

# TAX RETURN FILING INSTRUCTIONS

\*\* FORM 990 PUBLIC DISCLOSURE COPY \*\*

FOR THE YEAR ENDING  
SEPTEMBER 30, 2016

<b>Prepared for</b>	ST. LUKE'S WOOD RIVER MEDICAL CENTER, LTD 190 E. BANNOCK BOISE, ID 83702
<b>Prepared by</b>	DELOITTE TAX LLP 550 S. TRYON ST, SUITE 2500 CHARLOTTE, NC 28202
<b>Amount due or refund</b>	NOT APPLICABLE
<b>Make check payable to</b>	NOT APPLICABLE
<b>Mail tax return and check (if applicable) to</b>	NOT APPLICABLE
<b>Return must be mailed on or before</b>	NOT APPLICABLE
<b>Special Instructions</b>	THIS RETURN HAS BEEN PREPARED FOR ELECTRONIC FILING. IF YOU WISH TO HAVE IT TRANSMITTED ELECTRONICALLY TO THE IRS, PLEASE SIGN, DATE, AND RETURN FORM 8453-EO TO OUR OFFICE. WE WILL THEN SUBMIT THE ELECTRONIC RETURN TO THE IRS. DO NOT MAIL A PAPER COPY OF THE RETURN TO THE IRS.

Form **8453-EO**

# Exempt Organization Declaration and Signature for Electronic Filing

OMB No. 1545-1879

For calendar year 2015, or tax year beginning OCT 1, 2015, and ending SEPT 30, 2015

# 2015

Department of the Treasury  
Internal Revenue Service

For use with Forms 990, 990-EZ, 990-PF, 1120-POL, and 8868

Name of exempt organization

Employer identification number

St. Luke's Wood River Medical Center, Ltd.

84-1421665

## Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the type of return being filed with Form 8453-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a below and the amount on that line of the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). If you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than one line in Part I.

1a	Form 990 check here	<input checked="" type="checkbox"/>	b	Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1b	<u>73,525,862</u>
2a	Form 990-EZ check here	<input type="checkbox"/>	b	Total revenue, if any (Form 990-EZ, line 9)	2b	
3a	Form 1120-POL check here	<input type="checkbox"/>	b	Total tax (Form 1120-POL, line 22)	3b	
4a	Form 990-PF check here	<input type="checkbox"/>	b	Tax based on investment income (Form 990-PF, Part VI, line 5)	4b	
5a	Form 8868 check here	<input type="checkbox"/>	b	Balance due (Form 8868, Part I, line 3c or Part II, line 8c)	5b	

## Part II Declaration of Officer

6  I authorize the U.S. Treasury and its designated Financial Agent to initiate an Automated Clearing House (ACH) electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.

If a copy of this return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I certify that I executed the electronic disclosure consent contained within this return allowing disclosure by the IRS of this Form 990/990-EZ/990-PF (as specifically identified in Part I above) to the selected state agency(ies).

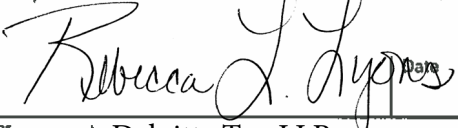
Under penalties of perjury, I declare that I am an officer of the above named organization and that I have examined a copy of the organization's 2015 electronic return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund.

Sign Here  | 8-3-17 | Vice President- Controller

Signature of officer | Date | Title

## Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer (see instructions)

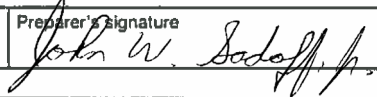
I declare that I have reviewed the above organization's return and that the entries on Form 8453-EO are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The organization officer will have signed this form before I submit the return. I will give the officer a copy of all forms and information to be filed with the IRS, and have followed all other requirements in Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns. If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on all information of which I have any knowledge.

ERO's signature  8/14/17 | Check if also paid preparer  | Check if self-employed  | ERO's SSN or PTIN P01487105

Firm's name (or yours if self-employed), address, and ZIP code Deloitte Tax LLP | EIN 86-1065772

250 East Fifth Street, Suite 1900, Cincinnati, OH 45202 | Phone no. 513-784-7100

Under penalties of perjury, I declare that I have examined the above return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer is based on all information of which the preparer has any knowledge.

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<u>John W. Sadoff, Jr.</u>		<u>8/14/2017</u>		<u>P00540589</u>
	Firm's name	Firm's EIN		Phone no.	
	<u>Deloitte Tax LLP</u>	<u>86-1065772</u>		<u>704-887-1500</u>	
	Firm's address	Phone no.			
	<u>550 S. Tryon St, Suite 2500 Charlotte, NC 28202</u>	<u>704-887-1500</u>			

Form **990**

Department of the Treasury  
Internal Revenue Service

# Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.  
▶ Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2015**  
Open to Public Inspection

**A** For the **2015** calendar year, or tax year beginning **OCT 1, 2015** and ending **SEP 30, 2016**

<b>B</b> Check if applicable:  <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization St. Luke's Wood River Medical Center, Ltd		<b>D</b> Employer identification number 84-1421665
	Doing business as		<b>E</b> Telephone number 208-706-9585
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	
	City or town, state or province, country, and ZIP or foreign postal code Boise, ID 83702		<b>G</b> Gross receipts \$ 73,564,925.
<b>F</b> Name and address of principal officer: Chris Roth same as C above		<b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number ▶	
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
<b>J</b> Website: ▶ <a href="http://www.stlukesonline.org">www.stlukesonline.org</a>			
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			<b>L</b> Year of formation: 1996
<b>M</b> State of legal domicile: ID			

## Part I Summary

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: Provide healthcare services to the community.		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	16
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	10
	<b>5</b> Total number of individuals employed in calendar year 2015 (Part V, line 2a)	<b>5</b>	0
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	110
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	0.
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	0.	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	<b>9</b> Program service revenue (Part VIII, line 2g)	367,142.	2,438,363.
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	68,278,128.	70,795,529.
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-11,437.	-28,737.
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	42,124.	320,707.
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	68,675,957.	73,525,862.
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	56,309.	46,295.
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0.	0.
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	34,069,973.	35,596,377.
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ 505,724.	0.	0.
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	30,373,685.	29,827,153.
	<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	64,499,967.	65,469,825.
<b>19</b> Revenue less expenses. Subtract line 18 from line 12	4,175,990.	8,056,037.	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	<b>21</b> Total liabilities (Part X, line 26)	60,373,132.	67,740,142.
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	3,247,879.	2,558,852.
		57,125,253.	65,181,290.

## Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	▶ Signature of officer	Date			
	▶ Peter DiDio, Vice-President, Controller Type or print name and title				
<b>Paid Preparer Use Only</b>	Print/Type preparer's name John W. Sadoff, Jr.	Preparer's signature <i>John W. Sadoff, Jr.</i>	Date 8/14/2017	Check if self-employed <input type="checkbox"/>	PTIN P00540589
	Firm's name ▶ Deloitte Tax LLP	Firm's EIN ▶ 86-1065772			
	Firm's address ▶ 550 S. Tryon St, Suite 2500 Charlotte, NC 28202	Phone no. 704-887-1500			

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission: Improve the health of people in the communities we serve by aligning physicians and other providers to deliver integrated, patient centered, quality care.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 42,005,082. including grants of \$ 46,295. ) (Revenue \$ 51,104,497. ) Medical & Surgical

Services at St. Luke's Wood River Medical Center include outpatient surgery, diagnostics, maternity services, physical and occupational therapy, mammography, intensive care and medical/surgical units. During fiscal year 2016, St. Luke's Wood River Medical Center provided qualified inpatient care for 1,188 admissions covering 3,047 patient days. They also provided patient care associated with 28,547 outpatient visits.

4b (Code: ) (Expenses \$ 10,866,830. including grants of \$ ) (Revenue \$ 13,220,873. ) Physician Services

Wood River has medical practices serving the following areas: Internal Medicine, OBGYN, Family Medicine, Orthopedics, and Sports Medicine. In fiscal year 2016, the practices had 65,517 visits.

4c (Code: ) (Expenses \$ 5,318,115. including grants of \$ ) (Revenue \$ 6,470,159. ) Emergency and Transport

During Fiscal Year 2016, the 24-hour emergency department had 8,383 patient visits.

4d Other program services (Describe in Schedule O.) (Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses 58,190,027.

Part IV Checklist of Required Schedules

Table with 3 columns: Question ID, Yes, No. Rows 1-19 detailing various organizational requirements and their completion status.

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> .....	X	
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? .....	X	
<b>21</b> Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> .....		X
<b>22</b> Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> .....		X
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> .....	X	
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> .....		X
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....		
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? .....		
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....		
<b>25a</b> <b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>26</b> Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i> .....		X
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> .....		X
<b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
<b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> .....		X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> .....	X	
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> .....	X	
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....		X
<b>b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		X
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> .....		X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? .....	X	

**Note.** All Form 990 filers are required to complete Schedule O .....

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Input box for Schedule O

Table with columns for question numbers (1a-14b), descriptions, and Yes/No columns. Includes questions about Form 1096, Form W-2G, backup withholding, Form W-3, unrelated business income, foreign accounts, prohibited tax shelter transactions, annual gross receipts, deductible contributions, and sponsoring organizations.

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
<b>1b</b>	Enter the number of voting members included in line 1a, above, who are independent		
<b>2</b>	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
<b>3</b>	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		X
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
<b>6</b>	Did the organization have members or stockholders?	X	
<b>7a</b>	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	X	
<b>7b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	X	
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>8a</b>	a The governing body?	X	
<b>8b</b>	b Each committee with authority to act on behalf of the governing body?	X	
<b>9</b>	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
<b>10a</b>	Did the organization have local chapters, branches, or affiliates?		X
<b>10b</b>	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
<b>11a</b>	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
<b>11b</b>	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b>	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
<b>12b</b>	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
<b>12c</b>	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
<b>13</b>	Did the organization have a written whistleblower policy?	X	
<b>14</b>	Did the organization have a written document retention and destruction policy?	X	
<b>15</b>	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>15a</b>	a The organization's CEO, Executive Director, or top management official		X
<b>15b</b>	b Other officers or key employees of the organization		X
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
<b>16b</b>	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed  None
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website     Another's website     Upon request     Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records:   
 Peter DiDio Vice-President, Contoller - 208-706-9585  
 190 E. Bannock, Boise, ID 83712



**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Mr. J. Robert Alexander Director	2.00 2.00	X					0.	0.	0.	
(2) Mr. Charles Coiner Chairman	2.00 2.00	X		X			0.	0.	0.	
(3) D. Jeff Fox, Ph.D. (Served - 10 Director	2.00 2.00	X					0.	0.	0.	
(4) Mr. R. Todd Blass Director	2.00 2.00	X					0.	0.	0.	
(5) Mr. Peter Becker Director	2.00 2.00	X					0.	0.	0.	
(6) Ms. Cynthia Murphy Director	2.00 2.00	X					0.	0.	0.	
(7) Mr. Terry Kramer Director	2.00 2.00	X					0.	0.	0.	
(8) Ms. Jane Miller Director	2.00 2.00	X					0.	0.	0.	
(9) Mr. Terry Ring Director	2.00 2.00	X					0.	0.	0.	
(10) Mr. George Kirk Director	2.00 2.00	X					0.	0.	0.	
(11) Eric Cassidy, D.O. Director	2.00 40.00	X					0.	0.	0.	
(12) Brian Fortuin, M.D. Director	2.00 40.00	X					0.	126,010.	0.	
(13) Ron E. McGarrigle, M.D. Director	40.00 2.00	X					0.	57,094.	0.	
(14) Robert Wasserstrom, M.D. Director	40.00 2.00	X					0.	30,250.	0.	
(15) Mr. James Angle CEO-SL East Rgn (Served - 10/15)	2.00 42.00	X		X			0.	589,630.	18,686.	
(16) David A. Mcclusky III, M.D. Director	40.00 2.00	X					0.	374,126.	18,934.	
(17) Mr. Chris Roth SR VP, COO	2.00 46.00	X		X			0.	654,179.	34,055.	

**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Ms. Rose Davila Director	2.00 2.00	X						0.	0.	0.
(19) Mr. Jeffrey S. Taylor SR VP/CFO/Treasurer	2.00 50.00			X				0.	563,576.	721,926.
(20) Ms. Christine Neuhoff VP/Legal Affairs/Secretary	2.00 50.00			X				0.	416,920.	32,567.
(21) Mr. Cody Langbehn Site Administrator	40.00 0.00				X			0.	307,828.	37,019.
(22) Daniel B. Judd, M.D. Physician	40.00 0.00					X		0.	1,178,402.	36,998.
(23) Dan Fairman, M.D. Physician	40.00 0.00					X		0.	324,648.	18,083.
(24) James C. Torres, M.D. Physician	40.00 0.00					X		0.	361,128.	27,675.
(25) Matthew C. Reeck, M.D. Physician	40.00 0.00					X		0.	356,805.	17,196.
(26) Brock Bemis, M.D. Physician	40.00 0.00					X		0.	346,216.	39,793.
<b>1b Sub-total</b>								0.	5,686,812.	1,002,932.
<b>c Total from continuation sheets to Part VII, Section A</b>								0.	0.	0.
<b>d Total (add lines 1b and 1c)</b>								0.	5,686,812.	1,002,932.

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **0**

	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	X	
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
Big Wood Anesthesia Associates, PLLC P.O. Box 987, Ketchum, ID 83340-0987	Anesthesia Services	1,252,450.
Alexander Orthopaedics P.O. Box 6997, Ketchum, ID 83340-6997	Physician Services	641,067.
ATS Inland NW 10951 Emerald St., Boise, ID 83713	Energy Management	261,940.
McKenzie Builders, Inc. P.O. Box 307, Carey, ID 83320	Building Services	220,817.
Cross Country Staffing 2090 S Eagle Road, Meridian, ID 83642	Healthcare Staffing	130,064.

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **8**

**Part VIII Statement of Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII

				(A)	(B)	(C)	(D)	
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1 a</b> Federated campaigns	<b>1a</b>						
	<b>b</b> Membership dues	<b>1b</b>						
	<b>c</b> Fundraising events	<b>1c</b>						
	<b>d</b> Related organizations	<b>1d</b>						
	<b>e</b> Government grants (contributions)	<b>1e</b>	119,564.					
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	2,318,799.					
	<b>g</b> Noncash contributions included in lines 1a-1f: \$							
	<b>h Total.</b> Add lines 1a-1f			2,438,363.				
<b>Program Service Revenue</b>	<b>2 a</b> Net Patient Revenue	<b>Business Code</b>	900099	70,356,596.	70,356,596.			
	<b>b</b>							
	<b>c</b>							
	<b>d</b>							
	<b>e</b>							
	<b>f</b> All other program service revenue		900099	438,933.	438,933.			
	<b>g Total.</b> Add lines 2a-2f			70,795,529.				
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts)							
	<b>4</b> Income from investment of tax-exempt bond proceeds							
	<b>5</b> Royalties							
	<b>6 a</b> Gross rents	(i) Real	56,614.					
		(ii) Personal						
		<b>b</b> Less: rental expenses		10,326.				
		<b>c</b> Rental income or (loss)		46,288.				
	<b>d</b> Net rental income or (loss)			46,288.			46,288.	
	<b>7 a</b> Gross amount from sales of assets other than inventory	(i) Securities						
		(ii) Other						
		<b>b</b> Less: cost or other basis and sales expenses		28,737.				
		<b>c</b> Gain or (loss)		-28,737.				
	<b>d</b> Net gain or (loss)			-28,737.			-28,737.	
	<b>8 a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	<b>a</b>						
		<b>b</b> Less: direct expenses						
<b>c</b> Net income or (loss) from fundraising events								
<b>9 a</b> Gross income from gaming activities. See Part IV, line 19	<b>a</b>							
	<b>b</b> Less: direct expenses							
	<b>c</b> Net income or (loss) from gaming activities							
<b>10 a</b> Gross sales of inventory, less returns and allowances	<b>a</b>							
	<b>b</b> Less: cost of goods sold							
	<b>c</b> Net income or (loss) from sales of inventory							
<b>Miscellaneous Revenue</b>			<b>Business Code</b>					
<b>11 a</b> Cafeteria/Catering/Ven		900099	274,419.				274,419.	
	<b>b</b>							
	<b>c</b>							
	<b>d</b> All other revenue							
<b>e Total.</b> Add lines 11a-11d			274,419.					
<b>12 Total revenue.</b> See instructions.			73,525,862.	70,795,529.	0.		291,970.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	<b>(A)</b> Total expenses	<b>(B)</b> Program service expenses	<b>(C)</b> Management and general expenses	<b>(D)</b> Fundraising expenses
<b>1</b> Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	46,295.	46,295.		
<b>2</b> Grants and other assistance to domestic individuals. See Part IV, line 22				
<b>3</b> Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
<b>4</b> Benefits paid to or for members				
<b>5</b> Compensation of current officers, directors, trustees, and key employees	741,079.		741,079.	
<b>6</b> Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
<b>7</b> Other salaries and wages	28,409,605.	24,789,307.	3,334,045.	286,253.
<b>8</b> Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	527,835.	469,245.	51,376.	7,214.
<b>9</b> Other employee benefits	4,056,297.	3,120,855.	935,264.	178.
<b>10</b> Payroll taxes	1,861,561.	1,575,241.	265,160.	21,160.
<b>11</b> Fees for services (non-employees):				
<b>a</b> Management	2,140,635.	2,083,723.	14,396.	42,516.
<b>b</b> Legal	1,264.			1,264.
<b>c</b> Accounting	11,279.			11,279.
<b>d</b> Lobbying				
<b>e</b> Professional fundraising services. See Part IV, line 17				
<b>f</b> Investment management fees				
<b>g</b> Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	962,835.	957,209.	5,626.	
<b>12</b> Advertising and promotion	72,092.	161.	68,863.	3,068.
<b>13</b> Office expenses	495,508.	468,787.	23,471.	3,250.
<b>14</b> Information technology	2,892,206.	2,892,124.	82.	
<b>15</b> Royalties				
<b>16</b> Occupancy	237,691.	237,691.		
<b>17</b> Travel	270,109.	176,519.	75,526.	18,064.
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials				
<b>19</b> Conferences, conventions, and meetings				
<b>20</b> Interest				
<b>21</b> Payments to affiliates				
<b>22</b> Depreciation, depletion, and amortization	3,993,394.	3,993,129.		265.
<b>23</b> Insurance	373.	60.	313.	
<b>24</b> Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
<b>a</b> Supplies	9,600,834.	9,356,898.	202,483.	41,453.
<b>b</b> Provision For Bad Debt	2,928,625.	2,928,625.	0.	
<b>c</b> Repairs Expense	1,424,569.	613,020.	811,549.	
<b>d</b> Contract Service	926,290.	901,598.	24,692.	
<b>e</b> All other expenses	3,869,449.	3,579,540.	220,149.	69,760.
<b>25</b> Total functional expenses. Add lines 1 through 24e	65,469,825.	58,190,027.	6,774,074.	505,724.
<b>26</b> Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here  if following SOP 98-2 (ASC 958-720)

**Part X Balance Sheet**

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....		<b>1</b>	
	<b>2</b> Savings and temporary cash investments .....		<b>2</b>	
	<b>3</b> Pledges and grants receivable, net .....		<b>3</b>	
	<b>4</b> Accounts receivable, net .....	8,188,239.	<b>4</b>	15,045,377.
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		<b>5</b>	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L .....		<b>6</b>	
	<b>7</b> Notes and loans receivable, net .....		<b>7</b>	
	<b>8</b> Inventories for sale or use .....	2,099,699.	<b>8</b>	2,074,553.
	<b>9</b> Prepaid expenses and deferred charges .....	95,767.	<b>9</b>	84,588.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b> 75,102,152.		
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b> 34,136,630.	<b>10c</b> 40,128,144.	40,965,522.
	<b>11</b> Investments - publicly traded securities .....	223,907.	<b>11</b>	213,548.
	<b>12</b> Investments - other securities. See Part IV, line 11 .....		<b>12</b>	
	<b>13</b> Investments - program-related. See Part IV, line 11 .....		<b>13</b>	
	<b>14</b> Intangible assets .....	256,033.	<b>14</b>	212,033.
	<b>15</b> Other assets. See Part IV, line 11 .....	9,381,343.	<b>15</b>	9,144,521.
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	60,373,132.	<b>16</b>	67,740,142.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	2,560,590.	<b>17</b>	1,336,366.
	<b>18</b> Grants payable .....		<b>18</b>	
	<b>19</b> Deferred revenue .....		<b>19</b>	
	<b>20</b> Tax-exempt bond liabilities .....		<b>20</b>	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		<b>21</b>	
	<b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		<b>24</b>	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....	687,289.	<b>25</b>	1,222,486.
	<b>26 Total liabilities.</b> Add lines 17 through 25 .....	3,247,879.	<b>26</b>	2,558,852.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets .....	57,006,705.	<b>27</b>	65,064,352.
	<b>28</b> Temporarily restricted net assets .....	118,548.	<b>28</b>	116,938.
	<b>29</b> Permanently restricted net assets .....		<b>29</b>	
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds .....		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>32</b>	
	<b>33</b> Total net assets or fund balances .....	57,125,253.	<b>33</b>	65,181,290.
	<b>34</b> Total liabilities and net assets/fund balances .....	60,373,132.	<b>34</b>	67,740,142.

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response or note to any line in this Part XI

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	73,525,862.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	65,469,825.
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	8,056,037.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	57,125,253.
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>9</b>	0.
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	<b>10</b>	65,181,290.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response or note to any line in this Part XII

	Yes	No
<b>1</b> Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
<b>2a</b> Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
<b>b</b> Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
<b>c</b> If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
<b>3a</b> As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? _____		X
<b>b</b> If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits _____		

Form **990** (2015)

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.  
▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2015**

Open to Public Inspection

Name of the organization St. Luke's Wood River Medical Center, Ltd Employer identification number 84-1421665

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2  A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ).)
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8  A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box in lines 11a through 11d that describes the type of supporting organization and complete lines 11e, 11f, and 11g.
  - a  **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
  - b  **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
  - c  **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
  - d  **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
  - e  Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
  - f Enter the number of supported organizations \_\_\_\_\_
  - g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
<b>Total</b>						

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge ...						
<b>4 Total.</b> Add lines 1 through 3 .....						
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) .....						
<b>6 Public support.</b> Subtract line 5 from line 4.						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
<b>7</b> Amounts from line 4 .....						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources ...						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on ...						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>11 Total support.</b> Add lines 7 through 10						
<b>12</b> Gross receipts from related activities, etc. (see instructions) .....					12	
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> .....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2015 (line 6, column (f) divided by line 11, column (f)) .....	14	%
<b>15</b> Public support percentage from 2014 Schedule A, Part II, line 14 .....	15	%
<b>16a 33 1/3% support test - 2015.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 33 1/3% support test - 2014.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>17a 10% -facts-and-circumstances test - 2015.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 10% -facts-and-circumstances test - 2014.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....		<input type="checkbox"/>



**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose .....						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						

**14 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** .....

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2015 (line 8, column (f) divided by line 13, column (f)) .....	<b>15</b>	%
<b>16</b> Public support percentage from 2014 Schedule A, Part III, line 15 .....	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2015 (line 10c, column (f) divided by line 13, column (f)) .....	<b>17</b>	%
<b>18</b> Investment income percentage from 2014 Schedule A, Part III, line 17 .....	<b>18</b>	%

**19a 33 1/3% support tests - 2015.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization .....

**b 33 1/3% support tests - 2014.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization .....

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions .....

**Part IV Supporting Organizations**

(Complete only if you checked a box in line 11 on Part I. If you checked 11a of Part I, complete Sections A and B. If you checked 11b of Part I, complete Sections A and C. If you checked 11c of Part I, complete Sections A, D, and E. If you checked 11d of Part I, complete Sections A and D, and complete Part V.)

**Section A. All Supporting Organizations**

	Yes	No
<b>1</b> Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No" describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
<b>2</b> Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
<b>3a</b> Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
<b>b</b> Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
<b>c</b> Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
<b>4a</b> Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 11a or 11b in Part I, answer (b) and (c) below.</i>		
<b>b</b> Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
<b>c</b> Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
<b>5a</b> Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
<b>b Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
<b>c Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
<b>6</b> Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
<b>7</b> Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
<b>8</b> Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
<b>9a</b> Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
<b>b</b> Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>c</b> Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>10a</b> Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		
<b>b</b> Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

**Part IV Supporting Organizations** (continued)

	Yes	No
<b>11</b> Has the organization accepted a gift or contribution from any of the following persons?		
<b>a</b> A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
<b>11a</b>		
<b>b</b> A family member of a person described in (a) above?		
<b>11b</b>		
<b>c</b> A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI.		
<b>11c</b>		

**Section B. Type I Supporting Organizations**

	Yes	No
<b>1</b> Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
<b>1</b>		
<b>2</b> Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.		
<b>2</b>		

**Section C. Type II Supporting Organizations**

	Yes	No
<b>1</b> Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		
<b>1</b>		

**Section D. All Type III Supporting Organizations**

	Yes	No
<b>1</b> Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
<b>1</b>		
<b>2</b> Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
<b>2</b>		
<b>3</b> By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.		
<b>3</b>		

**Section E. Type III Functionally-Integrated Supporting Organizations**

<b>1</b> Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions):		
<b>a</b> <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
<b>b</b> <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
<b>c</b> <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
<b>2</b> Activities Test. Answer (a) and (b) below.		
<b>a</b> Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.	Yes	No
<b>2a</b>		
<b>b</b> Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.		
<b>2b</b>		
<b>3</b> Parent of Supported Organizations. Answer (a) and (b) below.		
<b>a</b> Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI.		
<b>3a</b>		
<b>b</b> Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.		
<b>3b</b>		

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations**

1  Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970. **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

<b>Section A - Adjusted Net Income</b>		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	<b>Adjusted Net Income</b> (subtract lines 5, 6 and 7 from line 4)	8	

<b>Section B - Minimum Asset Amount</b>		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	
e	<b>Discount</b> claimed for blockage or other factors (explain in detail in <b>Part VI</b> ):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	<b>Minimum Asset Amount</b> (add line 7 to line 6)	8	

<b>Section C - Distributable Amount</b>		(A) Prior Year	Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	<b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions).		

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations** (continued)

Section D - Distributions	Current Year
<b>1</b> Amounts paid to supported organizations to accomplish exempt purposes	
<b>2</b> Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
<b>3</b> Administrative expenses paid to accomplish exempt purposes of supported organizations	
<b>4</b> Amounts paid to acquire exempt-use assets	
<b>5</b> Qualified set-aside amounts (prior IRS approval required)	
<b>6</b> Other distributions (describe in <b>Part VI</b> ). See instructions.	
<b>7 Total annual distributions.</b> Add lines 1 through 6.	
<b>8</b> Distributions to attentive supported organizations to which the organization is responsive (provide details in <b>Part VI</b> ). See instructions.	
<b>9</b> Distributable amount for 2015 from Section C, line 6	
<b>10</b> Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2015	(iii) Distributable Amount for 2015
<b>1</b> Distributable amount for 2015 from Section C, line 6			
<b>2</b> Underdistributions, if any, for years prior to 2015 (reasonable cause required-see instructions)			
<b>3</b> Excess distributions carryover, if any, to 2015:			
<b>a</b>			
<b>b</b>			
<b>c</b>			
<b>d</b> From 2013			
<b>e</b> From 2014			
<b>f Total</b> of lines 3a through e			
<b>g</b> Applied to underdistributions of prior years			
<b>h</b> Applied to 2015 distributable amount			
<b>i</b> Carryover from 2010 not applied (see instructions)			
<b>j</b> Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
<b>4</b> Distributions for 2015 from Section D, line 7: \$			
<b>a</b> Applied to underdistributions of prior years			
<b>b</b> Applied to 2015 distributable amount			
<b>c</b> Remainder. Subtract lines 4a and 4b from 4.			
<b>5</b> Remaining underdistributions for years prior to 2015, if any. Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions).			
<b>6</b> Remaining underdistributions for 2015. Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions).			
<b>7 Excess distributions carryover to 2016.</b> Add lines 3j and 4c.			
<b>8</b> Breakdown of line 7:			
<b>a</b>			
<b>b</b>			
<b>c</b> Excess from 2013			
<b>d</b> Excess from 2014			
<b>e</b> Excess from 2015			

Schedule A (Form 990 or 990-EZ) 2015

**Part VI**

**Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

Multiple horizontal lines for supplemental information.

**Schedule B**

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.  
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2015**

Name of the organization

St. Luke's Wood River Medical Center, Ltd

Employer identification number

84-1421665

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)( 3 ) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

**Special Rules**

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ..... ▶ \$ \_\_\_\_\_

**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2015)

Name of organization  St. Luke's Wood River Medical Center, Ltd	Employer identification number  84-1421665
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**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	<hr/> <hr/> <hr/> <hr/>	\$ 2,118,989.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	<hr/> <hr/> <hr/> <hr/>	\$ 118,532.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/> <hr/>	\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/> <hr/>	\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/> <hr/>	\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/> <hr/>	\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/> <hr/>	\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)



Name of organization  St. Luke's Wood River Medical Center, Ltd	Employer identification number  84-1421665
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**Part II Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	

Name of organization  St. Luke's Wood River Medical Center, Ltd	Employer identification number  84-1421665
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**Part III** Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once.) ▶ \$ \_\_\_\_\_  
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990.

Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2015

Open to Public Inspection

Name of the organization: St. Luke's Wood River Medical Center, Ltd. Employer identification number: 84-1421665

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 3 columns: Question number, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate values, and yes/no questions about donor property and grant fund usage.

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Form with multiple sections: 1. Purpose(s) of conservation easements (checkboxes for public use, natural habitat, open space, historic area, historic structure). 2. Table for conservation contribution details (2a-2d). 3-8. Questions about monitoring, expenses, and policy. 9. Description of reporting.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Form with questions 1a, 1b, 2a, 2b regarding reporting of art and historical treasures, including revenue and asset amounts.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a  Public exhibition
- b  Scholarly research
- c  Preservation for future generations
- d  Loan or exchange programs
- e  Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?  Yes  No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

**Part V Endowment Funds.** Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment  \_\_\_\_\_ %
- b Permanent endowment  \_\_\_\_\_ %
- c Temporarily restricted endowment  \_\_\_\_\_ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		4,494,826.		4,494,826.
b Buildings		51,305,131.	24,532,424.	26,772,707.
c Leasehold improvements				
d Equipment		17,204,085.	9,604,206.	7,599,879.
e Other		2,098,110.		2,098,110.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				40,965,522.

**Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives .....		
(2) Closely-held equity interests .....		
(3) Other .....		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

**Part IX Other Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) Due from related organizations	9,139,046.
(2) Deposits Other	5,475.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	9,144,521.

**Part X Other Liabilities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) Due to Medicare/Medicaid	1,222,486.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	1,222,486.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

<b>1</b>	Total revenue, gains, and other support per audited financial statements		<b>1</b>
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
<b>a</b>	Net unrealized gains (losses) on investments	<b>2a</b>	
<b>b</b>	Donated services and use of facilities	<b>2b</b>	
<b>c</b>	Recoveries of prior year grants	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>		<b>2e</b>
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>		<b>3</b>
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>	
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>		<b>4c</b>
<b>5</b>	Total revenue. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12.)		<b>5</b>

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

<b>1</b>	Total expenses and losses per audited financial statements		<b>1</b>
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
<b>a</b>	Donated services and use of facilities	<b>2a</b>	
<b>b</b>	Prior year adjustments	<b>2b</b>	
<b>c</b>	Other losses	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>		<b>2e</b>
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>		<b>3</b>
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>	
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>		<b>4c</b>
<b>5</b>	Total expenses. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18.)		<b>5</b>

**Part XIII Supplemental Information.**

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Part X, Line 2:

Explanation:

Footnote Disclosure-Uncertain Tax Positions Under FIN #48

(Source: Consolidated Financial Statements-St. Luke's Health System)

Income Taxes: The Health System is a not-for-profit corporation and is

recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal

Revenue Code of 1986, as amended. The Health System accounts for

uncertain tax positions in accordance with ASC Topic 740. Income tax

liabilities are recorded for the impact of positions taken on income tax

returns, which management believes are not more likely than not to be

sustained on tax audit. Management is not aware of any uncertain tax

**Part XIII** Supplemental Information (continued)

positions that should be recorded.

Unrelated Business Income: The Health System is subject to federal excise

tax on its unrelated business taxable income (UBTI). As of September 30,

2016, the company had approximately \$6,810 UBTI Net Operating Losses

incurred from operating losses incurred from 1997 to 2016 which expire in

years 2017 to 2037. The Health System does not believe that it is more

likely than not they will utilize these losses prior to their expiration

and as such has provided a full valuation allowance against these losses.

**SCHEDULE H  
(Form 990)**

**Hospitals**

OMB No. 1545-0047

**2015**

Department of the Treasury  
Internal Revenue Service

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, question 20.**  
▶ **Attach to Form 990.**  
▶ **Information about Schedule H (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

**Open to Public Inspection**

**Name of the organization** St. Luke's Wood River Medical Center, Ltd **Employer identification number** 84-1421665

**Part I Financial Assistance and Certain Other Community Benefits at Cost**

	Yes	No
<b>1a</b> Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a .....	X	
<b>b</b> If "Yes," was it a written policy? .....	X	
<b>2</b> If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
<b>3</b> Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
<b>a</b> Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: .....	X	
<input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>185</u> %		
<b>b</b> Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: .....	X	
<input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ %		
<b>c</b> If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
<b>4</b> Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	X	
<b>5a</b> Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
<b>b</b> If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	X	
<b>c</b> If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		X
<b>6a</b> Did the organization prepare a community benefit report during the tax year?		X
<b>b</b> If "Yes," did the organization make it available to the public?		

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

**7 Financial Assistance and Certain Other Community Benefits at Cost**

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
<b>Financial Assistance and Means-Tested Government Programs</b>						
<b>a</b> Financial Assistance at cost (from Worksheet 1) .....			1,378,876.		1,378,876.	2.20%
<b>b</b> Medicaid (from Worksheet 3, column a) .....			3,347,799.	2,801,073.	546,726.	.87%
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b) .....			268,372.	240,822.	27,550.	.04%
<b>d Total</b> Financial Assistance and Means-Tested Government Programs .....			4,995,047.	3,041,895.	1,953,152.	3.11%
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4) .....			152,452.	29,069.	123,383.	.20%
<b>f</b> Health professions education (from Worksheet 5) .....			4,480.		4,480.	.01%
<b>g</b> Subsidized health services (from Worksheet 6) .....						
<b>h</b> Research (from Worksheet 7) .....						
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8) .....						
<b>j Total.</b> Other Benefits .....			156,932.	29,069.	127,863.	.21%
<b>k Total.</b> Add lines 7d and 7j .....			5,151,979.	3,070,964.	2,081,015.	3.32%



Part II Community Building Activities Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

Table with 7 columns: (a) Number of activities or programs (optional), (b) Persons served (optional), (c) Total community building expense, (d) Direct offsetting revenue, (e) Net community building expense, (f) Percent of total expense. Rows include Physical improvements and housing, Economic development, Community support, Environmental improvements, Leadership development and training for community members, Coalition building, Community health improvement advocacy, Workforce development, Other, and Total.

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

Section A table with columns 'Yes' and 'No'. Questions include: 1. Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? 2. Enter the amount of the organization's bad debt expense. 3. Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy.

Section B. Medicare

Section B table with columns 'Yes' and 'No'. Questions include: 5. Enter total revenue received from Medicare (including DSH and IME). 6. Enter Medicare allowable costs of care relating to payments on line 5. 7. Subtract line 6 from line 5. This is the surplus (or shortfall). 8. Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit.

Section C. Collection Practices

Section C table with columns 'Yes' and 'No'. Questions include: 9a. Did the organization have a written debt collection policy during the tax year? 9b. If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance?

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians - see instructions)

Table with 5 columns: (a) Name of entity, (b) Description of primary activity of entity, (c) Organization's profit % or stock ownership %, (d) Officers, directors, trustees, or key employees' profit % or stock ownership %, (e) Physicians' profit % or stock ownership %.

**Part V Facility Information**

Section A. Hospital Facilities

(list in order of size, from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

Name, address, primary website address, and state license number (and if a group return, the name and EIN of the subordinate hospital organization that operates the hospital facility)

1 St. Luke's Wood River Medical Center  
 100 Hospital Drive  
 Ketchum, ID 83340  
 www.stlukeonline.org  
 State of Idaho License #HH-62

Licensed hospital	Gen. medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
X	X			X		X			

**Part V Facility Information** (continued)

**Section B. Facility Policies and Practices**

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or letter of facility reporting group St. Luke's Wood River Medical Center

Line number of hospital facility, or line numbers of hospital facilities in a facility reporting group (from Part V, Section A): 1

	Yes	No
<b>Community Health Needs Assessment</b>		
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year? .....		X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C .....		X
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12 .....	X	
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: <u>20 15</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted .....	X	
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C .....		X
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C .....		X
7 Did the hospital facility make its CHNA report widely available to the public? .....	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>www.stlukesonline.org/about-st-lukes/supporting-the-community</u>		
b <input type="checkbox"/> Other website (list url): _____		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11 .....	X	
9 Indicate the tax year the hospital facility last adopted an implementation strategy: <u>20 15</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website? .....		X
a If "Yes," (list url): _____		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return? .....	X	
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? .....		X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax? .....		
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

**Part V Facility Information** (continued)

**Financial Assistance Policy (FAP)**

Name of hospital facility or letter of facility reporting group St. Luke's Wood River Medical Center

	Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:		
<b>13</b> Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? .....	X	
If "Yes," indicate the eligibility criteria explained in the FAP:		
<b>a</b> <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>185</u> % and FPG family income limit for eligibility for discounted care of <u>400</u> %		
<b>b</b> <input type="checkbox"/> Income level other than FPG (describe in Section C)		
<b>c</b> <input checked="" type="checkbox"/> Asset level		
<b>d</b> <input checked="" type="checkbox"/> Medical indigency		
<b>e</b> <input checked="" type="checkbox"/> Insurance status		
<b>f</b> <input checked="" type="checkbox"/> Underinsurance status		
<b>g</b> <input type="checkbox"/> Residency		
<b>h</b> <input type="checkbox"/> Other (describe in Section C)		
<b>14</b> Explained the basis for calculating amounts charged to patients? .....	X	
<b>15</b> Explained the method for applying for financial assistance? .....	X	
If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):		
<b>a</b> <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
<b>b</b> <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
<b>c</b> <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
<b>d</b> <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
<b>e</b> <input type="checkbox"/> Other (describe in Section C)		
<b>16</b> Included measures to publicize the policy within the community served by the hospital facility? .....	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
<b>a</b> <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>See Part V, Page 7</u>		
<b>b</b> <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>See Part V, Page 7</u>		
<b>c</b> <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>See Part V, Page 7</u>		
<b>d</b> <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>e</b> <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>f</b> <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
<b>g</b> <input checked="" type="checkbox"/> Notice of availability of the FAP was conspicuously displayed throughout the hospital facility		
<b>h</b> <input type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
<b>i</b> <input checked="" type="checkbox"/> Other (describe in Section C)		

**Billing and Collections**

<b>17</b> Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon non-payment? .....	X	
<b>18</b> Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:		
<b>a</b> <input type="checkbox"/> Reporting to credit agency(ies)		
<b>b</b> <input type="checkbox"/> Selling an individual's debt to another party		
<b>c</b> <input type="checkbox"/> Actions that require a legal or judicial process		
<b>d</b> <input type="checkbox"/> Other similar actions (describe in Section C)		
<b>e</b> <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted		

**Part V Facility Information** (continued)

Name of hospital facility or letter of facility reporting group St. Luke's Wood River Medical Center

		Yes	No
<b>19</b>	Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? .....		X
If "Yes," check all actions in which the hospital facility or a third party engaged:			
<b>a</b>	<input type="checkbox"/> Reporting to credit agency(ies)		
<b>b</b>	<input type="checkbox"/> Selling an individual's debt to another party		
<b>c</b>	<input type="checkbox"/> Actions that require a legal or judicial process		
<b>d</b>	<input type="checkbox"/> Other similar actions (describe in Section C)		
<b>20</b>	Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (check all that apply):		
<b>a</b>	<input checked="" type="checkbox"/> Notified individuals of the financial assistance policy on admission		
<b>b</b>	<input checked="" type="checkbox"/> Notified individuals of the financial assistance policy prior to discharge		
<b>c</b>	<input checked="" type="checkbox"/> Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills		
<b>d</b>	<input type="checkbox"/> Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy		
<b>e</b>	<input type="checkbox"/> Other (describe in Section C)		
<b>f</b>	<input type="checkbox"/> None of these efforts were made		

**Policy Relating to Emergency Medical Care**

<b>21</b>	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? .....	X	
If "No," indicate why:			
<b>a</b>	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
<b>b</b>	<input type="checkbox"/> The hospital facility's policy was not in writing		
<b>c</b>	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)		
<b>d</b>	<input type="checkbox"/> Other (describe in Section C)		

**Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)**

<b>22</b>	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.		
<b>a</b>	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
<b>b</b>	<input checked="" type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
<b>c</b>	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
<b>d</b>	<input type="checkbox"/> Other (describe in Section C)		
<b>23</b>	During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? .....		X
If "Yes," explain in Section C.			
<b>24</b>	During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? .....		X
If "Yes," explain in Section C.			

**Part V Facility Information** (continued)

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2" "B, 3," etc.) and name of hospital facility.

Part V, Section A:

Located within the St. Luke's Wood River Hospital Complex are various provider-based physician clinics that provide services in the areas of Family Medicine, Internal Medicine, General Surgery, and Obstetrics and Gynecology. The address for this location is:

St. Luke's Wood River Medical Center  
100 Hospital Drive  
Ketchum, Idaho 83340

St. Luke's Wood River Medical Center:

Part V, Section B, Line 5: A series of in-depth interviews with people representing the broad interests of our community were conducted in order to assist us in defining, prioritizing, and understanding our most important community health needs. Many representatives participating in our process are individuals who have devoted decades to helping others lead healthier, more independent lives. The representatives we interviewed have significant knowledge of our community. To ensure they came from distinct and varied backgrounds, we included multiple representatives from each of these categories:

Category I: Persons with special knowledge of public health. This includes persons from state, local, and/or regional governmental public health departments with knowledge, information, or expertise relevant to the health needs of our community.

**Part V Facility Information** (continued)

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2" "B, 3," etc.) and name of hospital facility.

Category II: Individuals or organizations serving or representing the

interests of the medically underserved, low-income, and minority

populations in our community. Medically underserved populations include

populations experiencing health disparities or at-risk populations not

receiving adequate medical care as a result of being uninsured or

underinsured or due to geographic, language, financial, or other barriers.

Category III: Additional people located in or serving our community

including, but not limited to, health care advocates, nonprofit and

community-based organizations, health care providers, community health

centers, local school districts, and private businesses.

Each potential need was scored by the community representative on a scale

of 1 to 10. Higher scores represent potential needs the community

representatives believed were important to address with additional

resources. Lower scores usually meant our leaders thought our community

was healthy in that area already or we had relatively good programs

addressing the potential need. These scores were incorporated directly

into our health need prioritization process. In addition, we invited the

leaders to suggest programs, legislation, or other measures they believed

to be effective in addressing the needs.

The following community leaders/representatives were contacted:

(1) Blaine County

(2) Blaine County School District

(3) St. Charles Borromeo and Our Lady of the Snows, Catholic Churches

**Part V Facility Information** (continued)

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2" "B, 3," etc.) and name of hospital facility.

(4) The Senior Connection

(5) Blaine County Center for the College of Southern Idaho

(6) Hailey/Bellevue Police

(7) Idaho Department of Health and Welfare

(8) Fifth Judicial District in Idaho

(9) South Central Public Health

(10) Hospice and Palliative Care of the Wood River

(11) The Advocates for Survivors of Domestic Violence

(12) St. Luke's Center for Community Health

(13) Boise VA Medical Center

(14) Idaho Department of Labor: Obtained unemployment information

(15) Blaine County Community Drug Coalition

(16) Family Medicine Residency of Idaho

(17) Substance Abuse and Mental Health Services Administration

U.S. Department of Health and Human Services, Region X

(18) Coordinator of the CARES (Children at Risk Evaluation Services)

at St. Luke's Magic Valley Regional Medical Center

(19) Alturas Elementary School

(20) The Hunger Coalition

(21) Department of Health and Welfare, Region V

(22) Blaine County Recreation District

(23) Wood River YMCA

(24) Sun Valley Company

St. Luke's Wood River Medical Center:

Part V, Section B, Line 11:



**Part V Facility Information** (continued)

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2" "B, 3," etc.) and name of hospital facility.

We organized all of our significant health needs into three groups:

Program Group 1: Improve Mental Health and Reduce Suicide and Substance

Abuse

-Counseling Scholarship Fund

-Mental health services scholarship fund

-St. Luke's clinic-Mental health services

Program Group 2: Improve the Prevention and Management of Obesity

-YEAH (Youth Engaged in Activities for Health)

-Cooking matters

Program Group 3: Improve Access to Affordable Health Insurance

-Financial care

-Information and referral services through the St. Luke's Center for

community health

-Compassionate care program

-Heart of the matter health screening

-St. Luke's Center for community health brown bag talks

-Breast screening for the uninsured and underinsured women project

St. Luke's Wood River Medical Center

Part V, line 16a, FAP website:

[www.stlukesonline.org/resources/before-your-visit/financial-care](http://www.stlukesonline.org/resources/before-your-visit/financial-care)

St. Luke's Wood River Medical Center

**Part V Facility Information** (continued)

**Section C. Supplemental Information for Part V, Section B.** Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2" "B, 3," etc.) and name of hospital facility.

Part V, line 16b, FAP Application website:

[www.stlukesonline.org/resources/before-your-visit/financial-care](http://www.stlukesonline.org/resources/before-your-visit/financial-care)

St. Luke's Wood River Medical Center

Part V, line 16c, FAP Plain Language Summary website:

[www.stlukesonline.org/resources/before-your-visit/financial-care](http://www.stlukesonline.org/resources/before-your-visit/financial-care)

St. Luke's Wood River Medical Center:

Part V, Section B, Line 16i:

A Financial Care application is provided to the patient which contains

Patient Financial Advocate contact information.



**Part VI Supplemental Information**

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

Part I, Line 3c:

(A) St. Luke's does provide charity care services to patients who

meet one or both of the following guidelines based on income

and expenses:

1. Income. Patients whose family income is equal to or less than

400% of the then current Federal Poverty Guideline are eligible

for possible fee elimination or reduction on a sliding scale.

2. Expenses. Patients may be eligible for charity care if his or

her allowable medical expenses have so depleted the family's

income and resources that he or she is unable to pay for eligible

services. The following two qualifications must apply:

a. Expenses- The patients allowable medical expenses must be

greater than 30% of the family income. Allowable medical

expenses are the total of the family medical bills that,

if paid, would qualify as deductible medical expenses for

Federal income tax purposes without regard to whether the

**Part VI** Supplemental Information (Continuation)

expenses exceed the IRS- required threshold for taking the deduction. Paid and unpaid bills may be included.

b. Resources- The patient's excess medical expenses must be greater than available assets. Excess medical expenses are the amount by which allowable medical expenses exceed 30% of the family income. Available assets do not include the primary residence, the first motor vehicle, and a resource exclusion of the first \$4,000 of other assets for an individual, or \$6,000 for a family of two, and \$1,500 for each additional family member.

(B) Service Exclusions:

1. Services that are not medically necessary (e.g. cosmetic surgery) are not eligible for charity care.
2. Eligibility for charity care for a patient whose need for services arose from injuries sustained in a motor vehicle accident where the patient, driver, and/or owner of the motor vehicle had a motor vehicle liability policy, and only if a claim for payment has been properly submitted to the motor vehicle liability insurer, where applicable.

(C) Eligibility Approval Process:

1. St. Luke's screens patient for other sources of coverage and eligibility in government programs. St. Luke's documents the results of each screening. If St. Luke's determines that a patient is potentially eligible for Medicaid or another government program, then St. Luke's shall encourage the patient to apply for such a program and shall assist the patient in applying

**Part VI** Supplemental Information (Continuation)

for benefits under such a program.

2. The patient must complete a Financial Assistance Application and provide required supporting documentation in order to be eligible.

3. St. Luke's verifies reported family and compares to the latest Poverty Guidelines published by the U.S. Department of Health and Human Services.

4. St. Luke's verifies reported assets.

5. St. Luke's provides a written notice of determination of eligibility to the patient or the responsible party within 10 business days of receiving a completed application and the required supporting documentation.

6. St. Luke's reserves the right to run a credit report on all patients applying for charity care services.

(D) Eligibility Period: The determination that an individual is approved for charity care will be effective for six months from the date the application is submitted, unless during that time the patient's family income or insurance status changes to such an extent that the patient becomes ineligible.

Part I, Line 6a:

St. Luke's Wood River Medical Center, Ltd. is not required under Idaho Law to file a community benefit report, since its total licensed beds are less than the minimum 150 bed requirement threshold. (Wood River has 25 licensed beds.) Moreover, the activity of St. Luke's Wood River Medical Center, Ltd. is not included in the community benefit report within any of its related organizations within the St. Luke's Health System.

**Part VI** Supplemental Information (Continuation)

Part I, Line 7:

The cost to charge ratio was used to calculate charity care at cost.

Worksheet S-10 of the FY'16 Medicare Cost Report was the source of

information for unreimbursed Medicaid costs.

Part I, Ln 7 Col(f):

Bad Debt is defined as expenses resulting from services provided to a patient and/or guarantor who, having the requisite financial resources to pay for health care services, has demonstrated an unwillingness to do so.

Amount of bad debt expense included in Form 990, Part IX, line 25 is

\$2,928,625.

Part II, Community Building Activities:

The community building activities reported for St. Luke's Wood River

Medical Center include the following:

Community Health Improvement Advocacy:

Advocates Gala Event

Event sponsorship for the Advocates to prevent domestic violence and

sexual assault in the community through education, shelter, and

supportive services.

Center for Community Health Involvement (CCH)

**Part VI** Supplemental Information (Continuation)

Participation in a variety of boards that CCH staff represent, including Higher Ground Sun Valley, Wood River YMCA, and Senior Connection.

Part III, Line 2:

The Cost to Charge ratio method was used to calculate bad debt expense at cost.

Part III, Line 3:

St. Luke's Wood River Medical Center has a very robust financial assistance program, therefore, no estimate is made for bad debt attributable to patients eligible under financial assistance policy.

Part III, Line 4:

Per the audited financial statements in footnote four. St. Luke's Wood River Medical Center, Ltd. grants credit without collateral to its patients, most of whom are local residents and many of whom are insured under third-party agreements. The allowance for estimated uncollectible amounts is determined by analyzing both historical information (write-offs by payor classification), as well as current economic conditions.

Part III, Line 8:

Our community benefit report shows the under-reimbursed services provided to patients by Medicare. St. Luke's Wood River Medical Center, Ltd. provides medical care to all patients eligible for Medicare regardless of the shortfall



**Part VI** Supplemental Information (Continuation)

and thereby relieves the Federal Government of the burden for paying the full cost of Medicare.

The source of the information is the Medicare Cost Report for fiscal year 2016. The amount is calculated by comparing the total Medicare apportioned costs (allowable costs) to interim payments received during FY'15.

Part III, Line 9b:

All subsidiaries within the St. Luke's Health System have policies in place to provide financial assistance to those who meet established criteria and need assistance in paying for the amounts billed for their provided health care services. In addition, the collection policies and practices in place within the St. Luke's Health System provide guidance to patients on how to apply for this assistance. Collection of amounts due may be pursued in cases where the patient is unable to qualify for charity care or financial assistance and the patient has the financial resources to pay for the billed amounts.

Part VI, Line 2:

A Community Health Needs Assessment (CHNA) was conducted for fiscal year ending 9/30/2016. Information related to the 2016 CHNA is shown in the responses to questions 3 and 7 of "Part V, Section B, Facility Policies and Practices".

A complete copy of the CHNA assessments for all of the hospitals operating within the St. Luke's Health System can be found at the following website:

**Part VI** Supplemental Information (Continuation)

www.stlukesonline.org/about-st-lukes/supporting-the-community

Part VI, Line 3:

(A) St. Luke's Wood River Medical Center provides notice of the availability of financial assistance via:

- 1. Signage
- 2. Patient brochure
- 3. Billing Statement
- 4. Written collection action letter
- 5. Online at [www.stlukesonline.org/billing](http://www.stlukesonline.org/billing)

(B) All notices are translated into the following language: Spanish

(C) St. Luke's provides individual notice of the availability of financial assistance to a patient expected to incur charges that may not be paid in full by third party coverage, along with an estimate of the patient's liability.

(D) For cases in which St. Luke's independently determines patient eligibility for financial assistance, St. Luke's provides written notice of determination that the patient is or is not eligible within 10 business days of receiving a completed application and the required supporting documentation.

Part VI, Line 4:

**Part VI** Supplemental Information (Continuation)

St. Luke's Wood River Medical Center, Ltd. serves the health care needs of people living in the greater Blaine County area.

The criteria used in selecting this area as the community served was to include the entire population of the counties where approximately 70% of inpatients reside. The residents of Blaine County comprise about 70% of inpatients.

Both Idaho and our service territory are comprised of about a 95% white population while the nation as a whole is 78% white. The Hispanic population in Idaho represents 12% of the overall population and about 20% of our defined service area.

Idaho experienced a 25% increase in population from 2000 to 2013, ranking it as one of fastest growing states in the country. Blaine County's population increased by 12% during that timeframe, which is about the same population growth rate as the nation. St. Luke's Wood River is working to manage the volume and scope of services in order to meet the needs of a growing population.

Over the past ten years the 45 year or older age group was the fastest growing segment of our community. Currently, about 13% of the people in our community are over the age of 65.

The official United States poverty rate increased from 12.5% in 2003 to 15.6% in 2013. Our service area poverty rate is well below the national average. The poverty rate in our community for children under the age of 18 is also lower than the national average. Although poverty has started

**Part VI** Supplemental Information (Continuation)

declining in our service area, poverty rates are still above the levels they were at prior to the recession in 2008.

Median income in the United States has risen by 20% since 2003 and by 29% in our service area during that period. Median income in our service area is well above national and Idaho median income levels.

Part VI, Line 5:

Our community board serves without pay for the Board and its various committees, and many of these committees have at large community members. Health fairs are sponsored each year at very little or no cost to the community and are held in three different locations to better serve the community. The hospital sponsors various speakers during the year for medical related issues that are open to the public and very well attended (Brown Bag).

Part VI, Line 6:

As the only Idaho-based not-for-profit health system, St. Luke's Health System is part of the communities we serve, with local physicians and boards who further our organization's mission "To improve the health of people in our region." Working together, we share resources, skills, and knowledge to provide the best possible care, no matter which of our hospitals provide that care. Each St. Luke's Health System hospital is nationally recognized for excellence in patient care, with prestigious awards and designations reflecting the exceptional care that is synonymous with the St. Luke's name.

St. Luke's Health System provides facilities and services across the

**Part VI** Supplemental Information (Continuation)

region, covering a 150-mile radius that encompasses southern and central

Idaho, northern Nevada, and eastern Oregon- bringing care close to home

and family. The following entities are part of the St. Luke's Health

System:

(1) St. Luke's Regional Medical Center, Ltd. with the following locations:

--St. Luke's Boise Hospital

--St. Luke's Meridian Hospital

--St. Luke's Childrens Hospital

--St. Luke's Boise/Meridian/Nampa/Caldwell/Fruitland

Physician Clinics

--St. Luke's Nampa Emergency Department/Urgent Care

--St. Luke's Eagle Urgent Care

--St. Luke's Elmore Hospital with physician clinic

--St. Luke's Fruitland Emergency Department/Urgent Care

(2) St. Luke's Wood River Medical Center, Ltd. which consists of

a critical access hospital located in Ketchum, Idaho as well

as various physician clinics

(3) St. Luke's Magic Valley Regional Medical Center, Ltd. which consists

of the following:

--St. Luke's Magic Valley Hospital-Twin Falls, Idaho

--Various St. Luke's Physician Clinics in Twin Falls

--Canyon View-(Behavioral Health)

--St. Luke's Jerome Hospital-Jerome, Idaho

--Various Physician clinics in Jerome

**Part VI** Supplemental Information (Continuation)

(4) St. Luke's McCall, Ltd. which consists of a critical access

hospital located in McCall, Idaho as well as various physician clinics.

(5) Mountain States Tumor Institute (MSTI) is the region's largest

provider of cancer services and a nationally recognized leader in cancer research. MSTI provides advanced care to thousands of cancer patients each year at clinics in Boise, Fruitland, Meridian, Nampa, and Twin Falls, Idaho. MSTI is home to Idaho's only cancer treatment center for children, only federally sponsored center for hemophilia, and only blood and marrow transplant program.

MSTI's services and therapies include breast care services, blood and marrow transplant, chemotherapy, genetic counseling, hematology, hemophilia treatment, hospice, integrative medicine, marrow donor center, mobile mammography, mole mapping, nutritional counseling, PET/CT scanning, patient/family support, pediatric oncology, radiation therapy, rehabilitation, research and clinical trials, Schwartz Center Rounds for Caregivers, spiritual care, support groups/classes, tumor boards, and Wound Ostomy, and Continence Nursing.

MSTI is expanding as rapidly as today's cancer treatment. Patients can now visit a MSTI clinic or Breast Cancer detection center at 13 different locations in southwest Idaho and Eastern Oregon. Locations include Boise, Meridian, Nampa, Twin Falls, and Fruitland.

St. Luke's physician clinics and services are provided in partnership with

**Part VI** Supplemental Information (Continuation)

area physicians and other health care professionals. These include:

Cardiovascular; Child Abuse and Neglect Evaluation; Endocrinology; Ear,  
Nose, and Throat; Family Medicine; Gastroenterology; General  
Surgery; Hypertensive Disease; Internal Medicine; Maternal/Fetal  
Medicine; Medical Imaging; Metabolic and Bariatric Surgery; Nephrology;  
Neurology; Neurosurgery; Obstetrics/Gynecology; Occupational Medicine;  
Orthopedics; Outpatient Rehabilitation; Plastic Surgery; Psychiatry and  
Addiction; Pulmonary Medicine; Sleep Disorders; and Urology.

In addition, St. Luke's works with other regional facilities through  
management service contracts. These facilities include:

- (1) Challis Area Health Center
- (2) North Canyon Medical Center
- (3) Salmon River Clinic
- (4) Weiser Memorial Hospital

**SCHEDULE J  
(Form 990)**

**Compensation Information**

OMB No. 1545-0047

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

**2015**

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

▶ Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Name of the organization St. Luke's Wood River Medical Center, Ltd	Employer identification number 84-1421665
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**Part I Questions Regarding Compensation**

- 1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.
- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees   |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |
- b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain .....
- 2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a? .....
- 3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.
- |  |  |
|--|--|
| <input type="checkbox"/> Compensation committee              | <input type="checkbox"/> Written employment contract                     |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations     | <input type="checkbox"/> Approval by the board or compensation committee |
- 4** During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:
- a** Receive a severance payment or change-of-control payment? .....
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? .....
- c** Participate in, or receive payment from, an equity-based compensation arrangement? .....
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.
- Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.**
- 5** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:
- a** The organization? .....
- b** Any related organization? .....
- If "Yes" to line 5a or 5b, describe in Part III.
- 6** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:
- a** The organization? .....
- b** Any related organization? .....
- If "Yes" on line 6a or 6b, describe in Part III.
- 7** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described on lines 5 and 6? If "Yes," describe in Part III .....
- 8** Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III .....
- 9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? .....

	Yes	No
<b>1b</b>		
<b>2</b>		
<b>4a</b>		X
<b>4b</b>	X	
<b>4c</b>		X
<b>5a</b>		X
<b>5b</b>		X
<b>6a</b>		X
<b>6b</b>		X
<b>7</b>		X
<b>8</b>		X
<b>9</b>		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2015



**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

**Note:** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Mr. James Angle CEO-SL East Rgn (Served - 10/15)	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	569,040.	0.	20,590.	7,950.	10,736.	608,316.	0.
(2) David A. Mcclusky III, M.D. Director	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	371,571.	2,000.	555.	4,115.	14,819.	393,060.	0.
(3) Mr. Chris Roth SR VP, COO	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	634,949.	0.	19,230.	16,180.	17,875.	688,234.	0.
(4) Mr. Jeffrey S. Taylor SR VP/CFO/Treasurer	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	517,797.	0.	45,779.	705,980.	15,946.	1,285,502.	0.
(5) Ms. Christine Neuhoff VP/Legal Affairs/Secretary	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	397,661.	0.	19,259.	16,180.	16,387.	449,487.	0.
(6) Mr. Cody Langbehn Site Administrator	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	270,908.	0.	36,920.	12,065.	24,954.	344,847.	0.
(7) Daniel B. Judd, M.D. Physician	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	347,990.	811,567.	18,845.	16,180.	20,818.	1,215,400.	0.
(8) Dan Fairman, M.D. Physician	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	220,492.	76,104.	28,052.	7,950.	10,133.	342,731.	0.
(9) James C. Torres, M.D. Physician	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	276,535.	63,707.	20,886.	12,065.	15,610.	388,803.	0.
(10) Matthew C. Reeck, M.D. Physician	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	318,825.	37,425.	555.	4,115.	13,081.	374,001.	0.
(11) Brock Bemis, M.D. Physician	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	289,565.	26,510.	30,141.	12,065.	27,728.	386,009.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

**Part III Supplemental Information**

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Part I, Line 3:

Compensation for the organization's CEO is determined by St. Luke's Health System, Ltd. (System), sole member of St. Luke's Wood River Medical Center, Ltd. SLWRMC). The System board approves the compensation amount per the recommendation of its compensation committee, and the decision is then reviewed and ratified by the board of directors for SLWRMC.

In determining compensation for the CEO, the System board utilizes the following criteria:

- Compensation Committee
- Independent compensation consultant
- Compensation survey or study
- Approval by the board or compensation committee

Part I, Line 4b:

During CY'15, Jeffrey S. Taylor was a participant in the supplemental non-qualified executive retirement plan. There were no additional benefits

**Part III Supplemental Information**

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

were accrued during CY'15 on behalf of the participant.

Part II-Column (c)

During CY'15 the following individual participated in the basic pension

plan. Due to enhanced benefits adopted in 2015 and changes in actuarial

assumptions this individual experienced an increase in the vested

balance of the plan.

Jeffrey Taylor \$681,570

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2015**

Open to Public  
Inspection

Name of the organization St. Luke's Wood River Medical Center,Ltd	Employer identification number 84-1421665
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Form 990, Part VI, Section A, line 6:

St. Luke's Health System, Ltd. is the sole member of St. Luke's Wood River  
Medical Center, Ltd.

Form 990, Part VI, Section A, line 7a:

St. Luke's Wood River Medical Center,Ltd.(Corporation)and St. Luke's Health  
System,Ltd.(Member) cooperatively select and employ the CEO of the  
Corporation. St. Luke's Health System,Ltd. is the sole member of the  
Corporation.

Form 990, Part VI, Section A, line 7b:

St. Luke's Health System,Ltd. (Member) maintains approval and  
implementation authority over St. Luke's Magic Valley Regional  
Medical Center, Ltd. Corporation), which in turn is the governing  
board for St. Luke's Wood River Medical Center, Ltd. (Corporation).

Actions requiring approval authority may be initiated by either the  
Corporation or its Member, but must be approved by both the Corporation  
(by action of its Board of Directors) and the Member. Actions requiring  
approval authority of the Member include:

(a) Amendment to the Articles of Incorporation;

Name of the organization St. Luke's Wood River Medical Center, Ltd	Employer identification number 84-1421665
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(b) Amendment to the Bylaws of the Corporation;

(c) Appointment of members of the Corporation's Board of Directors, other than ex officio directors;

(d) Removal of an individual from the Corporation's Board of Directors if and when removal is requested by the Corporation's Board of Directors, which request may only be made if the Director is failing to meet the reasonable expectations for service on the Corporation's Board of Directors that are established by the Member and are uniform for the Corporation and for all of the other hospitals for which the Member then serves as the sole corporate member.

(e) Approval of operating and capital budgets of the Corporation, and deviations to an approved budget over the amounts established from time to time by the Member; and

(f) Approval of the strategic/tactical plans and goals and objectives of the Corporation.

Implementation Authority means those actions which the Member may take without the approval or recommendation of the Corporation. This authority will not be utilized until there has been appropriate communication between the Member and the Corporation's Board of Directors and its Chief Executive Officer. Actions requiring implementation authority include:

(a) Changes to the Statements of mission, philosophy, and values of the Corporation;

Name of the organization St. Luke's Wood River Medical Center,Ltd	Employer identification number 84-1421665
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(b) Removal of an individual from the Corporation's Board of Directors if  
 and when the Member determines in good faith that the Director is  
 failing to meet the Approved Board of Member Expectations. This  
 authority to remove Directors shall not be used merely because there  
 is a difference in business judgment between the Director and  
 the Corporation or the Member, and shall never be used to remove one  
 or more Directors from the Corporation's Board of Directors in order  
 to change a decision made by the Corporation's Board of Directors;

(c) Employment and termination of the Chief Executive Officer of the  
 Corporation;

(d) Appointment of the auditor for the Corporation and the coordination of  
 the Corporation's annual audit;

(e) Sales, lease, exchange, mortgage, pledge, creation of a security  
 interest in or other disposition of real or personal property of the  
 Corporation if such property has a fair market value in excess of a  
 limit set from time to time by the Member and that is not otherwise  
 contained in an Approved Budget;

(f) Sale, merger, consolidation, change of membership, sale of all or  
 substantially all of the assets of the corporation, or closure of  
 any facility operated by the Corporation;

(g) The dissolution of the Corporation;

(h) Incurrence of debt by or for the Corporation in accordance with

Name of the organization St. Luke's Wood River Medical Center,Ltd	Employer identification number 84-1421665
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requirements established from time to time by the Member and that

is not otherwise contained in an Approved Budget; and

(i) Authority to establish policies to promote and develop an integrated,  
 cohesive health care delivery system across all corporations for which  
 the Member serves as the corporate member.

Form 990, Part VI, Section B, line 11:

The Form 990(Form)is reviewed by an independent public accounting firm  
 based on audited financial statements and with the assistance of the  
 organization's finance and accounting staff. A complete copy of the Form  
 990 is made available to the Board of Directors prior to filing.

Form 990, Part VI, Section B, Line 12c:

The organization annually reviews the conflict of interest policy with each  
 board member and also with new board members. Persons covered under the  
 policy include officers, directors, senior executives, non-director members  
 of Board committees and others as identified by a senior executive. At all  
 levels the board is responsible for assessing, reviewing, and resolving any  
 conflicts of interest that have been disclosed by a covered person, or a  
 conflict of interest disclosed by a covered person with respect to a  
 covered person other than himself/herself. Where a conflict exists, the  
 affected parties must recuse themselves from participating in any  
 discussion related to the conflict.

Form 990, Part VI, Section B, Line 15:

Name of the organization St. Luke's Wood River Medical Center,Ltd	Employer identification number 84-1421665
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Executive compensation is set by St. Luke's boards of directors and is reviewed annually. Compensation levels are based on an independent analysis of comparable pay packages offered at similar institutions across the country, with the goal of placing executives in the 50th percentile of those surveyed. These surveys are usually done every two years, with the most recent compensation survey completed during calendar year 2016.

St. Luke's Health System is committed to providing the highest quality medical care to all people regardless of their ability to pay.

To keep that commitment, St. Luke's puts a great deal of time and effort into recruiting and retaining the top physicians in a variety of medical fields. Our relationships with physicians range from having privileges at the hospital to full employment.

For those physicians who choose to be employed, St. Luke's must offer competitive pay and benefits.

Physician compensation is based on a range of criteria and can be influenced by a number of variables including:

- Community need for medical specialty
- Experience
- Productivity
- Geography
- National surveys adjusted for local conditions
- Willingness to serve regardless of patients' ability to pay
- Duration of relationship and contractual terms



Name of the organization St. Luke's Wood River Medical Center, Ltd	Employer identification number 84-1421665
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-Performance on quality metrics

To ensure physician compensation and benefits remain within industry standards and legal requirements for not-for-profit institutions, St.

Luke's has a Physician Arrangements policy that specifies circumstances requiring a third-party valuation and also periodically uses third-party consulting firms to review St. Luke's physician compensation arrangements.

Given the growing national shortage of physicians, recruiting and retaining physicians is more critical than ever to guarantee that people seeking care at St. Luke's will continue to have access to the physicians and specialists they need regardless of their insurance status or insurance provider.

Form 990, Part VI, Section C, Line 19:

The organization's governing documents, conflict of interest policy, and financial statements are not available to the public. Form 990, which contains financial information, is available for public inspection.

Form 990, Part VII, Section A

Allocation of Compensation and Hours:

The total hours worked and compensation reported for the following individuals represent services rendered to organizations within the St.

Luke's Health System:

James Angle:

St. Luke's Magic Valley Regional Medical Center, Ltd.

Name of the organization St. Luke's Wood River Medical Center, Ltd	Employer identification number 84-1421665
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St. Luke's Wood River Medical Center, Ltd.

St. Luke's Clinic Coordinated Care, Ltd.

Brian Fortuin, M.D.:

St. Luke's Magic Valley Regional Medical Center, Ltd.

St. Luke's Wood River Medical Center, Ltd.

Robert Wasserstrom, M.D.

St. Luke's Magic Valley Regional Medical Center, Ltd.

St. Luke's Wood River Medical Center, Ltd.

Ron E. McGarrigle, M.D.

St. Luke's Magic Valley Regional Medical Center, Ltd.

St. Luke's Wood River Medical Center, Ltd.

David A. McClusky, M.D.

St. Luke's Magic Valley Regional Medical Center, Ltd.

St. Luke's Wood River Medical Center, Ltd.

Eric Cassidy, D.O.

St. Luke's Magic Valley Regional Medical Center, Ltd.

St. Luke's Wood River Medical Center, Ltd.

Jeff Taylor:

St. Luke's Health System, Ltd.

St. Luke's Regional Medical Center, Ltd.

Mountain States Tumor Institute, Inc.

St. Luke's McCall, Ltd.

Name of the organization St. Luke's Wood River Medical Center, Ltd	Employer identification number 84-1421665
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St. Luke's Magic Valley Regional Medical Center, Ltd.

St. Luke's Wood River Medical Center, Ltd.

St. Luke's Clinic Coordinated Care, Ltd.

Christine Neuhoff:

St. Luke's Health System, Ltd.

St. Luke's Regional Medical Center, Ltd.

Mountain States Tumor Institute, Inc.

St. Luke's McCall, Ltd.

St. Luke's Magic Valley Regional Medical Center, Ltd.

St. Luke's Wood River Medical Center, Ltd.

St. Luke's Clinic Coordinated Care, Ltd.

Also, it should be noted that the hours reported for the directors (employed by St. Luke's), officers, key employees, and highest paid employees are based on a minimum 40 hour work week. However, due to the demands of their roles within the St. Luke's Health System, the hours worked by these individuals often exceed the minimum required 40 hours.

Part VII: Section A

Compensation of Physician Board Members

The following physician board members are members of various physician practices that contract with St. Luke's Magic Valley Regional Medical Center, Ltd. (SLMV) for the purpose of providing physician services to SLMV patients:

Eric Cassidy, D.O. Emergency Physicians of Southern Idaho, PLLC

Name of the organization St. Luke's Wood River Medical Center, Ltd	Employer identification number 84-1421665
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Brian Fortuin, M.D. Idaho Medicine Associates

Ron McGarrigle, M.D. Magic Valley Anesthesiology Associates

Robert Wasserstrom, M.D. Southern Idaho Radiology

These physicians work at least 40 hours per week on behalf of these practices for physician services provided to St. Luke's patients.

During CY'15, SLMV made payments to these practices for the following amounts:

Physician Practice Amount Paid

Emergency Physicians of Southern Idaho \$5,584,632

Idaho Medicine Associates, LLC \$3,008,373

Magic Valley Anesthesia Associates \$8,395,465

Southern Idaho Radiology \$4,752,712

Dr. Fortuin is also a member of St. Luke's Magic Valley Sleep Institute, LLC (Sleep Institute), a physician practice that contracts with SLMV to provide physician services to SLMV patients. During CY'15 SLMV made payments totaling \$253,098.

During CY'15, Dr. Fortuin was compensated directly by SLMV for serving as chair for the Magic Valley Physician Leadership Council. The amount paid for these services was \$126,010 and is reported in Part VII, Section A.

During CY'15, Dr. McGarrigle was compensated directly by SLMV for serving as chair for the Magic Valley Physician Leadership Council. The

Name of the organization St. Luke's Wood River Medical Center, Ltd	Employer identification number 84-1421665
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amount paid for these services was \$57,094 and is reported in Part VII,

Section A.

During CY'15, Dr. Wasserstrom was compensated directly by SLMV for

serving as chair for the Magic Valley Physician Leadership Council. The

amount paid for these services was \$30,250 and is reported in Part VII,

Section A.

**SCHEDULE R  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Related Organizations and Unrelated Partnerships**

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.  
▶ Attach to Form 990.

▶ Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2015**

**Open to Public  
Inspection**

Name of the organization **St. Luke's Wood River Medical Center, Ltd** Employer identification number **84-1421665**

**Part I Identification of Disregarded Entities** Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
St. Luke's Clinic-Wood River, LLC - 45-2715973, 190 E. Bannock, Boise, ID 83712	Physician Clinic Operations	Idaho	6,190,239.	-10,401,219.	St. Luke's Wood River Medical Center, Ltd.

**Part II Identification of Related Tax-Exempt Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
St. Luke's Health System, Ltd. - 56-2570681 190 E. Bannock Boise, ID 83712	Supporting Organization	Idaho	501(c)(3)	11-3	N/A		X
Mountain States Tumor Institute, Inc. - 82-0295026, 100 E. Idaho, Boise, ID 83712	Healthcare Services	Idaho	501(c)(3)	3	St. Luke's Regional Medical Center, Ltd		X
St. Luke's Regional Medical Center, Ltd. - 82-0161600, 190 E. Bannock, Boise, ID 83712	Healthcare Services	Idaho	501(c)(3)	3	St. Luke's Health System, Ltd.		X
St. Luke's Health Foundation, Ltd. - 81-0600973, 190 E. Bannock, Boise, ID 83712	Fundraising	Idaho	501(c)(3)	7	St. Luke's Health System, Ltd.		X

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2015

**Part II** Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
St. Luke's Magic Valley Regional Medical Center, Ltd. - 56-2570686, 801 Pole Line Road, Twin Falls, ID 83301	Healthcare Services	Idaho	501(c)(3)	3	St. Luke's Health System, Ltd.		X
St. Luke's McCall, Ltd. - 27-3311774 190 E. Bannock Boise, ID 83712	Healthcare Services	Idaho	501(c)(3)	3	St. Luke's Health System, Ltd.		X
St. Luke's Wood River Medical Center Volunteer Core, Inc. - 23-7103805, P.O. Box 3525, Ketchum, ID 83340	Fundraising	Idaho	501(c)(3)	11-3	N/A		X
St. Luke's Clinic Coordinated Care, Ltd. - 45-5195864, 190 E. Bannock, Boise, ID 83712	Accountable Care Organization	Idaho	501(c)(3)	9	St. Luke's Health System, Ltd.		X

**Part III Identification of Related Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

**Part IV Identification of Related Organizations Taxable as a Corporation or Trust** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No



**Part V Transactions With Related Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
<b>a</b> Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity .....		X
<b>b</b> Gift, grant, or capital contribution to related organization(s) .....	X	
<b>c</b> Gift, grant, or capital contribution from related organization(s) .....	X	
<b>d</b> Loans or loan guarantees to or for related organization(s) .....		X
<b>e</b> Loans or loan guarantees by related organization(s) .....		X
<b>f</b> Dividends from related organization(s) .....		X
<b>g</b> Sale of assets to related organization(s) .....		X
<b>h</b> Purchase of assets from related organization(s) .....		X
<b>i</b> Exchange of assets with related organization(s) .....		X
<b>j</b> Lease of facilities, equipment, or other assets to related organization(s) .....		X
<b>k</b> Lease of facilities, equipment, or other assets from related organization(s) .....		X
<b>l</b> Performance of services or membership or fundraising solicitations for related organization(s) .....		X
<b>m</b> Performance of services or membership or fundraising solicitations by related organization(s) .....	X	
<b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) .....		X
<b>o</b> Sharing of paid employees with related organization(s) .....	X	
<b>p</b> Reimbursement paid to related organization(s) for expenses .....	X	
<b>q</b> Reimbursement paid by related organization(s) for expenses .....		X
<b>r</b> Other transfer of cash or property to related organization(s) .....		X
<b>s</b> Other transfer of cash or property from related organization(s) .....		X

**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

**Part VI Unrelated Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners sec. 501(c)(3) orgs.?		(f) Share of total income	(g) Share of end-of-year assets	(h) Dispropor- tionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

**Part VII** Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions).

Multiple horizontal lines for providing supplemental information.

# St. Luke's Health System, Ltd. and Subsidiaries

Consolidated Financial Statements as of and for the  
Years Ended September 30, 2016 and 2015, and  
Consolidating Supplemental Schedules as of and  
for the Year Ended September 30, 2016, and  
Independent Auditors' Report

# ST. LUKE'S HEALTH SYSTEM, LTD. AND SUBSIDIARIES

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
St. Luke's Health System, Ltd.  
Boise, Idaho

We have audited the accompanying consolidated financial statements of St. Luke's Health System, Ltd. and its subsidiaries (the "Health System"), which comprise the consolidated balance sheets as of September 30, 2016 and 2015, and the related consolidated statements of operations and changes in net assets, and of cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Health System's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Health System's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of St. Luke's Health System, Ltd. and its subsidiaries as of September 30, 2016 and 2015, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Disclaimer of Opinion on Charity Care Schedule**

The charity care schedule summarized in Note 1, which is the responsibility of the Health System's management, is not a required part of the basic financial statements, and we did not audit or apply limited procedures to such information and we do not express any assurances on such information.

## **Report on Supplementary Schedules**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary schedules listed in the table of contents on page 41-42 are presented for the purpose of additional analysis and are not a required part of the consolidated financial statements. These schedules are the responsibility of the Health System's management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such schedules have been subjected to the auditing procedures applied in our audits of the financial statements and certain additional procedures, including comparing and reconciling such schedules directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such schedules are fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Deloitte & Touche LLP*

December 16, 2016

# ST. LUKE'S HEALTH SYSTEM, LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2016 AND 2015 (In thousands)

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	2016	2015
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 76,162	\$ 234,903
Receivables—net	311,130	271,665
Inventories	29,151	30,677
Prepaid expenses	24,757	15,580
Assets held for sale	5,320	4,703
Current portion of assets whose use is limited	<u>56,292</u>	<u>47,908</u>
Total current assets	<u>502,812</u>	<u>605,436</u>
ASSETS WHOSE USE IS LIMITED:		
Board designated funds	475,321	336,586
Restricted funds	138,211	179,256
Permanent endowment funds	12,220	12,129
Donor restricted plant replacement and expansion funds and other specific purpose funds	<u>31,591</u>	<u>27,705</u>
Total assets whose use is limited	<u>657,343</u>	<u>555,676</u>
PROPERTY, PLANT, AND EQUIPMENT—Net	<u>1,143,352</u>	<u>996,255</u>
GOODWILL	<u>37,393</u>	<u>37,393</u>
OTHER ASSETS:		
Land and buildings held for investment or future expansion—at cost	46,254	45,921
Other	8,560	15,346
Deferred financing cost—net	<u>8,087</u>	<u>8,523</u>
Total other assets	<u>62,901</u>	<u>69,790</u>
NONCURRENT ASSETS HELD FOR SALE	<u>-</u>	<u>2,302</u>
TOTAL	<u>\$ 2,403,801</u>	<u>\$ 2,266,852</u>

See notes to consolidated financial statements.



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	<b>2016</b>	<b>2015</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued liabilities	\$ 136,292	\$ 126,013
Accrued salaries and related liabilities	50,859	39,949
Employee benefit liabilities	114,245	101,298
Estimated payable to Medicare and Medicaid programs	70,142	91,095
Liabilities held for sale	5,335	2,147
Current portion of long-term debt and capital leases	<u>26,412</u>	<u>20,432</u>
Total current liabilities	<u>403,285</u>	<u>380,934</u>
<b>NONCURRENT LIABILITIES:</b>		
Long-term debt and capital leases	896,181	848,413
Liability for pension benefits	91,394	71,888
Other liabilities	<u>1,720</u>	<u>2,416</u>
Total noncurrent liabilities	<u>989,295</u>	<u>922,717</u>
<b>NET ASSETS:</b>		
Unrestricted:		
The Health System	967,932	924,004
Noncontrolling interests	<u>(205)</u>	<u>1,251</u>
Total unrestricted net assets	967,727	925,255
Temporarily restricted	31,274	25,817
Permanently restricted	<u>12,220</u>	<u>12,129</u>
Total net assets	1,011,221	963,201
	<hr/>	<hr/>
<b>TOTAL</b>	<u>\$ 2,403,801</u>	<u>\$ 2,266,852</u>

## ST. LUKE'S HEALTH SYSTEM, LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015 (In thousands)

	2016	2015
UNRESTRICTED REVENUES, GAINS, AND OTHER SUPPORT:		
Patient service revenue (net of contractual allowances and discounts)	\$1,996,412	\$1,838,569
Less provision for bad debts	<u>(98,909)</u>	<u>(82,782)</u>
Net patient service revenue (net of bad debts)	1,897,503	1,755,787
Other revenue (including rental income)	40,625	47,427
Net assets released from restrictions—operating	(1,201)	(2,139)
Income on equity interest in joint ventures—net	<u>288</u>	<u>295</u>
Total unrestricted revenues, gains, and other support	<u>1,937,215</u>	<u>1,801,370</u>
EXPENSES:		
Salaries and benefits	1,073,602	964,966
Supplies and drugs	332,649	301,910
Depreciation and amortization	107,682	101,686
Contract services	180,220	174,699
Purchased services	121,579	118,865
Interest expense	31,238	32,803
Other expenses	<u>47,235</u>	<u>43,111</u>
Total expenses	<u>1,894,205</u>	<u>1,738,040</u>
INCOME FROM OPERATIONS	43,010	63,330
INVESTMENT INCOME	<u>9,086</u>	<u>6,164</u>
REVENUE IN EXCESS OF EXPENSES FROM CONTINUING OPERATIONS	52,096	69,494
ADJUSTMENT FOR INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	<u>260</u>	<u>(403)</u>
REVENUE IN EXCESS OF EXPENSES FROM CONTINUING OPERATIONS, NET OF NONCONTROLLING INTEREST	52,356	69,091
LOSS FROM DISCONTINUED OPERATIONS	<u>(7,205)</u>	<u>(3,633)</u>
REVENUE IN EXCESS OF EXPENSES ATTRIBUTABLE TO THE HEALTH SYSTEM	<u>\$ 45,151</u>	<u>\$ 65,458</u>

See notes to consolidated financial statements.

	<b>2016</b>	<b>2015</b>
<b>UNRESTRICTED NET ASSETS:</b>		
Revenue in excess of expenses	\$ 52,096	\$ 69,494
Change in noncontrolling interests	(1,196)	(1,510)
Change in net unrealized gain (loss) on investments	15,528	(6,079)
Net assets released from restrictions—capital acquisitions	3,850	807
Change in funded status of pension plan	<u>(20,601)</u>	<u>(29,610)</u>
Increase in unrestricted net assets before discontinued operations	<u>49,677</u>	<u>33,102</u>
Loss from discontinued operations	<u>(7,205)</u>	<u>(3,633)</u>
Increase in unrestricted net assets	<u>42,472</u>	<u>29,469</u>
<b>TEMPORARILY RESTRICTED NET ASSETS:</b>		
Contributions	9,466	5,166
Investment income	576	875
Change in net unrealized loss (gain) on investments	195	(1,095)
Net assets released from restrictions	<u>(4,780)</u>	<u>(2,946)</u>
Increase in temporarily restricted net assets	<u>5,457</u>	<u>2,000</u>
<b>PERMANENTLY RESTRICTED NET ASSETS:</b>		
Contributions	362	961
Net assets released from restrictions	<u>(271)</u>	<u>-</u>
Increase in permanently restricted net assets	91	961
<b>INCREASE IN NET ASSETS</b>	<u>48,020</u>	<u>32,430</u>
<b>NET ASSETS—Beginning of year</b>	963,201	930,771
<b>NET ASSETS—End of year</b>	<u>\$1,011,221</u>	<u>\$963,201</u>

## ST. LUKE'S HEALTH SYSTEM, LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS AS OF SEPTEMBER 30, 2016 AND 2015 (In thousands)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
OF CONTINUING OPERATIONS:		
Increase in net assets	\$ 55,225	\$ 36,063
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	107,682	101,686
Net realized loss on investments	624	2,213
Unrealized (loss) gain on investments	(15,723)	7,174
Amortization of deferred financing fees	649	648
Restricted contributions received	(9,828)	(6,127)
Loss on disposition of equipment and other assets	1,981	318
Loss on equity interest in joint ventures	-	(295)
Change in funded status of pension plans	20,601	29,610
Changes in assets and liabilities:		
Net change in receivables	(37,743)	(30,236)
Net change in inventories	1,525	(3,066)
Net change in prepaid expenses and other current assets	(8,460)	(4,619)
Net change in other assets	(6,549)	(7,418)
Net change in accounts payable and accrued liabilities	5,816	24,280
Net change in accrued salaries and related liabilities	11,170	7,930
Net change in employee benefit liabilities	12,947	14,090
Net change in payable to Medicare and Medicaid programs	(22,678)	(6,223)
Net change in other liabilities	(1,628)	(4,133)
	<hr/>	<hr/>
Net cash provided by operating activities of continuing operations	<u>115,611</u>	<u>161,895</u>

See notes to consolidated financial statements.

	<b>2016</b>	<b>2015</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>OF CONTINUING OPERATIONS:</b>		
Acquisitions of property, plant, and equipment and land	\$ (230,775)	\$ (123,045)
Proceeds from disposition of equipment and other assets	1,170	576
Purchase of investments (includes purchases with restricted funds)	(1,599,116)	(1,588,853)
Change in restricted funds	80,424	3,695
Proceeds from sales of investments	1,432,347	1,520,148
Cash received from acquisition transactions	<u>-</u>	<u>242</u>
Net cash used in investing activities of continuing operations	<u>(315,950)</u>	<u>(187,237)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>OF CONTINUING OPERATIONS:</b>		
Repayment of long-term debt	(12,930)	(11,220)
Advances on lines of credit	61,326	54,074
Repayments on lines of credit	(62,027)	(52,719)
Proceeds from contributions for temporarily restricted net assets	9,466	5,166
Proceeds from contributions for endowment funds	362	961
Proceeds from long term debt issuance	50,000	-
Cost of fees from debt issuance	(213)	-
Payments on notes payable	<u>(2,527)</u>	<u>(2,337)</u>
Net cash provided by financing activities of continuing operations	<u>43,457</u>	<u>(6,075)</u>
<b>CASH FLOWS FROM DISCONTINUED OPERATIONS:</b>		
Operating activities of discontinued operations	(1,183)	808
Investing activities of discontinued operations	<u>(676)</u>	<u>(535)</u>
Net cash (used in) provided by discontinued operations	<u>(1,859)</u>	<u>273</u>
NET DECREASE IN CASH	(158,741)	(31,144)
CASH—Beginning of year	<u>234,903</u>	<u>266,047</u>
CASH—End of year	<u>\$ 76,162</u>	<u>\$ 234,903</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Non-cash increase in capital lease obligations	\$ 19,907	\$ 51,734
Purchases of property, plant and equipment in accounts payable and accrued liabilities	11,796	5,992

# ST. LUKE'S HEALTH SYSTEM, LTD. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015 (In thousands)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Organization**—St. Luke's Health System, Ltd. and subsidiaries (the "Health System") is an Idaho-based not-for-profit organization providing a comprehensive integrated network of health services, including inpatient and outpatient services, physician services, and rehabilitation services to the communities it serves. The Health System's general offices are located in Boise, Idaho. The Health System is governed by volunteer boards made up of local citizens.

The Health System's primary hospitals and service areas are located within the State of Idaho in Boise, Meridian, Nampa, Twin Falls, Mountain Home, McCall, Jerome, and Ketchum and have other facilities and operations throughout Southern Idaho and Eastern Oregon.

**Basis of Presentation**—The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Intercompany transactions have been eliminated.

**Use of Estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates, assumptions and judgements that affect the amounts reported in the consolidated financial statements. The Health System considers critical accounting estimates to be those that require more significant judgements and estimates in the preparation of its consolidated financial statements, including the following: contractual allowances on receivables, provisions for bad debt, and charity care; useful lives of depreciable assets; liabilities associated with employee benefit programs; self-insured professional liability risks not covered by insurance; and potential settlements with the Medicare and Medicaid programs. In addition, valuation reserve estimates are made regarding the collectability of outstanding patient and other receivables.

Changes in estimates are included in results of operations in the period when such amounts are determined and actual amounts could differ from such estimates.

**Statements of Operations**—Transactions deemed by management to be ongoing, major, or central to the provision of health care services are reported as unrestricted revenues, gains and other support and expenses.

**Discontinued Operations**—The Health System reports financial results for discontinued operations separately from continuing operations to distinguish the financial impact of disposal transactions from ongoing operations. During the year ended September 30, 2016 the Health System began the process of divesting a certain medical practice. Accordingly, the assets and liabilities, operating results and operating and investing cash flows for the medical practice are presented as discontinued operations separate from the Health System's continuing operations and the results for all periods presented in these consolidated financial statements and the notes to the consolidated financial statements, unless otherwise noted. Refer to Note 2 for further information regarding the Health System's discontinued operations.

**Temporarily and Permanently Restricted Net Assets**—Temporarily restricted net assets are those whose use by the Health System is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Health System pursuant to those stipulations. Permanently restricted net assets are assets whose use by the Health System is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed.

**Donor Restricted Gifts**—Unconditional promises to give cash, pledges receivable and other assets are recorded at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of operations and changes in net assets as net assets released from restrictions. Total pledges receivable, net of allowances, as of September 30 are as follows:

	<b>2016</b>	<b>2015</b>
Less than one year	\$2,526	\$2,723
One to five years	863	817
More than five years	<u>35</u>	<u>264</u>
	3,424	3,804
Less allowance for estimated uncollectible accounts	<u>115</u>	<u>201</u>
Total pledges receivable	<u>\$3,309</u>	<u>\$3,603</u>

**Cash and Cash Equivalents**—Cash and cash equivalents represents cash on hand and cash in banks, excluding amounts whose use is limited and consists primarily of cash and highly liquid investments with original maturities of three months or less. As of September 30, 2016 and 2015, the Health System had book overdrafts of \$11,785 and \$12,726, respectively, at multiple institutions that is included in accounts payable and accrued liabilities.

**Inventories**—Inventories consist primarily of medical and surgical supplies and are stated at the lower of cost (on a moving-average basis) or market.

**Assets Whose Use is Limited**—Assets whose use is limited include assets set aside by the Board of Directors for future capital purposes over which the Board retains control and may, at its discretion, subsequently be used for debt retirement or other purposes. It also includes assets held by trustee under indenture agreements, assets restricted by donors for specific purposes and permanent endowment funds.

The Health System's long-term and short term investment portfolios are managed according to investment policies adopted by the Health System and based on overall investment objectives. Board designated funds are investments established by the Board for strategic future capital or operating expenditures intended to expand or preserve services provided to the communities it serves. All investments are recorded using settlement date accounting. Investment income and gains (losses) on investments whose

use has not been restricted by the donor, including unrestricted income from endowment funds, are reported as part of investment income. Investment income and gains (losses) on investments whose income has been restricted by the donor are recorded as increases (decreases) to temporarily or permanently restricted net assets.

The Health System's investments primarily include mutual funds and debt securities that are carried at fair value. The Health System evaluates whether securities are other-than-temporarily impaired (OTTI) based on criteria that include the extent to which cost exceeds market value, the intent to sell, the duration of the market decline, the credit rating of the issuer or security, the failure of the issuer to make scheduled principal or interest payments and the financial health and prospects of the issuer or security. Any declines in the value of investment securities determined to be OTTI are recognized in earnings and reported as OTTI losses. The Health System determined that no securities were OTTI as of September 30, 2016 and 2015.

**Property, Plant, and Equipment**—Property, plant, and equipment, including internal use software, are recorded at cost with the exception of donated assets, which are recorded at fair value at the date of donation. Property and equipment donated for Health System operations are recorded as additions to property, plant, and equipment when the assets are placed in service. Depreciation is computed using the straight-line method over the estimated useful lives of the depreciable assets with depreciation taken in both the year placed in service and the year of disposition.

The estimated useful lives of each asset ranges are as follows:

Buildings	15–40 years
Fixed and major movable equipment	2–20 years
Leasehold improvements	5–15 years
Information technology	3–7 years

Expenditures for maintenance and repairs are charged to expense as incurred and expenditures for renewals and betterments are capitalized. Upon sale or retirement of depreciable assets, the related cost and accumulated depreciation are removed from the records and any gain or loss is reflected in the statement of operations. Periodically, the Health System evaluates the carrying value of property, plant, and equipment for impairment based on undiscounted operating cash flows whenever events or changes occur which might impact recovery of recorded assets.

**Goodwill**—Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is not amortized but is subject to annual impairment testing at the reporting unit level. A reporting unit is defined as a component of an organization that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed for decision making purposes and for which discrete financial information is available.

The quantitative impairment testing for goodwill includes a two-step process consisting of identifying a potential impairment loss by comparing the fair value of the reporting unit to its carrying amount, including goodwill and then measuring the impairment loss by comparing the implied fair value of the goodwill for a reporting unit to its carrying value. The fair value is estimated based upon internal evaluations of the related long-lived assets for each reporting unit and can include comparable market prices, quantitative analyses of revenues and estimated future net cash flows. If the fair value of the reporting unit assets is less than their carrying value including goodwill, an impairment loss is recognized.



Our annual impairment test was performed as of June 30, 2016. In addition, impairment reviews are performed whenever circumstances indicate a possible impairment may exist.

**Meaningful Use**—Electronic Health Records (EHR) incentive earnings are recognized in other revenue following the grant accounting model. This model recognizes income ratably over the applicable reporting period as management becomes reasonably assured of meeting the required criteria. Amounts recognized represent management's best estimates for payments ultimately expected to be received. The demonstration of meaningful use is based on meeting a series of objectives and varies among hospitals and physician practices, between the Medicare and Medicaid programs and within the Medicaid program from state to state. Additionally, meeting the series of objectives in order to demonstrate meaningful use becomes progressively more stringent as its implementation is phased in through stages as outlined by the Centers for Medicare and Medicaid Services.

For the years ended September 30, 2016 and 2015, the Health System recognized meaningful use incentive revenue of \$1,806 and \$4,447, respectively, related to the Medicare and Medicaid programs.

**Land and Buildings Held for Future Investment or Future Expansion**—Land and buildings held for investment or future expansion represents land and buildings purchased or donated to the Health System for future operations and are not included in the Health System operations.

**Costs of Borrowing**—Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. Financing costs are deferred and amortized over the life of the debt.

**Net Patient Service Revenue**—Net patient service revenue before provision for bad debts is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

**Charity Care**—The Health System provides services to all patients regardless of their ability to pay in accordance with its charity care policy. The estimated cost of providing these services was \$34,891 and \$29,811 in 2016 and 2015, respectively, calculated by multiplying the ratio of cost to gross charges for the Health System by the gross compensated charges associated with providing care to charity patients.

In addition to charity care services, the Health System provides services to patients who are deemed indigent under state Medicaid and county indigency program guidelines. In most cases, the cost of services provided to these patients exceeds the amounts received as compensation from the respective programs. In addition, in response to broader community needs, the Health System also provides many programs such as health screening, patient and health education programs, clinical and biomedical services to outlying hospitals, and serves as a clinical teaching site for higher education programs of health professionals. The following unaudited schedule summarizes the charges forgone in accordance with the Health System's charity care policy, the unpaid costs associated with services provided under Medicare, Medicaid, and county indigency programs, and the benefit of services provided to support broader community needs:

	<b>Unaudited</b>	
	<b>2016</b>	<b>2015</b>
Estimated unpaid costs of services provided under Medicare, Medicaid, and county indigency programs	\$315,243	\$278,557
Estimated benefit of services to support broader community needs	41,180	32,678

**Income Taxes**—The Health System is a not-for-profit corporation and is recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The Health System accounts for uncertain tax positions in accordance with ASC Topic 740. Income tax liabilities are recorded for the impact of positions taken on income tax returns, which management believes are not more likely than not to be sustained on tax audit. Management is not aware of any uncertain tax positions that should be recorded.

**Unrelated Business Income**—The Health System is subject to federal excise tax on its unrelated business taxable income (UBTI). As of September 30, 2016, the Health System had approximately \$6,810 of UBTI Net Operating Losses from operating losses incurred from 1997 to 2016, which expire in years 2017 to 2037. The Health System does not believe that it is more likely than not they will utilize these losses prior to their expiration and as such has provided a full valuation allowance against these losses.

**Adopted Accounting Pronouncements**—On October 1, 2015, the Health System adopted Accounting Standards Update ("ASU") No. 2014-08, "*Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*." This guidance amends the definition of a discontinued operation and requires additional disclosures about discontinued operations as well as disposal transactions that do not meet the discontinued operations criteria on a prospective basis. This guidance was incorporated into our analysis of discontinued operations in the current year.

**Forthcoming Accounting Pronouncements**—In May 2016, the Financial Accounting Standards Board ("FASB") issued ASU No. 2016-12, "*Revenue From Contracts with Customers: Narrow-Scope Improvements and Practical Expedients*," which amends certain aspects of the FASB's revenue standard ASU 2014-09, "*Revenue From Contracts with Customers*." In March 2016, the FASB issued ASU No. 2016-08, "*Revenue From Contracts with Customers: Principal Versus Agent Considerations (Reporting Revenue Gross Versus Net)*." This guidance amends the principal versus agent implementation guidance and illustrations in the FASB's revenue standard, ASU No. 2014-09. In July 2015, the FASB issued ASU No. 2015-14, "*Revenue From Contracts with Customers (Topic 606): Deferral of the Effective Date*," which defers the effective date of the FASB's revenue standard,

ASU 2014-09, by one year for all entities and permits early adoption on a limited basis. In May 2014, the FASB issued ASU No. 2014-09. This guidance outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. After the deferral of the effective date, this guidance is effective for the Health System beginning October 1, 2018. The Health System is still evaluating the impact this guidance may have on its consolidated financial statements.

In April 2015, the FASB issued ASU 2015-03, "*Simplifying the Presentation of Debt Issuance Costs*", which requires entities to present debt issuance costs related to a recognized debt liability as a direct deduction from the carrying amount of that debt liability. The provisions of ASU 2015-03 are applicable to the Health System for the fiscal year beginning October 1, 2016. The adoption of this guidance will result in \$8,087 of deferred financing costs on the consolidated balance sheets being reclassified to offset long-term debt.

In May 2015, the FASB issued ASU No. 2015-07, "*Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)*". This ASU removes the requirement to categorize the investments for which fair value is measured using net asset value per share within the fair value hierarchy. The provisions of ASU 2015-07 are effective for reporting periods beginning after December 15, 2015 and are to be applied retrospectively; early adoption is permitted. The Health System is currently evaluating the effect that this ASU will have on its consolidated financial statements.

In January 2016, the FASB issued ASU No. 2016-01, "*Recognition and Measurement of Financial Assets and Financial Liabilities.*" This guidance revises accounting related to (1) the classification and measurement of investments in equity securities and (2) the presentation and certain fair value changes for financial liabilities measured at fair value. It also amends certain disclosure requirements associated with the fair value of financial instruments. This guidance is effective for the Health System beginning October 1, 2019. The Health System is still evaluating the impact this guidance may have on its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, "*Leases.*" This guidance introduces a lessee model that brings substantially all leases on the consolidated balance sheet. This guidance is effective for the Health System beginning October 1, 2019. Retrospective application is required. The Health System is still evaluating the impact this guidance may have on its consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-07, "*Investments—Equity Method and Joint Ventures: Simplifying the Transition to the Equity Method of Accounting.*" This guidance eliminates the requirement to retrospectively apply the equity method to an investment that subsequently qualifies for such accounting as a result of an increase in the level of ownership interest or degree of influence. This guidance is effective for the Health System beginning October 1, 2018. The Health System does not expect this guidance to have a material impact on the financial statements.

In August 2016, the FASB issued ASU No. 2016-14, "*Presentation of Financial Statements of Not-For-Profit Entities.*" This guidance simplifies and improves how not-for profit entities classify net assets as well as the information presented in the financial statements and notes about liquidity, financial performance and cash flows. This guidance is effective for the Health System beginning October 1, 2018. The Health System is still evaluating the impact this guidance may have on its consolidated financial statements.

In August 2016, the Financial Accounting Standards Board ("FASB") issued ASU No. 2016-15, "Classification of Certain Cash Receipts and Cash Payments." This guidance adds or clarifies guidance on the classification of certain cash receipts and payments in the consolidated statements of cash flows. This guidance is effective for the Health System beginning October 1, 2019. The Health System is still evaluating the impact this guidance may have on its consolidated financial statements.

## 2. BUSINESS TRANSACTIONS AND DISCONTINUED OPERATIONS

**Discontinued Operations**—On November 12, 2012, private plaintiffs filed a complaint against the Health System in Idaho Federal District Court (the "Court") asserting that a planned business transaction between the Health System and an independent medical practice violated state and federal antitrust law. The suit sought money damages, attorney fees, and a preliminary and permanent injunction against the transaction. The court denied the request for a preliminary injunction, allowing the transaction to close in December of 2012, but set a trial on plaintiffs' request for an order unwinding the transaction. On March 26, 2013, the Federal Trade Commission and the State of Idaho filed a complaint for a permanent injunction requiring the Health System to unwind the transaction and for attorney fees incurred by the Office of the Idaho Attorney General.

On February 28, 2014, the Court Entered a Judgment Permanently Enjoining the Transaction and Ordering the Health System to Unwind the Transaction.

on December 10, 2015, the Court Entered an Order Setting out the Process to Divest the Medical Practice from the Health System and Appointing a Monitor and a Trustee to Oversee the Process. Based on the Nature of the Ruling Associated with this Medical Practice, and Due to the Fact That the Divestiture of the Medical Practice Is Expected to Occur Within the next Twelve Months, the Health System Has Determined to Treat the Operations Related to the Medical Practice as Discontinued Operations in the Financial Statements.

the Major Components of Discontinued Operations Presented in the Consolidated Statement of Operations and Changes in Net Assets Include the following:

	<b>2016</b>	<b>2015</b>
Net patient service revenue (net of contractual allowances and discounts)	\$24,302	\$28,152
Less provision for bad debts	<u>104</u>	<u>1,221</u>
Net patient service revenue	24,198	26,931
Other revenue	<u>74</u>	<u>221</u>
Total unrestricted revenues, gains, and other support	24,272	27,152
Operating expenses	<u>31,477</u>	<u>30,785</u>
Net loss from discontinued operations	<u>\$ (7,205)</u>	<u>\$ (3,633)</u>

Assets and liabilities held for sale presented in the consolidated balance sheets as of September 30 are as follows:

	<b>2016</b>	<b>2015</b>
<b>ASSETS:</b>		
Cash and cash equivalents	\$1,097	\$1,814
Receivables—net	1,641	2,685
Inventories	116	162
Prepaid expenses	175	42
Property, plant and equipment—net	<u>2,291</u>	<u>-</u>
Current assets of discontinued operations	5,320	4,703
Property, plant and equipment—net	<u>-</u>	<u>2,302</u>
Non-current assets of discontinued operations	<u>\$ -</u>	<u>\$2,302</u>
<b>LIABILITIES:</b>		
Accounts payable and accrued liabilities	<u>\$5,335</u>	<u>\$2,147</u>
Current liabilities of discontinued operations	<u>\$5,335</u>	<u>\$2,147</u>

**Acquisitions**—Effective October 1, 2014, the Health System entered into a definitive agreement with Idaho Elks Rehabilitation Hospital (Elks). The dual purpose of the agreement was to dissolve the existing joint ventures (JV's) that St. Luke's and Elks had in place prior to the agreement, and in turn for the Health System to purchase the assets associated with those JV's, along with other assets owned directly by Elks, at their appraised fair market value. Consideration given by the Health System for the transaction totaled \$7,629, net of cash received, and consisted of an elimination of net receivables due to the Health System from Elks prior to the transaction, along with the Health System giving up their portion of ownership in the joint ventures that were dissolved to Elks. As a result of the transaction, the Health System expanded its rehabilitation services including operation of an inpatient rehabilitation hospital located in Boise, Idaho.

The determination of the estimated fair market value of the assets obtained and liabilities assumed required management to make certain estimates and assumptions. The transaction with Elks resulted in the assets obtained and liabilities assumed being recorded on their estimated fair values on the transaction date. The transaction with Elks resulted in \$104 gain, which was recorded in the consolidated statement of operations and changes in net assets representing the excess of the fair value of assets obtained over liabilities assumed and financial consideration given.

The results of operations are included in the Health System's consolidated financial statements beginning October 1, 2014. The following table presents the allocation of consideration given for the assets obtained and liabilities assumed:

	<b>2015</b>
Cash	\$ 242
Inventory	421
Prepaid expenses	128
Covenants not to compete	319
Property	<u>7,459</u>
Total assets obtained	8,569
Employee benefit liability assumed	<u>(594)</u>
Total liabilities assumed	(594)
Total assets and liabilities assumed	<u>7,975</u>
Total consideration given	<u>7,871</u>
Excess of assets obtained over liabilities assumed in transaction	<u>\$ 104</u>

### **3. NET PATIENT SERVICE REVENUE**

The Health System has agreements with third-party payors that provide for payments to the Health System at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

**Medicare**—Inpatient acute and certain outpatient care services rendered to Medicare program beneficiaries are paid at prospectively determined rates based upon the service provided. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient nonacute services, certain other outpatient services, and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost reimbursement methodology.

The Health System is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Health System and audits thereof by the Medicare fiscal intermediary. The Health System's classification of patients under the Medicare program and the appropriateness of their admission are subject to a review by a peer review organization under contract with the fiscal intermediary.

**Medicaid**—Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Health System is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Health System and audits thereof by the Medicaid fiscal intermediary.

Changes in estimates are included in results of operations in the period when such amounts are determined. The Health System has an opportunity to amend previously settled cost reports. With regard to the amended cost reports, the Health System accrues settlements when amounts are probable and estimable.

Changes in prior year estimates for Medicare and Medicaid decreased net patient service revenue by \$1,841 for fiscal year ended September 30, 2016 and decreased net patient service revenue by \$10,405 for fiscal year ended September 30, 2015.

**Other**—The Health System has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Health System under these agreements includes prospectively determined rates per patient day, per discharge and discounts from established charges.

The System records a provision for bad debts related to uninsured accounts to record the net self-pay accounts receivable at the estimated amounts the System expects to collect.

Patient service revenue (including patient co-pays and deductibles), net of contractual allowances and discounts (but before provision for uncollectible accounts) by primary payor source, for the year ended September 30 are as follows:

	<b>2016</b>	<b>2015</b>
Commercial payors, patients, and other	\$ 1,182,181	\$ 1,080,857
Medicare program	618,214	590,547
Medicaid program	<u>196,017</u>	<u>167,165</u>
	1,996,412	1,838,569
Less total provision for uncollectible accounts	<u>98,909</u>	<u>82,782</u>
	<u>\$ 1,897,503</u>	<u>\$ 1,755,787</u>

#### **4. ACCOUNTS RECEIVABLE AND CONCENTRATION OF CREDIT RISK**

The Health System grants credit without collateral to its patients, most of whom are local residents and many of whom are insured under third-party payor agreements. Accounts receivable, reflected net of any contractual arrangements, as of September 30 are as follows:

	<b>2016</b>	<b>2015</b>
Commercial payors, patients, and other	\$287,762	\$249,501
Medicare program	55,286	57,662
Medicaid program	21,752	18,764
Non-patient	<u>18,283</u>	<u>12,982</u>
	383,083	338,909
Less total allowance	<u>71,953</u>	<u>67,244</u>
	<u>\$311,130</u>	<u>\$271,665</u>

The allowance for estimated uncollectible accounts is determined by analyzing both historical information (write-offs by payor classification), as well as current economic conditions.

## 5. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment as of September 30 are as follows:

	<b>2016</b>	<b>2015</b>
Land	\$ 53,296	\$ 49,770
Buildings, land improvements, and fixed equipment	1,042,455	966,929
Major movable equipment and information technology	<u>627,791</u>	<u>545,807</u>
	<u>1,723,542</u>	<u>1,562,506</u>
Less accumulated depreciation:		
Buildings, land improvements, and fixed equipment	360,441	322,212
Major movable equipment and information technology	<u>408,032</u>	<u>350,752</u>
	<u>768,473</u>	<u>672,964</u>
	955,069	889,542
Construction in process	<u>188,283</u>	<u>106,713</u>
	<u>\$ 1,143,352</u>	<u>\$ 996,255</u>

Depreciation expense was \$105,676 and \$95,825 for the years ended September 30, 2016 and 2015, respectively.



## 6. ASSETS WHOSE USE IS LIMITED

Assets whose use is limited that will be used for obligations classified as current liabilities and the current portion of pledges receivable are reported in current assets. Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value, based on quoted market prices of identical or similar assets. The majority of the Health System's investments are managed by independent investment managers. The following table sets forth the composition of assets whose use is limited as of September 30:

	<b>2016</b>	<b>2015</b>
Board designated funds:		
Cash and cash equivalents	\$ 5,721	\$ 4,376
Mutual funds	151,133	85,472
Corporate bonds, notes, mortgages and asset-backed securities	272,761	217,126
Government and agency securities	140,962	112,482
Interest receivable	1,539	1,269
Due to donor restricted and permanent endowment funds	<u>(40,503)</u>	<u>(36,231)</u>
	531,613	384,494
Less amounts classified as current assets	<u>(56,292)</u>	<u>(47,908)</u>
	<u>\$475,321</u>	<u>\$336,586</u>
Restricted funds:		
Cash and cash equivalents	\$ 38,169	\$ 10,729
Certificates of deposit, commercial paper and other equities	43,443	45,127
Corporate bonds, notes, mortgages and asset-backed securities	16,149	61,943
Government and agency securities	<u>40,450</u>	<u>61,457</u>
	<u>\$138,211</u>	<u>\$179,256</u>
Permanent endowment funds—due from board designated funds	<u>\$ 12,220</u>	<u>\$ 12,129</u>
Donor restricted plant replacement and expansion funds and other specific purpose funds:		
Due from board designated funds	\$ 28,282	\$ 24,102
Pledges receivable	<u>3,309</u>	<u>3,603</u>
	<u>\$ 31,591</u>	<u>\$ 27,705</u>

Investment income for assets limited as to use, cash equivalents, and other investments for the years ended September 30 are comprised of the following:

	<b>2016</b>	<b>2015</b>
Investment income:		
Interest income	\$ 9,710	\$ 8,377
Realized loss on sales of securities	<u>(624)</u>	<u>(2,213)</u>
	<u>\$ 9,086</u>	<u>\$ 6,164</u>
Change in net unrealized gain (loss) on investments	<u>\$15,528</u>	<u>\$(6,079)</u>

In connection with the issuance of the certain bond obligations, the Health System is required to maintain a debt reserve fund. The debt reserve fund is to be used for the payment of principal and interest at maturity. The amount held in the debt reserve fund as of September 30, 2016, related to the Series 2008A Bonds, is \$16,897 (which includes \$3,215 to be paid over the next 12 months). This amount is included in restricted funds. Amounts held in custody, to be paid over the next 12 months, for the Series 2005 and 2012CD Bonds is \$1,945 and \$180, respectively. These amounts are also included in restricted funds.

Proceeds received from the Series 2014A Bonds are restricted to qualified expenditures related to a facility project of the Health System and are held by the Series 2014A Bond Trustee in a Construction Fund. Initial deposits into the Construction Fund were \$174,947 and the remaining balance as of September 30, 2016 was \$88,997.

Proceeds from the Bank of America Public Capital Corp financing are restricted to qualified expenditures related to an Electronic Medical Records System (EPIC) and are held in escrow by Zions Bank, NA. Initial deposits into escrow were \$50,000 and the remaining balance as of September 30, 2016 was \$24,006.

## **7. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS**

Restricted net assets as of September 30 consist of donor restricted contributions and grants, which are to be used as follows:

	<b>2016</b>	<b>2015</b>
Equipment and expansion	\$16,179	\$15,376
Research and education	4,020	2,847
Charity and other	<u>11,075</u>	<u>7,594</u>
Total temporarily restricted net assets	31,274	25,817
Permanently restricted net assets	<u>12,220</u>	<u>12,129</u>
Total restricted net assets	<u>\$43,494</u>	<u>\$37,946</u>

The composition of endowment net assets by type of fund as of September 30 is as follows:

	<b>September 30, 2016</b>		
	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Donor-restricted endowment net assets	\$ -	\$12,220	\$12,220
Board-designated endowment net assets	<u>2,538</u>	<u>-</u>	<u>2,538</u>
Total endowment net assets	<u>\$2,538</u>	<u>\$12,220</u>	<u>\$14,758</u>

	<b>September 30, 2015</b>		
	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Donor-restricted endowment net assets	\$ -	\$12,129	\$12,129
Board-designated endowment net assets	<u>510</u>	<u>-</u>	<u>510</u>
Total endowment net assets	<u>\$ 510</u>	<u>\$12,129</u>	<u>\$12,639</u>

Changes in endowment net assets during 2016 and 2015 are as follows:

	<b>September 30, 2016</b>		
	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Endowment net assets—beginning of period	\$ 510	\$12,129	\$12,639
Investment returns	1,023	-	1,023
Unrealized gains	209	-	209
Contributions	13	362	375
Appropriation of endowment net assets for expenditure	-	(16)	(16)
Transfers to remove or add to board-designated endowment funds	<u>783</u>	<u>(255)</u>	<u>528</u>
Endowment net asset—end of period	<u>\$2,538</u>	<u>\$12,220</u>	<u>\$14,758</u>

	<b>September 30, 2015</b>		
	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Endowment net assets—beginning of period	\$1,104	\$11,168	\$12,272
Contributions	2	342	344
Transfers to remove or add to board-designated endowment funds	<u>(596)</u>	<u>619</u>	<u>23</u>
Endowment net assets—end of period	<u>\$ 510</u>	<u>\$12,129</u>	<u>\$12,639</u>

## 8. DEBT

Long-term debt as of September 30 consists of the following:

	<b>2016</b>	<b>2015</b>
Obligations to Idaho Health Facilities Authority—Series 2014A Fixed Rate Bonds	\$165,965	\$166,135
Obligations to Idaho Health Facilities Authority—Series 2014A Fixed Rate Bond Premium	9,864	10,225
Obligations to Idaho Health Facilities Authority—Series 2012A Fixed Rate Bonds	75,000	75,000
Obligations to Idaho Health Facilities Authority—Series 2012A Fixed Rate Bond Premium	703	749
Obligations to Idaho Health Facilities Authority—Series 2012B Variable Rate Direct Purchase	64,535	67,595
Obligations to Idaho Health Facilities Authority—Series 2012CD Variable Rate Revenue Bonds	150,000	150,000
Obligations to Idaho Health Facilities Authority—Series 2008A Fixed Rate Bonds	120,845	122,360
Obligations to Idaho Health Facilities Authority—Series 2008A Fixed Rate Bond Discount	(2,912)	(3,016)
Obligations to Idaho Health Facilities Authority—Series 2005 Fixed Rate Bonds	100,085	103,105
Obligations to Idaho Health Facilities Authority—Series 2000 Fixed Rate Bonds	69,000	72,500
Obligations to Idaho Health Facilities Authority—Series 2000 and Series 2005 Fixed Rate Bond Premium	4,068	4,286
Banc of America Public Capital Corp Equipment Financing	48,854	-
Capital leases	75,567	57,464
Notes payable	35,544	36,266
Line of credit	<u>5,475</u>	<u>6,176</u>
Total debt	922,593	868,845
Less current portion	<u>26,412</u>	<u>20,432</u>
Total long-term debt	<u>\$896,181</u>	<u>\$848,413</u>

As of September 30, 2016, the maturity schedule of long-term debt is as follows:

<b>Years Ending September 30</b>	<b>Long-Term Debt</b>	<b>Capital Lease</b>	<b>Total</b>
2017	\$ 23,155	\$ 6,221	\$ 29,376
2018	18,275	6,302	24,577
2019	18,912	6,085	24,997
2020	19,574	5,841	25,415
2021	20,284	5,946	26,230
Thereafter	<u>746,826</u>	<u>79,630</u>	<u>826,456</u>
	<u>\$847,026</u>	110,025	957,051
Less amount representing interest		<u>(34,458)</u>	<u>(34,458)</u>
		<u>\$ 75,567</u>	<u>\$922,593</u>

### **Obligations to Idaho Health Facility Authority**

**Series 2000**—Represents Fixed Rate Revenue Bonds, payable in annual payments ranging from \$2,800 to \$29,700, beginning July 2011 through July 2030. The Series 2000 bonds bear interest at a fixed rate ranging from 2.00% to 5.00% per annum calculated on the basis of a 360 day year comprised on 12 30-day months and are payable on July 1 and January 1 of each year. The average interest rate (which includes amortization of costs of issuance) during 2016 was 4.89%.

The Series 2000 bonds maturing on or after July 1, 2021, are subject to redemption prior to maturity at the option of the Health System.

The Series 2000 Bonds are secured with a mortgage on the Health System's hospital located in Boise, Idaho.

**Series 2005**—Represents Fixed Rate Revenue Bonds, payable in annual payments ranging from \$2,690 to \$51,710, beginning July 2011 through July 2035. The Series 2005 bonds bear interest at a fixed rate ranging from 2.00% to 5.00% per annum calculated on the basis of a 360 day year comprised on 12 30-day months and are payable on July 1 and January 1 of each year. The average interest rate (which includes amortization of costs of issuance) during 2016 was 4.70%.

The Series 2005 bonds maturing on or after July 1, 2021, are subject to redemption prior to maturity at the option of the Health System. In addition, Series 2005 bonds maturing on or after July 1, 2025, are subject to redemption prior to maturity at the option of the Health System on or after July 1, 2015.

The Series 2005 Bonds are secured with a mortgage on the Health System's hospital located in Boise, Idaho.

**Series 2008A**—Represents Fixed Rate Revenue Bonds, payable in annual payments ranging from \$1,130 to \$21,655 beginning November 2009 through 2037. The Series 2008A bonds bear interest at a fixed rate ranging from 4.00% to 6.75% per annum calculated on the basis of a 360 day year comprised of 12 30-day months and are payable on May 1 and November 1 of each year. The average interest rate (which includes amortization of costs of issuance) during 2016 was 6.81%.

The Series 2008A bonds maturing on or after November 1, 2019, are subject to redemption prior to maturity at the option of the Health System, on or after November 1, 2018.

**Series 2012A**—Represents Fixed Rate Revenue Bonds payable in annual payments ranging from \$23,780 to \$26,220, beginning March 2045 through March 2047. The Series 2012A Bonds bear interest at a fixed rate ranging from 4.50% to 5.00% per annum calculated based on a 360 day calendar year comprised of 12 30-day months and are payable on March 1 and September 1 of each year. The average interest rate (which includes amortization of costs of issuance) during 2016 was 4.84%.

The Series 2012A bonds are subject to redemption prior to maturity at the option of the Health System, on or after March 1, 2022.

**Series 2012B**—Represents Variable Rate Direct Purchases with Union Bank, N.A. in a privately placed transaction. The principal of the Series 2012B Bonds is payable in annual installments ranging from \$1,700 to \$5,160 between March 2013 and March 2032. The interest on the Series 2012B Bonds is currently payable monthly, as the Series 2012B Bonds are currently held in the Index Rate Mode (and the Health System has currently elected to use the one-month LIBOR Index Interest Period in connection with such Index Rate Mode). At the conclusion of the initial Index Rate Mode (i.e. July 30, 2019), and at the option of the Health System, the Series 2012B Bonds may be converted to the Daily Mode, the Weekly Mode, the Adjustable Long Mode, the Commercial Paper Mode, another Index Rate Mode, or the Fixed Mode upon compliance with certain conditions set forth in the bond documents. The interest payment dates, interest calculation methods, and terms, if any, upon which each Series 2012B Bond may or must be tendered for purchase in each Mode, are more fully set forth in the bond documents. The average interest rate (which includes amortization of costs of issuance) during 2016 was 1.48%.

The Series 2012B Bonds are subject to redemption prior to maturity at the option of the Health System in accordance with the terms set forth in the bond documents. During the initial Index Rate Mode, the Series 2012B Bonds are subject to optional redemption by the Health System on any business day upon payment of all fees required by the Index Rate Agreement.

**Series 2012C**—Represents Variable Rate Direct Purchases with Wells Fargo, N.A. in a privately placed transaction. The Series 2012C Bonds principal is payable in annual payments ranging from \$11,820 to \$13,195, beginning November 2038 through November 2043. The Series 2012C Bonds interest is payable monthly, as the Series 2012C Bonds are currently held in the Index Rate Mode (with interest being calculated using the SIFMA Index Rate). At the conclusion of the initial Index Rate Mode (i.e. October 1, 2018), and at the option of the Health System, the Series 2012C Bonds may be converted to the Daily Mode, the Weekly Mode, the Adjustable Long Mode, the Commercial Paper Mode, another Index Rate Mode, or the Fixed Mode upon compliance with certain conditions set forth in the bond documents. The interest payments, interest calculations methods, and terms, if any, upon which each Series 2012C Bond may or must be tendered for purchase in each Mode are more fully set forth in the bond documents. The average interest rate (which includes amortization of costs of issuance) during 2016 was .92%.

The Series 2012C Bonds are subject to redemption prior to maturity at the option of the Health System in accordance with the terms set forth in the bond documents. During the initial Index Rate Mode, the Series 2012C Bonds are subject to optional redemption on any business day upon payment of the principle amount thereof, accrued interest thereon, and all fees required by the Index Rate Agreement.

**Series 2012D**—Represents Variable Rate Direct Purchases with Wells Fargo Municipal Capital Strategies, LLC in a privately placed transaction. The Series 2012D Bonds principal is payable in annual payments ranging from \$11,810 to \$13,220, beginning November 2038 through November 2043. The Series 2012D Bonds interest is payable monthly, as the Series 2012D Bonds are currently held in the Index Rate Mode (with interest being calculated using the LIBOR Index Rate). At the conclusion of the initial Index Rate Mode (i.e. October 24, 2017), and at the option of the Health System, the Series 2012D Bonds may be converted to the Daily Mode, the Weekly Mode, the Adjustable Long Mode, the Commercial Paper Mode, another Index Rate Mode, or the Fixed Mode upon compliance with certain conditions set forth in the bond documents. The interest payments, interest calculations methods, and terms, if any, upon which each Series 2012D Bond may or must be tendered for purchase in each Mode are more fully set forth in the bond documents. The average interest rate (which includes amortization of costs of issuance) during 2016 was 1.25%.

The Series 2012D Bonds are subject to redemption prior to maturity at the option of the Health System in accordance with the terms set forth in the bond documents. During the initial Index Rate Mode, the Series 2012D Bonds are subject to optional redemption on any business day upon payment of the principle amount thereof, accrued interest thereon, and all fees required by the Index Rate Agreement.

**Series 2014A**—Represents Fixed Rate Revenue Bonds, payable in annual installments ranging from \$170 to \$16,080 beginning March 2016 through March 2044. The Series 2014A bonds bear interest at a fixed rate ranging from 2.00% to 5.00% per annum calculated on the basis of a 360 day year comprised of 12 30-day months and are payable on March 1 and September 1 of each year. The average interest rate (which includes amortization of costs of issuance) during 2016 was 4.66%.

The Series 2014A bonds maturing on or after March 1, 2034 are subject to redemption prior to maturity at the option of the Health System.

The Series 2000, Series 2005, Series 2008A, Series 2012A, Series 2012B, Series 2012CD and Series 2014A bonds provide, among other things, restrictions on annual debt additions that the Health System may incur. The agreements also require that sufficient fees and rates be charged so as to provide net income available for debt service, as defined, in an amount not less than 125% of the annual principal and interest due on the Bonds. For the years ended September 30, 2016 and 2015, net income available for debt service, as defined, exceeded the minimum coverage required.

**Banc of America Public Capital Corp**—Represents ten-year debt financing, payable in quarterly installments, which include principal and interest of \$1,360 beginning August 2016 through May 2026. The Banc of America Public Capital Corp debt is secured by the Health System's EHR system and bears interest at a fixed rate of 1.756% per annum payable quarterly on February 18<sup>th</sup>, May 18<sup>th</sup>, August 18<sup>th</sup>, and November 18<sup>th</sup>.

**Notes Payable**—These notes are secured by medical office buildings and guaranteed by a third party. Principal and interest are payable on a monthly basis. Per the agreements, the notes mature in 2023. Interest is fixed at 4.25%.

**Line of Credit**—In September 2011, the Health System entered into an unsecured credit agreement with Key Bank, N.A. The agreement allows for borrowings up to \$60,000 and has a maturity date of September 15, 2018. In the event that principal amounts are outstanding, interest is incurred at a rate that is variable at the Prime Rate. The line of

credit, among other things, contains an annual commitment fee of \$30 as well as a non-usage fee on the actual daily unborrowed portion of the principal amount available at the rate of one-fifth of 1% per annum. As of September 30, 2016, there was no outstanding balance on the line of credit.

In January 2010, the Health System entered into an unsecured credit agreement with Wells Fargo Bank, N.A. The agreement allows for borrowings up to \$8,000 and has a maturity date of August 1, 2017. The line of credit is to be utilized for working capital payments related to a cash payment program the Health System operates in connection with payments to vendors. In the event that principal is outstanding in excess of 30 days, interest is variable at daily three month LIBOR plus 1.75%. The outstanding balance as of September 30, 2016 and 2015 was \$5,474 and \$6,176, respectively. Principal amounts are advanced as vendor payments are made, and are required to be repaid on a monthly basis. As principal is paid in full on a monthly basis, no interest costs have been incurred.

**Interest Costs**—During the years ended September 30, 2016 and 2015 the Health System incurred total interest costs of \$34,924 and \$34,717, respectively. During 2016 and 2015, \$3,685 and \$1,914, respectively, has been capitalized and is reflected as a component of property, plant, and equipment. During the years ended September 30, 2016 and 2015, the Health System made cash payments for interest of \$34,760 and \$34,928, respectively, and cash payments for bond fees of \$400 and \$379, respectively.



## 9. NONCONTROLLING INTEREST

The following table shows the allocation of controlling and noncontrolling interest within net assets as of September 30:

	<b>Total Net Assets</b>	<b>Controlling Interest</b>	<b>Noncontrolling Interest</b>
Net assets—September 30, 2014	<u>\$ 930,771</u>	<u>\$ 928,413</u>	<u>\$ 2,358</u>
Unrestricted net assets:			
Revenue in excess of expenses	69,494	69,091	403
Change in noncontrolling interests	(1,510)	-	(1,510)
Change in net unrealized loss on investments	(6,079)	(6,079)	-
Net assets released from restrictions—capital acquisitions	807	807	-
Change in funded status of pension plans	<u>(29,610)</u>	<u>(29,610)</u>	<u>-</u>
Increase in unrestricted net assets from continuing operations	33,102	34,209	(1,107)
Loss from discontinued operations	<u>(3,633)</u>	<u>(3,633)</u>	<u>-</u>
Increase in unrestricted net assets	29,469	30,576	(1,107)
Increase in temporarily restricted net assets	2,000	2,000	-
Increase in permanently restricted net assets	<u>961</u>	<u>961</u>	<u>-</u>
Increase in net assets	<u>32,430</u>	<u>33,537</u>	<u>(1,107)</u>
Net assets—September 30, 2015	<u>963,201</u>	<u>961,950</u>	<u>1,251</u>
Unrestricted net assets:			
Revenue in excess of expenses	52,096	52,356	(260)
Change in noncontrolling interests	(1,196)	-	(1,196)
Change in net unrealized gain on investments	15,528	15,528	-
Net assets released from restrictions—capital acquisitions	3,850	3,850	-
Change in funded status of pension plans	<u>(20,601)</u>	<u>(20,601)</u>	<u>-</u>
Increase in unrestricted net assets from continuing operations	49,677	51,133	(1,456)
Loss from discontinued operations	<u>(7,205)</u>	<u>(7,205)</u>	<u>-</u>
Increase in unrestricted net assets	42,472	43,928	(1,456)
Increase in temporarily restricted net assets	5,457	5,457	-
Increase in permanently restricted net assets	<u>91</u>	<u>91</u>	<u>-</u>
Increase in net assets	<u>48,020</u>	<u>49,476</u>	<u>(1,456)</u>
Net assets—September 30, 2016	<u>\$1,011,221</u>	<u>\$1,011,426</u>	<u>\$ (205)</u>

## 10. EMPLOYEE RETIREMENT PLANS

**Defined Benefit Plans**—The St. Luke’s Regional Medical, Ltd. Basic Pension Plan (the “SLRMC Plan”) covers substantially all eligible employees employed by the Health System (with the exception of St. Luke’s Magic Valley, Ltd. employees) on or before December 31, 1994. The SLRMC Plan was amended and restated effective January 1, 1995, to exclude employees hired on or after that date from participation in the SLRMC Plan; however, the SLRMC Plan remains in effect for those participants who qualify and were hired prior to January 1, 1995. Employees eligible for the SLRMC Plan with five or more years of service are entitled to annual pension benefits beginning at normal retirement age (65), or after obtaining age 62 with 25 years of service, equal to a percentage of their highest five-year average annual compensation, not to exceed a certain maximum. The Health System makes annual contributions to the SLRMC Plan as necessary.

The St. Luke’s Magic Valley Regional Medical Center, Ltd. Plan (the “SLMVRMC Plan”) covers substantially all eligible St. Luke’s Magic Valley Regional Medical Center, Ltd. (SLMVRMC) employees employed by SLMVRMC on or before April 1, 2005. The SLMVRMC Plan was amended and restated effective April 1, 2005, to exclude employees hired on or after that date from participation in the SLMVRMC Plan; however, the SLMVRMC Plan remains in effect for those participants whose sum of their age plus years of credited service exceed 65 or who exceeded 10 years of service as of April 1, 2005. Participants are entitled to annual pension benefits beginning at normal retirement age (65), or after obtaining age 60 with 30 years of service, equal to a calculation based on either average annual compensation or credited service.

The Health System makes annual contributions to the SLMVRMC Plan as necessary. Effective October 1, 2014, the mortality tables were updated in order to more accurately reflect the generational projection of mortality improvement. These changes contributed to an increase in the projected benefit obligation in the amount of \$11,700 for the SLRMC Plan and \$3,100 for the SLMVRMC Plan for fiscal year ending September 30, 2015.

The following table sets forth the SLRMC Plan and the SLMVRMC Plan (collectively the “Plans”) funded status, amounts recognized in the Health System’s consolidated financial statements and other related financial information:

	SLRMC	SLMVRMC	Total 2016	Total 2015
Projected benefit obligation for service rendered to date	\$178,336	\$ 54,059	\$232,395	\$204,651
Plan assets—at fair value	<u>123,878</u>	<u>38,455</u>	<u>162,333</u>	<u>151,672</u>
Funded status	<u>\$ (54,458)</u>	<u>\$ (15,604)</u>	<u>\$ (70,062)</u>	<u>\$ (52,979)</u>
Employer contributions	\$ 8,000	\$ 2,000	\$ 10,000	\$ 8,700
Accrued pension liability (all noncurrent)	54,458	15,604	70,062	52,979
Change in funded status	(14,688)	(2,396)	(17,084)	(24,988)
Amortization of prior service cost	3	-	3	13
Amortization of net loss	4,409	565	4,974	1,404
Net periodic benefit cost	7,135	311	7,446	3,141
Benefits paid	10,796	2,867	13,663	14,715
Accumulated benefit obligation	161,510	54,059	215,569	191,110

Amounts recognized in unrestricted net assets related to the Plans at September 30, consist of:

	<b>SLRMC</b>	<b>SLMVRMC</b>	<b>Total 2016</b>	<b>Total 2015</b>
Prior service cost	\$ 511	\$ -	\$ 511	\$ 3
Net actuarial loss	(61,009)	(24,232)	(85,241)	(66,115)

The measurement date used to determine pension benefits is September 30. Contributions to the Plans for the year ending September 30, 2017, are expected to be approximately \$10,000.

The overall investment strategy and policy has been developed based on the need to satisfy the long-term liabilities of the Plans. Risk management is accomplished through diversification across asset classes, multiple investment manager portfolios, and both general and portfolio-specific investment guidelines. The asset allocation guidelines for the Plans are as follows:

	<b>Target SLRMC</b>	<b>Target SLMVRMC</b>
Investments:		
Large-cap funds	20 %	20 %
Mid-cap funds	10	10
Small-cap funds	10	10
Non-U.S. funds	20	20
Fixed income	29	39
Other	11	1

Managers are expected to generate a total return consistent with their philosophy and outperform both their respective peer group medians and an appropriate benchmark, net of expenses, over a one-, three-, and five-year period. The investment guidelines contain categorical restrictions such as no commodities, short-sales and margin purchases; and asset class restrictions that address such things as single security or sector concentration, capitalization limits and minimum quality standards.

Expected long-term returns on the Plans' assets are estimated by asset classes, and are generally based on historical returns, volatilities and risk premiums. Based upon the Plans' asset allocation, composite return percentiles are developed upon which the Plans' expected long-term return is determined. As of September 30, 2016, the amounts and percentages of the fair value of Plans' assets are as follows:

	<u>SLRMC</u>		<u>SLMVRMC</u>	
Domestic equity	\$ 42,783	35 %	\$15,942	41 %
International equity	31,705	26	8,149	21
Fixed income	36,323	29	14,193	37
Other	<u>13,067</u>	<u>10</u>	<u>171</u>	<u>1</u>
Total	<u>\$123,878</u>	<u>100 %</u>	<u>\$38,455</u>	<u>100 %</u>

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid from the Plans:

	<b>SLRMC</b>	<b>SLMVRMC</b>	<b>Total</b>
2017	\$ 12,697	\$ 2,606	\$ 15,303
2018	12,979	2,744	15,723
2019	13,093	2,881	15,974
2020	13,342	3,068	16,410
2021	13,287	3,163	16,450
2022-2026	<u>62,508</u>	<u>16,039</u>	<u>78,547</u>
	<u>\$127,906</u>	<u>\$30,501</u>	<u>\$158,407</u>

Assumptions used in determining the actuarial present value of net periodic benefit cost of the Plans were as follows:

<b>SLRMC</b>	<b>2016</b>	<b>2015</b>
Spot discount rates	3.15-3.88%	4.35 %
Rate of increase in future compensation levels	2.50-4.00	2.5-4.00
Expected long-term rate of return on assets	7.00	7.00
<b>SLMVRMC</b>		
Spot discount rates	2.94-3.63%	4.25 %
Expected long-term rate of return on assets	7.00	7.00

Assumptions used in determining the actuarial present value of projected benefit obligation of the Plans were as follows:

<b>SLRMC</b>	<b>2016</b>	<b>2015</b>
Weighted average discount rate	3.73 %	4.49 %
Rate of increase in future compensation levels	2.50–4.00	4.00
<b>SLMVRMC</b>		
Weighted average discount rate	3.63 %	4.38 %

The principal cause of the change in the unfunded pension liability is related to a change in the discount and interest rates at September 30, 2016 and the use of new mortality tables at September 30, 2015.

**Supplemental Retirement Plan for Executives**—The Supplemental Retirement Plan for Executives (SERP) is an unfunded retirement plan for certain executives of the Health System. The following table sets forth the funded status, amounts recognized in the Health System’s consolidated financial statements, and other SERP financial information:

	<b>2016</b>	<b>2015</b>
Projected benefit obligation for service rendered to date	\$ 22,311	\$ 19,729
Plan assets—at fair value	<u>-</u>	<u>-</u>
Funded status	<u>\$(22,311)</u>	<u>\$(19,729)</u>
Employer paid benefits	\$ 851	\$ 679
Accrued pension liability (noncurrent)	22,311	18,909
Accrued pension liability (current)	979	820
Change in funded status	(2,582)	923
Amortization of net loss	790	840
Net periodic benefit cost	2,471	2,529
Accumulated benefit obligation	21,514	18,006

The measurement dates used to determine pension benefits is September 30. Expected contributions to the Plan for the year ending September 30, 2017, are expected to be approximately \$980. Effective October 1, 2014, the mortality tables were updated in order to more accurately reflect the generational projection of mortality improvement. These changes contributed to an increase in the projected benefit obligation in the amount of \$1,100 for the SERP Plan for fiscal year ending September 30, 2015.

Amounts recognized in unrestricted net assets related to the SERP at September 30, consist of:

	<b>2016</b>	<b>2015</b>
Prior service cost	\$ -	\$ -
Net actuarial loss	(7,643)	(6,681)

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid from the SERP:

	<b>Benefit Payments</b>
2017	\$ 979
2018	974
2019	969
2020	1,356
2021	1,478
2022–2026	<u>7,734</u>
	<u>\$13,490</u>

As of September 30, 2016 and 2015, the accrued pension liability is included in benefit plan liabilities.

Assumptions used in determining the actuarial present value of net periodic benefit cost were as follows:

	<b>2016</b>	<b>2015</b>
Spot discount rates	2.97–3.76%	4.25 %
Rate of increase in future compensation levels	4.00	4.00

Assumptions used in determining the actuarial present value of projected benefit obligation were as follows:

	<b>2016</b>	<b>2015</b>
Weighted average discount rate	3.64 %	4.42 %
Rate of increase in future compensation levels	4.00	4.00

**Defined Contribution Plan**—The Health System sponsors two defined contribution plans (the “contribution plans”) that cover substantially all of its employees. The Health System’s contributions to these contribution plans are at the discretion of the Health System’s Board of Directors. Amounts contributed are allocated to participants based on individual compensation amounts, years of service, and the participant’s level of participation in tax deferred annuity programs. During 2016 and 2015, contributions to these plans were \$29,519 and \$28,695, respectively.

## **11. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The following disclosure of the estimated fair value of financial instruments is made in accordance with the requirements of ASC 825, *Financial Instruments*. The Health System accounts for certain assets and liabilities at fair value or on a basis that is approximate to fair value. The estimated fair value amounts have been determined by the Health System using available market information and appropriate valuation methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Health System could realize in a current market exchange.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value should be based on the assumptions that the market participants would use, including a consideration of nonperformance risk.

The Health System assesses the inputs used to measure fair value using a three-level hierarchy based on the extent to which inputs used in measuring fair value are observable in the market. The fair value hierarchy is as follows:

**Level 1**—Quoted (unadjusted) prices for identical assets or liabilities in active markets that the Health System has the ability to access.

**Level 2**—Other observable inputs, either directly or indirectly, including: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified or contractual term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3**—Unobservable inputs for the asset or liability. The determination to measure the asset or liability as a level 3 depends on the significance of the input to the fair value measurement.

The asset or liabilities fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. In instances where the inputs used to measure fair value fall into different levels of the hierarchy, the fair value measurement has been determined based on the lowest-level input that is significant to the fair value measurement in its entirety. The System's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgement, including the consideration of inputs specific to the asset. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs. There were no transfers of assets between any levels during the fiscal year.

Following is a description of the valuation methodologies used for the Health System's assets or liabilities measured at fair value.

**Cash and Cash Equivalents**—The carrying amounts reported in the balance sheet approximate their fair value.

**Accounts Receivables, Accounts Payable, Accrued Liabilities, and Estimated Payable to Medicare and Medicaid Programs**—The carrying amounts reported in the balance sheet approximate their fair value.

**Assets Whose Use is Limited**—These assets consist primarily of cash and cash equivalents, mutual funds, debt and equity securities, and pledges receivable. For cash and cash equivalents, pledges receivable and interest receivable, the carrying amount reported in the balance sheet approximates fair value.

For mutual funds the fair value is based on the value of the daily closing price as reported by the fund. Mutual funds held by the System are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the System are deemed to be actively traded.

For equities (common stock), the fair value is based on the value of the closing price reported on the active market on which the individual securities are traded.

For government obligations, the fair value is measured using pricing models maximizing the use of observable inputs for similar securities.

For commercial paper, the fair value is based on amortized cost with observable inputs, including security cost, maturity, and credit rating.

The following tables set forth by level within the fair value hierarchy a summary of the Health System's investments measured at fair value on a recurring basis as of September 30:

	<b>Fair Value Measurements as of September 30, 2016, Using</b>			
	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Total</b>
Investments:				
Cash and cash equivalents	\$ 43,890	\$ -	\$ -	\$ 43,890
Certificates of deposit and commercial paper	-	43,443	-	43,443
Mutual funds	45,135	105,998	-	151,133
Government and agency securities	77,678	103,734	-	181,412
Corporate bonds, notes, mortgages and asset-backed securities	<u>-</u>	<u>288,910</u>	<u>-</u>	<u>288,910</u>
Total	<u>\$166,703</u>	<u>\$542,085</u>	<u>\$ -</u>	<u>\$708,788</u>



**Fair Value Measurements  
as of September 30, 2015, Using**

	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Total</b>
Investments:				
Cash and cash equivalents	\$ 15,105	\$ -	\$ -	\$ 15,105
Certificates of deposit and commercial paper	-	45,127	-	45,127
Mutual funds	70,667	14,805	-	85,472
Government and agency securities	76,178	97,761	-	173,939
Corporate bonds, notes, mortgages and asset-backed securities	<u>-</u>	<u>279,069</u>	<u>-</u>	<u>279,069</u>
Total	<u>\$161,950</u>	<u>\$436,762</u>	<u>\$ -</u>	<u>\$598,712</u>

**Fair Value of Pension Plan Assets**—In addition to the types of assets listed above as held by the Health System, the pension plans also hold assets within limited partnerships, limited liability companies, and common collective trusts.

Limited partnerships and limited liability companies are valued at fair value based on the audited financial statements of the partnerships and the percentage ownership in the partnership. This method is an accepted practical expedient that is considered equivalent to NAV. The assets held were further considered for level of inputs used. When quoted prices are not available for identical or similar assets, real estate assets are valued under a discounted cash flow or lender survey approach that maximizes observable inputs, but includes adjustments for certain risks that may not be observable, such as cap & discount rates, maturities and loan to value ratios.

Common collective trusts are valued at the NAV of units of a bank collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Were the Plan to initiate a full redemption of the collective trust, the investment advisor reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

The following table sets forth by level, based on the hierarchy requirements for fair value guidance outlined previously, a summary of the assets of the Health System's Plans measured at fair value on a recurring basis as of September 30:

<b>Fair Value Measurements as of September 30, 2016, Using</b>				
	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Total</b>
Pension assets:				
Cash and cash equivalents	\$ 663	\$ 170	\$ -	\$ 833
Domestic mutual funds	74,655	-	-	74,655
International mutual funds	46,172	-	-	46,172
Government and agency securities	-	11,737	-	11,737
Common collective trusts	6,277	10,255	-	16,532
Limited partnerships and liability companies	<u>-</u>	<u>4,867</u>	<u>7,537</u>	<u>12,404</u>
<b>Total</b>	<b><u>\$127,767</u></b>	<b><u>\$27,029</u></b>	<b><u>\$7,537</u></b>	<b><u>\$162,333</u></b>

<b>Fair Value Measurements as of September 30, 2015, Using</b>				
	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Total</b>
Pension assets:				
Cash and cash equivalents	\$ 2,108	\$ -	\$ -	\$ 2,108
Domestic mutual funds	80,082	-	-	80,082
International mutual funds	25,316	-	-	25,316
Government and agency securities	-	17,737	-	17,737
Common collective trusts	5,808	8,774	-	14,582
Limited partnerships and liability companies	<u>-</u>	<u>4,858</u>	<u>6,989</u>	<u>11,847</u>
<b>Total</b>	<b><u>\$113,314</u></b>	<b><u>\$31,369</u></b>	<b><u>\$6,989</u></b>	<b><u>\$151,672</u></b>

The Health System's use of Level 3 unobservable inputs account for 4.64% and 4.61%, respectively, of the total fair value of Pension Assets as of September 30, 2016 and 2015. The following table summarizes the changes in Level 3 assets measured at fair value as of September 30:

Beginning balance—September 30, 2014	\$6,237
Allocation of net capital gain	99
Miscellaneous fees	(70)
Interest received	294
Change in net unrealized gains	<u>429</u>
Ending balance—September 30, 2015	6,989
Allocation of net capital gain	75
Miscellaneous fees	(81)
Interest received	304
Change in net unrealized gains	<u>250</u>
Ending balance—September 30, 2016	<u>\$7,537</u>

The unrealized gains and losses on investment accounts at September 30, 2016 were determined to be temporary in nature as the change in market value for these assets was the result of fluctuating interest rates and market activity rather than the deterioration of the credit worthiness of the issuers. In the event that the Health System disposes of these securities before maturity, it is expected that the realized gains or losses, if any, will be immaterial both quantitatively and qualitatively to the statement of operations and financial position as of the Health System's fiscal year end.

The following tables show our investments' fair values and gross unrealized losses for individual securities that have been in a continuous loss position for 12 months or more as of September 30, 2016 and those that have been in a loss position for 12 months or more as of September 30, 2015. These investments are interest-yielding debt securities of varying maturities. We have determined that the unrealized loss position for these securities is primarily due to market volatility. Generally, in a rising interest rate environment, the estimated fair value of fixed income securities would be expected to decrease; conversely, in a decreasing interest rate environment, the estimated fair value of fixed income securities would be expected to increase. These securities may also be negatively impacted by illiquidity in the market.

**In a Continuous Loss Position  
for Less than 12 Months**

	<b>Estimated Fair Value</b>	<b>Unrealized Losses</b>	<b>Total Number of Positions</b>
Corporate bonds, notes, mortgages and asset-backed securities	\$35,000	\$(131)	98
Mutual funds	2,674	(107)	6
Government & agency securities	<u>27,213</u>	<u>(41)</u>	<u>37</u>
Total	<u>\$64,887</u>	<u>\$(279)</u>	<u>141</u>

**In a Continuous Loss Position  
for more than 12 Months**

	<b>Estimated Fair Value</b>	<b>Unrealized Losses</b>	<b>Total Number of Positions</b>
Corporate bonds, notes, mortgages and asset-backed securities	\$ 24,921	\$ (477)	84
Mutual funds	66,767	(3,105)	41
Government & agency securities	<u>18,400</u>	<u>(498)</u>	<u>22</u>
Total	<u>\$110,088</u>	<u>\$(4,080)</u>	<u>147</u>

**Fair Value of Debt**—The interest rate on the Health System's Variable Rate Revenue Bonds is reset daily to reflect current market rates. Consequently, the carrying value approximates fair value. The carrying amount reported in the balance sheet for capital leased assets approximates its fair value.

The estimated fair value of the Fixed Rate Bonds as of September 30, 2016 and 2015 was \$590,391 and \$585,664, respectively, and are based on Level 2 inputs within the fair value hierarchy. The fair value was estimated by discounting the future cash flows using rates currently available for debt of similar terms and maturity.

The estimated fair value of the notes payable as of September 30, 2016 and 2015, was \$44,167 and \$41,468, respectively. The fair value is based on Level 2 inputs within the fair value hierarchy and was estimated by discounting the future cash flows using rates currently available for debt of similar terms and maturity.

The fair value estimates presented herein are based on pertinent information available to management as of September 30, 2016. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since that date, and current estimates of fair value may differ significantly from the amounts presented herein.

## 12. COMMITMENTS AND CONTINGENCIES

The Health System leases office space under operating leases, some of which contain renewal options. Rental expense on the operating leases during 2016 and 2015 were \$17,380 and \$16,056, respectively. The Health System also leases out space in medical office buildings under non-cancelable operating leases. Rental income on these leases during 2016 and 2015 were \$2,525 and \$1,656, respectively.

As of September 30, 2016, future minimum rental income and payments on operating leases are as follows:

<b>Years Ending September 30</b>	<b>Minimum Rental Revenue</b>	<b>Minimum Rental Payments</b>
2017	\$ 2,395	\$11,118
2018	2,923	5,637
2019	2,987	3,420
2020	2,928	2,501
2021	2,993	1,525
Thereafter	<u>400</u>	<u>5,078</u>
	<u>\$14,626</u>	<u>\$29,279</u>

As of September 30, 2016 and 2015, the Health System had commitments on construction contracts and equipment purchases totaling \$70,877 and \$15,013, respectively.

The Health System maintains professional liability coverage through a "claims made" insurance policy. The policy provides coverage for claims filed within the period of the policy term. The current policy period ends September 30, 2016, and includes provisions for purchase of tail coverage in the event a new carrier is selected. The Health System also maintains reserves based on actuarial estimates provided by an independent third party for the portion of its professional liability risks, including incurred but not reported claims, for which it does not have insurance coverage. Reserves for losses and related expenses are estimated using expected loss reporting patterns and are discounted to their present value using a discount rate of 3.0%. There can be no assurance that the ultimate liability will not exceed such estimates. Adjustments to the reserves are included in results of operations in the periods when such amounts are determined. As of September 30, 2016 and 2015, the Health System had professional liability recorded in accounts payable and accrued liabilities in the amounts of \$9,829 and \$10,361, respectively.

In connection with the divestiture of the medical practice described in footnote 2, on December 10, 2015, the Court entered an order setting out the process to divest the practice from the Health System and appointing a monitor and a trustee to oversee the process. The private plaintiffs and the State of Idaho sought recovery of their attorney fees, and a final judgment awarding fees has been issued by the Court. The Health System plans to appeal the judgment awarding fees to the private plaintiffs. As of the date the financial statements were available to be issued, this matter has not been monetarily resolved and the Health System maintains an accrued liability in the financial statements for its exposure to the fees owed—an amount that is not material to the financial statements as a whole for the years ended September 30, 2016 and 2015.

The Health System has antitrust insurance with coverage for defense costs, costs on appeal, and an award of attorney fees. After receipt of a letter from its insurer invoking an exclusionary clause to deny coverage in the antitrust litigation, the Health System filed a lawsuit on November 4, 2014 in the Court alleging breach of the insurance contract and requesting a declaratory judgment that the insurance policy covers the antitrust litigation. The insurer asserted counterclaims for recoupment of defense costs already reimbursed in the antitrust litigation. On September 4, 2015, the Court decided in the Health System’s favor and that decision is currently on appeal with the Ninth Circuit Court of Appeals.

The Health System is routinely involved in other litigation matters and regulatory investigations arising in the normal course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material effect on the Health System’s future financial position, results of operations, or cash flows.

### **13. FUNCTIONAL EXPENSES**

The Health System provides medical and healthcare services to residents within its geographic location. Expenses from continuing operations related to providing these services for the years ended September 30 are allocated as follows:

	<b>2016</b>	<b>2015</b>
Professional, nursing, and other patient care services	\$ 1,538,165	\$ 1,418,019
Fiscal and administrative support services	<u>356,040</u>	<u>320,021</u>
	<u>\$ 1,894,205</u>	<u>\$ 1,738,040</u>

### **14. GOODWILL AND OTHER INTANGIBLES**

The Health System considered various events and circumstances when it evaluated whether it’s reporting unit fair values were less than their carrying value. Based on the Health System’s assessment of relevant events and circumstances, the Health System has concluded that there was no impairment of goodwill for the fiscal years ended September 30, 2016 and 2015.

Other intangible assets of the Health System include covenants not to compete related to the acquisition of medical practices and are amortized over their useful lives, which typically range from five to seven years. Other intangible assets as of September 30 consist of:

	<b>2016</b>	<b>2015</b>
Covenants not to compete	\$ 46,849	\$ 46,849
Less accumulated amortization	<u>(44,845)</u>	<u>(41,688)</u>
Total other intangible assets	<u>\$ 2,004</u>	<u>\$ 5,161</u>

The Health System recorded amortization expense of \$3,157 and \$6,877 for the years ending September 30, 2016 and 2015, respectively. Expected future amortization expense related to intangible assets as of September 30 is as follows:

<b>Years Ending September 30</b>	<b>Amount</b>
2017	\$1,633
2018	370
2019	<u>1</u>
	<u>\$2,004</u>

## 15. SUBSEQUENT EVENTS

The Health System has evaluated subsequent events through December 16, 2016. This is the date the financial statements were available to be issued.

Effective January 1, 2017, St. Luke's Health Partners, a wholly owned subsidiary of St. Luke's Health System, will assume financial and clinical accountability in multiple value-based arrangements. These contracts are expected to include approximately 150,000 lives enrolled with various governmental and commercial payors, as well as self-funded employers. Under these agreements, St. Luke's Health Partners will be financially responsible for services provided to these enrollees by other institutional health care providers. St. Luke's Health Partners is a clinically-integrated network that allows independent physicians and facilities to partner with St. Luke's Health System in these arrangements.

\* \* \* \* \*

**CONSOLIDATING SUPPLEMENTAL SCHEDULES**



## ST. LUKE'S HEALTH SYSTEM, LTD. AND SUBSIDIARIES

### CONSOLIDATING BALANCE SHEET AS OF SEPTEMBER 30, 2016 (In thousands)

	Obligated Group <sup>(1)</sup>	Non-Obligated Group	Eliminating Entries	Consolidated
<b>ASSETS</b>				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 70,082	\$ 6,080	\$ -	\$ 76,162
Receivables—net	281,255	43,766	(13,891)	311,130
Inventories	26,214	2,937	-	29,151
Prepaid expenses	24,189	972	(404)	24,757
Assets held for sale	5,320	-	-	5,320
Current portion of assets whose use is limited	<u>56,292</u>	<u>-</u>	<u>-</u>	<u>56,292</u>
Total current assets	<u>463,352</u>	<u>53,755</u>	<u>(14,295)</u>	<u>502,812</u>
ASSETS WHOSE USE IS LIMITED:				
Board designated funds	471,058	4,263	-	475,321
Restricted funds	138,211	-	-	138,211
Permanent endowment funds	-	12,220	-	12,220
Donor restricted plant replacement and expansion funds and other specific purpose funds	<u>-</u>	<u>31,591</u>	<u>-</u>	<u>31,591</u>
Total assets whose use is limited	<u>609,269</u>	<u>48,074</u>	<u>-</u>	<u>657,343</u>
PROPERTY, PLANT, AND EQUIPMENT—Net	<u>1,056,221</u>	<u>87,450</u>	<u>(319)</u>	<u>1,143,352</u>
GOODWILL	<u>37,232</u>	<u>161</u>	<u>-</u>	<u>37,393</u>
OTHER ASSETS:				
Land and buildings held for investment or future expansion—at cost	45,783	471	-	46,254
Other	23,617	554	(15,611)	8,560
Deferred financing costs—net	<u>8,087</u>	<u>-</u>	<u>-</u>	<u>8,087</u>
Total other assets	<u>77,487</u>	<u>1,025</u>	<u>(15,611)</u>	<u>62,901</u>
TOTAL	<u>\$2,243,561</u>	<u>\$190,465</u>	<u>\$(30,225)</u>	<u>\$2,403,801</u>

<sup>(1)</sup> Includes St. Luke's Health System, Ltd., St. Luke's Regional Medical Center, Ltd.,  
St. Luke's Magic Valley Medical Center, Ltd., and Mountain States Tumor Institute, Inc.

	Obligated Group <sup>(1)</sup>	Non-Obligated Group	Eliminating Entries	Consolidated
<b>LIABILITIES AND NET ASSETS</b>				
CURRENT LIABILITIES:				
Accounts payable and accrued liabilities	\$ 127,198	\$ 23,640	\$(14,546)	\$ 136,292
Accrued salaries and related liabilities	50,477	382	-	50,859
Employee benefit liabilities	114,245	-	-	114,245
Estimated payable to Medicare and Medicaid programs	67,942	2,200	-	70,142
Liabilities held for sale	5,335	-	-	5,335
Current portion of long-term debt and capital leases	<u>25,659</u>	<u>753</u>	<u>-</u>	<u>26,412</u>
Total current liabilities	<u>390,856</u>	<u>26,975</u>	<u>(14,546)</u>	<u>403,285</u>
NONCURRENT LIABILITIES:				
Long-term debt and capital leases	861,390	34,791	-	896,181
Liability for pension benefits	91,394	-	-	91,394
Other liabilities	<u>2,026</u>	<u>-</u>	<u>(306)</u>	<u>1,720</u>
Total noncurrent liabilities	<u>954,810</u>	<u>34,791</u>	<u>(306)</u>	<u>989,295</u>
NET ASSETS:				
Unrestricted net assets:				
The Health System	897,895	85,205	(15,168)	967,932
Noncontrolling interests	<u>-</u>	<u>-</u>	<u>(205)</u>	<u>(205)</u>
Total unrestricted net assets	897,895	85,205	(15,373)	967,727
Temporarily restricted	-	31,274	-	31,274
Permanently restricted	<u>-</u>	<u>12,220</u>	<u>-</u>	<u>12,220</u>
Total net assets	897,895	128,699	(15,373)	1,011,221
TOTAL	<u>\$2,243,561</u>	<u>\$190,465</u>	<u>\$(30,225)</u>	<u>\$2,403,801</u>

## ST. LUKE'S HEALTH SYSTEM, LTD. AND SUBSIDIARIES

### CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN UNRESTRICTED NET FOR THE YEAR ENDED SEPTEMBER 30, 2016 (In thousands)

	Obligated Group <sup>(1)</sup>	Non-Obligated Group	Eliminating Entries	Consolidated
UNRESTRICTED REVENUES, GAINS, AND OTHER SUPPORT:				
Net patient service revenue (net of contractual allowances and discounts)	\$ 1,881,326	\$ 115,086	\$ -	\$ 1,996,412
Less provision for bad debts	<u>(94,226)</u>	<u>(4,683)</u>	<u>-</u>	<u>(98,909)</u>
Net patient service revenue (net of bad debts)	1,787,100	110,403	-	1,897,503
Other revenue (including rental income)	52,755	13,796	(25,926)	40,625
Net assets released from restrictions—operating	(1,201)	-	-	(1,201)
Income on equity interest in joint ventures	<u>288</u>	<u>-</u>	<u>-</u>	<u>288</u>
Total unrestricted revenues, gains, and other support	<u>1,838,942</u>	<u>124,199</u>	<u>(25,926)</u>	<u>1,937,215</u>
EXPENSES:				
Salaries and benefits	1,011,958	59,596	2,048	1,073,602
Supplies and drugs	318,865	13,784	-	332,649
Depreciation	101,321	6,361	-	107,682
Contract services	191,292	14,801	(25,873)	180,220
Purchased services	118,261	3,501	(183)	121,579
Interest expense	29,634	1,604	-	31,238
Other expenses	<u>33,345</u>	<u>8,519</u>	<u>5,371</u>	<u>47,235</u>
Total expenses	<u>1,804,676</u>	<u>108,166</u>	<u>(18,637)</u>	<u>1,894,205</u>
INCOME FROM OPERATIONS	34,266	16,033	(7,289)	43,010
INVESTMENT INCOME	<u>9,033</u>	<u>53</u>	<u>-</u>	<u>9,086</u>
REVENUE IN EXCESS OF EXPENSES FROM CONTINUING OPERATIONS	43,299	16,086	(7,289)	52,096
CHANGE IN NONCONTROLLING INTERESTS FROM SUBSIDIARIES	(1,196)	-	-	(1,196)
CHANGE IN NET UNREALIZED GAINS ON INVESTMENTS	15,528	-	-	15,528
NET ASSETS RELEASED FROM RESTRICTION—Capital acquisitions	3,850	-	-	3,850
CHANGE IN FUNDED STATUS OF PENSION PLAN	<u>(20,601)</u>	<u>-</u>	<u>-</u>	<u>(20,601)</u>
INCREASE IN UNRESTRICTED NET ASSETS BEFORE DISCONTINUED OPERATIONS	40,880	16,086	(7,289)	49,677
LOSS FROM DISCONTINUED OPERATIONS	<u>(7,205)</u>	<u>-</u>	<u>-</u>	<u>(7,205)</u>
INCREASE IN UNRESTRICTED NET ASSETS	<u>\$ 33,675</u>	<u>\$ 16,086</u>	<u>\$ (7,289)</u>	<u>\$ 42,472</u>

<sup>(1)</sup> Includes St. Luke's Health System, Ltd., St. Luke's Regional Medical Center, Ltd., St. Luke's Magic Valley Medical Center, Ltd., and Mountain States Tumor Institute, Inc.

**St. Luke's Wood River**

**2016-2019 Community Health Needs  
Assessment**

**Implementation Plan for Fiscal Year 2017**

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## Introduction

The St. Luke's Wood River Medical Center's 2016 Community Health Needs Assessment Implementation Plan describes the programs and resources St. Luke's and other community groups plan to employ to address the most important health needs identified in our 2016 Community Health Needs Assessment (CHNA). The Implementation Plan is divided into two main sections. The first section contains a list of the significant health needs identified in our CHNA and describes what St. Luke's intends to do to address these needs. The second section of the implementation plan defines the specific programs and services St. Luke's plans to implement to address the significant health needs. For each program, there is a description of its objective, tactics, expected impact, and partnerships.

Stakeholder involvement in determining and addressing community health needs is vital to this 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.

St. Luke's contact person name: Erin Pfaeffle  
Director, Community Relations/Mental Health  
Phone number: 208-727-8734

## Methodology

The St. Luke's Wood River Medical Center's 2016 CHNA was designed to better understand the most significant health challenges facing the individuals and families in our service area. To accomplish this goal, St. Luke's collaborated with representatives from our community to help identify and prioritize our most important health needs. Each identified health need was included in one of these four categories: 1) health behavior needs; 2) clinical care needs; 3) social and economic needs; and 4) physical environment needs.

These health needs were ranked using a numerical prioritization system. Points were allocated to each need based on scores provided by our community representatives as well as scores for related health factors. The more points the health need and factor received, the higher the priority and the higher the potential to positively impact community health. Health needs and factors with scores in the top 10<sup>th</sup> percentile were highlighted in dark orange and were considered to be our community's most significant health needs.

To complete the CHNA Implementation Plan, St. Luke's consulted and collaborated with community representatives, addressing the most significant health needs using the following decision criteria:

1. Health needs ranked in the top 10<sup>th</sup> percentile in the CHNA were considered to be our significant health needs. In order to focus limited resources on the health needs having the greatest potential to improve community health (the most significant needs), implementation plan programs were not developed for health needs scoring below the top 10<sup>th</sup> percentile.
2. Next St. Luke's examined whether it was more effective to directly address a high priority health need or whether another community organization was better positioned to address the need. To make this determination, we focused on whether the health need was in alignment with St. Luke's mission and strengths. Where a high priority need was substantially in alignment with both our mission and strengths, St. Luke's provided at least one program to address that need. Where a high priority need was not in alignment with our mission and strengths, St. Luke's tried to identify or partner with a community group or organization better able to serve the high priority need.
3. A single health improvement program can often support the success of multiple related health needs. For example, obesity programs also support and strengthen diabetes programs. Therefore, to better understand the total impact our programs are having on a health need, St. Luke's arranged the significant health needs into groups that will benefit by being addressed together.

## List of Needs and Recommended Actions

### Health Behavior Category

Our community’s high priority needs in the health behavior category are wellness and prevention programs for mental illness, suicide, substance abuse, and obesity. Our community health representatives provided relatively high scores for these needs. In addition, obesity ranks as high priority needs because it is trending higher and is a contributing factors to a number of other health concerns. Mental illness also ranks high because Idaho has one of the highest percentages of any mental illness (AMI) in the nation.

Table Color Key
Dark Orange = Significant Community Health Need (Total score in the top 10th percentile)

Identified Community Need	Related Health Outcome or Factor	Total CHNA Score	Alignment with Mission and Strengths: High, Med, low	Non-St. Luke’s Community Resources Available to Address Need	Recommended Action and Justification
Substance abuse services and programs	Illicit drug use	21.3	Mission: High Strength: Low	Blaine County Community Drug Coalition, Health and Welfare, private licensed mental health providers, NAMI, Alcoholics Anonymous, Narcotic Anonymous	St. Luke’s will directly and indirectly support drug/alcohol programs in our community because this need is aligned with our mission and is ranked in the top 10th percentile. The Blaine County Drug Coalition leads the education and prevention efforts and St. Luke’s will continue to support them financially and partnering with their programs. St. Luke’s will continue its direct support through financial assistance for counseling and through the



					continued operational support of our outpatient mental health clinic
Wellness and prevention programs	Suicide	19	Mission: High Strength: Low	Health and Welfare, private licensed mental health providers, NAMI, Blaine County School District	St. Luke's will directly support suicide prevention programs because this need is aligned with our mission and is ranked in the top 10th percentile. The programs St. Luke's directly supports are described in the following section of this Implementation Plan.
	Mental illness	19	Mission: High Strength: Low	Health and Welfare, private licensed mental health providers, NAMI, AA/NA, Blaine County Probation/Prosecuting Attorney's office, Blaine County School District	St. Luke's will directly support Mental health wellness programs because this need is aligned with our mission and is ranked in the top 10th percentile. The programs St. Luke's directly supports are described in the following section of this Implementation Plan.
	Obese/Overweight teenagers	18.9	Mission: High Strength: Low	There are national and local weight management programs available in our community, ie Weight Watchers, Curves, and local fitness centers.	St. Luke's will directly support teen weight management programs because this need is aligned with our mission and strengths. In addition, we will indirectly support teen weight management through our fiscal and programmatic partnerships with other fitness centers in the community. The programs St. Luke's directly supports are described in the following section of this Implementation Plan.
	Obesity	19	Mission: High	There are national and local weight	St. Luke's will directly support adult weight management because this need is aligned with

			Strength: Low	management programs available in our community, ie Weight Watchers, Curves, and local fitness centers.	our mission and strengths and although there are other programs available in our community the need is still ranked in our CHNA's top 10 <sup>th</sup> Percentile. In addition, we will also indirectly support adult weight management through our fiscal and programmatic partnerships with other fitness centers in the community. The programs St. Luke's directly supports are described in the following section of this Implementation Plan.
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## Clinical Care Category

High priority clinical care needs include: Affordable health insurance and increased availability of behavioral health services. Both were ranked as top health needs by our community representatives. In addition, affordable health insurance ranks as a top priority need because our service area has a high percentage of people who are uninsured. Availability of behavioral health services also ranked as a top priority because Idaho has a shortage of behavioral health professionals.

Identified Community Need	Related Health Outcome or Factor	Total CHNA Score	Alignment with Mission and Strengths: High, Med, low	External Community Resources Available to Address Need	Recommended Action and Justification
Affordable health insurance	Uninsured adults	19.7	Mission: High Strength: Medium	Health and Welfare, Blaine County Commissioners, Family Health Services, Idaho Health Care Exchange	St. Luke's will directly support programs designed to help provide affordable health insurance because this need is aligned with our mission and although there are other programs available in our community the need is still ranked in our CHNA's top 10th percentile. Affordable health insurance is a national priority that St. Luke's cannot address on its own. St. Luke's will continue to rely on community and national programs and resources to help us address this need. The programs St. Luke's directly supports are described in the following section of this Implementation Plan.
Availability of behavioral health services (providers, suicide hotline, etc)	Mental health service providers	19.4	Mission: High Strength: Low	Health and Welfare, private licensed mental health providers, Blaine County School District	St. Luke's will directly support Mental Illness programs in our community because this need is ranked in the top 10th percentile and is aligned with our mission. The programs St. Luke's directly supports are described in the following section of this Implementation Plan.

### **Social and Economic Category Summary**

In the Social and Economic category, there were no needs that ranked in the 10<sup>th</sup> percentile.

### **Physical Environment Category Summary**

In the physical environment category, there were no needs that ranked in the 10<sup>th</sup> percentile.

## St. Luke's CHNA Implementation Programs

This section of the implementation plan provides a list and description of the health improvement programs St. Luke's is executing to address the significant health needs ranked in the top 10<sup>th</sup> percentile. Sometimes a single health improvement program supports the success of multiple related health needs. For example, obesity programs also support and strengthen diabetes programs. Therefore, to better understand the total impact our programs are having on a health need, we arranged programs that reinforce one another into the groups defined below.

### High Priority Program Groups

Program Group 1: Improve Mental Health and Reduce Suicide and Substance Abuse

Program Group 2: Improve the Prevention and Management of Obesity

Program Group 3: Improve Access to Affordable Health Insurance

## St. Luke's Center for Community Health

St. Luke's funds and manages the Center for Community Health that serves the community through bilingual, comprehensive and coordinated health and wellness prevention services, including health promotion and education, health screenings, information and referral to local and regional health and social services, access to insurance and health care, emergency financial assistance, support groups, parent and family education, and community action.

As St. Luke's embarks on improving our health delivery system to positively impact population health outcomes, we hope to address health determinants such as individual behavior, social, economic, and physical environments, and cultural contexts that impact one's ability to create optimal health. We work closely with internal and community partners to identify community needs and develop and deliver services in a coordinated, efficient way.

Individuals with limited or no resources seek our assistance in a variety of ways:

- Financial assistance for medical care, mental health services, prescriptions, transportation, rent, medical equipment, food, housing, etc.
- Government assistance such as Medicaid, Medicare, Social Security Disability, Veterans Benefits
- Understanding of complex medical or government systems such as Health and Welfare, and care coordination, help understanding & applying for insurance

A wide spectrum of individuals, regardless of their resources, interact with us through our multitude of health promotion and prevention services, such as:

- Health education talks
- Information and referral to health and social services
- CPR/First Aid classes
- Puberty classes

- Childbirth education
- Health screenings
- Discover Health Fair
- Fitness classes
- Breast cancer support group
- Car seat safety checks

Additionally, we partner with our clinical providers by referring to their services, being a resource to their patients who need additional support, promoting their expertise through our education programs and screenings, and providing office space for them to deliver services out of the Center.

## Significant Health Need #1: Improve Mental Health and Reduce Suicide and Substance Abuse

Improving mental health and reducing suicide and substance abuse rank among our most significant health needs. This is because our community representatives scored mental health, the availability of behavioral health providers, and substance abuse as some of our most significant health needs. In addition, Idaho has one of the highest percentages (22.5%) of any mental illness (AMI) in the nation, shortages of mental health professionals in all counties across the state, and suicide rates that are consistently higher than the national average. Depression is the most common type of mental illness, affecting more than 26% of the U.S. adult population. It has been estimated that by the year 2020, depression will be the second leading cause of disability throughout the world. Further, the percent of people who report using illicit drugs in our service area is more than twice as high as Idaho as a whole.

### Impact on Community

Good mental health is “a state of well-being in which the individual realizes his or her own abilities, can cope with the normal stresses of life, can work productively and fruitfully, and is able to make a contribution to his or her community.” It is estimated that only about 17% of U.S adults are considered to be in a state of optimal mental health.<sup>1</sup>

Reducing drug abuse can have a positive impact on society on multiple levels as well. Directly or indirectly, every community is affected by drug abuse and addiction, as is every family. This includes health care expenditures, lost earnings, and costs associated with crime and accidents. This is an enormous burden that affects all of society - those who abuse these substances, and those who don't. Families can be destroyed by drug abuse. Approximately 50% to 80% of all child abuse and neglect cases substantiated by child protective services involve some degree of substance abuse by the child's parents.<sup>2</sup> It is estimated that in 2007 illicit drug use cost the U.S. economy more than \$193 billion. The cost of illegal drug use is similar to government estimates on the cost of diabetes.<sup>3</sup>

### How to Address the Need:

There is a high prevalence of comorbidity between drug use disorders and other mental illnesses. The high rate of comorbidity argues for a comprehensive approach to intervention that identifies and evaluates each disorder concurrently, providing treatment as needed.<sup>4</sup>

The majority of adults who live with a mental health disorder do not get corresponding treatment. Furthermore, less than one-third of adults get minimally adequate care.<sup>5</sup> Stigma surrounding the

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<sup>1</sup> <http://www.cdc.gov/mentalhealth/basics.htm>

<sup>2</sup> <http://archives.drugabuse.gov/about/welcome/aboutdrugabuse/magnitude/>

<sup>3</sup> The Economic Impact of Illicit Drug Use on American Society, Department of Justice's National Drug Intelligence Center (NDIC).

<sup>4</sup> <http://www.drugabuse.gov/publications/research-reports/comorbidity-addiction-other-mental-illnesses/how-can-comorbidity-be-diagnosed>

<sup>5</sup> Substance Abuse and Mental Health Services Administration, Behavioral Health Report, United States, 2012 pages 29 - 30

receipt of mental health care is among the many barriers that discourage people from seeking treatment.<sup>6</sup> In addition, increasing physical activity and reducing obesity are also known to improve mental health.<sup>7</sup>

Therefore, our aim is to work with our community to reduce the stigma around seeking mental health treatment, to improve access to behavioral health services, increase physical activity, and reduce obesity especially for our most affected populations.

**Affected Populations:**

People with lower incomes are about three and a half times more likely to have depressive disorders.<sup>8</sup> Illicit drug use is significantly higher among males less than 34 years old, the unemployed, and those with incomes of less than \$50,000 annually.<sup>9</sup>

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<sup>6</sup> Idaho Suicide Prevention Plan: An Action Guide, 2011, Page 9

<sup>7</sup> <http://www.cdc.gov/healthyplaces/healthtopics/physactivity.htm>, <http://www.cdc.gov/obesity/adult/causes.html>

<sup>8</sup> Idaho 2011 - 2013 Behavioral Risk Factor Surveillance System

<sup>9</sup> Idaho and National 2002 - 2013 Behavioral Risk Factor Surveillance System



## **1. Program Name: Counseling Scholarship Fund**

### **Community Needs Addressed:**

Alcohol  
Illicit drug use  
Mental illness  
Suicide  
Access to Affordable Health Insurance

### **Target Population:**

This program provides funding and facilitates access to mental health counseling for uninsured and underinsured individuals and families.

### **Description and Tactics (How):**

This scholarship fund helps offset the high costs of community-based mental health counseling for people in need. These critical counseling sessions help address a wide range of mental health issues including suicide, parenting, anxiety, and depression.

Referrals to access the Mental Health Scholarship Fund come from the St. Luke's Clinic – Mental Health Services free depression screenings, physicians, local counselors, school social workers, and individuals and families who self-identify. The Center for Community Health works with individuals to determine their eligibility, which includes clients who do not have private insurance or Medicaid/Medicare that would otherwise pay to access this help. The Center then works with each individual to establish an agreement, outlining how much the individual can afford to pay towards their counseling and how much the Center will pay. We limit our contribution to \$200 per person per year.

### **Resources (budget):**

We have budgeted \$16,000 for this program in fiscal year 2017. Staff at the Center for Community Health are responsible for managing referrals to this program and for tracking contracts and outcomes.

### **Expected Program Impact on Health Need:**

Currently we send recipients an anonymous evaluation after their contract has been completed asking for feedback about various things, such as their experience with our service, if the financial assistance was helpful to them, and if their counseling was helpful. 100 percent of all evaluations returned indicate it was helpful. Additionally, we measure the impact of our program by the number of people we serve each year. We served 106 people in fiscal year 2016 and expect to serve the same number in fiscal year 2017.

### **Partnerships/Collaboration:**

Community-based therapists make referrals to our scholarship fund frequently and many reduce their fees for the clients using the program. We work closely with school district social workers, physicians, social service providers, law enforcement, and churches for referrals to the program.

## **2. Program Name: Mental Health Services Scholarship Fund**

### **Community Needs Addressed:**

Alcohol  
Illicit drug use  
Mental illness  
Suicide  
Access to Affordable Health Insurance

### **Target Population:**

This program provides funding for patients seeking psychiatric or counseling services at St. Luke's Clinic – Mental Health Services who are uninsured and underinsured.

### **Description and Tactics (How):**

This scholarship fund helps offset the high costs of mental health services for people identified in need at our mental health clinic. These critical counseling and psychiatric sessions help address a wide range of mental health issues including suicide, parenting, anxiety, and depression.

Referrals to the fund come from the providers in the clinic, staff at the Center for Community Health and other St. Luke's providers. Staff at the clinic, overseen by the clinic manager will work with individuals to determine their eligibility, with priority given clients who do not have private insurance or Medicaid/Medicare that would otherwise pay to access these services. After eligibility is determined, the scope of services covered by the funds will be determined, and staff will start the process of connecting the patient with St. Luke's Patient Financial Services to create a more long-term, sustainable funding source for the patient which may include Medicaid, a St. Luke's Financial Care Plan, or Social Security Disability.

### **Resources (budget):**

We have \$25,000 in charitable contributions for this fund for fiscal year 2017.

### **Expected Program Impact on Health Need:**

We have patients who report reducing the number of visits to our therapists or psychiatrist for lack of ability to afford their services and some who have stopped coming for care for this reason. We hope to reduce the number of patients who chose to stop receiving services and help others maintain the recommended care plan from their provider by providing them the funds to do so. We intend to ask participants to provide us feedback on the impacts these funds have had on them accessing mental health services at our clinic. Additionally, we will measure the impact of our program by the number of people we serve each year. We served 14 people during our first fiscal year and expect to serve at least 20 in fiscal year 2017.

**Partnerships/Collaboration:**

We partner with the St. Luke's Wood River Foundation to solicit and manage the contribution from donors to the mental health services scholarship fund.

### **3. Program Name: St. Luke's Clinic – Mental Health Services**

#### **Community Needs Addressed:**

Mental Illness  
Suicide Prevention  
Availability of Mental Health Providers  
Alcohol  
Illicit Drug Use  
Affordable Care  
More providers accept public health insurance

#### **Target Population:**

General community. Patients will be self-referrals or referred by local health care providers. Mental health providers are trained to care for patients from early adolescence through the end of life.

This program will accept most insurance plans, including Medicare, in-state Medicaid, Tricare, Blue Cross/Blue Shield, and others. Sliding fee scale for clients who have no insurance will also be offered.

#### **Description and Tactics (How):**

St. Luke's Clinic – Mental Health Services is mental health clinic prepared to treat mental illness with understanding, compassion, and skill. We treat a variety of conditions, including:

- Mood disorders, including bipolar disorder and major depression
- Anxiety disorder
- Obsessive-compulsive Disorder (OCD)
- Panic disorder
- Post-traumatic Stress (PTS)
- Crisis Intervention
- Addiction

Our providers (physicians, nurse, and therapists) at St. Luke's Clinic will specialize in the treatment of mental illness with a focus on wellness. We will provide compassionate expertise during times of psychiatric instability, allowing patient to work closely with a personalized care team that also includes medication providers and their local primary care doctor.

#### **Resources (budget):**

The clinic is staffed with 1.0 FTE Psychiatrist, 1.0 FTE Nurse, 3.0 FTE licensed mental health therapists, and 1.0 FTE Patient Access. Our operating budget for FY17 is approximately \$345,000, with an expected loss of approximately \$68,000.

#### **Expected Program Impact on Health Need:**

The objective of our program is to help patients achieve a reprieve in their symptoms so they can return to the care of their primary care doctor during periods of stability. In addition, we will work to ensure a smooth transition between our mental health treatment team and their primary care physician so there are no breaks in services and patient is able to utilize natural supports in their community. The goal of our team is to reduce or minimize admission or readmission to emergency departments and/or inpatient hospitalization.

**Partnerships/Collaboration:**

Our program will collaborate with St Luke's inpatient hospitals, specialty clinics, family practice and primary care physicians to develop a coordinated care plan and ensure continuity of care. In addition, we will partner and provide referrals with independent psychiatrists, Idaho Health and Welfare, independent behavioral health programs and providers, and other specialty clinics or services. We work in close partnership with our St. Luke's System Behavioral Health Affinity team to identify training opportunities, share best practice protocols, and build shared patient care practices.

## Significant Health Need #2: Improve the Prevention and Management of Obesity

Our CHNA prioritization process identified prevention and management of obesity as one of our community's most significant health needs. Over 50% of the adults in our community are now obese or overweight. According to the Centers for Disease Control (CDC): "Obesity is a national epidemic and a major contributor to some of the leading causes of death in the United States." Obesity costs the United States about \$150 billion a year, or 10 percent of the national medical budget.<sup>10</sup>

### Impact on Community

Reducing obesity will dramatically impact community health by providing an immediate and positive effect on many conditions including mental health; heart disease; some types of cancer; high blood pressure; dyslipidemia; kidney, liver and gallbladder disease; sleep apnea and respiratory problems; osteoarthritis; and gynecological problems (infertility and abnormal menses).

### How to Address the Need

Obesity can be prevented and managed by engaging our community in developing services and policies designed to encourage proper nutrition and healthy exercise habits. Obesity can also be managed through evidence-based clinical programs.<sup>11</sup>

Extremely promising outcomes are now being reported in some communities. Remarkably, from 2011 through 2014, Lee County, Florida, reduced adult obesity levels from 29.3% to 24.8% and childhood obesity dropped from 31.6% to 20.7%. These results were accomplished through extensive community leadership and involvement. A Lee Memorial Hospital representative commented: "We believe these improvements can be sustained and improved further."<sup>12</sup> Echoing this approach, the CDC states that "we need to change our communities into places that strongly support healthy eating and active living."<sup>13</sup>

### Affected Populations

Some populations are more affected by these health needs than others. For example, low income individuals and those without college degrees have significantly higher rates of obesity.

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<sup>10</sup> <http://www.cdc.gov/cdctv/diseaseandconditions/lifestyle/obesity-epidemic.html>

<sup>11</sup> America's Health Rankings 2015, [www.americashealthrankings.org](http://www.americashealthrankings.org)

<sup>12</sup> [http://www.naplesnews.com/community/bonita-banner/lee-memorial-healthy-lee-earns-prestigious-national-award\\_58687398](http://www.naplesnews.com/community/bonita-banner/lee-memorial-healthy-lee-earns-prestigious-national-award_58687398)

<sup>13</sup> <http://www.cdc.gov/cdctv/diseaseandconditions/lifestyle/obesity-epidemic.html>

#### **4. Program Name: YEAH (Youth Engaged in Activities for Health)**

##### **Community Needs Addressed:**

Obese/overweight teens

Teen exercise

##### **Target Population:**

Our YEAH! model is offered to families with a child between ages 6-16 years, whose BMI is > 85<sup>th</sup> %/age. This is considered “overweight.” Most of our participants have a BMI > 95<sup>th</sup>%, which is considered obese.

##### **Description and Tactics (How):**

YEAH! (Youth Engaged in Activities for Health!) is a program that promotes health by teaching exercise, nutrition, behavior management and cooking classes. Participants and at least 1 parent meet for 4 hours each week and are instructed using a proven curriculum and supporting handouts for both parents and youth:

- 1 hour of nutrition education is taught by the RD. Various topics are covered, and a snack/mini meal is made or sampled with the help of participants in each class.
- 1 hour of cooking/meal preparation is taught by a Culinary Expert. Education regarding knife skills, sanitation, various cooking techniques and how to create a healthy meal are included.
- 2 hours per week are physical activity based. Physical assessments are performed at weeks 1 and 8 to identify areas of improvement for youth and perceived quality of life improvement for parents and youth at the program conclusion.
- Traditionally, nutrition and physical activity are held one night/week with cooking and a second physical activity class being held on another night/week.

##### **Resources (budget):**

Community partners (YMCA fitness staff, Blaine County School District social service counselors and school nurses, Blaine County Recreation Department, and the Hunger Coalition) continued to collaborate in the execution of YEAH. The St Luke’s Foundation provided a grant covering the entire Spring program in 2015. For FY 2016, the YEAH program was revamped. A request for funds from the St Luke’s Foundation to offset the cost of a pilot for an additional “Cooking Demonstration” component was made. The Foundation agreed to a \$953.00 donation to cover the cost related to food and supplies. This program is valued at over \$10,000 from all community partners.

##### **Expected Program Impact on Health Need:**

Anticipated outcomes for the two YEAH programs per year include:

- Registration of up to 24 youth and at least one parent
- Improved Quality of Life survey results for youth and parents



- Improvement for the following physical assessments – waist circumference; improved blood pressure; weight and/or BMI demonstrated through pre and post measuring.

**Partnerships/Collaboration:**

Wood River Community YMCA, Blaine County Recreation

Obese/overweight teens

Teen exercise

## **6. Program Name: Cooking Matters**

### **Community Needs Addressed:**

Overweight/obese teens with food insecurity  
Overweight/obese adults with food insecurity  
This population has been shown to be at higher risk for obesity.

### **Target Population:**

General Community. Certain classes focus on teens, others for adults and seniors.

### **Description and Tactics (How):**

Community members that utilize the foods provided by the food bank learn to cook whole food, healthy recipes from a culinary expert (St. Luke's registered dietician). In addition a nutritionist educates on healthy eating. The program runs for 6 weeks for 2 hours each week. We anticipate offering 3-4 classes series this fiscal year. Each week we prepare and enjoy two dishes together as a group. By learning the tools needed to change the eating habits of the participants, the hope is that this population will prepare and consume more healthy whole foods and less processed foods. Participants receive a bag of groceries for one of the two recipes after each class with the challenge of preparing the same dish at home on their own.

### **Resources (budget):**

The salary for the nutritionist to teach the class is approximately \$300.00 per session taught, covered by St. Luke's Clinical Nutrition budget.

Staff from The Hunger Coalition and Idaho Food Bank are paid wages for the time they spend to prepare and facilitate the class. The chef, shopper, class assistant are volunteers.

### **Expected Program Impact on Health Need:**

A before and after survey is conducted for each series. Evaluation results show that completion of this course makes a lasting impression. Graduates continue to practice improved eating habits, cooking techniques and food resource management skills learned in class. In the case of an adult's class for 60+ participants, dinner clubs often come together as a way for participants to continue to share healthy food and each other's company after the course has ended.

### **Partnerships/Collaboration:**

The Hunger Coalition runs the program and provides all food and cooking equipment. Various facilities in the Wood River Valley donate their space to better reach certain populations or the Hunger Coalition will host the group. Idaho Food Bank supports the program by providing the

materials (curriculum, incentives (shopping bags, cutting boards, graduation certificates). St. Luke's has traditionally provided the nutritionist for 2-3 sessions per year.

## Significant Health Need #3: Improve Access to Affordable Health Insurance

Barriers to access are issues that prevent people from receiving timely medical care. They include things such as the lack of transportation to doctors' appointments, the availability of health care providers, and the cost of care. Our CHNA process identified the following high ranking barrier to access:

- Affordable health insurance

The health indicator data and community representative scores have ranked this barrier to access as one of our community's most significant health needs. A recent study showed that nearly 19 percent of U.S. adults do not receive medical care or delay medical care because they are concerned about the cost or worried that their health insurance would not pay for treatment.<sup>14</sup>

### **Impact on community:**

Improving access to affordable health insurance can make a remarkable difference to community health. According to the Gallup-Healthways Well-Being Index, Americans in poverty are significantly more likely than those who are not to struggle with a wide array of chronic mental and physical health problems.<sup>15</sup> Further, evidence shows that uninsured individuals experience more adverse outcomes (physically, mentally, and financially) than insured individuals. The uninsured are less likely to receive preventive and diagnostic health care services, are more often diagnosed at a later disease stage, and on average receive less treatment for their condition compared to insured individuals. At the individual level, self-reported health status and overall productivity are lower for the uninsured. The Institute of Medicine reports that the uninsured population has a 25% higher mortality rate than the insured population.<sup>16</sup>

### **How to Address the Need:**

We will work with our community to improve access to affordable health insurance options.

### **Affected populations:**

Statistics show that people with lower income and education levels and Hispanic populations are much more likely not to have health insurance.<sup>17</sup>

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<sup>14</sup> Kullgren JT, et al. Nonfinancial barriers and access to care for US adults. *Health Serv Res* online, 2011.

<sup>15</sup> <http://www.gallup.com/poll/158417/poverty-comes-depression-illness.aspx>

<sup>16</sup> University of Wisconsin Population Health Institute. *County Health Rankings* 2010-2015. Accessible at [www.countyhealthrankings.org](http://www.countyhealthrankings.org).

<sup>17</sup> Ibid

## **7. Program Name: Financial Care**

### **Community Needs Addressed:**

Affordable Care

Access to Affordable Health Insurance

Accepts public health insurance

### **Target Population:**

- Uninsured or underinsured adults
- Hispanic or other non-English speaking residents
- Low education; no college
- Low income adults and children in poverty
- Adults over the age of 65

### **Description and Tactics (How):**

Our Community Needs Assessment identified uninsured patients, affordable care, affordable insurance, and providers accepting public health insurance as high priority needs. To address these needs, St. Luke's provides care to all patients with emergent conditions regardless of their ability to pay.

### **Insurance/Payer Inclusion**

All St. Luke's providers and facilities accept all insurances, including Medicare and Medicaid. It is the patient's responsibility to provide the hospital with accurate information regarding health insurance, address, and applicable financial resources to determine whether the patient is eligible for coverage through existing private insurance or through available public assistance programs.

### **Financial Screening and Assistance**

St. Luke's works with patients at financial risk to assist them in making financial arrangements through payment plans or by screening patients for enrollment into available government or privately sponsored programs that they are eligible for. These programs include, but are not limited to, various Medicaid programs, COBRA and County Assistance. St. Luke's does not only screen for these programs, they help the patient navigate through the application process until a determination is made.

### **Financial Care and Charity**

St. Luke's is committed to caring for the health and well-being of all patients, regardless of their ability to pay for all or part of the care provided. Therefore, St. Luke's offers financial care to patients who are uninsured and underinsured to help cover the cost of non-elective treatment. Charity Care services are provided on a sliding scale adjustment based on income (based on the Federal Poverty Guideline), expenses and eligibility for private or public health coverage.

### **Resources (budget):**

The resources required to generate and support the Financial Care Process are primarily drawn from the organization's Patient Access and Financial Services departments. Administration of these programs includes registration roles (partially dedicated) in the clinic and hospital settings

as well as Financial Advocates, Customer Care Specialists and County Care Coordinators. The budget for unreimbursed care for FY 2016 is estimated to be over \$7.4 million.

**Expected Program Impact on Health Need:**

The impact from the program in helping patients using Medicare or Medicaid or who have low incomes in FY 2016 is shown below:

	FY 2016 Est
Charity	\$ 1,379,154
Bad Debt	\$ 1,665,486
Medicaid	\$ 498,399
Medicare	<u>\$ 3,952,755</u>
Total	\$ 7,495,793

St. Luke's will continue to promote financially accessible healthcare and individualized support for our patients in FY 2017, allowing thousands patients with low incomes or those using Medicaid and Medicare to have improved access to healthcare. St. Luke's is compliant with the 501(r) regulations and will continue to adhere to changes in the 501(r) program.

**Partnerships/Collaboration:**

St. Luke's works with commercial insurance companies, Health and Welfare (Medicaid), CMS, county commissioners, and Idaho Department of Insurance.

**Comments:**

## **8. Program Name: Information and Referral Services through the St. Luke's Center for Community Health**

### **Community Needs Addressed:**

All

### **Target Population:**

General Community

### **Description and Tactics (How):**

The St. Luke's Center for Community Health (CCH) connects our community to local health and mental health providers, social service agencies, government agencies, emergency services, and other nonprofit organizations. The CCH is open Monday – Friday, 9-5pm to provide information and referral services to anyone who needs this service. The highly trained staff meets one-on-one with those who are seeking information and referral services to fully understand all their potential health and social needs. The CCH is staffed by bilingual and English speaking staff.

### **Resources (budget):**

The Center for Community Health's departmental budget is approximately \$430k and includes all services CCH offers, including information and referral services.

### **Expected Program Impact on Health Need:**

This service connects patients and clients (community members) to appropriate resources to improve their social, mental and physical needs in a confidential and compassionate environment. The daily, weekly and monthly visits continue to increase every year with regard to individuals seeking information and referral services.

We had over 7,000 client contacts in fiscal year 2016 and expect that number to increase by at least 5% in fiscal year 2017.

### **Partnerships/Collaboration:**

CCH partners with nearly every other nonprofit in the community, including the Blaine County School District, The Advocates, The Hunger Coalition, Mountain Rides, local law enforcement. Additionally, we work closely with our physicians and other internal caregivers to provide these services to their patients.

## 9. Program Name: Compassionate Care Program

### **Community Needs Addressed:**

Affordable care

Access to Affordable Health Insurance

### **Target Population:**

- Uninsured or underinsured adults
- Low income adults and children in poverty
- Adults over the age of 65
- Additionally, anyone in the community needing emergency financial assistance for needs that impact their health, such as medical equipment, transportation, prescription assistance, dental care, etc.

### **Description and Tactics (How):**

St. Luke's recognizes that health crises and hospitalizations may create financial hardships for patients and their families. Compassionate Care Program (CCP) provides for emergent needs of patients and their immediate families, excluding hospital and professional fees normally assisted by Patient Financial Services. The CCP resources include, but are not limited to, assistance with food, lodging, transportation, medications, medical supplies, dental services, and other items deemed necessary for improving a patient's health status. Assistance from the CCP will be limited to the immediate family members and patients who have been admitted to, or have received services from, St. Luke's, are actively engaged in their health care, and meet financial eligibility requirements.

Center for Community Health will manage/oversee the tracking of the CCP. Funds will be distributed through CCH, Home Care, Social Services (hospital-based), and the clinic-based Care Coordinator. There is no specific limit to the amount an individual can receive from the fund recurring access of the funds in a calendar year or one-time use of the fund in excess of \$1,000 will prompt consultation and approval by multiple authorized fund administrators.

### **Resources (budget):**

\$80,000 for FY17, \$50,000 in Compassionate Care Funds and \$30,000 in additional staff support to manage the fund.

### **Expected Program Impact on Health Need:**

Improvement in health status of the patient. Reduction in health care expenses to the patient and to the broader health care delivery system. Patient access to additional community resources and programs/services.

In our first year of offering the program, we assisted 42 people for approximately \$11,000 (fiscal year 2016). We expect to serve at least 30% more people in fiscal year 2017.



**Partnerships/Collaboration:**

St. Luke's Wood River Foundation will cultivate and provide funding for the program in partnership with the medical center. Additionally, Croy Canyon Foundation has provided funding for our senior population. We work very closely with our physicians and caregivers to provide access to these funds for their patients in need.

## **10. Program Name: Heart of the Matter Health Screening**

### **Community Needs Addressed:**

Cholesterol and Diabetic Screening  
Affordable Care

### **Target Population:**

Blaine County Adults (General Community)

### **Description and Tactics (How):**

For fiscal year 2016 we changed the format of our screening program from a 2-day only screening to a year round opportunity to be screened in our primary care clinics, allowing for more access for the community. Anyone over the age of 18 has the opportunity to participate in the screenings. Lab results are sent directly to the person and to his/her MyChart account and we encourage members to actively share these results with their physician. If any critical values come back from the lab, our professional staff calls the participant personally and connect them with a primary care physician.

### **Resources (budget):**

Hospital departments that participate are:

St. Luke's Center for Community Health  
Education  
Hospital Administration  
Laboratory  
Patient Access/Clinics  
MyStLuke's  
Marketing/PR

We anticipate lower cost to the program as we will need less direct staff labor to provide the screenings. Labor costs will be absorbed by regular scheduled staffing levels.

### **Expected Program Impact on Health Need:**

We measure the success of this program by the number of participants that get screened on an annual basis. SLWR has offered this program to our community for nearly 15 years and we typically we screen between 900-1,100 each year, with this year's screening reaching 1008 participants. In FY 2016 from May until October, we screened 262 people.

The public response to the change in our format has been very positive, with feedback that the convenience of being screened at the patient's leisure is a benefit. The new process also allows

for a more personalized, direct experience with the patient. Our patient access staff have been trained to ask if the patient has a primary care provider and if they don't they offer to schedule an appointment. Additionally, patient access staff are trained to register patients for MyChart if they are not yet registered.

**Partnerships/Collaboration:**

We utilize the strength of our internal partners for this new format, including Lab, Patient Registration, Primary Care Clinics, Center for Community Health, and PR/Marketing

**Comments:**

SLWR feels this is one of our most important and successful programs we offer to our community.

## **11. Program Name: St. Luke's Center for Community Health Brown Bag Talks**

### **Community Needs Addressed:**

Alcohol  
Obese/overweight adults  
Mental illness  
Suicide  
Breast Cancer  
Cerebrovascular Disease  
Cholesterol

### **Target Population:**

General Community

### **Description and Tactics (How):**

Free one-hour health related talks on a variety of topics offered to the general community. These talks are held weekly using our physicians and licensed health care workers and provide an opportunity not only for the public to receive health education, but to better understand access to health care and the resources available at the medical center and the Center for Community Health.

### **Resources**

SLWR Medical Staff and other licensed care workers. Budget is minimal as we don't pay the speakers. Any expense is related to staff time in preparing for the talks. Expected operational salary cost for FY17 is approximately \$1500.

### **Expected Program Impact on Health Need:**

Success of the Brown Bag talks is determined by the number of attendees to each talk. We track these numbers for every talk provided in the community. In addition, topics are determined and approved by the Senior Leadership Team of the medical center to ensure relevancy to the community. 470 community members attended Brown Bag Talks during FY16.

### **Partnerships/Collaboration:**

Collaboration efforts are with the staff of the St. Luke's Center for Community Health and the medical staff of the hospital. We also partner with other community nonprofits for specific topics, eg Hospice of the Wood River Valley and the Advocates.

## **12. Program Name: Breast Screening for the Uninsured and Underinsured Women Project**

### **Community Needs Addressed:**

Mammography screening  
Breast Cancer  
Access to Affordable Health Insurance

### **Target Population:**

Our project targets uninsured and underinsured women accessing mammography screening in our service area. Our project specifically targets those women living in counties within Idaho's Health District #5. Mammogram scholarships are available to women ages 20 and above. The grant specifically works to encourage Hispanic women to access these funds. Reduced rates are determined on the individual's financial situation and ability to pay.

### **Description and Tactics (How):**

The goal of the St. Luke's Wood River Breast Screening for the Uninsured and Underinsured Women Project is to fund screening and/or diagnostic mammograms and/or breast ultrasound, thus removing cost as a barrier for women accessing breast health services, identifying cancer at an earlier stage when it is easier to treat, and ultimately increasing the survival rate of women receiving support from this project. This project is funded through the Idaho Affiliate, Susan G. Komen for the Cure.

According to a 2011 article from the Idaho Department of Health and Welfare, more than a third of Idaho women over 40 did not receive important breast cancer screening in the last two years, making Idaho last out of 50 states and the District of Columbia in cancer screening mammogram rates.

The Cancer Data Registry of Idaho estimates there are over 122,000 Idaho women over the age of 40 who have not had a mammogram in the previous two years.

Recognizing the direct connection between access to mammography screening and decreased incidence of cancer and death, St. Luke's Wood River has made it a priority to provide the most advanced breast imaging technology available for all women in our rural service area.

This project provides funding for the costs of screening and or/diagnostic mammograms and/or breast ultrasound for women 25 years of age and older. These scholarships will help offset the cost of care for patients with limited financial means and will help to increase mammography and other women's health screening rates in our service area. St. Luke's Wood River works with local providers of women's health care to encourage women in high risk populations to utilize the funds available through this grant. This effort will result in identifying cancer at earlier stages

when it is easier to treat, potentially increasing the survival rate of women receiving support from this project.

This program is vital in our effort to encourage all women in our community to access mammography services. Given the continuing uncertain economic climate, we anticipate that preventative healthcare services, such as mammograms, are one of the things women will delay to pay for other household expenses. Now, more than ever, women in our community need this assistance.

Providing funding for financial scholarships for women receiving mammograms, breast ultrasound, and other important health screenings is an important part of St. Luke's Wood River's community outreach to encourage women to access mammography services. It is our goal that reducing the cost of mammograms will increase access, thereby ultimately leading to a reduction in late-stage diagnosis of breast cancer.

**Resources (budget):**

For our 2017 grant (4/2016- 3/2017) \$5000 was awarded to St. Luke's Wood River. So far, from 5/01/2016 through 9/30/2016, 22 patients have received 68 services.

For our 2016 grant, (4/2015 through 3/2016) \$7000 was awarded to St. Luke's Wood River.

**Expected Program Impact on Health Need:**

Success of our program will be measured by the number of women who receive mammography services, the number of first mammograms provided, the number of abnormal results and the number of breast cancers and the stage of breast cancers identified. For our 2016 grant, 46 patients received 54 services with 6 first mammograms, 34 screenings total with 20 diagnostic results, 0 cancers.

For our 2017 grant cycle so far 22 patients have received 68 services with 6 first mammograms, 37 screenings total with 31 diagnostic results, 0 cancers.

**Partnerships/Collaboration:**

St. Luke's Wood River Breast Screening for the Uninsured and Underinsured Women Project is made possible through a partnership with the Idaho Affiliate, Susan G. Komen for the Cure, St. Luke's Wood River and St. Luke's Wood River Foundation.

St. Luke's Wood River Medical Center will continue to collaborate with local providers of women's health care, St. Luke's Mountain States Tumor Institute (MSTI), Breast Care Diagnostic Center (BCDC), the Department of Health, the St. Luke's Center for Community Health and St. Luke's Family Medicine to encourage women in high-risk populations to utilize the funds available through this program.

The St. Luke's Center for Community Health will also provide information, brochures, referrals, community education forums, and an annual health fair with culturally appropriate information about breast cancer awareness, breast cancer screening, and financial resources available such as the Komen grant that help pay for the costs of screening and diagnostic mammograms.