

CARING FOR
THE COMMUNITY
ONE PATIENT AT A TIME



Dick Barber had no concerns about his health, until he had a heart attack.

On April 11, 2002, Dick Barber was playing golf when he experienced some dizziness. "Although I never experienced chest pains or any classic signs of a heart attack, I decided to leave the game and return home," said Barber. When his symptoms persisted, he and his wife called 911. The call saved Barber's life.

Paramedics quickly arrived and rushed him to St. Luke's Hospital, where a team of medical professionals helped to determine his condition. "His heart was completely blocked," said Bakr Salem, MD, St. Luke's cardiologist. After the initial diagnosis in the emergency room, Barber was taken to St. Luke's cardiac catheterization lab for an emergency procedure. "He went into cardiac arrest during the catheterization and was resuscitated," said Salem.

Barber has made huge strides in his health and now encourages his friends to do the same. He realizes that he has control of his health and takes actions to improve it each day.

Ann Shadowens doesn't have time for breast cancer.

She's too busy with her grandkids and a social life that would put most teens to shame. Shadowens, a cancer patient and member of St. Luke's Hospital's breast cancer support group, FOCUS, approaches her illness with honesty and a sense of humor. "Last Christmas I bought soap crayons so my 4-year-old granddaughter could draw on my head. I wanted her to be comfortable with my baldness; after all, I am," she said.

Shadowens' level of comfort with breast cancer can be attributed to two things: her amazing spirit and her connection to other women through the FOCUS program at St. Luke's Hospital. "The FOCUS meetings are inspiring. They give women like Ann a venue to share their stories, triumphs and challenges," said Lynn Stadnyk, coordinator of St. Luke's FOCUS group.



David Wood is beating the odds and winning.

In the early fall of 2001, Wood never suspected he would be experiencing a stroke. On September 4, he noticed his legs seemed weak and decided to try and alleviate the weakness by walking. After twenty minutes, his legs gradually lost strength. By the next morning, he woke to paralysis in both his legs. Wood was taken to St. Luke's Hospital where he received a tissue-saving drug known as Tissue Plasminogen Activator (T-PA).

Four months after having the stroke, Wood began working at his prior accounting position, two days a week, then three. "The main thing a person needs [after experiencing a stroke] is to be patient and have a positive frame of mind," said Wood. Wood's rehabilitation and positive frame of mind paid off; in July, David Wood returned full time to his job.

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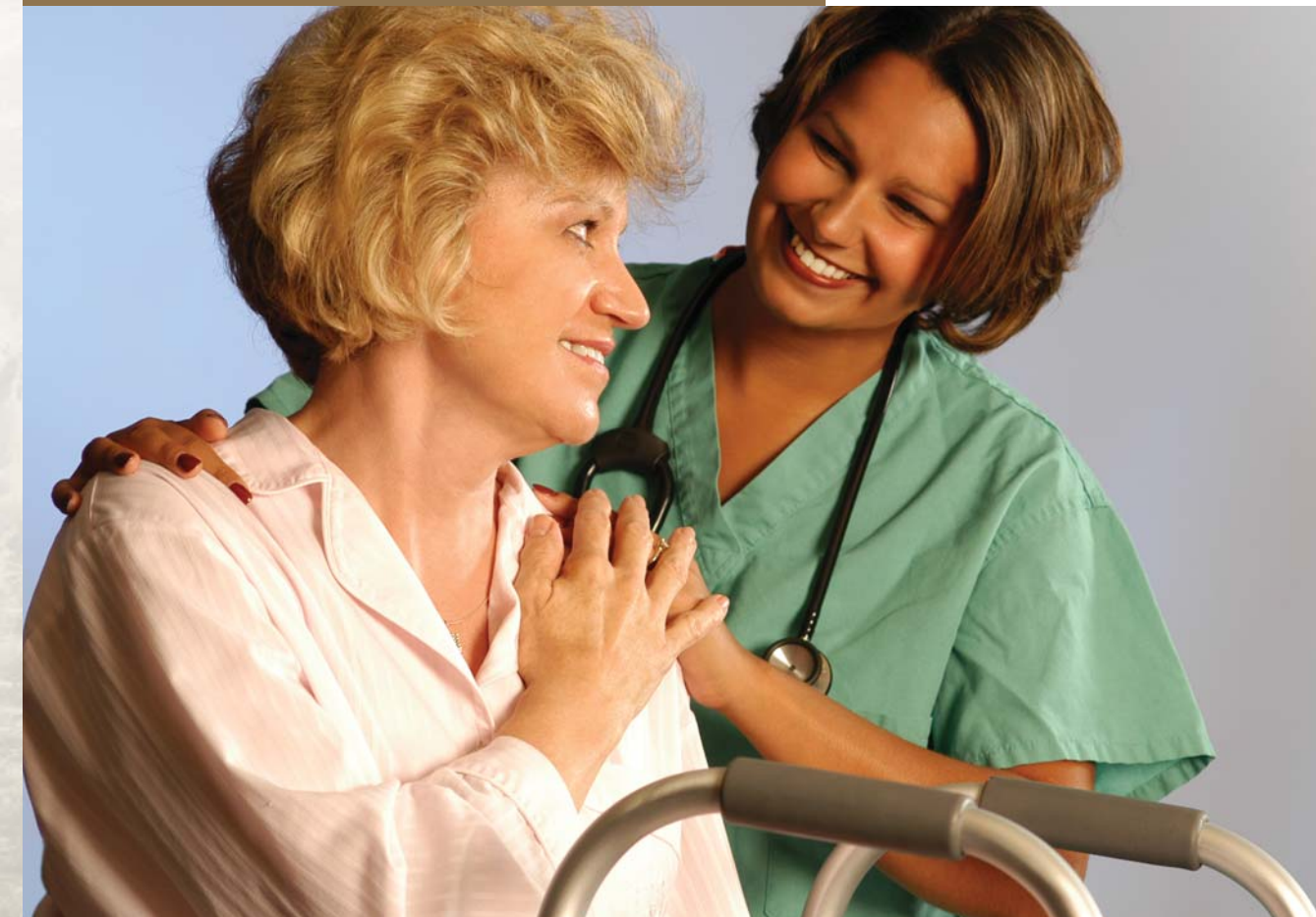
SERVICE



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Chesterfield, MO 63017
www.stlukes-stl.com

St. Luke's Today

S E R V I C E



C O M M I T M E N T

E X P E R T I S E

2002 annual report

A YEAR OF GROWTH AND OPPORTUNITY

Welcome to St. Luke's 2002 annual report.

The past year marked St. Luke's Hospital's 136th year of service to the metropolitan area and its 27th year of service in Chesterfield. We are pleased to highlight some of St. Luke's most significant activities and accomplishments in what has been a year of growth and opportunity.

Operating as an independent hospital again for the first time since 1994, we witnessed a renewed spirit in the culture and tradition that is unique to St. Luke's. Our independence has given us the opportunity to remain flexible and competitive in the marketplace, while focusing on the mission and principles that have guided St. Luke's for more than a century.

True to our mission and dedication to improve the health of the community, St. Luke's continues to identify regional health needs and expand our services appropriately. Over the past year, St. Luke's opened an Urgent Care Center in St. Charles County; provided pediatric care at St. Luke's Pediatric Care Center in north St. Louis County; established a partnership with the Lincoln County Medical Center in Troy; and began construction on a 70-thousand square-foot outpatient services building scheduled to open late fall. In addition to expanding our facilities, we continue to improve upon our current services by incorporating the latest technologies to better meet the needs of our patients.

During 2002, our dedication to providing exceptional health care was nationally recognized by the American Association of Retired Persons, *U.S. News & World Report* and *Modern Healthcare*. These accomplishments are as much a source of pride for us as our community outreach initiatives, which touched the lives of thousands of people over this past year.

Amidst this exciting time of growth and opportunity, we remember the heart of our organization – our dedicated board of directors, medical staff, employees, Auxiliary and volunteers, whose combined talents make St. Luke's a regional health care leader.

Thank you for your support of St. Luke's Hospital as we continue to achieve our mission of superior patient care and ongoing service to the community.

Sincerely,

E. Lawrence Keyes, Jr.
Chairman, St. Luke's Board of Directors

Gary Olson
President and Chief Executive Officer
St. Luke's Hospital

Board of Directors

E. Lawrence Keyes, Jr.
Chairman of the Board

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RECOGNIZING SKILL, TECHNOLOGY AND DEDICATION

Awards and Recognition

The American Association of Retired Persons and *Modern Maturity* magazine named St. Luke's Hospital as one of Ten Leading Hospitals in the nation for cardiac, pulmonary, renal and infectious care. *U.S. News & World Report* listed St. Luke's Hospital among America's Best Hospitals for respiratory care and geriatrics. *Modern Healthcare* recognized St. Luke's Hospital as one of 100 Top Hospitals overall, and identified St. Luke's orthopedic programs and cardiovascular services among the 100 Top programs nationwide. In addition to recognition for its medical excellence, St. Luke's received Honorable Mention in the *St. Louis Business Journal's* "Best Places to Work."

New technologies

To remain a leader in health care, St. Luke's offers patients the latest and most advanced technology available.

St. Luke's was one of the first medical centers in the St. Louis area to provide advanced technology for cardiac patients. The cutting balloon is the first and only system to combine the features of conventional balloon angioplasty with advanced microsurgical capabilities.

In January 2002, St. Luke's acquired the R2 ImageChecker®, the only FDA-approved computer aided detection system for breast imaging. The first of its kind in the St. Louis area, the ImageChecker® helps to ensure accurate readings of screening and diagnostic mammograms.

In February 2002, St. Luke's purchased an intensity-modulated radiation therapy unit (IMRT) for use in radiation oncology. Unlike traditional radiation therapy that can wipe out healthy tissue along with the tumor, IMRT enables doctors to pinpoint and treat the tumor, sparing healthy tissue and reducing side effects.

Continuing Medical Education

To keep abreast of new technologies and procedures, St. Luke's Continuing Medical Education department offers medical staff education through a variety of conferences and in-services. Over the past year, St. Luke's Continuing Medical Education department sponsored 174 programs attended by 4,628 physicians and 1,074 non-physicians.

The Residency in Internal Medicine Program is in its twenty-fifth year at St. Luke's Hospital. Nearly 40 post-graduate residents participate in the three-year program and continue to score above the national average on the certifying examinations for the American Board of Internal Medicine. This year, one resident was nationally recognized by the American College of Physicians for presenting an outstanding clinical vignette poster at the association's annual meeting.

Chiefs of Service

Mohammad Bashiti, MD, *Chief, Department of Anesthesiology*
 Karen Halverson, MD, *Chief, Department of Radiation Oncology*
 David Krajcovic, MD, *Chief, Department of Surgery*
 Paul Mennes, MD, *Chief, Department of Medicine*
 Gary Omell, MD, *Chief, Department of Radiology*
 Carlton Pearse, MD, *Chief, Department of OB/GYN*
 Roger Reichert, MD, *Chief, Department of Pathology*
 Janet Ruzycki, MD, *Chief, Department of Pediatrics*



SERVING PATIENTS, GUESTS AND EMPLOYEES

Culture of Service

Treating patients and guests with the high-quality care they expect begins by giving employees the respect and recognition they deserve. It is no secret: when employee morale is high the ability to deliver exceptional customer service soars. Through frequent communications, quarterly employee celebrations, and personalized recognition, St. Luke's philosophy of treating employees like family is brought to life.

Over the past year, St. Luke's employees attended Even Exchange and "Thank You" luncheons with Hospital President Gary Olson; contributed to the employee newsletter, *Around St. Luke's*; participated in employee meetings; volunteered time and expertise at community outreach events; and nominated co-workers for Star awards and the 100 Club, St. Luke's employee recognition programs.

A testament to St. Luke's culture of service is the Customer Relations Team. Formed by a dedicated group of employees, and encouraged by hospital leadership, this team helps to ensure that employees, patients and guests are welcomed, informed, appreciated and recognized.

Access to Information

Keeping patients, guests, employees and the community informed is a priority. Launched this past year, St. Luke's website, www.stlukes-stl.com, highlights services, events and latest health news. Users can log on to find directions to facilities, view newborns, or learn more about a specific service. Updated, organized and just a click away, St. Luke's website puts important information at visitors' fingertips.

St. Luke's internal intranet site gives employees the latest information about St. Luke's events. This handy tool allows employees, physicians and volunteers to get the fast, focused information they need to stay up to date.

In October 2001, St. Luke's published the first issue of *Health & Harmony*, a quarterly community health magazine. Mailed to 25,000 homes, this magazine highlights the latest health issues and promotes upcoming programs, health fairs and special events.

Patient Satisfaction

St. Luke's continues to excel on patient satisfaction reports. Many patients have commented how employees, physicians and staff exceed their expectations for care:

"I feel compelled to write this note of appreciation to acknowledge your devotion and hard work at St. Luke's Breast Care Center. Last month, I had an appointment and a procedure was performed. I am extremely grateful for the skill in which all aspects of my visits were conducted."

"I am so grateful to have this facility in our community. You will be highly recommended. Thank you again and may God continue to bless you for the devoted work you do each day!"

Senior Staff

Gary Olson, *President & Chief Executive Officer*

Brian Spillers
Senior Vice President – Finance

William Thomson, MD
Vice President – Medical Affairs

Gail Wagner
Vice President - Nursing Services

Dorothy Barnard
Director of Mission

Maged Haikal, MD

Jan Hess
Administrator

Brenda Kelly
Administrator

David Krajcovic, MD

Paul Mennes, MD

Gary Omell, MD

Carlton Pearse, MD

Janette Taaffe
Director of Human Resources

Wendy Wells
Administrator

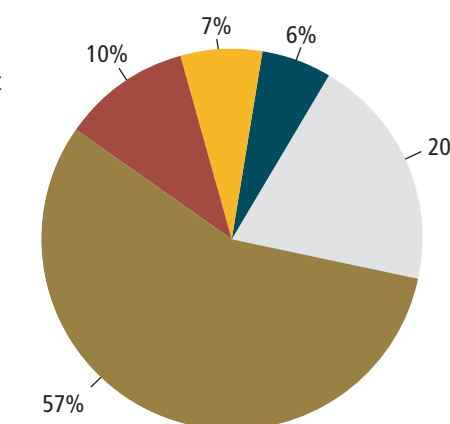
LOOKING BACK MOVING FORWARD

The hospital continues to generate cash from operations and remains in a strong financial position to ensure a solid foundation for the future. Continued positive results provide resources necessary for recruitment and retention of quality staff through a comprehensive market-based compensation and benefit program, growth and expansion of new services, investment in strategic capital expenditures and new technology, and retirement of long-term debt. St. Luke's provided \$6.8 million in charity care to the community in fiscal year 2002.

Operating results

St. Luke's gain from operations for the fiscal year ending June 30, 2002 was \$11,207,000 compared to \$10,526,000 for the prior year. This represents operating margins of 4.5 percent and 4.8 percent respectively. Based on the hospital activity shown below, total operating revenue grew to \$248 million, a 14 percent increase over the prior fiscal year. The components of operating expenses are shown on the accompanying chart.

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



Utilization summary	Fiscal Year 2002	Fiscal Year 2001
Admissions	18,298	17,219
Average Length of Stay	4.6	4.4
Average Daily Census	231	210
Outpatient Registrations	153,983	146,048
Surgeries	21,472	20,644
Births	2,812	2,536
Surrey Place Average Residents Per Day	129	122

Expansion

St. Luke's is dedicated to identifying communities' unique health needs in order to offer a wide range of services. In December, St. Luke's opened an Urgent Care Center at Highway 94 and Wolfrum Road in St. Charles County. In November 2002, St. Luke's fifth Urgent Care Center will be opened in Fenton. St. Luke's continues to explore additional opportunities to meet the demands of St. Charles County and surrounding communities.



Building project

A major growth activity on St. Luke's campus is the construction of a four-level outpatient services building, adjacent to the hospital. This new building and adjoining parking facility will provide area residents with enhanced accessibility to a comprehensive multidisciplinary cancer center and expanded outpatient services.



PROMOTING GOOD HEALTH THROUGH COMMUNITY EDUCATION

Special Events

St. Luke's is dedicated to identifying the unique health and educational needs of the community. This dedication is evident through the variety of free events, classes, programs, health fairs, screenings and support groups that are sponsored by the hospital. Over the past year, nearly 10,000 people, ages 4 to 96, participated in St. Luke's-sponsored activities. St. Luke's Speakers Bureau served an additional 7,000 people through free programs held at local schools, churches, and civic and professional organizations. Several of the year's special events included the *Opportunity Fair*, a health and education fair for individuals 55 and older; a skin cancer screening; and *Conversations for Women*, a program highlighting women's health issues.

Classes and programs

St. Luke's creates specific educational programs for different age groups within the community. Over the past year, the following classes and programs were offered: CPR, first aid, fitness, Golden Opportunities, Heart Club, nutrition, sitter skills, sibling class, smoking cessation, infant and maternity care, weight management and complementary medicine topics.

