (including: repairs, insurance, bad debt expenses, utilities, interest and software licenses)





St. Luke's Hospital strives to make the St. Louis region a stronger community and a healthier place to live. St. Luke's employees and physicians donate their time, talent and money to numerous organizations and events throughout the region. In 2005, employees participated in and raised funds for the Komen Race for the Cure, American Heart Association Heart Walk, the AIDS Walk, AMC Cancer Research Day of Caring and the St. Luke's employee crisis fund, among others. Employees also showed their generosity through the donation of items to various food, clothing, book and school supply drives. In 2005, St. Luke's employees donated over 800 pounds of food to Operation Food Search, nearly 2,800 school supply items to our Pediatric Care Center and over 800 pieces of winter clothing to area charitable organizations.

## Pediatric Care Center

St. Luke's has provided pediatric care services to children and families in the St. Louis area for more than 60 years. St. Luke's Pediatric Care Center, located at 8007 St. Charles Rock Road, continues this legacy of care. The Center provides an array of pediatric services, in a private practice setting, to an underserved/underinsured population in the St. Louis metropolitan area. In the 2006 fiscal year, the Center saw more than 4,200 children.

St. Luke's commitment to those in need extends beyond its facilities. In 2005, St. Luke's and other area hospitals provided a total of \$4 million to federally funded clinics. These clinics serve as a safety net for many underinsured and uninsured individuals in our communities.

Meals on Wheels is another government-funded program that St. Luke's supports. Last year, Meals on Wheels volunteers delivered nearly 18,000 meals to area recipients. The well-balanced meals provide nutrition for those with disabilities or individuals recovering from an accident or illness who are unable to cook for themselves. St. Luke's modifies the meals according to dietary restrictions.



# Growth

## The Brain and Spine Center

The first of its kind in the region, the Brain and Spine Center at St. Luke's Hospital provides surgical and non-surgical treatment options for various neurological and neurosurgical diseases. The Center, which opened in April 2006, comprises physicians specializing in neurosurgery, neurology, physiatry and pain management. Employing a truly comprehensive, multi-disciplinary approach, the Brain and Spine Center also offers therapy and rehabilitation, diagnostic imaging and nutritional counseling.

## Division 9700

Renovation on the ninth floor of St. Luke's was completed this spring, significantly increasing the number of private patient rooms throughout the hospital. The new rooms feature such accommodations as softer lighting, upgraded bathrooms, plantation shutters and wood trim. The setting is designed to feel more like home and increase the comfort of our patients and their families, and will serve as a template for future Hospital renovations.

## Electrophysiology Lab

Construction was completed in February for St. Luke's new state-of-the-art Electrophysiology (EP) Lab, an expansion of the Cardiac Catheterization Laboratory. Diagnostic and therapeutic procedures associated with the heart's electrical system are performed in the EP Lab. These studies allow physicians to diagnose causes of abnormal heart rhythms (arrhythmias) and determine treatment.

## West Campus Development

Construction of St. Luke's new West Campus Outpatient Center, across from the main campus on Highway 141, began in summer 2006. The five-story, 148,000-square-foot facility will house Outpatient Radiology, Non-Invasive Cardiology and Laboratory Services, as well as Rehabilitation and Wellness Centers. The facility will improve the overall delivery of care and allow for better access to our services and clinical teams.





## The Heart Institute

In keeping with St. Luke's mission to offer the most technologically advanced care for our patients, the Hospital will soon begin construction on a 22,000-square-foot addition to our Heart Institute. This addition will include a new Cardiovascular/Neurosurgical Intensive Care Unit and consolidated cardiovascular services, including the advanced diagnostic equipment needed for early detection of heart disease and minimally invasive procedures.

## Physical Therapy and Lab on Clarkson

St. Luke's Therapy Services operates a satellite location on Clarkson Road which incorporates physical therapy and hand therapy. Massage therapy services are also offered. The lab served over 280 new patients this fiscal year, which resulted in over 2,200 patient visits. We are staffed with two physical therapists and support staff.

## St. Luke's Urgent Care Centers

St. Luke's Urgent Care Centers provide prompt medical treatment without an appointment, seven days a week. The Centers are staffed by board-certified physicians, registered nurses, X-ray and lab technicians.

In 2005, the four Centers treated more than 87,000 patients. St. Luke's Urgent Care Centers are dedicated to providing convenient, cost-effective care. In most cases, the charges are substantially lower than typical emergency room fees.



## Philanthropy at St. Luke's

Gifts from grateful patients, families, staff and friends continue to be a vital source of support for St. Luke's Hospital. Donors help to sustain and improve the ongoing programs and services that distinguish St. Luke's as a premier, regional healthcare provider with a compassionate, personal touch.

The Campaign for St. Luke's Hospital, *Advancing Excellence with Exceptional Care*, initiates a comprehensive development plan that will expand and strengthen services to improve access to care. The Campaign will succeed through individual and corporate generosity at all levels.

Annual giving through the newly launched *Friends of St. Luke's* initiative is the latest example of community involvement with powerful impact. The Friends raised over \$140,000 this year in annual support for the Hospital and increased positive community awareness of St. Luke's.

Special gifts to the Life & Hope Fund ensure that patients with cancer or a malignant blood disorder, who lack adequate insurance or financial resources, receive needed medical care and supplies. More than \$78,200 was designated to Life & Hope this year.

The newly created Internal Medicine Residency Endowment Fund, with nearly \$70,000 contributed to date by physicians and alumni, will provide for St. Luke's residency program into the future.

In addition, The Auxiliary of St. Luke's raised \$158,000 for digital radiology, ENT equipment and the Employee Crisis Fund at the Hospital.

Total philanthropic giving to St. Luke's Hospital exceeded \$3.1 million. All gifts as well as bequests from estates, appreciated securities and other support are critical to our ability to deliver the level of quality care that is St. Luke's promise to our community.





Faithful to our Episcopal-Presbyterian heritage, and its ministry of healing, St. Luke's Hospital is dedicated to improving the health of the community.

Using talents and resources responsibly, our medical staff, employees and volunteers provide care for the whole person with compassion, professional excellence and respect for each other and those we serve.

At St. Luke's, each and every day, we put into practice our values:

## Human Dignity

We accept and treat all persons as being created in the image of God.

## Compassion

We respond with caring to the needs of others as if they were members of our family.

## Justice

We honor each person's rights and responsibilities in light of the common good.

## Excellence

We set and strive to attain high standards of performance and continuous improvement.

## Stewardship

We use our talents and resources wisely, with honesty and integrity.

## Our specialty is you.

How do we offer comprehensive specialty care?  
By specializing in you.

Rated nationally as a *Top 100 Hospital*,\*  
we continue to master the art of putting patients first.



Women's Health • Cardiovascular Services • Brain and Spine • Maternity Services • Cancer Care • Orthopedics

\* Top 100 Hospitals for Overall Performance, Solucient Report, 2004, 2000-2002, 1996.



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 Department of Pediatrics



*\* Our dear friend, Dick Battram, passed away on May 12, 2006 after a brave battle with cancer. Dick, pictured here with his wife Patty, was a true friend of St. Luke's Hospital and his kindness and generosity of spirit touched everyone who had the opportunity to meet him. He will be deeply missed by all of his friends and loved ones.*



