

Welcome to St. Luke's Hospital's 2018 Annual Report to the Community. As President and Chief Executive Officer of St. Luke's and Chairman of the St. Luke's Hospital Board of Directors, we are proud to share some of the new services, collaborations and innovations in 2018 that helped us further expand and strengthen our network of compassionate, personalized care, and that position us well for the future.

This past year was a monumental one for St. Luke's and the communities we serve, marked by the largest expansion of our network of care. On May 1, 2018, St. Luke's Hospital acquired Des Peres Hospital. It not only brought together two hospitals, creating an even stronger independent healthcare network, but more importantly, provides an opportunity for us to have a broader positive impact on improving the quality of life for patients and the community. While this expansion made the biggest headlines, the past year was incredibly productive in many other ways, including:

- Expanding our service offerings to include a comprehensive bariatrics program.
- Opening a new location for outpatient therapy services in Fenton and The Selke Healthcare Center in Greenville, Illinois. Our network of care now includes two acute care hospitals and more than 30 outpatient locations in St. Louis, St. Charles, St. Francois and Jefferson Counties. St. Luke's affiliation with the Cleveland Clinic's Heart & Vascular Institute continued to strengthen our nationally-recognized cardiac and vascular services.
- Achieving the highest designation from the Missouri Department of Health and Senior Services for our ability to quickly and effectively treat the most severe type of heart attack.
- Earning the top rating from The Society of Thoracic Surgeons for patient care and outcomes in heart bypass surgery. St. Luke's was the only St. Louis hospital to achieve this honor.
- Adding new technology innovations that continue to transform the diagnosis and treatment of patients.
- Becoming the first facility in the region to utilize a new technology to assist in the detection of neurodegenerative movement disorders like Parkinson's disease.
- Adding two new technology innovations in the area of breast health – one that enhances breast health screening and another that improves radiation treatment for breast cancer.

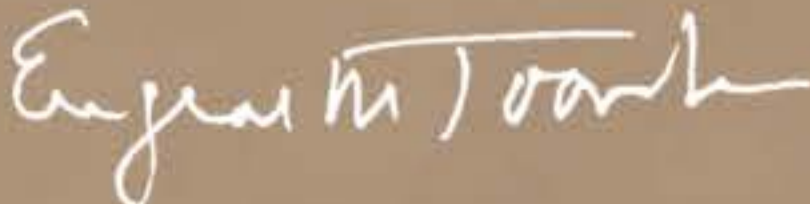
At St. Luke's, we are proud to be consistently recognized nationally for clinical quality and exceptional patient care.

Expanding St. Luke's network of compassionate and personalized care would not be possible without our dedicated team members, the vital philanthropic support of generous donors and the commitment of our community. We are also grateful for how they help us continually advance in our charitable mission.

Thank you for viewing the 2018 annual report. We are pleased to share how our expansion and advances are helping to create an even stronger network of health services that span the life cycle. As you will see, we are also incredibly proud of the many ways we are working to improve the quality of life in our community today and for the future.



Christine M. Candio, RN, FACHE, President and Chief Executive Officer, St. Luke's



Eugene M. Toombs Chairman, Board of Directors

2018 Highlights



Expanding St. Luke's network of care

On May 1, 2018, St. Luke's Hospital acquired Des Peres Hospital, a 143-bed hospital that has served the community for more than 40 years, from Tenet Healthcare. The acquisition of St. Luke's Des Peres Hospital brought together two hospitals, creating an even stronger...



Collaborating to offer the best in cardiac care

As the St. Louis region's exclusive alliance provider of the nation's #1 heart hospital, Cleveland Clinic's Sydell and Arnold Miller Family Heart & Vascular Institute, St. Luke's is nationally recognized for its cardiac care. From its inception, St. Luke's Heart...



Utilizing the latest technology to transform diagnosis and treatment of patients

For women diagnosed with breast cancer, traditional radiation oncology treatments can cause radiation exposure to critical tissues and organs like the heart and lungs, which can lead to a low risk of long-term side effects. This year, The Center for Cancer...



Partnering to ensure high-quality, coordinated care for seniors

St. Luke's ACO, a subsidiary of St. Luke's Hospital, was selected this year as one of 124 new Medicare Shared Savings Program Accountable Care Organizations (ACOs). Through the Shared Savings Program, St. Luke's ACO will partner with the Centers for Medicare and...



Improving community health through philanthropic support

Philanthropic gifts are essential to St. Luke's Hospital's continued growth and development as a healthcare provider of excellence. In fiscal year 2018 (July 1, 2017 - June 30, 2018), St. Luke's received \$2.7 million in charitable contributions to support our...



St. Luke's - A ministry of presence

Faithful to St. Luke's Episcopal-Presbyterian heritage, the Pastoral Care Department is part of the interdisciplinary healthcare team that provides holistic care in body, mind and spirit to patients, families, visitors, staff and physicians. The department's chaplains...

BY THE NUMBERS

St. Luke's Hospital 2018 Numbers

Patient Satisfaction and Quality Measures

Year after year, St. Luke's is nationally recognized for superior clinical quality and patient care. St. Luke's has earned the Women's Choice Award as One of America's Best Hospitals in multiple specialties based on clinical quality data and patient satisfaction, and has received multiple five-star ratings, the highest possible rating, in a national hospital quality study published by Healthgrades.

Specific quality data measured and reported to state and federal government further demonstrate St. Luke's commitment to quality.

Medicare Quality Star Ratings

Medicare has devised a method using results from over 57 measures in seven categories to assign a quality rating to hospitals on a scale of 1 to 5 stars. St. Luke's placed in the top 10 percent of hospitals nationally, receiving a 5 star rating.

Value-Based Purchasing Results

Value-Based Purchasing is a program for the Centers for Medicare & Medicaid Services to reimburse acute-care hospitals based on the quality of care they provide. St. Luke's score is significantly better than state and national averages.

The scores are based on:

- Clinical care (mortality and other clinical measures)
- Patient satisfaction
- Patient safety and infection rates
- Hospital efficiency

St. Luke's infection rates are well below the U.S. benchmark for the following hospital-acquired infections:

- Central line associated blood stream infections
- Catheter associated urinary tract infections
- Clostridium Difficile (C. Diff)
- Methicillin-resistant Staphylococcus aureus (MRSA)

Readmissions

St. Luke's continues to be a leader in preventing readmissions, as evidenced by its 30-day readmission rate of Medicare patients being lower than the national rate. In addition, St. Luke's 30-day readmission rates for heart attack, heart failure, pneumonia, chronic obstructive pulmonary disease, and after coronary bypass and total hip and knee replacement procedures are all less than the national average. As such, St. Luke's has not incurred readmission penalties associated with the national Readmissions Reduction Act for the past four years.

Patient Experience

Based on Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) data, St. Luke's has received an overall star rating of 4 (on a 5 point scale) for patient satisfaction. Only 28 percent of hospitals in the nation received a 4 star rating or better. Patients scored St. Luke's at 5 star levels in the "overall rating of the hospital" and "would you recommend" categories.

Hospital Consumer Assessment: Exceeding Benchmarks in Patient Satisfaction

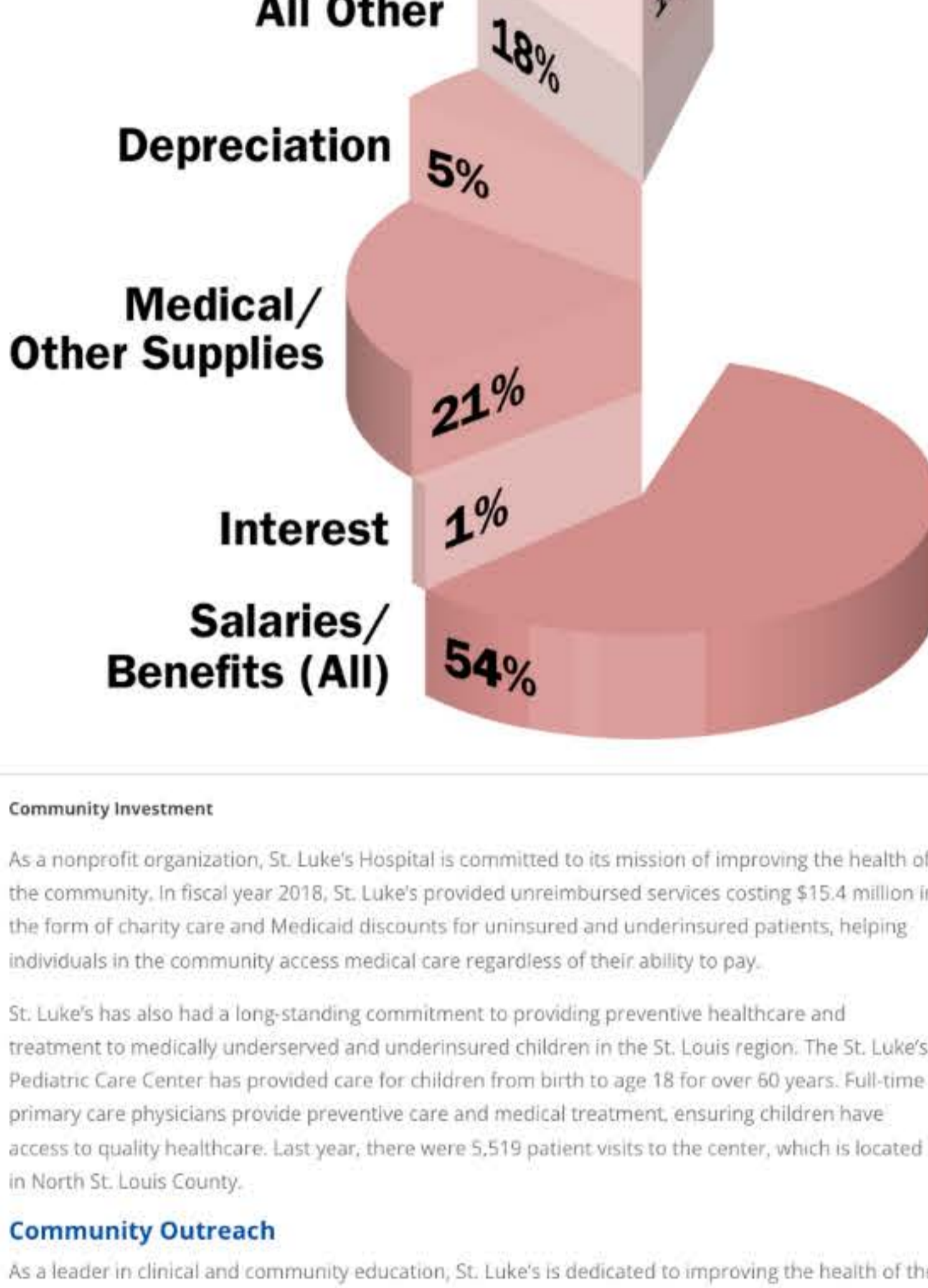
The Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) is a patient survey and data collection tool required by the Centers for Medicare and Medicaid Services (CMS) for all hospitals in the United States to measure patients' perspectives on hospital care. St. Luke's patients consistently give St. Luke's high marks, and calendar year 2017 scores show St. Luke's often exceeding the threshold (the median or 50th percentile of all hospitals' performance) in all but one domain. St. Luke's also ranks first among all hospitals in the state in terms of "Overall Rating" patient satisfaction results, earning it recognition with a Healthgrades Outstanding Patient Experience Award for eight consecutive years.

HCAHPS Results 2017 - VBP Year 7

Domain	2017	Threshold	Benchmark
Communication with nurses	81.20	78.69	86.97
Communication with doctors	84.50	80.32	88.62
Responsiveness of staff	63.60	65.16	80.15
Pain management	72.70	70.01	78.53
Communication about meds	63.80	63.26	73.53
Cleanliness/ Quietness	70.90	65.58	79.06
Discharge information	89.70	87.05	91.87
Care Transitions	61.90	51.42	62.77
Overall rating	83.10	70.85	84.83

Patient Statistics

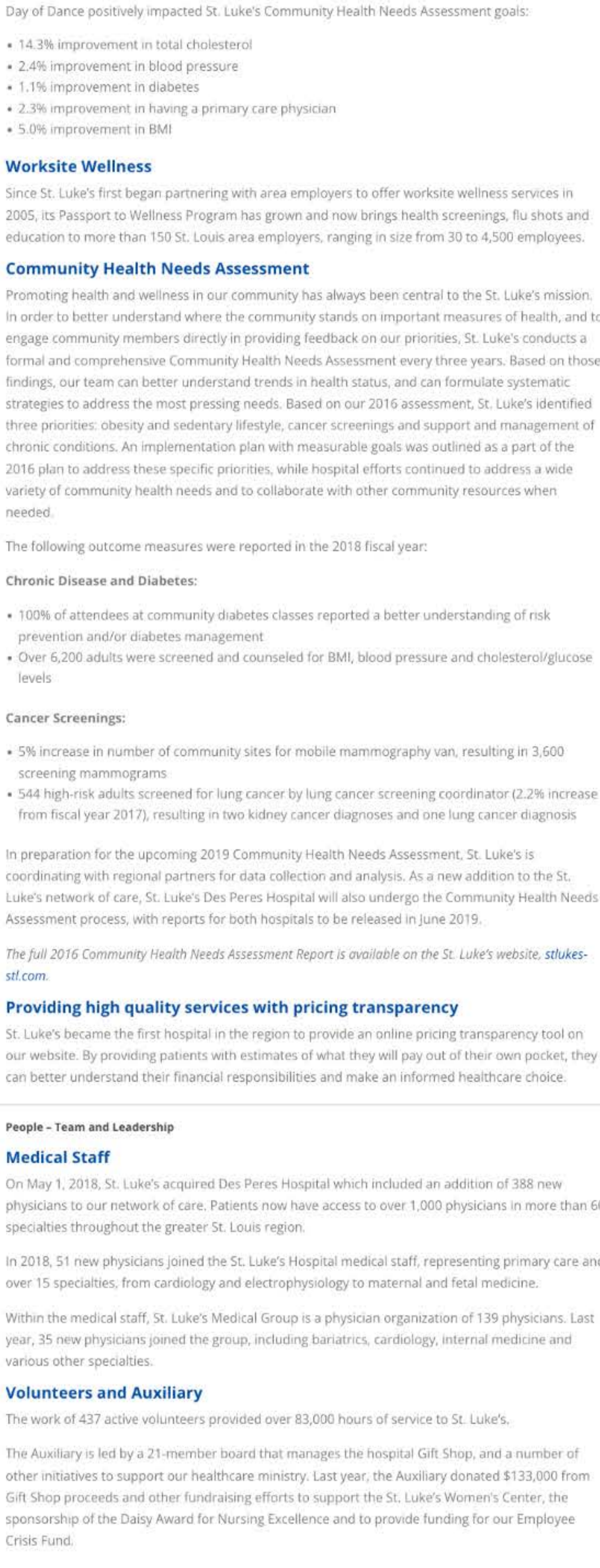
Utilization Summary Fiscal Year 2018



Operating Results

St. Luke's operating revenue in excess of expense for the fiscal year that ended June 30, 2018, was \$9,447,000, representing an operating margin of 1.7 percent. Total revenue was \$557 million.

St. Luke's reinvests positive financial results back into the organization to continuously improve and expand the excellent care to patients and the community by recruiting and retaining quality staff and physicians, investing in new technology and capital improvements, growing and expanding services and progressively making changes required by healthcare reform.



Community Investment

As a nonprofit organization, St. Luke's Hospital is committed to its mission of improving the health of the community. In fiscal year 2018, St. Luke's provided unreimbursed services costing \$15.4 million in the form of charity care and Medicaid discounts for uninsured and underinsured patients, helping individuals in the community access medical care regardless of their ability to pay.

St. Luke's has also had a long-standing commitment to providing preventive healthcare and treatment to medically underserved and underinsured children in the St. Louis region. The St. Luke's Pediatric Care Center has provided care for children from birth to age 18 for over 60 years. Full-time primary care physicians provide preventive care and medical treatment, ensuring children have access to quality healthcare. Last year, there were 5,519 patient visits to the center, which is located in North St. Louis County.

Community Outreach

As a leader in clinical and community education, St. Luke's is dedicated to improving the health of the community. It offers a wide range of health and wellness education opportunities to the community, with many free and low-cost programs available. Each year, more than 40,000 people participate in healthy living classes and events, screenings, worksite wellness programs and clinical education through St. Luke's.

Spirit of Women

St. Luke's Hospital Spirit of Women program also offers special events, health screenings and health resources. As the region's exclusive Spirit of Women hospital since 2008, St. Luke's is part of an elite network of hospitals nationwide committed to providing leading health services and education to empower and inspire women and their families to achieve their best health. One of the program's annual signature events, Day of Dance, reaches more than 1,200 women with important health messages, screenings and encouragement to be physically active.

2018 St. Luke's Hospital Day of Dance:

- 1,245 women registered
- 552 Personal Health Risk Assessments completed
- 789 free health screenings provided (blood pressure, BMI, cholesterol, glucose, A1C, pulmonary function, stroke risk assessment)
- 86% reported they are motivated to take action for their health (by either continuing to participate in a fitness activity, having a recommended health screening, or by making an appointment with a healthcare provider)
- Day of Dance positively impacted St. Luke's Community Health Needs Assessment goals:

- 14.3% improvement in total cholesterol
- 2.4% improvement in blood pressure
- 1.1% improvement in diabetes
- 2.3% improvement in having a primary care physician
- 5.0% improvement in BMI

Worksite Wellness

Since St. Luke's first began partnering with area employers to offer worksite wellness services in 2005, its Passport to Wellness Program has grown and now brings health screenings, flu shots and education to more than 150 St. Louis area employers, ranging in size from 30 to 4,500 employees.

Community Health Needs Assessment

Promoting health and wellness in our community has always been central to the St. Luke's mission. In order to better understand where the community stands on important measures of health, and to engage community members directly in providing feedback on our priorities, St. Luke's conducts a formal and comprehensive Community Health Needs Assessment every three years. Based on those findings, our team can better understand trends in health status, and can formulate systematic strategies to address the most pressing needs. Based on our 2016 assessment, St. Luke's identified three priorities: obesity and sedentary lifestyle, cancer screenings and support and management of chronic conditions. An implementation plan with measurable goals was outlined as a part of the 2016 plan to address these specific priorities, while hospital efforts continued to address a wide variety of community health needs and to collaborate with other community resources when needed.

The following outcome measures were reported in the 2018 fiscal year:

Chronic Disease and Diabetes:

- 100% of attendees at community diabetes classes reported a better understanding of risk prevention and/or diabetes management
- Over 6,200 adults were screened and counseled for BMI, blood pressure and cholesterol/glucose levels

Cancer Screenings:

- 5% increase in number of community sites for mobile mammography van, resulting in 3,600 screening mammograms
- 44 high-risk adults screened for lung cancer by lung cancer screening coordinator (2.2% increase from fiscal year 2017), resulting in two kidney cancer diagnoses and one lung cancer diagnosis

In preparation for the upcoming 2019 Community Health Needs Assessment, St. Luke's is coordinating with regional partners for data collection and analysis. As a new addition to the St. Luke's network of care, St. Luke's Des Peres Hospital will also undergo the Community Health Needs Assessment process, with reports for both hospitals to be released in June 2019.

The full 2016 Community Health Needs Assessment Report is available on the St. Luke's website: stlukes-stl.com.

Providing high quality services with pricing transparency

St. Luke's became the first hospital in the region to provide an online pricing transparency tool on our website. By providing patients with estimates of what they will pay out of their own pocket, they can better understand their financial responsibilities and make an informed healthcare choice.

People - Team and Leadership

Medical Staff

On May 1, 2018, St. Luke's acquired Des Peres Hospital which included an addition of 388 new physicians to our network of care. Patients now have access to over 1,000 physicians in more than 60 specialties throughout the greater St. Louis region.

In 2018, 51 new physicians joined the St. Luke's Hospital medical staff, representing primary care and over 15 specialties, from cardiology and electrophysiology to maternal and fetal medicine.

Within the medical staff, St. Luke's Medical Group is a physician organization of 139 physicians. Last year, 35 new physicians joined the group, including bariatrics, cardiology, internal medicine and various other specialties.

Volunteers and Auxiliary

The work of 437 active volunteers provided over 83,000 hours of service to St. Luke's.

The Auxiliary is led by a 21-member board that manages the hospital Gift Shop, and a number of other initiatives to support our healthcare efforts. Last year, the Auxiliary donated \$133,000 from Gift Shop proceeds and other fundraising activity to support the St. Luke's Women's Center, the sponsorship of the Daisy Award for Nursing Excellence and to provide funding for our Employee Crisis Fund.

Employees
4,600 employees
421 with 25 years or more of service
47 with 40 years or more of service

- Board of Directors**
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 - Norman K. Stegmann, Vice Chairman
 - Daniel L. Eaker, Treasurer
 - Anni M. Sullins, Secretary
 - Oscar C. Berryman
 - Philip B. Cady, Jr.
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 - Joseph A. Sheehan
 - The Rt. Rev. G. Wayne Smith
 - Tariq Tanoli, MD*
 - Daniel G. Wagner, MD
 - Steven J. Grigone, ex officio

**Term January 1, 2018 – January 31, 2018*

Senior Staff

Christine M. Caffio, RN, FACHE
President & Chief Executive Officer, St. Luke's

Scott H. Johnson
Executive Vice President & Chief Financial Officer, St. Luke's

David Loving
President, St. Luke's Des Peres Hospital

Jon Bettale
Vice President – Surgical and Ambulatory Services, St. Luke's Hospital

Martha Fleischmann
Vice President – Network Finance

Jan Hess
Vice President – Network Integration/Professional & Administrative Services

Gregory Hudson
Network Chief Strategy Officer

Sharon Mertzluft
Vice President/Executive Director – Network Development

Bill Meyer
Vice President – Network Chief Information Officer

Dan Miller, FACHE
Vice President – Network Facility and Support Services

Diane Ray, RN, FACHE
Senior Vice President, Network Nursing Officer & St. Luke's Chief Operating Officer

Janette Taaffe
Vice President – Network Human Resources

Maged Haikal, MD
Network Physician Liaison & St. Luke's Hospital Chief of Medicine

David Krajcovic, MD*
Chief – Department of Surgery, St. Luke's Hospital

Michael Boland, MD
Chief – Department of Surgery, St. Luke's Hospital

Ronald Leidenfrost, MD
Chairman – Heart and Vascular Institute

Carl A. Mazzola, MD
Chief – Department of Radiology, St. Luke's Hospital

Carlton Pearce, MD
Chief – Department of OB/GYN, St. Luke's Hospital

St. Luke's Hospital Department Chiefs

Michael Boland, MD
Department of Surgery

Roy Doerhoff, MD
Department of Anesthesiology

Maged Haikal, MD
Department of Medicine

Carl Mazzola, MD
Department of Radiology

Jeffrey Melnick, MD
Department of Pathology

Carlton Pearce, MD
Department of OB/GYN

Janet Ruzycki, MD
Department of Pediatrics

St. Luke's Des Peres Hospital Department Chairs

Roland Petri, MD
Department of Emergency Medicine

Kyle Toti, DO
Department of Family Medicine

Kenneth Bentley, MD
Department of Internal Medicine

A. Weldon Schott, DO
Department of Pathology

Gregory Cizek, MD
Department of Radiology

Michael Chabot, DO
Department of Surgery

**Sadly Dr. Krajcovic, who devoted over 40 years to St. Luke's, passed away in 2018. We will forever be thankful for his service.*

Medical Residency Programs

St. Luke's Hospital Residency in Internal Medicine Program

St. Luke's Hospital offers a Residency in Internal Medicine program, which is accredited for 41 residents. This past year, the program included residents from the United States, Canada and 14 other countries. Residents gain experience through rotations on inpatient medicine, cardiology services, ICU and emergency department services at St. Luke's. The program's affiliation with St. Louis University School of Medicine allows residents to take electives in a university-based academic setting. Outpatient ambulatory training is largely focused on People's Health Center, a public health clinic designed for the underserved population of St. Louis City. There are additional outpatient experiences at St. Luke's Hospital, where residents work with internists and subspecialty physicians.

The residency program is overseen by a program director, two associate program directors, a program secretary and a program coordinator. More than 100 physicians contribute to the teaching mission as full and part-time faculty.

St. Luke's Des Peres Hospital Residency Programs

The St. Luke's Des Peres Hospital Residency Programs were established in 1948 as the first Osteopathic residency programs in St. Louis. The hospital has been the base institution for a multitude of American Osteopathic Association (AOA) accredited residencies throughout the history of the organization. Those who complete their medical school training at Colleges of Osteopathic Medicine, graduate as Doctors of Osteopathy (DOs) and then may enter a residency that is AOA accredited or ACGME accredited, which are programs where MDs attend. Currently, there are six osteopathic residencies at St. Luke's Des Peres Hospital including Internal medicine, orthopedic surgery, general surgery, anesthesiology, otolaryngology/facial plastic surgery and family medicine.

Residents have morning and noon didactics daily in the clinic and have lecture with board review on Wednesdays and a bi-weekly Journal Club. The adjunct faculty for the program provide ambulatory experiences in dermatology, ENT, pediatrics, OB/GYN, psychiatry, sports medicine, cardiology, allergy and a host of other ambulatory disciplines. Inpatient experiences include emergency medicine, internal medicine, surgery, ICU and Hospitalist service. The residency program is facilitated by a program director and a full-time residency coordinator.

Honors and Awards

Medicare Quality Star Ratings

Medicare has devised a method using results from over 57 measures in seven categories to assign a quality rating to hospitals on a scale of 1 to 5 stars. St. Luke's placed in the top 10 percent of hospitals nationally, receiving a 5 star rating.

Women's Choice Award

For the fourth year in a row, St. Luke's Hospital earned the Women's Choice Award® as one of America's Best Hospitals. The 2018 award recognizes St. Luke's as one of America's Best Hospitals for **Heart Care, Cancer Care, Maternity Care and Orthopedics**, as well as one of America's Best **Breast Centers and Stroke Centers**. The award is based on clinical excellence, patient satisfaction and what women want in a hospital experience.

Outstanding Patient Experience Award

St. Luke's Hospital is a recipient of the Healthgrades 2018 Outstanding Patient Experience Award™. This distinction places St. Luke's among the top 5 percent of hospitals nationwide based on an analysis of patient experience data. This is the eighth year in a row (2011-2018) that St. Luke's has received this award.

Specialty Excellence and Five-Star Recognitions for Quality and Patient Satisfaction

St. Luke's Hospital received 2018 Healthgrades Specialty Excellence Awards™ for the exceptional quality of its cardiac care, critical care, gastrointestinal care and surgery and pulmonary care. According to the national hospital quality study published by Healthgrades, St. Luke's achieved five stars in 2018 for its quality in valve surgery, coronary interventional procedures, heart attack treatment, pneumonia treatment, colorectal surgeries, bowel obstruction treatment and respiratory failure treatment.

Revenue Cycle Recognitions

St. Luke's Hospital and Chesterfield Internal Medicine & Rheumatology, a St. Luke's Medical Group practice, received the HFMA MAP Award for High Performance in Revenue Cycle. St. Luke's Hospital also received the Healthcare Business Insights' Revenue Cycle Award and earned the biennial recognition as an Adopter of the HFMA's Patient Financial Communication Best Practices in 2016.

Best Doctors List

252 St. Luke's Hospital and St. Luke's Des Peres Hospital physicians made the *St. Louis Magazine* Best Doctorist, which is compiled by Best Doctors, Inc., an independent company affiliated with Harvard Medical School.

2018 Patient and Staff Testimonials



Jim's Story

Over the years, Jim has seen seven nutritionists but none were able to have a positive and lasting effect on his diabetes or health. When Jim met Mary Lynn, a registered dietitian at St. Luke's, she changed his life. St. Luke's Nutrition Wellness and Diabetes Center...



Craig's Story

Craig, a retired firefighter and paramedic, has always struggled with his weight. In high school, he played football and got down to 230 pounds. However after graduation, his weight steadily went up. Craig tried multiple diets and programs over the years. Though they...



Len & Sara's Story

Len's daughter, Sara, was preparing to deliver her third child at St. Luke's. During childbirth, Sara suffered from a postpartum hemorrhage. Len and his family were aware of the risks and dangers that are inherent in childbirth, but didn't realize how quickly things...



Nathan's Story

When the time came for the Grieshaber family to deliver their third baby at St. Luke's, they were impressed with personalized care from the nurses, the friendly staff and the comfortable birth suites. But no one was more impressed than their oldest son, Nathan. In a...



Molly's Story

At 31, Molly began to experience chest pain, which she initially attributed to anxiety and stress. Following a cardiac catheterization, she was diagnosed with early-onset coronary heart disease and was referred to St. Luke's Heart & Vascular Institute and Dr....



St. Luke's Team Story

The dedicated team at St. Luke's is committed to improving the health of the community each and every day. Using talents and resources responsibly, our team members provide care for the whole person with compassion, professional excellence and respect for each other...