



2008 Annual Report



Welcome to St. Luke's 2008 Annual Report

St. Luke's is in the midst of one of the most exciting times in its more-than-140-year history. This year our Desloge Outpatient Center opened across the street from the main hospital, and the new Cardiothoracic/Neurosurgical/Surgical ICU is nearly completed. Our new Rehabilitation Hospital on the grounds of Surrey Place will begin accepting patients this fall, shifting patients from the hospital to the new facility and opening up more space in our clinical units.

Growth is not measured just in buildings, however, but in the quality, spirit and culture of an organization. St. Luke's has received several awards and recognitions in 2008, all of which highlight the hard work and continuous dedication of all of our employees.

In 2008, for the second year in a row, St. Luke's was named one of America's 50 Best Hospitals™ by HealthGrades® a national, independent healthcare ratings company. To receive this honor, which is solely based on quality clinical outcomes, is extremely gratifying to all of our employees, physicians and volunteers.

St. Luke's was also rated as being the best in the St. Louis area for spine surgery and for pulmonary services, as well as rating in the Top 3 hospitals in Missouri for cardiac care.


High quality patient care is a tremendous asset to any community and St. Luke's is equally dedicated to providing a high quality workplace culture for our employees. Efforts in this area were rewarded with St. Luke's ranking third in the nation for overall job satisfaction by an international human resources consulting firm.

We remain proud of these accomplishments, while recognizing that quality care is a continuous goal that we strive to achieve every day, with every patient.

Sincerely,



Gary Olson
President and CEO



Jack Biggs
Chairman, Board of Directors



Gary Olson and Jack Biggs in the lobby of the Desloge Outpatient Center.

Living Our Mission

Mission Statement

Faithful to our Episcopal-Presbyterian heritage, and its ministry of healing, St. Luke's Hospital is dedicated to improving the health of the community. Using talents and resources responsibly, our medical staff, employees and volunteers provide care for the whole person with compassion, professional excellence, and respect for each other and those we serve.

St. Luke's Mission Outreach

St. Luke's employees are consistently generous with their time and treasure, donating items to various food, clothing, book and school supply drives throughout the year. In 2008, our employees donated over 1,400 pounds of food to help feed the hungry in our community and more than \$30,000 for the American Heart Association. St. Luke's exceeded its goal of \$97,000 for the United Way campaign. The hospital community recognizes that living its mission means improving the health and wellbeing of our community - in whatever form that might take.

Pediatric Care Center

For more than 60 years, St. Luke's Hospital has been providing care for medically underserved and uninsured children in the St. Louis region. In fiscal year 2008, its Pediatric Care Center in North County saw nearly 6,000 children from birth to age 18 in a private practice setting. The primary goal of the Center is to establish and maintain access to healthcare for families through a primary care physician, thereby helping these patients understand and deal with potential health issues before the issues become serious enough to require acute care.

St. Luke's Auxiliary

Volunteers play an important role at St. Luke's. They help the hospital extend its mission of service to one another and the community. Since 1952, the Auxiliary of St. Luke's has supported the hospital through fund raising, community service projects and social events. They help promote spiritual, emotional and physical well-being. And, most importantly, volunteers demonstrate care and concern to those in need.

Community Outreach

St. Luke's continues its strong commitment and dedication to improving the health of the community it serves. Through classes, events and the HeartAware™ early detection program for heart disease, we provide health education to children and adults across our region. We partner with more than 100 area employers through our Passport to Wellness program, bringing screenings and health-related information to worksites.



Quality Data

At St. Luke's Hospital, we take pride in the care we provide. To monitor the quality of that care, we track specific quality measures and compare them to state and national standards. The following data, as publicly reported on the federal government's Web site, represents our performance in key quality areas. These results reflect St. Luke's commitment to quality care.

Heart Attack Care

Jan. - Dec. 2007	St. Luke's Hospital	Missouri Average	National Average
Aspirin at arrival	96%	90%	93%
Aspirin at discharge	99%	90%	91%
Beta Blocker at arrival	93%	85%	89%
Beta Blocker at discharge	95%	89%	92%
Smoking cessation advice/counseling	99%	93%	92%

Pneumonia Care

Jan. - Dec. 2007	St. Luke's Hospital	Missouri Average	National Average
Blood cultures before antibiotic	95%	91%	90%
Antibiotic within 6 hours	97%	92%	93%
Most appropriate initial antibiotic selection	89%	86%	87%
Assessed and given pneumococcal vaccination	95%	81%	78%
Smoking cessation advice/counseling	85%	88%	85%

Heart Failure Care

Jan. - Dec. 2007	St. Luke's Hospital	Missouri Average	National Average
LVF assessment*	99%	83%	87%
Smoking cessation advice/counseling	100%	87%	89%
Discharge instructions	73%	70%	69%

*Left ventricular function (evaluation of how well your heart is pumping)

Missouri and national averages are based on January to December 2007 data published on www.hospitalcompare.hhs.gov.

HCAHPS Patient Experience Survey

Jan. - Dec. 2007	St. Luke's Hospital	Missouri Average	National Average
Percent of patients giving the hospital an overall rating of 9 or 10 on a scale of 0-10 (0 = Worst Hospital 10 = Best Hospital)	69%	63%	64%
Percent of patients that would definitely recommend hospital to family and friends	76%	66%	68%

Surgical Care Improvement Project (SCIP)

Jan. - Dec. 2007	St. Luke's Hospital	Missouri Average	National Average
Surgery patients received preventative antibiotic(s) one hour before incision	90%	86%	84%
Surgery patients received appropriate preventative antibiotic(s) for their surgery	92%	89%	91%
Surgery patients preventative antibiotic(s) stopped within 24 hours after surgery	78%	81%	82%
Surgery patients whose doctors ordered treatments to Prevent Blood Clots for certain surgeries	96%	82%	80%
Surgery patients received treatment to prevent blood clots within 24 hours before or after selected surgeries	96%	78%	77%



St. Luke's Growth and Expansion

Expanded Outpatient Services

The Mr. and Mrs. Theodore P. Desloge, Jr. Outpatient Center, directly across from the hospital on the west side of Highway 141, is one of the most visible signs of the exciting times at St. Luke's. The Desloge Center, which opened in March, consolidates many of our outpatient services for the convenience of our patients. In addition, the top floors allow for future expansion. Outpatient services offered at the Desloge Center include:

- **Outpatient Cardiology Services**, including 64-slice CT imaging for coronary CT angiography, echo testing and stress testing
- **Vascular Services**, including carotid artery scanning and arm and leg blood vessel scanning
- **Outpatient Therapy Services and Cardiac Rehabilitation**, including expanded availability for cardiac rehab and a new aquatics program
- **Radiology and Imaging Services**, including CT, MRI, ultrasound, nuclear medicine and diagnostic radiology
- **Laboratory draw station**, for the convenience of our patients who need blood tests before a procedure, or who are coming to campus only for lab work

Advancing and Expanding Care

Cardiothoracic/Neurosurgical/Surgical ICU

St. Luke's is opening an expanded 22,000-square-foot Cardiothoracic, Neurosurgical and Surgical Intensive Care Unit in October 2008. The facility is dedicated to treating cardiac, neurosurgical, vascular and other postoperative patients requiring specialized intensive care services.

The medical staff at St. Luke's will continue to collaborate closely with our esteemed team of cardiothoracic surgeons, neurologists and neurosurgeons to determine the best possible treatment options for patients admitted to the facility.

Center for Cancer Care Acquires Advanced Technology

St. Luke's Hospital urologists have begun using the hospital's newly purchased da Vinci robotic-assisted surgical system to perform complex, minimally invasive surgery on prostate cancer patients. With this state-of-the-art technology, the surgeon's hand movements are scaled, filtered and translated into precise movements by micro-instruments within the operative site.

St. Luke's is initially using the system for prostatectomies and certain gynecological surgeries and plans to expand to cardiothoracic surgeries, as well. The new system will offer St. Luke's patients important benefits, including shorter hospital stays, less pain and risk of infection, less scarring and faster recovery.

St. Luke's Rehabilitation Hospital

St. Luke's Rehabilitation Hospital is scheduled to open in October 2008 on the campus of Surrey Place. The new 35-bed, 30,000 square-foot facility will bring much needed post-acute services to residents of the St. Louis region. It will offer intensive inpatient rehabilitation programs and services to patients with severe illnesses and injuries, like stroke, traumatic brain injury and neurological disorders.

The Rehabilitation Hospital will employ nearly 60 medical and therapy professionals, as well as support personnel, including staff from the existing rehabilitation unit.



The newly expanded Cardiovascular/Neurosurgical/Surgical ICU



St. Luke's physicians using the da Vinci surgical robot



St. Luke's Rehabilitation Hospital on the grounds of Surrey Place

St. Luke's Spirit of Women

St. Luke's is proud to be a Spirit of Women Hospital, an elite coalition of American hospitals that ascribe to high standards of excellence in women's health, education and community outreach. Spirit of Women hospitals are committed to making good health easier and to helping women and their families take action resulting in better health. St. Luke's is proud to be the only Spirit of Women hospital in the St. Louis region.

Over 1,000 area women have already joined St. Luke's Spirit of Women and are taking advantage of the retail discounts and invitations to special events that come with membership.

Spirit of
Women



St. Luke's Spirit of Women was launched at the annual Conversations for Women event, which featured keynote speaker Florence Henderson.



The Mr. and Mrs. Theodore P. Desloge, Jr. Outpatient Center, located directly across from the hospital on the west side of Highway 141.

St. Luke's Honors and Quality Recognitions

HealthGrades America's 50 Best Hospitals for 2007 and 2008

St. Luke's Hospital has been recognized as one of America's 50 Best Hospitals by HealthGrades, the nation's leading independent healthcare ratings company in 2008, for the second year in a row. This prestigious designation recognizes hospitals that have demonstrated superior clinical quality over a seven-year time period, based on analysis of tens of millions of Medicare patient records from 1999-2006. These hospitals have achieved better survival rates and lower complication rates across dozens of medical procedures and diagnoses, from cardiac care to orthopedic surgery, consistently ranking among the top one percent in the nation for overall clinical outcomes.



National Study Ranks St. Luke's Best in St. Louis for Spine Surgery and Pulmonary Care and Top 3 in State for Cardiac Care

A HealthGrades study of hospital quality in America identified St. Luke's Hospital among the top performers in a wide variety of clinical specialties. According to the HealthGrades study, St. Luke's is:

- Rated best in the St. Louis area for spine surgery
- Rated best in the St. Louis area for pulmonary services such as treatment of pneumonia and chronic obstructive pulmonary disease (COPD)
- Rated among the Top 3 hospitals in Missouri for cardiac care for the second consecutive year. St. Luke's received 5-star ratings for the treatment of heart failure and for stroke care for the fifth consecutive year. Patients admitted to the nation's top-performing hospitals with multiple five-star ratings such as St. Luke's, have average mortality rates that are 71 percent lower than those treated at one-star rated hospitals across 18 procedures and conditions, according to the study.

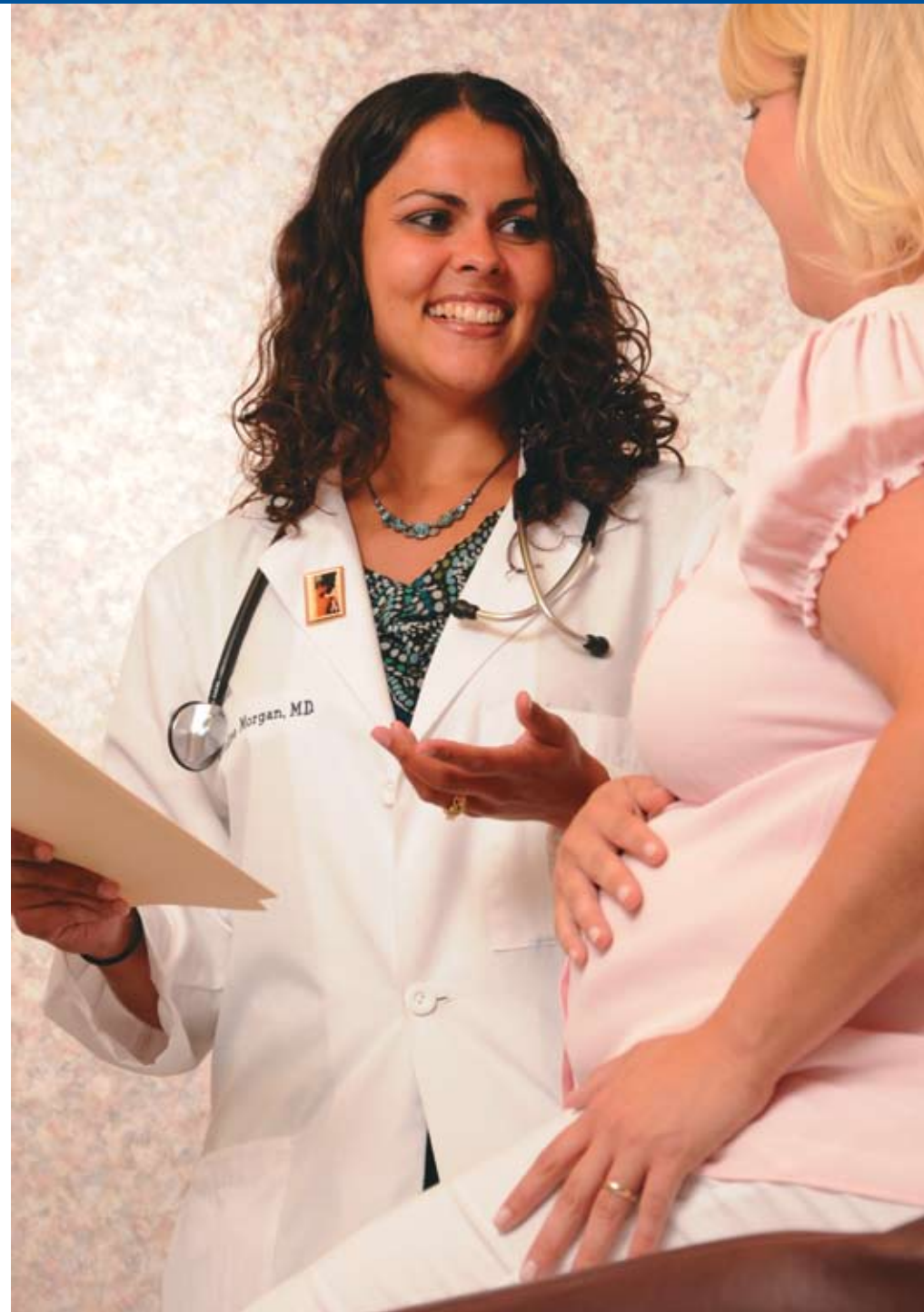
Best Places to Work

HR Solutions, Inc. announced St. Luke's Hospital ranks third out of 650 companies in the nation for overall job satisfaction. HR Solutions, Inc. is an international human capital management consulting firm specializing in employee engagement.

Heart Institute Honors

The Heart Institute received the 2007 Blue Distinction Center for Cardiac Care from Anthem Blue Cross/Blue Shield in recognition of high standards of clinical care, processes and outcomes.

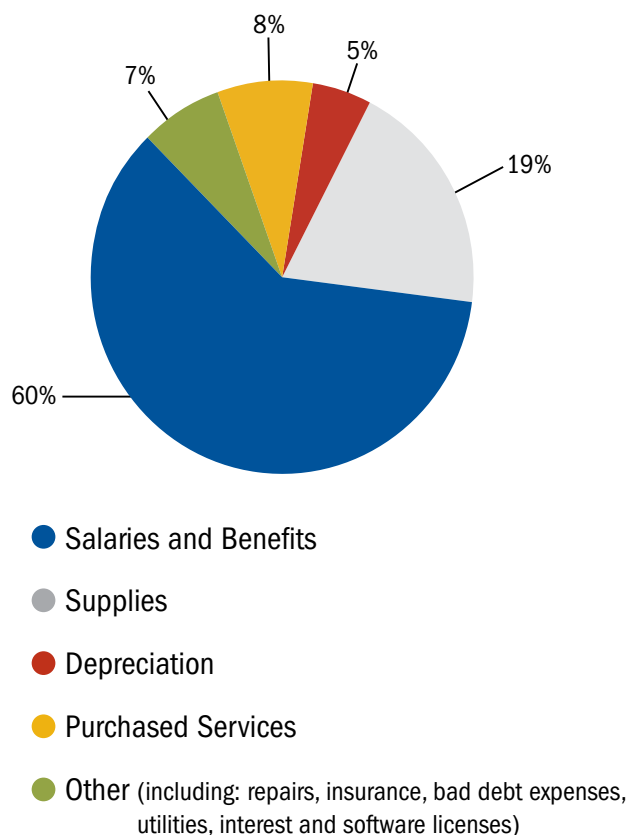
St. Luke's Heart Institute has also been designated a UnitedHealth Premium Cardiac Specialty Center based on evaluations of quality processes, adherence to evidence-based approaches, compliance with nationally recognized guidelines and capability to handle cardiac treatment through a continuum of stages.



Operating Results

St. Luke's gain from operations for the fiscal year ending June 30, 2008 was \$7,571,000, representing an operating margin of 2.0 percent. Based on the hospital activity shown to the right, total operating revenue grew to \$375 million, a 3.2 percent increase over the prior fiscal year. St. Luke's provided more than \$12.2 million in charity care to the community in fiscal year 2008.

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



Utilization Summary

	Fiscal Year 2007	Fiscal Year 2008
Admissions and Observation Days	22,391	22,497
Average Length of Stay (days)	4.6	4.6
Average Daily Census	240	243
Surgeries	19,255	17,932
Births	2,192	2,128
Outpatient Registrations	169,102	176,688
Emergency Department Visits	31,931	31,528
Urgent Care Center Visits	77,051	85,007
Surrey Place Average Residents Per Day	132	131



Philanthropy at St. Luke's Makes a Difference

Advancing Excellence with Exceptional Care Campaign

Nearly four years ago, St. Luke's Hospital embarked on its first major fundraising initiative in over 20 years. The Campaign for St. Luke's Hospital, Advancing Excellence with Exceptional Care, initiates a comprehensive development plan to expand and strengthen services and improve access to care. Participation from grateful patients, board members, physicians, community leaders and corporations has set the pace for attaining the goal of \$30 million.



The Board of Directors and administration of St. Luke's are incredibly grateful for the strong commitment of the St. Louis community. Responses have been very favorable with current results of \$18.5 million to date.

Facility developments and improvements, technology acquisition, quality enhancements and physician recruitment remain important priorities for the delivery of exceptional healthcare. St. Luke's continues to focus on maintaining strong patient and family outcomes and improving the patient experience.

Current funding supports medical campus development projects, including:

- Mr. and Mrs. Theodore P. Desloge, Jr. · Patient room renovations
- Outpatient Center · Medical and Information Technology
- William R. and Laura Rand Orthwein, Jr. · Programmatic and Clinical Services
- Brain & Spine Center · Endowment
- Richard L. Battram Memorial Lobby · Physician Education and Recruitment

One of the primary goals of the Advancing Excellence with Exceptional Care Campaign has been accomplished. The creation of the Desloge Outpatient Center provides many medical high-tech services that are convenient and accessible for patients.

Next Steps to Campaign Success

As momentum accelerates, the campaign will provide funds to support projects of the Robert Paine, MD Heart Institute, which includes the expanded Cardiovascular, Neurosurgical and Surgical Intensive Care Unit and new cardiovascular surgical facilities. Other major components of the campaign remain paramount:

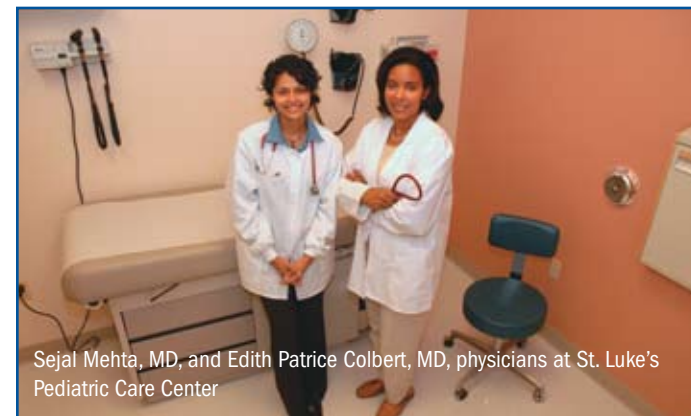
- Technology and equipment enhancements
- Endowment resources
- Center for Cancer Care program and services
- Women's health initiatives

Friends of St. Luke's Raise nearly \$480,000

This year marks a monumental achievement for the Friends of St. Luke's. Record annual giving results totaled \$224,000 with 113 St. Luke's Society donors (\$1,000+ annual donors). In addition, "A Solid Gold Evening" benefit raised \$254,434 for the St. Luke's Pediatric Care Center.



Jan Potts, Toni Leidenfrost and Annie Schlafly pose with Frankie Avalon and Bobby Rydell at the Friends of St. Luke's Gala



Sejal Mehta, MD, and Edith Patrice Colbert, MD, physicians at St. Luke's Pediatric Care Center

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232 S. Woods Mill Road
Chesterfield, MO 63017
www.stlukes-stl.com

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